

# NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

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

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIRST ANNUAL GENERAL MEETING ("AGM") OF NESTLÉ INDIA LIMITED will be held on Friday, 19<sup>th</sup> June 2020 at 10:00 a.m., Indian Standard Time ("IST"), through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year 2019 including Balance Sheet as at 31<sup>st</sup> December 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of three interim dividends, aggregating to ₹ 101/- per equity share, for the year 2019 out of current year profits and a special interim dividend of ₹ 180/- per equity share out of accumulated profits of previous years (surplus in the profit & loss account) and to declare a final dividend on equity shares for the financial year ended 31<sup>st</sup> December 2019.
3. To appoint a Director in place of Mr Martin Roemkens (DIN: 07761271), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 00019), appointed as the Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the products falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year ending 31<sup>st</sup> December 2020 be paid, ₹ 2,07,000/- plus out of pocket expenses and applicable taxes."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr Suresh Narayanan (DIN: 07246738) as Managing Director of the Company for another term of five consecutive years effective from 1<sup>st</sup> August 2020 until 31<sup>st</sup> July 2025 on the terms and conditions of re-appointment and remuneration as contained in the draft agreement, material terms of which are set out in the explanatory statement attached to this notice and the Board of Directors be and is hereby authorized to alter and vary such terms and conditions of re-appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr Narayanan."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr David Steven McDaniel (DIN: 08662504), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1<sup>st</sup> March 2020 in terms of Section 161(1) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting, be and is hereby appointed as a Director and the period of his office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, the Company hereby accords its approval to the appointment of Mr David Steven McDaniel (DIN 08662504), as the whole-time Director, designated as "Executive Director-Finance & Control and Chief Financial Officer" for a term of five consecutive years effective from 1<sup>st</sup> March 2020 until 28<sup>th</sup> February 2025 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 attached to this notice 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 Companies Act, 2013, as may be agreed to by the Board of Directors and Mr McDaniel."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr Ramesh Prathivadibhayankara Rajagopalan (DIN 01915274), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, be and is hereby appointed as an Independent Non-Executive Director of the Company with effect from 1<sup>st</sup> July 2020, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> June 2025.”

By Order of the Board

B. Murli

Senior Vice President - Legal  
& Company Secretary

Date : 20<sup>th</sup> May 2020

Place : Gurugram

#### IMPORTANT NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 4 to 7 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 12<sup>th</sup> May 2020 considered that the special business under Item Nos. 4 to 7, being considered unavoidable, be transacted at the 61<sup>st</sup> AGM of the Company.
2. **General instructions for accessing and participating in the 61<sup>st</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**
  - a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 61<sup>st</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 61<sup>st</sup> AGM shall be the Registered Office of the Company.
  - b. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, 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 61<sup>st</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 61<sup>st</sup> AGM through VC/OAVM Facility and e-Voting during the 61<sup>st</sup> AGM.
  - c. In line with the MCA Circulars and SEBI Circular, the Notice of the 61<sup>st</sup> AGM will be available on the website of the Company at [www.nestle.com](http://www.nestle.com), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - d. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
  - e. National Securities Depositories Limited (“NSDL”) will be providing facility for voting through remote e-Voting, for participation in the 61<sup>st</sup> AGM through VC/OAVM Facility and e-Voting during the 61<sup>st</sup> AGM.
  - f. Members may join the 61<sup>st</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 9:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 61<sup>st</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 61<sup>st</sup> AGM.
  - g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 61<sup>st</sup> AGM without any restriction on account of first-come-first-served principle.
  - h. Attendance of the Members participating in the 61<sup>st</sup> AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of

India (“ICSI”) and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 61<sup>st</sup> AGM and facility for those Members participating in the 61<sup>st</sup> AGM to cast vote through e-Voting system during the 61<sup>st</sup> AGM.

**3. Instructions for Members for Remote e-Voting are as under:-**

- a. The remote e-Voting period will commence on 16<sup>th</sup> June 2020 (9:00 am IST) and end on 18<sup>th</sup> June 2020 (5:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12<sup>th</sup> June 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- b. A person who is not a Member as on the cut-off date should treat this Notice of 61<sup>st</sup> AGM for information purpose only.
- c. 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.

