

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: 07:22

17.02.2022

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

Scrip Code: 500790

- Subject**
1. **Regulation 33 of Listing Regulations : Audited Annual Financial Results for the year 2021**
 2. **Regulation 30 of Listing Regulations :**
 - a) **Recommended Final Dividend for the year 2021;**
 - b) **Recommended to the members for appointment of Ms Anjali Bansal as an Independent Non-Executive Director for a term of five consecutive years effective 1st May 2022;**
 - c) **Noted retirement of Ms Rama Bijapurkar as an Independent Non-Executive Director on completion of her term on 30th April 2022; and**
 - d) **63rd Annual General Meeting on Wednesday, 30th March 2022 through Video Conferencing / Other Audio-Visual Means (VC/OAVM).**
 3. **Regulation 42 of Listing Regulations : 63rd Annual General Meeting ('63rd AGM') and Record Date.**

Dear Sir/ Madam,

1. Audited Annual Financial Results for the year 2021

The Board of Directors at their meeting held today:-

- a. approved the Audited Annual Financial Results for the year ended 31st December 2021. Enclosed are the Audited Annual Financial Results along with the Report of the Auditors thereon and the declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended 31st December 2021. The Audited Annual Financial Results shall be published in newspapers as required. Also, find enclosed Press Release relating to the results. The above are being uploaded on the Company's website;
- b. approved the Annual Financial Statements of the Company for the year 2021 including Balance Sheet as at 31st December 2021 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date.

2. Recommended Final Dividend for 2021

The Board of Directors recommended final dividend for the year 2021 of Rs. 65/- (Rupees Sixty Five only) per equity shares of Rs. 10/- each.

3. Recommended to the members appointment of Ms Anjali Bansal as an Independent Non-Executive Director for a term of five consecutive years effective from 1st May 2022

The Board of Directors at their meeting held today, on the recommendation of the Nomination and Remuneration Committee, approved the recommendation to the members the appointment of Ms Anjali Bansal (DIN: 00207746) as an Independent Non-Executive Director of the Company for a term of five consecutive years effective from 1st May 2022.

Ms Anjali Bansal is the Founder of Avaana Capital, a venture fund that invests in technology and innovation led startups focused on sustainability to generate outsized returns and impact at scale. Ms Bansal serves as an independent non-executive director on leading boards including Piramal Enterprises, Tata Power, Siemens, and Kotak AMC. She also serves on the Advisory Council of Open Networks for Digital Commerce (ONDC), Experts Advisory Committee of Startup India Seed Fund Scheme announced by Honorable Prime Minister. She has vast experience in the area of banking, corporate governance, strategy, e-commerce, digital and new technologies, mergers and acquisitions, finance, audit, sustainability, innovation management, information technology and human resources. Ms Bansal has a BE in Computer Engineering from Gujarat University, a Masters in International Finance and Business from Columbia University, and the YPO Presidents Program at Harvard Business School.

Ms Anjali Bansal has no relationship with any other directors on the Board of the Company and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. Approval of the members for the appointment shall be sought at the 63rd Annual General Meeting of the Company.

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4. Noted that Ms Rama Bijapurkar (DIN:00001835), Independent Non-Executive Director of the Company, would be retiring on 30th April 2022, on completion of her term of appointment.

5. Approved convening of the 63rd AGM and fixed Record Date for the Final Dividend for 2021

The Board of Directors at their meeting held today, approved convening of the 63rd Annual General Meeting (AGM) of the Company on Wednesday, 30th March 2022 through Video Conferencing/ Other Audio Visual Means (VC/ OAVM).

The Record Date for the purpose of determining entitlement of the members to the Final Dividend for the year 2021 is 8th April 2022. The Final Dividend for 2021, if approved by the members at 63rd AGM, shall be paid on and from 26th April 2022. Intimation of Record Date is enclosed. Soft copy of the Annual Report and Notice of the 63rd AGM shall be sent in due course. The same shall also be uploaded on the Company's website.

The meeting of the Board of Directors commenced at 9:30 hours and all the above agenda items concluded at 11:40 hours.

