

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.nestlé.com

Website www.nestle.in



PKR:GA: 52:22

19th October 2022

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400 001

Scrip Code - 500790

Subject: Outcome of Board Meeting:

- I. **Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"): Unaudited Financial Results for the third quarter and nine months ended 30th September 2022;**
- II. **Regulation 30 of Listing Regulations: Declaration of Second Interim Dividend for the year 2022**

Dear Sir/ Madam,

1. Unaudited Financial Results for the third quarter and nine months ended 30th September 2022

The Board of Directors, at their meeting held today, approved the Unaudited Financial Results of the Company for the third quarter and nine months ended 30th September 2022 ('UFRs'). Enclosed are the UFRs of the Company alongwith the Limited Review Report on the said UFRs issued by M/s. S R Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company and the Press Release relating to the UFRs.

The same are also being uploaded on the Company's website. The UFRs shall be published in newspapers as per the Listing Regulations.

2. Declaration of Second Interim Dividend for the year 2022

The Board of Directors, at their meeting held today, declared Second Interim Dividend of Rs. 120/- (Rupees One Hundred Twenty Only) per equity share of Rs. 10/- each for the year 2022 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. Second Interim Dividend for the year 2022 will be paid on and from 16th November 2022 to those Members whose names appear in the Register of Members of the Company and as beneficial owners in the Depositories, as on the Record Date fixed for the purpose i.e., 1st November 2022, as intimated vide our letter PKR:GA 48:22 and 49:22 dated 10th October 2022.

The meeting of the Board of Directors commenced at 09:00 hours and the above agenda items concluded at 10:30 hours.

The above is for your information and records.

Thanking you,

Yours truly,

NESTLÉ INDIA LIMITED

PRAMOD KUMAR RAI

COMPANY SECRETARY AND COMPLIANCE OFFICER

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 2022

(₹ Million)

