

# NESTLÉ INDIA LIMITED

(CIN: L15202DL1959PLC003786)

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

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

Phone: 011-23418891, Fax: 011-23415130

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE FIFTY SEVENTH ANNUAL GENERAL MEETING OF NESTLÉ INDIA LIMITED** will be held at Air Force Auditorium, Subroto Park, New Delhi – 110 010 on Thursday, 12<sup>th</sup> May, 2016 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 2015 including audited Balance Sheet as at 31<sup>st</sup> December, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the two interim dividends aggregating to ₹ 30 per equity share, already paid for the year ended 31<sup>st</sup> December, 2015 and declare final dividend.
3. To appoint a Director in place of Mr. Shobinder Duggal (DIN 00039580), who retires by rotation and being eligible offers himself for re-appointment.
4. To 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 provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 00019), appointed as cost auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records for the milk food products manufactured by the Company for the financial year ending 31<sup>st</sup> December, 2016 be paid ₹ 175,000/- plus out of pocket expenses and applicable service tax."
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 provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Rakesh Mohan (DIN 02790744), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1<sup>st</sup> May, 2016, in terms of Section 161(1) of the Act 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 an Independent Non-Executive Director of the Company to hold office for a term up to 30<sup>th</sup> June, 2020".

By Order of the Board

B. Murli  
Senior Vice President – Legal  
& Company Secretary

Date : 28<sup>th</sup> March, 2016

Place : Gurgaon

### IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 18<sup>th</sup> May, 2016 to Thursday, 19<sup>th</sup> May, 2016 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for 2015.
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 ₹ 18.50 per equity share has been recommended by the Board of Directors for the year ended 31<sup>st</sup> December, 2015 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid on and from 31<sup>st</sup> May, 2016. First and Second interim dividends for the year 2015, at the rate of ₹ 14.00 and ₹ 16.00 per equity share, were paid on 2<sup>nd</sup> June, 2015 and 23<sup>rd</sup> December, 2015, respectively.

5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Under Section 124 of the Companies Act, 2013, 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 ₹ 2,231,262/- and ₹ 4,958,162/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2007 and Interim Dividend 2008; and Second Interim Dividend 2008 and Special Dividend on 4<sup>th</sup> June, 2015 and 29<sup>th</sup> December, 2015, respectively, to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> 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 2008, as on the date of the 56<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> May, 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. [www.nestle.in](http://www.nestle.in)

The Company has been sending reminders to those members having unclaimed dividends before transfer of such dividend(s) to IEPF. Members, who have not encashed their dividend pertaining to Final Dividend 2008 and Interim Dividend 2009, 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. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
10. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for his appointment/ re-appointment.
11. Electronic copy of the Annual Report for 2015 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 2015 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 57<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 57<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
13. Members may also note that the Notice of the 57<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2015 will also be available on the Company's website [www.nestle.in](http://www.nestle.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection 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](mailto:investor@in.nestle.com).

#### 14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 57<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 9<sup>th</sup> May, 2016 (9:00 am) and ends on 11<sup>th</sup> May, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 5<sup>th</sup> May, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- VI. The process and manner for remote e-voting are as under:
  - A. Member whose email IDs are registered with the Company/Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:
    - (i) Open email and open PDF file titled; "Nestlé India remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.
    - (v) The Password change menu will 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 that you do not share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "REVEN" of Nestlé India Limited.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and Remember to "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to [nestlescrutinizer@gmail.com](mailto:nestlescrutinizer@gmail.com) or [evoting@in.nestle.com](mailto:evoting@in.nestle.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
    - (i) The Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :  
REVEN (Remote e-voting Event Number) USER ID \_\_\_\_\_ PASSWORD/PIN \_\_\_\_\_
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone nos. +91 22 2499 4600/ +91 22 2499 4360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email ID: [investor@in.nestle.com](mailto:investor@in.nestle.com) or contact at telephone no. 011-23418891.
- VIII. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 5<sup>th</sup> May, 2016.
- XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 5<sup>th</sup> May, 2016, may obtain the user ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [evoting@in.nestle.com](mailto:evoting@in.nestle.com) . However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Abhinav Khosla, Chartered Accountant (Membership No. 087010), Partner of M/s. S.C. Vasudeva & Co., Chartered Accountants has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.nestle.in](http://www.nestle.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. 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**

