

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:37:20

28.07.2020

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

Dear Sir,

Scrip Code – 500790

Subject : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) - unaudited financial results for the quarter and six months ended 30th June 2020

Dear Sir /Madam

Please find enclosed following:

- a) the unaudited financial results of the Company for the quarter and six months ended 30th June 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 quarter and six months ended 30th June 2020.

The unaudited financial results shall be published in newspapers. The same is also being uploaded on the Company's website.

The meeting of the Board of Directors commenced at 14:30 hours and above agenda item concluded at 16:30 hours.

Thanking you,

Yours very truly,

NESTLÉ INDIA LIMITED

B. MURLI

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 SIX MONTHS ENDED 30 JUNE 2020

(₹ Million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	SIX MONTHS ENDED (Un-audited)		Accounting Year ended (Audited)	
30.06.2020	31.3.2020	30.06.2019		30.6.2020	30.6.2019	31.12.2019	
			A	INCOME			
29,077.4	31,242.3	28,353.7		DOMESTIC SALES	60,319.7	56,569.2	116,567.9
1,337.1	1,815.5	1,474.6		EXPORT SALES	3,152.6	3,083.0	6,384.8
30,414.5	33,057.8	29,828.3		SALE OF PRODUCTS	63,472.3	59,652.2	122,952.7
90.3	194.9	180.2		OTHER OPERATING REVENUES	285.2	385.8	736.3
30,504.8	33,252.7	30,008.5	i	REVENUE FROM OPERATIONS	63,757.5	60,038.0	123,689.0
379.3	428.5	725.9	ii	OTHER INCOME	807.8	1,457.8	2,468.8
30,884.1	33,681.2	30,734.4		TOTAL INCOME	64,565.3	61,495.8	126,157.8
			B	EXPENSES			
11,942.0	14,837.8	12,173.0	i	COST OF MATERIALS CONSUMED	26,779.8	24,259.7	51,503.0
420.8	696.5	523.5	ii	PURCHASES OF STOCK-IN-TRADE	1,117.3	1,042.9	2,178.1
956.1	(1,001.3)	(174.8)	iii	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(45.2)	(327.5)	(1,441.9)
3,696.0	3,583.7	3,134.2	iv	EMPLOYEE BENEFITS EXPENSE	7,279.7	6,152.4	12,581.7
408.0	409.6	320.4	v	FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	817.6	659.4	1,291.2
924.2	913.5	941.4	vi	DEPRECIATION AND AMORTISATION	1,837.7	1,855.2	3,701.5
5,813.1	7,032.9	7,038.3	vii	OTHER EXPENSES	12,846.0	13,840.9	28,977.4
-	-	-	viii	IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	-	-	-
56.1	15.5	99.6	ix	NET PROVISION FOR CONTINGENCIES	71.6	217.2	248.8
52.6	57.1	-	x	- OPERATIONS	109.7	-	-
92.5	97.4	87.9	xi	- OTHERS	189.9	198.6	383.1
24,361.4	26,642.7	24,143.5		TOTAL EXPENSES	51,004.1	47,898.8	99,422.9
6,522.7	7,038.5	6,590.9	C	PROFIT BEFORE TAX (A-B)	13,561.2	13,597.0	26,734.9
			D	TAX EXPENSE:			
1,764.2	1,849.6	2,348.7		CURRENT TAX	3,613.8	4,787.1	7,470.0
(107.5)	(65.4)	(135.7)		DEFERRED TAX	(172.9)	(195.4)	(419.5)
4,866.0	5,254.3	4,377.9	E	PROFIT FOR THE PERIOD (C-D)	10,120.3	9,005.3	19,684.4
			F	OTHER COMPREHENSIVE INCOME			
(422.4)	(428.6)	(185.7)	a. (i)	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
-	-	-	-	RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(851.0)	(335.5)	(2,036.7)
106.3	107.9	64.9	-	CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	-	-	(30.0)
			(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	214.2	117.2	523.3
35.4	(39.4)	(2.7)	b. (i)	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(8.9)	9.9	0.9	-	CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(4.0)	(5.2)	(8.0)
			(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	1.0	1.8	3.7
(289.6)	(350.2)	(122.6)		TOTAL OTHER COMPREHENSIVE INCOME (a+b)	(639.8)	(221.7)	(1,547.7)
4,576.4	4,904.1	4,255.3	G	TOTAL COMPREHENSIVE INCOME (E+F)	9,480.5	8,783.6	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
50.47	54.50	45.41	I	EARNINGS PER SHARE (EPS) BASIC/ DILUTED EPS (₹)	104.97	93.40	204.16
				ADDITIONAL INFORMATION:			
6,696.5	7,174.1	6,273.3		PROFIT FROM OPERATIONS [C - A(ii) + B(v)+B(x)+B(xi)]	13,870.6	12,997.2	25,940.4

