

Nestlé India

Estimate changes



TP change



Rating change



Bloomberg	NEST IN
Equity Shares (m)	1928
M.Cap.(INRb)/(USD\$)	2461.7 / 28
52-Week Range (INR)	1287 / 1055
1, 6, 12 Rel. Per (%)	5/-2/1
12M Avg Val (INR M)	2041

Financials & Valuations (INR b)

Y/E Dec	FY26E	FY27E	FY28E
Sales	223.6	248.5	272.5
Sales Gr. (%)	10.7	11.1	9.6
EBITDA	52.4	60.8	67.4
Margin (%)	23.4	24.5	24.7
Adj. PAT	32.5	38.9	43.4
Adj. EPS (INR)	16.9	20.1	22.5
EPS Gr. (%)	5.4	19.6	11.8
BV/Sh.(INR)	22.5	24.5	26.7

Ratios

RoE (%)	77.9	85.8	87.9
RoCE (%)	69.7	76.5	78.5
Payout (%)	90.0	90.0	90.0

Valuations

P/E (x)	75.8	63.4	56.7
P/BV (x)	56.8	52.1	47.7
EV/EBITDA (x)	47.0	40.4	36.4
Div. Yield (%)	1.2	1.4	1.6

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	62.8	62.8	62.8
DII	11.2	11.3	9.2
FII	10.3	10.0	11.9
Others	15.8	15.9	16.1

FII Includes depository receipts

CMP: INR1,277

TP: INR1,300 (+2%)

Neutral

Inspiring start to the results season; adds flavor for peers

- Nestle India (Nestle) reported a 10.6% YoY revenue growth in 2QFY26, ahead of our expectations. We had highlighted in our preview note that packaged food companies have witnessed a negligible impact from the GST transition. We had also mentioned in our recent update ([link](#)), following our interaction with Nestle's management, that the company remains optimistic about a steady growth recovery. Domestic revenue growth stood at 11%, far better than our estimates of 5%, driven primarily by underlying volume growth, which we believe was in the high single digits (~7%). Three out of four product groups delivered strong volume-led double-digit growth. Export revenue grew 14% YoY, driven by strong demand across product groups.
- GM pressure persisted, contracting 230bp YoY/80bp QoQ to 54.3% (est. 55.7%), given the inflation in key commodities. Management indicated that edible oil prices are expected to remain elevated, while milk prices are likely to cool off, with coffee and cocoa prices remaining range-bound. EBITDA margin contracted 100bp YoY to 22.2% (in-line). We model an EBITDA margin of 23.4% for FY26 and 24.5% for FY27.
- Nestle's operating performance had been relatively weak over the past 4-5 quarters, marked by muted revenue growth and margin contraction. Following the GST 2.0 transition, we had factored in a demand recovery in our model and expected it to be reflected first in the packaged food segment, given the negligible impact from the GST transition. We also expect stronger growth acceleration for packaged food companies, supported by a higher mix of pricing packs (serve for one). We remain constructive on the overall macro demand environment and anticipate growth acceleration for FMCG companies. We model revenue/EBITDA/PAT CAGR of 11%/12%/12% over FY25-28E. The stock is trading at 76x/63x FY26/FY27 EPS. **Given its expensive valuation, we reiterate our Neutral rating with a TP of INR1,300 (based on 60x P/E Sep'27E).**

