

NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

Registered Office: M-5A, Connaught Circus, New Delhi - 110 001

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

Phone: 011-23418891, Fax: 011-23415130

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY EIGHTH ANNUAL GENERAL MEETING OF NESTLÉ INDIA LIMITED will be held at Air Force Auditorium, Subroto Park, New Delhi – 110 010 on Thursday, 11th May, 2017 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year 2016 including audited Balance Sheet as at 31st December, 2016, 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 the payment of three Interim Dividends aggregating to ₹ 40 per equity share and to declare a Final Dividend on Equity Shares for the financial year ended 31st December, 2016.
3. To appoint a Director in place of Mr. Shobinder Duggal (DIN 00039580), who retires by rotation and, being eligible, offers himself for re-appointment.
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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. BSR & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/ W-100022), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. A.F. Ferguson & Co., Chartered Accountants (ICAI Registration No. 112066W), the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of sixty third Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting till the sixty third Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS:

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 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 cost auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the milk food products manufactured by the Company for the financial year ending 31st December, 2017 be paid ₹192,000/- plus out of pocket expenses and applicable taxes.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. Martin Roemkens (DIN 07761271), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1st April, 2017, 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 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and the period of his office shall be liable to determination by retirement of directors by rotation.”
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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (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 Central Government, the Company hereby accords its approval to the appointment of Mr. Martin Roemkens (DIN 07761271), as the Whole-Time Director, designated as “Director-Technical” for a period of five years with effect from 1st April, 2017 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 authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Martin Roemkens.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 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 Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Rama Bijapurkar (DIN 00001835), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 1st May, 2017, 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 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a term up to 30th April, 2022”.

By Order of the Board

B. Murli
Senior Vice President – Legal
& Company Secretary

Date : 27th March, 2017
Place : Gurgaon

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 23rd May, 2017 to 24th May, 2017, both days inclusive, for annual closing and determining the entitlement of the shareholders to the final dividend for 2016.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 5 to 8 of the accompanying Notice, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A Proxy Form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

4. Final dividend of ₹ 23.00 per equity share has been recommended by the Board of Directors for the year ended 31st December, 2016 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 2nd June, 2017. First, Second and Third interim dividends for the year 2016, at the rate of ₹ 12.00, ₹ 12.00 and ₹ 16.00 per equity share, were paid on 31st May, 2016, 19th August 2016 and 22nd December, 2016, respectively.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules, 2016'), 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 ₹ 4,807,551/- and ₹ 6,274,125/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2008 and Interim Dividend 2009; and Second Interim Dividend 2009 on 9th June, 2016 and 17th December, 2016, respectively, to the IEPF.

The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.nestle.in. Members, who have not encashed their dividend pertaining to Final Dividend 2010 and Interim Dividend 2011, are advised to write to the Company immediately claiming dividends declared by the Company.

7. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the shareholders on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the shareholders who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those shareholders do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 3rd December, 2016 to such shareholders and uploaded on the "Investors Section" of the Website of the Company viz. www.nestle.in giving details of such shareholders and shares due to transfer.

Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28th February, 2017 ('IEPF Rules 2017'), substituting, amongst other things, Rule 6 of IEPF Rules, 2016 and providing that where the period of seven years provided under the sub section (5) of Section 124 of the Companies Act, 2013 has been completed during the period from 7th September, 2016 to 31st May, 2017 (instead of 6th December, 2016), the due date of transfer of such shares shall be 31st May, 2017. Accordingly, the Company hereby provides time till 31st May, 2017 to all the shareholders who have not claimed any unclaimed/unpaid dividends for the last seven years and to whom the Company had given intimation in the manner prescribed under Rule 6 of the IEPF Rules, 2016; and to all other shareholders who have not encashed any unpaid/unclaimed dividends and where the period of seven years has been completed or being completed during the period from 7th September, 2016 to 31st May, 2017. In case valid claim is not received by 31st May, 2017, the respective shares will be credited to the designated DEMAT Account of the Authority.

8. 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 not to 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.