Thanking you,

**Yours truly,
NESTLÉ INDIA LIMITED**



**B. MURLI
GENERAL COUNSEL & COMPANY SECRETARY**

Encl.: as above



NESTLÉ INDIA LIMITED

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021

(₹ Million)

THREE MONTHS ENDED			PARTICULARS	ACCOUNTING YEAR ENDED	
31.12.2021 (Audited as explained in Note 14)	30.9.2021 (Un-audited)	31.12.2020 (Audited as explained in Note 14)		31.12.2021 (Audited)	31.12.2020 (Audited)
			A	INCOME	
35,597.8	36,873.7	32,607.0		DOMESTIC SALES	139,941.5
1,464.2	1,776.0	1,568.2		EXPORT SALES	6,395.7
37,062.0	38,649.7	34,175.2		SALE OF PRODUCTS	146,337.2
331.2	176.0	150.6		OTHER OPERATING REVENUES	756.9
37,393.2	38,825.7	34,325.8	i	REVENUE FROM OPERATIONS	147,094.1
273.3	336.6	306.0	ii	OTHER INCOME	1,201.1
37,666.5	39,162.3	34,631.8		TOTAL INCOME	148,295.2
			B	EXPENSES	
16,628.9	14,992.6	14,884.9	i	COST OF MATERIALS CONSUMED	61,541.0
605.6	581.3	455.8	ii	PURCHASES OF STOCK-IN-TRADE	2,275.2
(1,167.6)	1,624.5	(1,296.1)	iii	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(627.0)
3,866.4	3,882.6	4,033.0	iv	EMPLOYEE BENEFITS EXPENSE	15,213.0
435.8	518.8	419.7	v	FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	2,011.9
1,057.5	955.3	955.0	vi	DEPRECIATION AND AMORTISATION	3,901.9
8,708.2	8,116.5	8,488.6	vii	OTHER EXPENSES	32,482.0
-	5.3	-	viii	IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	12.2
(143.8)	38.2	(31.5)	ix	NET PROVISION FOR CONTINGENCIES	
-	-	(164.8)	x	- OPERATIONS	(251.7)
238.7	104.8	185.5	xi	- OTHERS	-
30,229.7	30,819.9	27,930.1		TOTAL EXPENSES	117,092.5
7,436.8	8,342.4	6,701.7	C	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)	31,202.7
2,365.0	-	-	D	EXCEPTIONAL ITEMS	2,365.0
5,071.8	8,342.4	6,701.7	E	PROFIT BEFORE TAX (C-D)	28,837.7
			F	TAX EXPENSE:	
1,161.8	2,164.6	1,938.4		CURRENT TAX	7,443.9
43.4	4.1	(69.8)		DEFERRED TAX	(54.8)
3,866.6	6,173.7	4,833.1	G	PROFIT FOR THE PERIOD (E-F)	21,448.6
			H	OTHER COMPREHENSIVE INCOME	
(625.7)	(680.9)	292.6	a. (i)	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	
				- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(2,025.3)
157.5	171.3	(73.6)	(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	509.7
18.7	(2.5)	6.6	b. (i)	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	
(4.7)	0.6	(1.7)		- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	2.0
			(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	(0.5)
(454.2)	(511.5)	223.9		TOTAL OTHER COMPREHENSIVE INCOME (a+b)	(1,514.1)
3,412.4	5,662.2	5,057.0	I	TOTAL COMPREHENSIVE INCOME (G+H)	19,934.5
964.2	964.2	964.2	J	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2
40.10	64.04	50.12	K	EARNINGS PER SHARE (EPS)	222.46
				BASIC/ DILUTED EPS (₹)	215.98
				ADDITIONAL INFORMATION:	
7,838.0	8,629.4	6,836.1		PROFIT FROM OPERATIONS [C - A(ii) + B(v)+B(x)+B(xi)]	32,547.5

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2021

(₹ Million)

