

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: 50:20

23.10.2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai – 400 001

Scrip Code - 500790

Subject : I. Regulation 33 of Listing Regulations: Unaudited Financial Results for the quarter and nine months ended 30th September 2020
II. Regulation 30 of Listing Regulations:
- Declaration of interim dividend for the year 2020
- Appointment of Mr Matthias C Lohner as Whole-time Director, designated as “Executive Director – Technical” w.e.f. 1st November 2020, subject to requisite approvals, in place of Mr Martin Roemkens

Dear Sir,

Unaudited Financial Results for the quarter and nine months ended 30th September 2020

Enclosed please find unaudited financial results of the Company for the quarter and nine months ended 30th September 2020 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, 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 is enclosed.

Declaration of interim dividend for the year 2020

The Board of Directors at their meeting held today declared interim dividend of Rs. 135/- (Rupees One Hundred Thirty Five only) per equity share of Rs. 10/- each for the year 2020 on the entire issued, subscribed and paid up share capital of the Company of 9,64,15,716 equity shares of the nominal value of Rs. 10/- each.

The interim dividend for the year 2020 will be paid on and from 20th November 2020 to those members whose names appear on the Register of Members of the Company and as beneficial owners in the Depositories, determined with reference to the Record Date of 2nd November 2020, already announced for the purpose vide letter no. BM:PKR:46:20 dated 15th October 2020.

Appointment of Mr Matthias C. Lohner as Whole-time Director, designated as “Executive Director – Technical” w.e.f. 1st November 2020, subject to requisite approvals, in place of Mr Martin Roemkens

Further to letter no. BM:PKR:41:20 dated 10th September 2020, this is to intimate that the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr Matthias C. Lohner, as Whole-time Director, designated as “Executive Director – Technical” with effect from 1st November 2020, for a term of five years, subject to requisite approvals, in place of Mr Martin Roemkens.

About Mr Matthias C. Lohner

Mr Matthias has over 23 years of rich experience in Nestlé Group and held various positions of increasing responsibility in Vietnam, Mexico, El Salvador, Canada, Chile. Currently he is Operations Manager, Nescafé Dolce Gusto, Global Business Unit based in Switzerland. He brings with him a diverse background with experience around different Markets and Zones including Nestlé Head Office at Switzerland.

The meeting of the Board of Directors commenced at 14:45 hours and concluded at 17:50 hours.

Thanking you,

Yours very truly,

NESTLÉ INDIA LIMITED

B. MURLU

SENIOR VICE PRESIDENT – 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 2020

