

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:GA: 10:23

16th February 2023

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400001

Scrip Code - 500790

Subject: Outcome of Board Meeting:

- I. **Regulation 33 of Listing Regulations: Audited Annual Financial Results for the year ended 31st December 2022**
- II. **Regulation 30 of Listing Regulations:**
 - a. **Recommended Final Dividend for the year 2022;**
 - b. **Appointment of Ms Svetlana Boldina (DIN: 10044338) as an Additional Director and Whole-time Director, designated as Executive Director - Finance & Control and Chief Financial Officer (Key Managerial Personnel), w.e.f. 1st March 2023 for a term of five consecutive years, subject to requisite approvals, in place of Mr David McDaniel (DIN: 08662504);**
 - c. **Convening of 64th Annual General Meeting ('64th AGM') on Wednesday, 12th April 2023 through Video Conferencing/ Other Audio-Visual Means (VC/OAVM)**
- III. **Regulation 42 of the Listing Regulations: 64th AGM and Record Date**

Dear Madam/ Sir,

1. Audited Annual Financial Results for the year ended 31st December 2022

The Board of Directors, at their meeting:

- a. approved the Audited Annual Financial Results for the year ended 31st December 2022. Enclosed are the Audited Annual Financial Results along with the Report of the Auditors thereon and the declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended 31st December 2022. The Audited Annual Financial Results shall be published in newspapers as required. Also, find enclosed Press Release relating to the results. The above are also being uploaded on the Company's website at www.nestle.in;
- b. approved the Audited Annual Financial Statements of the Company for the year ended 31st December 2022 including Balance Sheet as at 31st December 2022 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date.

2. Recommended Final Dividend for the year 2022

The Board of Directors recommended final dividend for the year 2022 of Rs. 75/- (Rupees Seventy-Five only) per equity shares of Rs. 10/- each.

3. Appointment of Ms Svetlana Boldina (DIN: 10044338) as an Additional Director and Whole-time Director, designated as Executive Director - Finance & Control and Chief Financial Officer (Key Managerial Personnel), w.e.f. 1st March 2023 for a term of five consecutive years, subject to requisite approvals, in place of Mr David McDaniel (DIN: 08662504)

In furtherance to our letter BM:PKR:47:22 dated 30th September 2022, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Ms Svetlana Boldina, as an Additional Director and Whole-time Director, designated as "Executive Director - Finance & Control and Chief Financial Officer" (Key Managerial Personnel), w.e.f. 1st March 2023 for a term of five consecutive years, subject to requisite approvals, in place of Mr David McDaniel.

Ms Svetlana Boldina is a Russian National and holds an Engineering Degree from Moscow Telecommunication University and Masters in Business Administration, Accounting and Finance Technology from Russian Academy for Economics. Ms Boldina has worked in Nestlé markets in Russia, Eastern Europe and Indonesia with strong operational

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experience and an excellent track record of over 25 years with Nestlé Group. Before this assignment, she was Head of Finance & Control of Nestlé Indonesia. Ms Boldina has contributed significantly towards effective business decisions, as well as developing and shaping up a professional Finance and Information Technology teams in her previous roles and has displayed strong functional capabilities, combined with leadership & drive to achieve business outcomes.

Ms Svetlana Boldina has no relationship with any other Director on the Board of the Company and she is not debarred from holding the office of Director by virtue of any order of the Securities and Exchange Board of India or any other authority.

The Board of Directors placed on record their appreciation for the valuable contributions made by Mr David McDaniel, who will cease as Whole-time Director, designated as Executive Director - Finance & Control and Chief Financial Officer, with effect from the close of business hours on 28th February 2023. Mr McDaniel will be taking up a new assignment with a Nestlé Affiliate.

4. Approved convening of the 64th AGM and fixed Record Date for the Final Dividend for the year 2022

The Board of Directors, at their meeting, approved convening of the 64th AGM of the Company on Wednesday, 12th April 2023 through Video Conferencing/ Other Audio-Visual Means (VC/ OAVM).

The Record Date fixed for the purpose of determining entitlement of the Members to the Final Dividend for the year 2022 is 21st April 2023. The Final Dividend for the year 2022, if approved by the Members at 64th AGM, shall be paid on and from 8th May 2023. Intimation of Record Date is enclosed. Soft copy of the Annual Report and Notice of the 64th AGM shall be sent in due course. The same shall also be uploaded on the Company's website at www.nestle.in.

