

## **Nestlé India Limited**

(CIN : L15202DL1959PLC003786)

Nestlé House

Jacaranda Marg

'M' Block, DLF City, Phase – II

Gurugram – 122002, Haryana

Phone 0124 - 3940000

E-mail: [investor@IN.nestle.com](mailto:investor@IN.nestle.com)

Website [www.nestle.in](http://www.nestle.in)



### **PROCEEDINGS OF THE FIFTY NINTH ANNUAL GENERAL MEETING OF NESTLÉ INDIA LIMITED HELD ON THURSDAY, 10<sup>TH</sup> MAY, 2018 FROM 10:00 HOURS TO 12:00 HOURS AT THE AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI – 110 010**

#### **Sitting on the dais**

Mr. Suresh Narayanan	Chairman and Managing Director
Mr. Shobinder Duggal	Director – Finance & Control and CFO
Mr. Martin Roemkens	Director – Technical
Mr. Rajya Vardhan Kanoria	Independent Non-Executive Director
Mr. Ashok Kumar Mahindra	Independent Non-Executive Director
Dr. Rakesh Mohan	Independent Non-Executive Director
Ms. Rama Bijapurkar	Independent Non-Executive Director
Dr. Swati A. Piramal	Independent Non-Executive Director
Mr. B. Murli	Senior Vice President – Legal & Company Secretary

#### **Safety Briefing**

Ms. Simar Kahlon, Corporate Safety Manager, apprised the members regarding safety arrangements inside the auditorium, in case of any emergency.

#### **Chairman**

Mr. Suresh Narayanan, Chairman and Managing Director of the Company, took the Chair and welcomed the members to the 59<sup>th</sup> Annual General Meeting of the Company and thanked Ms. Simar Kahlon for the safety briefing.

#### **Members Attendance and Quorum**

M/s. Nestlé S.A., holding 33,051,399 equity shares represented by Mr. Shobinder Duggal, M/s. Maggi Enterprises Limited, holding 27,463,680 equity shares represented by Mr. Suresh Narayanan and 4,307 Members (including 277 represented through proxies) holding 17,82,255 equity shares (including 5,25,299 equity shares represented through proxies) recorded their attendance, while about 198 members attended the meeting in person or through their proxies including bodies corporate through their representatives.

The Chairman declared the meeting as validly convened on the basis of advice from the Company Secretary that the requirement of the quorum as per the Articles of Association of the Company and the Companies Act, 2013, was fulfilled.

#### **Introduction**

The Chairman stated that he was privileged to attend his third Annual General Meeting as Chairman and Managing Director of the Company and thereafter introduced other Board Members present on the dais starting with Dr. Rakesh Mohan, an Independent Non-Executive Director of the Company, member of the Audit Committee and the Nomination and Remuneration Committee; Ms. Rama Bijapurkar, Independent Non-Executive Director, Chairperson of the Stakeholders Relationship Committee and member of the Corporate Social Responsibility Committee; Mr. AK Mahindra, Independent Non-Executive Director,



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Chairman of the Audit Committee and member of the Nomination and Remuneration Committee; Mr. Shobinder Duggal, Director - Finance & Control and CFO, Chairman of the Risk Management Committee and member of the Stakeholders Relationship Committee; Mr. B. Murli, Senior Vice President - Legal & Company Secretary; Mr. Rajya Vardhan Kanoria, Independent Non-Executive Director, Chairman of the Nomination and Remuneration Committee, member of the Audit Committee and the Stakeholders Relationship Committee; Dr. Swati A. Piramal, Independent Non-Executive Director and Chairperson of the Corporate Social Responsibility Committee and lastly, Mr. Martin Roemkens, Director-Technical and a member of the Risk Management Committee.

The Chairman announced that the Statutory Registers, Proxy Register, Auditor's Report and Secretarial Audit Report and inspection documents were available for inspection during the Annual General Meeting.

The Chairman acknowledged attendance of the representatives of Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants; Secretarial Auditors, M/s. S.N. Ananthasubramanian & Co., Company Secretaries; and Cost Auditors, M/s. Ramanath Iyer & Co., Cost Accountants.

The Company's performance was covered in the Board's Report and the Annual Report for 2017.

### **Chairman Speech**

The Chairman delivered his speech, highlights of which are recorded hereafter.

The Chairman acknowledged that the year 2017 ended on a strong note by reaching a historic milestone of over Rs.10,000 Crores in Revenue, in a year where the Company had to adapt to significant changes in the external environment. The Company was among the first pure play food and beverage listed companies in India to reach this milestone. It was indeed remarkable to note that in the last 15 years the turnover/ revenue grew by almost 5 times despite some challenging times. He appreciated the long lasting and clear demonstration of value of relationships with various stakeholders associated with the Company during the journey.

