

## 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: 22:20

12.05.2020

BSE Limited

Phiroze Jeejeebhoy Towers

Daial Street, Fort, Mumbai – 400 001

Scrip Code – 500790

**Subject : i. Regulation 33: Unaudited Financial Results for the first quarter ended 31<sup>st</sup> March 2020; and  
ii. Regulation 30: Appointment of Mr. P R Ramesh as an Independent Non-Executive Director with effect from 1<sup>st</sup> July 2020.**

Dear Sir/ Madam,

**Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"): Unaudited Financial Results for the first quarter ended 31<sup>st</sup> March, 2020**

Please find enclosed following:

- a) the Unaudited Financial Results of the Company for the first quarter ended 31<sup>st</sup> March 2020 approved by the Board of Directors at their meeting held today alongwith the Limited Review Report of M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company; and
- b) Press Release relating to the Unaudited Financial Results for the first quarter ended 31<sup>st</sup> March 2020.

The Unaudited Financial Results shall be published in newspapers. The same is also being uploaded on the Company's website.

**Regulation 30 of the Listing Regulations: Appointment of Mr. P R Ramesh as an Independent Non-Executive Director with effect from 1<sup>st</sup> July 2020**

The Board of Directors at their meeting held today, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Ramesh Prathivadibhayankara Rajgopalan (DIN 01915274) ('Mr. P R Ramesh') as an Independent Non-Executive Director of the Company with effect from 1<sup>st</sup> July 2020 for a term of five years.

Mr. P R Ramesh, aged 65, graduated in Commerce from Osmania University, Hyderabad and is a Fellow Member of the Institute of Chartered Accountants of India. Mr P R Ramesh retired as the Director of Deloitte & Touche Assurance & Enterprise Risk Services India Private Limited on 31<sup>st</sup> March 2020. He has also served as a member of Deloitte Global Board and Deloitte Asia Pacific Board, has over 40 years of the experience and served clients in manufacturing, banking and financial services, technology, media, telecommunications, energy and resources and consumer business sectors throughout his professional career. He has been associated with various Regulatory, Professional as well as Industrial bodies.

Mr. P R Ramesh has no relationship with any other directors on the Board of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. Approval of the shareholders for the appointment shall be sought at the forthcoming Annual General Meeting.

The meeting of the Board of Directors commenced at 16:30 hours and the above agenda items concluded at 18:00 hours.

Thanking you,

Yours very truly,

**NESTLÉ INDIA LIMITED**

**B. MURLI**

**DIRECTOR – LEGAL & COMPANY SECRETARY**

Encl.: as above

**STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2020**

(₹ Million)

