

# 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



PKR:SG: 49:23

27<sup>th</sup> July 2023

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400001

**BSE Scrip Code - 500790**

**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 second quarter and half year ended 30<sup>th</sup> June 2023**
- II. **Regulation 30 of the Listing Regulations: Intimation to change the Financial Year of the Company to the Fiscal Year i.e., April to March cycle, subject to approvals**

Dear Madam/ Sir,

**1. Unaudited Financial Results for the second quarter and half year ended 30<sup>th</sup> June 2023**

The Board of Directors, at its meeting held today, *inter alia*, approved the Unaudited Financial Results of the Company for the second quarter and half year ended 30<sup>th</sup> June 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.

**2. Intimation to change the Financial Year of the Company to the Fiscal Year i.e., April to March cycle**

The Board of Directors, at its meeting held today, *inter alia*, approved to change the Financial Year of the Company from “1<sup>st</sup> January - 31<sup>st</sup> December” to 1<sup>st</sup> April – 31<sup>st</sup> March”, subject to approvals. Accordingly, the current Financial Year of the Company shall be 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 and subsequent Financial Years of the Company would begin from 1<sup>st</sup> April every year and end with 31<sup>st</sup> March of the subsequent year.

The meeting of the Board of Directors commenced at 09:00 hours and the above agenda items concluded at 10:20 hours.

The above is for your information and record.

Thanking you,

Yours truly,

**NESTLÉ INDIA LIMITED**

**PRAMOD KUMAR RAI**

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Encl.: as above

**STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2023**

(₹ Million)