PARTICULARS		As at	As at
		31.12.2021 (Audited)	31.12.2020 (Audited)
A	ASSETS		
1	NON-CURRENT ASSETS		
	(a) PROPERTY, PLANT & EQUIPMENT	26,529.4	19,680.0
	(b) CAPITAL WORK IN-PROGRESS	2,462.3	6,385.8
	(c) RIGHT OF USE ASSETS	3,410.3	2,114.1
	(d) FINANCIAL ASSETS		
	(i) INVESTMENTS	7,107.0	7,408.3
	(ii) LOANS	490.9	465.5
	(e) DEFERRED TAX ASSET (NET)	258.4	199.2
	(f) OTHER NON-CURRENT ASSETS	14,453.4	893.6
	Sub-total – NON-CURRENT ASSETS	54,711.7	37,146.5
2	CURRENT ASSETS		
	(a) INVENTORIES	15,802.2	14,164.8
	(b) FINANCIAL ASSETS		
	(i) INVESTMENTS	632.8	7,229.4
	(ii) TRADE RECEIVABLES	1,652.7	1,649.3
	(iii) CASH AND CASH EQUIVALENTS	7,185.3	17,548.0
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	168.8	150.7
	(v) LOANS	118.5	132.2
	(vi) OTHER FINANCIAL ASSETS	494.0	589.6
	(c) CURRENT TAX ASSETS	292.9	-
	(d) OTHER CURRENT ASSETS	851.6	386.8
	(e) ASSET HELD FOR SALE	188.8	-
	Sub-total – CURRENT ASSETS	27,387.6	41,850.8
	TOTAL-ASSETS	82,099.3	78,997.3
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) EQUITY SHARE CAPITAL	964.2	964.2
	(b) OTHER EQUITY	19,880.6	19,229.2
	Sub-total – EQUITY	20,844.8	20,193.4
	LIABILITIES		
1	NON-CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	274.7	317.2
	(ii) LEASE LIABILITIES	1,902.3	657.6
	(b) PROVISIONS	32,845.4	32,682.7
	(c) OTHER NON-CURRENT LIABILITIES	199.7	220.9
	Sub- total – NON-CURRENT LIABILITIES	35,222.1	33,878.4
2	CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	65.9	31.2
	(ii) TRADE PAYABLES		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2,598.1	937.6
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	14,750.4	14,228.2
	(iii) LEASE LIABILITIES	415.3	468.9
	(iv) PAYABLES FOR CAPITAL EXPENDITURE		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	210.6	202.3
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	1,337.5	2,722.0
	(v) OTHER FINANCIAL LIABILITIES	3,586.3	3,687.6
	(b) PROVISIONS	1,385.4	1,059.6
	(c) CURRENT TAX LIABILITIES	-	98.0
	(d) OTHER CURRENT LIABILITIES	1,682.9	1,490.1
	Sub-total – CURRENT LIABILITIES	26,032.4	24,925.5
	TOTAL – EQUITY AND LIABILITIES	82,099.3	78,997.3

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

(₹ Million)

