

# 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](mailto:investor@in.nestle.com);

Website: [www.nestle.in](http://www.nestle.in)



**PKR:SG: 13:24**

**7<sup>th</sup> February 2024**

## **BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400001

BSE Scrip Code: 500790

## **National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1,

G Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051

NSE Symbol: NESTLEIND

### **Subject: Outcome of the Board Meeting:**

- I. Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”): Unaudited Financial Results for the fourth quarter and twelve months ended 31<sup>st</sup> December 2023;**
- II. Regulation 30 read with Schedule-III to the Listing Regulations:**
  - a. declaration of Third Interim Dividend for the Financial Year 2023-24; and**
  - b. sale of Nestlé Business Services (‘NBS’) Division of the Company to a related party.**

Dear Madam/ Sir,

This is to inform you that the Board of Directors of the Company, at its meeting held today, *inter alia*, approved the following:

1. Unaudited Financial Results of the Company for the fourth quarter and twelve months ended 31<sup>st</sup> December 2023 (‘UFRs’). Enclosed are the UFRs along with 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 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.

Wish to draw your kind attention that the Financial Year of the Company stands changed from “1<sup>st</sup> January - 31<sup>st</sup> December” cycle to “1<sup>st</sup> April - 31<sup>st</sup> March” cycle. Accordingly, the current Financial Year of the Company stands extended upto 31<sup>st</sup> March 2024 covering a period of 15 months commencing from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024, comprising five quarters (‘Financial Year 2023-24’). In view of the above, the Company considered the period from 1<sup>st</sup> October 2023 to 31<sup>st</sup> December 2023 as a standalone fourth quarter of the Financial Year 2023-24.

2. Declaration of Third Interim Dividend of Rs. 7/- (Rupees Seven only) per equity share of the face value of Re. 1/- each for the Financial Year 2023-24 on the entire issued, subscribed and paid-up share capital of the Company of 964,157,160 equity shares of nominal value of Re. 1/- (Rupee one only) each. Third Interim Dividend for the Financial Year 2023-24 will be paid on and from 5<sup>th</sup> March 2024 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., 15<sup>th</sup> February 2024, as already intimated to the Stock Exchanges vide our letter reference no. PKR:SG: 09:24 and PKR:SG: 10:24 dated 23<sup>rd</sup> January 2024.

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Wish to draw your kind attention that on and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub-divided, such that 1 (one) equity share having face value of Rs. 10/- (Rupees ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of Re. 1/- (Rupee one only) each, fully paid-up, ranking pari-passu in all respects.

3. Slump sale of Nestlé Business Services ('NBS') Division of the Company to Purina PetCare India Private Limited, which is a related party, being a 100% subsidiary of Nestlé S.A., for an aggregate consideration of INR 798 Million. The said consideration is at an arm's length basis and would be adjusted for net working capital transferred by the Company as on 30<sup>th</sup> June 2024. The transaction will be effective from 1<sup>st</sup> July 2024, subject to customary closing conditions. Only the Independent Directors voted on this agenda item with the Executive Directors recusing themselves.

About Nestlé Business Services (NBS) Division: The NBS Division of the Company was established as Shared Service Centre in India in 2006 to consolidate scalable services and eventually expanded its scope with sharp focus on efficiencies and automation. As on date, NBS Division predominantly provides captive services to the Company across four End-to-End Services (Order to Cash, Source to Pay, Record to Report and Hire to Retire) which helps the Company in driving operational efficiency, cost optimization, effective decision-making through data analytics, enhancing customer service, and accelerating automation of various scalable processes across the Company's value chain.

Enclosed are the details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July 2023 as "Annexure-1".

The meeting of Board of Directors commenced at 10:00 hours and above agenda items concluded at 12:15 hours.

This is for your information and record.