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

(₹ Million)

PARTICULARS		As at	As at
		30.06.2020 (Un-audited)	31.12.2019 (Audited)
A	ASSETS		
1	NON-CURRENT ASSETS		
	(a) PROPERTY, PLANT & EQUIPMENT	20,103.8	21,088.1
	(b) CAPITAL WORK IN-PROGRESS	2,273.8	1,433.0
	(c) RIGHT OF USE ASSETS	2,303.1	2,326.4
	(d) FINANCIAL ASSETS		
	(i) INVESTMENTS	7,422.4	7,436.0
	(ii) LOANS	473.8	469.8
	(e) DEFERRED TAX ASSET	61.6	-
	(f) OTHER NON-CURRENT ASSETS	1,469.4	804.4
	Sub-total – NON-CURRENT ASSETS	34,107.9	33,557.7
2	CURRENT ASSETS		
	(a) INVENTORIES	14,785.1	12,830.7
	(b) FINANCIAL ASSETS		
	(i) INVESTMENTS	8,812.5	10,074.5
	(ii) TRADE RECEIVABLES	1,747.1	1,243.3
	(iii) CASH AND CASH EQUIVALENTS	14,330.7	12,931.6
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	6,032.2	148.9
	(v) LOANS	471.0	124.6
	(vi) OTHER FINANCIAL ASSETS	437.4	557.9
	(c) CURRENT TAX ASSETS (NET)	-	-
	(d) OTHER CURRENT ASSETS	389.3	260.2
	Sub-total – CURRENT ASSETS	47,005.3	38,171.7
	TOTAL-ASSETS	81,113.2	71,729.4
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) EQUITY SHARE CAPITAL	964.2	964.2
	(b) OTHER EQUITY	21,823.7	18,224.5
	Sub-total – EQUITY	22,787.9	19,188.7
	LIABILITIES		
1	NON-CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	562.2	531.4
	(ii) LEASE LIABILITIES	852.3	896.0
	(b) PROVISIONS	31,128.3	29,069.1
	(c) DEFERRED TAX LIABILITIES (NET)	-	134.4
	(d) OTHER NON-CURRENT LIABILITIES	3.8	4.3
	Sub- total – NON-CURRENT LIABILITIES	32,546.6	30,635.2
2	CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) TRADE PAYABLES		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	812.7	340.2
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	10,982.7	14,575.1
	(ii) LEASE LIABILITIES	486.5	462.0
	(ii) OTHER FINANCIAL LIABILITIES	9,114.1	4,314.8
	(b) PROVISIONS	884.2	854.6
	(c) CURRENT TAX LIABILITIES (NET)	1,114.0	19.2
	(d) OTHER CURRENT LIABILITIES	2,384.5	1,339.6
	Sub-total – CURRENT LIABILITIES	25,778.7	21,905.5
	TOTAL – EQUITY AND LIABILITIES	81,113.2	71,729.4

STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30 JUNE 2020

(₹ Million)