The Company has maintained the leadership position in nearly all the categories that it operates in. Products of the Company sold in over 3.5 million outlets with the support of over 250,000 farmers, 3,500 suppliers and 1,600 distributors. The employment base was over 7,500 people directly and over half a million indirectly. It was noteworthy that 6 out of the top 10 most loved and trusted confectionery brands belong to the Company. MAGGI, despite the recent crisis, continued to rise in rankings when it came to brand trust.

All this was only possible due to the dedication and energy of all employees, farmers, suppliers, shareholders and trade partners who laid the foundation of this Company and ensured that the growth stayed true to its course. This historic milestone signified the strength of the Company's 105-year old business in India and the Company will continue to build for the next 100 years and serve as a healthy foundation. At the core of this remained Company's commitment to a healthier future. This was defined by





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several commitments out of which, the Chairman highlighted three key ones, which were committed to a Healthier Society; Healthier Environment; and Healthier Products.

Elaborating further on the commitments, he stated that under 'Healthier Society' food safety remained critically important for improving public health and that the policies and actions needed coverage of the entire food chain from farm to fork. The regulatory environment in India remained very dynamic while developments were being witnessed at a rapid pace. The Chairman acknowledged the decision taken by Nestlé S.A. to set up a Nestlé Food Safety Institute in India (NFSI). NFSI aimed at building and sharing knowledge through partnerships to strengthen and support the food safety environment in India. Further, during the year 2018 the Company plans to reach close to 10,000 street food vendors across the country as part of 'Project Serve Safe Food' in collaboration with National Association of Street Food Vendors of India (NASVI). The support received from the authorities and awareness created on food safety and hygiene through the programme during 2017 was very encouraging and also the findings indicated that the programme helped in improving the income of the street vendors. Sharing about Project Jagriti, the Chairman stated that this programme encouraged healthy nutrition and breastfeeding practices, and the uptake of public health services among adolescents, young couples and caregivers. The programme aimed to reach out to about 3 million beneficiaries by the end of 2018. He further shared about the Nestlé Healthy Kids programme which was undertaken in association with Magic Bus India Foundation and had completed 3 years benefitting over 2,00,000 adolescents.

Elaborating further on commitment of 'Healthier Environment', the Chairman stated that the Company improved operational efficiencies and effective utilization of its resources and as a result in last 15 years overall water usage by the Company reduced by around 51%, waste water by around 57%, specific direct greenhouse gas emission by around 51% and energy consumption by around 43%. The Company shared the ambition that while plastic was important for integrity and safety of food products, no plastic waste should end up discarded in the environment and believes that with the right approach it can be collected or recycled without a detrimental impact. The commitment of the Company to the 3R's principle namely: 'Reduce': optimise the weight and volume of packaging; 'Recycle': use of recycled materials where appropriate and having environmental benefit; 'Recover': support initiatives to recycle or recover energy from used packaging. The Company always strived to reduce the quantity of packaging material used in operations as well as continuously worked towards reduction in waste for disposal, reduced by 63% in year 2017 as compared to 2016 and aims to reduce it to zero by 2020. He further stated that as a responsible Company, various pilot projects were initiated on waste management in active engagement with the relevant stakeholders. In partnership with other industry members, the Company initiated Pilot Project with Indian Pollution Control Association to regularize collection, segregation and recycling of post-consumption multi-layered packaging in some selected cities like Delhi, Noida, Faridabad, Gurugram, Ghaziabad, Chandigarh, Dehradun and Mumbai, and also engaged with Saahas Waste Management in the States of Tamil Nadu, Karnataka and Goa; and Nepra in the State of Gujarat to explore options on waste management services.





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Elaborating on commitment of 'Healthier Product', the Chairman stated that as per the latest (2015-16) National Family Health Survey, 53% females and 22.7% males (15 - 45 years) suffered from Iron deficiency with an almost equal split across rural and urban India. Fortification was recognized as one of the most effective strategy to address micronutrient deficiency. However in India, only 2-5% of food items were believed to be fortified with the micronutrients lacking in many Indian diets. The Company continued to explore ways to fortify the mass consumption products to close the gap and contribute to a larger national objective. He further stated that fortifying the Popularly Positioned Products (PPP) with micronutrients was one way to address deficiencies where it remained prevalent among lower - income consumers. During 2017, MAGGI Masala noodles fortified with Iron was consumed in about 2.5 billion portions in India and witnessed a positive impact. Given the scale and popularity, MAGGI Masala noodles offered a powerful platform to address Iron deficiency through the Iron fortified variant, which provides 15% of the RDA and was a small step towards addressing Iron deficiency. He further shared that the Company took steps to fortify other product categories as well, example – MILO, Nestlé a+ milk, etc. For the consumers to make informed, balanced and mindful product choices, the Company adopted accurate and transparent nutrition information labelling and widely used monochrome Guideline Daily Amounts (GDA) and display of the GDA nutrition labelling on Front of Pack (FOP).

