

# 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: 30:23

25<sup>th</sup> April 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 Listing Regulations: Unaudited Financial Results for the first quarter ended 31<sup>st</sup> March 2023**
- II. **Mr. Matthias Christoph Lohner, Executive Director - Technical (DIN: 08934420) to demit office with effect from the close of business hours on 30<sup>th</sup> June 2023; Nomination of Mr. Satish Srinivasan in place of Mr. Matthias Christoph Lohner w.e.f. 1<sup>st</sup> July 2023, subject to approvals**

Dear Madam/ Sir,

**1. Unaudited Financial Results for the first quarter ended 31<sup>st</sup> March 2023**

The Board of Directors, at their meeting held today, approved the Unaudited Financial Results of the Company for the first quarter ended 31<sup>st</sup> March 2023 ("UFRs"). Enclosed are the UFRs of the Company 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 the 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. Mr. Matthias Christoph Lohner, Executive Director – Technical (DIN: 08934420) to demit office with effect from the close of business hours on 30<sup>th</sup> June 2023; Nomination of Mr. Satish Srinivasan to succeed in place of Mr. Matthias Christoph Lohner w.e.f. 1<sup>st</sup> July 2023, subject to approvals**

Mr. Matthias Christoph Lohner, Executive Director – Technical, shall demit office with effect from the close of business hours on 30<sup>th</sup> June 2023. Mr. Matthias will be taking up a new assignment with a Nestlé Affiliate.

Mr. Satish Srinivasan, currently Head of Operations – Dairy Strategic Business Unit of Nestlé, Switzerland, has been nominated to succeed Mr. Matthias Christoph Lohner effective from 1<sup>st</sup> July 2023, subject to approvals.

Mr. Srinivasan joined Nestlé India in the year 1993 and worked on various assignments across Nestlé factories in India, Philippines, Sri Lanka, Equatorial Africa Region and Indo China Region with increasing responsibilities. He holds an Engineering Degree and has over 35 years of experience. With strong expertise in the technical operations, Mr. Srinivasan has made significant contributions to Nestlé Group and is well recognised for driving the operations strategy, capital expenditure optimisation, quality, people-oriented approach, problem-solving skills and speed of execution.

The meeting of the Board of Directors commenced at 9:15 hours and the above agenda items concluded at 10:15 hours.

The above is for your information and records.

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 31 MARCH 2023

(₹ Million)