PARTICULARS		As at	As at
		30.06.2020	30.06.2019
		(Un-audited)	(Un-audited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	PROFIT BEFORE TAX	13,561.2	13,597.0
	ADJUSTMENTS FOR :		
	DEPRECIATION AND AMORTISATION	1,837.7	1,855.2
	IMPAIRMENT LOSS ON PROPERTY, PLANT & EQUIPMENT	-	-
	DEFICIT/ (SURPLUS) ON PROPERTY, PLANT AND EQUIPMENT SOLD/SCRAPPED/WRITTEN OFF (NET)	(30.4)	(10.9)
	OTHER INCOME	(807.8)	(1,457.8)
	INTEREST ON BANK OVERDRAFT AND OTHERS	47.2	62.5
	ALLOWANCE FOR IMPAIRMENT ON FINANCIAL ASSETS	12.9	-
	UNREALISED EXCHANGE DIFFERENCES	(27.7)	(17.5)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	14,593.1	14,028.5
	ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
	DECREASE/(INCREASE) IN TRADE RECEIVABLES	(506.2)	(316.7)
	DECREASE/(INCREASE) IN INVENTORIES	(1,954.4)	(1,176.4)
	DECREASE/(INCREASE) IN LOANS, OTHER FINANCIAL ASSETS & OTHER ASSETS	(110.4)	11.2
	INCREASE/(DECREASE) IN TRADE PAYABLE	(3,094.0)	(19.9)
	INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES & OTHER LIABILITIES	252.4	(189.4)
	INCREASE/(DECREASE) IN PROVISION FOR CONTINGENCIES	264.8	217.3
	INCREASE/(DECREASE) IN PROVISION FOR EMPLOYEE BENEFITS	973.0	770.9
	CASH GENERATED FROM OPERATIONS	10,418.3	13,325.5
	INCOME TAXES PAID (NET OF REFUNDS)	(2,327.0)	(2,921.5)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	8,091.3	10,404.0
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(2,405.9)	(624.2)
	SALE OF PROPERTY, PLANT AND EQUIPMENT	31.9	16.3
	PURCHASE OF TAX FREE LONG TERM BONDS AND T-BILLS	(0.0)	(158.7)
	DECREASE/(INCREASE) IN LOANS TO EMPLOYEES	14.2	9.4
	INCOME FROM MUTUAL FUNDS	20.4	76.5
	LOANS GIVEN TO RELATED PARTIES	(350.0)	-
	LOANS REPAYED BY RELATED PARTIES	-	-
	INTEREST RECEIVED ON BANK DEPOSITS, INVESTMENTS, TAX FREE BONDS, EMPLOYEE LOANS ETC.	916.8	1,463.7
	NET CASH GENERATED FROM INVESTING ACTIVITIES	(1,772.6)	783.0
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	INCREASE IN DEFERRED VAT LIABILITIES UNDER STATE GOVERNMENT SCHEMES	30.8	163.8
	INTEREST ON BANK OVERDRAFT AND OTHERS	(1.9)	(4.4)
	INTEREST ON LEASE LIABILITIES	(45.3)	(44.0)
	PAYMENT OF LEASE LIABILITIES	(283.8)	(259.7)
	DIVIDENDS	(5,881.4)	(4,628.0)
	DIVIDEND DISTRIBUTION TAX	-	(950.6)
	NET CASH USED IN FINANCING ACTIVITIES	(6,181.6)	(5,722.9)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	137.1	5,464.1
	CASH AND CASH EQUIVALENTS	12,931.6	15,987.7
	CURRENT INVESTMENTS	10,074.5	19,251.3
	TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (AS PER IND AS 7)	23,006.1	35,239.0
	CASH AND CASH EQUIVALENTS	14,330.7	23,153.9
	CURRENT INVESTMENTS	8,812.5	17,549.2
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (AS PER IND AS 7)	23,143.2	40,703.1
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	137.1	5,464.1

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	SIX MONTHS ENDED	Accounting Year ended
	30.6.2019	30.6.2019	31.12.2019
Profit for the period as reported in accordance with Ind AS 17	4,378.4	9,011.2	19,695.5
a) Recognition of depreciation on ROU assets	(133.2)	(267.5)	(537.9)
b) Recognition of finance cost on lease liabilities	(21.1)	(44.0)	(92.9)
c) De-recognition of operating lease expenses	153.7	303.7	615.8
Tax Impact on above	0.1	1.9	3.9
Restated profit for the period in accordance with Ind AS 116	4,377.9	9,005.3	19,684.4

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

PARTICULARS	Accounting Year ended
	31.12.2019
Equity reported in accordance with Ind AS 17	19,322.6
a) Recognition of ROU assets (excluding reclassifications from Property, Plant & Equipment)	1,147.5
b) Recognition of short term and long term lease liabilities	(1,326.4)
Tax Impact on above	45.0
Restated Equity in accordance with Ind AS 116	19,188.7

Comparisons with reference to Quarter ended 30.6.2019 unless otherwise specified:

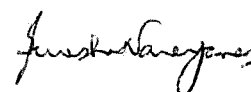
- Total Sales increased by 2.0%. Domestic Sales increased by 2.6%. Export Sales declined by 9.3%. Sales were adversely impacted due to the COVID 19 induced lockdown leading to production disruption across factories. Demand in Out of Home channel was severely reduced.
- On an average, the factories were operating at 75% of capacity during the Quarter and in the Quarter, the Company has incurred ₹ 286 million of incremental costs specifically related to COVID 19, which are part of the results.
- Other Income decreased due to lower yields and lower average liquidities.
- Cost of materials consumed [B(i)+B(ii)+B(iii)] has increased due to higher commodity prices, particularly milk and its derivatives.
- Employee Benefits Expense is higher due to production related incentives offered to limited available manpower in view of COVID 19 impact.