9. 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.
10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
11. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
12. In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. A.F. Ferguson & Co., Chartered Accountants, Statutory Auditors of the Company shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. BSR & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W/ W-100022) as the Statutory Auditors at the Annual General Meeting for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the sixty third Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s. BSR & Co. LLP, Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.
As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. BSR & Co. LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.
13. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
Electronic copy of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 58th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
14. Members may also note that the Notice of the 58th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2016 will also be available on the Company's website www.nestle.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection without any fee during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@in.nestle.com.
15. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 8th May, 2017 (9:00 am) and ends on 10th May, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4th May, 2017, 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.
 - V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
 - VI. The process and manner for remote e-voting are as under:
 - A. Member whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Members receive the email, he or she will need to go through the following steps to complete the e-voting process:

- (i) Open email and open PDF file titled; "Nestlé India remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
Note: Shareholders already registered with NSDL for e-voting will not receive the PDF file "Nestlé India remote e-voting.pdf".
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.
- (v) The Password change menu will appear. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "REVEN" of Nestlé India Limited.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and Remember to "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to nestlescrutinizer@gmail.com or evoting@in.nestle.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

- (i) The Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior 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 or AmitV@nsdl.co.in or at telephone nos. +91 22 2499 4600/ +91 22 2499 4360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: investor@in.nestle.com or contact at telephone no. 011-23418891.
- VIII. 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 Password' option available on the site to reset the password.
- IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client ID).
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (REVEN+ Folio No).
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 4th May, 2017.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 4th May, 2017, may obtain the User ID and password by sending a request at evoting@nsdl.co.in or evoting@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.
- XII. 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 as well as voting at the AGM through ballot paper.
- XIII. Mr. Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of M/s. S.C. Vasudeva & Co., Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days

of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.nestle.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 15th February, 2017 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 milk powder products covered by Central Excise Tariff Act heading 0402 manufactured by the Company for the financial year ending 31st December, 2017 at a remuneration of ₹ 192,000/- plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, 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. 5 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st December, 2017.

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 passing of the resolution as set out at Item No. 5 as an ordinary resolution.

Item Nos. 6 & 7

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 27th March, 2017, appointed Mr. Martin Roemkens as an Additional Director of the Company with effect from 1st April, 2017. Under Section 161(1) of the Companies Act, 2013 read with Article 127 of the Articles of Association of the Company, he holds office only up to the date of the Annual General Meeting of the Company.

A notice has been received from a member proposing Mr. Martin Roemkens as a candidate for the office of Director of the Company.

Further, at the same Meeting, the Board of Directors appointed Mr. Martin Roemkens as a Whole-Time Director designated as "Director- Technical" of the Company for a term of five years with effect from 1st April, 2017, subject to approval of the Shareholders at the Annual General Meeting and the Central Government.

Mr. Martin Roemkens aged 47 years holds Bachelor of Engineering from the University of Western Australia. He has over 20 years of rich and exhaustive experience in Technical and Production functions and has held senior management positions during his career.

Before Nestlé India posting, 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.

Mr. Roemkens 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. Roemkens has been nominated as a member of Risk Management Committee of the Company with effect from 1st April, 2017.

The approval of members is being sought to the terms, conditions and stipulations for the appointment of Mr. Roemkens as a Whole-time Director 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 'Director- Technical'.

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 ₹ 700,000 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 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 1st April every year, commencing from 1st April, 2018.

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.

II) Perquisites

1. In addition to the Remuneration as stated above, Mr. Roemkens 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 such as telephones, audio and video conference facilities etc., at the residence. Personal long distance telephone calls shall be borne by Mr. Roemkens.
 - 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. Roemkens.

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 in 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. Martin Roemkens as provided herein above.

IV) Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr. Roemkens shall manage and conduct the business and affairs of the Company with respect to the technical areas of the Company including all existing and future factory locations. He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

The appointment can be terminated by Mr. Roemkens 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. Roemkens shall be liable to determination by retirement of directors by rotation. If Mr. Roemkens is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director, designated as "Director-Technical" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director, designated as "Director-Technical".

Given his expertise, knowledge and experience, the Board considers the appointment of Mr. Martin Roemkens as the Whole-time Director, designated as "Director-Technical" 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 for the approval of the Members.

Copy of the Draft Agreement referred to in the Resolution would be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day, excluding Saturday, upto and including the day of this meeting.

Except Mr. Martin Roemkens, 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 Nos. 6 & 7 of the accompanying Notice. Mr. Roemkens 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.

Item No. 8

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Rama Bijapurkar (DIN 00001835) as an Additional Director with effect from 1st May, 2017 under Section 161(1) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 to hold office upto 30th April, 2022. Her appointment is subject to the approval of the members.