THREE MONTHS ENDED			PARTICULARS	SIX MONTHS ENDED		Accounting
30.06.2023 (Un-audited)	31.03.2023 (Un-audited)	30.06.2022 (Un-audited)		30.06.2023 (Un-audited)	30.06.2022 (Un-audited)	31.12.2022 (Audited)
			<b>A INCOME</b>			
44,207.7	46,127.3	38,575.6	DOMESTIC SALES	90,335.0	76,637.6	160,976.0
1,987.3	1,956.7	1,584.2	EXPORT SALES	3,944.0	3,150.6	6,919.3
<b>46,195.0</b>	<b>48,084.0</b>	<b>40,159.8</b>	<b>SALE OF PRODUCTS</b>	<b>94,279.0</b>	<b>79,788.2</b>	<b>167,895.3</b>
390.3	221.3	297.1	OTHER OPERATING REVENUES	611.6	595.1	1074.3
<b>46,585.3</b>	<b>48,305.3</b>	<b>40,456.9</b>	<b>i REVENUE FROM OPERATIONS</b>	<b>94,890.6</b>	<b>80,383.3</b>	<b>168,969.6</b>
239.5	336.9	193.7	ii OTHER INCOME	576.4	408.1	1,010.0
<b>46,824.8</b>	<b>48,642.2</b>	<b>40,650.6</b>	<b>TOTAL INCOME</b>	<b>95,467.0</b>	<b>80,791.4</b>	<b>169,979.6</b>
			<b>B EXPENSES</b>			
19,774.6	21,826.5	18,474.2	i COST OF MATERIALS CONSUMED	41,601.1	36,933.4	76,521.1
1,085.0	999.5	899.4	ii PURCHASES OF STOCK-IN-TRADE	2,084.5	1,732.6	3,480.2
190.7	(510.7)	(717.4)	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(320.0)	(2,159.5)	(2,502.7)
4,572.4	4,542.5	4,101.6	iv EMPLOYEE BENEFITS EXPENSE	9,114.9	8,085.0	16,354.6
327.8	370.1	369.7	v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	697.9	725.5	1,545.7
1,073.6	1,017.0	1,016.8	vi DEPRECIATION AND AMORTISATION	2,090.6	2,061.9	4,030.1
10,299.5	10,205.3	9,137.0	vii OTHER EXPENSES	20,504.8	17,847.8	36,970.5
-	113.0	160.1	viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	113.0	160.1	294.3
33.2	31.8	136.9	ix NET PROVISION FOR CONTINGENCIES	65.0	198.5	162.9
74.7	142.6	119.8	x CORPORATE SOCIAL RESPONSIBILITY EXPENSE	217.3	230.6	563.2
<b>37,431.5</b>	<b>38,737.6</b>	<b>33,698.1</b>	<b>TOTAL EXPENSES</b>	<b>76,169.1</b>	<b>65,815.9</b>	<b>137,419.9</b>
<b>9,393.3</b>	<b>9,904.6</b>	<b>6,952.5</b>	<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>	<b>19,297.9</b>	<b>14,975.5</b>	<b>32,559.7</b>
-	-	-	D EXCEPTIONAL ITEMS	-	-	-
<b>9,393.3</b>	<b>9,904.6</b>	<b>6,952.5</b>	<b>E PROFIT BEFORE TAX (C-D)</b>	<b>19,297.9</b>	<b>14,975.5</b>	<b>32,559.7</b>
			F TAX EXPENSE:			
2,395.7	2,585.2	1,943.3	CURRENT TAX	4,980.9	4,105.3	8,686.1
14.2	(47.0)	(93.2)	DEFERRED TAX	(32.8)	(139.9)	(31.6)
<b>6,983.4</b>	<b>7,366.4</b>	<b>5,102.4</b>	<b>G PROFIT FOR THE PERIOD (E-F)</b>	<b>14,349.8</b>	<b>11,010.1</b>	<b>23,905.2</b>
			<b>H OTHER COMPREHENSIVE INCOME</b>			
			a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
(30.7)	(693.6)	32.9	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(724.3)	56.3	1,522.4
-	-	-	- EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	-	(17.7)	(17.7)
7.7	174.6	(8.3)	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	182.3	(14.2)	(383.2)
			b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(5.8)	9.0	(15.3)	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	3.2	(13.6)	(2.8)
1.2	(2.0)	3.8	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	(0.8)	3.4	0.7
<b>(27.6)</b>	<b>(512.0)</b>	<b>13.1</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>	<b>(539.6)</b>	<b>14.2</b>	<b>1,119.4</b>
<b>6,955.8</b>	<b>6,854.4</b>	<b>5,115.5</b>	<b>I TOTAL COMPREHENSIVE INCOME (G+H)</b>	<b>13,810.2</b>	<b>11,024.3</b>	<b>25,024.6</b>
964.2	964.2	964.2	J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
27,603.3	30,482.0	20,936.0	K OTHER EQUITY	27,603.3	20,936.0	23,627.5
			<b>L EARNINGS PER SHARE (EPS) (not annualized for quarters and six months)</b>			
<b>72.43</b>	<b>76.40</b>	<b>52.92</b>	<b>BASIC / DILUTED EPS (₹)</b>	<b>148.83</b>	<b>114.19</b>	<b>247.94</b>
			<u>ADDITIONAL INFORMATION:</u>			
9,556.3	10,080.4	7,248.3	PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]	19,636.7	15,523.5	33,658.6

## STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2023

(₹ Million)