Revenue beat; margins in line with expectations

- Beat on sales:** Nestle's net sales rose 10.6% YoY to INR56.3b (est. INR53.7b) in 2QFY26. Domestic sales witnessed 10.8% YoY growth to INR54.1b, while exports grew 14% YoY to INR2.2b.
- Most categories witnessed volume-led growth:** Nestle reported volume-led double-digit sales growth, with three out of four product groups delivering strong volume-led double-digit growth. The powdered and liquid beverages category remained a key growth driver in 2QFY26, posting high double-digit growth, while confectionery also recorded strong double-digit growth. The prepared dishes and cooking aids segment delivered strong double-digit growth, which was led by volume growth. Additionally, the pet food business recorded high double-digit growth. The milk products and nutrition category delivered a mixed performance, with certain segments growing while others remaining muted.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Amey Tiwari (Amey.Tiwari@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Commodity continues to weigh on margin:** The company's gross margin contracted 230bp YoY to 54.3% (est. 55.7%), driven by elevated consumption prices across the commodity portfolio. Management indicated that milk prices are likely to soften with the onset of the flush season, while coffee prices may stabilize as upcoming harvests in Vietnam and India appear normal. Cocoa markets are expected to stabilize following a demand correction over the past two years. However, edible oil prices are likely to remain stable, with a potential rise expected due to tight global supply-demand conditions.
- **Margins in-line:** Employee and other expenses rose ~7% YoY each. EBITDA margin contracted 100bp YoY to 22.2% (est. 22.2%, 21.9% in 1QFY25). EBITDA grew 5% YoY to INR12.5b (est. INR 12b). PBT remained flat YoY to INR10.5b (est. INR10.1b), while Adj. PAT declined 4% YoY to INR7.4b (est. INR7.3b).
- Further, the company has added a new Maggi noodles production manufacturing line at the Sanand Factory in Gujarat in 2QFY26.

Valuation and view

- We slightly raise our EPS estimates for FY26-FY28 by ~2%.
- GST 2.0 is expected to stimulate consumption, drive affordability, and contribute to the overall growth of the FMCG sector and the economy; Nestle is likely to benefit from the same. About 85% of the company's portfolio has benefited from the GST rate cuts.
- Mr. Manish Tiwary's outlook on the way forward will be a key aspect to watch out for. The company's focus on its RURBAN strategy has driven stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- Nestle's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to the anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model revenue/EBITDA/PAT CAGR of 11%/12%/12% over FY25-28E.
- **The stock is trading at 76x/63x FY26/FY27 EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR1,300 (based on 60x P/E Sep'27E).**

Quarterly performance

(INR b)

Y/E December	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Domestic Sales	46.1	48.8	45.7	52.3	48.6	54.1	51.4	59.3	192.9	213.4	51.3	5.5%
YoY Change (%)	4.2	1.2	3.3	4.2	5.5	10.8	12.5	13.3	3.5	10.6	5.0	
Exports	1.8	1.9	2.0	2.1	2.1	2.2	2.2	2.4	7.8	8.9	2.1	4.0%
YoY Change (%)	(7.2)	3.1	21.2	(8.7)	16.0	14.4	11.0	14.7	-19.5	14.0	10.0	
Sale of Products	47.9	50.7	47.6	54.5	50.7	56.3	53.5	61.7	200.8	222.3	53.4	5.5%
YoY Change (%)	3.8	1.3	3.9	3.7	5.9	10.9	12.4	13.3	-17.3	10.7	5.2	
Other Operating Income	0.2	0.3	0.2	0.6	0.2	0.1	0.2	0.7	1.2	1.3	0	
Net Sales	48.1	51.0	47.8	55.0	51.0	56.4	53.8	62.4	202.0	223.6	53.7	5.0%
YoY Change (%)	3.3	1.3	3.9	4.5	5.9	10.6	12.5	13.4	3.5	10.7	5.3	
Gross Profit	27.8	28.9	27.0	30.9	28.1	30.7	29.5	34.7	114.5	123.0	29.9	
Margin (%)	57.6	56.6	56.4	56.2	55.2	54.3	54.9	55.6	56.7	55.0	55.7	
EBITDA	11.2	11.9	11.2	14.1	11.2	12.5	12.3	16.3	48.5	52.4	12.0	4.9%
Margins (%)	23.3	23.3	23.5	25.7	21.9	22.2	22.9	26.1	24.0	23.4	22.2	
YoY Growth (%)	5.4	(4.4)	(0.6)	5.2	(0.5)	5.2	9.8	15.5	2.6	7.9	0.3	
Depreciation	1.1	1.2	1.5	1.6	1.6	1.6	1.7	1.7	5.4	6.5	1.6	
Interest	0.3	0.3	0.3	0.4	0.5	0.5	0.4	0.4	1.4	1.8	0.4	
Other income	0.4	0.1	0.0	0.1	0.0	0.0	0.1	0.3	0.6	0.5	0.1	
PBT	10.2	10.4	9.4	12.3	9.2	10.5	10.3	14.5	42.3	44.5	10.1	3.2%
Tax	2.6	3.0	2.3	3.2	2.4	2.8	2.7	3.5	11.1	11.4	2.7	
Rate (%)	25.8	28.8	24.0	26.0	26.3	26.3	26.5	24.2	26.2	25.6	26.4	
Adjusted PAT	7.5	7.8	6.8	8.7	6.5	7.4	7.6	11.0	30.8	32.5	7.3	1.7%
YoY Change (%)	6.4	(3.3)	(12.4)	(4.5)	(13.4)	(4.6)	11.3	25.9	-2.6	5.4	(6.2)	