The Chairman stated that as part of the Company's commitment to responsible marketing of food and beverage products to children in India, the Company along with other 8 member companies had signed a Pledge on Responsible marketing and communication to children below 12 years since 2010. The Company displayed the GDA / calorie count in all packaging in proportion to each serving of the product. The Company made continuous efforts to reduce sodium in the MAGGI portfolio and in recent years have already reduced it by one-third per serve and committed to further bringing it down by 10% per serve by 2020. In Infant Cereals, the reduction in sucrose contributed to around 700 tonnes per annum. The Company continued on the journey to enhance consumer value of the brands with the introduction of iron fortified MAGGI Masala Noodles and also introduced fortified Nestlé a+ Milk during the year. These were some of the small steps taken to address issues of iron and Vitamin D deficiency prevalent in India. The Company will endeavour to fortify the products appropriately in line with national priorities of 'Food Fortification' and bring more of its Science and Nutrition knowledge to this cause.

Commenting on the Company's contribution, the Chairman stated that with the presence of Nestlé in India for over 105 years, it has been a part of the societal, economic and other changes which was witnessed in the country. The introduction of the Goods and Services Tax (GST) marked a historic milestone towards a single economic union for India with a unified tax structure. In the long run, GST will strengthen compliance, bring greater transparency and reduce complexities in tax structure of the country. Sharing on how the Company dealt with it, he stated that the Company embraced on three core principles to "Prepare, Practice and Partner" to ensure a seamless transition into next tax regime. He acknowledged the contribution of the entire team and all other stakeholders for the enormous efforts that have been put in. The Company was one of the first few companies to announce the transition to GST and passing of the benefits to the consumers.





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As part of the GST roll out, the Company rewired several key processes within the organization, trained over 3,500 suppliers and 1,600 distributors covering the entire direct value chain of the Company. These dedicated efforts resulted in an orderly and fairly smooth transition into an environment, defined by the biggest fiscal change in independent India. He said that innovation and renovation have contributed to nearly one fourth of growth recently. The thrust on innovation and renovation continued last year with the launch of MILO, new variants of GREKYO, MAGGI Nutri-licious Noodles, MILKYBAR and KIT KAT Dessert Delight. The Company focused on creative ways to engage the consumers. 'MAGGI Masalas of India' engagement with Google was the first-of-its kind in the country where Google allowed to use the search engine as a platform for voting on which flavours of Masalas of India would consumers like and want. Long history of serving, engaging and growing with the consumers were testimony of the fact that Purpose and Values remained at the centre of continuous evolution to become an even better organization. He stated that being nimble footed, keenly responsive, embracing numerous opportunities and blessed with employees and partners with a deep sense of pride and commitment to the Nestlé spirit will continue to inspire all on the journey, yet again.

Commenting on way forward, the Chairman stated that during the year 2018, the Company will bring consumers closer by being more responsible, transparent and will focus on sustainable long-term relationships that add value. He stated that the industry has evolved at a tremendous pace and would like to ride the tide and be ahead of the curve. Recent consumer trends had shown that income levels have grown with the urbanization. Consumers sought newer product experiences rooted in nutrition, health and wellness. This brought with it a new growth opportunity for the Company.

Finally, commenting on the business developments, the Chairman stated that with the vision to introduce healthier products and to innovate continuously, the Company would be introducing the breakfast cereal business in the market with some relevant and engaging launches.

Closing his speech, the Chairman thanked all the members for their support commitment towards the Company and for the loyalty, abiding hope and support which truly inspired the team at Nestlé India to work towards reaching new heights and help in creating shared value for all our stakeholders.

### **Business Items**

The Chairman then took up the formal proceedings of the meeting. With the concurrence of the members, the Notice of the 59<sup>th</sup> Annual General Meeting together with the Financial Statements and Board's Report were taken as read.

The Chairman informed that the Auditors' Report on the Financial Statements of the Company for the year ended 31<sup>st</sup> December, 2017 did not have qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Company. With the concurrence of the members, the Auditors' Report was taken as read. The Chairman further informed that the Secretarial Audit Report for the year ended 31<sup>st</sup> December, 2017 did not have qualifications, observations or comments.

