

# Nestlé India Limited

(CIN : L15202DL1959PLC003786)

Nestlé House

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Website: www.nestle.in



**PKR:SG: 74:24**

**25<sup>th</sup> July 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: Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”): Outcome of the Board Meeting - Unaudited Financial Results for the first quarter ended 30<sup>th</sup> June 2024**

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 Unaudited Financial Results of the Company for the first quarter ended 30<sup>th</sup> June 2024 ('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 the newspapers as per the Listing Regulations.

The meeting of the Board of Directors commenced at 9:30 hours and above agenda item concluded at 10:40 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 ended 30<sup>th</sup> June 2024**

(₹ Million)

Three months ended			Particulars	Previous financial year to date period ended	Financial year (fifteen months) ended
30.06.2024	31.03.2024	30.06.2023		30.06.2023	31.03.2024
(Un-audited)	(Audited as explained in note 9)	(Un-audited)		(Un-audited)	(Audited)
			<b>A Income</b>		
46,085.0	50,216.1	44,207.7	i Domestic Sales	90,335.0	233,006.2
1,844.7	2,328.2	1,987.3	Export Sales	3,944.0	9,748.6
<b>47,929.7</b>	<b>52,544.3</b>	<b>46,195.0</b>	<b>Sale of Products</b>	<b>94,279.0</b>	<b>242,754.8</b>
209.8	131.6	390.3	Other Operating Revenue	611.6	1,184.1
<b>48,139.5</b>	<b>52,675.9</b>	<b>46,585.3</b>	<b>i Revenue from operations</b>	<b>94,890.6</b>	<b>243,938.9</b>
391.2	267.5	239.5	ii Other Income	576.4	1,479.6
<b>48,530.7</b>	<b>52,943.4</b>	<b>46,824.8</b>	<b>Total Income</b>	<b>95,467.0</b>	<b>245,418.5</b>
			<b>B Expenses</b>		
19,432.2	21,619.3	19,774.6	i Cost of materials consumed	41,601.1	102,168.8
1,067.2	1,196.0	1,085.0	ii Purchases of stock-in-trade	2,084.5	5,373.7
(111.0)	(56.7)	190.7	iii Changes in inventories of finished goods, work in progress and stock-in-trade	(320.0)	(456.8)
5,054.0	4,868.8	4,572.4	iv Employee benefits expense	9,114.9	23,360.6
316.8	262.0	327.8	v Finance costs (including interest cost on employee benefits plans)	697.9	1,454.9
1,127.1	1,088.7	1,073.6	vi Depreciation and amortisation	2,090.6	5,377.8
11,488.5	11,622.5	10,299.5	vii Other expenses	20,504.8	54,404.7
-	12.3	-	viii Impairment loss on Property, Plant and Equipment	113.0	299.7
(120.0)	(115.1)	33.2	ix Net provision for contingencies	65.0	(7.5)
185.3	40.6	74.7	x Corporate Social Responsibility expense	217.3	597.6
<b>38,440.1</b>	<b>40,538.4</b>	<b>37,431.5</b>	<b>Total Expenses</b>	<b>76,169.1</b>	<b>192,573.5</b>
<b>10,090.6</b>	<b>12,405.0</b>	<b>9,393.3</b>	<b>C Profit Before Exceptional Items and Tax (A-B)</b>	<b>19,297.9</b>	<b>52,845.0</b>
-	(100.8)	-	D Exceptional items	-	(43.7)
<b>10,090.6</b>	<b>12,505.8</b>	<b>9,393.3</b>	<b>E Profit Before Tax (C-D)</b>	<b>19,297.9</b>	<b>52,888.7</b>
			<b>F Tax Expense:</b>		
2,594.0	3,159.8	2,395.7	Current Tax	4,980.9	13,156.8
30.6	4.3	14.2	Deferred Tax	(32.8)	403.5
<b>7,466.0</b>	<b>9,341.7</b>	<b>6,983.4</b>	<b>G Profit for the Period (E-F)</b>	<b>14,349.8</b>	<b>39,328.4</b>
			<b>H Other Comprehensive Income</b>		
			<b>a. (i) Items that will not be reclassified to profit or loss</b>		
12.3	(144.7)	(30.7)	- Re-measurement of retiral defined benefits plans	(724.3)	(573.3)
(3.1)	36.5	7.7	Income taxes relating to items that will not be reclassified to profit or loss	182.3	144.3
			<b>(ii) loss</b>		
			<b>b. (i) Items that will be reclassified to profit or loss</b>		
2.4	(3.9)	(5.8)	- Changes in fair value of cash flow hedges	3.2	(0.5)
(0.6)	0.9	1.2	(ii) Income taxes relating to items that will be reclassified to profit or loss	(0.8)	0.1
<b>11.0</b>	<b>(111.2)</b>	<b>(27.6)</b>	<b>Total Other Comprehensive Income (a+b)</b>	<b>(539.6)</b>	<b>(429.4)</b>
<b>7,477.0</b>	<b>9,230.5</b>	<b>6,955.8</b>	<b>I Total Comprehensive Income (G+H)</b>	<b>13,810.2</b>	<b>38,899.0</b>
964.2	964.2	964.2	J Paid-up Equity Share Capital (Face value – ₹1 Per Share)	964.2	964.2
39,921.7	32,444.7	27,603.3	K Other Equity	27,603.3	32,444.7
<b>7.74</b>	<b>9.69</b>	<b>7.24</b>	<b>L Earnings Per Share (EPS) (not annualized for quarters) Basic / Diluted EPS (₹)</b>	<b>14.88</b>	<b>40.79</b>
			<b>Additional information:</b>		
10,201.5	12,440.1	9,556.3	Profit from operations [C - A(ii) + B(v) + B(x)]	19,636.7	53,417.9