THREE MONTHS ENDED			PARTICULARS	NINE MONTHS ENDED		Accounting Year ended
30.09.2022 (Un-audited)	30.06.2022 (Un-audited)	30.09.2021 (Un-audited)		30.09.2022 (Un-audited)	30.09.2021 (Un-audited)	31.12.2021 (Audited)
			A INCOME			
43,611.5	38,484.4	36,873.7	DOMESTIC SALES	120,038.5	104,343.7	139,941.5
2,054.5	1,584.2	1,776.0	EXPORT SALES	5,205.1	4,931.5	6,395.7
45,666.0	40,068.6	38,649.7	SALE OF PRODUCTS	125,243.6	109,275.2	146,337.2
244.0	297.1	176.0	OTHER OPERATING REVENUES	839.1	425.7	756.9
45,910.0	40,365.7	38,825.7	i REVENUE FROM OPERATIONS	126,082.7	109,700.9	147,094.1
306.4	193.7	336.6	ii OTHER INCOME	714.5	927.8	1,201.1
46,216.4	40,559.4	39,162.3	TOTAL INCOME	126,797.2	110,628.7	148,295.2
			B EXPENSES			
19,527.5	18,474.1	14,992.6	i COST OF MATERIALS CONSUMED	56,460.9	44,912.1	61,541.0
691.2	789.7	581.3	ii PURCHASES OF STOCK-IN-TRADE	2,221.8	1,669.6	2,275.2
1,460.5	(680.5)	1,624.5	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(662.9)	540.6	(627.0)
4,179.2	4,083.6	3,882.6	iv EMPLOYEE BENEFITS EXPENSE	12,229.2	11,346.6	15,213.0
369.7	369.6	518.8	v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	1,095.0	1,576.1	2,011.9
981.1	1,015.5	955.3	vi DEPRECIATION AND AMORTISATION	3,039.4	2,844.4	3,901.9
9,729.4	9,087.2	8,116.5	vii OTHER EXPENSES	27,481.4	23,773.8	32,482.0
-	160.1	5.3	viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	160.1	12.2	12.2
59.6	136.8	38.2	ix NET PROVISION FOR CONTINGENCIES	257.6	(107.9)	(251.7)
155.8	119.8	104.8	x CORPORATE SOCIAL RESPONSIBILITY EXPENSE	386.4	295.3	534.0
37,154.0	33,555.9	30,819.9	TOTAL EXPENSES	102,668.9	86,862.8	117,092.5
9,062.4	7,003.5	8,342.4	C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)	24,128.3	23,765.9	31,202.7
-	-	-	D EXCEPTIONAL ITEMS	-	-	2,365.0
9,062.4	7,003.5	8,342.4	E PROFIT BEFORE TAX (C-D)	24,128.3	23,765.9	28,837.7
			F TAX EXPENSE:			
2,285.5	1,943.3	2,164.6	CURRENT TAX	6,390.8	6,282.1	7,443.9
93.5	(93.2)	4.1	DEFERRED TAX	(46.4)	(98.2)	(54.8)
6,683.4	5,153.4	6,173.7	G PROFIT FOR THE PERIOD (E-F)	17,783.9	17,582.0	21,448.6
			H OTHER COMPREHENSIVE INCOME			
			a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
44.5	32.9	(680.9)	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	100.8	(1,399.6)	(2,025.3)
-	-	-	- EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	(17.7)	-	-
(11.2)	(8.3)	171.3	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	(25.4)	352.2	509.7
			b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(3.4)	(15.3)	(2.5)	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(17.0)	(16.7)	2.0
0.9	3.8	0.6	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	4.3	4.2	(0.5)
30.8	13.1	(511.5)	TOTAL OTHER COMPREHENSIVE INCOME (a+b)	45.0	(1,059.9)	(1,514.1)
6,714.2	5,166.5	5,662.2	I TOTAL COMPREHENSIVE INCOME (G+H)	17,828.9	16,522.1	19,934.5
964.2	964.2	964.2	J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
29,032.1	22,318.0	27,073.9	K OTHER EQUITY	29,032.1	27,073.9	19,880.6
69.32	53.45	64.04	L EARNINGS PER SHARE (EPS) (not annualized for quarters and nine months period) BASIC / DILUTED EPS (₹)	184.45	182.36	222.46
			ADDITIONAL INFORMATION:			
9,281.4	7,299.2	8,629.4	PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]	24,895.1	24,709.5	32,547.5

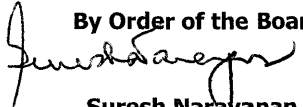
Notes:

1. 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, to the extent applicable to the financial results.
2. For better understanding of the financial performance, the Company has chosen to present Profit from Operations as an additional information in the Financial Results. Profit from Operations is derived from Profit before Exceptional Items & Tax less Other Income and adding back Finance Costs (Including Interest Cost on Employee Benefit Plans) and Corporate Social Responsibility Expense.
3. **Comparisons with reference to Quarter ended 30.09.2021 unless otherwise specified:**
 - a. Total Sales and Domestic Sales for the quarter increased by 18.2% and 18.3% respectively. Domestic Sales growth is broad based with a healthy balance of pricing and volume. Export Sales increased by 15.7%.
 - b. Other Income decreased due to lower average liquidities, partly offset by higher yields.
 - c. Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has increased due to higher commodity prices, particularly edible oil, milk and its derivatives and packaging materials, partly offset by better realisations.
 - d. Other Expenses as a % of sales in the quarter were adversely impacted mainly due to surge in fuel prices.
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 Provisions, Contingent Liabilities and Contingent Assets.
5. The Board of Directors have declared second interim dividend for 2022 of ₹ 120.00 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 11,569.9 million, which will be paid on and from 16 November 2022. This is in addition to the first interim dividend of ₹ 25.00 per equity share paid on 6 May 2022.
6. 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.
7. The Company had entered into a business transfer agreement dated 18th August 2022 for the acquisition of the Pet Food Business as a going concern on a slump sale basis from Purina Petcare India Private Limited. Nestle S.A. , the ultimate holding company, has 100% ownership of Purina Petcare India Pvt Limited and 62.76% ownership of Nestle India Limited. Therefore, Purina Petcare India Private Limited and Nestle India Limited being subsidiaries of Nestle S.A., Switzerland are related parties.