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 12<sup>th</sup> February, 2016 the appointment of M/s. Ramanath Iyer and Co., Cost Accountants, New Delhi (Registration No. 00019), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to milk powder products covered by Central Excise Tariff Act heading 0402, manufactured by the Company for the financial year ending 31<sup>st</sup> December, 2016 at a remuneration of ₹ 175,000/- plus out of pocket expenses and applicable service tax.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> December, 2016.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out under Item No. 5 as an ordinary resolution.

**Item No. 6**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Dr. Rakesh Mohan as an Additional Director with effect from 1<sup>st</sup> May, 2016 under Section 161(1) of the Companies Act, 2013 and Article 127 of the Articles of Association of the Company and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 to hold office upto 30<sup>th</sup> June, 2020. His appointment is subject to the approval of the members. The Company has received a notice from a member proposing Dr. Rakesh Mohan as a candidate for the office of Director of the Company.

Dr. Rakesh Mohan was on Board of the Company as an Independent Non-Executive Director from April, 2010 to October, 2012. He relinquished office of Director of the Company consequent to his appointment as Executive Director at the International Monetary Fund, Washington, D.C., United States representing India, Sri Lanka, Bangladesh and Bhutan.

Dr. Mohan received BA in Economics from Yale University. He is also a Bachelor of Science in Electrical Engineering from Imperial College of Science and Technology, University of London. He got his Masters Degree and Doctorate in Economics from Princeton University, New Jersey, United States.

Dr. Rakesh Mohan is one of India's senior-most economic policymakers and an expert on central banking, monetary policy, infrastructure and urban affairs. He is a former Deputy Governor of the Reserve Bank of India. As Deputy Governor he was in charge of monetary policy, financial markets, economic research and statistics. In addition to serving in various posts for the Indian government, including representing India in a variety of international forums such as Basel and G20, he has worked for the World Bank and headed prestigious research institutes. Dr. Mohan has written extensively on urban economics, urban development and Indian economic policy reforms.

Dr. Rakesh Mohan is a Director in Mahindra United World College of India.

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

Dr. Mohan has given a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Mohan fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Mohan as an Independent Director is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Mohan as an Independent Director. Dr. Mohan would bring with him immense experience to the Company in the areas of management, administration and corporate governance. The Retirement Policy for Non-Executive Directors stipulates that new appointees shall retire on the date of the Annual General Meeting to be held after reaching 72 years. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Rakesh Mohan as an Independent Director for period upto 30<sup>th</sup> June, 2020, for the approval by the members of the Company.

Except Dr. Rakesh Mohan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6. Dr. Mohan is not related to any Director of the Company.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

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

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

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

Mr. Shobinder Duggal appointed as a Whole-time Director of the Company designated as “Director-Finance & Control and Chief Financial Officer” for a period of five years effective from 10<sup>th</sup> May, 2014. As per the terms of his appointment, re-appointment at the AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director designated as Director-Finance & Control and Chief Financial Officer.

Mr. Shobinder Duggal is an Economics (Hons.) Graduate from St. Stephens College, Delhi University and a Chartered Accountant. He has attended the Executive Development Program at IMD, Lausanne. He has over 30 years of work experience with Nestlé. Before his current position, he handled various responsibilities in Nestlé India Limited, including Vice President Corporate Control, Head of Internal Audit and some important assignments at the Nestlé Group Headquarters in Switzerland. He is also on the Board of Nestlé Lanka PLC since January 2014.

He is the Chairman of the Risk Management Committee and member of the Stakeholders Relationship Committee of Nestlé India Limited.

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, financially or otherwise, in the resolution set out at Item No. 3. Mr. Duggal is not related to any Director of the Company.

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

### **Appointment of Dr. Rakesh Mohan (Item No. 6)**

For the details of Dr. Rakesh Mohan, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 6 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

By Order of the Board

B. Murli  
Senior Vice President – Legal  
& Company Secretary

Date : 28<sup>th</sup> March, 2016  
Place : Gurgaon

# ROUTE MAP