PARTICULARS		As at	As at
		31.12.2021 (Audited)	31.12.2020 (Audited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	PROFIT BEFORE TAX	28,837.7	28,127.9
	ADJUSTMENTS FOR:		
	DEPRECIATION AND AMORTISATION	3,901.9	3,703.8
	IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	12.2	-
	DEFICIT/ (SURPLUS) ON PROPERTY, PLANT AND EQUIPMENT SOLD/SCRAPPED/WRITTEN OFF (NET)	(39.7)	(49.0)
	OTHER INCOME	(1,201.1)	(1,458.5)
	INTEREST ON BANK OVERDRAFT	6.2	180.4
	INTEREST ON INVESTMENT IN INSURANCE PLAN	(92.7)	-
	INTEREST ON LEASE LIABILITIES	83.5	85.0
	ALLOWANCE FOR IMPAIRMENT ON FINANCIAL ASSETS	9.6	6.0
	UNREALISED EXCHANGE DIFFERENCES	4.5	12.6
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	31,522.1	30,608.2
	ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
	DECREASE/(INCREASE) IN TRADE RECEIVABLES	(13.4)	(416.0)
	DECREASE/(INCREASE) IN INVENTORIES	(1,637.4)	(1,334.1)
	DECREASE/(INCREASE) IN LOANS, OTHER FINANCIAL ASSETS & OTHER ASSETS	(370.3)	(109.7)
	INCREASE/(DECREASE) IN TRADE PAYABLE	2,223.7	225.6
	INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES & OTHER LIABILITIES	62.8	412.0
	INCREASE/(DECREASE) IN PROVISION FOR CONTINGENCIES	(95.0)	114.3
	INCREASE/(DECREASE) IN PROVISION FOR EMPLOYEE BENEFITS	(1,692.8)	2,073.4
	CASH GENERATED FROM OPERATIONS	29,999.7	31,573.7
	INCOME TAXES PAID (NET OF REFUNDS)	(7,286.0)	(7,028.9)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	22,713.7	24,544.8
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(7,348.2)	(4,783.6)
	SALE OF PROPERTY, PLANT AND EQUIPMENT	40.0	42.4
	INVESTMENT IN INSURANCE PLAN (REIMBURSEMENT RIGHTS)	(13,787.8)	-
	AMOUNT RECEIVED FROM INSURANCE PLAN	266.3	-
	DECREASE/(INCREASE) IN LOANS TO EMPLOYEES	13.9	29.1
	INCOME FROM MUTUAL FUNDS	-	20.4
	LOANS GIVEN TO RELATED PARTIES	-	(350.0)
	LOANS REPAYED BY RELATED PARTIES	-	350.0
	INTEREST RECEIVED ON BANK DEPOSITS, INVESTMENTS, TAX FREE BONDS, EMPLOYEE LOANS ETC.	1,245.4	1,477.1
	NET CASH USED IN INVESTING ACTIVITIES	(19,570.4)	(3,214.6)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	PAYMENT OF DEFERRED VAT LIABILITIES UNDER STATE GOVERNMENT SCHEMES	(34.1)	30.8
	INTEREST ON BANK OVERDRAFT	(6.2)	(5.4)
	INTEREST ON LEASE LIABILITIES	(83.5)	(85.0)
	PRINCIPAL PAYMENT OF LEASE LIABILITIES	(779.4)	(601.8)
	DIVIDENDS PAID	(19,283.1)	(18,897.5)
	NET CASH USED IN FINANCING ACTIVITIES	(20,186.3)	(19,558.9)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(17,043.0)	1,771.3
	CASH AND CASH EQUIVALENTS	17,548.0	12,931.6
	CURRENT INVESTMENTS	7,229.4	10,074.5
	TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (AS PER IND AS 7)	24,777.4	23,006.1
	CASH AND CASH EQUIVALENTS	7,185.3	17,548.0
	CURRENT INVESTMENTS	549.1	7,229.4
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (AS PER IND AS 7)	7,734.4	24,777.4
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,043.0)	1,771.3

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 & 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.

Comparisons with reference to full year ended 31.12.2020 unless otherwise specified:

1. Total Sales and Domestic Sales for the year increased by 10.1% and 10.7% respectively. Domestic Sales growth is largely driven by volume & mix and is broad based. Export Sales were lower by 1.2% mainly due to lower coffee exports and change in product mix.
2. Total Sales and Domestic Sales for the quarter increased by 8.4% and 9.2% respectively. Domestic Sales growth is broad based and largely driven by volume & mix. Export Sales were lower by 6.6% largely due to change in product mix.
3. Other Income decreased due to lower average liquidities following transition to 'Future Ready Plan' as explained in point 8 below, partly offset by higher yields.
4. Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has increased due to higher commodity prices, particularly edible oil and packaging materials, partly offset by better realisations.
5. Employee Benefits Expense as a % of sales is favourable against a base year which was impacted due to incentives offered to production manpower in view of COVID and finalisation of long-term compensation arrangements for most factory employees in line with industry practice.
6. Other Expenses as a % of sales in the quarter are positively influenced by lower marketing spend and a conscious effort to control cost, partly offset by surge in fuel prices.
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. Effective 1 December 2021, the Defined Benefit Pension Scheme for certain category of employees is amended and replaced by 'Future Ready Plan' which is a combination of amended Defined Benefit Pension Scheme for past period of service and a Defined Contribution Scheme for future service. The defined benefit obligation for past period of service as per the 'Future Ready Plan' has been determined based on actuarial valuation carried out by an independent actuary basis the amended plan and has been frozen.

The frozen amount as determined under the 'Future Ready Plan' has been invested by the Company in an appropriate investment product of an Insurance company. The accumulated investment balance shall be in future utilized to purchase pension annuities from the Insurance company for the employees as per the 'Future Ready Plan'. The investment so made is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits.