A notice has been received from a member proposing Ms. Rama Bijapurkar as a candidate for the office of Director of the Company.

Ms. Bijapurkar is a recognised thought leader on market strategy and India's consumer economy, and has over 30 years of experience in market strategy consulting and market research. She has her own independent market strategy consulting practice, is a widely experienced independent director and is also a visiting faculty at IIM Ahmedabad.

Ms. Rama Bijapurkar holds directorship and membership of the Committees of the Board of Directors of the understated listed companies in India:

- Director in Emami Limited, ICICI Prudential Life Insurance Company Limited, Mahindra & Mahindra Financial Services Limited and RBL Bank Limited.
- Member of Audit Committee and Chairperson of Stakeholders Relationship Committee of Mahindra & Mahindra Financial Services Limited; Member of Nomination and Remuneration Committee and Risk Management Committee of ICICI Prudential Life Insurance Company Limited; Member of Nomination Committee of RBL Bank Limited.

Ms. Bijapurkar aged 60 years holds a B.Sc. (Hons) degree in Physics from Delhi University and a Post Graduate Diploma in Management from IIM Ahmedabad.

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

Ms. Bijapurkar has given a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. She is independent of the management of the Company.

In the opinion of the Board, Ms. Bijapurkar 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for her appointment as an Independent Non-Executive Director of the Company. Copy of the draft letter for appointment of Ms. Bijapurkar as an Independent Non-Executive Director is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Bijapurkar as an Independent Non-Executive Director. Ms. Bijapurkar would bring with her immense experience to the Company in the areas of consumer behavior, management and corporate governance. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Bijapurkar as an Independent Non-Executive Director for period upto 30th April, 2022, for the approval by the members of the Company.

Except Ms. Rama Bijapurkar, 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. 8 of the accompanying Notice. Ms. Bijapurkar 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.

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

Re-appointment of Mr. Shobinder Duggal (Item No. 3)

In terms of Section 152(6) of the Companies Act, 2013, Mr. Shobinder Duggal shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re-appointment.

Mr. Shobinder Duggal appointed as a Whole-time Director of the Company designated as "Director-Finance & Control and Chief Financial Officer" for a period of five years effective from 10th May, 2014. 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-Finance & Control and Chief Financial Officer.

Mr. Shobinder Duggal is an Economics (Hons.) Graduate from St. Stephens College, Delhi University and a Chartered Accountant. He has attended the Executive Development Program at IMD, Lausanne. He has over 31 years of work experience with Nestlé. Before his current position as Director-Finance & Control and Chief Financial Officer, he handled various responsibilities in the Company, including Vice President Corporate Control, Head of Internal Audit and some important assignments at the Nestlé Group Headquarters in Switzerland. He is also a Director in Nestlé Lanka PLC since January 2014.

He is the Chairman of the Risk Management Committee and member of the Stakeholders' Relationship Committee of the Company.

Mr. Duggal is not a Director in any other Company in India. Except to the extent of his shareholding of 805 equity shares in the Company, lease rentals paid/payable by the Company at the market rates for his residential accommodation as per the agreement entered by the Company and recorded in the Register maintained in pursuance of Section 189 of the Companies Act, 2013 and Mr. Duggal 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. 3 of the accompanying Notice. Mr. Duggal is not related to any Director of the Company.

Upon his re-appointment as a director, Mr. Duggal shall continue to hold office as a Whole-time Director designated as “Director-Finance & Control and Chief Financial Officer”. Accordingly, the Board recommends his re-appointment.

Appointment of Mr. Martin Roemkens (Item Nos. 6 & 7)

For the details of Mr. Martin Roemkens, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 6 & 7 of the accompanying Notice pursuant to Section 102 of the Companies Act, 2013.

