

NESTLÉ INDIA LIMITED

(CIN : L15202DL1959PLC003786)

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

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Phone: 011-23418891, Fax: 011-23415130

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIFTH ANNUAL GENERAL MEETING OF NESTLÉ INDIA LIMITED will be held at Air Force Auditorium, Subroto Park, New Delhi – 110 010 on Monday, 12th May, 2014 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 ended 31st December, 2013 including audited Balance Sheet as at 31st December, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend and confirm the two interim dividends aggregating to ₹ 36.00 per equity share, already paid for the year ended 31st December, 2013.
3. To appoint a director in place of Mr. Aristides Protonotarios (holding DIN 06546858), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. A.F.Ferguson & Co., Chartered Accountants (ICAI Registration No.112066W) as statutory auditors of the Company and fix their remuneration.

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 the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Michael William Oliver Garrett (holding DIN 00051904), Director of the Company who retires by rotation 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 an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ravinder Narain (holding DIN 00059197), Director of the Company who retires by rotation 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 an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashok Kumar Mahindra (holding DIN 00916746), Director of the Company whose period of office is liable to determination by retirement of directors by rotation 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 an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
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 the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. (Mrs.) Swati Ajay Piralal (holding DIN 00067125), Director of the Company whose period of office is liable to determination by retirement of directors by rotation 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 Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that Mr. Antonio Helio Waszyk (holding DIN 02730946), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st October, 2013, in terms of Section 260 of the Companies Act, 1956 [corresponding to 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 whose period of office shall be liable to determination by retirement of directors by rotation."

10. 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 rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, the consent of the Company be and is hereby accorded to the appointment of Mr. Etienne André Marie Benet (holding DIN 06702574), who was appointed as a “non-retiring Director” of the Company by the Board of Directors with effect from 1st October, 2013 under the Articles of Association of the Company, as the “Managing Director” of the Company for a period of five years effective from 1st October, 2013, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Benet.”
11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- “RESOLVED that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shobinder Duggal (holding DIN 00039580), Director of the Company 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 whose period of office shall be liable to determination by retirement of directors by rotation.
- RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company, be and is hereby accorded to the appointment of Mr. Shobinder Duggal (holding DIN 00039580) 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, on the terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Duggal.”
12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED that pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended by deleting the existing Article 92 and substituting with following new Article 92 :
- Number of directors*
92. The number of directors of the Company shall not be less than six nor more than ten.”
13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED that in supersession of the Ordinary Resolution adopted at the 52nd Annual General Meeting held on 19th April, 2011 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of ₹150 Crores (Rupees one hundred fifty crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”
14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
- “RESOLVED that pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (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 Companies Act, 2013, 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 1st January, 2014, provided that none of the directors aforesaid shall receive individually a sum exceeding ₹10,00,000/- (Rupees ten lakhs only) 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 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.”

By Order of the Board

B. Murli
Senior Vice President – Legal
& Company Secretary

Date : 9th April, 2014
Place : Gurgaon

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 19th May, 2014 to Tuesday, 20th May, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2013.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, 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.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital 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 48 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 resolution/authority, as applicable.
4. Final dividend of ₹ 12.50 per share has been recommended by the Board of Directors for the year ended 31st December, 2013 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 29th May, 2014. First and Second interim dividends for the year 2013, each at the rate of ₹ 18.00 per equity share, were paid on 12th August, 2013 and 15th November, 2013, 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 205A of the Companies Act, 1956, 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 ₹ 19,53,184/- and ₹ 36,29,789/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend, 2005 & First Interim Dividend, 2006 and Second Interim Dividend 2006 on 22nd May, 2013 and 6th February, 2014, respectively, to the Investor Education and Protection Fund of the Central Government.
The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006, as on the date of the 54th Annual General Meeting (AGM) held on 8th May, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.nestle.in
A separate reminder was also sent to those members having unclaimed dividends pertaining to Third Interim Dividend, 2006 & Interim Dividend, 2007 paid on 29th March, 2007 or any subsequent dividend payment(s). Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
7. 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.
8. 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.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2013 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 2013 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 55th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form 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 55th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

12. Members may also note that the Notice of the 55th Annual General Meeting and the Annual Report for 2013 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 in New Delhi for inspection 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.

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz; "Nestlé India e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. 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 not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Nestlé India Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "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/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who 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) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 6th May, 2014 (9:00 am) and ends on 8th May, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 10th April, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 10th April, 2014.