The meeting of the Board of Directors commenced at 09:00 hours and the above agenda items concluded at 11:30 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

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Website www.nestle.in

**PKR:GA: 11:23****16th February 2023**

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

BSE Scrip Code: 500790**ISIN : INE239A01016****Subject : Record Date for determining entitlement of the members to the final dividend for the year 2022.**

Dear Madam/ Sir,

Furnished below is the Record Date as per the prescribed format, for determining entitlement of the members to the final dividend for the year 2022, if any, recommended by the Board of Directors on 16th February 2023:

Name of the Company : Nestlé India Limited

SECURITY CODE	TYPE OF SECURITY AND PAID UP VALUE	RECORD DATE	PURPOSE
500 790	EQUITY SHARES Rs. 964,157,160/- (Rs. 10/- per equity share)	21 st April 2023	Record Date for determining entitlement of the members to the Final Dividend for the year 2022, if any.

Thanking you,

Yours truly,
NESTLÉ INDIA LIMITED**PRAMOD KUMAR RAI**
COMPANY SECRETARY AND COMPLIANCE OFFICER



NESTLÉ INDIA LIMITED

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022

(₹ Million)

THREE MONTHS ENDED			PARTICULARS	ACCOUNTING YEAR ENDED	
31.12.2022 (Audited as explained in Note 8)	30.9.2022 (Un-audited)	31.12.2021 (Audited as explained in Note 8)		31.12.2022 (Audited)	31.12.2021 (Audited)
			A	INCOME	
40,618.5	43,719.9	35,684.4		DOMESTIC SALES	160,976.0
1,714.2	2,054.5	1,464.2		EXPORT SALES	6,919.3
42,332.7	45,774.4	37,148.6		SALE OF PRODUCTS	167,895.3
235.2	244.0	331.2		OTHER OPERATING REVENUES	1,074.3
42,567.9	46,018.4	37,479.8	i	REVENUE FROM OPERATIONS	168,969.6
295.5	306.4	273.6	ii	OTHER INCOME	1,010.0
42,863.4	46,324.8	37,753.4		TOTAL INCOME	169,979.6
			B	EXPENSES	
20,060.2	19,527.5	16,628.9	i	COST OF MATERIALS CONSUMED	76,521.1
949.5	798.1	679.9	ii	PURCHASES OF STOCK-IN-TRADE	3,480.2
(1,795.0)	1,451.8	(1,163.1)	iii	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	(2,502.7)
4,069.5	4,200.1	3,888.9	iv	EMPLOYEE BENEFITS EXPENSE	16,354.6
448.3	371.9	435.9	v	FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	1,545.7
986.6	981.7	1,059.6	vi	DEPRECIATION AND AMORTISATION	4,030.1
9,337.9	9,784.6	8,761.8	vii	OTHER EXPENSES	36,970.5
134.2	-	-	viii	IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	294.3
(95.3)	59.7	(142.2)	ix	NET PROVISION FOR CONTINGENCIES	162.9
176.8	155.8	238.7	x	CORPORATE SOCIAL RESPONSIBILITY EXPENSE	563.2
34,272.7	37,331.2	30,388.4		TOTAL EXPENSES	137,419.9
8,590.7	8,993.6	7,365.0	C	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)	32,559.7
-	-	2,365.0	D	EXCEPTIONAL ITEMS	-
8,590.7	8,993.6	5,000.0	E	PROFIT BEFORE TAX (C-D)	32,559.7
			F	TAX EXPENSE:	
2,295.3	2,285.5	1,161.8		CURRENT TAX	8,686.1
14.8	93.5	43.4		DEFERRED TAX	(31.6)
6,280.6	6,614.6	3,794.8	G	PROFIT FOR THE PERIOD (E-F)	23,905.2
			H	OTHER COMPREHENSIVE INCOME	
1,421.7	44.5	(625.7)	a. (i)	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	
-	-	-	-	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	1,522.4
-	-	-	-	- EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	(17.7)
(357.8)	(11.2)	157.5	(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	(383.2)
14.2	(3.4)	18.7	b. (i)	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	
-	-	-	-	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(2.8)
(3.6)	0.9	(4.7)	(ii)	INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	0.7
1,074.5	30.8	(454.2)		TOTAL OTHER COMPREHENSIVE INCOME (a+b)	1,119.4
7,355.1	6,645.4	3,340.6	I	TOTAL COMPREHENSIVE INCOME (G+H)	25,024.6
964.2	964.2	964.2	J	PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2
65.14	68.61	39.36	K	EARNINGS PER SHARE (EPS) (not annualized for quarters) BASIC/ DILUTED EPS (₹)	247.94
				ADDITIONAL INFORMATION:	
8,920.3	9,214.9	7,766.0		PROFIT FROM OPERATIONS [C - A(ii) + B(v) + B(x)]	33,658.6

