

Nestlé India Limited

(CIN : L15202DL1959PLC003786)

Nestlé House

Jacaranda Marg

'M' Block, DLF City, Phase - II

Gurugram - 122002, Haryana

Phone 0124 - 3940000

E-mail: investor@IN.nestle.com

Website www.nestle.in



BM: PKR: 73:19

08.11.2019

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort, Mumbai - 400 001

Scrip Code - 500790

Subject :

- I. **Regulation 33 : Unaudited Financial Results for the quarter and nine months ended 30th September, 2019**
- II. **Regulation 30 : Appointment of Mr. David McDaniel as a Whole-time Director, designated as "Executive Director - Finance & Control and Chief Financial Officer" w.e.f. 1st March, 2020, subject to requisite approvals, in place of Mr. Shobinder Duggal.**

Dear Sir,

Regulation 33 : Unaudited Financial Results for the quarter and nine months ended 30th September, 2019

Enclosed please find the unaudited financial results of the Company for the quarter and nine months ended 30th September, 2019 approved by the Board of Directors at their meeting held today along with the Limited Review Report of M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company. The unaudited financial results shall be published in newspapers as required. The same is also being uploaded on the Company's website.

Press Release relating to the unaudited financial results for the quarter and nine months ended 30th September, 2019 is enclosed.

Reg. 30 : Appointment of Mr. David McDaniel as a Whole-time Director, designated as "Executive Director - Finance & Control and Chief Financial Officer" w.e.f. 1st March, 2020, subject to requisite approvals, in place of Mr. Shobinder Duggal

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. David McDaniel, as Whole-time Director, designated as "Executive Director - Finance & Control and Chief Financial Officer" with effect from 1st March, 2020, for a term of five years, subject to requisite approvals, in place of Mr. Shobinder Duggal, whose term as Whole-time Director of the Company ends on 31st December, 2019.

Further, the Board of Directors approved continuation of Mr. Shobinder Duggal as the Chief Financial Officer of the Company upto 29th February, 2020.

About Mr. David McDaniel

Mr. McDaniel is a Chartered Management Accountant. He has over 23 years of rich and exhaustive experience in Finance and Control Division and held senior management positions in various markets during his career with Nestlé Group.

Mr. McDaniel is currently the Chief Financial Officer of Nestlé UK & Ireland and has been holding the position since April 2016. Prior to this, Mr. McDaniel has had relevant exposure in Asia, having worked as Division Director Finance & Control of Nestlé Korea, and Head of Finance and Control - Nestlé Indochina. He has also worked in Nestlé China in varied capacities within the Finance and Control function and at Nestlé Headquarters, Vevey, as the Head of Financial Services with the Nestlé Global Business Services organization.

The meeting of the Board of Directors commenced at 14:00 hours and concluded at 17:30 hours.