VII. Mr. Abhinav Khosla, Chartered Accountant (Membership No. 087010) and Partner M/s. S.C.Vasudeva & Co., Chartered Accountants has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.nestle.in and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection 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

Mr. Michael William Oliver Garrett is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 1992. Mr. Garrett is Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and Corporate Governance and Social Responsibility Committee, of the Board of Directors of the Company.

Mr. Garrett retired in April, 2005 as Executive Vice President of Nestlé S.A., Switzerland and was the Zone Director responsible for Asia, Oceania, Africa and the Middle East. He is a graduate of the IMD Business School in Lausanne, Switzerland. Mr. Garrett started with Nestlé Group in 1961 as a Marketing Trainee and he accomplished a brilliant career of 44 years highlighted by truly outstanding achievements. Prior to his assignment as the Zone Director for Asia, Oceania, Africa and the Middle East, he was heading a number of key functions in the United Kingdom, Australia and Japan.

Mr. Garrett is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Garrett retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Garrett being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Garrett as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Garrett fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Garrett as an Independent Director setting out the terms and conditions would be 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 his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Garrett as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Garrett as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Garrett, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Ravinder Narain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March, 1978. Mr. Narain is the Chairman of the Shareholder/ Investor Grievance Committee and a member of the Audit Committee, Nomination and Remuneration Committee and the Corporate Governance and Social Responsibility Committee, of the Board of Directors of the Company.

Mr. Narain is an eminent lawyer. He is Bachelor of Law having vast experience in the field of law. He is practicing in the Supreme Court, High Courts and other legal foras. He has been actively associated with leading Constitutional, Taxation and Commercial cases. He was appointed by the Ministry of Finance, Government of India as a Member of the High Level Committee set up to review and suggest simplification of the Central Excise and Customs Laws.

Apart from his experience in the field of Corporate Laws, he has been actively associated with various Corporations for over two decades. Mr. Narain is a Director in Shriram Pistons & Rings Limited, Shree Rajasthan Syntex Limited, DCM Shriram Industries Limited; a member of the Remuneration and the Shareholders' Committee of DCM Shriram Industries Limited and a Member of the Nomination/ Remuneration Committee of Shriram Pistons & Rings Limited.

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

Mr. Narain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Narain being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Narain as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Narain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Narain as an Independent Director setting out the terms and conditions would be 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 his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Narain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Narain as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ravinder Narain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Mr. Ashok Kumar Mahindra is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in April, 2011. Mr. Mahindra is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee, of the Board of Directors of the Company.

Mr. Mahindra holds Bachelor' degree in Arts and Master's degree in Philosophy, Politics and Economics from the University of Oxford. He is a fellow member of Institute of Chartered Accountants of India and Institute of Chartered Accountants in England and Wales and also an associate member of Institute of Taxation in England. Mr. Mahindra retired as the Managing Partner of M/s A.F. Ferguson & Co., a leading Accounting Firm and as the Co-Chairman of Deloitte, Haskins and Sells in March, 2008.

His area of specialization includes audit, business consultancy, business valuation, corporate management, financial management, pre-acquisition studies, and corporate law. He was involved in audit and taxation of wide selection of Indian and multi-national clients. He is a director in Tower Computer and Consultancy Private Limited and Tower Insurance & Reinsurance Brokers (India) Private Limited.

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

Mr. Mahindra is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Mahindra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Mahindra as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Mahindra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mahindra as an Independent Director would be 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 his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mahindra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mahindra as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Mahindra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

Dr. (Mrs.) Swati Ajay Piramal is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in August, 2010. Dr. Piramal is also a member of the Corporate Governance and Social Responsibility Committee of the Board of Directors of the Company.

Dr. Piramal is the Vice Chairperson of Piramal Enterprises Limited. She has a Medical Degree from the University of Bombay, a diploma in Industrial Medicine and a Masters' in Public Health from Harvard University, United States of America. She was the Commencement Speaker at the Harvard School of Public Health in 1992. She is a founder of the Gopikrishna Piramal Hospital in Mumbai, and has launched public health campaigns against chronic disease, osteoporosis, malaria, TB, epilepsy and polio. As Director of the Piramal Foundation which is engaged in inter-disciplinary and field based education, she helps promote health in rural India with HMRI - a mobile health service, women's empowerment projects, and supporting community education that creates young leaders. She is a Director of Sarvajal foundation for clean water. She has made an immense contribution for supporting women in leadership roles.