**Details on Step 1 is mentioned below:**

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

- I. 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.
- II. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing ID as login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e. Cast your vote electronically.
- IV. Your User ID details are given below :

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

- V. Your password details are given below:
  - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - iii. How to retrieve your ‘initial password’?
    - a) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .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’.
    - b) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.

- VI. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password click on:
- i. “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - ii. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- VII. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- VIII. Now, you will have to click on “Login” button.
- IX. After you click on the “Login” button, Home page of e-Voting will open.

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

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

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - II. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
  - III. Select “EVEN” of the Company.
  - IV. Now you are ready for e-Voting as the Voting page opens.
  - V. 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 “Confirm” when prompted.
  - VI. Upon confirmation, the message “Vote cast successfully” will be displayed.
  - VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- d. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-24994360 or +91-99202 64780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company’s email address [investor@in.nestle.com](mailto:investor@in.nestle.com).

**4. Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**

- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 61<sup>st</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company [investor@in.nestle.com](mailto:investor@in.nestle.com).
- b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account statement; and (iii) self attested scanned copy of the PAN Card, to the email address of the Company [investor@in.nestle.com](mailto:investor@in.nestle.com).

**5. Instructions for Members for participating in the 61<sup>st</sup> AGM through VC/OAVM are as under:**

- a. Members will be able to attend the 61<sup>st</sup> AGM through VC/OAVM Facility through the NSDL e-Voting system at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the

Company's 61<sup>st</sup> AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice of the 61<sup>st</sup> AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

- b. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
- c. Please note that Members connecting from mobile devices or tablets or through laptops etc 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 mitigate any kind of aforesaid glitches.
- d. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 61<sup>st</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investor@in.nestle.com atleast 48 hours in advance before the start of the meeting i.e. by 17<sup>th</sup> June 2020 by 10:00 a.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
- e. Members, who would like to ask questions during the 61<sup>st</sup> AGM with regard to the financial statements or any other matter to be placed at the 61<sup>st</sup> AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address investor@in.nestle.com atleast 48 hours in advance before the start of the 61<sup>st</sup> AGM i.e. by 17<sup>th</sup> June 2020 by 10:00 a.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 61<sup>st</sup> AGM, depending upon the availability of time.
- f. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 61<sup>st</sup> AGM through VC/OAVM Facility.

**6. Instructions for Members for e-Voting during the 61<sup>st</sup> AGM are as under:**

- a. Members may follow the same procedure for e-Voting during the 61<sup>st</sup> AGM as mentioned above for remote e-Voting.
- b. Only those Members, who will be present in the 61<sup>st</sup> AGM through VC/OAVM Facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the 61<sup>st</sup> AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the 61<sup>st</sup> AGM may also participate in the 61<sup>st</sup> AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.
- d. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 61<sup>st</sup> AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:
  - I. Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number : +91-22-24994360 or +91-99202 64780
  - II. Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in, pallavid@nsdl.co.in or at telephone number +91 22 2499 4545.

**7. Other 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](http://www.evoting.nsdl.com) to reset the password.
- b. 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 of 12<sup>th</sup> June 2020.
- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 61<sup>st</sup> AGM by email and holds shares as on the cut-off date i.e. 12<sup>th</sup> June 2020, may obtain the User ID and password by sending a request to the Company's email address investor@in.nestle.com. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- d. 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 meeting.