He stated that as per the applicable provisions of the Companies Act, 2013 and Rules thereunder, the Company had provided remote e-voting facility to the members entitled to cast their vote on the AGM agenda

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items between 7<sup>th</sup> May, 2018 (9:00 am) to 9<sup>th</sup> May, 2018 (5:00 pm). He drew attention of the members that at the end of discussion on the resolutions, basis which voting is to be held, members and proxies, who are present at the meeting but have not cast their votes by availing the remote e-voting facility can exercise their vote by use of Ballot Paper, which were being distributed to the members and proxies present at the meeting. He further stated that after discussion on the agenda items as set out in the Notice of the 59<sup>th</sup> Annual General Meeting, the Scrutinizer would conduct the Ballot Paper voting process.

The Chairman thereafter proceeded with the Agenda, summarizing that the Notice of the 59<sup>th</sup> Annual General Meeting, had seven business items. Four ordinary business related to : adoption of Financial Statements for 2017; declaration of Dividend; re-appointment of Mr. Shobinder Duggal as a Director, liable to retire by rotation; and ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors; and three special businesses related : to ratification of remuneration of M/s. Ramanath Iyer & Co., Cost Auditors; re-appointment of Dr. Swati A. Piramal (DIN:00067125) as an Independent Non-executive Director for another term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019; and payment of remuneration under section 197 of the Companies Act, 2013 to the Non-Executive Directors for a period of five financial years commencing from 1<sup>st</sup> January, 2019.

Thereafter, he invited members who would like to make their comments or ask questions or give suggestions or seek clarifications, if any, on the Agenda Items as set out in the Notice of the 59<sup>th</sup> Annual General Meeting.

### **Members' comments and Management response**

Mr. Ravi Shankar Kapoor (DPID/Client ID IN302349/ 10008516), Mr. S K Agrawal ((DPID/Client ID IN301477/ 20111510), Mr. Subhash Bhutani (DPID/Client ID 120300000060371), Mr. Prem Chachra (DP-ID/Client ID: 1201060000470795), Mr. Toni Bhatia (Folio No. 121174), Mr. Yash Pal Chopra (DP-ID/Client ID 1205920000000281), Ms. Urmila Jain (DPID/Client ID 300118/ 10401292), Mr. Raj Bahadur Jain (DP-ID/Client ID: IN301477/ 20004746), Mr. Manjeet Singh ((DPID/Client ID 300206/ 10907641), Mr. Chetan Chadha (DPID/Client ID 300118/ 10826627), Mr. Sanjay Khatpal (DPID/Client ID 1201410000004704), Mr. Ashok Kumar Gupta (DPID/Client ID 301143/ 10116836), Mr. Jaswinder Singh (DPID/Client ID 301959/ 10027413) participated.

The members congratulated the Chairman and Managing Director and the Board of Directors for the good performance of the Company and for achieving historic milestone of over Rs. 10,000 Crores turnover in the year 2017. Members appreciated that the Annual Report was received on time and that the quality of investor services was best in class. Many members appreciated the arrangements made for them at the venue of the Annual General Meeting. Members also appreciated the high standards of food quality of the products sold by the Company. Some members appreciated Nestlé SA's agreement with Starbucks and future prospects of the partnership. They expressed their satisfaction on the contribution of the Company in the societal activities undertaken by the Company. The members sought announcements for split of shares; issue of bonus shares; arrangement for factory visits by the members; change of AGM venue. Some of the members sought clarifications on the Company's efforts to deal with emerging competition by domestic players; royalty payments; introducing breakfast cereal products and other products like biscuits, dark chocolates and





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bringing back MILO on the shelves. Some members also sought clarification on keeping pet foods business outside the Company. Members brought attention towards improving exports; looking at the possibility of evoting facility at the venue of AGM; dedicated coffee cafés; profits carried forward in the profit and loss account; and equal opportunity employer.

The Chairman thanked the members for their confidence, suggestions, comments and support to the Company and the Board of Directors of the Company. He stated that the comments from the members was an acknowledgement for the hard work and dedication of employees and the Management Team of the Company. He further stated that Company was proud of the members for the level of their engagement with the Company and that all observations, suggestions, experiences, ideas and comments will be taken forward after due consideration.

Responding on the Company's efforts to drive growth through innovation and renovation, the Chairman stated that the Company has competitive edge with access to over 2,000 brands worldwide, strong consumer insights and global research and development network support. The Company evaluates introduction of new, innovated or renovated products at the relevant time based on consumer trends and preferences which meet high standards of quality and safety.

He also commented that during his speech he did mentioned about undertaking Breakfast Cereals Business in India which comes from Cereal Partners Worldwide S.A. (CPW) a 50/50 joint venture of Nestlé S.A. and General Mills, USA and will be looking for launch of some more products in India in near future.

Responding to the questions on confectionary business, he assured that the Company is in the right direction and has requisite technology and expertise to produce and market best chocolates.