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 TWELVE MONTHS ENDED 31 DECEMBER 2023

(₹ Million)

Three months ended*			PARTICULARS	Twelve months ended	Financial Year (Twelve Months) ended*
31.12.2023	30.09.2023	31.12.2022		31.12.2023	31.12.2022
(Un-audited)	(Un-audited)	(Audited as explained in Note 9)		(Un-audited)	(Audited)
			<b>A INCOME</b>		
44,217.9	48,237.2	40,618.5	DOMESTIC SALES	182,790.1	160,976.0
1,618.4	1,858.0	1,714.2	EXPORT SALES	7,420.4	6,919.3
<b>45,836.3</b>	<b>50,095.2</b>	<b>42,332.7</b>	<b>SALE OF PRODUCTS</b>	<b>190,210.5</b>	<b>167,895.3</b>
167.9	273.0	235.2	OTHER OPERATING REVENUES	1,052.5	1,074.3
<b>46,004.2</b>	<b>50,368.2</b>	<b>42,567.9</b>	<b>REVENUE FROM OPERATIONS</b>	<b>191,263.0</b>	<b>168,969.6</b>
303.0	332.7	295.5	OTHER INCOME	1,212.1	1,010.0
<b>46,307.2</b>	<b>50,700.9</b>	<b>42,863.4</b>	<b>TOTAL INCOME</b>	<b>192,475.1</b>	<b>169,979.6</b>
			<b>B EXPENSES</b>		
19,775.1	19,173.3	20,060.2	i COST OF MATERIALS CONSUMED	80,549.5	76,521.1
1,075.6	1,017.6	949.5	ii PURCHASES OF STOCK-IN-TRADE	4,177.7	3,480.2
(1,805.2)	1,725.1	(1,795.0)	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(400.1)	(2,502.7)
4,201.0	5,175.9	4,069.5	iv EMPLOYEE BENEFITS EXPENSE	18,491.8	16,354.6
229.5	313.8	448.3	v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	1,192.9	1,545.7
1,086.9	1,111.6	986.6	vi DEPRECIATION AND AMORTISATION	4,289.1	4,030.1
11,469.0	10,808.4	9,337.9	vii OTHER EXPENSES	42,782.2	36,970.5
143.6	30.8	134.2	viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	287.4	294.3
34.9	7.7	(95.3)	ix NET PROVISION FOR CONTINGENCIES	107.6	162.9
159.0	180.7	176.8	x CORPORATE SOCIAL RESPONSIBILITY EXPENSE	557.0	563.2
<b>36,369.4</b>	<b>39,544.9</b>	<b>34,272.7</b>	<b>TOTAL EXPENSES</b>	<b>152,035.1</b>	<b>137,419.9</b>
<b>9,937.8</b>	<b>11,156.0</b>	<b>8,590.7</b>	<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>	<b>40,440.0</b>	<b>32,559.7</b>
1,073.0	(1,064.2)	-	D EXCEPTIONAL ITEMS	57.1	-
<b>8,864.8</b>	<b>12,220.2</b>	<b>8,590.7</b>	<b>E PROFIT BEFORE TAX (C-D)</b>	<b>40,382.9</b>	<b>32,559.7</b>
			F TAX EXPENSE:		
2,225.7	2,790.4	2,295.3	CURRENT TAX	9,997.0	8,686.1
83.0	349.0	14.8	DEFERRED TAX	399.2	(31.6)
<b>6,556.1</b>	<b>9,080.8</b>	<b>6,280.6</b>	<b>G PROFIT FOR THE PERIOD (E-F)</b>	<b>29,986.7</b>	<b>23,905.2</b>
			<b>H OTHER COMPREHENSIVE INCOME</b>		
			a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
326.4	(30.7)	1,421.7	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(428.6)	1,522.4
-	-	-	- EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	-	(17.7)
(82.2)	7.7	(357.8)	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	107.8	(383.2)
			b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		
5.0	(4.8)	14.2	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	3.4	(2.8)
(1.2)	1.2	(3.6)	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	(0.8)	0.7
<b>248.0</b>	<b>(26.6)</b>	<b>1,074.5</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>	<b>(318.2)</b>	<b>1,119.4</b>
<b>6,804.1</b>	<b>9,054.2</b>	<b>7,355.1</b>	<b>I TOTAL COMPREHENSIVE INCOME (G+H)</b>	<b>29,668.5</b>	<b>25,024.6</b>
964.2	964.2	964.2	J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹1 PER SHARE)**	964.2	964.2
29,963.3	36,657.4	23,627.5	K OTHER EQUITY	29,963.3	23,627.5
<b>6.80</b>	<b>9.42</b>	<b>6.51</b>	<b>L EARNINGS PER SHARE (EPS) (not annualized for quarters) BASIC / DILUTED EPS (₹)**</b>	<b>31.10</b>	<b>24.79</b>
10,023.3	11,317.8	8,920.3	ADDITIONAL INFORMATION: PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]	40,977.8	33,658.6