Thanking you,

Yours very truly,

NESTLÉ INDIA LIMITED

B. MURLI

DIRECTOR - LEGAL & COMPANY SECRETARY

Encl. as above



NESTLÉ INDIA LIMITED

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019

(₹ In million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	NINE MONTHS ENDED (Unaudited)		Accounting Year ended (Audited)
30.09.2019	30.6.2019	30.09.2018		30.9.2019	30.9.2018	31.12.2018
			A INCOME			
30,390.9	28,353.7	27,495.0	DOMESTIC SALES	86,960.1	78,170.3	105,075.4
1,602.2	1,474.6	1,724.9	EXPORT SALES	4,685.2	5,203.7	7,086.9
31,993.1	29,828.3	29,219.9	SALE OF PRODUCTS	91,645.3	83,374.0	112,162.3
165.0	180.2	173.7	OTHER OPERATING REVENUES	550.8	576.0	760.4
32,158.1	30,008.5	29,393.6	i REVENUE FROM OPERATIONS	92,196.1	83,950.0	112,922.7
564.0	725.9	670.3	ii OTHER INCOME	2,021.8	1,836.9	2,589.2
32,722.1	30,734.4	30,063.9	TOTAL INCOME	94,217.9	85,786.9	115,511.9
			B EXPENSES			
12,547.4	12,173.0	10,800.3	i COST OF MATERIALS CONSUMED	36,807.1	31,648.2	43,656.8
567.9	523.5	668.3	ii PURCHASES OF STOCK-IN-TRADE	1,610.8	1,694.9	2,305.6
534.7	(174.8)	372.6	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	207.2	664.9	(60.1)
3,219.7	3,145.6	2,903.9	iv EMPLOYEE BENEFITS EXPENSE	9,402.9	8,442.6	11,241.5
299.2	299.2	274.6	v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	914.5	867.8	1,119.5
780.2	808.2	930.1	vi DEPRECIATION AND AMORTISATION	2,367.9	2,572.5	3,356.7
7,643.9	7,180.7	7,176.3	vii OTHER EXPENSES	21,757.8	20,094.3	28,181.1
-	-	-	viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	-	41.4	110.8
80.8	99.6	168.2	ix NET PROVISION FOR CONTINGENCIES	298.0	474.5	621.7
-	-	-	x - OPERATIONS	-	-	415.1
49.4	87.9	52.0	xi - OTHERS	248.0	218.3	273.7
25,723.2	24,142.9	23,346.3	TOTAL EXPENSES	73,614.2	66,719.4	91,222.4
6,998.9	6,591.5	6,717.6	C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)	20,603.7	19,067.5	24,289.5
-	-	-	D EXCEPTIONAL ITEMS	-	-	-
6,998.9	6,591.5	6,717.6	E PROFIT BEFORE TAX (C-D)	20,603.7	19,067.5	24,289.5
			F TAX EXPENSE:			
1,238.8	2,348.7	2,395.6	CURRENT TAX	6,025.9	7,001.1	8,848.7
(194.0)	(135.6)	(139.1)	DEFERRED TAX	(387.5)	(585.3)	(628.5)
5,954.1	4,378.4	4,461.1	G PROFIT FOR THE PERIOD (E-F)	14,965.3	12,651.7	16,069.3
			H OTHER COMPREHENSIVE INCOME			
(1,273.8)	(185.7)	(86.3)	a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
-	-	-	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(1,609.3)	(262.4)	(464.0)
298.6	64.9	30.1	- CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	-	(100.0)	(100.0)
			(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	415.8	91.5	162.0
(15.5)	(2.7)	(7.8)	b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	(20.7)	(59.1)	(3.2)
5.0	0.9	2.7	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	6.8	20.6	1.1
			(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(985.7)	(122.6)	(61.3)	TOTAL OTHER COMPREHENSIVE INCOME (a+b)	(1,207.4)	(309.4)	(404.1)
4,968.4	4,255.8	4,399.8	I TOTAL COMPREHENSIVE INCOME (G+H)	13,757.9	12,342.3	15,665.2
964.2	964.2	964.2	J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
61.76	45.41	46.27	K EARNINGS PER SHARE (EPS) BASIC/ DILUTED EPS (₹)	155.22	131.22	166.67
			ADDITIONAL INFORMATION:			
6,783.5	6,252.7	6,373.9	PROFIT FROM OPERATIONS [C - A(ii) + B(v)+B(x)+B(xi)]	19,744.4	18,316.7	23,508.6



Notes:

Financial results have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Ind-AS and Schedule III (Division II) to the Companies Act, 2013.

For better understanding of the financial performance, the Company has chosen to present "Profit from Operations" as an additional information in the Statement of Profit and Loss. "Profit from Operations" is arrived from 'Profit before Exceptional items and Tax' after reducing Other Income and adding back Finance Costs (including interest cost on employee benefit plans), Net provision for contingencies (others) and Corporate social responsibility expense.

Comparisons with reference to quarter ended 30.9.2018 unless otherwise specified:

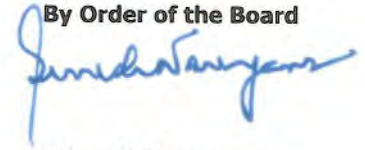
1. "Total Sales" increased by 9.5%. "Domestic Sales" increased by 10.5% largely driven by volume & mix. "Export Sales" dropped by 7.1% due to lower coffee exports to Turkey.
2. "Other Income" has decreased due to lower average liquidities following the payment of special interim dividend on 23 August 2019 and lower yields.
3. "Cost of materials consumed" [B(i)+B(ii)+B(iii)] has increased due to higher commodity prices particularly milk and its derivatives, the impact of which has not been fully passed on to consumers.
4. "Net Provision for Contingencies" is mainly for matters related to litigations /related disputes and other uncertainties requiring management judgement. Provisions for Contingencies/ Contingent Liabilities are recognised/ disclosed after a careful evaluation of the facts and legal aspects of the matters involved, in line with Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".
5. "Tax Expense" (including revaluation of deferred tax assets & liabilities) has been computed at the lower tax rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. The impact of this change, including that for the previous quarter, has been recognized in the current quarter. Accordingly, the tax expense for the current quarter is lower due to the credit of ₹ 725 million pertaining to the previous quarter. This has also impacted the current quarter's "Net Profit" by the same amount and the "Earnings Per Share" by ₹ 7.5.
6. "Re-Measurement of Retiral Defined Benefit Plans" represents actuarial gains/losses on defined benefit plans.
7. "Total Comprehensive Income" is impacted by lower tax rates as mentioned in point 5 above and change in estimates of retiral defined benefit plans recognized in "Other Comprehensive Income".
8. Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Food. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.
9. Legal proceedings in the MAGGI Noodles issue are currently on before the Hon'ble Supreme Court. The issue has been adequately explained in the Annual Report 2015 and also in the press releases in 2015 available on the Company's website www.nestle.in.
10. Previous period's figures have been regrouped/ reclassified to conform with the current year's classification /grouping.

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 8 NOVEMBER 2019.



Limited Review - The limited review, as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related report forwarded to the stock exchange. The report does not have any impact on the above 'results and notes' for the quarter ended 30 September 2019.

By Order of the Board



Suresh Narayanan
Chairman and Managing Director

Date: 8 November 2019

Place: Gurugram

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001

Corporate Identity Number: L15202DL1959PLC003786

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Chartered Accountants

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Limited review report on unaudited quarterly financial results and year-to-date results of Nestlé India Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of Nestlé India Limited

We have reviewed the accompanying Statement of unaudited financial results of Nestlé India Limited (‘the Company’) for the quarter ended 30 September 2019 and year to date results for the period from 1 January 2019 to 30 September 2019 (‘the Statement’).

This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ (‘Ind AS 34’), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/ W-100022

Jiten Chopra

Partner

Membership No.: 092894

UDIN: 19092894AAAADH7767

Place: Gurugram

Date: 8 November 2019

Nestlé House, Gurugram, 8th November 2019

Key Brands Continue to Deliver Strong Performances - Nestlé India Sustains Volume & Mix Led Growth

Nestlé India – Q3 2019

- Total Sales at INR 3,199 Crores
- Total Sales Growth of 9.5%. Domestic Sales Growth of 10.5%.
- Profit from Operations at 21.2% of Sales
- Reported Net Profit at INR 595 Crores (includes one-off credit of INR 72.5 crores)
- Reported Earnings Per Share at INR 61.76 (includes one-off credit of INR 7.5)

The Board of Directors of Nestlé India met today at Nestlé House and approved the results for the third quarter of 2019. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “Led by the unrelenting efforts of our employees and business partners we have sustained the momentum of volume and mix led growth. MAGGI, KITKAT, Nestlé MUNCH, NESCAFÉ RTD, NANGROW and CEREGROW delivered strong performances. The quarter witnessed higher commodity prices particularly in milk and its derivatives, which are likely to continue in the near term future.

In line with our unwavering commitment to provide tastier and healthier products to our valued consumers, we were happy to bring the world’s no. 1 cocoa-malt beverage – MILO to India. MILO has a rich legacy, having nourished youngsters around the world for more than 85 years by providing nutritious energy and inspiration to grow with sports.

With the strong focus and determination that we have towards managing post-consumer plastic waste, Nestlé India is proud to share that the quantity of plastic waste collected and disposed off by us will make some of our brands like MAGGI Noodles and KITKAT plastic neutral by end of 2019.”

Highlights for the quarter ended 30 September 2019:

1. Total Sales increased by 9.5%. Domestic Sales increased by 10.5% largely driven by volume & mix. Export Sales dropped by 7.1% due to lower coffee exports to Turkey.
2. “Tax Expense” (including revaluation of deferred tax assets & liabilities) has been computed at the lower tax rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. The impact of this change, including that for the previous quarter, has been recognised in the current quarter. Accordingly, the tax expense for the current quarter is lower due to the credit of INR 72.5 crores pertaining to the previous quarter. This has also impacted the current quarter’s “Net Profit” by the same amount and the “Earnings Per Share” by INR 7.5.

For more information:

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