PARTICULARS		As at	As at
		30.06.2023	31.12.2022
		(Un-Audited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>NON-CURRENT ASSETS</b>		
	(a) PROPERTY, PLANT & EQUIPMENT	27,187.2	27,058.1
	(b) CAPITAL WORK IN-PROGRESS	5,195.9	3,583.6
	(c) RIGHT OF USE ASSETS	3,543.7	3,378.9
	(d) FINANCIAL ASSETS		
	(i) INVESTMENTS	4,261.7	5,601.9
	(ii) LOANS	91.1	90.0
	(iii) OTHER FINANCIAL ASSETS	520.7	468.3
	(e) DEFERRED TAX ASSET (NET)	316.6	256.1
	(f) OTHER NON-CURRENT ASSETS	16,406.8	14,449.0
	<b>Sub-total – NON-CURRENT ASSETS</b>	<b>57,523.7</b>	<b>54,885.9</b>
<b>2</b>	<b>CURRENT ASSETS</b>		
	(a) INVENTORIES	21,084.2	19,287.7
	(b) FINANCIAL ASSETS		
	(i) INVESTMENTS	3,794.9	2,173.5
	(ii) TRADE RECEIVABLES	2,947.7	1,918.9
	(iii) CASH AND CASH EQUIVALENTS	6,608.2	9,265.5
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	185.4	190.0
	(v) LOANS	102.3	102.6
	(vi) OTHER FINANCIAL ASSETS	426.7	582.6
	(c) OTHER CURRENT ASSETS	1851.4	1,380.7
	<b>Sub-total – CURRENT ASSETS</b>	<b>37000.8</b>	<b>34,901.5</b>
	<b>TOTAL-ASSETS</b>	<b>94,524.5</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	27,603.3	23,627.5
	<b>Sub-total – EQUITY</b>	<b>28,567.5</b>	<b>24,591.7</b>
	<b>LIABILITIES</b>		
<b>1</b>	<b>NON-CURRENT LIABILITIES</b>		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	291.8	266.6
	(ii) LEASE LIABILITIES	1,969.1	1,906.5
	(b) PROVISIONS	33,037.6	32,051.6
	(c) OTHER NON-CURRENT LIABILITIES	168.0	173.5
	<b>Sub- total – NON-CURRENT LIABILITIES</b>	<b>35,466.5</b>	<b>34,398.2</b>
<b>2</b>	<b>CURRENT LIABILITIES</b>		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	33.6	33.7
	(ii) TRADE PAYABLES		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2,646.6	2,856.6
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	16,155.6	16,481.5
	(iii) LEASE LIABILITIES	590.4	498.4
	(iv) PAYABLES FOR CAPITAL EXPENDITURE		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	257.1	247.5
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	1,152.2	1,623.8
	(v) OTHER FINANCIAL LIABILITIES	4,203.7	4,809.1
	(b) PROVISIONS	1,914.9	1,607.0
	(c) CURRENT TAX LIABILITIES	1,347.8	330.2
	(d) OTHER CURRENT LIABILITIES	2,188.6	2,309.7
	<b>Sub-total – CURRENT LIABILITIES</b>	<b>30,490.5</b>	<b>30,797.5</b>
	<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>94,524.5</b>	<b>89,787.4</b>

## STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30 JUNE 2023

(₹ Million)

PARTICULARS	SIX MONTHS ENDED	
	30.06.2023	30.06.2022
	(Un-audited)	(Un-audited)
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	<b>19,297.9</b>	<b>14,975.5</b>
ADJUSTMENTS FOR:		
DEPRECIATION AND AMORTISATION	2,090.6	2,061.9
IMPAIRMENT LOSS ON PROPERTY, PLANT & EQUIPMENT	113.0	160.1
DEFICIT/ (SURPLUS) ON PROPERTY, PLANT AND EQUIPMENT SOLD/SCRAPPED/WRITTEN OFF (NET)	(12.9)	(45.5)
INTEREST INCOME	(576.4)	(408.1)
INTEREST ON BANK OVERDRAFTS AND OTHERS	42.0	3.2
INTEREST ON LEASE LIABILITIES	85.2	81.1
ALLOWANCE FOR IMPAIRMENT ON FINANCIAL ASSETS	24.2	0.6
UNREALISED EXCHANGE DIFFERENCES	(42.8)	17.2
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>21,020.8</b>	<b>16,846.0</b>
ADJUSTMENTS FOR:		
DECREASE/(INCREASE) IN TRADE RECEIVABLES	(1,036.5)	(205.2)
DECREASE/(INCREASE) IN INVENTORIES	(1,796.5)	(2,652.4)
DECREASE/(INCREASE) IN LOANS, OTHER FINANCIAL ASSETS & OTHER ASSETS	(646.3)	24.2
INCREASE/(DECREASE) IN TRADE PAYABLE	(483.1)	(279.9)
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES & OTHER LIABILITIES	(702.3)	139.4
INCREASE/(DECREASE) IN PROVISION FOR CONTINGENCIES	456.4	495.1
INCREASE/(DECREASE) IN PROVISION FOR EMPLOYEE BENEFITS	(369.4)	(413.5)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>16,443.1</b>	<b>13,953.7</b>
INCOME TAXES PAID (NET OF REFUNDS)	(3,809.5)	(2,326.0)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>12,633.6</b>	<b>11,627.7</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT INCLUDING CAPITAL WORK IN PROGRESS	(6,241.1)	(2,401.7)
SALE OF PROPERTY, PLANT AND EQUIPMENT	14.4	56.9
PROCEEDS FROM SALE / REDEMPTION / MATURITY OF INVESTMENTS AND TAX-FREE BONDS	515.1	171.1
AMOUNT RECEIVED FROM INSURANCE PENSION PLAN - SEPERATIONS	855.7	569.4
PURCHASE OF TAX-FREE LONG-TERM BONDS	-	48.4
DECREASE/(INCREASE) IN LOANS TO EMPLOYEES	(0.7)	(3.6)
INTEREST RECEIVED ON BANK DEPOSITS, INVESTMENTS, TAX FREE BONDS, EMPLOYEE LOANS ETC.	710.6	513.2
ADJUSTMENT IN NET ASSET OF PET FOOD BUSINESS	-	118.5
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(4,146.0)</b>	<b>(927.8)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
NET INCREASE IN DEFERRED VAT LIABILITIES UNDER STATE GOVERNMENT SCHEMES	19.7	(21.8)
INTEREST ON BANK OVERDRAFT AND OTHERS	(42.0)	(3.8)
INTEREST ON LEASE LIABILITIES	(85.2)	(81.2)
PRINCIPAL PAYMENT OF LEASE LIABILITIES	(406.7)	(350.4)
DIVIDENDS PAID	(9,834.4)	(8,677.4)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(10,348.6)</b>	<b>(9,134.6)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,861.0)</b>	<b>1,565.3</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	6,608.2	8,352.2
CURRENT INVESTMENTS	1,494.8	947.5
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (AS PER IND AS 7)</b>	<b>8,103.0</b>	<b>9,299.7</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,861.0)</b>	<b>1,565.3</b>