\*Refer Note 11, \*\*Refer Note 10

**STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2023**

(₹ Million)

PARTICULARS		As at	As at
		31.12.2023	31.12.2022*
		(Un-Audited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>NON-CURRENT ASSETS</b>		
	(a) PROPERTY, PLANT & EQUIPMENT	29,189.5	27,058.1
	(b) CAPITAL WORK IN-PROGRESS	12,231.4	3,583.6
	(c) RIGHT OF USE ASSETS	4,038.1	3,378.9
	(d) FINANCIAL ASSETS		
	(i) INVESTMENTS	4,246.5	5,601.9
	(ii) LOANS	89.1	90.0
	(iii) OTHER FINANCIAL ASSETS	550.2	468.3
	(e) DEFERRED TAX ASSET (NET)	-	256.1
	(f) OTHER NON-CURRENT ASSETS	14,659.4	14,449.0
	<b>NON-CURRENT ASSETS</b>	<b>65,004.2</b>	<b>54,885.9</b>
<b>2</b>	<b>CURRENT ASSETS</b>		
	(a) INVENTORIES	18,732.6	19,287.7
	(b) FINANCIAL ASSETS		
	(i) INVESTMENTS	3,017.7	2,173.5
	(ii) TRADE RECEIVABLES	2,025.7	1,918.9
	(iii) CASH AND CASH EQUIVALENTS	8,558.4	9,265.5
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	189.8	190.0
	(v) LOANS	109.1	102.6
	(vi) OTHER FINANCIAL ASSETS	570.5	582.6
	(c) CURRENT TAX ASSETS (NET)	343.4	-
	(d) OTHER CURRENT ASSETS	2,390.5	1,380.7
	<b>CURRENT ASSETS</b>	<b>35,937.7</b>	<b>34,901.5</b>
	<b>TOTAL-ASSETS</b>	<b>100,941.9</b>	<b>89,787.4</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>EQUITY</b>		
	(a) EQUITY SHARE CAPITAL	964.2	964.2
	(b) OTHER EQUITY	29,963.3	23,627.5
	<b>EQUITY</b>	<b>30,927.5</b>	<b>24,591.7</b>
	<b>LIABILITIES</b>		
<b>1</b>	<b>NON-CURRENT LIABILITIES</b>		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	262.0	266.6
	(ii) LEASE LIABILITIES	2,507.6	1,906.5
	(b) PROVISIONS	29,063.3	32,051.6
	(c) DEFERRED TAX LIABILITIES (NET)	115.7	-
	(d) OTHER NON-CURRENT LIABILITIES	159.4	173.5
	<b>NON-CURRENT LIABILITIES</b>	<b>32,108.0</b>	<b>34,398.2</b>
<b>2</b>	<b>CURRENT LIABILITIES</b>		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	52.1	33.7
	(ii) TRADE PAYABLES		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	3,075.7	2,856.6
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	16,942.1	16,481.5
	(iii) LEASE LIABILITIES	593.3	498.4
	(iv) PAYABLES FOR CAPITAL EXPENDITURE		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	743.6	247.5
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	3,778.6	1,623.8
	(v) OTHER FINANCIAL LIABILITIES	5,883.1	4,809.1
	(b) PROVISIONS	5,184.1	1,607.0
	(c) CURRENT TAX LIABILITIES (NET)	-	330.2
	(d) OTHER CURRENT LIABILITIES	1,653.8	2,309.7
	<b>CURRENT LIABILITIES</b>	<b>37,906.4</b>	<b>30,797.5</b>
	<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>100,941.9</b>	<b>89,787.4</b>

\*Refer Note 11

**STATEMENT OF CASH FLOWS FOR TWELVE MONTHS ENDED 31 DECEMBER 2023**

(₹ Million)