The Board of Directors of the Company, with only independent directors voting, had on the recommendation of the Audit Committee, approved the acquisition of Pet Food Business from Purina Petcare India Private Limited. In terms of the business transfer agreement, the business has been acquired by the Company after the reporting date i.e. with effect from 1st October 2022. Based on the valuation report of the registered valuer (PwC) an amount of ₹ 1,421.3 million (after adjusting for change in net asset position between 31st March 2022 and 30th September 2022) was paid to Purina Petcare India Private Limited after the reporting date as a consideration for the acquisition of the Pet Food Business.

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 18 OCTOBER 2022 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 19 OCTOBER 2022.

Date: 19 October 2022
Place: Gurugram


By Order of the Board
Suresh Narayanan
Chairman and Managing Director

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
Email ID: investor@in.nestle.com, Website: www.nestle.in
Phone: 011-23418891, Fax: 011-23415130

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Nestle India Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Nestle India Limited (the "Company") for the quarter ended September 30, 2022 and year to date from January 01, 2022 to September 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. 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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The comparative Ind AS financial information of the Company for the corresponding quarter and nine months period ended September 30, 2021, included in these Ind AS financial results, were reviewed by the predecessor auditor and the Ind AS financial statements of the Company for the year ended December 31, 2021, were audited by predecessor auditor who expressed an unmodified conclusion and unmodified opinion on those financial information on October, 19, 2021 and February 17, 2022 respectively.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

PANKAJ
CHADHA

Digitally signed by PANKAJ CHADHA
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email=pankaj.chadha@srb.in
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per Pankaj Chadha

Partner

Membership No.: 091813

UDIN: 22091813BAFMJI8531

Place of Signature: Gurugram, Haryana

Date: October 19, 2022



Good food, Good life

Press Release – Q3 2022

Nestlé House, 19th October 2022

Nestlé India Continues its Path of Strong Growth, Robust Performance and Continued Resilience

Enhances Consumer Outreach by Launching D2C Platform Initially in Delhi NCR

The Board of Directors of Nestlé India today approved the results for the third quarter of 2022.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “I am delighted to share that we have witnessed the highest sales growth during a quarter in the last five years. This achievement has been on continued strong volume and mix evolution with broad based double-digit growth across all categories. Growth has been very strong in the large metros and mega cities and continued to be robust across smaller town classes including rural markets. This vindicates the consumer love and trust in our brands, the unwavering commitment of my team and our partners and the resilience of the organisation to ensure not just our products but our ‘product services’ are relevant, resonant, and accessible to consumers across India.

Consumer relevance and connect is key for a Nestlé that is optimistic about its future. Taking this journey forward, to serve our valued consumers when and where it matters, I am delighted to announce the launch of our first ever ‘direct to consumer’ (D2C) platform – www.mynestle.in. Created specifically keeping the consumer needs in mind, I am confident that MyNestlé will delight the consumer in every way with curated product bundles, personalized gifting, subscriptions, discounts, and much more. Not just this, consumers can also try gourmet recipes on the site and get free nutrition counselling. Initially, MyNestlé will be launched in Delhi NCR and will expand to other parts of the country.

I mentioned “optimistic” about Nestlé’s future in India and there are reasons for this! During the visit of the Global Board of Directors of Nestlé S.A. along with senior leadership team to India they saw the strong sustained business performance, a vibrant young and inspired team, the equity of our brands and our deep community and societal footprint. We underscored our commitment towards environmental sustainability, the digital revolution in India and how we are part of this and the immense potential not just for India but also for Nestlé in India. The visit gave us the opportunity to show case R&D capabilities and endeavour to enhance the nutrition footprint using local grains like millets. The Global Board has strongly supported the direction to accelerate investment focus and the pace of business in India.

