

## **Executive Summary**

This report of country and Company analysis gives detailed insight of Switzerland and Nestle. The all issue related to Switzerland is combined together in this report. This report would help in understanding the Switzerland Demographic, Economic, Trade and business, different economic sectors and Pestle analysis. This report also provides the detailed analysis on Nestle Company. The role of Nestle Company in Switzerland, its global presence, export, imports, Competitive advantages, business opportunities, business activities etc.

This report helps us to study about Nestle Company, its future prospects, current position, growth aspect etc. We have also compared it with Amul to find out competitive advantages of Nestle India Pvt. Ltd. Looking to the current position of nestle, we can conclude that the future prospectus is very bright in India. Nestle has more than 600 brands all over the world with more than 80 factories globally which shows effective global presence.

This report is detailed insight of Switzerland with specific study on Nestle Company and due to time constrain we are not able to do comparison between Nestle and other companies which produce the same brands but we tried our best to put all the aspects briefly.

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## **LIST OF ABBREVIATION**

FOLLOWING ARE THE ABBREVIATION THAT IS USE IN THE PROJECT:

EST: EASTERN STANDARD TIME

GDP: GROSS DOMESTIC PRODUCT

EU: EUROPEAN UNION

PPP: PURCHASING POWER PARITY

US: UNITED STATES

WTO: WORLD TRADE ORGANIZATION

GATS: GENERAL AGREEMENT ON TRADE IN SERVICES

EFTA: EUROPEAN FREE TRADE UNION

FTA: FOREIGN TRADE AGREEMENT

OECD: ORAGNIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

IT: INFORMATION TECHNOLOGY

SBH: SWISS BUSINESS HUB

UK: UNITED KINGDOM

CHF: SWISS CURRENCY

EEC: EUROPEAN ECONOMIC COMMUNITY

SPLA: SUDANS PEOPLES LIBERATION ARMY

OSCE: ORGANIZATION FOR SECURITYAND COOPERATION IN EUROPE

SECO: THE STATE SECRETARIANT FOR ECONOMIC AFFAIRS

FDI: FOREIGN DIRECT INVESTMENT

**SEMESTER - III**

**PART I**

**CHAPTER 1**

**ECONOMIC OVERVIEW OF SWITZERLAND (SUMMARY)**

## **1.1 DEMOGRAPHIC PROFILE OF THE COUNTRY**

## **INTRODUCTION:**

The term population, age, sex, education expenditure, urbanization, nationality, maternal mortality, birth rate, death rate involve in the demographic profile.

### **▪ POPULATION:**

The population is important factor that affecting economy of the country. In the July, 2011 the population of Switzerland is about 79,39,961. In between 1800 to 1990 the population of Switzerland got doubled.

### **▪ AGE STRUCTURE:**

Age means the total division of population as per their age. First category, the young people is the pillar of the country. The age between 0-14 years is about 15.2% among them 6, 02,894 are male and 5, 60,175 are female.

Here the 0-14 year population is about 15.2% so the Switzerland should invest more in education and academic field.

Second category , The year between 15-64 population are about 67.8%.The half of the half of the population are include in year 15-64 . So country should invest more in hospitality sector / field.

Third category and 17% of the population of Switzerland are between 65 year and above.

### **▪ MEDIAN AGE:**

The term median age means total population is dividing into two groups: one group is younger group and half group is older group. This is criteria that show age divide of population.

The category two of age structure 15-64 year involves 67.8 % of population in which average median is 41.7 years. In which female median age 42.8 years and male median age 40.6 years estimate at the end of 2011.

The majority focus of Switzerland in population is median age.

- **POPULATION GROWTH RATE:**

Population growth rate may be a positive and negative. Suppose population growth rate will increase that it creates a heavy load on a country for the requirement of basic need like: infrastructure, food, facilities etc.

The term population growth rate means % change in the population of a country in given a year .At the end of 2011 the population growth of Switzerland 0.21 %. Population growth rate is positive because new birth and negative because of mortality.

- **SEX RATIO:**

The term sex ratio means number of male for number of female for 5 age structure: at birth, below 15 years between 15-64 years, and 65 years and above.

In Asia sex ratio is high so that it create a problem of gender-selection abortion ratio at birth is 1.054 male for each female. In category two for less than 15 year is 1.08 male for each female and between 15-64 years. 1.02 male per each female. And above 65 years the male is 0.72 per each female. Total population is 0.97 male for each female.

- **LANGUAGE:**

There are many languages that are spoken in all over the world. In Switzerland mainly 10 languages are spoken. At the end of 2000 from total population 63.7 % population speak German language, 20.4 % speak French language, 6.5 % speak Italian language, Serbo-Croatian language are spoken by 1.5 % population, 1.3 % speak Albanian, 1.2 %speak Spanish and 1% speak only English.

English is main language in the world after French and Spanish burin Switzerland. English is spoken only by 1%.

- **RELIGIONS:**

The term religion refers to many different % of religion live in the Switzerland. Among total population 41.8% People are roman cathotic.35.3% are protestant, 4.3% population are Muslim,



1.8% population are orthodox ,0.4% population are Christian, 1% population are involving in other and 4.3% population is not specified means they belongs from which religion.

- **LIFE EXPENTANCY AT BIRTH:**

As per the information released by Switzerland government in 2011, the life expectancy of Switzerland for man is 79.7 years and life expectancy for women is 84.4 year. That means the women live more than man. Overall life expectancy of Switzerland is 82.1 years.

- **EDUCATION:**

We all know education is pillar of the society. The data show that well educated country economic condition is very well. If country want to increase standard of living of country then education ratio. Ratio should increase.

All Switzerland people are literate educated means the person aged 15 years and more than can read and write. 99% of the population is educated. In year 2001-11 about 25%. Population entered in diploma in the year 2010-11 total 15, 02,257 students is study in the Switzerland education field. And 74,501 teachers thought that students .in Switzerland there are 6083 schools among them 614 are private school.

- **BIRTH RATE:**

The term birth rate refers to total number of live birth to total population in given a period of time. Generally birthrate is counted as per the live birth out of 1000 population in a one year. At the end of 2011 the birth rate of Switzerland is 9.53.

- **DEATH RATE:**

Death rate means the number of deaths occur in a year per 1000. Death rate is mainly affected by two factors if the country is economically not developed or a country is high economically developed. The death rate relies on factors like health care, the food etc. at the end of 2011 Switzerland death rate ratio is about 8.72 deaths per 1000.

- **NET MIGRATION RATE:**

Many person change their place because of unemployment, flood, natural calamities, work opportunity other benefits in the Switzerland that call net migration. The migration rate of Switzerland at the end of 2011 is about 1.29 migrants per 1000.

- **URBANIZATION:**

The shift of population from town area to city place at Switzerland is call urbanization. In Switzerland urbanization rate is about 74% at the end of 2011.every the urbanization rate will change by 0.5% means among total population 0.5% population is going toward to city area.

- **INFANT MORTALITY RATE:**

Dividing number of child got died by number of live birth during a year. That means the infant death rate. In Switzerland live 4.08 is birth rate total 1000 per and for women 3.6 and for men 3.53 in 2011 live birth rate.

To calculate the happiness of infant, children, and pregnant women infant mortality rate is better because it is collaborate with many items such as caring health, quality of health care and socioeconomic level and public health practices.

- **LITERACY:**

Literate means the person who cross age of 15 can read and write. Almost all Switzerland people are literate. 99% of the Switzerland people are educated that show the country focus more on education field.

- **POPULATION DENSITY:**

Number of people living in particular area per 1000 is call population density. At the end of 2011 the population density rate of Switzerland is about 185.9.

- **EQUALITY:**

Equality means men and women both got same right. In Switzerland both men women got equality from 1981. Every year world economic forum published gender gap index in which data show that in which country the equality is more and less. At the end of 2010 the gender gap index rank of Switzerland is about 25<sup>th</sup>.

## **1.2 ECONOMIC OVERVIEW OF THE COUNTRY**

## **INTRODUCTION**

Economy of country mainly judge by many factors that have impact on economic condition of country. The factors that have impact on economy of country are following. Stages of development, savings and investment, distribution of income, GDP, labor force, employment, investment, budget, inflation rate, bank lending rate, exchange rate, import export rate etc.

The Switzerland economy is considered as a steady economy and riches country in the world and attracts other country to make investment in Switzerland. The workforce of Switzerland is expert and well learned. Mainly the international business is drained by Switzerland labor force.

Water is the main god gift of the Switzerland which comes from the glaciers, mountain, rivers and lakes. Another thing is that Switzerland is highly dependent on export. The Swiss pharmaceuticals, watch making industry which makes a Switzerland very well known in the world.

The banking system Switzerland is also known in the worlds with different tax settlement and secrecy they offer to depositor. This creates effect on currency of Switzerland makes Swiss franc well-built and attracts other investment at Switzerland.

Switzerland global property is not affected because of low market rate and steadier mortgage market than other country.

A highly developed service sector, lead by financial services, and a manufacturing industry gives more economy profit to Switzerland that specializes in high-technology, knowledge based production.

In recent years Switzerland made business relation with the European Union in order to increase their international competitiveness. There was a recession period in 2009 make global finance emergency make Switzerland to the back stage. At that time the Switzerland national bank take better market boost policy the policy is zero interest rate policy.

In 2010 the Switzerland faces humble GDP growth but banking sector in Switzerland faced some challenges at that time. The Switzerland also got pressure from neighbor country to make laws for their banking secrecy. And then after the government of Switzerland taken step that make their banking system transparent and expand their business relation with foreign country.

- **GDP (PURCHASING POWER PARITY)**

We can measure the gross domestic product by calculating goods and services produce by a country in given a one year. The national gross domestic product at purchasing power parity calculate by goods and services produce by a country in given a year and prized in the prevailing in united states. In 2008 GDP (purchasing power parity) is \$322.6 billion but it was decrease in 2009 and it was \$316.4 billion but it increase in 2010 and it is \$324.5 billion.

- **GDP –REAL GROWTH RATE**

GDP growth on an annual basis adjusted for inflation and expressed as a percent. In 2008 GDP real growth rate was 1.9 percent while it was -1.9 percent in 2009. In 2009 GDP real growth rate was decrease but it increase in 2010 and it is 2.6 percent.

- **GDP – PER CAPITA (PPP)**

Gross domestic product on purchasing power parity is obtain by dividing total number of goods and services produce by a country in given a year with total number of population. GDP-per capita of the year 2008 was \$42600 and it decreases in the year 2009 compare to the 2008. In 2009 it was 41600\$.In 2010 it is 42600\$ it increase compare to 2009 but its equal to the 2008.

- **LABOR FORCE BY OCCUPATION:**

The term labor force by occupation defines number of population divided by different occupation. Suppose this distribution is not 100% that means the information is provided is incomplete.

Out of total employment 3.4% labor force are working in agriculture sectors and 23.4% labor force are working in service sector and 73.2% labor force are working in service sector so we can say that service sector gives more work opportunity in Switzerland.

- **UNEMPLOYMENT RATE:**

Unemployment is major important factor that produce by failure of economy. The number or person having not job or remain without employment. The reason for unemployment is failure of economy, recession, politics instability.

In the year 2009 the unemployment rate is about 3.7% and in 2009 the rate was increase to 3.9 % because in 2009 there was a recession period. But as compare to other country the unemployment rate of Switzerland is low.

- **POPULATION BELOW POVERTY LINE:**

Population below poverty line means the percentage of number that has not necessary basic facility like infrastructure, food, employment. The information regarding the poverty line is obtained by sub group by the people in each group.

In Switzerland the population below poverty line is about 6.9%. So country has to make more focus on increase their standard of living and arrange some social welfare programmed.

- **INVESTMENT:**

The term investment very much important in nation economy because through investment new work opportunity arise.

The investment includes total business spending on fixed assets like as equipment, machinery, factories and inventories of raw material which gives base for future production. Switzerland invests 20.5% of gross domestic product in these fixed assets.

- **BUDGET REVENUE:**

The budget revenue includes the factors like as revenue, expenditure, capital expenditure. This figure is calculated on the basis exchange rate basis. The budget revenue includes federal, cantonment and municipal revenue and expenditure.

The budget revenue of Switzerland is about \$183.8 billion and budget expenditure is about \$181.6 billion.

- **TAXES AND OTHER REVENUE:**

The term taxes and other revenue include the money received by federal government from taxes and other income. So nation can use this revenue for developing their necessary requirement, increase standard of living and infrastructure facilities.

The taxes revenue involve revenue collect from personal and corporate income taxes and value added taxes tariffs and excise taxes. The total revenue generated by Switzerland at the end of 2010 is about 35.1% of nation gross domestic product.

- **INFLATION RATE:**

The term inflation rate includes percentage change in the consumer price as compare to previous year consumer price. Inflation rate have direct impact on price of consumable product suppose inflation rate increase the consumer product price will also increase.

At the end of 2009 the inflation rate of Switzerland is -0.5% so we can say that it was deflation in which consumer product price decrease. But in the year 2010 the inflation rate is about 0.7%. As compare to other country Switzerland is in better position.



### **1.3 OVERVIEW OF INDUSTRIES TRADE AND COMMERCE OF SWITZERLAND**

## **Switzerland's industrialization:**

Switzerland was first industrialization countries. The first industry began in Britain with the production of textiles and construction of machine. It started food products and chemicals and pharmaceuticals.

### **▪ TEXTILES INDUSTRIES:**

Switzerland was the most important center of textile production. It is to mainly perfection of work to get higher productivity. In 15<sup>TH</sup> century, it is to be introduced division of work with getting more marketing and profit.

The first machines were make in 1764 in Britain. The starter of production in 1801 by this machine. It was used of steam-engines machine in past. And in third generation it was used of hydraulic power machine. Because of the mountains and hills there is relatively easy to supplied to water power while there has no coal. So Switzerland is to formally success of in textile business.

Now day there are more competition to achieving to success of goal. Then it is to restructuring of industry. The industry workforces account for 1.5% the industrial workforce. The Swiss textile industry is owes. It is using good power to diversify of special product like as Gallen embroidery, Zurich silk, muslin, gabardine, organdy and voile. Today, textile industry is producing of product by the design oriented to home textile. It is use technical and sporting mechanism. There are two parties of Swiss textile industry. One is highly quality yarns and second is specialized finishing of fabrics. It is to be greatly identifying of the textile business in all over world to get growth.

### **▪ WATCH MAKING INDUSTRY:**

In 16<sup>TH</sup> century, there were making of watch in Switzerland country. Watch making industry is to using of highly technology for making watch to better look attractive. It is less weight of watch to produce in Switzerland. It is to highly feature. Main hub of watch making in Switzerland at Geneva and jura hills near neuchatel (outwork) like as OMEGA, RADO, etc.

- **INDUSTRY OF FOOD PRODUCTS:**

- 1. Chocolate:**

Switzerland was the country where firstly produced chocolates were seen as a edible product, some of very unique contribution done by Ticino & lake Geneva, were also utilized by like handcrafted system. Francois Louis Cailer originate chocolate factory in 1819 at Geneva. Philippe suchard was made a chocolate of Swiss and doing advertising of that and also famous in the world. In 1875 denial peter invention of milk chocolate, it was also very mostly magnificent.

- 2. Soup Industry:-**

In 20<sup>th</sup> century innovation of the 'fast food' product was not available. Industries developed a big market for fast food product it will be easy to made and eating rapidly. Nestle also contributed nutrition for tiny infant in 1866 and that got his company problem of multinational. Maggi and knoor are selling soup in cubes or bags.

- **CHEMICAL INDUSTRY:**

Daniel Frey was founder of first chemical factory at Aarau in 1804.chemical sector is one of the most important in Swiss economy. In 1850 Alexandre clavel, Louis Durand, and Etienne Marnas go to producing synthetic color.

- **MACHINE INDUSTRY:**

During the wars of napoleon made importation and servicing of textile machine from Great Britain impossible. There is various textile industries in eastern Switzerland which is used of various technological machine. There is constructing of machine by technological. Machine are constructing by Escher, Wyss & co. (Zurich) in 1805, in 1810 Johann Jacob Rieter & co. (Winterthur).

## ▪ **AUTOMOBILE INDUSTRY**

The factory of automobile and trucks Saurer are started with textile industry. The first Saurer cars rolled out in 1896, but Saurer turned to manufacturing of trucks in 1903. Saurer stopped producing trucks in 1980.

### **Switzerland trade:-**

#### **Service sector are major role play in the Switzerland.**

Switzerland are in trade services mainly based on three point.

- 1) European level
- 2) Multilateral level
- 3) Bilateral level

Switzerland also general formation of the international relation.

- 1) European addition rule is on a set of the bilateral agreement with the European society.
- 2) Multilateral level in international deal rule by concurrence under Geneva WTO. General Agreement Trade In Service Also Agreement Is Occurring, Main Obligation to the national conduct & market contact. Switzerland is also a maintaining the harmony with the service sector.
- 3) Switzerland are maintain a relation with Iceland, Norway, Liechtenstein this countries are hop together convention on the European free trade association. Switzerland is also astringent party to free trade conformity with third parties.

Main purpose of the this agreement is achieve admittance for exports towards the major globe in the markets.FTA included in European free trade association countries with Singapore, south Korea and Mexico service on trade in inclusive method.

Cooperation is ongoing between the European free trade association countries in Peru, India, and Thailand with a view to include FTA with their countries.

Switzerland is a agreement a bilateral agreement with Japan. agreement will be made with united Arab emirates ( GCC),Oman and Kuwait and Columbia has been included in 2008.

### **Canton zug:-**

Canton zug is main Swiss centre for the trading companies. In world the largest trading company in glencore.which name is inspection issue in 2006 the company highest return in the country. and also 6<sup>th</sup> largest in the Europe .

### **Geneva:-**

Geneva is the trice only to importance of its London of trading done internationally and transport business.500 jobs are available in the total 350 enterprise. International trade and ship the people of Geneva set up an relationship to look after that concern.

### **Trading companies:-**

Switzerland a very large number of international trading companies. Business consist of selling & buying activities of a commodities activity doing by the third parties. in commodities included like a cotton, oil, sugar, cereals, gas, are not at all enter in Switzerland. This are not listed in the stock exchange.

Trading companies make an important input to the local economy, providing employ and paying levy.

### **Recent development in trading company**

Lucerne has beginning of 2020 important trading centre, the south African group de beers, which dominate the world diamond trade, business is transferred in London.

### **Important trading partner**

Big Neighbors Germany are most important partner of trading, Italy and France n , followed by the united kingdom, and Japan.

Switzerland is the higher in various like as standards of living, workforce productivity, education, health care etc. it is to reducing of inflation rate and unemployment rate.

In 20<sup>TH</sup> century, Switzerland is revolution is communication technology. Even small farmer is to deciding of crop price and buyer to get confirmation of the pricing to directly of supplier.

Globalization is help to directly to trading by the scrapping of the tariff barriers and cold war to need for the trading of strategic goods. Commodity prices have been dropping of the certain years and solving of the dealer's problem.

Further in new generation is run of the family business. They have found it difficult to adopt of new management to using of the damaged part to changing of economic circumstances.

- **Switzerland commerce:**

United States of America and Swiss union is declaration of joint. And promotion of regarding electronic commerce. There are main intention to improving the facility and encouraging electronic commerce. It's to avoid possible prejudiced actions, pledge user a higher level of authorized.

There are two parties to declare of work in world trade organization and other international organization. It is to be benefited to increasing business. Joint declaration was developed under the Swiss cooperation forum.

Switzerland and United States have designed exchange of letter. They are established "swiss-u.s. safe and sound marina structure" on December 9, 2008. It is becoming for protection of framework data which is simplifies the transfer of personal data by the enterprises located in Switzerland. There are to be improving of the several of design to securing data which don't theft.

Swiss-U.S. safe framework is engage to adequate protection and enterprises to using of the contract toward the American enterprises then Swiss industries do not require to talk their data transport in federal data defense and information commissioner.

- **International investment**

International investment is the most important factor for economic growth, prosperity in Switzerland. Swiss based companies have tragically exported capital to other countries in the form of direct investment. Foreign direct investment level in 2008. Switzerland is the world's sixth largest exporter of capital. Switzerland is successfully located in the capital investment from abroad in 2008.

The state secretariat for economic affairs (SECO) was negotiating international law disciplines on investment, investment promotion and protection agreement. These agreements are protect Swiss foreign direct investment from country's government acts in breach of international law. In free trade organization, SECO negotiates disciplines of direct investment to ensure international law provision carried out by Swiss companies in any country. SECO represents bodies of international institution dealing with investment policy. Also represent of investment law. It is actively formulation of Swiss investment policy.