	PARTICULARS	Twelve Months ended	Financial Year (Twelve Months) ended*
		31.12.2023 (Un-audited)	31.12.2022 (Audited)
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<b>PROFIT BEFORE TAX</b>	<b>40,382.9</b>	<b>32,559.7</b>
	ADJUSTMENTS FOR:		
	DEPRECIATION AND AMORTISATION	4,289.1	4,030.1
	IMPAIRMENT LOSS ON PROPERTY, PLANT & EQUIPMENT	287.4	294.3
	DEFICIT/ (SURPLUS) ON PROPERTY, PLANT AND EQUIPMENT SOLD/SCRAPPED/WRITTEN OFF (NET)	(64.0)	(62.6)
	INTEREST INCOME	(1,212.1)	(1,010.0)
	INTEREST ON BANK OVERDRAFTS AND OTHERS	13.6	20.4
	INTEREST ON LEASE LIABILITIES	189.9	160.7
	ALLOWANCE FOR IMPAIRMENT ON FINANCIAL ASSETS	(1.6)	39.3
	UNREALISED EXCHANGE DIFFERENCES	(4.4)	55.8
	<b>CASH GENERATED FROM OPERATIONS BEFORE WORKING CAPITAL AND OTHER CHANGES</b>	<b>43,880.8</b>	<b>36,087.7</b>
	ADJUSTMENTS FOR:		
	DECREASE/(INCREASE) IN TRADE RECEIVABLES	(112.9)	(275.1)
	DECREASE/(INCREASE) IN INVENTORIES	555.2	(3,361.2)
	DECREASE/(INCREASE) IN LOANS, OTHER FINANCIAL ASSETS & OTHER ASSETS	(302.9)	(295.4)
	INCREASE/(DECREASE) IN TRADE PAYABLE	681.0	1,776.3
	INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES & OTHER LIABILITIES	440.5	1,775.6
	INCREASE/(DECREASE) IN PROVISION FOR CONTINGENCIES	(1,080.1)	1,144.3
	INCREASE/(DECREASE) IN PROVISION FOR EMPLOYEE BENEFITS	451.3	(1,066.4)
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>44,512.9</b>	<b>35,785.8</b>
	INCOME TAXES PAID (NET OF REFUNDS)	(10,591.0)	(8,411.5)
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>33,921.9</b>	<b>27,374.3</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	PURCHASE OF PROPERTY, PLANT AND EQUIPMENT INCLUDING CAPITAL WORK IN PROGRESS	(13,713.5)	(5,499.2)
	SALE OF PROPERTY, PLANT AND EQUIPMENT	67.9	92.2
	NET PROCEEDS FROM SALE / REDEMPTION / MATURITY OF INVESTMENTS AND TAX-FREE BONDS	1,505.6	254.8
	AMOUNT RECEIVED FROM INSURANCE PENSION PLAN - SEPERATIONS	1,614.6	1,287.6
	DECREASE/(INCREASE) IN LOANS TO EMPLOYEES	(5.7)	(13.4)
	INTEREST RECEIVED ON BANK DEPOSITS, INVESTMENTS, TAX FREE BONDS, EMPLOYEE LOANS ETC.	1,261.2	1,031.4
	ADJUSTMENT IN NET ASSET OF PET FOOD BUSINESS	-	350.6
	NET CONSIDERATION PAID FOR ACQUISITION OF PET FOOD BUSINESS	-	(1,421.3)
	<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(9,269.9)</b>	<b>(3,917.3)</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	NET INCREASE IN DEFERRED VAT LIABILITIES UNDER STATE GOVERNMENT SCHEMES	(0.3)	(66.5)
	INTEREST ON BANK OVERDRAFT AND OTHERS	(13.6)	(20.4)
	INTEREST ON LEASE LIABILITIES	(189.9)	(160.7)
	PRINCIPAL PAYMENT OF LEASE LIABILITIES	(828.3)	(732.5)
	DIVIDENDS PAID	(23,332.6)	(20,247.3)
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(24,364.7)</b>	<b>(21,227.4)</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>287.3</b>	<b>2,229.6</b>
	CASH AND CASH EQUIVALENTS	9,265.5	7,185.3
	CURRENT INVESTMENTS	698.5	549.1
	<b>TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (AS PER IND AS 7)</b>	<b>9,964.0</b>	<b>7,734.4</b>
	CASH AND CASH EQUIVALENTS	8,558.4	9,265.5
	CURRENT INVESTMENTS	1,692.9	698.5
	<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AS PER IND AS 7)</b>	<b>10,251.3</b>	<b>9,964.0</b>
	<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>287.3</b>	<b>2,229.6</b>

\*Refer Note 11

**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.
2. 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) and Corporate Social Responsibility Expense.