Appointment of Ms. Rama Bijapurkar (Item No. 8)

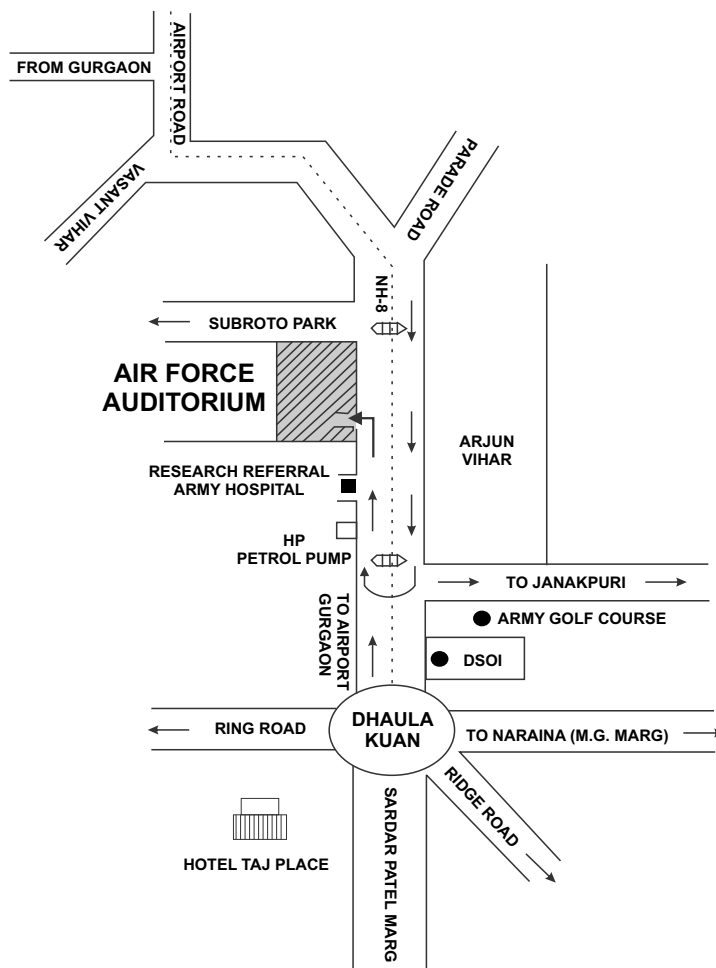
For the details of Ms. Rama Bijapurkar, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 8 of the accompanying Notice pursuant to Section 102 of the Companies Act, 2013.

By Order of the Board

B. Murli
Senior Vice President – Legal
& Company Secretary

Date : 27th March, 2017
Place : Gurgaon

ROUTE MAP



2017

I/We hereby record my/ our presence at the 58th Annual General Meeting of the Company at **Air Force Auditorium, Subroto Park, New Delhi-110010** on **Thursday, 11th May, 2017 at 10:00 a.m.**

Member's Folio/DP ID-Client ID No. Member's/Proxy's name in Block Letters Member's/Proxy's Signature

Note: Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

ELECTRONIC VOTING PARTICULARS		
REVEN (Remote E-Voting Event Number)	USER ID	PASSWORD / PIN

NOTE : Please read instructions given at Note No. 15 of the Notice of the 58th Annual General Meeting carefully before voting electronically.

Name of the Member(s):

Folio No./Client ID:

DP ID :

Registered Address :

E-mail ID :

I/We being the member(s) of.....shares of the above named Company hereby appoint :

1. Name :Address :
E-mail Id :Signature: or failing him;

2. Name :Address :
E-mail Id :Signature: or failing him;

3. Name :Address :
E-mail Id :Signature: ;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Thursday, 11th May, 2017 at 10:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi-110 010 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.		Optional*	
Ordinary Business		For	Against
1.	Adoption of Financial Statements for the year ended 31 st December, 2016.		
2.	Confirm payment of three interim dividends and declare final dividend for the year 2016.		
3.	Re-appointment of Mr. Shobinder Duggal (DIN : 00039580), who retires by rotation.		
4.	Appointment of M/s. BSR & Co. LLP, Chartered Accountants (ICAI Registration No.101248W/ W-100022) as Auditors and fixing their remuneration.		
Special Business			
5.	Ratification of Remuneration of M/s Ramanath Iyer & Co., Cost Auditors (Firm Registration No. 00019).		
6.	Appointment of Mr. Martin Roemkens (DIN : 07761271) as a Director.		
7.	Appointment and the terms and conditions of appointment of Mr. Martin Roemkens (DIN : 07761271) as a Whole-Time Director, designated as "Director-Technical".		
8.	Appointment of Ms. Rama Bijapurkar (DIN : 00001835) as an Independent Non- Executive Director.		

Signed thisday of.....2017.
Signature of member(s).....
Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 58th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.