E: MOFSL Estimates



Key highlights from the press release

Category performance in 2QFY26

- **Prepared Dishes and Cooking Aids:** The Prepared Dishes and Cooking Aids segment recorded strong double-digit value growth, driven by robust volume momentum. MAGGI Noodles achieved double-digit volume growth, supported by the continuous strong performance of Masala-e-Magic. The company focused on strengthening its value-added portfolio for urban consumers through digital-first launches, such as its MAGGI Double Masala and MAGGI Spicy ranges. In rural markets, targeted pricing strategies helped gain market share, while increased media spending enhanced brand equity and leveraged the sensory appeal of the monsoon season. Masala-e-Magic continued to expand its household penetration through media campaigns, sampling initiatives, and a growing recipe base within the digital ecosystem.
- **Milk Products and Nutrition:** The Milk Products and Nutrition segment delivered a mixed performance, with some categories witnessing growth, while others remaining subdued. However, underlying trends in several segments showed signs of improvement. MILKMAID posted strong growth, while the toddler milk portfolio performed well, gaining market share and reinforcing the brand's position in the category.
- **Confectionery:** The Confectionery segment recorded strong double-digit growth, supported by robust underlying volume momentum. KITKAT emerged as the key growth driver, gaining market share and reinforcing India's position as Nestlé's second-largest market for the brand globally. Expansion in the numeric distribution, particularly across rural areas, further accelerated growth. MUNCH and MILKYBAR also delivered high double-digit growth, driven by rural demand, premiumization, and increased in-home consumption supported by quick commerce. The company further strengthened its premium portfolio with the

launch of KITKAT Delights Salted Caramel and Hazelnut variants, and introduced the Polo Sharebag to broaden its product range.

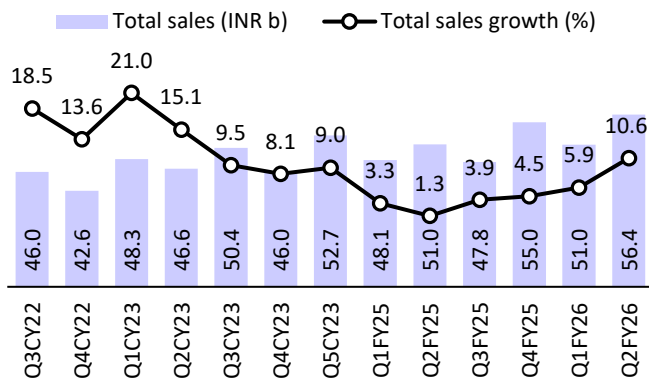
- **Powdered and Liquid Beverages:** The Powdered and Liquid Beverages segment posted strong double-digit growth, led by NESCAFÉ's continued market share gains and rising household penetration. Growth was driven by affordable packs attracting new consumers, while premium offerings like NESCAFÉ Gold and Roastery encouraged upgrades. Nespresso expanded its presence to Amazon, complementing its website and Delhi boutique. NESCAFÉ RTD also maintained robust growth momentum.
- **Pet Care:** The pet food segment recorded high double-digit growth, achieving its highest turnover since integration into Nestlé's portfolio. Growth was supported by new launches under the PURINA FRISKIES brand, including Meaty Grills and Indoor Delights variants, further strengthening its product offering in the cat food category.