- 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. During the 61<sup>st</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 61<sup>st</sup> AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 61<sup>st</sup> AGM and announce the start of the casting of vote 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 61<sup>st</sup> AGM.
  - g. The Scrutinizer shall after the conclusion of e-Voting at the 61<sup>st</sup> AGM, first download the votes cast at the 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, within 48 (forty eight) hours from the conclusion of the 61<sup>st</sup> AGM, who shall then countersign and declare the result of the voting forthwith.
  - h. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.nestle.in](http://www.nestle.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
8. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 61<sup>st</sup> AGM and the Annual Report for the year 2019 including therein the Audited Financial Statements for year 2019, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 61<sup>st</sup> AGM and the Annual Report for the year 2019 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
    - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [investor@in.nestle.com](mailto:investor@in.nestle.com)
    - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
  9. The Notice of the 61<sup>st</sup> AGM and the Annual Report for the year 2019 including therein the Audited Financial Statements for the year 2019, will be available on the website of the Company at [www.nestle.com](http://www.nestle.com) and the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice of 61<sup>st</sup> AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  10. The Register of Members and the Share Transfer books of the Company will remain closed from 13<sup>th</sup> June 2020 to 19<sup>th</sup> June 2020, both days inclusive, for annual closing and determining the entitlement of the Members to the Final Dividend for 2019.
  11. The Board of Directors has recommended Final Dividend of ₹ 61.00 per Equity Share of ₹ 10.00 each for the year ended 31<sup>st</sup> December 2019 that is proposed to be paid on and from 6<sup>th</sup> July 2020, subject to the approval of the shareholders at the 61<sup>st</sup> AGM. During the year 2019, First Interim Dividend of ₹ 23.00 per equity share was paid on 15<sup>th</sup> May 2019; Second Interim Dividend of ₹ 23.00 per equity share out of current year profits and a Special Interim Dividend of ₹ 180.00 per equity share out of accumulated profits of previous years (surplus in the profit & loss account), both paid together on 23<sup>rd</sup> August 2019; and Third Interim Dividend of ₹ 55.00 per equity share paid on 20<sup>th</sup> December 2019.
  12. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at [investor@in.nestle.com](mailto:investor@in.nestle.com). For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of 61<sup>st</sup> AGM.
  13. The dividend/s, 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 Participants.
  14. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/documents by email to reach the Company's email address [investor@in.nestle.com](mailto:investor@in.nestle.com) by 10<sup>th</sup> June 2020.

- 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;
  - iii) 11 digit IFSC Code;
- b. self attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self attested scanned copy of the PAN Card; and
- d. self attested scanned copy of any document (such as AADHAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

15. 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 means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
16. 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. The Company had, accordingly, transferred ₹ 28,83,288/-, ₹ 33,43,770/- and ₹ 35,97,120/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2011, First Interim Dividend 2012; and Second Interim Dividend 2012, respectively, during the year 2019, to the IEPF.  
  
The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.nestle.in](http://www.nestle.in). Members who have not encashed Interim Dividend 2013 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.
17. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend 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, 5248 Equity Shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for seven consecutive years, were transferred during the year 2019, to the IEPF Account, after following the prescribed procedure.  
  
Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2013 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
20. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1<sup>st</sup> April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
21. Electronic copy of all the documents referred to in the accompanying Notice of the 61<sup>st</sup> AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.nestle.in](http://www.nestle.in).
22. During the 61<sup>st</sup> AGM, Members may access the scanned copy of 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, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
23. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/ re-appointment at the 61<sup>st</sup> AGM, forms integral part of the Notice of the 61<sup>st</sup> AGM. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

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

### **Item No. 4**

On the recommendation of the Audit Committee, the Board of Directors at their Meeting held on 13<sup>th</sup> February 2020 approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No. 00019), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to products (milk powder etc.), falling under the specified Customs Tariff Act Heading 0402, manufactured by the Company for the financial year ending 31<sup>st</sup> December 2020 at a remuneration of ₹ 2,07,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice of 61<sup>st</sup> AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> December 2020.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution. The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice of 61<sup>st</sup> AGM for approval by the Members.

### **Item No. 5**

In terms of the Companies Act, 2013 and Rules made thereunder, the appointment of Mr Suresh Narayanan (DIN: 07246738) as Managing Director of the Company for a period of five consecutive years with effect from 1<sup>st</sup> August 2015 until 31<sup>st</sup> July 2020 was approved by the shareholders by means of postal ballot / electronic voting (e-Voting) on 17<sup>th</sup> September 2015 and thereafter approved by the Central Government on 29<sup>th</sup> October 2015.

Based on the intimation of Nestlé S.A., Switzerland under Article 118A and 106 of the Articles of Association of the Company which continues to be in force, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members, the Board of Directors of the Company at its meeting held on 13<sup>th</sup> February 2020, approved re-appointment of Mr Suresh Narayanan as Managing Director of the Company for another term of five consecutive years effective from 1<sup>st</sup> August 2020 until 31<sup>st</sup> July 2025 on the terms and conditions of re-appointment including remuneration as set out in the draft agreement for re-appointment.