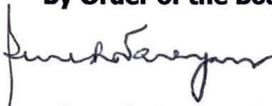
PARTICULARS	THREE MONTHS ENDED			Accounting Year ended
	31.3.2023 (Un-audited)	31.12.2022 (Audited as explained in Note 8)	31.3.2022 (Un-audited)	31.12.2022 (Audited)
<b>A INCOME</b>				
DOMESTIC SALES	46,127.3	40,618.5	38,062.0	160,976.0
EXPORT SALES	1,956.7	1,714.2	1,566.4	6,919.3
<b>SALE OF PRODUCTS</b>	<b>48,084.0</b>	<b>42,332.7</b>	<b>39,628.4</b>	<b>167,895.3</b>
OTHER OPERATING REVENUES	221.3	235.2	298.0	1074.3
<b>i REVENUE FROM OPERATIONS</b>	<b>48,305.3</b>	<b>42,567.9</b>	<b>39,926.4</b>	<b>168,969.6</b>
<b>ii OTHER INCOME</b>	<b>336.9</b>	<b>295.5</b>	<b>214.4</b>	<b>1,010.0</b>
<b>TOTAL INCOME</b>	<b>48,642.2</b>	<b>42,863.4</b>	<b>40,140.8</b>	<b>169,979.6</b>
<b>B EXPENSES</b>				
<b>i COST OF MATERIALS CONSUMED</b>	<b>21,826.5</b>	<b>20,060.2</b>	<b>18,459.2</b>	<b>76,521.1</b>
<b>ii PURCHASES OF STOCK-IN-TRADE</b>	<b>999.5</b>	<b>949.5</b>	<b>833.2</b>	<b>3,480.2</b>
<b>iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>	<b>(510.7)</b>	<b>(1795.0)</b>	<b>(1442.1)</b>	<b>(2,502.7)</b>
<b>iv EMPLOYEE BENEFITS EXPENSE</b>	<b>4,542.5</b>	<b>4,069.5</b>	<b>3,983.4</b>	<b>16,354.6</b>
<b>v FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)</b>	<b>370.1</b>	<b>448.3</b>	<b>355.8</b>	<b>1,545.7</b>
<b>vi DEPRECIATION AND AMORTISATION</b>	<b>1,017.0</b>	<b>986.6</b>	<b>1,045.1</b>	<b>4,030.1</b>
<b>vii OTHER EXPENSES</b>	<b>10,205.3</b>	<b>9,337.9</b>	<b>8,710.8</b>	<b>36,970.5</b>
<b>viii IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT</b>	<b>113.0</b>	<b>134.2</b>	<b>-</b>	<b>294.3</b>
<b>ix NET PROVISION FOR CONTINGENCIES</b>	<b>31.8</b>	<b>(95.3)</b>	<b>61.6</b>	<b>162.9</b>
<b>x CORPORATE SOCIAL RESPONSIBILITY EXPENSE</b>	<b>142.6</b>	<b>176.8</b>	<b>110.8</b>	<b>563.2</b>
<b>TOTAL EXPENSES</b>	<b>38,737.6</b>	<b>34,272.7</b>	<b>32,117.8</b>	<b>137,419.9</b>
<b>C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)</b>	<b>9,904.6</b>	<b>8,590.7</b>	<b>8,023.0</b>	<b>32,559.7</b>
<b>D EXCEPTIONAL ITEMS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>E PROFIT BEFORE TAX (C-D)</b>	<b>9,904.6</b>	<b>8,590.7</b>	<b>8,023.0</b>	<b>32,559.7</b>
<b>F TAX EXPENSE:</b>				
CURRENT TAX	2,585.2	2,295.3	2,162.0	8,686.1
DEFERRED TAX	(47.0)	14.8	(46.7)	(31.6)
<b>G PROFIT FOR THE PERIOD (E-F)</b>	<b>7,366.4</b>	<b>6,280.6</b>	<b>5,907.7</b>	<b>23,905.2</b>
<b>H OTHER COMPREHENSIVE INCOME</b>				
<b>a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>				
- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(693.6)	1,421.7	23.4	1,522.4
- EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	-	-	(17.7)	(17.7)
<b>(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>	<b>174.6</b>	<b>(357.8)</b>	<b>(5.9)</b>	<b>(383.2)</b>
<b>b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS</b>				
- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	9.0	14.2	1.7	(2.8)
<b>(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS</b>	<b>(2.0)</b>	<b>(3.6)</b>	<b>(0.4)</b>	<b>0.7</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>	<b>(512.0)</b>	<b>1,074.5</b>	<b>1.1</b>	<b>1,119.4</b>
<b>I TOTAL COMPREHENSIVE INCOME (G+H)</b>	<b>6,854.4</b>	<b>7,355.1</b>	<b>5,908.8</b>	<b>25,024.6</b>
<b>J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)</b>	<b>964.2</b>	<b>964.2</b>	<b>964.2</b>	<b>964.2</b>
<b>K OTHER EQUITY</b>	<b>30,482.0</b>	<b>23,627.5</b>	<b>24,453.6</b>	<b>23,627.5</b>
<b>L EARNINGS PER SHARE (EPS) (not annualized for quarters)</b>				
<b>BASIC/ DILUTED EPS (₹)</b>	<b>76.40</b>	<b>65.14</b>	<b>61.27</b>	<b>247.94</b>
<b>ADDITIONAL INFORMATION:</b>				
PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]	10,080.4	8,920.3	8,275.2	33,658.6

**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 31.03.2022 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 31.03.2022 unless otherwise specified:**
  - a. Total Sales and Domestic Sales for the quarter increased by 21.3% and 21.2% respectively. Domestic Sales growth is broad based with a healthy balance of pricing, volume and mix. Export Sales increased by 24.9%.
  - b. Other Income increased due to higher yields and higher average liquidities.
  - c. Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has increased due to higher commodity prices, particularly milk and its derivatives, wheat flour, edible oil, partly offset by better realisations.
5. 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.
6. The Board of Directors on 12<sup>th</sup> April 2023 have declared an interim dividend for 2023 of ₹ 27.0 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 2,603.2 million, which will be paid on and from 8 May 2023 along with the final dividend for 2022 of ₹ 75.0 per equity share approved in the Annual General Meeting on April 12, 2023.
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. Figures for the three months ended 31.12.2022 are the balancing figures between audited figures in respect of the full year ended 31.12.2022 and the un-audited published figures for the nine months ended 30.09.2022.

**THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 24 APRIL 2023 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 25 APRIL 2023.**

**Date: 25 April 2023**  
**Place: Sanand**

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

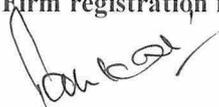
Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)  
Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001  
Corporate Identity Number: L15202DL1959PLC003786  
Email ID: [investor@in.nestle.com](mailto:investor@in.nestle.com), Website: [www.nestle.in](http://www.nestle.in)  
Phone: 011-23418891, Fax: 011-23415130

**Independent Auditor's Review Report on the Quarterly 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 March 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**

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**per Pankaj Chadha**

Partner

Membership No.: 091813



UDIN: 23091813BGQOXG2703

Place of signature: Gurugram, Haryana

Date: April 25, 2023



**Nestlé** Good food, Good life

## PRESS RELEASE

Nestlé House, 25<sup>th</sup> April, 2023

### **Nestlé India delivers highest growth in a quarter in the last decade Double digit growth across all product groups in last four quarters**

The Board of Directors of Nestlé India today approved the results for the first 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 continued to deliver robust sales growth this quarter, which is broad based with a healthy balance of pricing, volume, and mix.