## **1.4 OVERVIEW OF DIFFERENT ECONOMIC SECTORS OF SWITZERLAND**



Switzerland economy is classified into three divisions like Agriculture, Industry and Service. The Swiss economy is the world's first model of economic sector. In Switzerland from total working population, 3.8% of the working population is involved in primary or agricultural sector, 23% of the population involved in secondary or manufacturing sector and the 73.2% of the population involved in the service sector of the economy. In the Switzerland all the economic activity did with respect to European unions policies.

- **AGRICULTURE:**

Switzerland's agricultural industry is protective industry and high tariffs and domestic subsidies encourage domestic production which currently provided 60% food consumed in the industry. Switzerland subsidizing 70% of its agriculture compare to its European Union.

Protectionism acts promote domestic production but act does not reduce price and the cost of production .According to the protectionism acts the domestic production is increase but there is not necessary that the all produced production consumed internally, it can also be exported. Switzerland produced 90 to 100 % potatoes ,pork, cattle, and veal and milk products. From that Swiss agriculture gets 65% of the domestic food demand.

- **INDUSTRY:**

Switzerland's industry sector is not very well known around the world. Some companies in different industrial sector like Nestle, Pharmaceutical like Novartis, roof coating sarnafil, chemical industry like sika AG and many others are most popular in the world.

Switzerland's industry sector are mainly concern with the manufacturing the finished product with the use of import raw material for domestic consumption as well as export the finished goods. A major Swiss region in which Swiss industry concentrated are Aargau, bem, solothum, besel, St.gallen, vaudand thurgau. Switzerland's industry sector is one of the important for its economy, and the growth rate of industry sector in Switzerland was as high as 6.5% in 2010.

Switzerland's industries 40% of population are employed in the industry and Gewerbe and Hand work industry also consider as secondary sector. In this sector it includes Machine and Metal industry, textile industries. Because of expensive Swiss Francs all export industry suffers a lot. The fact is that Switzerland does not belong to the EU slows down Swiss export.

In the absence of import tariff the price are not reduced but the price of the food would be settle down to that of the cheapest product provider. The price of imported food is high because of high import tariffs and only domestic production is cheaper than the imported food and consumer also have to pay more.

The production cost is not reduced by subsidies. The final price of selling is lower than exported foods since some of the cost of productions arises by the state. However the state gets the money by subsidy by taxation, which falls ultimately on the customer.

The food products are exported, the subsidy of their production co competitive in the world market to increase the profit.

The policy of protectionism act of agricultural is harmful to the workforce to Switzerland .Switzerland has high cost of living not only in the food but also in the rents of house. Since the much land is retained by the firms.

- **SERVICE:**

- 1. BANKING**

The banking sector is the main pillar of the service sector. And Geneva and Zurich and has long tradition of banking and investment.

In the Swiss banking asset and wealth management are play a very crucial role. That goes not only for big credit issue

Swiss bank have rules in the world like know your customer. In the Swiss bank any one Swiss or foreigners can open an account and they establish the identity of the beneficial owner of assets. Switzerland's traditionally banking secrecy went to a significant change in march 2009 when Swiss government announced that they would drop standing long reservation in an organization.

and developing the tax convention model. It means that they will extent global administrative assistance to cover all taxes and tax evasion not only the case of criminal tax fraud.

## **2. Insurance:**

In Switzerland another service sector is insurance sector, although it is not oldest in the world. Switzerland's insurance sector consider as safest in the world because not any one insurance company has ever gone bankruptcy or failed to its policy or obligation. This is done because of strict supervision of the insurance business through the Swiss financial market supervisory authority.

In today's world Switzerland is become the one of the important insurance center in the world and also the insurance industry is important part of the Swiss economy. This sector gets the benefit because of the legal and regulatory framework of the insurance company and saves the interest of the insured clients and beneficiaries.

The policy holders of the Swiss insurance company enjoy the no of securities and protection that is maintained more strictly than other country.

The insurance sector also benefits from the certain tax advantage .the country's first insurance company is schweizerische rentenanstalt now known as Swiss life was establish in 1857 and company grown ever since.

## **3. Tourism sector:**

Tourism is an important provider of jobs in every part of Switzerland. It provides a livelihood for locals in places where there is not much in the way of industry, and it employs a lot of seasonal workers from outside. The Swiss support the tourist and hospitality industry themselves. They are great frequenters of cafés and restaurants, and they go skiing in family groups all through the winter season in the Alps. Switzerland Tourism is charged with promoting the country's attractiveness for leisure activities.

- **Trading:**

Switzerland is home to a number of large international trading companies, whose business consists of buying commodities and selling them on to third parties. The commodities themselves, principally cereals, sugar, cotton, oil and gas, never enter Switzerland. The Canton Zug is one of the main Swiss centers for trading companies.

- **Human resources:**

In recent years compared to other country become the centre for the management of human resource management.

- **Shipping and logistics:**

In the Switzerland 4% of Switzerland`s GDP comes from its shipping and logistic sector and this sector employs more than 130000 people in Switzerland .The association of the international federation of freight forwarders is based in Zurich.

- **Shipping:**

It may be surprising that Switzerland is landlocked country but Switzerland has a merchant navy with 30 ships which transporting goods of all kinds of goods operating under the contract anywhere in the world and this shipping business run registering at port which situated in Basel. There are five companies in Switzerland which sail the ships under the Swiss flag and also there were no of Swiss worker s working on these ships .Recently the Switzerland have very few sailors in Swiss nation's.

- **Logistics:**

As increasing globalization efficient transportation is necessary part of the every country and its play a very important role in nation's economy. Switzerland has two world's major logistics companies, like panalpina and nagel.

## **1.5 PESTEL ANALYSIS**

## **INTRODUCTION**

PESTEL analysis is the most important for every business in every country. PESTEL analysis is classified as IT, Economic environment, Social environment, technological environment, environment of Nature, Legal environment. PESTEL analysis finds out the country's performance like their Strengths, Weaknesses, Opportunities and Risk. The IT includes Political Scenario in Switzerland in various time periods. It also includes economic, social, foreign and defense Policies in IT. The country's performances are comparing with the other countries for effective Business.

### **PESTEL (Political, Economic, Social, Technological, Environment, Legal)**

IT identifies and understands the IT all system and opportunities for beneficial and effective business in the country.

Economic environment provides information about the country's history that balanced evaluation of important macro-economic issues.

Social environment involves life style of family, and also the standard of living of people, age, sex, family, gender, it's a demographic environment. That classified the income circulation, rural urban segmentation and centers of wealth, healthcare and educational circumstances.

Technological environment includes information about the technology, telecommunication, patents laws and Research & Development department, technological growth, and technological opportunity in the country.

Environment of Nature includes information about country environment like winter, monsoon, summer, that help business of tourism, and other business environment. It also includes Air Pollution, Water Pollution, Noise Pollution, and Earth Pollution.

Legal environment includes information about the country laws, Rules and Regulation, country policies, business Registration, tax policies, and import and export policies.

- **Swiss IT analysis**

Switzerland political system is to be finding the balance between the different issues. There is a belief that the Swiss people are strongly different cultures and languages can live together peacefully and give respect to each other the Swiss ,as specially in government is made up of seven members, and in federal councilors ,the four largest parties in parliament, this is a wide range of political opinions. Each has federal department and the equal of ministry in most other countries.

Political systems means how and what percentages, government is to be interference in economy of Switzerland there are various sector includes in the political system and environment like Tax policy, Environmental laws, tariff trade restriction and stability of political system.

With a equal power, the federal assembly has two chamber. The national council with two hundred members and the council of states with have forty six members both chambers are to be selected for a four years.

Concordance democracy is developed in Switzerland government in which there are co-operation and consensus between political, economical, social, control devices. There are enough for communes and cantons in Swiss as specially concern to their government and parliaments.

Government with a one year mainly for official task. Here most important factors works as criteria's taken in to consideration like political party's membership, linguistic and cantonal origin, gender and ritual and religion attachment.

In Switzerland since the last 1950s, one magic formula which the political composition follows with has two representatives from which three main parties and one is representative.

In short, Switzerland position in all over world's countries as a modern federal state dates back. The position of it to play important role in total world affairs and to act as a arbitrator among any conflicting parties.

- **Switzerland and its government budget**

The total budget discrepancy equal to 1.3 percent of total gross domestic product that is GDP in 2010. Government budget is a payment of taxes and other interest by public to the government and the payment of government made by purchase and transfer payment. A budget occurs when a government payment or spend more money than it get by taxes and other fees. Here we called budget deficit or budget surplus.

- **Leadership position of Switzerland political systems**

This position is getting by the Switzerland by being an activist that usually start with the communal level in one of the four government parties. Like liberal- radicals, Christian democrats, social democrats, former farmers party.

In Switzerland it is very easy to direct contact to the political official, but well known person should be left in line. The various activity of a highly participatory society is used with more proper chance to get political officials.

- **Economical analysis**

In Switzerland, the deficiency of natural resources, though the country is among the worlds most advance and developed country.

The per capita income is highest in worlds other economy, here includes exchange rates, inflation rates, interest rates and economic overall growth rate. And Switzerland's all business decision is taken on this factor through which it operates the business and done a growth. ex. Any interest which affect the firm's income and payment of debts. And on that base decided the growth of business and up to what level of percentage the business is to be expands.

The Switzerland total income is to be generated by the total major export, and import of raw materials to expand goods and services in own country. This country has a very poor fiscal policy, agricultural decision, and trade policies in order to full fill this need the Switzerland is a



taking a membership of world bank, world trade organization, international monetary fund, and specially it a member of organization for economic cooperation and development which is known as {OECD} In Switzerland, the commercial, political, and legal system is well developed and all policies that protect the any investment.

Switzerland uses Swiss franc as currency, and the country is known for its high standard of banking services and other financial services. As we shown in above paragraph Switzerland became a various institute member and that's why the economy of Switzerland is strong.

The expansion rate of Switzerland was 3 % in 2007. This is fastest as per last six years thus meeting of the any requirements indicate stable growth over the last 4year.

In Switzerland the main investment in software and fixed assets and also widely used of private consumption income as positive evolution and so on the GDP of this country is increase. Due to the increase the demand of foreign market all export of industrial product is increase. With the surplus of the 11.9 sf, the Swiss trade balance goes to record level. Here we found that the import and price of that import is higher growth then the export and total price of that export during the time of inflation.

As per the economic forum 2006, the global competitiveness report the Switzerland was ranked the vary most competitive economy in world for the first time with have a technological innovation, world class education attainment, macroeconomic management, efficient market, excellent market availability, good infrastructure, and sound institutional environment. This gives a position to Switzerland as most competitive country in global level.

Switzerland has good infrastructure as we Shaw above so here this country is to be more spend on good scientific research and development department; and so on increase the intellectual property protection is strong.

In Switzerland all of business activity is taking the advantages of the accountability within public institution, high level of transparency, an well-organized legal structure, government rules and regulation, which has well develop institutional framework, higher education and training rapidly growing in important as engines of productivity. In Switzerland during the 2005, the Swiss franc

exchange rate continued to be changed and well shaped geopolitically tension. The dollar against the Swiss franc from 1.49 sf in 2002 and 1.31 sfr in 2003 and 1.28 sfr in 2005 and 1.23 sfr in 2006 and 1.16 sfr in 2007. Here Switzerland minimized the pressures from a weakening dollar by the strengthening of euro.

Switzerland country not stands in modern and well experienced in these countries. And it is so closely linked to the economics of Western Europe and United States. With good economic growth and that's why it depend on that country to getting help from them.

As per the Swiss economic ministry report, the Switzerland economic is recovery by the strong demand at globally particular in US and Asia and better euro growth has helped it. But the long run economic growth is predicted on structural reform. Here this country will require to force by agrarian competitive policy reform, in order to maximize its economic potential. These are important, but the government of Switzerland has to minimize their target of budget with a try to achieve 3 % total result as growth of country.

Though all discussion as above is in favors of Switzerland, there is much weak point also .in the 1990s; the economic condition of Switzerland was slow growth, due to the weak growth of all Western Europe. And recession period was being placed in Switzerland during 1991 – 1993 the Switzerland economic condition was reduce and being weak with 2%. Which become visible in Switzerland energy consumption and export rate also growth situation? Here the Switzerland economic is average and no appreciable increasing only 0.6% annually in GDP. And having lower than 1% prior to 1990, the 3 year in to which the unemployment rate was increase 5.3 % from 1997.

And thus as of 2008. The Switzerland is second place among the all European country with nominal term more than one million population, purchasing power parity, gross domestic product and per capita behind Norway.

- **Social environment analysis**

- **Infant care**

During the time of 20th century the father of child being active part in the future development of the child education and mother infant mortality and also mother also take part to develop the child future and follow all the responsibility but there are some problems like the professionalism and actively done business works. and so on the demand of the day care for the child is develop as per the demand fulfill newborn are learn to developed the all facility and expected to sleep in a separate Infant care room ,submitted to a schedule of feeding and sleep that is a set by adults.

- **Child education**

Background of child education are still strong with traditional concept this is a natural process that take place primarily in family, between child and her mother. Here day care centre take a responsibility to education provide the children in Switzerland there is 99 % of total education. In Switzerland the education of child presentation special education needs falls under cantonal legations needs under law all cantons have a legal basis for special education and this is a result of 99%education.

- **Higher education**

Education took act took in 2004, education are highly valued in a country. In contrast to post-obligatory education, obligatory education is substantially regulation in the country.

The popular areas are professions and the clerical professions in the auto mobile industry apprenticeship is popular in the German speaking region than in the French.

Social sciences and humanities are by far the popular fields for study, especially for female, female student population chooses these fields. In Switzerland 27 percentage of total diplomats in as specially 40 percentage of female students in this field.

- **Health care in Switzerland**

Australian biopharmaceutical group [CPL] has a facility in Switzerland. Health and medical related product completed a deal in Switzerland, participation in 2010 medical show in Germany and opened on offices in Switzerland in 2010.

In Switzerland use healthcare system compares with other country and patients are satisfied with it.

In Switzerland in it is actable process to Shaw the changing in price as high with new healthcare technologies.

However total spending on this sector in society by this country is particular high with 11.5%gdp a constant rising is checking, fluctuation in price of the services giver with all population by improvement in health conscious techniques this spending is increase totally.

- **Urbanization**

Switzerland has gone from a big rural country to an urban in 70 years. In Switzerland 2/3 and 3 residence of people in town. In 1935 Swiss background has argue 2000 years.

- **Technological environment**

Technological environment analysis is the most important for every business and development of country's economics. Technological environment analysis includes Research & Development departmental activity, technological change and growth, technology patent. The technology is reducing the wastage, maximum efficiency and maximum output with less time periods.

Switzerland is big empire in computer technology. These technologies are in top level in the various product and services in the world. This country's top most industries like banking industry, telecom sector, machinery industry, power sector, pharmaceutical sector, tourism sector, watch making industry etc.

In the Switzerland the various enterprises involves in the Research & Development, and their Research & Development is highly based on the information technology. Also the various universities and their professors and their assistants work for development of technology.

There is collaboration between the organizations, there is no central organization. SARIT (Switzerland association for research in information technology) helped the IT research communities in the scientific network.

- **Environment factors analysis**

Environment of Nature includes information about country environment like winter, monsoon, summer, that help business of tourism, farming, insurance and other business environment. It also includes Air Pollution, Water Pollution, Noise Pollution, and Earth Pollution.

Switzerland is more aware of the risk of atmosphere change. Switzerland environment sudden impact of temperature rises on the population will arrive to the hilly areas and it cover the ice and snow Last few years temperature of Switzerland year by year increasing.

Earthquake and floods affect human settlement. At the time of flood and snow shrinks will affect tourism sector very adversely. Agriculture sector also affected by earthquake.

Climate change is the result of both activities economically and socially. The landing reinsurance company. Switzerland has to change its all strategy completion before a climate change

- **Legal factor:-**

Legal factor in also include consumer law, health and safety law, antitrust law, and discrimination law.

Legal factor is also affecting how to operate a company and total production.

- **Constitution:-**

In 1<sup>st</sup> January 2008 include the below article. Which is important for a unique education?

In also affecting to the socially like way of life, ideological, religious, political conviction for the reason that a mental, psychological, or physical disability.

- **Law on equal rights for person with disabilities:-**

This law are for the person to giving a equal right with maintain a disability as helpful in 2004 the article 8.4 of the foundation.

Area are also providing to young people and children to receiving compulsory education and also providing a special requirement.

Switzerland also helps the combination of majority school with suitable facilities for children and young people by disability

**SEMESTER – IV**

**PART – II**

**NESTLE COMPANY SPECIFIC STUDY OF SWITZERLAND**

## **CHAPTER – 2**

### **INTRODUCTION TO NESTLE, ROLE, FUNCTION, STRUCTURE AND ITS BUSINESS ACTIVITIES**



## **2.1 INTRODUCTION OF THE NESTLE SWITZERLAND**

## Introduction



### **Nestle (Good Food, Good Life) Switzerland**

The Nestlé company was founded by a German political refugee, Henri Nestlé, who in the 1860s developed a way of combining flour with milk for babies whose mothers were unable to breastfeed them. Maggi (now part of Nestlé) was launched in the 1880s, when miller Julius Maggi - the son of an Italian immigrant father - working with factory inspector Fridolin Schuler, developed nutritious instant soups, using peas, beans and lentils.

### **Registered Offices**

Nestlé S.A.

Avenue Nestlé 55

CH-1800 Vevey (Switzerland)

tel.: +41 (0)21 924 21 11

- Nestle is the world's best Nutrition, Health and Wellness company. Our work of "good food, good life" is to offer customers with the top tasting, most nutritious choices in a wide variety of food and drink categories and eating occasion, beginning morning to night.
- The Company was started in 1866 by Henri Nestle in Vevey, Switzerland, where our headquarters are still situated today. It employs around 2, 80,000 people and have factory or function in almost each country in the worldwide.
- It believes that management is about behavior, and recognize that trust is accept over a limitless period of time by again and again delivering on its promise. Nestle believe that it is only likely to create long-term sustainable value for its shareholders if its behavior, strategy and operations also create value for the community where it operates, for its business associates and of course, for its consumers.29

- Nestle can trace its origin back to 1866, when the first European strong milk factory was start in Cham, Switzerland, by the Anglo- swiss strong Milk Company. One year later, Henri Nestle, a skilled pharmacist, launch one of the world’s first prepared baby cereals ‘Farinelactee’ in Vevey, Switzerland.
- The two companies amalgamated in 1905 to become the Nestle you know today, with headquarters still based in the Swiss town of Vevey. Nestle sale for 2011 were nearly CHF 83.7 bn.
- In 2011, Nestle was listed No. 1 in the Fortune Global 500 as the world's most profitable Organization. It has 449 factories, operates in 86 countries around the world, and employs over 328,000 people.
- On April 23rd, 2012, Nestlé has announced that it has agreed to acquire Pfizer Inc.'s infant-nutrition unit for \$11.9 billion.
- Nestlé has a Board of Directors declared by Chairman Peter Brabeck-Letmathe, who was the former Nestlé CEO. There are 15 members of the Board of Directors.
- The daily management of the Nestlé business is taken care of by its Executive Board members. The Nestlé Group is managed by geographies (Zones Americas, Europe, and Asia/Oceania/Africa) for most of the food and beverage business, with the exceptions of Nestlé Waters, Nestlé Nutrition, Nestlé Purina Petcare, Nespresso, Nestlé Professional and Nestlé Health Science which are managed on a global basis - these its call the Globally Managed Businesses. It has joint ventures such as Cereal Partners Worldwide and Beverage Partners Worldwide.

## ▪ **Nestle Values**

### **The Nestlé culture**

- Apart from its commitment to safety and quality and its respect for diversity, Nestlé is committed to a number of cultural values. These values come partly from its Swiss roots and have been developed during its history. They are also evolving so as to support the permanent reshaping of the Company.

They can be described as follows:

- Commitment to a strong work ethic, integrity, honesty and quality.
- Personal relations based on trust and mutual respect. This implies a sociable attitude towards others, combined with an ability to communicate openly and frankly.
- A personalized and direct way of dealing with each other. This implies a high level of tolerance for other ideas and opinions, as well as a relentless commitment to co-operate proactively with others.
- A more pragmatic than dogmatic approach to business. This implies being realistic and basing decisions on facts.
- Openness and curiosity for dynamic and future trends in technology, changes in consumer habits, new business ideas and opportunities, while maintaining respect for basic human values, attitudes and behavior.
- Pride in contributing to the reputation and the performance of the Company. This calls especially for nurturing a sense of quality and long-term achievement in the daily work beyond fashion and shortsighted gain.
- Loyalty to and identification with the Company.