Dr. Piramal has been the recipient of one of France's highest honours - "Chevalier de l'Ordre National du Merite" (Knight of the Order of Merit) in 2006 for medicine and trade, the Rajiv Gandhi Award for Outstanding Women Achiever by the Rajiv Gandhi Foundation in 2007 and the Asian Women Achievement Award in UK in 2010. She was nominated one of the 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011 and nominated to the Hall of Fame of Most Powerful Women in Business in 2011. Dr. Piramal was the President of ASSOCHAM 2009-2010, and was the first woman to be elected in 90 years of the history of ASSOCHAM. She was awarded by the Honourable President of India, for contribution to better Corporate Governance, and is the recipient of the Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent. On 4th April, 2012, Dr. Piramal received one of India's highest civilian honours' the prestigious Padma Shri at the hands of the President of India for her exceptional and distinguished contribution to the field of trade and industry. In September 2012, she received the Alumni Merit Award, the highest Award bestowed on alumni, from Harvard.

Dr. Piramal holds directorship and membership of the Committees of the Board of Directors of the under stated other companies in India:

- Director in Piramal Enterprises Limited, Piramal Glass Limited, Piramal Corporate Services Limited, Allergan India Private Limited, Piramal Estates Private Limited, Vulcan Investments Private Limited, PEL Management Services Private Limited, Akshar Fincom Private Limited, Adelwise Investments Private Limited, India Venture Advisors Private Limited, Alpex Holdings Private Limited, Propiedades Realities Private Limited and Piramal Management Services Private Limited.
- Member of Audit Committee of Piramal Estates Private Limited.

Dr. Piramal is also a Member of the following organization/trade bodies:

- Governing Body of Council of Scientific & Industrial Research, Prime Minister's Council on Trade and Industry, Board of Dean's Advisors of the Harvard School of Public Health, Dean's Advisors of the Harvard Business School, Assam Investment Advisory Board and Global Advisory Council.

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

Dr. Piramal is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Piramal being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Dr. Piramal as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Piramal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Piramal as an Independent Director setting out terms and conditions would be 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 continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Piramal as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Dr. Piramal as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Piramal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.9

Mr. Antonio Helio Waszyk relinquished his office as the Managing Director of the Company effective from 30th September, 2013 consequent to change of nomination notified by Nestlé S.A., Switzerland ("NSA") on 24th May 2013 under Article 118A and 106 of the Articles of Association of the Company.

The Board of Directors at their meeting held on 26th July, 2013 appointed Mr. Antonio Helio Waszyk as an Additional Director of the Company with effect from 1st October, 2013. Based on intimation of NSA received under Article 132 of the Articles of Association of the Company, the Board appointed Mr. Waszyk as a Non-Executive Chairman of the Company from 1st October, 2013. Mr. Waszyk is also Chairman of the Corporate Governance and Social Responsibility Committee of the Board of Directors of the Company.

Mr. Waszyk, a Brazilian National, joined the Nestlé Group in November 1977. He holds Bachelor's Degree in Pharmacy and Master's Degree in Food Biochemistry and developed his earlier career in the Technical and R&D functions. He has had a distinguished International record, highlights being postings in USA (1988-1990), Brazil (1990-1994), France (1994-1996), Philippines (1996-1998), Head of Nestlé R&D Centers, Switzerland (1998-2002), Israel (2002-2004) and Head of the Food Strategic Business Unit, Switzerland (2004-2009). Before taking over as the Non-Executive Chairman in October 2013, he successfully steered the Company as the Chairman and Managing Director over a period of around four years from October 2009.

Under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Article 127 of the Articles of Association of the Company, Mr. Antonio Helio Waszyk holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member proposing Mr. Waszyk as a candidate for the office of Director of the Company.

Mr. Waszyk does not hold by himself or for any other person on a beneficial basis, any shares in the Company. He is neither a director nor a member in any other company registered in India.

The Board considers that the appointment of Mr. Waszyk as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mr. Waszyk, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 10

The Board of Directors at their meeting held on 26th July, 2013 appointed Mr. Etienne André Marie Benet as a "non-retiring Director" of the Company with effect from 1st October, 2013 and subject to necessary approvals as the "Managing Director" of the Company for a period of five years with effect from the said date. He is also a member of the Shareholder/ Investor Grievance Committee of the Board of Directors of the Company.