**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 benefits plans) and Corporate Social Responsibility expense.
3. Comparisons with reference to quarter ended 30<sup>th</sup> June 2023 unless otherwise specified :
  - a) Total Sales and Domestic Sales for the three months ended 30<sup>th</sup> June 2024 increased by 3.8% and 4.2% respectively.
  - b) Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has decreased from 45.6% to 42.5% for the three months ended 30<sup>th</sup> June 2024.
4. 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.
5. The Board of Directors on 8<sup>th</sup> July 2024 have declared an interim dividend for current financial year 2024-25 of ₹ 2.75 per equity share (Face value ₹ 1/- per equity share) amounting to ₹ 2,651.4 million, which will be paid on and from 6<sup>th</sup> August 2024 along with the final dividend for financial year ended 31<sup>st</sup> March 2024 of ₹ 8.50 per equity share approved in the Annual General Meeting on 8<sup>th</sup> July 2024.
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 Board of Directors have approved slump sale of Nestlé Business Services ('NBS') Division of the Company to Nestlé Business Services India Private Limited (Formerly known as 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 1<sup>st</sup> July 2024, subject to customary closing conditions.
8. The Board of Directors have approved investment by the Company in the joint venture (JV Company) with Dr Reddy's Laboratories Limited (Dr Reddy's), for the purposes of manufacturing, developing, promoting, marketing, selling, distributing, and commercializing products in the field of medical nutrition, specialized nutrition, nutraceuticals, and supplements in India and other geographies as may be agreed by the Parties. Dr Reddy's will hold 51% and the Company will hold 49% in the JV Company with proportionate shareholder rights to voting, dividend distribution, and other economic rights as enshrined in the definitive agreement. Nestlé India will have a call option to increase shareholding upto 60% after six years at a Fair Market Value. Dr Reddy's shall continue to hold at least 40% of the shareholding after the Company exercises its call option.
9. Figures of three months ended 31<sup>st</sup> March 2024 are the balancing figures between audited figures in respect of the fifteen months financial year ended 31<sup>st</sup> March 2024 and the unaudited published figures for twelve months period ended 31<sup>st</sup> December 2023.

**THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 24<sup>th</sup> JULY 2024 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 25<sup>th</sup> JULY 2024.**

**Date: 25<sup>th</sup> July 2024**  
**Place: Gurugram**

**By Order of the Board**  
Digitally signed by SURESH NARAYANAN  
SURESH NARAYANAN  
Date: 2024.07.25 10:47:42  
+05'30'  
**Suresh Narayanan**  
**Chairman and Managing Director**

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)  
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**Independent Auditor's Review Report on the Quarterly 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, 2024 (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: 2024.07.25 10:58:18  
+05'30'

**per Pankaj Chadha**  
Partner  
Membership No.: 091813

UDIN: 24091813BKFGMN1045

Place of Signature: Gurugram, Haryana  
Date: July 25, 2024



## Press Release

Nestlé House, 25<sup>th</sup> July 2024

### Nestlé India continues with resilience in a challenging environment

#### RURBAN expansion strengthened through concerted action

The Board of Directors of Nestlé India today approved the results for the first quarter of 2024-25.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, "I am pleased to share that despite external challenges such as lower consumption growth, concerns on continued food inflation and volatile commodity prices, we have delivered growth across our product groups. Almost a fourth of our growth has been mix and volume led, and we hope to strengthen this trend in the coming months.

I am happy to inform you that 5 of our top 12 brands grew double-digit. Our Beverages business stood out, with strong double-digit growth, despite a scorching summer across many parts of India. Strong consumer led activation on 'Cold opportunity' helped NESCAFÉ CLASSIC post double-digit growth. In consonance, NESCAFÉ Sunrise, and NESCAFÉ GOLD also delivered strong growth. The launch of NESCAFÉ Roastery has further strengthened our premium coffee portfolio. In our endeavour to build cold coffee as a strategic pillar, we successfully launched Nescafé Ice Roast with encouraging response across key markets and channels.