➤ **High commitment to quality products and brands**

Worried by the high level of infant mortality at that time and relying on scientific research, the Company founder, Henri Nestlé, created a revolutionary product, “Farine Lactée Nestlé” (Nestlé Milk Cereal), which has helped to save the lives of many children the world over. Nestlé’s coat of arms, the birds’ nest, which refers to his name, has become a symbol for our products being a safe harbor for our consumers. Ever since, product safety and quality, Research & Development based innovation capacity and strong brands are a priority for Nestlé.

➤ **Respect of other cultures and traditions**

From its inception, Nestlé developed its business internationally and became aware of the fact that food products have to be closely linked to local eating and social habits. That is why Nestlé from the very start has always shown respect for diverse cultures and traditions. Nestlé endeavors to integrate itself as much as possible into the cultures and traditions where it is present, adding also to the local environment its own set of values laid out in this document.

Therefore, Nestlé embraces cultural and social diversity and does not discriminate on the basis of origin, nationality, religion, race, gender or age. Furthermore, Nestlé believes that its activities can only be of long-term benefit to the Company if they are at the same time beneficial to the local community. In short, global thinking and strategies can best be expressed through local action and commitment.

- **Vision of Nestlé**

Nestlé's vision of making good food central to enjoying a good healthy life for consumers everywhere. This implies gaining a deeper understanding in many areas of nutrition and food research and transforming the scientific advances into applications for the company. Having a broad vision the company is doing its best for their consumers to show the great sense of responsibility.

Nestlé's aim is to meet the various needs of the consumer every day by marketing and selling food of a consistently high quality.

The confidences that consumers have in our brands is a result of our company's many years of knowledge in marketing, research and development, as well as continuity - consumers relate to this and feel they can trust our products.

- **High quality and collaboration**

Our objectives are to deliver the very best quality in everything we do, from primary produce, choice of suppliers and transport, to recipes and packaging materials. Our operations and collaboration in the Nordic countries gives us greater opportunities to be efficient and strategic and to function well as an organization, both when it comes to the distribution chain and to concentrating on joint product launches and campaigns.

- **Focus on e-business and websites**

Increased investments in the sphere of e-business give us swifter business and direct contact with trade. Our website is a forum for consumers, students, future employees and the media. We hope that through a sincere approach and by conducting dialogues, we will be able to improve, change and satisfy the demands and wishes of the people of today

## ▪ SWOT ANALYSIS OF NESTLE:

### ➤ Strengths:

Nestlé's has much strength.

1. Their first is that they have a great CEO, Peter Brabeck. Brabeck emphasizes internal growth, meaning he wants to achieve higher volumes by renovating existing products, and innovating new products. His explanation of renovation is that “to just keep pace in the industry, you need to change at least as fast as consumer expectations.”(Hitt, 2005)

2.His explanation of innovation is “to maintain a leadership position, you also need to leapfrog, to move faster and go beyond what consumers will tell you.” Brabeck has led Nestle into a position to better achieve the internal growth targets with his. 3.Another strength that Nestle has is that they are low cost operators. This allows them to not only beat the competition by producing low cost products, but by also edging ahead with low operating costs.

### ➤ Weakness:

1.The main weakness of Nestle is that they were not as successful as they thought they would be in France. The launch in France was in 1994, but since the late 1980s, Danone had already entered the market with a health-based yogurt.

2.The second weakness is that LC-1 was positioned as too scientific, and consumers didn't quite understand that LC-1 was a food and not a drug.

3.Nestle also has multiple critical resources. They have a great research and development team. James Gallagher and Andrea Pfeifer were the masterminds behind the research on the La-1 cultures in the LC-1 yogurt. They were also the two that decided on selling LC-1 as a functional food. This enabled Nestle to position the product in a way that differentiated it among the other products in the market. They also have four pillars that Brabeck, Nestle's CEO has identified he believes will help their internal growth worldwide. These are operating excellence, innovation and renovation, product availability, and communication.

➤ **Opportunities:**

1. One opportunity that Nestle has is that health-based products are becoming more popular in the world, including in the United States. Consumers are

2. Becoming more health conscious, and realize that living longer isn't only by luck and genetics. LC1 has not been introduced in the United States yet.

3. Nestle also has an opportunity of being even a larger market leader in Germany with LC-1. Within two years of launching the product in Germany, they had captured 60% of the market. This was due to the fact that they differentiated the product, and Germans simply preferred the taste.

4. Another opportunity of LC1 is that, because they are a market leader, they can introduce more health-based products in Germany.

5. As Nestle has more than 9000 brands all over the world, they are increasing their products day by day. With very new changes, like now they are introducing Nestle LEMU Malta

➤ **Threats:**

1. A threat to Nestle is the fact that some markets they are entering are already mature. Danone had an established leadership position in the yogurt market in France. Since Danone was the first to arrive in the market, they have always been the market leader there.

2. Also consumers in France liked the taste of LC-1, but researchers believe they did not repurchase the yogurt because they preferred the taste of Danone products better.

3. Another threat to Nestle is that there is intense competition in the United States yogurt market. General Mills' Yoplait division is the leader in the yogurt market in the United States. Yoplait has been the leader for years and is constantly innovating new health products.

4. The main threat of Nestle these days is the campaign led by the International Nestlé Boycott Committee primarily targets Nescafé, the corporation's flagship product. To boycott Nestlé products until the company stops promoting its baby milk

5. Another threat now a days is in nestle pure life. as it's the leading brand and people prefer Nestle pure life but their may be a threat from aqua fena which is introduced by Pepsi

6. Threat of Olper Milk and Haleeb Milk.

## ▪ **International strategy**

### **1. Focus on Foreign Direct Investment**

Nestlé is a global organization. Knowing this, it is not surprising that international strategy is at the heart of their competitive focus. Nestlé's competitive strategies are associated mainly with foreign direct investment in dairy and other food businesses. Nestlé aims to balance sales between low risk but low growth countries of the developed world and high risk and potentially high growth markets of Africa and Latin America. Nestlé recognizes the profitability possibilities in these high-risk countries, but pledges not to take unnecessary risks for the sake of growth. This process of hedging keeps growth steady and shareholders happy.

### **2. Partnership with other large companies**

Another strategy that has been successful for Nestlé involves striking strategic partnerships with other large companies. In the early 1990s, Nestlé entered into an alliance with Coca Cola in ready-to-drink teas and coffees in order to benefit from Coca Cola's worldwide bottling system and expertise in prepared beverages.

### **3. Acquire local companies**

In Asia, Nestlé's strategy has been to acquire local companies in order to form a group of autonomous regional managers who know more about the culture of the local markets than Americans or Europeans. Nestlé's strong cash flow and comfortable debt-equity ratio leave it with ample muscle for takeovers. Recently, Nestlé acquired Indofood, Indonesia's largest noodle producer. Their focus will be primarily on expanding sales in the Indonesian market, and in time will look to export Indonesian food products to other countries.



- **COMPETITIVE PRIORITIES**

- **Quality**

Everyday, millions of people all over the world shows their confidence in nestle by choosing Nestlé products. This confidence is based on their quality image and a reputation for high standards that has been built up over many years. High performing design Quality policy and principles, the mandatory standards and the recommended tools for implementation are laid down in the Nestlé Quality System, which is applicable throughout the group. Further directions are given through instructions, norms and guidelines, often specific to a product.

Nestle business products; such as raw material producers, packaging suppliers, contract manufacturers and distributors are expected to share nestle concern for Quality.

- **Consistent quality**

A Nestlé brand name on a product is a promise to the customer that it is safe to consume, that it complies with all regulations and that it meets high standards of quality.

- **Cost**

Nestle provides high quality products to its customers at lower prices; prices that are affordable by people in order to get nutritious healthy products.

- **Time**

Through its effective marketing and vast sales and distribution network throughout the company, Nestle ensures that its products are available to consumers whenever, wherever and however. They believe that getting the new product to market first gives the firm an edge on the competition that is difficult to overcome in a rapidly changing business environment  
Development speed

- **Volume Flexibility**

Nestle has the ability to accelerate and decelerate the rate of production quickly to handle large fluctuations in demand. For Nestle volume flexibility is an important operating capability that supports the achievement of their other competitive priorities.

## ➤ **Corporate wellness unit of Nestle Corporation**

The Corporate Wellness Unit was designed to integrate nutritional value-added in their food and beverage businesses. This unit will drive the nutrition, health and wellness organization across all their food and beverage businesses. It encompasses a major communication effort, both internally and externally, and strives to closely align Nestlé's scientific and R&D expertise with consumer benefits. This unit is responsible for coordinating horizontal, cross-business projects that address current customer concerns as well as anticipating future consumer trends.

### ▪ **PRICE PLANNING of Nestle**

Global pricing policies: Apart from global coordination of prices on specific products and firms usually adopt one of the three alternative pricing policies that cut across their product lines. These are

#### **1. Polycentric pricing**

#### **2. Geocentric pricing**

#### **3. Ethnocentric pricing**

Nestle use geocentric pricing policy.

Nestle Products price planning Nestle dairy products are priced keeping in view the buying power of middle-income and high-income social classes.

The cost includes the cost of manufacturing, labor, raw materials etc. The industry sales growth is largely driven by population growth as well as the amount of advertising and product innovation taking place in the industry. The company has resorted to pricing discrimination strategies to maximize the value of consumer demand

Being a multinational brand, the pricing objective of Nestle is mainly to increase sales as it has already penetrated the market. Their prices are not affected by price changes by competitors, and they don't engage in price wars. Competition is met through innovation. The prices of Nestle milk change as the product size is changed of the Product Life Cycle. And Because of the

contract between the seller companies, they offer same price. So there is no skim based or penetration based pricing by company.

The retail prices are different according to there size and brand. However prices have been standardized throughout Pakistan and there is no differentiation based on geographical areas. There is no change in prices according to season. It remains the same.

They adopt same strategy in international marketing as in local marketing. But the prices are according to the international currency.

### ▪ **Distribution Planning**

They distribute there products nationally and internationally through out the world.

Nestle are distributed using an indirect channel, that is, dealers. Nestle milk is sent to warehouses after manufacture.

Nestle

Dealer

Retailer

Final consumers

They use intensive distribution for marketing coverage. Because its goals are to have wide market coverage, channel acceptance and high total sales and profits. Distribution is made nationally and internationally through Motor carriers, Waterways, Airways, Railroads

Through out the country in every city and village. It includes suppliers and retailers

Supply chain: There are various departments

Raw material department

Finished goods department: From the finished goods department the product goes to the warehouses.

## **2.2 ROLE OF NESTLE IN SWITZERLAND ECONOMY**

## ▪ **Sustainable Economic Performance and Development**

A key feature of Nestle's advance is to locate aspects of production in the rising world, rather than to simply source raw materials there. 45% of our factories are located in such countries, and 48% of our employees are located in such countries, and 48% of our employees are located in rising countries, even though these countries symbolize less than a third of our sales. Nestle has publicly stated that a primary principle of its profitable investments is that they should be "good for the country and good for the company". In this way Nestle seeks to be a true associate in sustainable development.

Nestle's fundamental idea is to meet the needs of its customers and consumers for quality food products that offer value for money. By doing this fruitfully, we generate long term, sustainable economic results and expansion for all those with a chance in the business. With factories located in more than 80 countries, and with Nestle companies in nearly every country in the world, the effects of our business move forward are felt by economies around the globe.

This occurs in dissimilar ways. For example, through technology move, through apprentice programmes and training home employees to international standards, as well as by paying taxes which help fund local infrastructure construction, Nestle is contributing to sustainable economic development around the world and at the same time improving the quality of foods that are locally available.

## ▪ **Long Term Reliable Returns for Shareholders**

At Nestle, we are dedicated to the sustainable increase in the value of our shares, and our share price has knowledgeable an eighteen-fold increase over the last 20 years. From 1970 to 2000 Nestle shares outperformed the Morgan Stanley Capital Index of Swiss blue chip stock companies by over 250% and the Morgan Stanley World Blue Chip Stock Index in USD terms by 25%.

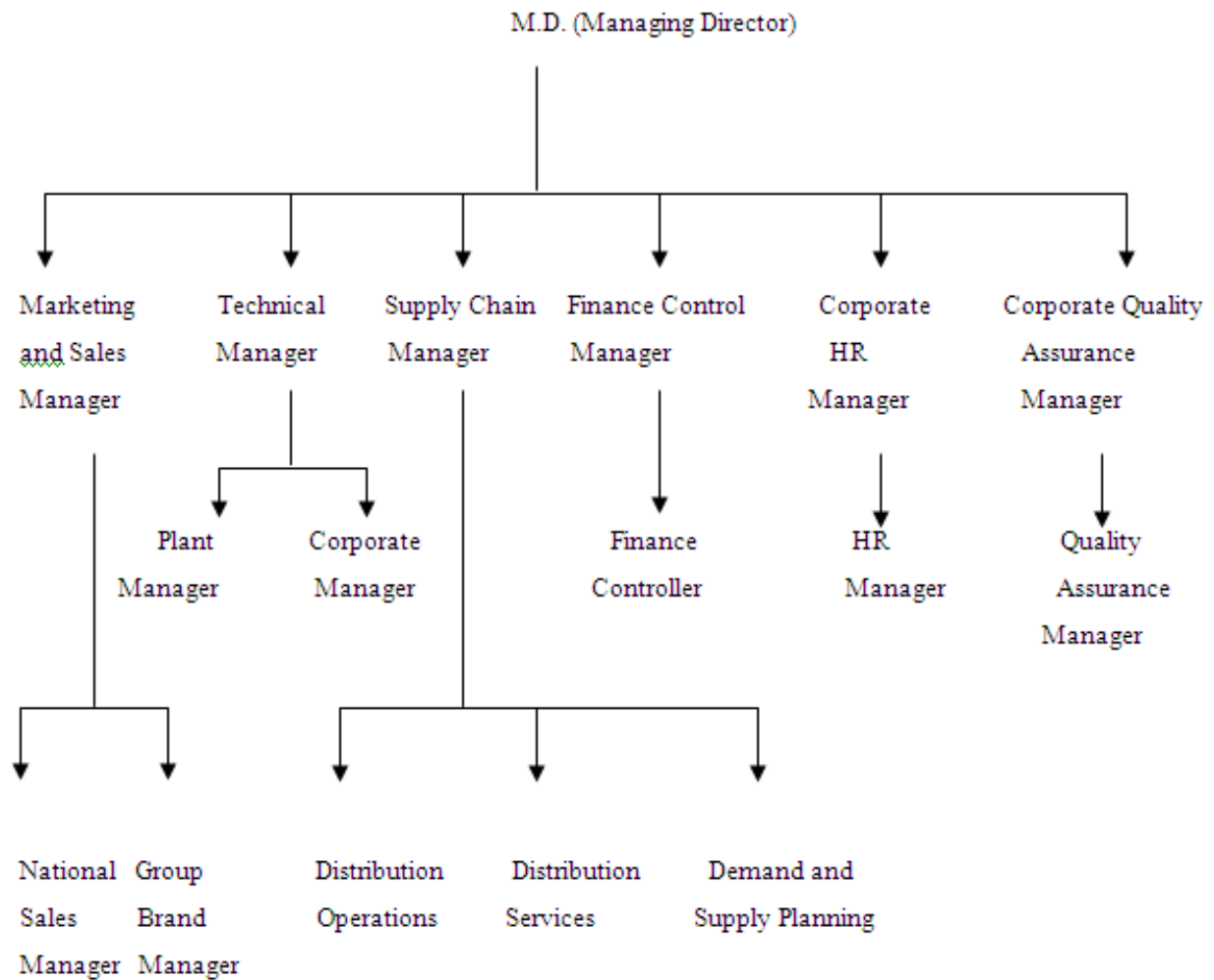
For decades, Nestle has had consistent, stable and accelerate growth in overall turnover. In terms of current presentation, the year 2001 was once again a record year for sales, net profits with no

large, unbalanced swings. There has also been a notable increase in profits in recent years due to a range of factors effective brand management, reformation the organization and moving more quickly, in spite of the size of the company.

The Nestlé S.A. shares are traded at SIX Swiss Exchange "Swiss Blue Chip Segment". The SIX Swiss Exchange has a section dedicated to the Nestlé share. The number of registered shares amounts to 3'300'000'000 with a nominal value of CHF 0.10 each. The symbol of the Nestlé share is NESN.VX.

## **2.3 STRUCTURE OF NESTLE**

- Organizational structure of Nestle is hierarchical.





## **2.4 FUNCTION OF NESTLE**

Driving functional brilliance requires the insinuation and promise of brilliant and skilled managers at all levels with specific skill required to succeed in key functions at Nestle. It also implies a perfect synchronization with Nestle functional communities.

### ▪ **Handling of raw materials**

Company gives predilection to those goods for which environmental feature have been taken into expression. In those cases where the necessary agricultural raw materials are not available locally, but the natural production situation Nestle group is not have only depend only on directly involved in primary production of the raw material and other food. Nestle generally use locally obtainable raw material or purchase them either from the producer or through trade channels.

Raw materials have checked to meet clearly given quality criteria and are checked for possible mixture including environmental intergradient. Nestle's purchasing of raw material comply not only with legal necessities but also checked for to ensure highest safety and honesty of our products. exist, we support local production and provide assistance for crop growing and dairy farm organization. Nestle gives the lowest, most suitable and safe use of agro-chemicals.

### ▪ **Human Resources**

Human Resources help drive high presentation right through Nestle Waters by supporting and facilitating individuals, teams, and business processes.

Our approach is to expand every employee to perform at their highest levels, linking company objectives and individuals' career goals. We believe in the uniqueness and resource fullness of our people, so we work to set the stage for employees to take the lead on their own development. Employees and their managers work together to map out their own individualized development paths. The goal is simply to find the links between individual ability and motivation and the objectives of the company.

In the countries where we do business, Human Resources business partners play a key role in the organization as they work at the side of our leaders in the growth and accomplishment of strategies and programs responding to the needs of our business and our people. They provide expertise and support to our leaders across a range of management decisions and processes.

Human Resources also plays a vital role as advocate for the principles and culture of the Nestle Group. As our Human Resources managers define organizational structures and take in management processes, they reinforce the company's values across all our operations.

### ▪ **Supply Chain**

Our mission is to be a prefer supplier for service reliability, agility and process innovation while optimizing all company resources and assets and while having sustainability always at the centre of each our decision.

An efficient supply chain relies on talented and passionate people with strong management skills and key competencies both demand and supply planning, transportation, warehousing, customer service, customer management and purchasing.

### ▪ **Marketing and distribution**

Nestle do the marketing as the company's principle of fulfilling customer demand and it also done with environmental marketing.

Environmental marketing means advertising, promotion and packaging are in accord with legal necessity, based on government rule and systematically and used in reasonable manner.

Nestle's principle is to reduce cost in communication, publicity and promotional behavior doing by targeting marketing activities.

In customer promotions and merchandise material such as customer offers, display material, printed matter, store promotions, etc. take environmental aspects into account for advertising.

This is done because of kindness of green impact in select both materials and print methods.

In distribution, energy imaginative and pollution banned methods are encouraged wherever possible

## ▪ Finance

Our Finance teams enjoy the excitement of working in a highly competitive market and supporting a truly global company. They belong to the Nestle F&C community and they share its commonly familiar professional expertise and "savoir faire". They are our business partners. They drive the long term strategy process and the monthly active forecast process. They contribute to help us identify and seize opportunity, set hostile goals and deliver them. They partner with the company's top executive managers, provide an self-governing and objective global economic vision of the business, alert them of potential risks towards achieving the targets and propose corrective improvement actions. They also contribute to improve process efficiency.

On the corporate level, they deal with challenge that crosses brands, businesses and environmental regions, contributing to the achievement of the company's strategy and objectives. At the country level, our financial people operate in very diverse markets -from rising countries to mature markets- and in varied business models -100% owned subsidiary, joint ventures or incorporated business units.

Our finance people also work in a huge variety of functions industrial, sales, supply chain, etc. and in dissimilar sales channels modern and traditional trade, Out-Of-Home, Home & Office.

As for our auditor, they assist the company's managerial managers nearly the world in the fulfillment of their responsibilities by serving as independent and objective assessors. They help improve operations and manage threat working hand in hand with the executive teams.

## ▪ Technical operations

Our practical teams based in over 100 factories worldwide play a key role in structure our business, ensuring that the safety of people and products as well as ecological responsibility are unlimited priorities.

Whether they run production lines or work in maintenance, hygiene, quality assurance or any other department, our technical specialists are constantly engaged in the ongoing quest to minimize the environmental shock of our company's operations, studying and implementing

ways of reducing energy and water expenditure for product manufacturing. Our investments in production and performance are a substantial portion of our NPS and our employees' promise to our company's success is demonstrated in the key role they have in optimizing these savings while ensuring the safety of our people and the quality of our products.