This is the highest growth for the Company in a quarter in the last 10 years (excluding the exceptional quarter in 2016 which was off a low base in 2015). Yet again, I would single out the outstanding diligence, commitment and seizing every opportunity in the marketplace by our employees, partners, distributors, and stakeholders. Teamwork has triumphed once again!

All our product groups delivered double digit growth, a notable feature in these past four quarters in a row. Confectionery led by KITKAT, and MUNCH posted a strong growth, supported by consumer led campaigns, innovation and engagement. Beverages turned in another quarter of robust growth and market share gains led by NESCAFÉ Classic, NESCAFÉ Sunrise, and NESCAFÉ GOLD. Prepared Dishes and Cooking Aids delivered strong growth across all products in its portfolio. One can discern portfolio upgradation happening in this category. Milk products and Nutrition continued its strong performance led by MILKMAID among others.

I am very pleased that in line with our commitment to enable people live healthier lives, we launched ThickenUp Clear, a food and beverage thickener from our Nestlé Health Science portfolio. ThickenUp Clear can be used to help patients with swallowing difficulties especially in oropharyngeal dysphagia. I feel proud of the Company’s efforts to make a difference, where it matters to improve their quality of life.

Our Out-of-Home business continued to accelerate rapidly this quarter. We continued with portfolio transformation, continued expansion, route to market focussed on relevant geographies, channel prioritization and opening of new kiosks in key locations. Our strong performance in e-Commerce continued with significant growth in quick commerce. We accelerated our sustained growth journey in RURBAN. The

growth in RURBAN was complemented by strong momentum in metro and mega cities. Rural growth was also strong, secular and robust, being volume led which gives greater confidence and impetus to our efforts to enhance our footprint.

It is an honour to welcome our Board of Directors and host our Board meeting at our newest factory in Sanand, Gujarat. The Sanand factory is a shining example of diversity, with women constituting majority of the workforce. The factory is environment friendly, moving towards paperless, digitally advanced with state-of-the-art digital manufacturing processes. It was inspiring to meet passionate, competent, and motivated factory colleagues. Our societal initiatives such as Nestlé Healthy Kids Programme, Sanitation and Oxygen plants are providing support to communities near our Sanand factory.”

#### **Financial Highlights – Q1 2023:**

- Total Sales of INR 4,808 Crore.
- Total Sales Growth at 21.3%. Domestic Sales Growth at 21.2%.
- Profit from Operations at 21.0% of Sales.
- Net Profit of INR 737 Crore.
- Earnings Per Share of INR 76.4.
- Interim Dividend INR 27.00 per equity share declared on 12<sup>th</sup> April, 2023.

#### **Business Comments – Q1 2023:**

- **E-Commerce:** The channel delivered strong performance with significant growth in quick commerce.
- **Organized Trade:** The channel witnessed broad based growth across product groups in retail business fuelled by rapid outlet expansion.
- **Out-of-Home (OOH):** The channel posted strong performance. Growth has been secular across brands, geographies, and channels.
- **Exports:** Strong double-digit growth of product portfolio in global markets through both mainstream and ethnic channels.

#### **Product Group Performance – Q1 2023 (Domestic):**

- **Prepared Dishes and Cooking Aids:** Delivered strong growth across all products in its food portfolio. Growth momentum was aided by market presence, media campaigns and focussed consumer activations.
- **Milk Products and Nutrition:** Registered strong double-digit growth, despite commodity pressures. GERBER Cereals and CEREGROW Grain Selection performed well. Strong growth in MILKMAID. Launched ThickenUp Clear.
- **Confectionery:** Displayed robust growth led by KITKAT and MUNCH. Performance was supported by focused trade plans and strong consumer engagement.
- **Beverages:** Continued to witness robust growth. NESCAFÉ recorded its highest ever market share. NESCAFÉ RTD and out-of-home also delivered strong growth.
- **Pet Food:** Continued to build on its momentum and launched new product within its cat portfolio.

### **Commodity Outlook in Short to Medium Term**

We are witnessing early signs of softening of commodities such as edible oils, wheat and packaging materials. However, cost of fresh milk, fuels, and green coffee are expected to remain firm because of continued increase in demand and volatility.

### **Dividend:**

The Board of Directors on 12<sup>th</sup> April, 2023 have declared an interim dividend for 2023 of INR 27.0 per equity share (Face value INR 10/- per equity share) amounting to INR 2,603.2 million, which will be paid on and from 8<sup>th</sup> May 2023 along with the final dividend for 2022 of INR 75.0 per equity share approved in the Annual General Meeting on 12<sup>th</sup> April, 2023.

### **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**

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.Nestlé.com](mailto:ambereen.shah@in.Nestlé.com) / [amitkumar.roy@in.Nestlé.com](mailto:amitkumar.roy@in.Nestlé.com) (with a CC to [media.india@in.Nestlé.com](mailto:media.india@in.Nestlé.com)); [investor@in.Nestlé.com](mailto:investor@in.Nestlé.com),

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