**3. Comparisons with reference to quarter ended 31<sup>st</sup> December, 2022 unless otherwise specified:**

a) Total Sales and Domestic Sales for the quarter increased by 8.3% and 8.9% respectively. Total Sales and Domestic Sales for the twelve months ended 31<sup>st</sup> December, 2023 increased by 13.3% and 13.6% respectively in comparison to twelve months ended 31<sup>st</sup> December, 2022.

b) Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has decreased from 45.4% to 41.6% for the quarter.

4. Exceptional item in the quarter represents the past service cost of ₹ 1,073.0 million recognised on account of change in cost of servicing the defined pension benefit under the Company's unfunded pension plan following the decision to transfer the responsibility for making payments of the defined pension, to insurance service provider.

Exceptional items in the twelve months ended 31 December 2023 comprise of the item mentioned above and the write-back of provisions made in earlier years for an indirect tax matter upon the settlement of dispute with concerned state Government authority.

5. Provisions for Contingencies are 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.
6. The Board of Directors have declared a third interim dividend for the financial year 2023-24 of ₹ 7/- per equity share (face value of ₹ 1/- each) amounting to ₹ 6749.1 million, which will be paid on and from 5<sup>th</sup> March 2024. This is in addition to the first interim dividend of ₹ 27/- per equity share (face value of ₹ 10/- each) and second interim dividend of ₹ 140 per equity share (face value of ₹10/- each) paid on 8<sup>th</sup> May 2023 and 16<sup>th</sup> November 2023, respectively. The face value of the equity share has changed from ₹10/- each to ₹1/- each (Refer Note 10).
7. 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. Accordingly, no separate segment information has been provided.
8. The Statement of Cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.
9. Figures of comparable quarter ended 31<sup>st</sup> December, 2022 are the balancing figures between audited figures in respect of the financial year ended 31<sup>st</sup> December, 2022 and the un-audited published figures for nine months ended 30<sup>th</sup> September, 2022.
10. On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company have been sub- divided, such that 1 (one) equity share having face value of ₹ 10/- (₹ ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of ₹1/- (₹ one only) each, fully paid-up, ranking pari-passu in all respects. The Earnings per share for the prior periods have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 - "Earnings per share".

11. The Board of Directors on 27<sup>th</sup> July 2023 have approved the change of financial year of the Company to uniform financial year commencing on 1<sup>st</sup> April of every year and ending on 31<sup>st</sup> March of the following year. Consequently, as a transitional arrangement, the current financial year of the Company will be for a period of 15 months commencing 1<sup>st</sup> January 2023 and ending 31<sup>st</sup> March 2024 while the previous financial year was of 12 months from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022. The audited results for the previous financial year are also the comparable period figures for the twelve months ended 31<sup>st</sup> December 2023.
12. The Shareholders of the Company had, at the Court Convened Meeting held on 25<sup>th</sup> July 2022, approved the Scheme of Arrangement ('Scheme') which envisages transfer of the entire balance of ₹ 8,374.3 million standing to the credit of the General Reserves to Retained Earnings. The Company had accordingly filed a petition for sanction of the Scheme with the Hon'ble National Company Law Tribunal, New Delhi Bench ('Hon'ble NCLT'). The Hon'ble NCLT, vide its order dated 15<sup>th</sup> September 2023 ('Order'), had sanctioned the Scheme. The Appointed Date as fixed in the Scheme is 1<sup>st</sup> January 2022 and the Scheme became effective from 19<sup>th</sup> October, 2023 the date on which certified copy of the order filed with the concerned Registrar of Companies.
13. The Board of Directors have approved slump sale of Nestlé Business Services ('NBS') Division of the Company to Purina PetCare India Private Limited, which is a related party, being a 100% subsidiary of Nestlé S.A, for an aggregate consideration of ₹ 798 million. The transaction shall be effective from 1st July 2024, subject to customary closing conditions.

**THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 6 FEBRUARY 2024 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 7 FEBRUARY 2024.**

**By Order of the Board**

**SURESH  
NARAYANAN** Digitally signed by  
SURESH NARAYANAN  
Date: 2024.02.07  
12:02:15 +05'30'

**Suresh Narayanan  
Chairman and Managing Director**

**Date: 7 February, 2024  
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

**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 December 31, 2023 and year to date from January 01, 2023 to December 31, 2023 (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.