The appointment was made pursuant to intimation by Nestlé S.A., Switzerland under Article 118A and 106 of the Articles of Association of the Company nominating Mr. Etienne André Marie Benet as the Managing Director in place of Mr. Antonio Helio Waszyk, who relinquished office as the Managing Director with effect from 30th September, 2013. Application has been filed with the Central Government for the appointment of Mr. Benet as the Managing Director, since he has not been staying in India for not less than twelve months immediately preceding the date of his appointment as the Managing Director.

Mr. Benet, who holds a Master's Degree of Agronomy and Engineering, joined Nestlé Group in France in 1989 as an Internal Auditor. He commenced his international career in 1991 in Egypt as Factory Controller, then as the Group Management Accountant followed by an assignment in sales and marketing of the Chilled business. In 1997, he was appointed as Country Manager Gabon and in 1999 returned to Egypt as Country Business Manager-Nestlé Waters. In 2004, he was transferred to Indonesia as Country Manager-Nestlé Waters until 2008, when he moved to Ghana as Market Head CWAR (Central and West Africa Region, a cluster of 22 countries). He has successfully led this most complex region under the most difficult social and political conditions, delivering results, developing people and seeing the region double its volume/sales in five years despite several crisis during this time.

The appointment of Mr. Benet is appropriate and in the best interest of the Company. He is neither a director nor a member in any other company registered in India.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Benet as the Managing Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 30th October, 2013) 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 Managing Director.

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 ₹15,00,000/- per month; and
- (ii) Allowances: Not exceeding one and a half times the Basic salary, with increments as may be decided by the Board of Directors of the Company 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, 2014.

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a rate to be determined by the Board of Directors from time to time, but not exceeding an amount equivalent to twice 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. Benet 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 hospitalisation.
 - 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. Benet.
 - 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 fund 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/ 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. Benet.

The value of the perquisites evaluated as per Income-tax Rules, 1962, wherever applicable, and at cost in the absence of any such Rule, shall be subject to an overall annual ceiling of an amount not exceeding the Salary in I(a) above for the relevant period. The perquisites mentioned above from (h) to (n) shall be based on 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, where in any financial year during the period of his office as Managing Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. Benet remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Benet.

IV) Other Terms:

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

The appointment can be terminated by Mr. Benet 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.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Ordinary Resolution set out at item no. 10 of 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 normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

Mr. Benet is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Benet, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

This Explanatory Statement together with the accompanying Notice may also be regarded as an abstract and memorandum under Section 302 of the Companies Act, 1956 and as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 11

The existing tenure of Mr. Shobinder Duggal, Whole-time Director, designated as "Director- Finance & Control" will be expiring on 9th May, 2014. The Board of Directors of the Company at their meeting held on 14th February, 2014 appointed Mr. Shobinder Duggal as a Director whose period of office is liable to determination by retirement of directors by rotation and as Whole-time Director designated as "Director - Finance & Control and Chief Financial Officer" for a period of five years commencing from 10th May, 2014. A notice has been received from a member proposing Mr. Duggal as a candidate for the office of Director of the Company.

Mr. Duggal is a Chartered Accountant. He joined the Company in 1986 and has had a distinguished career with the Company. Before his appointment as a Board member of the Company, he was holding position of Vice President – Corporate Control of the Company. Mr. Duggal has a wealth of experience in the area of Finance, which includes an assignment of around two years with Nestlé Group, Switzerland.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Duggal as the Whole-time Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 14th February, 2014) are keeping in line with the remuneration package that is necessary to continue to encourage good professional managers with a sound career record to important position such as that occupied by Mr. Duggal.

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

I) a) Salary comprising

- (i) Basic salary: At the rate not exceeding ₹ 10,00,000/- per month; and
- (ii) Allowances: Not exceeding 20% of the Basic salary,

with increments as may be decided by the Board of Directors of the Company 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, 2015.

b) Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 2013 at a 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. Duggal 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 for self and family including hospitalisation.
- c. Personal Accident Insurance Premium.
- d. Leave Travel Allowance for self and members of his family once a year.
- e. Subscription to clubs.
- f. Use of Company maintained cars with driver 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. Duggal.
- h. Encashment of leave at the end of his tenure as per policy of the Company.
- i. 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.
- j. Contributions to provident fund, superannuation fund or annuity fund and any other retirement benefits.
- k. Expenses on shifting of residence.
- l. Participation in any/ all employee stock option schemes/ plans of the Company or that of Nestlé S.A.
- m. 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. Duggal.

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 equal to the Salary for the relevant period. The perquisites mentioned above from (h) to (l) shall be based on 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, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay Mr. Duggal remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Duggal.