Other points

- Nestlé's out-of-home business consistently grew at double-digit rates. The company expanded its innovation footprint as the KITKAT spread gained traction among chefs and dessert chain operators. Collaborations with leading global and regional chains led to the launch of the 'MADE WITH KITKAT' range, broadening its brand's presence across new consumption occasions.
- **E-commerce:** Quick commerce saw strong momentum, driven by festive integrations, new product launches, targeted demand-generation initiatives, and enhanced platform availability.
- **Organized trade:** This segment recorded robust, broad-based growth across categories, supported by festive activations and the scaling up of new product launches.
- **Commodity prices:** Milk prices are expected to soften after the festive season, coinciding with the onset of the flush season. Coffee prices are anticipated to stabilize and could decline, as the upcoming crops in Vietnam and India appear to be normal. The global supply and demand for cocoa are expected to reach equilibrium, primarily due to a correction in demand over the past two years. Edible oil prices are expected to remain stable and may rise further due to a tight supply and demand at the global level.

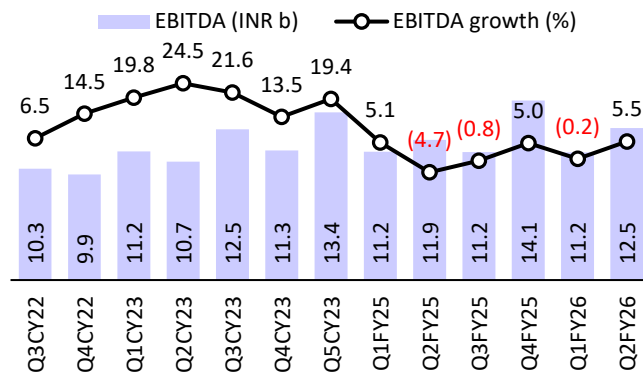
Key exhibits

Exhibit 1: Total sales up 10.6% YoY to INR56.4b



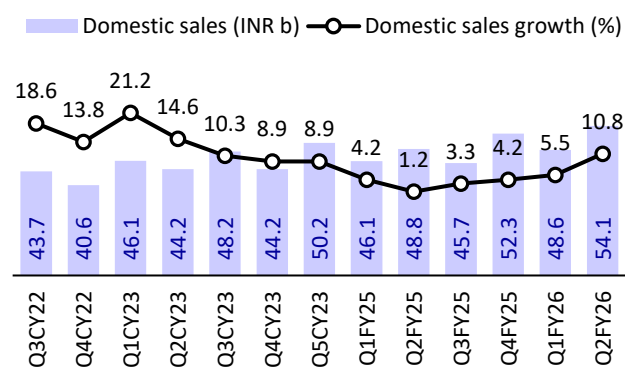
Sources: Company reports, MOFSL

Exhibit 2: EBITDA grew 5% YoY to INR12.5b



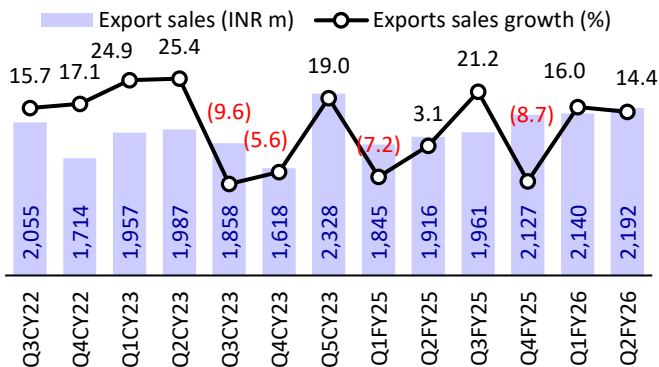