6. Other Expenses decreased despite significant COVID related safety and compliance costs in the Quarter, due to judicious application of marketing spend, and reduction in other overheads due to restricted operations.
7. 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.
8. Tax Expense for both the Quarter and the Six-Month Period ended 30 June 2020 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.
9. Re-Measurement of Retiral Defined Benefit Plans represents actuarial gains/losses on defined benefit plans.
10. Bank Balances Other Than Cash and Cash Equivalents and Other Financial Liabilities in the Balance Sheet include the final dividend payable for 2019 approved by the shareholders in the Annual General Meeting held on 19 June 2020. Final dividend payment to shareholders was made on 6th July 2020.
11. Operating Cash generation in the Quarter was strong, with some offset by working capital movement and higher capital expenditure to increase production capacities, and lower other income.
12. The Statement of Cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.
13. 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.
14. 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 28 JULY 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 June 2020.

By Order of the Board



Suresh Narayanan
Chairman and Managing Director

Date: 28 July 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, Website: www.nestle.in
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BSR & Co. LLP

Chartered Accountants

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Gurugram – 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 June 2020 and year to date results for the period from 1 January 2020 to 30 June 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
ADVANI Date: 2020.07.28
16:42:59 +05'30'

Vikram Advani

Partner

Membership No. 091765

UDIN: 20091765AAAABT1593

Place: Gurugram
Date: 28 July 2020

BSR & Co. is a partnership firm with Registration No. BAH12230 incorporated into BSR & Co. LLP in Limited Liability Partnership with LLP Registration No. AA581811 with effect from October 14, 2013.

Registered Office:
5th Floor, LodhaExcelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai – 400 011



Nestlé House, 28th July 2020

Nestlé India continues its positive journey of sustainable results.

Continues its sharp focus on “People & Partners First” Approach

Nestlé India – Q2 2020

- Total Sales of INR 3,041 Crore
- Total Sales Growth at 2%. Domestic Sales Growth at 2.6%.
- Profit from Operations at 22% of Sales
- Net Profit of INR 487 Crore
- Earnings Per Share of INR 50.47

The Board of Directors of Nestlé India met today, through video conferencing, and approved the results for the second quarter and first half of 2020. Commenting on the results and the prevailing environment, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “In these extremely challenging times, at Nestlé, we hark back to our ‘Purpose’ which enshrines our inspiration for actions – ‘We unlock the power of food to enhance quality of life for everyone, today and for generations to come’, and serves as our guiding light. This has translated, for each of us, to deliver unimpeachable safety in every pack we produce, harness the best quality of nutrition, deliver memorable taste and enjoyment but also serve the consumers while protecting the numerous employees, partners, stakeholders and suppliers (large and small) in these difficult times.

Health and safety of our people will always remain our top priority wherever they are and whichever capacity they work. We are determined to protect, respect & nurture the sustenance of thousands who depend on Nestlé operations in the value chain, be it suppliers, small MSMEs, milk farmers, distribution partners and numerous others whose collective efforts make us Nestlé! This quarter is a tribute to each one of them and I would like to express my heartfelt gratitude!

The past three months have witnessed volatility, uncertainty and stresses that we had never imagined before nor experienced. This led to disruptions across the value chain of the Company that has impacted our results, though we have built back momentum strongly as we ended the quarter. Relentless efforts, determined professional actions and abiding teamwork has led us to restore our eight factories almost to their pre-COVID manufacturing capabilities and our distribution capacity goes from strength to strength. It is a tribute to all our employees, partners & stakeholders who are imbued in the Nestlé culture of respect and quiet but determined dedication. While we progress each day, challenges in sales and distribution due to precautionary and well-intended measures taken by the authorities do cause disruptions.

We delivered strong performance in the ‘e-commerce’ channel which grew by 122% this quarter and now contributes 3.6% to domestic sales. The demand in all ‘Out of Home’ consumption channels experienced a sharp decline due to the lockdown. However Nestlé brands enjoy trust, credibility and strength as far as “in home consumption” is concerned and this boosted sales of EVERYDAY Dairy Whitener, Nestlé a+ Milk, other

milk based portfolio, NESCAFÉ Classic and NESCAFÉ Sunrise, all of which performed well this quarter. MAGGI also witnessed solid growth towards the end of the quarter after initial supply constraints. Overall, we accelerated our digital engagements across key parts of our portfolio, put out innovative campaigns to engage the consumers in many, while ensuring judicious application of marketing spends in line with the current business scenario.

As a responsible corporate citizen, we continue to offer our help, in particular to the most vulnerable in society. Nestlé India contributed toward relief efforts in particular towards providing PPEs, medical equipment and feeding programs for communities through participation with leading NGOs along with distribution of essential groceries to the needy.”

Highlights for the quarter ended 30 June 2020:

1. Total Sales increased by 2.0%. Domestic Sales increased by 2.6%. Export Sales declined by 9.3%. Sales were adversely impacted due to the COVID 19 induced lockdown leading to production disruption across factories. Demand in Out Of Home channel was severely reduced.
2. Tax Expense for both the Quarter ended 30 June 2020 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

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