This year also marks the seventh year of ‘Project Jagriti’. Through this initiative we have touched the lives of around 8.4 million direct and indirect beneficiaries across India. This is

an important milestone in community service by creating an enabling environment in health, nutrition and hygiene practices by reaching out to vulnerable communities.”

Financial Highlights – Q3 2022:

- Total Sales of INR 4,567 Crore
- Total Sales Growth at 18.2%. Domestic Sales Growth at 18.3%.
- Profit from Operations at 20.3% of Sales
- Net Profit of INR 668 Crore
- Earnings Per Share of INR 69.3
- The Board of Directors have declared second interim dividend for 2022 of INR 120/- per equity share (Face value INR 10/- per equity share) amounting to INR 1157.0 crore, which will be paid on and from 16 November 2022. This is in addition to the first interim dividend of INR 25.00 per equity share paid on 6 May 2022.

Business Comments – Q3 2022:

- **E-commerce:** The channel showed strong acceleration with growth being largely fuelled by new, emerging formats such as ‘quick commerce’ and ‘click & mortar’ and contributed 7.2% to the quarterly sales.
- **Organized Trade:** The channel continues to witness strong growth across customers and categories in the wake of high footfalls.
- **Out of Home (OOH):** The channel grew at a robust pace driven by faster channel reopening and business led initiatives.
- **Exports:** Proliferation of Indian product portfolio in new markets and expanding new categories, especially wider offerings in MAGGI and confectionery remain key focus.

Product Group Performance (Domestic) – Q3 2022:

- **Prepared Dishes and Cooking Aids:** Growth driven by MAGGI noodles, aided by media and distribution expansion.
- **Milk Products and Nutrition:** Product group performed well, strong growth in MILKMAID as well.
- **Confectionery:** Continued strong performance in the product group aided by aggressive media campaigns, festive executions, consumer promotions and focused distribution drives.
- **Beverages:** Strong growth in NESCAFÉ CLASSIC, SUNRISE and vending mixes

Comment on Pet Food Business

The Company had entered into a business transfer agreement dated 18th August 2022 for the acquisition of the Pet Food Business as a going concern on a slump sale basis from Purina Petcare India Private Limited. Nestlé S.A., the ultimate holding company, has 100% ownership of Purina Petcare India Private Limited and 62.76% ownership of Nestlé India Limited. Therefore, Purina Petcare India Private Limited and Nestlé India Limited being subsidiaries of Nestlé S.A., Switzerland are related parties. The Board of Directors of the Company, with only independent directors voting, had on the recommendation of the Audit Committee, approved the acquisition of Pet Food Business from Purina Petcare India Private Limited. In terms of the business transfer agreement, the business has been acquired by the Company after the end of the quarter i.e. with effect from 1st October 2022. Based on the valuation report of the registered valuer (PwC) an amount of INR 142.13 crore (after adjusting for change in net asset position between 31st March 2022 and 30th September

2022) was paid to Purina Petcare India Private Limited after the reporting date as a consideration for the acquisition of the Pet Food Business.

Commodity Outlook in Short to Medium Term:

We are witnessing early signs of stability in prices of a few commodities such as edible oils and packaging materials. However, fresh milk, fuels, grains and green coffee costs are expected to remain firm with continued increase in demand and volatility.

Cautionary Statement

Statements in this Press Release, particularly those which relate to outlook, describing the company's projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

For more information:

Ambereen Ali Shah, Nestlé India, +91 9717022731

Shashank Kumar Nair, Nestlé India, + 91 9818077775

Nestlé India Limited, 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 – 110001,

Corporate Identity Number: L15202DL1959PLC003786

Email ID: ambereen.shah@in.Nestlé.com / shashank.nair@in.Nestlé.com (with a CC to media.india@in.Nestlé.com); investor@in.Nestlé.com,

Website: www.Nestlé.in