**For S.R. BATLIBOI & Co. LLP**  
Chartered Accountants

**ICAI Firm registration number:** 301003E/E300005

**Pankaj**  
Chadha

Digitally signed by Pankaj Chadha  
DN: cn=Pankaj Chadha, c=IN,  
o=Personal,  
email=pankaj.chadha@srb.in  
Date: 2024.02.07 12:14:41  
+05'30'

**per Pankaj Chadha**

Partner

Membership No.: 091813

UDIN: 24091813BKFGKQ1917

Place: Gurugram, Haryana

Date: February 07, 2024





Nestlé Good food, Good life

## Press Release

Nestlé House, 07<sup>th</sup> February 2024

### Strong momentum in a challenging environment

The Board of Directors of Nestlé India today approved the results for the fourth quarter of 2023. The Financial Year of the Company stands changed from 1<sup>st</sup> January - 31<sup>st</sup> December cycle to 1<sup>st</sup> April - 31<sup>st</sup> March cycle. Accordingly, the current Financial Year of the Company stands extended up to 31<sup>st</sup> March 2024 covering a period of 15 months commencing from 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2024 comprising five quarters ("Financial Year 2023-24"). In view of the above, the Company considered the period from 1<sup>st</sup> October 2023 to 31<sup>st</sup> December 2023 as a standalone fourth quarter of the Financial Year 2023-24.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, "I am pleased to share that despite external challenges, we have once again delivered a strong performance this quarter. Domestic sales grew by 8.9% on the back of pricing and mix growth, with strong growth momentum in e-commerce and out-of-home channels. The quarter was marked by an increase in brand investments across all product groups. I am also pleased to note that during the year 2023, our total sales grew by over 13.3% and we crossed INR 19,000 crore mark.

All key brands and product groups have contributed to Nestlé India's consistent growth trajectory. This quarter, strong demand for NESCAFÉ CLASSIC and NESCAFÉ SUNRISE propelled the Beverages product group to be our largest contributor to growth. Our beverages business witnessed a double-digit growth and NESCAFÉ gained significant market share. Milk and Nutrition product group posted double-digit growth. Prepared Dishes and Cooking Aids also maintained credible growth this quarter. Confectionery, one of our strong growth drivers also delivered good growth. The growth across all product groups demonstrates the trust consumers placed in us and the unwavering commitment and dedication of our teams.

I am happy to share that our Out-of-Home business continued to accelerate rapidly this quarter by focussing on relevant innovations, potential geographies, and robust penetration in emerging channels with opening of new kiosks in key locations. This clarity of strategies and discipline of execution made our Out-of-Home business to be the fastest-growing business of our company in India.

E-commerce delivered strong growth contributing to 7% of domestic sales in this quarter. Organized trade also witnessed strong growth backed by festive walk-ins and new product launches. The teams excelled in rolling our shopper resonant activities across our large portfolio in both legacy platforms and the fast growing 'quick commerce.

We are very pleased with an uptick in sales in our RUrban markets which has sustained despite the challenging environment. Our RUrban strategies of creating portfolio, infrastructure analytic platforms, activation has supported deeper penetration and distribution expansion that we have witnessed. We expanded our direct coverage and added 5,300 villages this quarter, reaching a total of over 196,000 villages, close to 200,000 villages, which was our ambition. Our customer

ordering app in RUrban markets, NesMitra has resulted in boosting engagement and gaining significant business traction. NesMitra app has over 7,500 active users which is increasing steadily, and it has been recognised in the Nestlé world for driving efficiency and speed. Service excellence and partnership with our retail and distributor partners is our consistent cornerstone of achieving strong results.

Innovation and renovation are key components of our business strategy. We strive to offer our consumers high-quality products that cater to their evolving tastes and preferences. Over the past seven years, we have launched 130 new products by recalibrating our innovation process, which has helped increase our sales and drive growth. Some of our recent launches include MAGGI Korean noodles, MAGGI Oats Noodles with Millet Magic and GERBER Puffs. As we seek new frontiers of culinary experience, I am delighted to announce that we have piloted, through a limited period menu, MAGGI Professional's new plant-based range consisting of burger patty and mince with a committed and competent partner. Offering tastier and better forms of nutrition in a relevant platform is a constant endeavour of Nestlé to delight consumers.