Also, under the 'Future Ready Plan', liability towards a certain category of pensioners has been transferred to an Insurance company and future annuities will be paid by the insurance company.

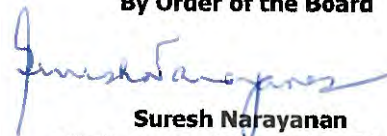
Exceptional Item as disclosed in the Statement of Profit and Loss Account comprises of the following, in aggregate:

- a) Past Service Cost i.e. the difference between the frozen amount for past service as determined under the 'Future Ready Plan' and the Defined Benefit obligation under the old plan as on 1 December 2021;
- b) Settlement cost i.e. the difference between the carrying value of the defined benefit obligation towards pensioners as on 1 December 2021 and the purchase price as charged by the insurance company to service the future annuities and
- c) Incidental expenses incurred for the above projects.

9. Re-Measurement of Retiral Defined Benefit Plans represents actuarial gains/losses on defined benefit plans.
10. Cash and Cash Equivalents are lower mainly as a result of increased capital expenditure in the period, as well as the investments in the 'Future Ready Plan'.
11. The Board of Directors have recommended a final dividend for 2021 of ₹ 65.00 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 6,267.0 million. The total dividend for 2021 aggregates to ₹ 200.00 per equity share which includes first interim dividend of ₹ 25.00 per equity share paid on 19 May 2021; and second interim dividend of ₹ 110.00 per equity share paid on 16 November 2021. The final dividend is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on "Events after the Reporting Period".
12. 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.
13. The Statement of Cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.
14. Figures of last quarter are the balancing figures between audited figures in respect of the full year and the un-audited published figures up to the period ended 30 September.

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 16 FEBRUARY 2022 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 17 FEBRUARY 2022.

Date: 17 February 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
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Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NESTLÉ INDIA LIMITED

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying annual financial results of Nestlé India Limited (hereinafter referred to as the “Company”) for the year ended 31 December 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 December 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

Management’s and Board of Directors’ Responsibilities for the Annual Financial Results

These annual financial results have been prepared on the basis of the annual financial statements. The Company’s Management and the Board of Directors are responsible for the preparation and presentation of these annual financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the

Registered Office:

accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

B S R & Co. LLP

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The annual financial results include the results for the quarter ended 31 December 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

VIKRAM Digitally signed by
VIKRAM ADVANI
ADVANI Date: 2022.02.17
11:25:43 +05'30'

Vikram Advani
Partner
Membership No. 091765
UDIN: 22091765ACXGVG8038

Place: Delhi
Date: 17 February 2022

Nestlé India Limited

(CIN : L15202DL1959PLC003786)
Nestlé House
Jacaranda Marg
'M' Block, DLF City, PHASE – II
GURUGRAM – 122002, HARYANA
Phone 0124 - 3940000
E-mail: corporate@IN.nestle.com
Website: www.nestle.in



FEBRUARY 17, 2022

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

Scrip Code – 500790

Subject : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended on 31 December 2021

Dear Sir,

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016; this is hereby declared that the Auditors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, has issued the Audit Reports for Financial Statements as prepared under the Companies Act, 2013 and Financial Results as prepared under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31 December 2021 with unmodified opinion.

Nestlé India Limited



David McDaniel
Executive Director – Finance & Control and CFO

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: 08:22

17.02.2022

1. BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai – 400 001
2. National Securities Depository Limited
Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013
3. Alankit Assignments Ltd.
4E/2 Jhandewalan Extension
New Delhi – 110 055
4. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
16th Floor, Dalal Street
Mumbai – 400 001

BSE Scrip Code: 500790

ISIN : INE239A01016

Subject : Record Date for determining entitlement of the members to the final dividend for the year 2021.

Dear Sir,

Furnished below is the Record Date as per the prescribed format, for determining entitlement of the members to the final dividend for the year 2021, if any, recommended by the Board of Directors on 17th February 2022:

Name of the Company : Nestlé India Limited

SECURITY CODE	TYPE OF SECURITY AND PAID UP VALUE	RECORD DATE	PURPOSE
500 790	EQUITY SHARES Rs. 964,157,160/- (Rs. 10/- per equity share)	8 th April 2022	Record Date for determining entitlement of the members to the Final Dividend for the year 2021, if any.