(₹ Million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	NINE MONTHS ENDED (Un-audited)		Accounting Year ended (Audited)
30.09.2020	30.6.2020	30.09.2019		30.9.2020	30.9.2019	31.12.2019
			A INCOME			
33,501.0	29,077.4	30,390.9	DOMESTIC SALES	93,820.7	86,960.1	116,567.9
1,753.1	1,337.1	1,602.2	EXPORT SALES	4,905.7	4,685.2	6,384.8
35,254.1	30,414.5	31,993.1	SALE OF PRODUCTS	98,726.4	91,645.3	122,952.7
162.9	90.3	165.0	OTHER OPERATING REVENUES	448.1	550.8	736.3
35,417.0	30,504.8	32,158.1	i REVENUE FROM OPERATIONS	99,174.5	92,196.1	123,689.0
344.7	379.3	564.0	ii OTHER INCOME	1,152.5	2,021.8	2,468.8
35,761.7	30,884.1	32,722.1	TOTAL INCOME	100,327.0	94,217.9	126,157.8
			B EXPENSES			
13,877.7	11,942.0	12,547.4	i COST OF MATERIALS CONSUMED	40,657.5	36,807.1	51,503.0
316.9	420.8	567.9	ii PURCHASES OF STOCK-IN-TRADE	1,434.2	1,610.8	2,178.1
648.0	956.1	534.7	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	602.8	207.2	(1,441.9)
3,696.8	3,696.0	3,208.9	iv EMPLOYEE BENEFITS EXPENSE	10,976.5	9,361.3	12,581.7
404.5	408.0	320.6	v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	1,222.1	980.0	1,291.2
911.1	924.2	910.7	vi DEPRECIATION AND AMORTISATION	2,748.8	2,765.9	3,701.5
7,798.2	5,813.1	7,504.8	vii OTHER EXPENSES	20,644.2	21,345.7	28,977.4
-	-	-	viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	-	-	-
99.6	56.1	80.8	ix - OPERATIONS	171.2	298.0	248.8
55.1	52.6	-	x - OTHERS	164.8	-	-
88.8	92.5	49.4	xi CORPORATE SOCIAL RESPONSIBILITY EXPENSE	278.7	248.0	383.1
27,896.7	24,361.4	25,725.2	TOTAL EXPENSES	78,900.8	73,624.0	99,422.9
7,865.0	6,522.7	6,996.9	C PROFIT BEFORE TAX (A-B)	21,426.2	20,593.9	26,734.9
			D TAX EXPENSE:			
2,082.0	1,764.2	1,238.8	CURRENT TAX	5,695.8	6,025.9	7,470.0
(87.9)	(107.5)	(194.6)	DEFERRED TAX	(260.8)	(390.0)	(419.5)
5,870.9	4,866.0	5,952.7	E PROFIT FOR THE PERIOD (C-D)	15,991.2	14,958.0	19,684.4
			F OTHER COMPREHENSIVE INCOME			
(678.1)	(422.4)	(1,273.8)	a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
-	-	-	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(1,529.1)	(1,609.3)	(2,036.7)
170.6	106.3	298.6	- CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	-	-	(30.0)
			(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	384.8	415.8	523.3
1.7	35.4	(15.5)	b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(0.4)	(8.9)	5.0	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(2.3)	(20.7)	(8.0)
			(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	0.6	6.8	3.7
(506.2)	(289.6)	(985.7)	TOTAL OTHER COMPREHENSIVE INCOME (a+b)	(1,146.0)	(1,207.4)	(1,547.7)
5,364.7	4,576.4	4,967.0	G TOTAL COMPREHENSIVE INCOME (E+F)	14,845.2	13,750.6	18,136.7
964.2	964.2	964.2	H PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
60.89	50.47	61.74	I EARNINGS PER SHARE (EPS) BASIC/ DILUTED EPS (₹)	165.86	155.14	204.16
8,068.7	6,696.5	6,802.9	ADDITIONAL INFORMATION: PROFIT FROM OPERATIONS [C - A(ii) + B(v)+B(x)+B(xi)]	21,939.3	19,800.1	25,940.4

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 derived from Profit before Tax less Other Income and adding back Finance Costs (Including Interest Cost On Employee Benefit Plans), Net Provision For Contingencies (Others) and Corporate Social Responsibility Expense.

First time adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 Leases w.e.f. 1 January 2020 with a transition date of 1 January 2019, replacing the existing standard Ind AS 17 Leases. The Company adopted this standard using the full retrospective method, accordingly previous periods figures have been restated to make them comparable.

Reconciliation of Profit reported for previous periods to Restated Profit after adoption of Ind AS 116 Leases is as under:
(₹ Million)

PARTICULARS	THREE MONTHS ENDED	NINE MONTHS ENDED	Accounting Year ended
	30.9.2019	30.9.2019	31.12.2019
Profit for the period as reported in accordance with Ind AS 17	5,954.1	14,965.3	19,695.5
a) Recognition of depreciation on ROU assets	(130.5)	(398.0)	(537.9)
b) Recognition of finance cost on lease liabilities	(21.5)	(65.5)	(92.9)
c) De-recognition of operating lease expenses	150.0	453.7	615.8
Tax Impact on above	0.6	2.5	3.9
Restated profit for the period in accordance with Ind AS 116	5,952.7	14,958.0	19,684.4

Comparisons with reference to Quarter ended 30.9.2019 unless otherwise specified:

- Total Sales and Domestic Sales both increased by 10.2% driven by volume and mix. Export Sales increased by 9.4%. Demand in Out of Home channel improved through the quarter but continues to be impacted by COVID.
- Other Income decreased due to lower yields and lower average liquidities.
- Employee Benefits Expense is higher due to incentives offered to production manpower in view of COVID.
- Other Expenses are positively influenced by reduction in overheads due to restricted operations.
- 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 Provisions, Contingent Liabilities and Contingent Assets and Ind AS 12 Income Taxes.
- Tax Expense for the quarter ended 30 September 2020 is not comparable. The cumulative effect of lower tax rate made applicable from 1 April 2019 was adjusted fully in quarter ended 30 September 2019. Net Profit after Tax and Earnings per share are also not comparable for the same reason.
- Re-Measurement of Retiral Defined Benefit Plans represents actuarial gains/losses on defined benefit plans.
- The Board of Directors have declared an interim dividend for 2020 of ₹ 135 per equity share (Face value ₹10/- per equity share) amounting to ₹ 13,016.1 million, which will be paid on and from 20 November 2020.
- Based on the guiding principles given in Ind AS 108 Operating Segments, the Company's business activity falls within a single operating segment, namely Food. The disclosure requirements of Ind AS 108 are not applicable.