Mr Suresh Narayanan, aged 60 years, holds a Master's Degree in Economics from the Delhi School of Economics. He has a Diploma from the IMD Program for Executive Development and has participated in the Nestlé Leadership Program of the London Business School. He has over 35 years of rich and exhaustive experience in the FMCG Industry and has held senior management and top leadership roles in leading global companies. Before his appointment as a Board Member of the Company, Mr Narayanan was Chairman and CEO of Nestlé Philippines.

Mr Narayanan joined Nestlé in 1999 as Executive Vice President for Sales in India, where he spearheaded major structural and strategic changes in Sales and Customer Management and set up the chilled dairy business. He moved to Nestlé Indochina in 2003, as Executive Director for Sales, Marketing and Food-Services, covering the countries of Thailand, Cambodia, Myanmar, Laos and Vietnam. Two years later in 2005, he returned to India as Head of Sales for India, Sri Lanka, Bangladesh and Nepal. In 2008, Mr Narayanan was appointed as Managing Director of Nestlé Singapore Pte. Ltd. and remained there until 2010. During his time, the overall business in Singapore witnessed sustained growth amidst the economic downturn. He was awarded the Medal of Commendation by the Government of Singapore in 2010, for excellence in employee relations during this challenging period. He moved to Nestlé Egypt as Chairman and CEO and Head of NEAR, where his initiatives resulted in significant business growth and investments despite the turbulence and volatility faced by the region at this time.

Mr Narayanan began his career as a management trainee with Hindustan Unilever, where he held numerous positions of increasing responsibility in Sales, Marketing and General Management. He has also worked with Colgate Palmolive in India.

Mr Narayanan is Chairman of Risk Management Committee and Member of Corporate Social Responsibility Committee of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He has attended all the Board Meetings (8) of the Company held during the year 2019. He is also an Independent Director and a Member of the Audit Committee of Asian Paints Limited.

Approval of the Members is being sought to the terms, conditions and stipulations for the re-appointment of Mr Narayanan as Managing Director of the Company and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 13<sup>th</sup> February 2020 based on the recommendation of Nomination and Remuneration Committee) continue to be in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that occupied by Mr Narayanan.



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

**I) Salary, Allowances and Commission (hereinafter referred to as “Remuneration”):**

**a) Salary Comprising**

- (i) Basic salary : At the rate not exceeding ₹ 2,400,000/- Per Month; and
- (ii) Allowances : Not exceeding four times the Basic salary,

with increments as per the Company’s policy and as may be determined by Board of Directors, from time to time, subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April 2021.

**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 I(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. 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.

**II) Perquisites**

1. In addition to the Remuneration as stated above, Mr Narayanan 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 all 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 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 abroad or in India.
- 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.
- 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. Participation in any/ all employee stock option schemes/ performance stock unit plans of the Company or that of Nestlé S.A.
- n. 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 Narayanan.

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 I(a) above for the relevant period. The perquisites mentioned above from (h) to (m) shall be based on the actual amounts and excluded from the aforesaid perquisite limit.

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

### III) 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 Narayanan as provided herein above.

### IV) Other Terms:

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

The appointment can be terminated by Mr Narayanan 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, considers the re-appointment of Mr Suresh Narayanan as 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, recommends the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice of the 61<sup>st</sup> AGM, for the approval of the Members.

Electronic copy of the draft agreement referred to in the Resolution shall be available for inspection in the Investor Section of the website of the Company at [www.nestle.in](http://www.nestle.in).

Except Mr Suresh Narayanan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the 61<sup>st</sup> AGM. Mr Narayanan is not related to any Director of the Company.

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

### Item No. 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 8<sup>th</sup> November 2019 appointed Mr David Steven McDaniel (DIN: 08662504) as an Additional Director of the Company with effect from 1<sup>st</sup> March 2020. Under Section 161(1) of the Companies Act, 2013 read with Article 127 of the Articles of Association of the Company, he holds office up to the date of the Annual General Meeting of the Company. A notice has been received from a Member proposing Mr McDaniel as a candidate for the office of Director of the Company.