Thanking you,

Yours truly,
NESTLÉ INDIA LIMITED


B. MURLI
GENERAL COUNSEL & COMPANY SECRETARY
Encl.: as above



Good food, Good life

Press Release – Q4 & Full Year 2021

Nestlé House, 17th February 2022

Nestlé India Delivers Double Digit Growth pivoted on Volume & Mix performance

The Board of Directors of Nestlé India today approved the results for the fourth quarter and full year 2021.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “2021 was a very challenging year and I am proud of the determination of the team, our partners and stakeholders to face the context and continue to be inspired to grow.

Nestlé India witnessed broad based, double digit, volume and mix led growth, despite a highly volatile economic environment. Total sales and domestic sales for 2021 increased by 10.1% and 10.7% respectively. Strong growth momentum continued in MAGGI Noodles aided by increased availability. KITKAT and MUNCH registered stellar growth throughout the year. NESCAFÉ Classic continued to deliver double digit growth. Growth in e-commerce was fuelled by new emerging formats such as ‘Quick Commerce’ and ‘Click & Mortar’. We have progressed firmly and resolutely on our RURBAN journey and this has borne fruit with strong rural growth performance in addition to sustained growth in smaller town classes and urban agglomerates.

Nestlé India is delighted to announce that our Sanand Factory in Gujarat is now fully operational and meeting our highest standards. It is a matter of great pride that about 62% of the factory workforce are women and it is our digitally and environmentally most advanced factory. The recent announcement by the Government of the PLI Scheme in Food Processing of which Nestlé India is a beneficiary will provide greater impetus to our manufacturing initiatives in the country.

We continue to witness high inflation in our key raw and packaging materials, where many are at 10-year highs. However, we remain confident of our ability and competencies and will continue to make all efforts towards cost optimization and seeking systematic efficiencies to mitigate the impact.

Leveraging granular growth opportunities using the power of data and analytics is a core ambition of our business strategy. We have harnessed this by building a multi-intelligent data analytics system that sources internal and external data to converge on insights that triggers swift and decisive business actions.

Nestlé India is committed to environmentally sustainable business practices at all stages of our operations by making the right choices to protect the future. We have accelerated our sustainability journey by working with focus and coordinated actions across 4 pillars --

climate change, packaging, responsible sourcing including regenerative farming practices and water management.

This year marks the tenth year of the NESCAFÉ Plan which over the years has enabled close collaboration with 4400 coffee farmers from over 250 villages in Karnataka, Kerala and Tamil Nadu. Through the NESCAFÉ Plan, we train coffee farmers to develop good agricultural practices pivoted on quality, productivity, and sustainability. We also support them in obtaining sustainability certificates and providing premium to the coffee farmers when purchasing coffee that is sustainably produced.

We are very heartened by the fact that the NESCAFÉ Plan has brought about positive and sustained change in the livelihood of coffee farmers and their families. It has enabled support in the sustainable management of landscapes linked to the value chain; enhanced biodiversity in coffee farms with intercropping and encouraging traceability and transparency. Such visible change through constructive and respectful partnerships with coffee farmers gives Nestlé India team even greater inspiration to extend this initiative to other farm interventions that we have across India.”

Financial Highlights – Full Year 2021:

- Total Sales of INR 14,634 Crore
- Domestic Sales Growth at 10.7%
- Profit from Operations at 22.2%
- Net Profit of INR 2,145 Crore
- Robust Cash Generated from Operations at INR 2,999 Crore
- Earnings Per Share of INR 222.5
- Final Dividend recommended INR 65.00 per equity share
- Total Dividend including final dividend INR 200.00 per equity share
- CSR Spend INR 53.4 Crore
- Contribution to exchequer of INR 3810 Crore

Business Comments – Full Year 2021:

- **E-commerce:** The channel showed strong acceleration on the back of convenience and pandemic driven consumer behaviour, fully leveraged by Nestlé India through meaningful shopper insights, data analytics, speed, sharp communication and customization for the channel.
- **Organized Trade:** Witnessed a resurgence and good revenue growth, despite the impact of the second wave.
- **Out of Home (OOH):** Though OOH channels were impacted by COVID Wave 2, Nestlé Professional Business promptly initiated revenue acceleration and business recovery measures through building and scaling up opportunities, coupled with channel led initiatives (Focus on delivery / Cloud kitchen) to bounce back faster.
- **Exports:** Expanding our product offering and exploring opportunities across the globe remains a key growth driver, especially with the MAGGI range in both ethnic and mainstream channels in the UK and Australia.