Source: Company reports, MOFSL

Exhibit 3: Domestic sales rose ~11% YoY to INR54b



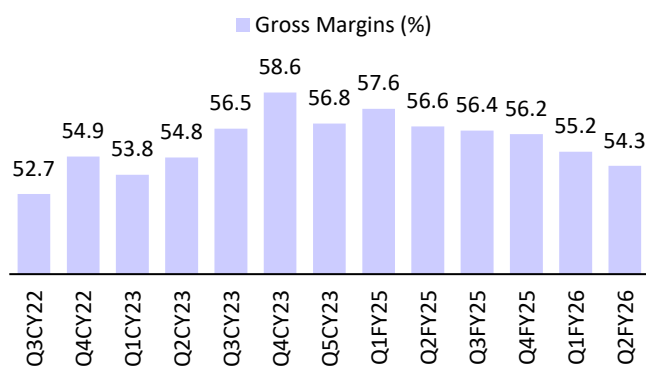
Sources: Company reports, MOFSL

Exhibit 4: Exports up 14% YoY to ~INR2,200m



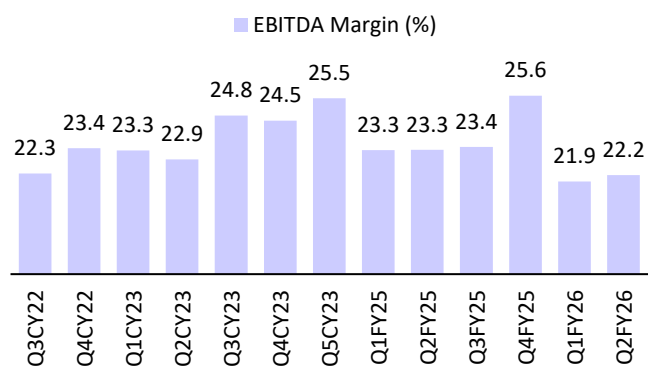
Sources: Company reports, MOFSL

Exhibit 5: Gross margin contracted 230bp YoY to 54.3%



Sources: Company reports, MOFSL

Exhibit 6: EBITDA margin contracted 100bp YoY to 22.2%

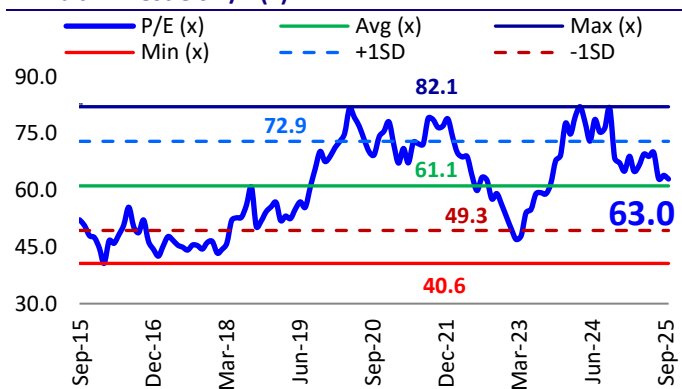


Sources: Company reports, MOFSL

Valuation and view

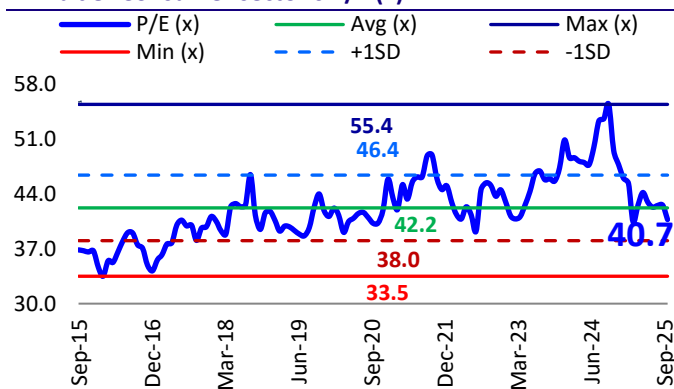
- We slightly raise our EPS estimates for FY26-FY28 by ~2%.
- GST 2.0 is expected to stimulate consumption, drive affordability, and contribute to the overall growth of the FMCG sector and the economy; Nestle is expected to benefit from the same. About 85% of the company's portfolio has benefited from the GST rate cuts.
- Mr. Manish Tiwary's outlook on the way forward will be one of the key factors to watch out for. The company's focus on its RURBAN strategy drove stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- Nestle's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to the anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model revenue/EBITDA/PAT CAGR of 11%/12%/12% over FY25-28E.
- **The stock is trading at 76x/63x FY26/FY27 EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR1,300 (based on 60x P/E Sep'27E).**

Exhibit 7: Nestle's P/E (x)



Sources: Company reports, MOFSL

Exhibit 8: Consumer sector's P/E (x)