**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. As per the requirements of Appendix C to Ind AS 103 – Business Combinations under common control, the figures for three months ended 30.06.2022 and six months ended 30.06.2022 have been restated to include the financial results of pet food business acquired by the Company with effect from 01.10.2022.
- 4. Comparisons with reference to quarter ended 30.06.2022 unless otherwise specified:**
  - a. Total Sales and Domestic Sales for the quarter increased by 15.0% and 14.6% respectively. Domestic Sales growth is broad based, with prudent pricing supported by mix and volume. Export Sales increased by 25.4%.
  - b. Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has decreased due to higher net realizations partly offset by commodity cost increases in milk and its derivatives, wheat flour, edible oil and coffee.
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. 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.
7. The Statement of Cash flows has been prepared under the Indirect Method as set out in Ind AS 7 on Statement of Cash Flows.
8. The Board of Directors at their meeting held on 27 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 01 January 2023 and ending 31 March 2024.

**THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 26 JULY 2023 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 27 JULY 2023.**

**Date: 27 July 2023**  
**Place: Gurugram**

**By Order of the Board**  
**SURESH**  
**NARAYANAN**  
**Suresh Narayanan**  
**Chairman and Managing Director**

Digitally signed by SURESH  
NARAYANAN  
Date: 2023.07.27 10:21:28  
+05'30'

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 June 30, 2023 and year to date from January 01, 2023 to June 30, 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: 2023.07.27 10:26:31 +05'30'

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**per Pankaj Chadha**

Partner

Membership No.: 091813

UDIN: 23091813BGQOYS7412

Place of signature: Gurugram, Haryana

Date: July 27, 2023





Nestlé Good food, Good life

## Press Release

Nestlé House, 27<sup>th</sup> July 2023

### **Nestlé India continues its robust growth journey, delivers double digit growth**

#### **Reaffirms its commitment to “Make in India” by announcing its 10<sup>th</sup> Factory in Odisha**

The Board of Directors of Nestlé India today approved the results for the second quarter of 2023.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “I am pleased to share that we have, yet again, delivered robust performance, with all product groups registering double digit growth. This is the fifth quarter in a row of double-digit growth across ALL product groups. Domestic sales growth is broad based and grew by 14.6%, on the back of prudent pricing and supported by mix and volume with targeted brand support. Key brands continued to perform well, led by KITKAT, NESCAFÉ and MAGGI among others.

The Out-of-Home business continued to deliver strong growth this quarter, through a pivot of dual strategies in terms of portfolio transformation and robust precise execution of differentiated channel and geography plans to harness big growth opportunities.