I am also happy to inform you that, we have received the land allotment letter from the government for our 10th factory in Odisha. We have made strong strides toward environmental sustainability by increasing our investments, and regularly assessing the progress of our environmental goals, across four commitment areas such as climate, packaging, sourcing and water. As we walk the path of progress, I would like to express my heartfelt gratitude to our employees, partners, suppliers, distributors and other stakeholders for their resolve, tenacity and extraordinary commitment, even in challenging times.”

#### **Financial Highlights – Q4 2023:**

- Total Sales of INR 4583.6 crore
- Total Sales Growth at 8.3%. Domestic Sales Growth at 8.9%.
- Profit from Operations at 21.9% of Sales
- Net Profit of INR 655.6 crore
- Earnings Per Share of INR 6.80

#### **Business Comments – Q4 2023:**

- **E-commerce:** Continued growth momentum with targeted demand generation initiatives across key platforms based on portfolio relevance and shopper needs.
- **Organized Trade:** Delivered robust growth, spurred by festive walk-ins. The channel continued to play a pivotal role in premiumization and new product launches.
- **Out of Home (OOH):** Reported strong growth, fuelled by portfolio transformation and premiumisation, channel prioritization, digital lead generation and new customer acquisition.
- **Exports:** Expanded product offerings across key international markets to delight Indian diaspora exploring multiple markets.

#### **Product Groups Performance – Q4 2023 (Domestic):**

- **Prepared Dishes and Cooking Aids:** Growth momentum continued across the portfolio, driven by communications, media investment, shopper engagement and innovations aimed at developing the market across town classes especially RURBAN markets.
- **Milk Products and Nutrition:** Expanded NESTLÉ A+ Masala Millet to Mumbai and MILO for Teenager to key south markets. MILKMAID and PEPTAMEN continued to receive positive consumer response.
- **Confectionery:** Confectionery led by KITKAT and MUNCH delivered good growth aided by consumer led campaigns and new product launches such as MILKYBAR caramel, MUNCH

fruity, POLO watermelon. KITKAT forayed into the premium segment with the launch of three variants, rich chocolate coated wafer, dark chocolate wafer, and caramel chocolate coated wafer.

- **Beverages:** Strong growth delivered across NESCAFÉ portfolio. NESCAFÉ CLASSIC and NESCAFÉ Sunrise registered double-digit growth. NESCAFÉ continued to cement its leadership position with market share gains and increased household penetration.
- **Petcare Business:** Felix wet cat food continued to receive positive feedback from trade and cat parents with e-commerce playing a pivotal role.

### **Commodity Outlook:**

Coffee prices continue to be volatile and are historically high due to limited availability. Healthy milk flush in winter is expected to keep prices stable. Commodities such as wheat and rice are stable as of now. Rain deficit is expected to impact the production of maize, sugar, oil seeds and spices that may impact pricing.

### **Dividend:**

The Board of Directors have declared third interim dividend for the Financial Year 2023-24 of INR 7/- per equity share (face value of Re. 1/- each) amounting to INR 674.91 crore, which will be paid on and from 5<sup>th</sup> March 2024. This is in addition to the first interim dividend of INR 27/- per equity share (face value of Rs. 10/- each) and second interim dividend of INR 140/- per equity share (face value of Rs. 10/- each) paid on 8<sup>th</sup> May 2023 and 16<sup>th</sup> November 2023, respectively.

### **Sub-division/ split of face value of equity shares:**

On and from the Record Date of 5<sup>th</sup> January 2024, the equity shares of the Company were sub-divided, such that 1 (one) equity share having face value of Rs. 10/- (Rupees ten only) each, fully paid-up, stands sub-divided into 10 (ten) equity shares having face value of Re. 1/- (Rupee one only) each, fully paid-up, ranking *pari-passu* in all respects.