Further, at the same meeting held on 8<sup>th</sup> November 2019, the Board of Directors appointed Mr David Steven McDaniel as a Whole-time Director designated as "Executive Director – Finance & Control and CFO" of the Company for a term of five consecutive years effective from 1<sup>st</sup> March 2020 until 28<sup>th</sup> February 2025, subject to approval of the Shareholders at the Annual General Meeting and the Central Government.

Mr McDaniel, aged 51 years, is a Chartered Management Accountant. He has over 30 years of rich and exhaustive experience in Finance and Control Division and held senior management positions in various markets during his career with Nestlé Group.

Before joining the Company, he was the Chief Financial Officer of Nestlé UK & Ireland since April 2016. Prior to this, Mr McDaniel has had relevant exposure in Asia, having worked as Division Director Finance & Control of Nestlé Korea, and Head of Finance and Control – Nestlé Indochina. He has also worked in China in varied capacities within the Finance and Control function and at Nestlé S.A. Vevey, as the Head of Financial Services with the Global Business Services organization.

Mr McDaniel is not a Director or a Committee Member of any other Company in India and he does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Mr McDaniel is a Member of Risk Management Committee and Stakeholders Relationship Committee of the Company with effect from 1<sup>st</sup> March 2020.

The approval of Members is being sought to the terms, conditions and stipulations for the appointment of Mr McDaniel as a Whole-time Director for a term of five consecutive years effective from 1<sup>st</sup> March 2020 until 28<sup>th</sup> February 2025 and the remuneration payable to him. The terms and conditions proposed are keeping in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of the 'Executive Director- Finance & Control and CFO'.

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

**I) Salary, Allowances and Commission (hereinafter referred to as “Remuneration”):**

**a) Salary Comprising**

- (i) Basic salary : At the rate not exceeding ₹ 1,000,000/- per month; and
- (ii) Allowances : Not exceeding four times the Basic salary,

with increments as per the Company’s policy and as may be determined by Board of Directors, from time to time, subject to a ceiling on increment of 30% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April 2020.

**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 I(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. 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.

**II) Perquisites**

1. In addition to the Remuneration as stated above, Mr McDaniel 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 all 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 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 abroad or in India.
- 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.
- 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.
- n. Participation in any/ all employee stock option schemes/ performance stock unit plans of the Company 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 McDaniel.

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 I(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based on the actual amounts and excluded from the aforesaid perquisite limit.

2. The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the limits stipulated.

### III) 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 Whole-time Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr McDaniel as provided herein above.

### IV) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr McDaniel shall manage and conduct the business and affairs of the Company relating to the Finance and Control and as Chief Financial Officer of the Company. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr McDaniel 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.

The period of office of Mr McDaniel shall be liable to determination by retirement of directors by rotation. If Mr McDaniel is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director, designated as "Executive Director- Finance & Control and CFO" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director, designated as "Executive Director- Finance & Control and CFO".

Based on the recommendation of Nomination and Remuneration Committee and given his expertise, knowledge and experience, the Board considers the appointment of Mr McDaniel as a Whole-time Director, designated as "Executive Director – Finance & Control and CFO" 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, recommends the Ordinary Resolution as set out in the accompanying Notice of 61<sup>st</sup> AGM for the approval of the Members.

Electronic copy of the draft agreement referred to in the Resolution shall be available for inspection in the Investor Section of the website of the Company at [www.nestle.in](http://www.nestle.in).

Except Mr McDaniel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of 61<sup>st</sup> AGM. Mr McDaniel is not related to any Director of the Company.

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

### Item No. 7

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, on 12<sup>th</sup> May 2020, appointed Mr Ramesh Prathivadibhayankara Rajagopalan (DIN: 01915274) ("Mr P R Ramesh") as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 for a term of five consecutive years to hold office from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2025. His appointment is subject to the approval of the Members. A notice has been received from a Member proposing Mr P R Ramesh as a candidate for the office of Director of the Company.

Mr P R Ramesh, aged 65 years, graduated in Commerce from Osmania University, Hyderabad and is a Fellow Member of the Institute of Chartered Accountants of India ('ICAI'). Mr P R Ramesh retired as the Director of Deloitte & Touche Assurance & Enterprise Risk Services India Private Limited on 31<sup>st</sup> March 2020. He has also served as a member of Deloitte Global Board and Deloitte Asia Pacific Board and has over 40 years of the experience and served clients in manufacturing, banking and financial services, technology, media, telecommunications, energy and resources and consumer business sectors throughout his professional career.