Regarding the request for organizing factory visits, the Chairman stated that the Company had no scheme for arranging factory visits. However, in the past if any member happened to be near any of the Company's factory locations, the Company has arranged their individual visits. At the convenience of the Factory, the Company can make the arrangements provided members give advance intimation.

Responding to a specific question of some shareholders on the Exports performance of the Company, the Chairman stated that Exports are very much part of the Company's strategy and it continues to evaluate the export portfolio and the opportunities in overseas markets. Besides Coffee exports, Company also exports MAGGI Noodles to the markets to cater to Indian diaspora. He reiterated that with adequate level of leadership and focus, the Company would be looking for accelerating the Exports in the near future.

Responding on the venue of the AGM, the Chairman stated that the Company has used this venue for last 25 years for the AGMs and had been convenient to all the shareholders. Besides any venue would be near for some and far for others.

Acknowledging the appreciation of the shareholders on reaching Rs.10,000 crore mark, the Chairman stated that the core strategy of the Company continues to be increasing penetration through volume and value led growth. Premiumization, new product development, innovation and renovations remained on Company's focus area and that he was confident on the Company's growth trajectory going forward. He also thanked





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shareholders who sought bringing back MILO on the shelves and introduction of dark chocolate and stated that the Company continue to evaluate the consumer needs and will consider the proposal at the opportune time.

With regard to the members' suggestion on setting up its own Café Centres, the Chairman stated that the Company has some NESCAFÉ Coffee Corners in and around the educational institutions and business establishments where along with NESCAFÉ Coffee some other products of the Company are also available. He further stated that the Out-of-Home category is witnessing good growth and the Company would continue to expand the NESCAFÉ Coffee Corners in the existing format.

Commenting on role of women employees in the Company, the Chairman stated that the Company do pay a lot of respect to every woman who works for the Company and he shared that the Company has the privilege of association with some of the finest woman professionals and as part of the conscious effort to promote woman employees, the Company recruited 71% woman Management Trainees who will be joining in management positions and over 58% of the incoming trainees who will be engaged in the technical and manufacturing areas of the Company.

To respond to some of the questions of the shareholders, the Chairman invited Mr. Shobinder Duggal, Director- Finance & Control and CFO.

Mr. Duggal thanked Chairman and responding to the query on royalty paid to the Licensors under the General Licence Agreement, he explained that brands, technology, quality, know how etc are lifelines of the Company for generating revenue and enabling evolution of the share price over a period of time. The Company pays fair value for such bundle of services received from the Licensors. Mr. Duggal further explained that the Company had agreed on 22<sup>nd</sup> March, 2013 to increase the royalty rates by 20 basis points every year starting from 2014 till 2018 and the rate was going to go up from three and a half percent net of taxes to four and a half percent net of taxes. The Company followed what was agreed with the Licensors at that time and the same was accounted for in the annual accounts albeit on a higher base of Sales.

Responding to the demand for issue of bonus shares, Mr. Duggal explained that in deciding on any capital increase, the Company had to take into account the requirement of such funds, the cost of servicing the Capital i.e. maintaining dividend on the enlarged share capital vis-à-vis the interest payments on borrowings and an appropriate debt-equity ratio. The management believed that the current share capital of the Company was appropriate for the current size of Company's business. He added that the various options are evaluated from time to time and are constantly reviewed.

On the question of size of the Infant Nutrition Business, Mr. Duggal brought to the attention of the shareholders that the details of milk products and nutrition category is disclosed on page 62 of the Annual Report and it includes dairy whitener, condensed milk, UHT milk, yoghurt, maternal and infant formula, baby foods.

Responding to a query on pet food business launched outside the Company, Mr. Duggal explained that in fact Nestlé S.A. entered the pet foods business in the year 2004 through a 100% subsidiary, as there was not much synergy with the Company's business at that time. The pet foods business was thereafter closed





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in 2007. The business model was looked at again at the time of re-launch of the business and it was concluded that even after a decade, there was not much change in the way of doing pet food business. Besides pet foods as a category was still evolving in India and required strong commercial focus. Pet foods business works on a different business model in terms of logistics, distribution model, route to market etc. and caters to a completely different set of customers. One of the factors was sensitivity about storing, selling and distributing pet food and foods meant for humans together. He further explained that the Company has always been exploring new businesses and products in India and that the decision to house the product/ category in the Company or any other entity will be taken after due consideration looking at the needs of the specific business and synergies with the existing businesses and will continue to be dealt with on a business by business basis in the best interest of all stakeholders. Giving an example, he stated that while pet foods business has been undertaken under a separate entity, as announced recently the Company will be undertaking Breakfast Cereals Business as there are synergies in the business model in terms of logistics, distribution, route to market etc. and caters to same customers.

The Chairman thanked Mr. Duggal and thereafter invited Mr. B. Murli, Senior Vice President – Legal & Company Secretary to respond to some specific questions of the shareholders.