Our RURBAN strategy was helped by increasing distribution footprint with relevant portfolio, thereby achieving higher penetration. We witnessed strong growth across Mega cities and Metros, robust performance in Tier 1 to 6 towns and continued strength in rural markets. E-Commerce continued to perform strongly and now accounts for almost 6.5% of sales.

We have renewed and indeed accelerated our focus on brand building and continued to make relevant investments during this quarter. The focus on Innovation and Renovation remained, and as examples we launched three notable new products in the Indian market – Resource Fiber Choice, a unique and effective gut health solution that is proven to help relieve constipation and improve gut health, Everyday Zero – the dairy whitener with no added sugar and MUNCH Breakfast Cereals.

“Make in India” has always remained the cornerstone of our industrial footprint strategy and I am pleased to announce that Odisha has been identified as the state that will be home to Nestlé India’s TENTH factory. We have now received an “in principle” approval from Industrial Promotion & Investment Corporation of Odisha Limited (IPICOL). Our dream and ambition is to also make the Odisha factory “State of art” in line with our continuing commitment to gender diversity, sustainable manufacturing, paperless digitally managed facility with an abiding focus on the

environment in terms of practices. Like all our other factories, Odisha factory too will remain committed to serve the local communities through relevant societal initiatives.

Dignity, respect, and equal opportunity are enshrined in the pillars of 'Purpose and Values' of Nestlé India. It gives me immense pride to announce that we have recruited 12 persons with disabilities to work on our production line at our Sanand factory. We remain committed to the path of diversity and inclusion in various parts of our business with the necessary commitment and resources to propel such initiatives

I would like to thank our diverse team who make 'Performance with Pride' happen at Nestlé India with diligence, commitment, ethics, teamwork, compassion and humility ---our employees, partners, suppliers, distributors, retailers for their unwavering faith and wholehearted support in our company's journey in the past decades."

#### **Financial Highlights – Q2 2023:**

- Total Sales of INR 4619.5 Crore
- Total Sales Growth at 15.0 %. Domestic Sales Growth at 14.6%.
- Profit from Operations at 20.7% of Sales
- Net Profit of INR 698.3 Crore
- Earnings Per Share of INR 72.43

#### **Business Comments – Q2 2023:**

- **E-commerce:** The channel contributed to 6.5% of the quarterly sales and continued the growth momentum driven by Quick Commerce
- **Organized Trade:** The channel continued delivering strong broad-based growth across categories driven by store expansion and improved footfalls
- **Out of Home (OOH):** Continued to deliver robust growth through premiumisation and portfolio transformation initiatives. Strong performance is an outcome of kiosk expansion and prioritization of emerging channels
- **Exports:** Registered robust double-digit growth across all categories through proliferation of products such as NESCAFÉ Sunrise and Polo

#### **Product Groups Performance – Q2 2023 (Domestic):**

- **Prepared Dishes and Cooking Aids:** Registered double-digit growth driven by MAGGI Noodles and aided through distribution expansion and impactful consumer activations.
- **Milk Products and Nutrition:** Delivered strong double-digit growth despite inflationary pressures. Growth driven by Milkmaid and Peptamen. The growth was further aided by the launch of Resource Fibre choice and Everyday Zero added sugar.
- **Confectionery:** Registered double-digit growth led by KITKAT and MUNCH. Performance was supported by strong consumer engagement and media campaigns.
- **Beverages:** The product group registered robust double-digit growth led by greater household penetration NESCAFÉ Classic, NESCAFÉ Sunrise and NESCAFÉ GOLD for both hot and cold coffee occasions. NESCAFÉ continued the journey of innovation, with the launch of cold coffee premix NESCAFÉ ALL IN 1 FRAPPE.



- **Petcare Business:** Continues to provide complete nutrition for cats and dogs. Felix has received positive feedback from trade and cat parents.

### **Commodity Outlook:**

Commodities such as edible oils, wheat and packaging materials have been in the lower price range. A reversal of price trend is noted in fuels with prices softening in second quarter after reaching higher level towards the end of quarter one. In fresh milk, there has been price stability. Robusta prices are elevated and are expected to remain volatile.

### **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.

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### **For more information**

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