

**Nestlé India Limited**

(CIN : L15202DL1959PLC003786)

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BM: PKR: 78:19

12.12.2019

BSE Limited

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Mumbai – 400 001

Scrip Code – 500 790

**Subject**            **Response to the Media Titled “Nestlé India as a responsible corporate citizen has passed on the benefits of GST to consumers and will consider appropriate actions post studying the order by the National Anti-Profiteering Authority (NAA)”**

Dear Sir,

This is with reference to National Anti-Profiteering Authority (NAA) uploading NAA Order No. 70/2019 in case of M/s Nestlé India Limited dated 10<sup>th</sup> December, 2019 ('Said Order') on their official website on the evening of 11<sup>th</sup> December, 2019 available at the web link: <http://www.naa.gov.in/docs/1576068645Nestle%20Final%20Order%201.pdf>

Since then there has been Media queries on the Said Order. We are enclosing a copy of the response sent to the Media on 11<sup>th</sup> December, 2019 titled "Nestlé India as a responsible corporate citizen has passed on the benefits of GST to consumers and will consider appropriate actions post studying the order by the National Anti-Profiteering Authority (NAA)".

This is for your information and dissemination.

Thanking you,

Yours very truly,

**NESTLÉ INDIA LIMITED****B. MURLI****SENIOR VICE PRESIDENT- LEGAL & COMPANY SECRETARY**

## MEDIA RESPONSE

Nestlé India as a responsible corporate citizen has passed on the benefits of GST to consumers and will consider appropriate actions post studying the order by the National Anti-Profiteering Authority (NAA)

Nestlé India prides itself in being a responsible, responsive and fully compliant corporate citizen. We have taken appropriate measures to pass on commensurate benefits of GST to our consumers.

In absence of specific rules or regulations on profiteering, for rate changes effective 15<sup>th</sup> Nov, 2017 & 25<sup>th</sup> Jan, 2018 impacting our products, Nestlé India adopted the spirit of GST law, by adopting a reasonable, pragmatic and market sustainable approach to pass commensurate GST rate reduction benefits. With this as the underlying spirit, Nestlé India approached NAA, to clarify on the methodology to be followed and in turn explained our methodology.

The benefits largely have been passed on by way of reduction of Maximum Retail Price (MRP) or by way of increase in grammage. Further, on SKUs where it was not practicable to pass on the benefits, say for example NESCAFE single serve packs for INR 2/- or MAGGI Noodles INR 5/- packs, the benefit has been passed on other pack sizes within the same product category.

In some situations where the benefit could not be passed on instantly by reduction in MRP or increase in grammage, the amount was set aside, to be subsequently passed on and was not reckoned either in our sales or profits. At our request, the authority through its communication had advised us to provisionally deposit the amount computed by us amounting to around INR 16.5 crore in the Consumer Welfare Fund, which had been done by us suo moto.

The information regarding passing of GST rate reduction benefit together with substantiations had been provided to the (NAA). However we are disappointed that NAA has not accepted the methodology adopted by us to pass on the GST rate reduction benefit.

We are studying the order passed by the NAA and will consider appropriate action as advised.



For more information:

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