Category Performance – Full Year 2021:

Year 2021 witnessed broad based, double digit, volume & mix led growth, despite challenging and highly volatile economic environment. Creditable urban and rural growth was witnessed in the portfolio.

- **Prepared Dishes and Cooking Aids:** Strong growth momentum continued in Noodles aided by increased availability. MAGGI Masala-ae-Magic also posted healthy double-digit growth. MAGGI Sauces had somewhat muted growth due to decreased in-home consumption, high base and increased competitive intensity.
- **Milk Products and Nutrition:** Toddler range (CEREGROW, NANGROW) posted strong double-digit growth throughout the year. Milk products continued to face challenges from competition.
- **Confectionery:** KITKAT and MUNCH registered stellar growth throughout the year aided by media campaigns, augmented availability and attractive consumer promotions.
- **Beverages:** NESCAFÉ Classic continued to deliver double digit growth led by increased penetration, strong consumer engagements, market presence and sustained generating demand inputs.

Commodity Outlook in Short to Medium Term:

Price outlook for key categories like edible oils, coffee, wheat, fuel remains firm to bullish while costs of packaging materials continue to increase amid supply constraints, rising fuel and transportation costs. Input prices are expected to be on bullish trend both globally and to some extent locally. Fresh milk prices are expected to remain firm with continued increase in demand and rise in feed costs to farmers. In an environment of raw and packaging material inflation, we continue to keenly look for opportunities for cost optimization and efficiencies.

Key Highlights for the Quarter and Year ended 31 December 2021:

- Total Sales and Domestic Sales for the year increased by 10.1% and 10.7% respectively. Domestic Sales growth is largely driven by volume & mix and is broad based. Export Sales were lower by 1.2% mainly due to lower coffee exports and change in product mix.
- Total Sales and Domestic Sales for the quarter increased by 8.4% and 9.2% respectively. Domestic Sales growth is broad based and largely driven by volume & mix. Export Sales were lower by 6.6% largely due to change in product mix.
- **Exceptional Items:** Effective 1 December 2021, the Defined Benefit Pension Scheme for certain category of employees is amended and replaced by 'Future Ready Plan' which is a combination of amended Defined Benefit Pension Scheme for past period of service and a Defined Contribution Scheme for future service. The defined benefit obligation for past period of service as per the 'Future Ready Plan' has been determined based on actuarial valuation carried out by an independent actuary basis the amended plan and has been frozen.

The frozen amount as determined under the 'Future Ready Plan' has been invested by the Company in an appropriate investment product of an Insurance company. The accumulated investment balance shall be in future utilized to purchase pension annuities from the Insurance company for the employees as per the 'Future Ready Plan'. The investment so made is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits.

Also, under the 'Future Ready Plan', liability towards a certain category of pensioners has been transferred to an Insurance company and future annuities will be paid by the insurance company.

Exceptional Item as disclosed in the Statement of Profit and Loss Account comprises of the following, in aggregate:

- Past Service Cost i.e. the difference between the frozen amount for past service as determined under the 'Future Ready Plan' and the Defined Benefit obligation under the old plan as on 1 December 2021;
- Settlement cost i.e. the difference between the carrying value of the defined benefit obligation towards pensioners as on 1 December 2021 and the purchase price as charged by the insurance company to service the future annuities and
- Incidental expenses incurred for the above projects.

Dividend

The Board of Directors have recommended a final dividend for 2021 of INR 65.00 per equity share (Face value INR 10/- per equity share) amounting to INR 6267.0 million. The total dividend for 2021 aggregates to INR 200.00 per equity share which includes first interim dividend of INR 25.00 per equity share paid on 19 May 2021; and second interim dividend of INR 110.00 per equity share paid on 16 November 2021. The final dividend is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on "Events after the Reporting Period".

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:

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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.nestle.com / shashank.nair@in.nestle.com (with a CC to media.india@in.nestle.com); investor@in.nestle.com,

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