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

(₹ Million)

PARTICULARS		As at	As at
		31.12.2022	31.12.2021
		(Audited)	(Audited)
A	ASSETS		
1	NON-CURRENT ASSETS		
	(a) PROPERTY, PLANT & EQUIPMENT	27,058.1	26,529.9
	(b) CAPITAL WORK IN-PROGRESS	3,583.6	2,462.3
	(c) RIGHT OF USE ASSETS	3,378.9	3,416.8
	(d) FINANCIAL ASSETS		
	(i) INVESTMENTS	5,601.9	7,107.0
	(ii) LOANS	90.0	72.7
	(iii) OTHER FINANCIAL ASSETS	468.3	419.0
	(e) DEFERRED TAX ASSET (NET)	256.1	258.4
	(f) OTHER NON-CURRENT ASSETS	14,449.0	14,453.4
	Sub-total – NON-CURRENT ASSETS	54,885.9	54,719.5
2	CURRENT ASSETS		
	(a) INVENTORIES	19,287.7	15,926.5
	(b) FINANCIAL ASSETS		
	(i) INVESTMENTS	2,173.5	632.8
	(ii) TRADE RECEIVABLES	1,918.9	1,659.7
	(iii) CASH AND CASH EQUIVALENTS	9,265.5	7,185.3
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	190.0	168.8
	(v) LOANS	102.6	106.9
	(vi) OTHER FINANCIAL ASSETS	582.6	507.5
	(c) CURRENT TAX ASSETS (NET)	-	293.0
	(d) OTHER CURRENT ASSETS	1,380.7	952.5
	(e) ASSET HELD FOR SALE	-	188.8
	Sub-total – CURRENT ASSETS	34,901.5	27,621.8
	TOTAL-ASSETS	89,787.4	82,341.3
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) EQUITY SHARE CAPITAL	964.2	964.2
	(b) OTHER EQUITY	23,627.5	18,499.6
	Sub-total – EQUITY	24,591.7	19,463.8
	LIABILITIES		
1	NON-CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	266.6	274.7
	(ii) LEASE LIABILITIES	1,906.5	1,903.1
	(b) PROVISIONS	32,051.6	32,852.6
	(c) OTHER NON-CURRENT LIABILITIES	173.5	199.7
	Sub- total – NON-CURRENT LIABILITIES	34,398.2	35,230.1
2	CURRENT LIABILITIES		
	(a) FINANCIAL LIABILITIES		
	(i) BORROWINGS	33.7	65.9
	(ii) TRADE PAYABLES		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2,856.6	2,601.8
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	16,481.5	14,879.9
	(iii) LEASE LIABILITIES	498.4	420.9
	(iv) PAYABLES FOR CAPITAL EXPENDITURE		
	TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	247.5	210.6
	TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	1,623.8	1,337.5
	(v) OTHER FINANCIAL LIABILITIES	4,809.1	5,039.9
	(b) PROVISIONS	1,607.0	1,387.6
	(c) CURRENT TAX LIABILITIES	330.2	-
	(d) OTHER CURRENT LIABILITIES	2,309.7	1,703.3
	Sub-total – CURRENT LIABILITIES	30,797.5	27,647.4
	TOTAL – EQUITY AND LIABILITIES	89,787.4	82,341.3

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022
(₹ Million)