10. Legal proceedings in the MAGGI Noodles case are currently before the Honourable Supreme Court. The issue has been adequately explained in the Annual Report 2015 and in the press releases in 2015 available on the Company's website www.nestle.in.

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 23 OCTOBER 2020.

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 2020.

By Order of the Board



Suresh Narayanan
Chairman and Managing Director

Date: 23 October 2020
Place: Gurugram

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)
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Email ID: investor@in.nestle.com, Website: www.nestle.in
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B S R & Co. LLP

Chartered Accountants

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Gurgaon – 122 002, India

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Limited review report on unaudited quarterly financial results and year-to-date results of Nestlé India Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) 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 2020 and year to date results for the period from 1 January 2020 to 30 September 2020 (“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’s Registration No.: 101248W/ W-100022

VIKRAM Digitally signed by
VIKRAM ADVANI
ADVANI Date: 2020.10.23
17:56:40 +05'30'

Vikram Advani
Partner
Membership No. 091765
UDIN: 20091765AAAACW6531

Place: New Delhi
Date: 23 October 2020

Registered Office



Nestlé House, 23rd October 2020

Nestlé India gets back to “Double Digit” growth – Commits investments for the future

Plans to invest a further INR 2600 Crore in India over the next three to four years

Nestlé India – Q3 2020

- Total Sales of INR 3,525 Crore
- Total Sales Growth at 10.2%. Domestic Sales Growth at 10.2%.
- Profit from Operations at 22.9% of Sales
- Net Profit of INR 587 Crore
- Earnings Per Share of INR 60.89
- Interim Dividend INR 135 per equity share

Key Highlights:

- INR 2600 Crore planned investment over the next three to four years
- Factories return to normal output
- Double digit growth in key brands, boosted by in-home consumption
- Demand in ‘Out of Home’ channels improved during the quarter
- E-commerce grew by 97%, contributing about 4% of domestic sales

The Board of Directors of Nestlé India met today, through audiovisual means, and approved the results for the third quarter and first nine months of 2020. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “I am extremely proud of my team, our distribution partners, hundreds of suppliers including MSMEs, many thousand farmers, agencies, service providers large and small, as well other stakeholders in our business, for their determination, anticipation, tenacity, imagination and sheer hard work that has helped us achieve a strong performance this quarter. This has been achieved in the face of daunting challenges in operations thrown at us by this pandemic.

We are proud of our 108-year long association with the nation and nearly six-decade long manufacturing journey. As a vindication of the confidence and trust in the Nestlé journey in India, I am pleased to share that we plan to invest INR 2600 Crore (INR 26 Billion) over the next three to four years to augment our existing manufacturing capacities, as well as towards our new under construction ‘state of the art’ factory in Sanand, Gujarat.

The quarter witnessed growth driven by an improved supply situation, as our factories returned to normal output. Boosted by an increase in in-home consumption, our key brands like MAGGI Noodles, MAGGI Sauces, KITKAT, Nestlé MUNCH, NESCAFÉ CLASSIC & NESCAFÉ SUNRISE witnessed double digit growth. Demand in ‘Out of Home’ channels improved during the quarter but continues to be impacted due to the overall environment. We continued our strong performance in the e-commerce channels, which grew by 97% and now contributes about 4% of domestic sales.”

Highlights for the quarter ended 30 September 2020:

1. Total Sales and Domestic Sales both increased by 10.2% driven by volume and mix. Export Sales increased by 9.4%. Demand in Out of Home channel improved through the quarter but continues to be impacted by COVID.
2. Tax Expense for the quarter ended 30 September 2020 is not comparable. The cumulative effect of lower tax rate made applicable from 1 April 2019 was adjusted fully in quarter ended 30 September 2019. Net Profit after Tax and Earnings per share are also not comparable for the same reason.

Dividend:

The Board of Directors have declared an interim dividend for 2020 of INR 135 per equity share (Face value INR 10/- per equity share) amounting to INR 13,016.1 million, which will be paid on and from 20 November 2020.

For more information:

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