Mr. Murli thanked the Chairman and responding to the suggestion of the shareholders to allow discounts on the Company's products at the staff shops, he explained that it was not feasible to offer discount at Company's staff shop at Gurugram or on any other retail outlet due to complexity. Anyway giving discounts merely on the basis of being a member attending AGM besides being inequitable, could be construed as a gift. Therefore, in all fairness to the shareholders based in and out of India, it would not be possible to accede to such suggestions from the members.

Responding on a specific question from shareholder on transfer of profits not being made to General Reserves to avoid Bonus, Mr. Murli explained that carrying forward previous year profits in the profit and loss account provides greater flexibility in terms of its utilisation.

Commenting on specific suggestion of some shareholders on providing evoting facility at the AGM venue, Mr. Murli stated that the Company will consider and evaluate its feasibility depending on the average number of members voting at the AGM.

The Chairman thereafter thanked Mr. Murli for the response to the shareholders' questions and expressed his gratefulness for the involvement, passion, energy and all the suggestions the members had given. All queries relating to the Agenda items had been responded to the best of ability.

Finally, the Chairman thanked all the members/ proxy holders for their presence and for the trust, passion, confidence and honest sharing of ideas and acknowledged appreciation of the members' sentiments and long cherished relationship with the Company.

### **Conduct of voting through Ballot Paper**

The Chairman thereafter took up the Agenda Items contained in the Notice of the 59<sup>th</sup> Annual General Meeting and reiterated that as the Company had provided remote e-voting facility to the members to vote

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between 7<sup>th</sup> to 9<sup>th</sup> May, 2018 in proportion to their shareholding as on the cut-off date of 3<sup>rd</sup> May, 2018, those members attending the AGM and eligible to vote were also given opportunity to vote in proportion to their shareholding, through Ballot Paper. Thereafter, he requested the Scrutinizer Mr. Abhinav Khosla, Partner M/s. SCV & CO. LLP, Chartered Accountants (formerly known as S.C. Vasudeva & Co., Chartered Accountants) along with Mr. Y.K. Singhal, who is a member but not in the employment of the Company and well versed with the voting system, whose support had been sought by Mr. Khosla, to scrutinize the process of voting through Ballot Paper, and to report thereon to him as the Chairman or his authorised representative in the prescribed manner not later than 2:00 pm on 12<sup>th</sup> May, 2018. He further stated that the results of voting would be declared latest by around 6:00 pm on 12<sup>th</sup> May, 2018.

Sharing the procedure, he stated that the results declared for each resolution, would indicate separately the votes through Ballot Paper and Remote E-Voting and would be immediately intimated to the BSE Limited. He further stated that the results would also be uploaded on the Company's website [www.nestle.in](http://www.nestle.in) with the report of Scrutinizer for the Ballot Paper Voting and Remote E-Voting; and would also be displayed at the Notice Boards of the Registered Office and Corporate Office of the Company.

Thereafter, the Chairman requested all the members/ proxy holders present, to participate in the voting through Ballot Paper.

Thanking the members for their participation, suggestions and comments, the Chairman announced that the proceedings of the meeting will close after all the members and proxy holders present at the meeting have casted their vote through Ballot Paper and when Scrutinizer announces closure of voting through Ballot Paper.

Mr. Abhinav Khosla, Scrutinizer, with the assistance of Mr. Y.K. Singhal conducted the Voting procedure through Ballot Paper which included showing two empty Ballot Boxes to the members, locking and sealing of the two empty Ballot Boxes in the presence of members and proxies. After ensuring that all the willing members and proxies had casted their vote through Ballot Paper, the Scrutinizer took custody of the two Ballot Boxes and announced closure of the voting through Ballot Paper at 12:00 hours.

### **Result of the Remote E-Voting between 7<sup>th</sup> May, 2018 (9:00 am) to 9<sup>th</sup> May, 2018 (5:00 pm) and Voting through Ballot Paper at the Annual General Meeting of the Company held on Thursday, 10<sup>th</sup> May, 2018 on the Ordinary and Special Businesses**

On the basis of the Scrutinizer's Report for the Voting through Ballot Paper at 59<sup>th</sup> Annual General Meeting on 10<sup>th</sup> May, 2018 and for the Remote E-Voting between 7<sup>th</sup> May, 2018 (9:00 am) to 9<sup>th</sup> May, 2018 (5:00 pm), the Results were declared on 10<sup>th</sup> May, 2018 at around 7:30 pm and the summary of which is mentioned hereunder. All the Resolutions for the Ordinary and Special businesses as set out in Item No. 1 to 7 in the Notice of the 59<sup>th</sup> Annual General Meeting of the Company were duly passed by the requisite majority.