## ▪ **Research & Development**

Nestle is monopolistic in the in the food industry in have an integrated R&D program that engage in useful and research in the area of human health, nutrition, physiology, and raw materials. Nestle's R&D program give company to the capacity to develop new types of products that company cannot even dream today, especially in the critical area where defensive medicine and food products overlap. Additionally, as apprehension for the environment grow, research will play an main role in overcoming environmental problems. It Concern with the effects of covering on the environment is forcing us to look for new solutions and to consider their letter with our biological product food.

## ▪ **Packaging**

Manufacturing comprises all unit operations essential to transform all raw material into complete products, with the plan to make them safe and suitable use for the customer. The manufacturing activities of the Nestle Group is

1. Value natural resources by resourceful utilize of raw materials and power
2. Minimize waste and emission
3. Ensure environmentally safe removal of all waste which cannot be second hand.
4. Regular checking of processing practices are standard out.

These assessments include:

- Finding the individual plant presentation by comparing the operation which have impact on environment.
- Targets for improvement

- Company checks the comparing with local government regulation, company's environmental standards, for improvement of operation.
- Investigation of occasion which may change the environment.
- Information on advance in environmental protection technology and practice is spread as necessary to ensure that all plants are using the most efficient environmental practices for their type of processing.

## **2.5 BUSINESS ACTIVITIES OF NESTLE**

- **Nutrition, Health and Wellness**

Our foundation aim is to increase the quality of consumer's live each day, everywhere by offering tastier and healthier food and beverage choices and hopeful a healthy lifestyle. We fast this via our corporate proposal 'Good Food, Good Life'.

- **Quality assurance and product safety**

all over in the world, the Nestle name represent a promise to the customer that the product is secure and of high standard.

- **Consumer Communication**

We are dedicated to responsible, reliable consumer communication that empowers customers to work out their right to informed choice and promotes better diets. We respect consumer privacy.

Nestle Policy and advice for finishing point of the WHO International Code of promotion of Breast-milk substitute.

- **Human rights in our business activities**

We completely hold the United Nations Global Compact's (UNGC) guiding on human rights and labour and plan to give an illustration of good human rights' and labour perform during our business activities. International Labour Organization

- **Leadership and personal responsibility**

Our achievement is stand on our people. We take care of each other with value and self-respect and expect everyone to promote a sense of individual accountability. We employ competent and provoked people who respect our values, provide the same chance for their development and advancement guard their privacy and do not agree to any form of harassment or favoritism.



- **Safety and health at work**

We are loyal to prevent accidents, injuries and ill health related to work, and to care for employees, contractor and others mixed up along the value chain.

We our suppliers, agents, subcontractors and their employees to make obvious honesty, reliability and justice and to adhere to our non-negotiable principles. In the same way, we are dedicated towards our own customers.

- **Agriculture and rural development**

We put in to development in agricultural production, the social and economic rank of farmers, rural community and in making systems to make them more environmentally sustainable.

- **Environmental sustainability**

We place ourselves to environmentally sustainable business practices. all stage of the product life cycle we struggle to utilize natural resources competently, favor the use of sustainably manage renewable resources, and target zero waste.

- **Water**

We are committed to the sustainable utilize of water and continuous development in water management. We recognize that the world face a growing water face and that answerable managing of the world's resources by all water user is an absolute requirement.

- **Corporate Social Responsibility**

The 140 year life of Nestle, our primary approach to business has been the formation of long term sustainable value for our consumers, customers, employees, shareholders and people as a whole.

The Nestle Corporate Business Principles, first published in 1998, support the company's promise to 'Creating Shared Value' the conception that brings together the goal to meet the needs of clients and shareholders with the assurance to respect the people, environment and communities in which Nestle activate.

Nestle's global sustainability program is fully reflect in the company's activity in the UK, and we are dedicated to making a positive donation to the communities in which we operate. We believe a fit community life is vital to the long-term stability of our civilization and economy.

Our UK sustainability plan covers six priorities: water, waste, energy, packaging, sourcing, and nutrition, health and wellness.

- **Creating Shared Value at Nestle**

For a company to be victorious in the long term and make value for its shareholders, it must also build value for society. We call this Creating Shared Value (CSV). Creating Shared Value encourage businesses to make economic and social value concurrently by focusing on the social issues that they are exclusively able of addressing.

In 2006, Nestle became the first organization to adopt this approach, but our history of operational together with civilization tems back to our roots. For highest shock, Nestle has focused its Creating Shared Value hard work and investments on three areas – nutrition, water and rural development as these are center to our business actions and essential for our value chain.

CSV builds on a strong base of presentation in environmental sustainability and fulfillment, as illustrated in the CSV Pyramid above. In addition, we recognize the vital role of our people and the importance of attractive and collaborate with other organizations.

## 2011 Consolidated (In millions of CHF)

1	Sales	83642
2	Trading in service profit	12538
3	As % of sales	15.0%
4	Profit for the period attribute to shareholder of the parent	9487
5	As% of sales	11.3%
6	Equity attribute to shareholder of the parent before planned appropriations of Nestle S.A.	56797
7	Market capitalization, end December	171287
8	Operating cash flow	9763
9	Free cash flow	4491
10	Capital expenditure	4779
11	As % of sales	5.7%
12	Net financial debt	14319
13	Ratio of net financial debt to equity (gearing)	25.2%

### Per share data (CHF)

1	Total basic earnings per share	2.97
2	underlying	3.08
3	Dividend as proposed by the board of directors of Nestle S.A.	1.95

**CHAPTER 3**  
**COMPARATIVE POSITION, PRESENT POSITION AND TREND OF**  
**BUSINESS OF NESTLE**

### 3.1 COMPARATIVE POSITION OF NESTLE WITH INDIA



Nestlé India Head Office, Gurgaon, Haryana

Nestle India's first production facility, set up in 1961 at Moga (Punjab), was followed soon after by its second plant, set up at Choladi (Tamil Nadu), in 1967. Consequently, Nestlé India set up factories in Nanjangud (Karnataka), in 1989, and Samalkha (Haryana), in 1993. This was succeeded by the commissioning of two more factories - at Ponda and Bicholim, Goa, in 1995 and 1997 respectively. The seventh factory was set up at Pantnagar, Uttarakhand, in 2006.

The 4 branch offices in the country help facilitate the sales and marketing of its products. They are in Delhi, Mumbai, Chennai and Kolkata. The Nestlé India head office is located in Gurgaon, Haryana.

Industry      Food Processing

Exchange      The Bombay Stock Exchange Limited, Mumbai

Stock Code    500790

Group    A

ISIN Code      INE239A01016

## ➤      **COMPANY BACKGROUND**

### *Leadership position in all core categories...*

A 61.85% subsidiary of Nestle S.A of Switzerland, Nestle India has seven factory locations across the Indian geography. Nestle operates in 4 segments: milk products & nutrition, prepared dishes & cooking aids, beverages and chocolates. Some of its established brands include Maggi, Nescafe, Lactogen, Kit Kat and Milkmaid.

It enjoys leadership position in its core categories like baby foods, instant noodles and instant coffee. Nestle has created a niche for itself through its product offering.

### *Strategic focus on the health, wellness and nutrition platform...*

Nestle focuses on developing products around the nutrition, health and wellness platform. Strong parental support along with renovation and innovation in its offerings has enabled Nestle to create a niche for itself.

### ***Strong brand equity...***

Over the years Nestle has built strong brand equity. This strong brand equity has transcended into a strong brand recall with the consumers and is evident from rising sales vis-à-vis falling advertising spends to sales ratio from 20% in 2009 to 17.1% in 2011.

#### NESTLE INDIA LIMITED

- 2010 Set Up Factory At Utranchal Tax Free Zone For Culinary Product.
- 2007 A project initiated to the upgrade the production technology for intact Nutrition products at the samalkha factory
- 2005 Company made its forey into iced tea segment. Ice tea has already soft launched in Mumbai.
- 2004 Launched nestle pure life bottled water.
- 2002 Company forayed in to ultra heat treatment liquid milk market.
- 2000 Nestle Growing Up Milk Was Launched Nationally
- 1999 Factory In Goa At Bicholim
- 1997 Factory At Goa Ponda
- 1995 Kit-kat, the company world wide legendary brand chocolate was launched
- 1993 the somlakha started its operation
- 1990 Company entered in to chocolate business by introducing nestle premium chocolate
- 1989 Maharastra Factory Become Operational
- 1967 Set Up A Next Factory At Chalodi( Tamilnadu)
- 1961 First Investment In Moga (Punjab)

## Global Present position of nestle

Nestlé's supreme geographic attendance is one of its spirited rewards. From Switzerland early stages, the company grows to create an existence in approximately every country in the world. Nowadays, Nestlé's occurrence in most market, dates back much generation, counting up-and-coming markets and in some cases more than a century. This has shaped very secure relations connecting our brand and patrons, as well as a bottomless thoughtful of restricted wants and trend wherever Nestlé operate. limited organization team, R&D, manufacturing have all been urbanized, as well as continuing affairs with farmers and other supplier.

### Current Situation Of Nestle

Nestlé most recent years invest a lot of hard work and a lot of money into the progress of its knowledge management system (KMS). Each step of a information cycle sees the Switzerland company act to get better its competence and boost its consequences.

In acquirement ground most part of concentration is alert on the get-together from the outside: make contact with middle pays a strong concentration to customers protest but there is a new attention for the between the column data that comes from the market. The interior in sequence assembly is not yet very complex.

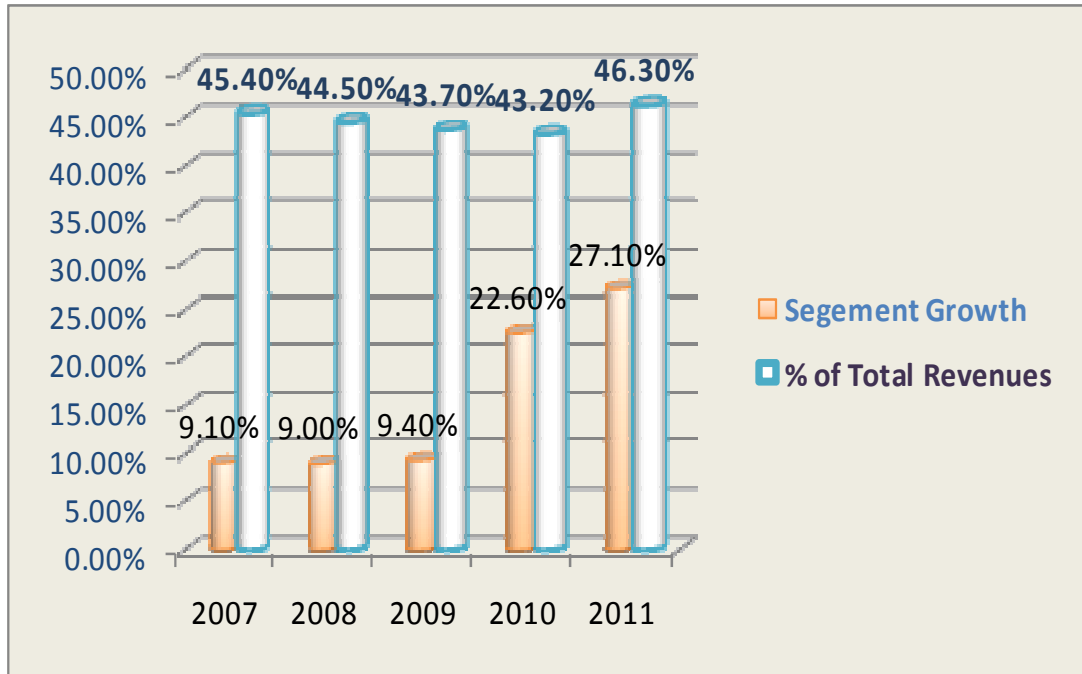
#### ➤ *MILK PRODUCTS & NUTRITION...*

##### *Product Profile*

##### **Revenue Contribution & Segment Growth**

	<b>Segement Growth</b>	<b>% of Total Revenues</b>
<b>2007</b>	<b>9.10%</b>	<b>45.40%</b>
<b>2008</b>	<b>9.00%</b>	<b>44.50%</b>
<b>2009</b>	<b>9.40%</b>	<b>43.70%</b>
<b>2010</b>	<b>22.60%</b>	<b>43.20%</b>
<b>2011</b>	<b>27.10%</b>	<b>46.30%</b>





**Interpretation:-** Above diagram shows that the revenue contribution and segmentation growth also year to year increases. In 2007 9.10% and 45.40% growth and revenue will be generated also increase from the 2011. It will also expected in future more increases to benifited for the swiss.

Milk Products and Nutrition is the largest segment contributing 43-45% to the topline growing at 12% CAGR over the last 5 years. Product portfolio for this segment includes ghee, dairy whiteners, packaged milk, Dahi (Curd), Fruit Yogurt, baby & infant foods, cereals and sweetened condensed milk. The contribution to top line from this segment has been tapering since last 4 years.

<b>PRODUCT CATEGORY</b>	<b>BRANDS</b>	<b>NEAREST COMPETITOR</b>
Ghee	Everyday	Amul, Vijaya, Sagar etc.
Dairy Whitener	Everyday	Amul ( Amulya)
Packaged Milk	Nestle	Amul
Dahi	Nestle Fruit 'n' Natural	Amul, Mother Dairy etc.
Fruit Yogurt	Nesvita	-
Baby & Infant Food	Cerelac, Nan, Lactogen & Nestogen	Amul ( Amul Milk Powder)
Cereals	Cerevita	Kelloggs
Sweetened Condensed Milk	Milkmaid	Amul ( Mithai Mate)

➤ ***Market Position***

Apart from being better in the baby and infant foods segment, Nestle commands first position in the dairy whitener market which is a niche product offering catering mainly to the institutional clients. Today, Nestlé’s nutritional product offering in the baby and infant foods segment has enabled it to garner No. 1 position in this segment. Nestle has created a strong brand recall in this segment hence making it the preferred brand for nursing mothers.

It has been a pioneer in the probiotic dahi segment – a niche offering of dahi containing “friendly” bacteria which helps improving metabolism and digestion. Nestle also has strong presence in the sweetened condensed milk segment through its brand Milkmaid.

➤ ***Strategy***

***Brand Extension + Wellness Platform...***

Nestle has launched brand extensions of its existing products in the milk products segment while keeping health, wellness and nutrition platform as the basis for its launch. Some examples in this category include Everyday Slim (milk powder), Nestle Slim Milk and Nestle Fresh ‘n’ Natural Slim Dahi & NesVita Probiotic Dahi.

This segment is seeing a rationalization of volumes growth on account of its maturing product line & sustained increase in average realizations. Its contribution to the topline is tapering as the company is laying emphasis on other more profitable business segments like prepared dishes & cooking aids and beverages.

## Outlook

YEAR	LIQUID MILK	CONVERTED PRODUCT
2005	73.1	21.4
2011	97.5	22.5

➤ **Interpretation:** Table shows that in 2005 to 2011 that the liquid milk which is provided a low fat to the consumer in 2005 to 2011 is 73.1 to 97.5 increases from last 6 year and also converted product are also slowly growing 21.4 to 22.5.

### ➤ *Dominance of cooperatives...*

Milk and milk products form an essential part of the morning meal for a majority of the global population irrespective of age, culture or location. The milk-based food products market in India has traditionally been dominated by cooperatives, thus limiting the sourcing opportunities for private players. Many multinational companies made attempts at cracking this market but with little success.

Post-1992, some 15 domestic players entered the milk foods market, but by the turn of the century more than half of them folded. India's dairy industry was largely ruled by cooperatives and competing with them in terms of volumes, costs and support was a far shot.

### ➤ *Room for MNC's to grow...*

Dairy India 2012 survey estimates milk production to reach 120 mt by 2017 while consumption is expected to outstrip production hence calling for more private participation in the dairy sector.

***Organized retail convenience stores to provide a platform for growth in this***

➤ ***Segment...***

Emergence of large-scale convenience stores has improved the market to a certain extent. There are better freezers and storage facilities in supermarkets and retail outlets. The customer focus to health food is also reason companies gather fortified foods space, such as pro-biotic. These store formats will give the necessary push to the value added milk products segment as the urban population moves up the value chain.

➤ ***Nestlé's position...***

Nestle has launched brand extensions of its milk products on the nutrition and wellness platform. Nestle with its strong brand and a head start in identifying this opportunity will benefit with grocery retailing picking up in India.

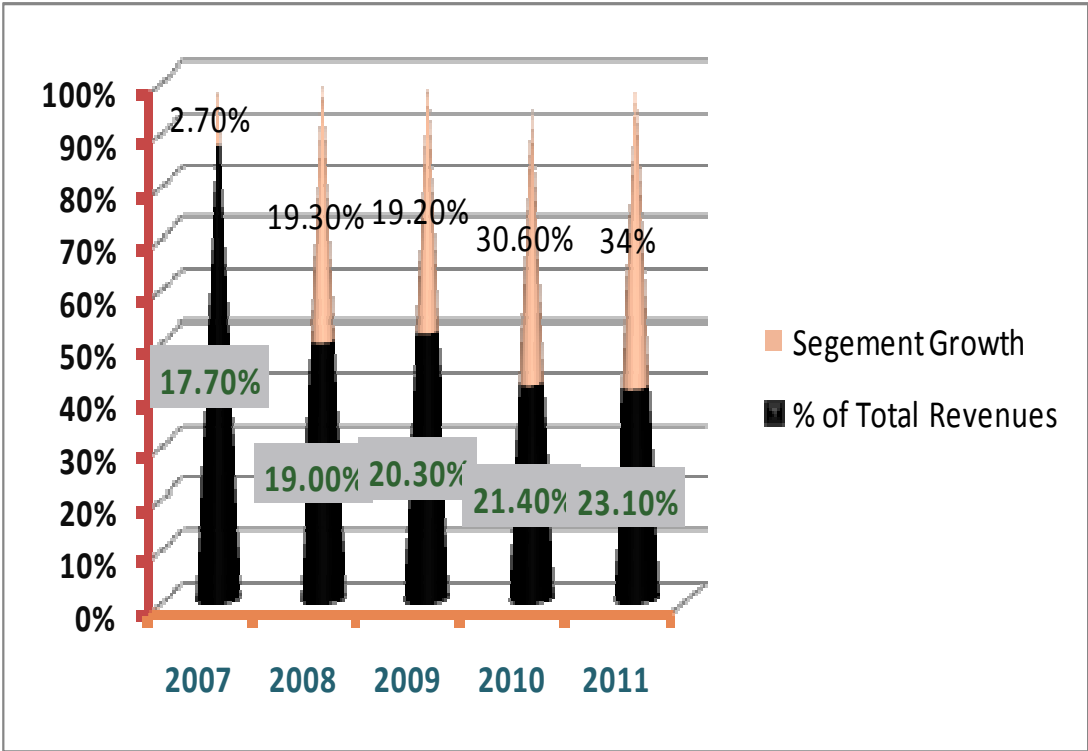
➤ ***PREPARED DISHES & COOKING AIDS...***

***Product Profile***

“2 minutes” that’s the motto for this segment of Nestle. Maggi is a household brand synonymous with instant noodles and tomato ketchup. Product portfolio in this segment includes instant noodles, tomato ketchup and soup mix. The contribution of this segment to top line has been increasing over the past 4 years 2007 to 2011 from 17.5% to 21.5%.

PRODUCT CATEGORY	BRANDS	NEAREST COMPETITORS
Ketchup	Maggi	Kissan
Instant Noodles	Maggi	Top Ramen (Nisin)
Soup	Maggi	Knorr

CY	% of Total Revenues	Segment Growth
2007	17.70%	2.70%
2008	19.00%	19.30%
2009	20.30%	19.20%
2010	21.40%	30.60%
2011	23.10%	34%



**Interpretation:-** Swiss total growth and profit increases day to day because diagram present that and total revenue and total segmentation growth is more increases form year to year.2007 to 2011 total revenue is 17.70% to 23.10% and also segmentation growth is more rapidly like 2.70% to 34%. Swiss assume that in future we will capture a more than our competitor revenue.

### **Competitive strategies of nestle**

It describes itself as a nutrition, food, wellness and health, company. newly they created Nestlé nourishment, a worldwide business association intended to make stronger the center on their center nourishment business. They consider increase their direction in this market is the key constituent of their business policy. This marketplace is characterize as one in which the consumer's prime inspiration for a buy is the claim complete by the product based on dietary contented.