Prepared Dishes and Cooking Aids too maintained its growth momentum, with innovations contributing to ~30% of the growth in the quarter. MAGGI Korean Noodles has been well received by our consumers and Masala-Ae-Magic saw double digit growth. KITKAT delivered double digit growth. We take pride in confectionery being one of the most distributed businesses with highly connected digital brands and a slew of innovations in the pipeline. Milk Products and Nutrition portfolio-maintained growth.

E-commerce sustained its upward trajectory, contributing to 7.5% of domestic sales and growing at double digit. The Out-of-Home business continued its growth momentum despite unprecedented headwinds of extreme weather conditions across India. In addition to the successful collaboration with SOCIAL for the plant-based range, we have now launched Special Korean noodles menu across all SOCIAL outlets pan India for a limited period.

We continue our relentless focus on building 'distribution infrastructure' as our touchpoints in RURban geographies have been expanding consistently. During the period, we have successfully added over 800 new distribution touchpoints that includes cash distributors, re-distributors and wholesale hubs. Moreover, this quarter our village coverage has increased by 5,000 taking it to ~ 2,05,000 villages.

We continue to make strides in digitalization and technology. I am happy to announce that we have recently launched Re-distributor Management Solution for sub-distributors in rural markets to leverage technology in their daily operations. This improves efficiency, through automated order processing, equips sub-distributors to make informed decisions about stocking and promotions. Sub-distributors are enabled to respond swiftly to retailer needs, creating a powerful

network for rural distribution. This reinforces our partnership approach with trade to consistently find ways to enhance their capabilities.

I am pleased to share that our factories also have been on an ambitious digitalization journey. All our factories today are leveraging digital solutions under the overarching theme of 'Digital Manufacturing Operations' that provide intuitive experience for operators and supervisors, bringing in efficiency and speed at shop floor.

MAGGI has been an advocate for responsible plastic waste management, driving positive change over the years. This World Environment Day, MAGGI highlighted the power of small actions through the inspiring story of Iqra Khan, a young Nestlé executive, who educated people about the right way of disposing empty MAGGI packets. This story serves as a powerful reminder that every individual has a role to play in protecting our planet and contributing to a cleaner and healthier environment.

We believe business can be a force for good. I am immensely proud to share that Nestlé Healthy Kids Programme, our long-standing initiative, dedicated to fostering healthy lifestyles among adolescents and parents, across India has successfully completed 15 years. Launched as a pilot in 2009, the programme has grown exponentially, reaching over 600,000 adolescents and 56,000 parents across 26 states and union territories. By equipping young adolescents with the knowledge and skills to make informed choices about nutrition and physical activity, we are empowering them to lead healthier lives."

#### **Financial Highlights - Quarter 1, 2024-25 :**

- Total Sales of INR 4793.0 crore
- Total Sales Growth at 3.8%. Domestic Sales Growth at 4.2%.
- Profit from Operations at 21.3% of Sales
- Net Profit of INR 746.6 crore
- Earnings Per Share of INR 7.74
- Interim Dividend INR 2.75 per equity share declared on 8<sup>th</sup> July 2024

#### **Business Comments - Quarter 1, 2024-25:**

- **E-commerce:** Continued to accelerate, with strong growth in quick commerce, driven by brands such as KITKAT, NESCAFÉ, MAGGI Masala-ae-Magic, MILKMAID and RTD. Growth was aided by new user acquisition and targeted digital communication across touchpoints.
- **Organized Trade:** Retail grew in double-digit, led by value added noodles, beverages and overall premiumization.
- **Out of Home (OOH):** Strong growth momentum fuelled by portfolio transformation, innovations, penetration and premiumization.
- **Export:** Expanded its footprint by introducing new SKUs to markets in USA, Canada, Middle East and North Africa. A significant milestone was achieved with the first ever export of breakfast cereals such as KOKO KRUNCH and NESTLÉ GOLD Oats and Corn Flakes.

### **Product Groups Performance (Domestic) – Quarter 1, 2024-25:**

- **Prepared Dishes and Cooking Aids** – Strong consumer engagements, media campaigns, innovations and enhanced RURBAN penetration enabled the business to maintain its momentum.
- **Milk Products and Nutrition** – Growth was driven by MILKMAID and toddler range of products.
- **Confectionery** – MUNCH continued to make regional inroads. Category first initiatives were initiated on OTT platforms for KITKAT, while MUNCH entered a movie partnership.
- **Beverages** – Witnessed robust performance across all products. NESCAFÉ Sunrise gained traction in South India. With this strong performance, NESCAFÉ has further solidified its leadership position in the market, gaining market share and achieving significant household penetration gains.
- **Petcare Business** – Felix wet cat food continued to receive positive feedback from trade and cat parents. Strong focus on e-commerce and quick commerce was instrumental in reaching out to more pet families.

### **Commodity Outlook:**

Commodity prices are seeing unprecedented headwinds in coffee and cocoa with all time high prices and an ongoing price rally. Cereals and grains are going through a structural cost increase backed by MSP. There is relative stability in milk prices, packaging and edible oils.

### **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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