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E-mail: investor@IN.nestle.com

Website www.nestle.in



Good Food, Good Life

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on out-standing shares	No. of Votes - In favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Resolution required: (Ordinary)		1. Adoption of Financial Statements for the year ended 31 <sup>st</sup> December, 2017.						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Promoter and Promoter Group	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	PolI*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	60515079	60515079	100	60515079	0	100	0
Public – Institutional holders	E-Voting	19698640	15462004	78.49	15462004	0	100	0
	PolI*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	19698640	15462004	78.49	15462004	0	100	0
Public-Others	E-Voting	16201997	346123	2.14	346122	1	99.99	0.00
	PolI*		2470	0.02	2470	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	16201997	348593	2.15	348592	1	99.99	0
Total		96415716	76325676	79.16	76325675	1	99.99	0.00
Resolution required: (Ordinary)		2. To confirm the payment of three Interim Dividends aggregating to Rs. 63 per equity share and to declare a Final Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> December, 2017.						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Promoter and Promoter Group	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	PolI*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	60515079	60515079	100	60515079	0	100	0
Public – Institutional holders	E-Voting	19698640	15618623	79.29	15618623	0	100	0
	PolI*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	19698640	15618623	79.29	15618623	0	100	0
Public-Others	E-Voting	16201997	348723	2.15	348711	12	99.99	0.00
	PolI*		2470	0.02	2470	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	16201997	351193	2.17	351181	12	100	0
Total		96415716	76484895	79.33	76484883	12	99.99	0.00
Resolution required: (Ordinary)		3. Re-appointment of Mr. Shobinder Duggal (DIN 00039580), who retires by Rotation.						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Promoter and Promoter Group	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	PolI*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	60515079	60515079	100	60515079	0	100	0
Public – Institutional holders	E-Voting	19698640	15618623	79.29	15604069	14554	99.91	0.09
	PolI*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	19698640	15618623	79.29	15604069	14554	99.91	0.09
Public-Others	E-Voting	16201997	348692	2.15	348543	149	99.96	0.04
	PolI*		2470	0.02	2470	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	16201997	351162	2.17	351013	149	99.96	0.04
Total		96415716	76484864	79.33	76470161	14703	99.98	0.02
Resolution required: (Ordinary)		4. Ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.101248W/ W-100022) as Auditors and fixing their remuneration.						
Whether promoter / promoter group are interested in the agenda / resolution?		No						
Promoter and Promoter Group	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	PolI*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	60515079	60515079	100	60515079	0	100	0
Public – Institutional holders	E-Voting	19698640	15618623	79.29	15618623	0	100	0
	PolI*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	19698640	15618623	79.29	15618623	0	100	0
Public-Others	E-Voting	16201997	348662	2.15	348586	76	99.98	0.02
	PolI*		2470	0.02	2470	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	Total	16201997	348662	2.15	348586	76	99.98	0.02





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	Total	16201997	351132	2.17	351056	76	99.98	0.02
<b>Total</b>		<b>96415716</b>	<b>76484834</b>	<b>79.33</b>	<b>76484758</b>	<b>76</b>	<b>99.99</b>	<b>0.00</b>
<b>Resolution required: (Ordinary)</b>		<b>5. Ratification of remuneration M/s. Ramanath Iyer &amp; Co., Cost Auditors (Firm Registration No. 00019)</b>						
<b>Whether promoter / promoter group are interested in the agenda / resolution?</b>		<b>No</b>						
<b>Promoter and Promoter Group</b>	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	Poll*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	60515079	60515079	100	60515079	0	100	0
<b>Public – Institutional holders</b>	E-Voting	19698640	15618623	79.29	15614773	3850	99.98	0.02
	Poll*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	19698640	15618623	79.29	15614773	3850	99.98	0.02
<b>Public-Others</b>	E-Voting	16201997	348688	2.15	342102	6586	98.11	1.89
	Poll*		2470	0.02	2468	2	99.92	0.08
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	16201997	351158	2.17	344570	6588	98.12	1.88
<b>Total</b>		<b>96415716</b>	<b>76484860</b>	<b>79.33</b>	<b>76474422</b>	<b>10438</b>	<b>99.99</b>	<b>0.01</b>
<b>Resolution required: (Special)</b>		<b>6. Re-appointment of Dr. Swati A. Piramal (DIN: 00067125) as an Independent Non- Executive Director for another term of five consecutive years w.e.f. 1<sup>st</sup> April, 2019.</b>						
<b>Whether promoter / promoter group are interested in the agenda / resolution?</b>		<b>No</b>						
<b>Promoter and Promoter Group</b>	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	Poll*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	60515079	60515079	100	60515079	0	100	0
<b>Public – Institutional holders</b>	E-Voting	19698640	15523223	78.8	15514794	8429	99.95	0.05
	Poll*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	19698640	15523223	78.8	15514794	8429	99.95	0.05
<b>Public-Others</b>	E-Voting	16201997	348682	2.15	341068	7614	97.82	2.18
	Poll*		2470	0.02	2467	3	99.88	0.12
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	16201997	351152	2.17	343535	7617	97.83	2.17
<b>Total</b>		<b>96415716</b>	<b>76389454</b>	<b>79.23</b>	<b>76373408</b>	<b>16046</b>	<b>99.98</b>	<b>0.02</b>
<b>Resolution required: (Special)</b>		<b>7. Payment of remuneration under Section 197 of the Companies Act, 2013 to the non-executive directors, for a period of five financial years commencing from 1st January, 2019.</b>						
<b>Whether promoter / promoter group are interested in the agenda / resolution?</b>		<b>No</b>						
<b>Promoter and Promoter Group</b>	E-Voting	60515079	33051399	54.62	33051399	0	100	0
	Poll*		27463680	45.38	27463680	0	100	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	60515079	60515079	100	60515079	0	100	0
<b>Public – Institutional holders</b>	E-Voting	19698640	15445545	78.41	15445545	0	100	0
	Poll*		0	0	0	0	0	0
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	19698640	15445545	78.41	15445545	0	100	0
<b>Public-Others</b>	E-Voting	16201997	348757	2.15	348659	98	99.97	0.03
	Poll*		2470	0.02	2467	3	99.88	0.12
	Postal Ballot (if applicable)*		0	0	0	0	0	0
	<b>Total</b>	16201997	351127	2.17	351126	101	99.97	0.03
<b>Total</b>		<b>96415716</b>	<b>76311851</b>	<b>79.15</b>	<b>76311750</b>	<b>101</b>	<b>99.99</b>	<b>0.00</b>