PARTICULARS		As at	As at
		31.12.2022	31.12.2021
		(Audited)	(Audited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	PROFIT BEFORE TAX	32,559.7	28,573.1
	ADJUSTMENTS FOR:		
	DEPRECIATION AND AMORTISATION	4,030.1	3,910.2
	IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	294.3	12.2
	DEFICIT/ (SURPLUS) ON PROPERTY, PLANT AND EQUIPMENT SOLD/SCRAPPED/WRITTEN OFF (NET)	(62.6)	(39.7)
	OTHER INCOME	(1,010.0)	(1,201.5)
	INTEREST ON BANK OVERDRAFT	20.4	10.7
	INTEREST ON LEASE LIABILITIES	160.7	83.9
	ALLOWANCE FOR IMPAIRMENT ON FINANCIAL ASSETS	39.3	9.6
	UNREALISED EXCHANGE DIFFERENCES	55.8	4.9
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	36,087.7	31,363.4
	ADJUSTMENTS FOR:		
	DECREASE/(INCREASE) IN TRADE RECEIVABLES	(275.1)	(17.6)
	DECREASE/(INCREASE) IN INVENTORIES	(3,361.2)	(1,686.3)
	DECREASE/(INCREASE) IN LOANS, OTHER FINANCIAL ASSETS & OTHER ASSETS	(295.4)	(397.9)
	INCREASE/(DECREASE) IN TRADE PAYABLE	1,776.3	2,172.2
	INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES & OTHER LIABILITIES	1,775.6	86.9
	INCREASE/(DECREASE) IN PROVISION FOR CONTINGENCIES	1,144.3	(95.0)
	INCREASE/(DECREASE) IN PROVISION FOR EMPLOYEE BENEFITS	(1,066.4)	(1,779.7)
	CASH GENERATED FROM OPERATIONS	35,785.8	29,646.0
	INCOME TAXES PAID (NET OF REFUNDS)	(8,411.5)	(7,286.0)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	27,374.3	22,360.0
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	PURCHASE OF PROPERTY, PLANT AND EQUIPMENT INCLUDING CAPITAL WORK IN PROGRESS	(5,499.2)	(7,348.4)
	SALE OF PROPERTY, PLANT AND EQUIPMENT	92.2	40.0
	PROCEEDS FROM SALE / REDEMPTION / MATURITY OF INVESTMENTS	171.1	-
	PROCEEDS FROM REDEMPTION OF TAX FREE BONDS	83.7	-
	INVESTMENT IN INSURANCE PLAN (REIMBURSEMENT RIGHTS)	-	(13,787.8)
	AMOUNT RECEIVED FROM INSURANCE PLAN – SEPARATIONS	1,287.6	264.9
	DECREASE/(INCREASE) IN LOANS TO EMPLOYEES	(13.4)	13.8
	INTEREST RECEIVED ON BANK DEPOSITS, INVESTMENTS, TAX FREE BONDS, EMPLOYEE LOANS ETC.	1,031.4	1,245.8
	ADJUSTMENT IN NET ASSETS OF PET FOOD BUSINESS	350.6	368.4
	NET CONSIDERATION PAID FOR ACQUISITION OF PET FOOD BUSINESS	(1,421.3)	-
	NET CASH USED IN INVESTING ACTIVITIES	(3,917.3)	(19,203.3)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	PAYMENT OF DEFERRED VAT LIABILITIES UNDER STATE GOVERNMENT SCHEMES	(66.5)	(34.1)
	PROCEEDS FROM LOAN	-	240.0
	REPAYMENT OF LOAN	-	(240.0)
	INTEREST ON BANK OVERDRAFT	(20.4)	(10.7)
	INTEREST ON LEASE LIABILITIES	(160.7)	(83.9)
	PRINCIPAL PAYMENT OF LEASE LIABILITIES	(732.5)	(787.9)
	DIVIDENDS PAID	(20,247.3)	(19,283.1)
	NET CASH USED IN FINANCING ACTIVITIES	(21,227.4)	(20,199.7)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	2,229.6	(17,043.0)
	CASH AND CASH EQUIVALENTS	7,185.3	17,548.0
	CURRENT INVESTMENTS	549.1	7,229.4
	TOTAL CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (AS PER IND AS 7)	7,734.4	24,777.4
	CASH AND CASH EQUIVALENTS	9,265.5	7,185.3
	CURRENT INVESTMENTS	698.5	549.1
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (AS PER IND AS 7)	9,964.0	7,734.4
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,229.6	(17,043.0)