IV) Other Terms:

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

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

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Ordinary Resolution set out at item no. 11 of the accompanying Notice for the approval of the Members. The re-appointment of Mr. Duggal is appropriate and in the best interest of the Company.

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of erstwhile Section 301 of the Companies Act, 1956 referred below, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

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 erstwhile Section 301 of the Companies Act, 1956 and Mr. Duggal being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO. 12

As per Article 92 of the Articles of Association of the Company, the number of Directors of the Company shall not be less than six nor more than eight. Currently, the Company has eight Directors. In anticipation of the future business requirements it is proposed to increase the upper limit to ten directors, on an enabling basis. Section 149(1) of the Companies Act, 2013 allows maximum strength of fifteen directors.

Therefore, the Board of Directors recommends amendment to the Articles of Association of the Company by deleting the existing Article 92 and substituting with new Article 92, to increase the maximum number of directors of the Company from eight (8) to ten (10), subject to the requirements of the Companies Act, 2013.

The Resolution at Item No. 12 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during business normal hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

ITEM NO. 13

The members of the Company at their 52nd Annual General Meeting held on 19th April, 2011 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 2,500 Crores (Rupees two thousand five hundred crores). Out of the above limits, the Company had availed External Commercial Borrowings (ECBs) from the holding company aggregating to USD 192 Million [equivalent to ₹ 1,187.14 Crores] as on 31st December, 2013.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 13 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 150 Crores (Rupees one hundred fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

Item No. 14

The members of the Company at their 52nd Annual General Meeting held on 19th April, 2011 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for a period of five years commencing January 2010.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 coming into effect from 1st April, 2014 and taking into account the roles and responsibilities of the directors, it is proposed that the Directors other than Managing Director and the Whole-time Directors be paid for each of the five financial years of the Company commencing from 1st January, 2014, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. None of the Directors shall receive individually a sum exceeding ₹10,00,000/- (Rupees ten lakhs only) in a financial year. This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company other than Managing Director and Whole-time Directors, for a period of five years commencing from 1st January, 2014 as set out in the Resolution at Item No. 14 of the Notice.

The Managing Director, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 14 of the Notice. Directors other than the Managing Director and the Whole-time Directors of the Company may be deemed to be concerned or interested in the resolution set out at Item No. 14 of the Notice to the extent of the remuneration that may be received by them.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

Re-appointment of Mr. Aristides Protonotarios (Item No. 3)

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Mr. Aristides Protonotarios shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Aristides Protonotarios joined the Board of Directors as a Whole-time Director designated as "Director- Technical" of the Company for a period of five years with effect from 1st April, 2013. The said appointment was approved by the members of the Company at their 54th Annual General Meeting held on 8th May, 2013 by way of an Ordinary Resolution. Mr. Protonotarios holds Bachelor's degree of Engineering in Nature and Agriculture from Newcastle Upon Tyne University, United Kingdom and Master's Degree of Engineering in Foods from Reading University, United Kingdom. Before joining the Company he served as R&D Manager for the Beverages Strategic Business Unit (SBU) at Nestec S.A., Switzerland. He joined Nestlé United Kingdom in 1991 and was appointed as Manufacturing Specialist at Hayes. In 1996, he moved to Estcourt Factory, South Africa, as Manufacturing Specialist and progressed through a number of positions until he became Production Manager in 1999. He joined PTC Orbe as Manufacturing Specialist Coffee and later as Technical Advisor in 2003. In 2004, he was appointed as Factory Manager in Hayes and in 2007 he became Head of Manufacturing Services for Beverages in the UK. In 2009, he was appointed as Head of Technical and Production for Indonesia. In 2011, he moved to Nestec S.A., Switzerland, where he established the R&D function in the Beverages SBU.

Mr. Protonotarios is not a Director in any other Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Upon his re-appointment as a director, Mr. Protonotarios shall continue to hold office as a Whole-time Director designated as "Director-Technical". Accordingly, the Board recommends his re-appointment.

Except Mr. Protonotarios, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No. 3.

Appointment of other Directors (Item Nos. 5 to 11)

For the details of M/s. Michael William Oliver Garrett, Ravinder Narain, Ashok Kumar Mahindra, Swati Ajay Piramal, Antonio Helio Waszyk, Etienne André Marie Benet and Shobinder Duggal, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 5 to 11 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

By Order of the Board

Date : 9th April, 2014
Place : Gurgaon

B. Murli
Senior Vice President – Legal &
Company Secretary