\* Voting through Ballot Paper at the AGM Venue

\* Not applicable

The Resolutions for the ordinary and special businesses as set out in Item Nos. 1 to 7 in the Notice of the 59<sup>th</sup> Annual General Meeting, duly approved by the members with requisite majority, are recorded hereunder as part of the proceedings of 59<sup>th</sup> Annual General Meeting of the Members held on 10<sup>th</sup> May, 2018.

## Ordinary Business

### Item No. 1: Ordinary Resolution for adoption of Financial Statements for the year ended 31<sup>st</sup> December, 2017

RESOLVED that the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> December, 2017 including Balance Sheet as at 31<sup>st</sup> December, 2017, Statement of Profit and Loss and Cash Flow Statement

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for the year ended on that date and the Reports of Board and Auditors thereon, be and are hereby approved and adopted.

**Item No. 2: Ordinary Resolution for approval of final dividend for 2017 and confirm three interim dividends already paid during the year 2017**

RESOLVED that members do hereby approve and declare Final Dividend of Rs. 23.00 per equity share for the year 2017 as recommended by the Board of Directors and confirm the three interim dividends aggregating to Rs. 63.00 per equity share, already paid for the year 2017, on the entire issued, subscribed and paid-up capital of the Company of 96,415,716 equity shares of the nominal value of Rs. 10/- each.

**Item No. 3: Ordinary Resolution for re-appointment of Mr. Shobinder Duggal, who retires by rotation**

RESOLVED that Mr. Shobinder Duggal (DIN 00039580), who retires in accordance with the provision of Article 119 of the Articles of Association of the Company and the Companies Act, 2013 and has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

**Item No. 4: Ordinary Resolution for ratification of appointment of M/s. B S R & Co. LLP , Chartered Accountants (ICAI Registration No.: 101248W/ W-100022), as Auditors and fixing their remuneration**

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No.: 101248W /W-100022), as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of sixtieth 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****Item No. 5: Ordinary Resolution for ratification of remuneration of Cost Auditors, M/s. Ramanath Iyer & Co., Cost Accountants**

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 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, 2018 be paid Rs. 192,000/- plus out of pocket expenses and applicable taxes."

**Item No. 6: Special Resolution for re-appointment of Ms. Swati A. Piramal as an Independent Non- Executive Director**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules,





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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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. (Mrs.) Swati Ajay Piramal (DIN:00067125), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024".

**Item No. 7: Special Resolution for payment of remuneration to Independent Non-Executive Directors**

"RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the directors other than the managing director or whole-time directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from 1<sup>st</sup> January, 2019, provided that none of the directors aforesaid shall receive individually a sum exceeding Rs. 25,00,000/- (Rupees twenty five lakhs) in a financial year.

RESOLVED FURTHER that the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

**Place : New Delhi****Date : 08/06/2018****Sd/-****Suresh Narayanan****Chairman and Managing Director**