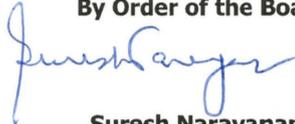
Notes:

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 Financial Results. 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 full year ended 31.12.2021 unless otherwise specified:**
 - a) Total Sales and Domestic Sales for the year increased by 14.5% and 14.8% respectively. Domestic Sales growth is broad based with a healthy balance of pricing and volume. Export Sales increased by 8.2%.
 - b) Total Sales and Domestic Sales for the quarter increased by 14.0% and 13.8% respectively. Domestic Sales growth is broad based. Export Sales were higher by 17.1%.
 - c) Other Income decreased due to lower average liquidities following transition to 'Future Ready Plan' in 2021, partly offset by higher yields.
 - d) Cost of materials consumed [B(i)+B(ii)+B(iii)] as a % to sales has increased due to higher commodity prices, particularly edible oil, milk and its derivatives and packaging materials, partly offset by better realisations.
 - e) Other Expenses as a % of sales are positively influenced by lower marketing spend and a conscious effort to control cost, partly offset by surge in fuel prices.
 - f) In relation to total cash flows, the net cash generated from operating activities was robust and was partially offset by capital expenditure and payment of dividend.
4. 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.
5. The Board of Directors have recommended a final dividend for 2022 of ₹ 75.00 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 7,231.2 million. The total dividend for 2022 aggregates to ₹ 220.00 per equity share which includes first interim dividend of ₹ 25.00 per equity share paid on 6 May 2022; and second interim dividend of ₹ 120.00 per equity share paid on 16 November 2022. The final dividend is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on "Events after the Reporting Period".
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. The disclosure requirements of Ind AS 108 are not applicable.
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. Figures of last quarter are the balancing figures between audited figures in respect of the full year and the un-audited published figures up to the period ended 30 September.
9. The Company had entered into a business transfer agreement dated 18th August 2022 for the acquisition of the Pet Food Business as a going concern on a slump sale basis from Purina Petcare India Private Limited. Nestle S.A., the ultimate holding company, has 100% ownership of Purina Petcare India Pvt Limited and 62.76% ownership of Nestle India Limited. Therefore, Purina Petcare India Private Limited and Nestle India Limited being subsidiaries of Nestle S.A., Switzerland are related parties. The Board of Directors of the Company, with only independent directors voting, had on the recommendation of the Audit Committee, approved the acquisition of Pet Food Business from Purina

Petcare India Private Limited. In terms of the business transfer agreement, the business has been acquired by the Company with effect from 1st October 2022. Based on the valuation report of the registered valuer (PwC) an amount of 1,421.3 million (after adjusting for change in net asset position between 31st March 2022 and 30th September 2022) was paid to Purina Petcare India Private Limited as a consideration for the acquisition of the Pet Food Business. As required under Appendix C (Business Combinations of Entities under Common Control) of Ind AS 103, the current annual reporting period and comparative accounting periods presented above have been prepared by "Pooling of Interest Method" and by including the accounting effects of the acquisition of the business, as stated above, as if the purchase had occurred from the beginning of the comparative period in the financial statements, i.e. January 1, 2021. The assets and liabilities of the acquired business have been recorded in the books of the Company at their pre-acquisition carrying amounts and no adjustments have been made to reflect fair values. There is no recognition of any new assets or liabilities arising from this business combination. The retained earnings of the Pet Food Business have been merged with the retained earnings of the company. The difference between the consideration paid and the net assets acquired as adjusted by the retained earnings amount, has been adjusted in the "Capital Reserve".

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AT THEIR MEETING HELD ON 15 FEBRUARY 2023 AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 16 FEBRUARY 2023.

Date: 16 February 2023
Place: Gurugram

By Order of the Board

Suresh Narayanan
Chairman and Managing Director

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

Independent Auditor's Report on the quarterly and year to date audited financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**To
The Board of Directors of
Nestle India Limited****Report on the audit of the financial results****Opinion**

We have audited the accompanying quarterly and year to date financial results of Nestle India Limited (the "Company") for the quarter ended December 31, 2022 and for the year ended December 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended December 31, 2022 and for the year ended December 31, 2022.