### **Slump sale of Nestlé Business Services ('NBS') Division**

Nestlé SA seeks to leverage business services and specialised capabilities for relevant global markets from the NBS Division of the Company. The Board of Directors of the Company have approved slump sale of the NBS Division of the Company to Purina PetCare India Private Limited, a 100% subsidiary of Nestlé S.A., for an aggregate consideration of INR 79.8 crore. The transaction will be effective from 1<sup>st</sup> July 2024, subject to customary closing conditions. The Company will continue to receive the services of NBS Division at an arm's length basis and expects to improve its operational efficiencies, cost optimisation, automation and other benefits from the proposed enhanced business services operations.

### **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, [ambereen.shah@in.nestle.com](mailto:ambereen.shah@in.nestle.com), +91 9717022731  
Amit Kumar Roy, [amitkumar.roy@in.nestle.com](mailto:amitkumar.roy@in.nestle.com), +91 8447737626  
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](mailto:ambereen.shah@in.Nestle.com) / [amitkumar.roy@in.Nestle.com](mailto:amitkumar.roy@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)

**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](mailto:investor@in.nestle.com);Website: [www.nestle.in](http://www.nestle.in)**Annexure I**

Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July 2023.

Sl. No.	Particulars	Descriptions
1.	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year;	For the financial year ended 31 <sup>st</sup> December 2022, the services provided by the NBS Division would have represented Rs. 0.6 Billion which notionally represents approximately 0.36% of the annual consolidated turnover of the Company for the financial year ended 31 <sup>st</sup> December 2022 of INR 167.9 Billion.
2.	date on which the agreement for sale has been entered into;	The Board of Directors of Nestlé India Limited approved the slump sale of the Nestlé Business Services ('NBS') Division of the Company to Purina PetCare India Private Limited, which is a related party, being a 100% subsidiary of Nestlé S.A., for an aggregate consideration of INR 798 Million. The transaction will be carried out through a Business Transfer Agreement and will be effective from 1 <sup>st</sup> July 2024, subject to customary closing conditions.
3.	the expected date of completion of sale/ disposal;	1 <sup>st</sup> July 2024, subject to customary closing conditions.
4.	consideration received from such sale/ disposal;	The slump sale of NBS Division will be for an aggregate cash consideration of INR 798 Million. The said consideration is at an arm's length basis and would be adjusted for net working capital transferred by the Company as on 30 <sup>th</sup> June 2024.
5.	brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof;	Purina PetCare India Private Limited (CIN: U15100DL2017FTC321683)  Nestlé S.A., the ultimate holding company, has 62.76% ownership of Nestlé India Limited and 100% ownership of Purina Petcare India Private Limited. Therefore, Nestlé India Limited and Purina Petcare India Private Limited are fellow subsidiaries of Nestlé S.A., Switzerland.
6.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	The transaction is done at arm's length on the basis of Independent Valuation Report by KPMG Valuation Services LLP, Registered Valuer Entity having Registration Number - IBBI/RV-E/06/2020/115.

# 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](mailto:investor@in.nestle.com);

Website: [www.nestle.in](http://www.nestle.in)



7.	whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	The slump sale of NBS Division is outside the Scheme of Arrangement. The NBS Division notionally represents approximately 0.36% of the annual consolidated turnover of the Company for the financial year ended 31 <sup>st</sup> December 2022. The NBS Division is well below Company's 20% net worth as per the audited balance sheet of the preceding financial year. The slump sale of NBS Division does not qualify as an undertaking as per the provisions of the Companies Act, 2013 and therefore, does not require the approval of the shareholders.
8.	additionally, in case of a slump sale, indicative disclosures provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale.	
a.	name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	Not Applicable
b.	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes, please refer Clause 6 above.
c.	area of business of the entity(ies):	Nestlé Business Services ('NBS') Division of the Company predominantly provides captive services to the Company across four End-to-End Services (Order to Cash, Source to Pay, Record to Report and Hire to Retire) which helps the Company in driving operational efficiency, cost optimization, effective decision-making through data analytics, enhancing customer service, and accelerating automation of various scalable processes across the Company's value chain.
d.	rationale for amalgamation/ merger	Not Applicable
e.	in case of cash consideration – amount or otherwise share exchange ratio;	The Company will receive an aggregate cash consideration of INR 798 Million. The said consideration is at an arm's length basis and would be adjusted for net working capital transferred by the Company as on 30 <sup>th</sup> June 2024.
f.	brief details of change in shareholding pattern (if any) of listed entity.	No change in the shareholding pattern of the Company.