Support their spirited benefit in this area, Nestlé shaped Nestlé nourishment as an independent worldwide commerce unit within the association, and affecting it with the prepared and profit and loss accountability for the claim-based big business of newborn nourishment, HealthCare diet, and routine food. This unit aim to transport greater business show by contribution patrons trust, science based nourishment goods and services. The business Wellness item was intended to add dietary value-added in their beverage & food businesses. This thing will force the nutrition & health crossways all their beverage & food businesses.

### **International Strategy of Nestle**

Nestlé is a worldwide union. Meaningful this, it is not amazing that global policy is at the spirit of their spirited center. Nestlé's spirited strategy is connected mainly with overseas straight speculation in dairy and other food business. Nestlé aim to equilibrium sale between low hazard and low enlargement countries of the high risk and urbanized world potentially high growth market of Latin America & Africa. Nestlé recognize the productivity potential in this high-risk country, but pledge not to take needless risk for the sake of increase. This process of prevarication keeps development stable and shareholders content.

While in service in a urbanized market, Nestlé strive to grow and gain economy of level all the way through FDI in big company. In recent times, Nestlé approved the LC1 variety to Muller in Germany and Austria. In the rising markets, Nestlé grow by manipulate ingredient or processing expertise for local circumstances, and utilize the suitable brand.

In the early 1990s, Nestlé enter into a grouping with Coca Cola in ready-to-drink teas and coffees in organize to advantage from Coca Cola's universal bottling arrangement. Another approach that has been thriving for Nestlé involves arresting strategic partnership with other huge companies.

American & European food markets are see by Nestlé to be level and severely competitive. Therefore, Nestlé is location is sights on new markets and new business for enlargement.

Nestlé's approach has been to obtain local company in order to structure a group of independent local manager who know more about the civilization of the limited markets than Americans or European, In Asia. Nestlé's strapping cash flow and happy debt-equity ratio goes away it with ample power for takeover.

Nestlé has working a wide-area tactic for Asia that involve produce dissimilar products in each country to supply the county with a recognized creation from one country. For example, Nestlé produce soy milk in Indonesia, cereal in the Philippines, coffee creamers in Thailand, cereal in the Philippines, candy in Malaysia, cereal in the Philippines and, all for regional distribution.

**Comparative position of Nestle with AMUL financial comparison**

2011 consolidated (In millions of CHF)	
Sales	109 722
EBIT (a) Group	16 194
as % of sales	14.8%
Net profit (b)	34 233
as % of sales	31.2%
Capital expenditure	4 576
as % of sales	4.2%
Equity attributable to shareholders of the parent	61 867
Market capitalisation, end December	178 316
Operating cash flow	13 608
Free cash flow (c)	7 761
Net debt	3 854
Ratio of the debt to equity (gearing)	6.2%

*Amul key figure(2011)*

<u>Sales</u>	90,578
EBIT (a) group	12 153
As % of sales	9.8%
<i>Capital expenditure</i>	5487
<i>As % of sales</i>	3.2%
Equity attributable to shareholder of the parent	55 425
Market capitalization, end December	119 879
Operating cash flow	10 578
Free cash flow (c)	4587
Net debt	4789
Ratio of the debt to equity (gearing)	5.8%
Net profit (b)	30 500

➤ **Interpretation: -**

Above Nestle figure shows the Swiss generate more net profit than AMUL and net debt is also less than the AMUL. It is also a good position in the market. Capital expenditure is also AMUL more than the Nestle. Nestle total sales is also more than the AMUL. Also made the prediction of the future. It will no.1 position in the market next year.

**COMPARISION BETWEEN PRODUCTS NESTLE V/S AMUL**

- **Nestle milkmaid:-** Lead silky strong category of milk in India with leading market share. Availability of the nestle product is first introduced in India 1912 and celebrating the hundred next year.





This brand is in India identical with tasty watering leave taste amongst the consumer.

Thousand of housewives across the country prepare delicious dessert speedily & easily with milkmaid a lot of enjoyment and appreciation of their families and friend.

➤ **Nestle active plus dahi :**



It is a refresh chunky and tasty with low fat dahi develop with kindness of more than 100 Crore pro-biotic in every portion (100g). It is work hard everyday to your digestive system is muscular and well fit.

➤ **What Is Pro-biotic:-**

Pro-biotic means “for life” Pro-biotic are good germs which nothing like any other germs in the Dahi are able to stay alive digestive juice healthier, to attain your help to improve digestion.

➤ **Advantage of active plus Dahi :-**

It contain a exclusive damage of pro-biotic from the lactobacillus acidophilus Pro-biotic family.

- Unique action taken to many positive benefit which show the way to well digestive system.
- Serve the 100g of nestle actiplus Dahi has to energy of 100crore probiotics.
- Consumer daily use these culture are more effective in digestive system as they replace bacterial with good bacterial and carry on your forceful & strong.
- Nestle actiplus Dahi is 98% free of fat making in the perfect food choice for a strong and week standard of living.

➤ **Nestle Everyday:-**



Benefit from 140 years of expertise the nestle has established in manufacturing dairy product around the world. It provided the milk of the highest quality standard delivery of the milk continuously effort to very best is reproduced in nestle everyday. Whenever you provide a cup of tea made with nestle everyday, you realize it's the wonderful cup of tea.

In India four cities are 8 out of 10 people choose a nestle tea everyday.

➤ **Nestle Everyday:-**



It Is A Pure Ghee With 100% Shuddha Which Is Safe And Sound By Hand And Hygienically Packaged.

➤ **Nestle Raita:-**



Is a single proprietary product from the nestle. It is currently available in Delhi. It present all the natural of Dahi with real zeera a taste are exactly like home made raita. It is also a digestion and low in fat only 1.5%.use this product to spice up your Dahi vada, papri chhat or paratha or theplas or simply mix up with vegetable to make healthy salad spread & yummy.

- **Nestle Neslac:- Nutrition milk for growing children.**



Nestle India start on highlight resolved to make child nutrition as another strong support to future growth and also maintain to be standard at the leader in nutrition. This help the child grow up to full probable and live a health life. Nestle great know-how and justice in the baby nutrition space to develop product for kids above 2 years of age.

- **Nestle Neslac:-**



It is only milk drink in the market. It has been particularly prepare to support the nutritional requirement of a rising child. This brand is also promise to mum's right choice for her child growth. It is a foundation of important nutrients like calcium, Zink, proteins, vitamin, and iron.

Nestle is launch the 'real fruit yogurts range in mango & strawberry flavors. 98% fat free and this product is perfect for understanding moment providing the healthy lovability. This new

innovation joins the real fruit and natural yogurt has been developed with consumer health trend & response from consumer.



Packaged In An Good-Looking Minimize Sleeved Tub And Approved By Milkmaid Brand, This Is Truly Stand Up To Carry On Their Assure “ANY TIME TREAT, ANY TIME HEALTH”.

Another improvement from the nestle dairy group nestle fresh and nestle slim dahi. low fat product in kind high quality product pasteurizing double toned milk made slim dahi is making with all goodness of nature dahi, it is a healthier and better 98% free & 100g serving providing as much 35% of your daily calcium needs. Dahi again & again match expectation of consumer in the basic product deliverable of time and time, delicious taste and thickness. Nestle slim dahi is tasty low fat way to a fit and healthy lifestyle.

➤ **Nestle slim milk:- ‘Keep fit look food’**

It has 0.3% fat and 70% less calories. When compared to buffalo milk. It goes to the procedure for ultra heat treatment to provide bacteria free to milk to its consumer. The preserved pack of this slim milk has shelf life of 120 days without refrigerator. It helps to everyday solution to reduce your fat eating. It is available in selected cities.

➤ **Beverages:-**

**Nescafe classic:-**



It Is 100% Natural And Pure Coffee Bean In To The Making A Every Small Pieces Of Nescafe Classic With New World Class Period System, You Get Better Off Scent And Great Coffee Familiarity Every Time You Have Your Favorite Nescafe Coffee.

### **Nescafe MFC:-**



Nescafe introduce in India favorite coffee Nescafe MFC. A single unify of 100% natural coffee & liquid glucose Nescafe MFC or my first cup offers a smooth coffee taste which will go you asking for extra. Thus, attain out & have your foremost cup of coffee with Nescafe my first cup.

### **Nescafe:-**



Is the desired moment coffee brand take to you a range of yummy from mixes.three pleasant variants are available – choco mocha,cappuccino,vanilla latte, this fresh range suggest consumer rich coffee taste & tasty foam. Thus, take this product to delight yourself & take pleasure a true café style experience at residence.

### **➤ Nescafe sunrise:-**



Rejoice your sunup together with a grand cup of new Nescafe sunrise. It also made with exclusive robusta & arabica beans that are exactly cook & granulated to give you comfortable fragrance and a charming coffee know-how that would go away asking for further. 70% coffee is beverage mix based instant coffee chicory in new Nescafe sunrise premium.



### **Nestle Ice Tea:-**

It Is A Unique Blend Of Natural Fruit Favour & Natural Tea Improve With Vitamin C. Take Pleasure In Its Huge Delectably Good Flavor. This Is Available In Two Excite Taste –Peach & Lemon.

Every glass of Nestea cold tea meet more than 50% of your daily essential for vitamin c. vitamin c support our body's protected & is good for you.

### **➤ Dishes& cookies:-**



Maggi is one of the largest and most appreciated snack food brands that describe the immediate noodles category in India.

### **Meri masala Maggie noodles:-**

The noodles that are entangled in a few of people's most superb understanding. Into totaling to the vast masala taste each pack give 20%RDA of calcium and 12% RDA of protein.



Nestle found the dried out soup market in the India and introduce first yummy and suitable pickup soups. The new healthy soup have been watchfully prepared during the R&D pains of nestle group and are quick to prepare, mouth watering, health & conveniently. This soup includes low fat, low cholesterol & real vegetable, no added MSG & free from added artificial colors living up to Maggie assure of “Taste Bhi, Health Bhi”.

These healthy & tasty soups are now accessible in a whole new variety of 8 yummy variants:

- Rich tomato
- Creamy chicken
- Hot & sour vegetable
- Sweet corn vegetable
- Tangy tomato vegetable
- Mixed vegetable
- Sweet corn vegetable
- Cream of mushroom
- Masala noodles soup

### **Maggie Souper Roni: -**

It is a tasty, fit, satisfy snack which is mixture of a soup and macaroni with actual vegetables. Marconi has appeals to kids & goodness of 1 koori suit and 2 calories vegetable and product. Which would meet mom's cooking average as healthy. It is also a no added a artificial colors and no added MSG but only a protein.



A grand new contribution from Maggie noodles ready to eat noodle small pieces. Everyone need to perform is now open & eat. And what's extra, it get nearer in two excite flavors, rocking chicken' and swingin-masala.

**Maggie noodles recently available in choose geography in north east in India.**



Maggie get to you nutriticious pazzata present to joy each brains! It comes in lip smoking flavor & shapestomato twists and cheese macaroni, Masala penne. Cook pasta can be easily prepared within 5 minutes. The entire nutrition product is prepared from 100% suji & also protein.



Pickup is 909 toy packs which make Maggie tomato ketchup reasonable to a mass of new consumer and enjoyable go on & on. Its engaging packaging, name and yummy taste remind a deep reaction. The new Maggie pickup-it's different.



➤ **Chocolate and confectionary**



Consumer has first choice for sweet delight and the sweet feel in the resentment of our new nestle dark chocolate has been particular deliberate to happiness folks appreciation in India.

Early 3000 years ago in south America become one of the world's most well popular extravagance's the early only one type of chocolate is available but now a days this chocolate are available to all around in the world.



**Nestle Kit Kat:** - It is a distinctive identify with a 'infringement' habit friendly involved to it. Nestle world number one brand is kit Kat all over the world 12 billion nestle kit Kat manipulate are addicted.



Thus, leave in front have split and like the new taste.



➤ **Which is the best milk of two: nestle slim milk or Amul Taaza**

Nestle slim milk goes from side to side free milk is to consuming of ultra treatment of bacteria. It has to be less than .5 content fat%. The preserved pack of nestle slim milk is life of 120 day without refrigerator. The packaging is a temper evident. The product goes through rigid quality checks and it can be consumed directly from the pack as no steaming is required.

Amul Taaza is long life pasteurized milk. It is fresh and only fresh milk, with the help of the temperature like ultra high technology it also processed. The ultra high temperature makes sure zero microbial creation. While conserve the maximum flavor, nutrition value and taste. The packaging system protects the product beginning light and air and assurance a long projection life of 180 days not including refrigeration.

Amul Taaza includes 1.5% fat and 9% SNF at least and is perfect for coffee and tea whitening and setting for curds. It is also a drinking instantly from those would akin to enjoy the experience of the goodness of expected through remove the risk of too much fat! Amul Taaza comes in well suited 200ml, 500ml, 1 liter packs.

➤ **AMUL Vs Nestle vs. Mother Dairy: India develop dairy products**

**Distinguish between Nestle, mother dairy & Amul**

The India has been the biggest and longest milk and milk goods promote in the world. If the increase of this sector is extrapolated, it is experiential that in the next ten years manufacture will add to about three times today's information. India produces milk with the lowly cost at something like 40 cents per Liter. Britannia, Mother Dairy, Nestle are several of the main company that create milk and milk products in India. Through, factor such as lack of sufficient quantity of food and inaccessibility of veterinary treatment center have cheap the give in of milk per animal. This item compares India's three most fashionable organization of dairy is nestle, AMUL & mother dairy



➤ **Organization**

Switzerland run its contributing name of nestle India. Those have system seven factories all through the kingdom. Separately from India, Nestle S.A. operate in 85 other country. In 1905 Nestlé's originate name is henry nestle. It grows quickly between World War I. It's essentially GCMMF (Gujarat Co-Operative Milk Marketing Federation). It has win a variety of state award which include the Ramakrishna National Quality Award Rajiv Gandhi National Quality Award. Mother Dairy is being the owner of by NDDDB (National Dairy Development Board of India). These were recognized in 1974 and is an ISO certified association.

➤ **Products:-**

They have 6000brands. Nestle offer its goods in four category viz. Milk product and nourishment, beverages, chocolates, cooking aids & confectionery product prepare polo, Maggie, chitchat & Nescafe, every time are all of very well-known brands. Ghee, ice-cream, butter, cheese & so on. Its revenue was 67.11 billion Indian Rs in 2010-11. They have more than 50 products in the Indian market. Mother Dairy, on the other hand, in adding to its milk products, offers the Safal – range of fresh fruit juices and Dhaara - range of edible oils. It has approximately two hundred thousand outlet crossways the India.

➤ **Production & Earning:-**

Nestle is in 2010 record 10.43 billion CHF net profit. A main piece of the come from USA and Europe, among 16% upcoming in the Asia. Mother dairy's each day market of milk is 2.8 million with a marketplace allocate of 66% percent in the celebrated sector. It has its main market in Hyderabad, Sarasota, Delhi, and Mumbai. In 2010-11 AMUL has milk treatment ability of 11.2 million liters per day and record a sales return of \$1,504 million (US).

➤ **Synopsis**

**AMUL**

- Rajiv Gandhi National Quality Award and Ramakrishna National Quality Award winner.
- AMUL own GCMMF (Gujarat co-operative milk marketing federation)

- AMUL's milk usage capacity of 11.2 million litres per day.
- AMUL butter, ghee, ice creams, delivers milk, cheese etc. and has over 50 products.

### **Nestle**

- Nestle S.A. run its supplementary in India with the first name Nestle India.
- Nestle has a total of six thousand brands.
- A net profit of CHF 10.43 billion in 2010, it was Asia from 16%.

### **Mother Dairy**

- Mother Dairy is establish in 1974 and
- Mother Dairy is an ISO certified organization.
- It is be the owner of by NDDB (National Dairy Development Board of India).
- Every day 2.8 million liters around mother dairy market.

## **3.2 PRESENT POSITION OF NESTLE IN INDIA**

**Nestle India Pvt. Ltd.**

**Financial Result for The Quarter Ended 31<sup>st</sup> 2012**

Particulars	31-03-2012	31-12-2011	31-03-2011
Income from operation			
1) Net domestic sales	194614	186245	171195
2) Export sales	10131	9223	9804
a) Income from operation	204725	195468	180999
b) Other operating income	842	802	444
	205587	196270	181443
<b>Total income from operation(net)</b>			
Expenses			
a) Cost of raw material and consumed	98870	93695	90959
b) Purchase of stock in trade	3132	3305	2241
c) Changes in inventory of finish good, work in progress and stock in trade	(8166)	(8197)	(4791)
d) Employee benefit expense	15468	14607	12048
e) Depreciation and amortization expense	5277	4460	3271
f) Other expense	49717	50790	42009
g) Impairment of fixed assets net-	-	1039	-
h) Provision of contingency net from operation	1286	988	691
<b>Total expense</b>	165584	160687	146428
Profit and loss from operation before other income [4], finance cost [6], other contingency [6(2)] and exceptional item [8]	40003	35583	35015
Other income	517	1005	831

Profit/loss before finance cost [6] , other contingency [6(2)], exceptional item[8]	40520	36588	35846
Finance cost	227	331	7
Provision for contingency net-others	-	1698	-
Profit/loss finance cost but before exceptional item[8]	40293	34559	35839
Profit/ loss from ordinary activity before tax [7-8]	40293	34559	35839
Tax expense	12720	11476	10268
Net profit/ loss from ordinary activities after tax [9-10]	25753	23083	25571
Net profit/loss period	25753	23083	25571
Paid of equity share capital	9642	9642	9642
Earning per share	28.60	23.94	26.52

**Statement of the assets and liability as per December 31,2011**

**PART-I**

Three month Year ended			
	31-3-2012	31-12-2011	31-3-2011
Particular of shareholding			
Public shareholding			
- No.of shares	35900637	35900637	35900637
- Percentage of shareholding	37.24	37.24	37.24
Promoters and promoters group shareholding			
a) Pledge incumbered			
- No.of shares			
- Percentage of shares			

B) non incumbered			
- no.of shares			
- Percentage of shares (total A% of shareholding the promoter group)	60515079	60515079	60515079
- percentage of share(total share capital of the company)	100.00	100.00	100.00
	62.76	62.76	62.76

## **PART- II**

<b>Particular</b>	<b>Three month ended 31-3-12</b>
<b>Investor complaint</b>	
Pending of the beginning of the quarter	0
Receive during the quarter	5
Dispose of the during the quarter	5
Remaining unresolved at the end of the quarter	0

### **Interpretation:-**

External commercial borrowing for capital expenditure



During the quarter us dollar 21 million were down from nestle sa for 5 years under the ECB from reserve bank of India. The total amount outstanding as at 31.03.2012, was usd 157 million ( rs. 80306 lakhs). The cost of this borrowing for the quarter, after reckoning the overall exchange difference, is a net gain of Rs. 2005 Lakhs. The cumulative cost of this borrowing over the loan period up to march 2012, including interest and exchange differences.

Comparison are with reference to three months ended 31.03.2011

1. Domestic sales growth of 13.7%, led by higher realizations, has been adversely impacted by product portfolio and channel optimization. Exports to third parties has grown by 6.3 %.
2. The increase in other operating income is largely due to export incentives.
3. The cost of material for goods sold [2(a)+2(b)+2(c)] in percentage of net sales has decreased largely due to higher realizations and product portfolio/ channel mix, partially offset by higher input cost.
4. Figure of quarterly ended 31.12.2011 are the balancing figure between audited figure in respect of the full year ended 31<sup>st</sup> December, 2011 and published year to date figure upto the third quarter 30<sup>TH</sup> September, 2011.