He has been associated with various Regulatory bodies such as SEBI Committee on Disclosures and Accounting Standards; Committee for Reforming the Regulatory Environment for doing Business in India set up by Government of India; Technical Committee to review the form and presentation of the Balance Sheet of the Reserve Bank of India; Insurance Regulatory and Development Authority Standing Committee on Accounting Issues and Invitee to the Committee set up by the Reserve Bank of India ('RBI') to assist in convergence to IFRS by banks and National Advisory Committee on Accounting Standards.

He has been associated with various Industry Bodies such as Confederation of Indian Industries ('CII') representing on its National Council, Committee on Financial Reporting and its CFO Forum; National Executive Committee of the Federation of Indian Chambers of Commerce and Industry and Past President of the of the Bombay Chamber of Commerce & Industry.

He has also been member of Accounting Standards Board of ICAI, Vision and Restructuring Committee and Auditing Practices Committee of ICAI and the Secretarial Standards Boards of the Institute of Company Secretaries of India. He is a regular speaker at various programmes and workshops conducted by ICAI, the Institute of Internal Auditors, RBI, CII, SEBI on the matters of professional interest.

He has co-authored publication by CCH titled iGAAP – Financial Reporting Standards in India including a comparison with International Financial Reporting Standards (IFRS) and is a member of Board of Studies and the Faculty of Commerce of Osmania University.

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

Mr P R Ramesh has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

Electronic copy of the draft letter for appointment of Mr P R Ramesh as an Independent Non-Executive Director setting out the terms and conditions shall be available in the Investor Section of the website of the Company at [www.nestle.in](http://www.nestle.in).

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr P R Ramesh as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2025. Mr P R Ramesh would bring with him immense experience to the Company in the areas of financial reporting and analysis, accounting, business strategy, risk management, strategic planning, internal control and tax advisory. Accordingly, based on recommendation of Nomination and Remuneration Committee, the Board recommends Ordinary Resolution as set out at Item No. 7 of the accompanying Notice of 61<sup>st</sup> AGM for the approval by the Members.

Except Mr P R Ramesh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of 61<sup>st</sup> AGM.

Mr P R Ramesh is not related to any Director of the Company.

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

## **II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:**

### **Re-appointment of Mr Martin Roemkens (DIN: 07761271) as a Director (Item No. 3)**

In terms of Section 152(6) of the Act, Mr Martin Roemkens shall retire by rotation at the forthcoming AGM and being eligible offers himself for re-appointment.

Mr Martin Roemkens was appointed as a Whole-time Director of the Company designated as "Director- Technical" for a period of five years with effect from 1<sup>st</sup> April 2017. As per the terms of his appointment, his re-appointment at the AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director, designated as "Director- Technical".

Mr Roemkens is also a member of Risk Management Committee of the Company.

Mr Roemkens, aged 50 years, holds Bachelor of Engineering from the University of Western Australia. He has over 23 years of rich and exhaustive experience in Technical and Production functions and has held senior management positions during his career.

Before joining the Company, Mr Roemkens was the Technical Manager in Nestlé's North East Africa Region which he successfully led for almost four years including developing the factories in Egypt to a world-class standard. He has also served as the Factory Manager of the Moga Factory of the Company, one of the largest factories in the Region, from 2009 to 2012.

He is responsible for, amongst others, the management and conduct with respect to the technical areas of the Company including factory operations.

Mr Roemkens is not a Director in any other Company in India. Except Mr Roemkens, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of 61<sup>st</sup> AGM. He has attended all the Board Meetings (8) of the Company held during the year 2019.

Mr Roemkens is not related to any Director of the Company. Upon his re-appointment as a director, Mr Roemkens shall continue to hold office as a Whole-time Director designated as "Executive Director - Technical". Accordingly, the Board recommends his re-appointment.

**Re-appointment of Mr Suresh Narayanan (DIN: 07246738) as Managing Director of the Company (Item No. 5)**

For the details of Mr Suresh Narayanan, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 5 of the accompanying Notice of 61<sup>st</sup> AGM pursuant to Section 102 of the Act.