PARTICULARS	THREE MONTHS ENDED			Accounting Year ended
	31.3.2020 (Un -audited)	31.12.2019 (Audited as explained in Note 9)	31.3.2019 (Un -audited)	31.12.2019 (Audited)
<b>A INCOME</b>				
DOMESTIC SALES	31,242.3	29,607.8	28,215.5	116,567.9
EXPORT SALES	1,815.5	1,699.6	1,608.4	6,384.8
<b>SALE OF PRODUCTS</b>	<b>33,057.8</b>	<b>31,307.4</b>	<b>29,823.9</b>	<b>122,952.7</b>
OTHER OPERATING REVENUES	194.9	185.5	205.6	736.3
<b>i REVENUE FROM OPERATIONS</b>	<b>33,252.7</b>	<b>31,492.9</b>	<b>30,029.5</b>	<b>123,689.0</b>
ii OTHER INCOME	428.5	447.0	731.9	2,468.8
<b>TOTAL INCOME</b>	<b>33,681.2</b>	<b>31,939.9</b>	<b>30,761.4</b>	<b>126,157.8</b>
<b>B EXPENSES</b>				
i COST OF MATERIALS CONSUMED	14,837.8	14,695.9	12,086.7	51,503.0
ii PURCHASES OF STOCK-IN-TRADE	696.5	567.3	519.4	2,178.1
iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(1,001.3)	(1,649.1)	(152.7)	(1,441.9)
iv EMPLOYEE BENEFITS EXPENSE	3,583.7	3,220.4	3,018.2	12,581.7
v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	409.6	311.2	339.0	1,291.2
vi DEPRECIATION AND AMORTISATION	913.5	935.6	913.8	3,701.5
vii OTHER EXPENSES	7,032.9	7,631.7	6,802.6	28,977.4
viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	-	-	-	-
ix NET PROVISION FOR CONTINGENCIES				
- OPERATIONS	15.5	(49.2)	117.6	248.8
x - OTHERS	57.1	-	-	-
xi CORPORATE SOCIAL RESPONSIBILITY EXPENSE	97.4	135.1	110.7	383.1
<b>TOTAL EXPENSES</b>	<b>26,642.7</b>	<b>25,798.9</b>	<b>23,755.3</b>	<b>99,422.9</b>
<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>	<b>7,038.5</b>	<b>6,141.0</b>	<b>7,006.1</b>	<b>26,734.9</b>
D EXCEPTIONAL ITEMS	-	-	-	-
<b>E PROFIT BEFORE TAX (C-D)</b>	<b>7,038.5</b>	<b>6,141.0</b>	<b>7,006.1</b>	<b>26,734.9</b>
F TAX EXPENSE:				
CURRENT TAX	1,849.6	1,444.1	2,438.4	7,470.0
DEFERRED TAX	(65.4)	(29.5)	(59.7)	(419.5)
<b>G PROFIT FOR THE PERIOD (E-F)</b>	<b>5,254.3</b>	<b>4,726.4</b>	<b>4,627.4</b>	<b>19,684.4</b>
<b>H OTHER COMPREHENSIVE INCOME</b>				
a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS				
- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(428.6)	(427.4)	(149.8)	(2,036.7)
- CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	-	(30.0)	-	(30.0)
(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	107.9	107.5	52.3	523.3
b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS				
- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(39.4)	12.7	(2.5)	(8.0)
(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	9.9	(3.1)	0.9	3.7
<b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>	<b>(350.2)</b>	<b>(340.3)</b>	<b>(99.1)</b>	<b>(1,547.7)</b>
<b>I TOTAL COMPREHENSIVE INCOME (G+H)</b>	<b>4,904.1</b>	<b>4,386.1</b>	<b>4,528.3</b>	<b>18,136.7</b>
J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2	964.2
<b>K EARNINGS PER SHARE (EPS)</b>				
<b>BASIC/ DILUTED EPS (₹)</b>	<b>54.50</b>	<b>49.02</b>	<b>47.99</b>	<b>204.16</b>
ADDITIONAL INFORMATION:				
PROFIT FROM OPERATIONS [C - A(ii) + B(v)+B(x)+B(xi)]	7,174.1	6,140.3	6,723.9	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 Exceptional items and 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 for previous periods as previously reported versus Restated profit after adoption of Ind AS 116 Leases is as under:

PARTICULARS	(₹ Million)		
	THREE MONTHS ENDED		Accounting Year ended
	31.12.2019	31.3.2019	31.12.2019
<b>Profit for the period as reported in accordance with Ind AS 17</b>	<b>4,730.2</b>	<b>4,632.8</b>	<b>19,695.5</b>
a) Recognition of depreciation on ROU assets	(139.9)	(134.3)	(537.9)
b) Recognition of finance cost on lease liabilities	(27.4)	(22.9)	(92.9)
c) De-recognition of operating lease expenses	162.1	150.0	615.8
Tax Impact on above	1.4	1.8	3.9
<b>Restated profit for the period in accordance with Ind AS 116</b>	<b>4,726.4</b>	<b>4,627.4</b>	<b>19,684.4</b>

**Comparisons with reference to quarter ended 31.3.2019 unless otherwise specified:**

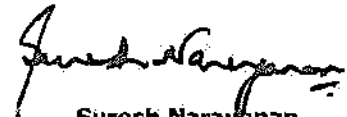
- Total Sales increased by 10.8%. Domestic Sales increased by 10.7% driven by volume & mix. Export Sales increased by 12.9%.
- Other Income decreased due to lower yields and lower average liquidities following payment of special interim dividend on 23 August 2019.
- Cost of materials consumed [B(i)+B(ii)+B(iii)] has increased due to higher commodity prices particularly milk and its derivatives.
- 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 current quarter has been computed at the rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Net Profit after Tax and Earnings per share have been positively impacted by the lower tax rates.
- Re-Measurement of Retiral Defined Benefit Plans represents actuarial gains/losses on defined benefit plans.
- 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.
- Legal proceedings in the MAGGI Noodles case are currently on 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](http://www.nestle.in).

9. Figures for three months ended 31 December 2019 are the balancing figures between the audited figures for the full year ended 31 December 2019 and the published un-audited figures for nine months ended 30 September 2019.

**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 12 MAY 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 31 March, 2020.