**Nestle India Pvt. Limited**

**Audited financial result for the year ended 31<sup>st</sup> march 2011**

Particular	31-12-2011	31-12-2011
Net Domestic Sales	709503	590102
Export sales	39579	35273
A) Net sales income from operation	749082	625475
B) Other operating income	2364	1889
<b>Expenditure</b>		
a) Increase / decrease stock in trade and work in progress	(4829)	(8294)
b) Consumption of raw and packaging material	352285	304281
c) Purchase of trade goods	11480	9571
d) Employee cost		
e) Depriciation	54646	43344
f) Other expenditure	15333	12775
g) Impairment of fixed assets-net	180223	151608
h) Provision for	1039	-

contingency-operation	2873	208
<b>Total= a+b+c+d+e+f+g+h</b>	<b>613050</b>	<b>513493</b>
Profit from operation before other income [4], interest[6], other contingency[6(a)] and exceptional item[8].	138396	113871
Other income	2725	2376
Profit before interest [6] other contingency[6(a)] and exceptional item[8].	141121	116247
Interest and financing expense	511	107
Provision for contingency-others	1817	1629
Profit after interest but before exceptional item	138793	114511
Tax expense	42648	32645
Net profit from ordinary activities after tax	96155	81866
Net profit for the period	96155	81866
Paid up equity share capital ( face value rs.10 per share)	9642	9642
Reservation excluding revaluation reserve as per	117753	75900

balancesheet		
Earning per share	99.73	84.91
<b>Public share holding</b>		
-No.of share	35900637	35900637
-Percentageof shareholding	37.24	37.24
<b>Promoter &amp; promoters group shareholding</b>		
<b>a) Pledged</b>		
– no. of share	-	-
- % of share	-	-
<b>b) Non pledged</b>		
– no. of share	60515079	60515079
- % of share	100.00	100.00
_% of share (share capital of the company)	62.76	62.76

**Nestle India Pvt. Limited**

**Statement of the assets and liability as per December 31,2011**

Particular	As at 31-12-2011	31-12-2010
Shareholders fund		
a) Capital	9642	9642
b) Reserve and surplus	117753	75900
Loan fund	97087	-
Deffered tax liability	4350	3327
Total	228832	88868
Fixed assets	299439	136165
Investment	13437	136165
Current assets, loan and advances		
a) Inventory	73404	57595
b) Sundry debtor	11542	6329
c) Cash and bank balance	22721	25529
d) Other current assets	-	-
e) Loan and advances	19635	15144
Less: Current liability and provision		

a) Current liability	100963	76167
b) Current provision	110383	90794
Miscellaneous expenditure	-	-
Profit & loss account	-	-
Total	228832	88869

**Interpretation:-**

**External commercial borrowing for capital expenditure**

During the US dollar 136 million were drawn down from nestle Sa for 5 years under thw ECB approval from reserve bank of india. The total amount outstanding as at 31.12.2011, is USD 136 million. The ytd cost of this borrowing including interest and exchange loss, is Rs. 11687 Lakhs which is 43.1% on an annualized basis.

**Quarter ended 31.12.2011 with reference to quarter ended 31.12.2010**

Net sales have increased by 17.0%. domestic sales have increased by 16.7% on account of selling prices and volumes. Exports growth of 23.2% has been favourable impacted by the depreciation of the Indian rupee, offset by the ban on export of milk powder.

1. Net sales have increased by 19.8%. domestic sales have increased by 20.2%. on account of selling prices and volume. Growth of 11.9% has been adversely impacted by the ban on expert of milk powder.
2. The increased in other operating income is largely due to export incentives.
3. The increase in tax expenses is higher than the increase in profit before tax due to the end of the first 5 years of income tax holiday @ 100% of the profits. Effective April 2011 for the next 5 years, the tax holiday will continue @ 30% of the profits.

4. Fixed assets and current liabilities have increased largely to the ongoing capacity expansion projects.
5. The increase in Sunday debtors is mainly due to change in payment terms with nestle kuban llc for ensuring coffee sales to Russia. This changes was necessitated due to the discontinuation of rupees auction by the Russian ministry of finance and thus the use

#### PRESENT POSITION OF NESTLE (EXPORT/IMPORT) WITH INDIA/ GUJARAT

Nestle India today posted a 19.50 % in F.M.C.G firm increases net profit RS.261.18 crore in third quarter ended September 30, 2011 against the same time last fiscal. Related quarter last fiscal nestle, which sell chocolate and other related item, had net profit of Rs.218.56 crore. Throughout the quarter , the company net sales stand at Rs. 1,963.10 crore, 19.89 % up from Rs. 1,637.30 crore posted in the ago year period. Firm credited more growth to current development of its built capacity, management of price despite high inflation and improvement of sale channel.

“19<sup>th</sup> repeated quarter delivered double digit profitable growth. Continue to build the good position future, providing highest market share with the help of manufacturing capacity gain a strong market position”. Chairman and managing director of Nestle India limited Antonio Hello Waszyk giving statement.

Domestic sales have increased rapidly 20.7% to rs. 1877.15 Crore. nestle has stronger its position regarding explosive and unpredicted environment all the way through optimization of group, importance of sales channel and management of price.

Export income during the quarter stood at rs. 85.95 Crore high 4.5 % from the year ago period. Nestle India said ban in the export of milk powder because it was adversely impacted. In market share is close down with the price of Rs. 4,498.95 per share in BSE, it was up 1.83% from the earlier close.

## **CHAPTER 4**

### **POLICIES AND NORMS FOR IMPORT /EXPORT OF SWITZERLAND AND INDIA, TRADE BARRIERS OF SWITZERLAND**



## **4.1 POLICIES AND NORMS OF SWITZERLAND IMPORT / EXPORT**

## **Policies and norms of Switzerland for export to other country**

- **India import from Switzerland.**

One of the additional motivating equipment we educated though symbols about India's main buy and sell associates was to Switzerland was the nation so as to India run it's chief operate debts .

While they look ahead to India to introduction a set further than it export to oil produce country – a small piece amazed to witness with the intention of smooth Switzerland cut down into that group

We looked up additional data on what India purposely import from Switzerland and here are the information the heading of the product name are quite long and I've retain the similar thing that we establish on administrator division of trade website.

➤ **Commodity**

1 Usual or refined pearls, valued stones, metals, fully clad with pre .metal and article thereof; limit. jewelry; currency. (\$22,815.23 in millions 2011)

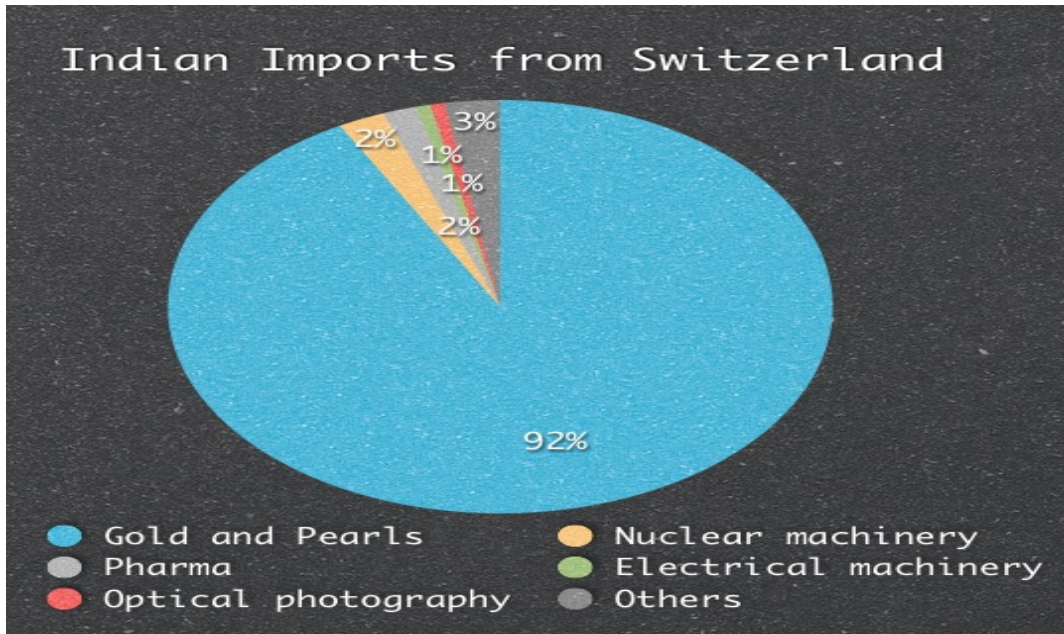
2. Nuclear reactors, boilers, equipment and automatic appliance parts thereof. (\$565.12 in millions 2011)

3. Pharmaceutical goods (\$410.48 in millions 2011)

4. Electrical equipment and part thereof; noise recorders and reproducers, television picture. (\$172.46in millions2011)

5. Visual graphic cinematographic measure, checking accuracy, checkup or surgical inst. and machinery parts and trimmings thereof; (\$170.91in millions2011)

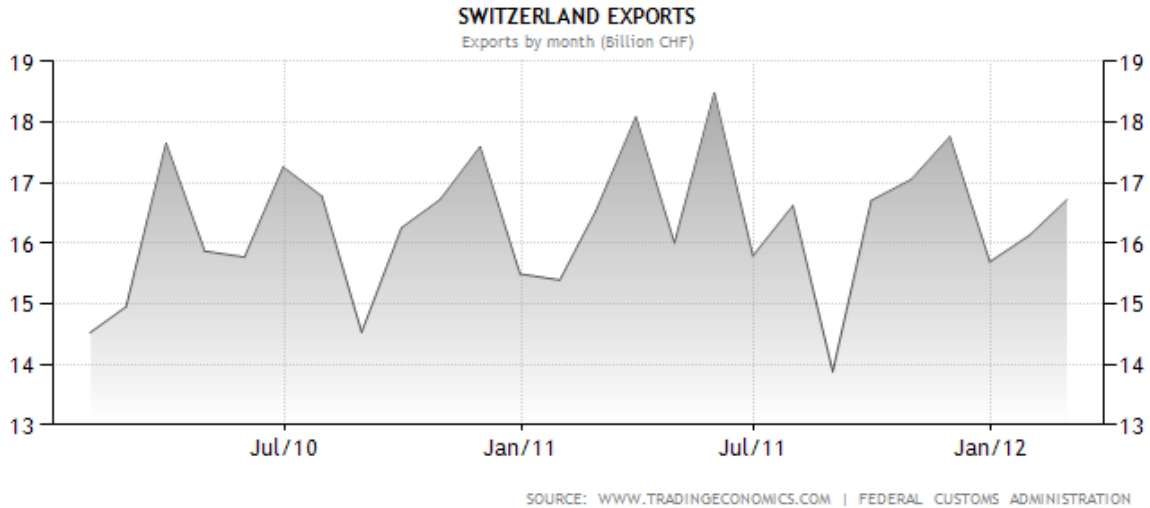
We believe the first group consists mostly of gold bars and here's a pie chart that we believe actually drive house the end



### This Graphical Data as Per 2011

see the size of the import are gold and pearls and we believe gold must be the main ingredient in this group additional, we believe so as to the gold citizens pay money for asset like gold and gold bars and money sold by bank comprise a big part of these import since this group grow by **75%** the previous year and citizens rapidly didn't start export that much added jewelry. This group also happens to be the key cause for expansion in import from Switzerland which grows by **68%** taken as a whole in the final year. This will almost certainly not develop as a great deal this year so the shortfall circumstances may transform, but it's really astonishing how one product can drive so many enlargements in now one year.

It will be attractive to see anywhere else does India bring in its gold since but that wants to be the subject of one more post.



➤ **Clearance Process**

society consent used for Switzerland is naturally complete automatically all through a organization called imitation 90% that afford a connection amongst culture and the importer's background negotiator (Manual entry is usually used only for those goods that accompany a person exiting Switzerland.) An official export access is essential for all non-document shipments. Though entries are submitted automatically, a waybill and a profitable statement are necessary for all supplies excluding for a few merchandise so as to be underground as documents.

Previous toward submit the entry automatically to traditions; the civilization adviser determines if a few of the satisfying are focus to authoritarian wheel such as an export permit. Convinced merchandise (rough tobacco, goods that were imported temporarily, etc.) are disqualified starting the electronic compliance process. Intended for persons shipment, the traditions agent or the exporter determination present the ethnicity documents physically to ethnicity official next to the port of export.

A society reviews the electronic entrance and responds through one of the following permission communications, typically in 60 minutes or less.

- Free / without (Export is completed using electronically submitted information.)
- Free / with (Export is permitted, but additional documentation must be submitted within regulatory deadlines.)
- Infertile (Export is not acceptable pending the documents and/or consignment filling are examine and accepted.)

Shipment so as to are "free" and "free / with" are qualified for direct export. For "free / with" and "infertile" shipment, the traditions adviser motivation present any required documents in their control. Used for "fruitless" shipment, stipulation ethnicity or single of the narrow agency set extra surroundings (such as an inspection or a license) that must be proficient previous to civilization agreement, the society dealer determination support their customer in rewarding the necessities.

Swiss exporters are obligatory toward keep viable documents connecting to a operation for five existence as of the appointment of export permission. These documents may be compulsory for ethnicity review purpose. Exporters who be unsuccessful to keep records may be fine.

➤ **Examination of export cargo**

Consignment, which is conventional used for export is topic to traditions organize and as such is liable for assessment. Background officer scrutinize export shipment for a variety of reasons such as verifying the merchandise next to the certification, to detect prohibited commodities, etc.

➤ **Document Requirements**

- **Export Permits / Licenses**

Confident possessions necessitate authorization from an administration association previous to they can be officially exported. Submission to the suitable group is the accountability of the exporter and should be initiated at least several days prior to the predictable date of export. Approval of authorize requests is not always decided.

- **Cites Export Permit**

This form is issued by the Federal Veterinary Office and must be completed when exporting goods protected under the Convention of International Trade in Endangered Species of Wild Fauna and Flora in order to receive an export permit. If the product you are shipping is derived from an endangered animal or plant species, a Export Permit is required.

- **Export Controls**

while export merchandise are focus to narrow pedals with an sell abroad authorize or permit is necessary, the exporter is accountable for requesting sell overseas agreement beginning the suitable section or organization. A few in time supplies are suitable for a influence acceptance exception to allow exportation of shipments of short power without a certificate or allow. Although lenience restrictions are usually based on coarse influence, civilization does approve easiness immunity for a few goods base on network mass.

- **Goods Subject to Export Controls**

The next commodities are limited by regulation and focus to sell abroad endorsement and/or have to get together additional narrow necessities excluding are satisfactory for exportation happening FedEx expressive global precedence examination:

- Confident farming commodities
- Merchandise to have together services with resident uses (i.e. "dual-use")
- Drugs with additional chemical
- Fuels
- Confident knife Motors, turbines positive article complete of steel/flatten ,Copper
- Radar along with additional routing campaign
- Vehicles (ground, air, water)

➤ **Switzerland Export Prohibitions**

➤ **Prohibited Goods**

Supplies to be totally illegal comprise the following:

- Radar Detectors although this merchandise are prohibited used for trade in and sell abroad, they might be chosen for go back if right request and stated to society and the supplies contain not previously be known a command to be cracked.

- Supplies that are forbidden for Export from Switzerland generally necessitate license and or added certification or request to sell abroad. a number of the merchandise topic to wheel are watch, expensive metals, martial supplies, drugs, squander food, farming produce, plus oil and auto goods

➤ **General rule and regulation of Switzerland for import of goods**

- **Import regulations::**

free import of tobacco products, being 200 cigarettes or 50 cigars or 250 grammas of tobacco, and alcoholic beverages, being 2 liters up to 15 % volume and 1 liter over 15 % volume as per 2011,For quantities imported in excess of this allowance a tax of CHF 4,60 applies per 0.1 liter. Subject to payment of import duty: maximum allowance of wine: 20 liters. For wine in excess of above limits very high import duties apply. No duty free quantities for crews.

Personal effects such as clothing, underwear, toilet articles, sports gear, cameras and amateur cine cameras, a normal quantity of film material for the respective cameras, musical instruments and other articles of general use required during a sojourn or a trip. Only used personal effects are duty exempt. Goods without distinct traces of use may be subject to import duty the amount paid is refunded upon re-export if import document is presented.

Gifts (incl. perfume) for residents of Switzerland, provided absent abroad at least 24 hours, can import up to CHF 200.- (For children under 17: CHF 100.-) Only for own use, as souvenir or as gift for third person. Excluded are foodstuffs/goods intended for stocking up. Simultaneously

imported parts/pieces of a whole (e.g. of a dish) are considered as one object. Objects exceeding the value of CHF 300.- are taxable in their entirety (even if imported in common by more than one person). Other passengers are assigned a limit of CHF 100.- Not for own use, only as gift for third person. (For children under 17 years: CHF 50.-) as per 2011.

Possessions not incorporated in complimentary list as above (but excl. of categories tobacco products and alcohol beverages and goods for stocking) for own use only: up to CHF 50.-. (2011)

Food as of EU Member States is allowable, provide for personal consumption; Food from non-EU Member States: it is forbidden to bring in any meat, eggs, milk, honey or other products of animal origin.

➤ **Temporary importation and exportation of goods**

- **General**

In attitude import duties are meant to be levied on foreign goods which stay in the Swiss customs subject and are released for the free movement. I.e. in the majority cases impressive import duties is not acceptable while the imported goods, after being used for the moment, are re-exported. Used for cases such as these, the civilization provisional entrance procedure was shaped. Below the old Swiss Customs legislation (in force up until 30 April 2010) temporary admission was dealt with under the so-called "Freispassverfahren".

- **Forms: customs declaration for temporary admission (CDTA)**

The momentary permission customs statement must be submitted in symbols when the goods are imported or exported. This occurs with a society announcement for provisional access with forms 11.73 or 11.74 as per 2011. This must deal with goods whose uniqueness can be recorded. Within the bulk of luggage, the customs offices are directly accountable used for granting the application for provisional admittance.



- **Scope of application**

Within principle approximately all types of goods can be confirmed by the temporary admission procedure. However, changes to the goods are prohibited with the immunity of change as a result of a decrease in cost due to custom or exclusively outstanding to events to do with maintenance. To finish the goods have to, right from the start, be used only provisionally.

Used for positive types of goods and application, the global Carnet may as well be used for the purposes of a customs declaration.

The most significant categories involved in temporary admission are: professional equipment, goods for use at exhibitions and fairs, certain means of transports and pickings.

- **Duration of the temporary admission**

The occasion border for utilization of the provisional entrance process is limited in principle to two years.

An addition for that time limit provided popular for only 3 times in a 1 year and it is submitted symbols before the limit expires. In the container of merchandise intended for which the temporary access in the customs territory is longer than two years, the customs duties will be permanent on the basis of each full month or month started amounting to 3 % of the amount as per 2011 which would have been compulsory in the case of introduction the goods into free pressure group definitive traditions approval

There is the following individual regulation for cattle: the provisional right of entry process is only possible for one year and can only be extended for one year.

- **Single or several border crossings**

The civilization statement for provisional access is as a law used for one import into the culture realm or the exportation or exportation/reciprocation into the customs region. For horses, goods sample and resources of transfer, several border crossing are potential but have to be correspondingly functional for by the declaring.

- **Providing guarantee (fiscal security)**

In each case the society office require a assurance (deposit) equal to the import duty, which usually would contain been compulsory on release for free flow. For commercial supplies the assurance can be provide by deposit cash, a credit assurance as of a civilization agency or by deposit securities. In the case of a full and on time exportation of the goods, the put provide or the praise pledge will be free.

- **Special case: "Goods for uncertain sale"**

Within the container of merchandise for "unsure sale" a traditions declaration for provisional entrance to Switzerland can only be issue if the proprietor of the supplies is a being domiciled overseas. If these circumstances are not met, i.e. if the proprietor is occupant in Switzerland, then approval for the provisional entrance of the region Directorate of society is essential.

- **Compensatory tax (value-added tax VAT)**

Consideration for the use of goods imported under the customs temporary admission procedure is subject to VAT.

The VAT is intended based on the rent to be salaried or the recompense. If no reward or reduced recompense is request, the sum which would have been intended in renting the supplies to a self-governing third party is important. Duty ensues when the civilization process has been completed.

- **End of the procedure**

When the provisional society admittance process ends, the merchandise are, as a rule, export again or bring back to Switzerland another time. In such cases, the end of the provisional entrance procedure, the supposed extinction must be practical for with the society statement "provisional entrance/extinction", shape. 11.87as per 2011. In the container of residual in free flow, the goods will be tax for import and in the container of residual overseas the provisional admittance modus operandi will be finished from side to side an export process.

- **Various factors**

The provisional admittance process may be without, edited in period, or for reason of an financial or profitable natural world, may be made topic to required approval.

For faulty goods which to be repair and have to be import or export, an request for inward or outward dispensation and no provisional admittance process application must be complete.

A background process with which duty can be save but which stipulate additional compound monitor measures is not forever in the lasting less expensive than post in the free flow procedure and the connected burden of bring in duty.

- **Import Controls**

While imported commodities are focus to narrow wheel and a trade in authorize or consent is necessary, the importer is accountable for requesting introduces accord as of the apposite subdivision before organization. While extremely little merchandise need to allow be obtain earlier to trade in, load absent basic license be topic to consent delay.

A few in time produce be suitable used for a burden acceptance exception to allow import of shipment of short load with no a allow or permit. Though acceptance limits be usually base on coarse influence, civilization do approve charity release for a few produce base on web load.

Society establishment are required to achieve wide and/or chance appraisal of every one supplies. They are obliged to procedure the filled conduct of the examination of the produce select for judgment. They are to cover stability in request of all essential limitations with use sensible mind inside their determinations. If leading assessment, commodities are resolute toward live of a pornographic before aggressive life they be topic to detainment and/or exclusion. society establishment be obliged to directly advise the community prosecutors agency in the Kenton (province) wherever the receiver reside before the municipal prosecutors agency have control more than the society inside which the receiver reside. Pictures require a trade in permit/license is not topic to these actions. The final purpose with enforcement of these detained

goods is complete during the management policy and process of the Cantonal administration and punished by their law. The accommodation of complaint about these events in use by civilization establishment is not allowable.