Basis for Opinion

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

Management's responsibilities for the financial results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other



irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial results

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

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

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

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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

Other Matter

The comparative financial information of the Company for the corresponding quarter and year ended December 31, 2021, included in these financial results, were audited by the predecessor auditor who expressed an unmodified opinion on those financial information on February 17, 2022. However, as fully described in note 5 to the financial results, we audited the adjustments, related to acquisition of pet food business, which have been made to the comparatives for previous periods presented in the financial results.

The Statement includes the results for the quarter ended December 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended December 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Pankaj Chadha**

Partner

Membership No.: 091813



UDIN: 23091813BGQOXD1992

Place of Signature: Gurugram, Haryana

Date: February 16, 2023

Nestlé India Limited

(CIN : L15202DL1959PLC003786)
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FEBRUARY 16, 2023

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

Scrip Code – 500790

Subject : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended on 31 December 2022

Dear Sir,

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016; this is hereby declared that the Auditors of the Company, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, has issued the Audit Reports for Financial Statements as prepared under the Companies Act, 2013 and Financial Results as prepared under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31 December 2022 with unmodified opinion.

Nestlé India Limited

David McDaniel
Executive Director – Finance & Control and CFO



Nestlé Good food, Good life

Press Note

Nestlé House, 16 February 2023

Press Release - Q4 & Full Year 2022
Nestlé House, 16 February 2023

Nestlé India Delivers Highest Growth in a Decade Double Digit Growth Pivoted on Volume & Broad-Based Performance Across all Categories

The Board of Directors of Nestlé India today approved the results for the fourth quarter and full year 2022.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, 2022 was an extraordinary year, where adversities were aplenty, where the efforts of the Nestlé team and all our partners and stakeholders were stretched and where every new day brought a fresh challenge. Adversity also brings teams together to a common cause which is why they displayed calm, resolve, consistency in the face of storm by combating volatilities, using imagination, courage, thoughtful strategies which kept the growth engine growing. My heartfelt appreciation to each of my colleagues and partners for weathering the storm and coming out well.

I am delighted to share that we delivered our highest double-digit growth in a decade led by sustained volume and mix led growth, leading to a strong value growth. In 2022 total sales grew by 14.5% and domestic sales increased by 14.8%, with broad based performance across all categories. Our robust performance on e-commerce continued, fuelled by Quick Commerce and Click & Mortar. Out-Of-Home (OOH) business made a strong comeback in 2022, recovering its pre-covid base and delivering robust growth by revamping, resetting geography, channel and sales priority. We launched our first ever 'direct to consumer' (D2C) platform – www.mynestle.in where products manufactured by the Company in India are available in Delhi – NCR

We strengthened our RURBAN approach by sharpening our geographic focus, increasing distribution points, and going deeper into smaller towns and cities. This faith, investment and execution in RURBAN is bearing fruits for our Company in terms of strong and sustained growth in smaller towns and especially rural villages. Through Project Swabhimaan, we have made our endeavour to empower and encourage rural women to initiate business in their villages.

Premiumization is one of the growth engines that will lead to future acceleration of the business. In 2022, Nestlé India acquired PURINA Petcare business, that delivers nutrition to pets and also launched globally renowned GERBER cereals catering to the nutrition needs of toddlers. GERBER cereals are 'Made in India' and 'Made for India'.

2023 has been declared as the International Year of Millets. Indeed, India's nutritional legacy has been around millets, and it is appropriate that it is brought into the limelight with enhanced public awareness and suitable products. I am delighted to announce our ambition to integrate millets into relevant product categories in our portfolio. We launched a new sub-brand, CEREGROW™ Grain Selection™. Inspired by traditional ingredients, a nutritious cereal for

toddlers made from ragi (finger millet), mixed fruits and ghee. Millets have been an integral component of the food basket in India, and CEREGROW™ Grain Selection™ rediscovers the value of these traditional millets. There is more to follow this year and the team is fully energized to this challenge.

Nestlé is fundamentally a science based and technology led Company and our reputation comes from the capability to bring scientifically balanced nutrition to our consumers. Nestlé S.A. continued to invest in augmenting R&D capabilities to make our portfolio more nutritious and sustainable through localization of various ingredients, recipes and spices, and collaborative partnerships with start-ups that are good for you and good for the planet. Nestlé R&D Centre India Pvt. Ltd (a subsidiary of Nestlé S.A and a part of Nestlé's global R&D network) recently signed an MOU with Nutrihub, ICAR-Institute of Millet Research with the aim of collaborating in areas such as millet processing, understanding health and nutrition benefits of millets in different product applications, building consumer awareness, sustainability of millet by developing regenerative agriculture practices to enhance cultivation and encouraging start-up collaborations.