**Appointment of Mr David Steven McDaniel (DIN: 08662504) as Whole-time Director designated as Executive Director – Finance & Control and CFO of the Company (Item No. 6)**

For the details of Mr McDaniel, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 6 of the accompanying Notice of 61<sup>st</sup> AGM pursuant to Section 102 of the Act.

**Appointment of Mr Ramesh Prathivadibhayankara Rajagopalan (DIN: 01915274) as Independent Non-Executive Director of the Company (Item No. 7)**

For the details of Mr Ramesh Prathivadibhayankara Rajagopalan, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 7 of the accompanying Notice of 61<sup>st</sup> AGM pursuant to Section 102 of the Act.

By Order of the Board

B. Murli  
Senior Vice President - Legal  
& Company Secretary

Date : 20<sup>th</sup> May 2020  
Place : Gurugram

(Refer Note 12 of the Notice of 61st AGM)

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

As you may be aware w.e.f. 1<sup>st</sup> April 2020, Dividend Distribution Tax u/s 115-O of the Income-tax Act, 1961 ("the IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1<sup>st</sup> April 2020.

Please take note of the below TDS provisions and information/document requirements for each shareholder:

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

a. **All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 10<sup>th</sup> June 2020. Please note that these details as available on Book Closure 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 Act i.e. Resident or Non-Resident for FY 2020-21.
- III. Category of the Member:
  - i. Mutual Fund
  - ii. Insurance Company
  - iii. Alternate Investment Fund (AIF) Category I and II
  - iv. AIF Category III
  - v. Government (Central/State Government)
  - vi. Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
  - vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
  - viii. Individual
  - ix. Hindu Undivided Family (HUF)
  - x. Firm
  - xi. Limited Liability Partnership (LLP)
  - xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
  - xiii. Trust
  - xiv. Domestic company
  - xv. Foreign company.
- IV. Email Address.
- V. Address.

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

**Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by 10<sup>th</sup> June 2020 for 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 7.5% 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 shareholder does not exceed ₹ 5000. Normal dividend/s declared in the preceding financial year 2019 - 2020 would be considered as the basis to determine applicability of the said threshold for the entire financial year.
  - c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).
  - d) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.
  - e) 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. **FPI and FI:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.
- ii. **Any entity entitled to 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 exemption from TDS needs to be submitted.
- iii. **Other non-resident Members:**
  - a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.
  - b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents
    - 1) Self-attested copy of PAN;
    - 2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
    - 3) Self-declaration in Form 10F; 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 1 to this Communication).
  - c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.



Details and / or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach investor@in.nestle.com by 10<sup>th</sup> June 2020. Please note that no communication this regard, shall be accepted post 10<sup>th</sup> June 2020.

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

- I. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the Member undertakes to send the original document/s on the request by the Company.
- II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- III. TDS deduction certificate will be sent to the Members' registered email address in due course.
- IV. Surcharge rates applicable for financial year 2020 - 21 for non-residents:

a. Non-Resident (other than FII & FPI):

- (i) Individual, HUF, AOP, BOI, AJP, Trust

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

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

<b>Aggregate Income</b>	<b>Rate</b>
Income exceeds ₹ 1 crore	12%

- (iii) Foreign company

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

b. **FII & FPI:**

- (i) Individual, HUF, AOP, BOI, AJP, Trust

<b>Aggregate Income</b>	<b>Rate</b>
Upto ₹ 50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore but does not exceed ₹. 2 crores	15%
Income exceeds ₹ 2 crores but does not exceed ₹ 5 crores	25%
Income exceeds ₹ 5 crores	37%

- (ii) Foreign Company

<b>Aggregate Income</b>	<b>Rate</b>
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 2019 – 2020 would be considered as the basis to determine applicability of the surcharge rate.
- VI. Health and Education Cess of 4% is applicable for financial year 2020 – 2021 for non-residents.

- VII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure 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.
- VIII. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.
- IX. 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 and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Refer Section 2(III)(iii)(b)(4) of above Communication on TDS on Dividend Distribution)

Annexure 1

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

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 Double Taxation Agreement 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 shareholder>, 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 Book Closure Date from 13th June 2020 to 19th June 2020 (both days inclusive), 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 Book Closure Date, is attached herewith.
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.

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>