- **Weight Declarations**

people responsibility for almost all materials are bottom on the coarse heaviness of the thing burden of the high-quality advantage the weight of its covering so it is vital that the mass of each product be provide for background purpose. It is also useful to comprise the net load since sure merchandise topic to high duty rates such as tobacco, watches, jewelry, etc. have responsibility rates base on the netting mass.

### **Document Requirements**

- **Air Waybill**

An atmosphere waybill identification the importer or exporter for society purpose

- **profitable account**

- Mandatory used for all import and export shipment. The coarse influence of the merchandise be obligatory with the net mass may advantage the importer through falling responsibility or excise on positive supplies and might excepted confident little influence shipment from authorize or consent necessities.

- **Certificate of Origin**

Certificate of foundation are second-hand by Switzerland to decide shipment qualified used for superior responsibility conduct. The shape be necessary beneath operate agreement by confident European deal group. The GSP appearance A is compulsory while special conduct beneath globe operate association agreement be request used for shipment as of increasing countries. It must be shaped at the occasion of access and have to be in the control of the importer at the time of entry. Copies are not suitable. The state of basis of the supplies must also be exhaustive on the profitable statement.

## **Carnet**

permission Temporaries - provisional access carnet is an global traditions text that might be used for the brief duty-free introduction of confident sample, deal explain commodities, and specialized equipment that will be re-exported in the equal state by the identical festivity inside a partial quantity of moment. The carnet is frequently issue in a hall of business in the owner nation with be valid for one time. The carnet serves as a agreement next to the expense of obligation which would live payable condition the products is not re-exported. It have to be validate using society, start with traditions in the owner's state, on moment in time of trade in and re-export in order to succeed for duty-free behavior. Unacceptable justification might guide to fine with penalty in adding near appraisal of standard duty and excise. Shipment issue to a carnet is not suitable on any of FedEx's worldwide main concern military.

- **Declarations / Notifications**

Positive supplies need to the importer or exporter give the rule with exacting consignment in order following society permission of the merchandise. These commodities might be accepted as of permit or additional narrow necessities.

- **Import Approval**

Convinced supplies need trade in agreement as of single otherwise more administration ministry. The importer has to present an request form to the adaptable department, which force relate its trample/seal to the trade in endorsement relevance shape while it grant agreement. Although there is one main import consent claim shape, confident possessions (textile, monster products, food, plant goods, animal products, etc.) need a shape exact to the product.

- **Phytosanitary Certificate**

This is documentation starting the proper administration group inside the state of export that certifies that the place or plant produce is at no cost as of disease. Swiss policy might also need that the foreign agency confirm that the region in which the deposit be developed or process is complimentary as of exacting pests or disease.

- **Veterinary Certificate**

This is documentation as of the suitable administration charity inside the nation of export that the creature or animal protein produce be infection complimentary and/or to the region anywhere the creature live or the formation be process be free from exacting pests or disease.

- **Textiles Certificate of Origin –**

Certificate of source possibly necessary used for the introduction of fabric products respected at or over 45 Euro. Exceptions as of this include: textile goods declining below sector XI of the classification, patent and mutilate sample; belongings complete happy of material equipment, image luggage, and authentic contributions with individual things. The state of source is necessary to live confirmed on the saleable statement. If special obligation be human being claim, behind ID such as a shape A is compulsory.

- **Customs Valuation**

At the identical time as here be a number of method of value supplies for society purposes, the technique most practical (transaction value) is base on the cost in fact remunerated (or allocated) used for the import commodities focus to positive modification.

A main situation used for with the contract worth is that present be no association among the consumer with vendor, which might authority the value.

- **Import Duties**

Every one supply incoming or exiting Switzerland has get to obvious civilization. Import is topic to people responsibility, cost additional excise, with remove obligation excluding for persons exempt under parameter. Inside a few situation import might as well be topic to anti-dumping or countervailing duty, which effect in the burden of added charge of duty. Duty and excise have to be remunerated previous to civilization will discharge merchandise used for trade in

- **Duty Rates**

Civilization duty be assess at a "precise" pace (i.e. a set amount) with are typically base on the unpleasant burden of the import produce (comprehensive of mass of covering). though, since society might utilize their maturity with stand obligation incidence the network heaviness as a substitute of the coarse burden for positive merchandise (tobacco, watches, jewelry, etc.) to comprise extremely elevated responsibility tax, it be optional to the exporter comprise equally netting and coarse heaviness of every produce happening the profitable statement with waybill every time achievable. tax of obligation contrast base on the precise creation and are accessible inside the corresponding import tax agenda of Switzerland. even if the rate is as elevated as 3,999 CHF/kg grosses per 2011 import society duty regularly exist between 0 and 40 CHF/kg common as per 2011. In a few situations, anti-dumping or countervailing events, which consequence inside the obligation of extra tax of duty, may as well be relevant....

- **Antidumping**

The Association negotiates with official authorities for solving problems at every level of export process, ensuring the decisions to be taken and realizing organizations for that goal.

Switzerland do examine the GATT system below piece VI with position to antidumping events as well as the WTO values for fulfill with these events.

- **Excise Duties**

Switzerland do apply remove excise on tobacco and tobacco goods, stone oils, automobile with their part.

- **Additional Duties**

Switzerland capital the right to be relevant extra duty toward a few merchandise counting farming commodities old for being supply.

➤ **Import Taxes**

• **Value Added Tax (VAT/TVA)**

Worth additional duty is levy happening import merchandise. The usual VAT speed is 7.6% (2011), but a few produce are excuse as of VAT or be entitled for a summary speed. VAT is planned on the business value of the produce, bonus all charge to the haven of access (counting freight and indemnity) plus point the quantity of society duty, if any.

The majority importers contain a VAT numeral. Although supply the VAT figure at time of admission or sell abroad is not a obligation, have it on the consignment papers can help Customs and the importer's civilization agent in the traditions permission procedure.

Swiss VAT rate changes 2011 to 2018

4th October 2011

The Swiss tax authorities have issued the below guidance on the temporary VAT rate changes from 2011 to 2018. The changes in VAT rates are as follows:

<b>Old VAT Rate 2010</b>	<b>New VAT Rate till 2011 to 2018</b>
7.6%	8.0%
3.6%	3.8%
2.4%	2.5%

The correct rate to apply during the transition is determined by the point of time of the supply of the goods or services. Taxable supplies made after January 2011 should be charged at the new rates, even if the invoice and/or payment was made in 2011

• **Refunds**

Importers might be qualified used for VAT compensation happening commodities that are re-exported from Switzerland inside 60 survival of trade in. (For example, the produce do not convene order necessities and are return to the overseas transporter). The importer has to be capable to supply evidence that the goods be import and re-exported within the 60 days time for them to be VAT-free. Proof that the goods here in the shipper's state may also be requisite. a few supplies are also adequate for refunds on society duty depending on the situation and if that the repayment claim is submit inside narrow deadline.



## **Other Taxes**

At occasion of trade Switzerland impose extra taxes on convinced supplies. A domination tax is practical to nearly all strong products. goods focus to veterinary and/or phytosanitary wheel are question to tax. Tobacco, sandstone oils and lubricants, vehicle, and unstable natural chemical are also theme to additional taxes in.

- **Customs Fees**

Present subsist additional charge review while appraisal of provisions be essential, this apply to a lot of merchandise complete of and or contain nature, vegetation and their goods.

- **Exchange Controls**

Switzerland has refusal switch control in position.

- **Consular Fees**

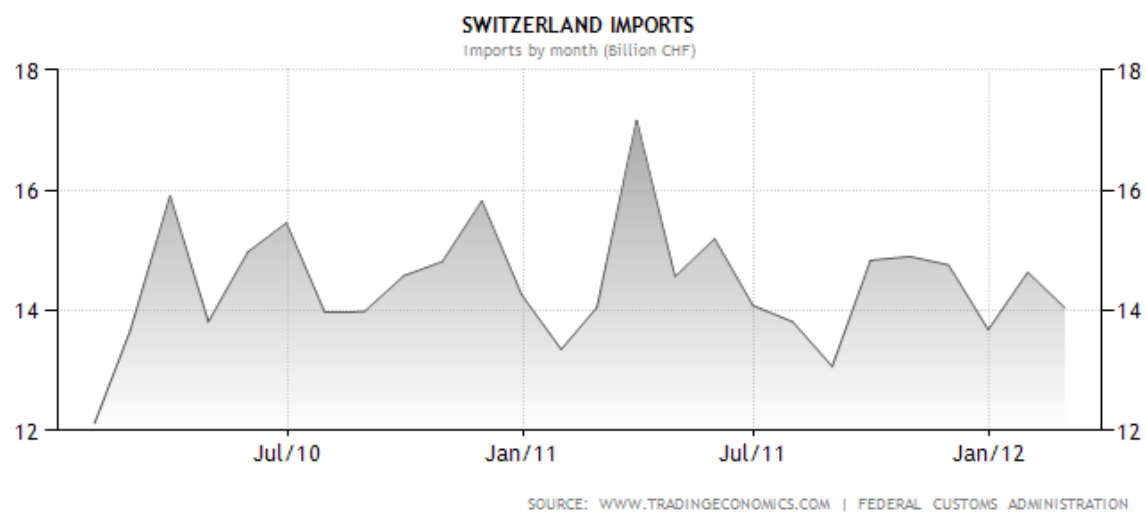
Switzerland has no consular fees.

- **Goods Subject to Import Controls**

The next supplies are limited by rule and focus to trade in consent and/or must get together other narrow necessities but are suitable for import on FedEx Express global precedence examines:

- exploit and dairy goods counting cheese
- cereal and search food
- white meat, pastime, seafood
- produce
- Drugs and other chemical
- intoxicating beverages
- valuable metals, watches, jewels

- **import so as to be eligible for society duty exemption (but may be topic to duty 2011)**
- Containers used to express products (i.e. pallets, crates, etc.)
- undersized assessment products elated in the postal organization inside distinctive covering
- manufacture in diminutive quantity transported crosswise the limit by traveler
- sample not more than 50 CHF per consignment
- supplies export and returned in an unchanged state (proof of export may be necessary)
- individual supplies accompanying a Swiss or foreign explorer



Here Switzerland show a graphical base import in billion by month wise that during the July of 2010 it is around 15 billions that up and rise with the passing of year and reach 14 . 50 by Jan 2012 and this data is base on total import of all products.

- **Policies and norms of Switzerland for food industry**
- **Food law in Switzerland**

Food law do not simply guard community physical condition from dangerous foodstuff, but regulate also the opposition in the provisions market by supplies on quality and the guard alongside deceptive in order.

In order to decrease trade barrier with the European Union, Switzerland has tried to acclimatize the Swiss foodstuff rule to the European law. The consequently called „self-directed adjustment” has led in the previous years to steady revision of the obtainable system. Some Swiss particular necessities for the cause of physical condition defense persevere for example a optimistic list of fitness connected allegation for foodstuff the foreword of utmost quantity for transfers or the manage of wrapping inks.

As per 2011 Swiss producer now income beginning the next measures: Swiss particular supplies will be abridged time after time in the background of amendment and further than that. Export Swiss enterprise will be clever to put up for sale their Export foodstuffs artificial according to European manufactured goods system also in Switzerland. Non--exporting Swiss enterprise can make their foodstuffs for the Swiss marketplace according to the system in the case of not present or imperfect coordination according to the system of any constituent status. The opening bring in of food need an agreement of the central Office for community healthiness

Switzerland maintains shut deal family members with the European Union, which has resulted in the formation of more than a few deal agreements in excess of the previous four decades, counting:

The cover accord 1989: The do something certain insurance companies from Switzerland the correct to set up operation wherever in the EU lacking much lawful limits

Additionally, Switzerland entered a bilateral agreement with the EU in 2011 to:

- make easy community procurement
- take away technological deal fence
- hold up farming
- give confidence free group of labor

The agreement was extra personalized in 2011 to cover up better profitable interests as well as broaden support in the field of location culture and domestic defense shelter the surroundings

and civilization. Counter fraud in trade dealings inside the own territories is one more focus region of the Bilateral Agreement II flanked by Switzerland and the EU.

Toward the inside into the sell abroad market from side to side an obtainable commerce may appear like a clear way to add to your present income. In many luggage's it is a feasible means of increasing commerce, and generate better returns though, it is important to consider the logistics point and physical constraint ahead of bound into the unnamed

- **Exporting**

Export is supposed to be a usual pace for some winning commerce. It not merely abates dependence on your native clientele other than too allow for better marketplace arrive at plus income. But, as by means of the majority belongings in commerce the hypothesis is easier than the sensible export can pretense an completely dissimilar set of evils than your commerce is second-hand to.

- **Free Import**

Non-money-making item are of infrequent scenery and consist wholly of supplies for the individual or family apply of the vacationer or of commodities planned as present. The scenery and size of the commodities must not be such as to designate that they are life form import for money-making basis

- **Prohibited**

- red meat and milk and one items thereof as of non-EU country by the exemption of incomplete amount from Andorra, Croatia, the Faeroe Islands, Greenland, Iceland and little amount of definite harvest from additional country
- Secluded class and goods thereof as scheduled by Washington Convention) for example ivory, tortoise shell, coral, reptile skin, wood from Amazonian forest

## Switzerland individual profits excise

This tax is levied at central, cantonal with collective altitude. Individual income tax is progressive in natural world. The total velocity do not frequently beat 40% as well as in the majority belongings, the most tax velocity is greatly inferior to this. For example, in the constituency of Schwyz, the apex rate, comprehensive of central, cantonal/common duty is about 22% (2011)

The basis of assessment is as follows:

- inhabitants are assessable happening their international profits additional than the profits arise from venture and real estate situated abroad;
- Non-residents are chargeable on profits arise on permanent establishment and genuine domain positioned in Switzerland, excluding the velocity of tax is base taking place the persons worldwide income.

Human being income tax rates are progressive, increasing to an utmost of 11.5% for incomes over CHF6, 86, 000 (2011) at national level, and just about two times that at cantonal plane. There is considerable difference connecting canton. Community charge is typically a little division of cantonal rates.

NB: Payments to persons of income otherwise concern going on loan on what did you say are judge to exist avoidable rates are likely to be deemed 'hidden takings and subjected to a protection tax at 35%.

In December, 2011, the Swiss canton of Obwalden become the primary canton to accept a level rate of duty for person profits taxpayers, next a current cantonal referendum. Obwalden's establishment announce the choice to place inside position a smooth tax behind 90% of the canton's voters voted in favor of the application.

Obwalden have been compulsory to review its tax organization following a complaint from collective festivity assistant Josef Zisyadis to facilitate reform position in place in January 2012 have shaped a regressive duty organization, where affluent taxpayers remunerated a inferior tax pace than persons lying on inferior incomes, and which was therefore unauthorized.

Person profits tax duty in Switzerland consist of Swiss federal, cantonal and mutual taxes. Though the maximum rate of federal tax rate is **11.5%**, addition the cantonal and common taxes the total tax load on individuals change between **22.42%** - **42.28%** (2011) depending on province.

Unmarried taxpayers follow following tax rates

Taxable Income (CHF)	Tax on Lower Amount (CHF)	Tax on Excess (%)
0 - 13,600	-	0%
13,601 - 29,800	-	0.77%
29,801 - 39,000	124.70	0.88%
39,001 - 52,000	205.65	2.64%
52,001 - 68,300	548.85	2.97%
68,301 - 73,600	1,032.95	5.94%
73,601 - 97,700	1,347.75	6.60%
97,701 - 127,100	2,938.35	8.80%
127,101 - 166,200	5,525.55	11.00%
166,201 - 712,400	9,826.55	13.20%
712,401 - 712,500	81,924.95	0%
712,501 +	81,937.50	11.50%

In Swiss if income exceeds chf 712501, it is taxable with 11.50%

Married tax payers follow following tax rates

Taxable Income (CHF)	Tax on Lower Amount (CHF)	Tax on Excess (%)
0 - 26,700	-	0%
26,701 - 47,900	-	1%
47,901 - 54,900	212.00	2%
54,901 - 70,900	352.00	3%
70,901 - 85,100	832.00	4%
85,101 - 97,400	1,400.00	5%
97,401 - 108,100	2,015.00	6%
108,101 - 117,000	2,657.00	7%
117,001 - 124,000	3,280.00	8%
124,001 - 129,300	3,840.00	9%
129,301 - 132,900	4,317.00	10%
132,901 - 134,700	4,677.00	11%
134,701 - 136,500	4,875.00	12%
136,501 - 843,600	5,091.00	13%
843,601 +	97,014.00	11.5%

If income more then 843,601 CHF taxable rate is 11.50%.

### Switzerland Stamp Duty 2011 -2012.

The alliance has the restricted right to levy this tax. The rates are as follows:

- **1%** on the issue of shares where the assessment of the shares is over CHF1m counting belongings in which shares are issued at a best. A loan made by a investor to the company without any thought is also subject matter to this tax. The tax is also payable on the nominal value of shares where a majority shareholding is transferred as a result of a insolvency irrespective of the fact that the shares have almost no promote value in the situation. The issue duty is not payable by the Swiss branch of a foreign company.
- A velocity of **0.15%** on the transport value of shares in Swiss occupant companies and **0.3%** on the transfer value of shares in non-resident companies where the transfer is effected by "safekeeping dealers" which definition includes banks, collection brokers, investment fund managers and other financial institutions. The description of security

dealers is rather wide and includes any company which owns securities with a value in overload of 10m Swiss francs and all mediators. The tax is split connecting the consumer and the vendor and is automatically deducted by the dealer.

- A rate of **0.12%** per annum on the assessment of the bonds issued meaning that a 5- year bond pays **0.6%** stamp duty (this was abolished from March 1, 2012).
- A rate of **0.06%** per annum on bank-issued medium term bonds and on the issue of financial paper meaning that a 5-year bond pays **0.3%** stamp duty (this was abolished from **March 1, 2012**).
- A rate of **5%** on an assurance quality **or 2.5%** in the case of a life insurance premium paid in one contribution.

### **Switzerland Social Security Taxes**

- Collective safety taxes are levy at a federal level and are allocated by employees, employers and the self employed.
- Occupant persons and individuals with profitable movement in Switzerland are obligatory to contribute to the centralized getting on Age and Disability Insurance plan and the compulsory central unemployment insurance plan.
- Presently, the whole yearly aged and disability giving is 9.8% of total worker compensation .partly is paid by the employer and partly by the employee. Employers are necessary to subtract gifts from the wages and remuneration and to the total amount to the social and other authority
- Unemployment assistance is at present 2.2% of worker remuneration on yearly salaries up to CHF 126,000(2012). A supplemental involvement from that 126000 with 2 % must be paid for salary (2012). A harmony supplement of 0.5% is allocated by both the owner and employees that follow the salary range 126000 to 315000 CHF(2012)
- Within the majority cantons, fitness and hospitalization assurance is mandatory, and as a statute, practically all workers are covered at their own expense. Their charity depends mainly on the type of remuneration chosen by them. Some companies willingly add to their recruit's strength indemnity or organize group-insurance schemes for them.



**4.2 POLICIES AND NORMS OF INDIA TO EXPORT AND IMPORT  
FROM SWITZERLAND**

Folk-art brothers establish their office in India for to making a trade with Switzerland and India. Many Swiss corporations have working in India even before India got a freedom in areas like processing pharmacy, engineering and consumer goods. During 1948 a partnership was established in India for a working together which is known as bilateral relation ship much agreement was done between India and Switzerland the 60 anniversary is a makeable for trade with Swiss country. She is not any mistake that many changes happen in our country and world wide our relation with this country will good even in future also.

- chemicals,
- shoes,
- dyestuffs,
- parts,
- plastics,
- coffee, tea,
- leather products,
- Hand-knotted carpades all are product that we export to Switzerland.

And Switzerland export to India

- machinery
- equipment
- electronics product
- precision parts
- chemicals
- watch
- food items
- dyes for pharmacy product

but India also include a low unit and other items which base on traditional but it is on changing base due to India has global quality standard and Indian export also rise and changeable.

Though India impact on the items which more expertise like software export, service related and other research oriented product. which provide to India a counter balance profits and balance in commodity. And he has done an agreement to exchange of information for any changes made in agreement concern with trade import and export with India by a Switzerland on international base and done a network for membership of about Swiss and Indian company in almost all the sector.