**By Order of the Board**



**Suresh Narayanan**  
Chairman and Managing Director

**Date: 12 May 2020**  
**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  
Email ID: [investor@in.nestle.com](mailto:investor@in.nestle.com), Website: [www.nestle.in](http://www.nestle.in)  
Phone: 011-23418891, Fax: 011-23415130

# BSR & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002, India

Telephone: +91 124 719 1000  
Fax: +91 124 235 8613

Limited review report on unaudited quarterly financial results of Nestlé India Limited pursuant to 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 31 March 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 BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

VIKRAM Digitally signed by  
VIKRAM ADVANI  
Date: 2020.05.12  
18:04:31 +05'30'

Vikram Advani  
Partner  
Membership No. 091765  
UDN: 20091765AAAABJ1508

Place: Gurugram  
Date: 12 May 2020

BSR & Co. is authorized to act with Registration No. 101248W/W-100022 for BSR & Co. LLP in Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 (Section 133 of the Companies Act, 2013) with effect from October 15, 2013

Registered Office:  
8th Floor, Lodha Estate  
Apollo Mills Compound  
A. M. Jeeva Marg, Metlakudi  
Mumbai - 400 071

Nestlé House, Gurugram, 12<sup>th</sup> May 2020

## Nestlé India Shows Resilience: Renews focus on Purpose, People & Partnerships

### Nestlé India – Q1 2020

- Total Sales of INR 3,306 Crore
- Total Sales Growth at 10.8%. Domestic Sales Growth at 10.7%.
- Profit from Operations at 21.7% of Sales
- Net Profit of INR 525 Crore
- Earnings Per Share of INR 54.50

The Board of Directors of Nestlé India met today, through video conferencing, and approved the results for the first quarter of 2020. Commenting on the results and the prevailing environment, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “The COVID-19 crisis is having an extraordinary and far-reaching impact on our lives. For us at Nestlé India, every crisis takes us back to our roots as an 108 year old organization serving India - our purpose and values; protecting our people, their lives and livelihood, the thousands of partners and stakeholders who contribute to our success, who need support and a helping hand; as well as reinforce our bonds with the community and society in this hour of need.

We have stood by our nearly 100,000 Dairy farmers in these difficult times and have ensured that every drop of milk they gave us has been taken into our factory for processing. Recognising the difficulties the MSMEs are going through, we are ensuring continuity in timely payments which is inherent to our values. Similarly, we continue to work closely with our Coffee farmers, Spice growers and have extended our support to numerous farmers in Karnataka by sourcing substantial quantity of Tomatoes from them through our suppliers to ensure there is no distress.

Every commitment to Summer Internships has been honoured, all young Management Trainees will join on time, every new employee contract respected and every employee has received their full salaries, bonuses and other benefits. Commitment, Respect and Trustworthiness are key words in the Nestlé lexicon and we want to stand by them especially in this hour of crisis.

Our company remained resilient in the first quarter, as the numbers indicate, and delivered volume and mixed growth. MAGGI, KITKAT and Nestlé MUNCH delivered strong performances. Contribution from E-commerce went up significantly, while out of home sector performance was subdued. Commodity prices for milk and its derivatives continued to be on the rise during the quarter.

As a responsible corporate citizen, we continue to offer our help, in particular to the most vulnerable in society. We heed to a call of duty to ensure that much-needed food and beverage products are available to our consumers and communities throughout the country. We are very thankful to the authorities at all levels of Government for timely interventions, guidance and support. Our people, in particular, our frontline workforce, have shown extraordinary commitment in keeping our operations running and meeting consumer needs under tough challenges. We will continue to adapt quickly to changing consumer needs and to challenges across the supply chain. As Nestlé India, we have successfully overcome many challenges and are confident that, together with all those who are fighting against this pandemic and its consequences - we shall overcome this time again. “

## **Highlights for the quarter ended 31 March 2020:**

1. Total Sales increased by 10.8%. Domestic Sales increased by 10.7% driven by volume & mix. Export Sales increased by 12.9%.
2. Tax Expense for the current quarter has been computed at the rates introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated 20 September 2019. Net Profit after Tax and Earnings per share have been positively impacted by the lower tax rates.

### 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)

Phone: +91-124-3321824/1275, Fax: +91-124-2389381

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001

Corporate Identity Number: L15202DL1959PLC003786

Email ID: [ambereen.shah@in.nestle.com](mailto:ambereen.shah@in.nestle.com) / [shashank.nair@in.nestle.com](mailto:shashank.nair@in.nestle.com) (with a CC to [media.india@in.nestle.com](mailto:media.india@in.nestle.com)); [investor@in.nestle.com](mailto:investor@in.nestle.com) Website: [www.nestle.in](http://www.nestle.in)