Sources: Company reports, MOFSL

Exhibit 9: We slightly raise our EPS estimates for FY26-FY28 by 1%

	New			Old			Change (%)		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Sales	223.6	248.5	272.5	220.2	244.5	267.7	1.5	1.7	1.8
EBITDA	52.4	60.8	67.4	52.3	59.6	65.9	0.1	2.0	2.2
PAT	32.5	38.9	43.4	32.6	38.0	42.3	-0.4	2.3	2.7

Source: MOFSL

Financials and valuations

Income Statement								(INR b)
Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Net Sales	133.5	147.4	169.0	243.9	202.0	223.6	248.5	272.5
Change (%)	7.9	10.4	14.6	15.5	3.5	10.7	11.1	9.6
Gross Profit	76.8	83.9	91.5	136.9	114.5	123.0	139.2	153.9
Margin (%)	57.5	56.9	54.1	56.1	56.7	55.0	56.0	56.5
EBITDA	32.6	36.0	38.1	59.1	48.5	52.4	60.8	67.4
Change (%)	11.4	10.2	6.1	23.9	2.6	7.9	16.2	10.8
Margin (%)	24.4	24.4	22.6	24.2	24.0	23.4	24.5	24.7
Depreciation	3.7	3.9	4.0	5.4	5.4	6.5	6.9	7.7
Int. and Fin. Ch.	1.6	2.0	1.5	1.5	1.4	1.8	1.7	1.6
Other Inc.- Rec.	1.5	1.2	1.0	1.5	0.6	0.5	0.9	1.2
PBT	28.7	31.2	33.6	53.7	42.3	44.5	53.1	59.3
Change (%)	4.9	8.7	7.5	60.0	-1.5	5.2	19.3	11.7
Margin (%)	21.5	21.2	19.9	22.0	21.0	19.9	21.4	21.8
Tax	7.3	7.4	8.7	13.6	11.1	11.4	13.7	15.3
Tax Rate (%)	25.4	23.7	25.8	25.2	26.2	25.6	25.7	25.7
Adjusted PAT	21.0	23.3	24.4	39.6	30.8	32.5	38.9	43.4
Change (%)	5.1	11.2	4.5	30.0	-2.6	5.4	19.6	11.8
Margin (%)	15.7	15.8	14.4	16.2	15.3	14.5	15.6	15.9
Reported PAT	20.8	21.2	23.9	39.3	32.1	32.5	38.9	43.4