We have made bold commitment on sustainability to protect and restore the planet's resources by accelerating our sustainability efforts. Our initiatives on climate, packaging, sourcing and water are ongoing and on track.

Financial Highlights – Full Year 2022:

- Total Sales of INR 16,790 Crore
- Domestic Sales Growth at 14.8%
- Profit from Operations at 20.0%
- Net Profit of INR 2,390 Crore
- Robust Cash Generated from Operations at INR 2,737 Crore
- Earnings Per Share of INR 247.9
- Final Dividend recommended INR 75.00 per equity share
- Total Dividend including final dividend INR 220.00 per equity share
- CSR Spend INR 56.3 Crore
- Contribution to exchequer of INR 4,259 Crore

Business Comments – Full Year 2022:

- **E-commerce:** The channel delivered strong accelerated growth driven by new emerging formats such as quick commerce and click & mortar. Quick Commerce growth was fueled by new user acquisition initiatives through targeted digital communication.
- **Organized Trade:** The channel continued to witness strong growth across customers and categories.
- **Out of Home (OOH):** The channel made a strong comeback in 2022 recovering its pre-covid base and delivering robust growth. Robust performance was an outcome of revamping, resetting geography, channel and sales priority.
- **Exports:** Delivered growth as it continued to expand its presence in new markets through both traditional and mainstream channels.

Category Performance – Full Year 2022:

Year 2022 witnessed broad based, double digit, volume & mix led growth, despite challenging and highly volatile economic environment.

- **Prepared Dishes and Cooking Aids:** Strong growth momentum continued with a healthy balance of product mix, pricing and volume growth in MAGGI Noodles and MAGGI Masala-ae-Magic aided by strong consumer engagements, market presence with media campaigns and attractive consumer activations.
- **Milk Products and Nutrition:** MILKMAID and Ready-to-Drink (RTD) registered strong growth. Milk products continued to face challenges due to unprecedented milk price increase.
- **Confectionery:** Gained market share and delivered robust growth driven by KITKAT and MUNCH.
- **Beverages:** NESCAFÉ Classic, NESCAFÉ Sunrise, NESCAFÉ GOLD delivered broad based double-digit growth. Recorded highest ever single year growth in household penetration, cemented its leadership position in the category with highest ever market share. NESCAFÉ RTD and out of home also delivered strong double-digit growth.
- **Pet Food:** Pet Food, recently acquired by Nestlé India, continued to provide complete and balanced nutrition for cats and dogs.

Commodity Outlook in Short to Medium Term:

Key categories such as cereals, grains and coffee continued to be at a 10-year high. Edible oil too was at a 10-year high and moderated towards the last quarter. Fresh milk prices continue to remain firm due to Lumpy Skin Disease in H2'22 and rise in feed costs to farmers. With some respite in crude oil, input materials such as packaging have witnessed relief. Demand continues to be robust with domestic outlook of prices evolving because of supply and weather conditions.

Key Highlights for the Quarter and Year ended 31 December 2022:

Total sales and Domestic sales for the year increased by 14.5% and 14.8% respectively. Domestic sales growth was broad based with a healthy balance of pricing and volume. Export sales increased by 8.2 % for the full year.

Total sales and Domestic sales for the quarter increased by 14.0% and 13.8%, respectively. Domestic sales growth was broad based. Export sales for the quarter increased by 17.1%.

Dividend

The Board of Directors have recommended a final dividend for 2022 of INR 75.00 per equity share (Face value INR 10/- per equity share) amounting to INR 7231.2 million. The total dividend for 2022 aggregates to INR 220.00 per equity share which includes first interim dividend of INR 25.00 per equity share paid on and from 6 May 2022; and second interim dividend of INR 120.00 per equity share paid on and from 16 November 2022. The final dividend for 2022 is subject to approval by the Members at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind-AS 10 on “Events after the Reporting Period.”

Cautionary Statement:

Statements in this Press Release, particularly those which relate to Outlook, describing the Company's projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

For more information:

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