Balance Sheet								(INR b)
Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Share Capital	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Reserves	18.3	18.9	22.7	31.5	38.2	41.4	45.3	49.7
Net Worth	20.2	20.8	24.6	33.4	40.1	43.4	47.2	51.6
Loans	0.3	0.3	0.3	0.3	7.5	7.8	8.1	8.4
Capital Employed	20.5	21.1	24.9	33.7	47.6	51.2	55.4	60.0
Gross Block	40.0	51.2	54.7	63.3	88.0	103.0	115.0	127.0
Less: Accum. Depn.	18.2	21.2	24.3	28.7	33.2	40.7	47.5	55.2
Net Fixed Assets	21.8	29.9	30.4	34.6	54.7	62.3	67.4	71.8
Capital WIP	6.4	2.5	3.6	17.4	11.7	11.7	11.7	11.7
Investments	14.6	7.7	7.8	4.6	5.8	5.8	5.8	5.8
Curr. Assets, L&A	36.0	41.7	47.7	48.6	49.7	52.8	59.9	68.4
Inventory	14.2	15.8	19.3	20.9	28.5	25.2	27.6	30.1
Account Receivables	1.6	1.7	1.9	3.0	3.6	4.0	4.5	4.9
Cash and Bank Balance	17.7	7.4	9.5	7.8	1.0	6.4	10.0	15.0
Others	2.5	16.9	17.1	16.9	16.6	17.2	17.8	18.3
Curr. Liab. and Prov.	58.5	61.0	64.9	71.4	74.0	81.1	89.1	97.3
Account Payables	15.2	17.3	19.3	22.4	23.7	27.3	29.7	32.2
Other Liabilities	8.5	7.1	9.5	14.1	12.8	14.1	15.5	17.1
Provisions	34.9	36.5	36.1	34.9	37.5	39.6	44.0	48.1
Net Curr. Assets	-22.5	-19.3	-17.2	-22.8	-24.3	-28.3	-29.3	-29.0
Def. Tax Liability	0.2	0.3	0.3	-0.1	-0.3	-0.3	-0.3	-0.3
Appl. of Funds	20.5	21.1	24.9	33.7	47.6	51.2	55.4	60.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	10.9	12.1	12.6	20.5	16.0	16.9	20.1	22.5
Cash EPS	12.8	14.1	14.7	23.3	18.8	20.2	23.7	26.5
BV/Share	10.5	10.8	12.8	17.3	20.8	22.5	24.5	26.7
DPS	10.0	10.0	11.0	16.1	13.5	15.2	18.1	20.3
Payout (%)	92.0	82.7	87.1	78.4	84.4	90.0	90.0	90.0
Valuation (x)								
P/E	117.5	105.6	101.1	62.2	79.9	75.8	63.4	56.7
Cash P/E	99.8	90.5	86.7	54.8	68.0	63.1	53.9	48.2
EV/Sales	18.2	16.6	14.5	10.0	12.2	11.0	9.9	9.0
EV/EBITDA	74.5	68.1	64.1	41.5	50.8	47.0	40.4	36.4
P/BV	121.9	118.1	100.1	73.7	61.4	56.8	52.1	47.7
Dividend Yield (%)	0.8	0.8	0.9	1.3	1.1	1.2	1.4	1.6
Return Ratios (%)								
RoE	106.1	113.6	107.2	136.5	83.9	77.9	85.8	87.9
RoCE	112.2	122.0	113.4	140.9	79.3	69.7	76.5	78.5
Working Capital Ratios								
Debtor (Days)	4.5	4.1	4.1	4.5	6.6	6.6	6.6	6.6
Asset Turnover (x)	6.6	7.1	7.4	8.3	5.0	4.5	4.7	4.7
Leverage Ratio								
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2

Cash Flow Statement

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
(INR b)								
OP/(loss) before Tax	28.1	28.8	32.6	52.9	43.2	43.9	52.5	58.7
Int./Div. Received	0.3	0.1	0.2	0.3	0.4	1.8	1.7	1.6
Depn. and Amort.	3.7	3.9	4.0	5.4	5.4	6.5	6.9	7.7
Interest Paid	-1.5	-1.3	-0.7	-1.3	-2.2	-0.5	-0.9	-1.2
Direct Taxes Paid	-7.0	-7.3	-8.4	-13.0	-10.2	-11.4	-13.7	-15.3
Incr in WC	1.0	-1.5	-0.3	-2.5	-7.1	5.7	0.2	0.5
CF from Operations	24.5	22.7	27.4	41.7	29.4	46.1	46.8	52.0
Others	4.4	8.0	0.9	2.0	1.2	5.1	5.2	5.4
Incr in FA	-4.7	-7.3	-5.4	-18.8	-20.0	-15.0	-12.0	-12.0
Free Cash Flow	19.8	15.4	22.0	23.0	9.3	31.1	34.8	40.0
Pur of Investments	0.0	-13.5	0.5	4.7	1.2	0.0	0.0	0.0
CF from Invest.	-0.4	-12.9	-4.0	-12.1	-17.7	-9.9	-6.8	-6.6
Incr in Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	-18.9	-19.3	-20.2	-30.1	-24.6	-29.2	-35.0	-39.1
Others	-0.7	-0.9	-1.0	-1.3	6.1	-1.5	-1.4	-1.3
CF from Fin. Activity	-19.6	-20.2	-21.2	-31.3	-18.5	-30.7	-36.4	-40.4
Incr/Decr of Cash	4.6	-10.3	2.1	-1.7	-6.8	5.4	3.6	5.0
Add: Opening Balance	13.1	17.7	7.4	9.5	7.8	1.0	6.4	10.0
Closing Balance	17.7	7.4	9.5	7.8	1.0	6.4	10.0	15.0

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE). Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	Nestlé India
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and

interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.