- **Institutional rules and unit for desire level exchanges**
- Double Taxation Avoidance November 1994

Dual excise be a condition toward affect C corporations while production profits are taxed at together the corporate and individual levels. The businesses have to disburse profits duty at the commercial velocity before any profits can be paid to shareholders. Then any profits that are distributed to shareholders through dividends are subject to income tax again at the individual rate. In this way, the corporate profits are subject to income taxes twice. Double taxation does not affect S corporations, which are able to "pass through" earnings directly to shareholders without the intermediate step of paying dividends. In addition, many smaller corporations are able to avoid double taxation by distributing earnings to employee/shareholders as wages. Still, double taxation has long been subject to criticism from accountants, lawyers, and economists.

Present be lots of habits for corporation to keep away from twofold taxation. Meant for many minor corporations, all of the main shareholders be also workers of the firm. These corporation be bright to avoid twice taxation by distribute earnings to workers as income and border reimbursement. Although the individual employees must pay taxes on their income, the corporation is able to deduct the wages and benefits paid to workers as commerce expenditure, and thus are not necessary to pay business taxes on that quantity. For many small business, distributions to worker/owners explanation used for all of the corporation income, and present is not anything left more than that is subject to commercial taxes. In suitcases where profits are left in the commerce, it is typically retained in order to finance future growth. Although this amount is subject to corporate duty, these responsibility charges are frequently lower than those paid by persons.

- Bilateral Investment Promotion and Protection Agreement

Through the breach up of the economies earth surplus every state has been annoying to sketch extraordinary assets from first to last liberalize investment policy. In such a situation, all investor are looking for folk's asset destination which give most defensive, friendly and gainful weather for their savings. Consequently, a lot of country contain entered into bilateral investment treaties or agreements which not only encourage resources flow into their own country but also supply safe commerce surroundings for their own investor overseas.

Mutual asset support and safety union (BIPA) is single such two-sided treaty which is definite as an accord connecting two country (or States) for the mutual encouragement, endorsement and defense of savings in each other's territory by the company based in moreover country (or State). The reason of these agreements is to create such circumstances which are favorable for development better savings by the investor of one state in the country of the additional country. Such agreement is helpful for both the country since they arouse their commerce initiative and thus augment their affluence.

- Disaster Management

'Disaster organization be able to be definite because the association and administration of income and farm duties for trade with all kindly aspects of emergency, in exacting attentiveness, reply and healing in order to reduce the blow of disaster

- **Natural disasters.** These disasters comprise flood, hurricane, earthquake and volcano eruption so as to can include instant impact on person strength, as well as secondary impact cause further death and agony from floods cause avalanche, earthquake resultant in fire, tsunamis cause extensive flood and typhoon plummeting ferry

- **Ecological emergency.** These emergencies include manufacturing or industrial accident, usually involving dangerous fabric, and happen anywhere these resources are shaped, second-hand or elated. Large forest fires are normally integrated in this definition since they be inclined to be reason through person.

- **Complex emergencies.** These emergencies involve a break-down of authority, prowling and attack on strategic installation. Complex emergency include conflict situations and war.
- **Pandemic emergencies.** These emergencies engage a unexpected onset of a catching and sickness that affect physical condition but as well disrupt military and business, bring financial communal expenses.

All are institutional support that India and Swiss relation concern with trade and not to negative effect to a concept of global warming. The Indian minister of technology Mr. Kapil sibal trip a Swiss nation and he complete a contribution at the business forum on international support with apprehension by means of India by trade system and to make a product fairies.

### **4.3 PRESENT TRADE BARRIERS FOR IMPORT/EXPORT OF SELECTED GOODS**

## **Presentation trade barriers of Switzerland.**

- **Switzerland's Trade Barriers**

A combination of subsidy. Taxes, tariff, and sentinel for secure toward decrease an access of market for a broad trade associate approximating India and us for export and import tariff, for a product items of food for a life.

Switzerland has a severe contracted government for undeveloped biotechnology produce. In categorize for biotech fare or livelihood fixation feed foodstuffs to be import and sell on the Swiss marketplace, they have to assume a long permission development. In calculation, group is necessary for products contain biotech element or derived from such ingredient

Apart from agricultural there are insignificant financial and deal barriers between the India and Switzerland. Over the precedent little years, Switzerland has in use steps to reduce barrier to opposition in its occupation with mechanization, through power, and telecom sector and postal sector.

The Switzerland automotive marketplace was relax in 2005, charitable customers better option in buy of new automobile and part and giving autonomous car merchant accurate

It encourages competition in the permanent telephony market and present for unbundling of the narrow circle, recognized as “gap of the preceding mile”. As a effect, telecommunications service contributor have the correct to right of entry Swisscom’s transportation and services in relation to the following: fully unbundled accurate of entry to the restricted loop, quick bit watercourse right of entry, billing for the association to the interaction network for leased lines and cables for good communication.

Overseas insurers attempt to do selling in Switzerland are compulsory to start a contributory or a local office and cannot sell their total invention streak cross-border or during a delegate office. Overseas insurers in commission in Switzerland are incomplete to those types of cover for which they are approved in their home country

- **Services barriers**

- 1. Telecommunications**

The Swiss government amended the Telecommunications Act following an investigation by the Competition Commission and the Federal Communications Commission against Swisscom (the former state monopoly, which is still 55.2 percent government-owned). The grounds for the amendments were Swisscom's failure to unbundle the local loop completely and to provide leased lines at cost-oriented prices to competitors. The legal amendment, which entered into force on April 1, 2007, gives the regulator explicit authority to force Swisscom to unbundle its local loop, sets a minimum transmission rate of 600 kbit/s downstream and provides a maximum price limit, thereby addressing a flaw cited in earlier court rulings. However, according to the OECD 2009 Communication Outlook, only 8 percent of the network accommodates unbundling. The amendment also requires that wholesale broadband access be offered to Swisscom competitors at cost-oriented prices for four years in order to provide competitors time to invest in their own competing facilities, after which all operators are expected to provide the broadband investment themselves. However, Swisscom competitors still complain the price charged by Swisscom to use its fiber network is too expensive.

- 2. Audiovisual Services**

Switzerland has no limitations on the amount of non-Swiss or non-European origin programming that can be broadcast, but film distributors and cinema companies must maintain, through self-regulatory solutions, an "appropriate diversity" (not currently defined) in the products offered within a region. The government may levy a nominal development tax on movie theater tickets if the Swiss government determines the appropriate geographical diversity is not being met.

Under the supervision of the Federal Institute of Intellectual Property and the Copyright Commission, five separate Swiss collecting societies receive royalties on the sale or reproduction of artworks as well as multimedia devices. Revenues received by the collecting societies increased from SFr. 119 million (\$119 million) in 1994 to a current SFr. 209 million (\$209 million). A portion of these revenues are used to finance measures that support Swiss culture.



### **3. Insurance**

Foreign insurers attempting to do business in Switzerland are required to establish a subsidiary or a branch and cannot sell their entire product line cross-border or through a representative office. Foreign insurers operating in Switzerland are limited to those types of insurance for which they are licensed in their home countries. The manager of the foreign-owned branch must be resident in Switzerland and the majority of the board of directors of the Swiss subsidiary must have citizenship in the EU or the European Free Trade Association. Public monopolies exist for fire and natural damage insurance in 19 cantons and for the insurance of workplace accidents in certain industries. Private insurance firms must establish a fund in the amount of 20 percent to 50 percent of the minimum capital requirement to be available to cover potential losses.

## **CHAPTER 5**

**POTENTIAL FOR IMPORT/EXPORT IN INDIA, BUSINESS OPPORTUNITY IN  
FUTURE, CONCLUSION AND SUGGESTION**

## **5.1: POTENTIAL EXPORT/ IMPORT AT INDIA**

- **INTRODUCTION:**

FMCG firm Nestle India today posted a 19.50 per cent increase in its net profit to Rs 261.18 CRORE. In the third quarter ended September 30, 2011 as against the same period last fiscal.

In the corresponding quarter last fiscal, Nestle, which sells chocolates and other confectionery items, had a net profit of Rs 218.56 CRORE.

During the quarter under review, the company's net sales stood at Rs 1,963.10 CRORE, up 19.89 per cent from Rs 1,637.30 CRORE posted in the year-ago period. The firm attributed the growth to recent expansion of its manufacturing capacities, enhancement of sales channels and management of price despite high inflation.

Export revenues during the quarter stood at Rs 85.95 CRORE, up 4.5 per cent from the year-ago period. The company said its export was adversely impacted by the ban on exports of milk powder.

India's major food products company, Nestle India, has reported a 10% increase in its net profit at Rs214 CRORE for the quarter ended June 2011 as compared to Rs 195 CRORE during the same period last fiscal. Across all categories, robust sales were reported because of which the company has now reported profits. During the quarter domestic sales for Nestle India increased by 21% and exports grew by 11%.

The net sales were up 20% at Rs 1,763 CRORE as compared with Rs 1,466.7 CRORE in the same period last financial year. Company calculates its fiscal from January to December.

The company said that the price of resources for goods sold in proportion of net sales has increased. "This is mainly due to superior product prices, mainly milk solids, green coffee and oils/fats, and partly offset by better manufactured goods/channel mix and equipped efficiencies," the company said in a statement.

**CONTRIBUTION OF PRODUCT CATEGORY TO NET SALES**

<b>% SHARE</b>	<b>PRODUCT</b>	<b>% SHARE</b>
44.7%	MILK AND NUTRITION PRODUCT	45%
28.5%	PREPARED DISHES AND COOKING	27.1%
13.9%	CHOCCLATE AND CONFECTIONARY	14.6%
12.9%	BEVERAGES	13.3%
JAN-SEP 2010		JAN-SEP 2011

**INTERPRETATION:**

In the above table we show that % share of product in the year Jan-sep 2010 and Jan-sep 2012.

In the year 2010 milk and nutrition product is 44.7% and in 2011 it will increase to 45%. In prepared dishes and cooking the % share will decrease in 2011 to 27.1%.

For chocolate and confectionary and beverages the market share and sales were increase.

## **TOTAL EXPORT**

VOLUME (000 TONES)		VALUE (INR)	
-10.2%		+8.9%	
12.8%	11.5%	2.8%	3%
JAN-SEP 2010	JAN-SEP 2011	JAN-SEP 2010	JAN-SEP 2011

### INTERPRETATION:

Above table showed that in the year 2010 and 2011 export of nestles to India.

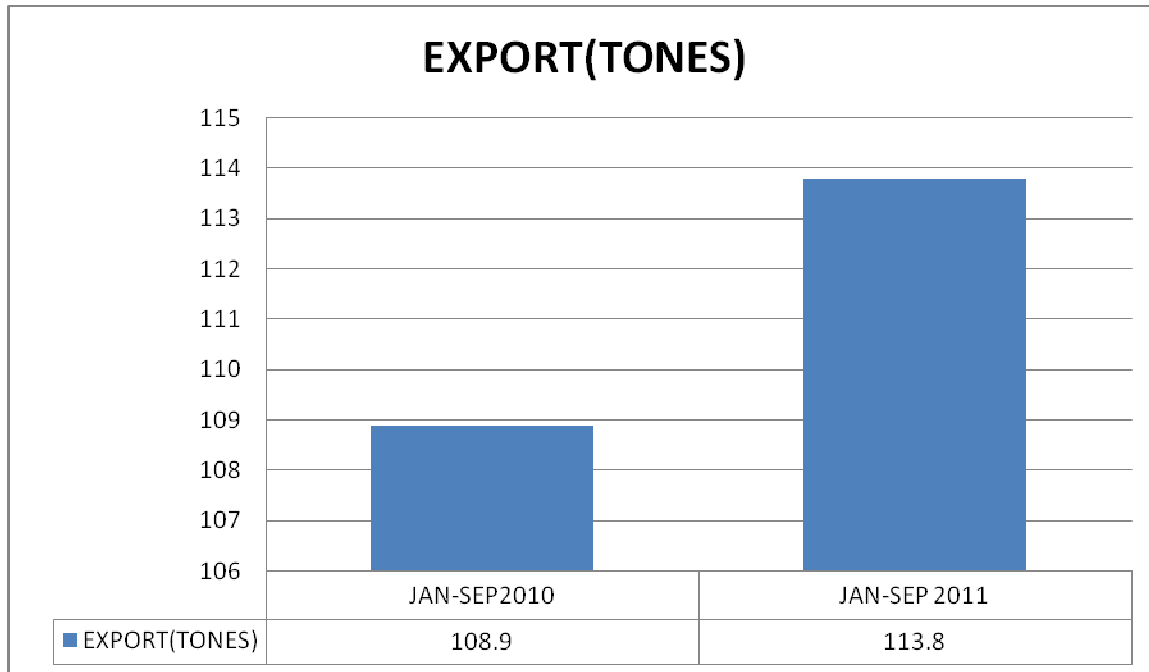
In the year 2011 the export was increase by 8.9%. In the year the 2010 export of nestle was volume of export was 12.8% and in next year the volume will decrease by 11.5%. so there will be -10.2% decrease in 2011.

But value in INR was increase. In the year 2010 the value was INR 2.8%. But in next year the value will increase to 3%. So the value in INR was increase by 8.9%.

## **MILK PRODUCT AND NUTRITION**

There are various milk and nutrition product available from nestle company main product are NESTLE MILK, SLIM MILK, EVERY DAY GHEE, NESLAC, LACTOGEN, DAHI, SLIM TULSI, CERELAC, MILKMAID, NAN.

Nestle new renovation and innovation product are nestle LACTOGEN 4, NESTLE PRE NAN, CERELAC 3, ACTI PLUS.



**INTERPRETATION:**

Above graph showed that the export of nestle to India for milk and nutrition product. The graph showed export in tones. In the year 2010 the total export of milk and nutrition product was about 108.9 tones. And in the year 2011 the export was increase to 113.8 tones. So the total export was increase by 11.7%.

**Market position**

No 1 in baby food and infant formula.

No 1 in dairy whitener and sweetened condensed milk.

Contribution for milk product in export is 44.7%

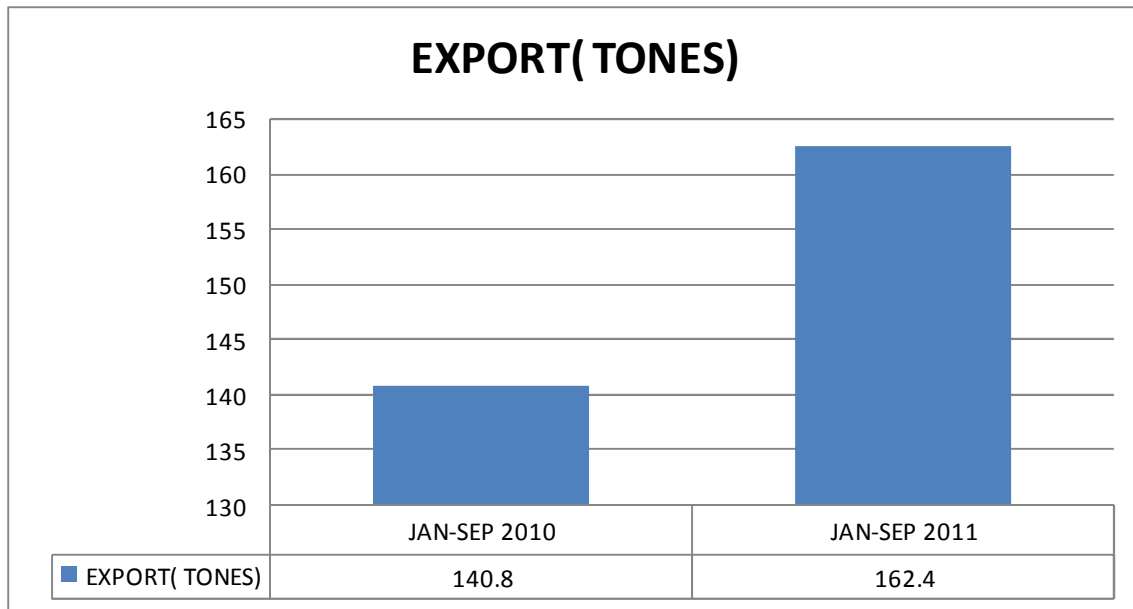
## PREPARED DISHES AND COOKING AIDS

### GENERAL PRODUCT:

There are many prepared dishes and cooking aids available from nestle company. The product is MAGGI MAGIC, 2 MINUTE NOODLE, MULTIGARIN, and PICHKOO SOUCE, PAZZTA, BHUNA MASALA, VEG AATA NOODLE, HOT AND SWEET MAGGI.

### RENOVATION PRODUCT:

The product is SUPER RONI TOMATO CORN, SUPER RONI MASALA CORN, NOODLETZ, IMBLI PICHKOO, and MERI MASALA MAGGI.



### INTERPRETATION:

Above graph showed that potential export of prepared dishes and cooking product of nestle. Export in term of tones.

In the year 2010 the total export of nestle in prepared dishes and cooking aids was about 140.8 tones and in 2011 the total export was 162.4 tones. So the export in prepared dishes and cooking aids was increase by 15.4%. And that was increase revenue of nestle by 27.1 % from 2010 to 2011.



### MARKET POSITION

No 1 in instant noodles sauces and pazzta.

No 2 in healthy soup

Contribution 28.5%

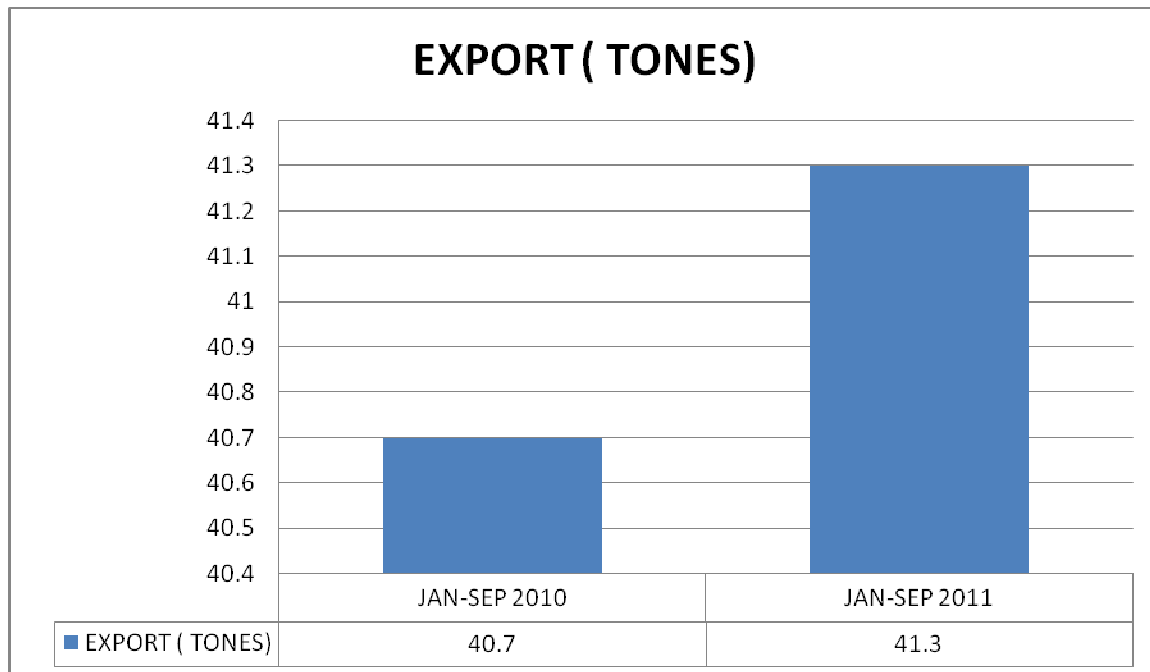
### CHOCOLATE AND CONFECTIONARY

#### GENERAL PRODUCTS:

The main general product are available from nestle company is MILKYBAR, KITKAT, MUNCH, BARONE, POLO, MUNCH POP CHOCK, ECLAIRS, MILK CHOCOLATE.

#### RENOVATION AND NEW PRODUCT:

Main renovation product in chocolate will nestle DARK CHOCOLATE, NESTLE SELECTION, NESTLE KITKAT DARK, NESTLE KITAKT CHUNKY, APPUCIR AND POLO IN COLOR.



#### INTERPRETATION:

Above graph showed that export of chocolate and confectionary of nestle company to India. The Export in terms of tones.

In the year 2010 the total export of chocolate and confectionary was about 40.7 tones and in the year 2011 the export of that product was increase to 41.3 tones. Total export was increase by 1.5%.

Total revenue of chocolate and confectionary for nestle company was also increase by 15.1%.

#### **Market position**

Leading player in éclairs.

Contribution is 13.9%

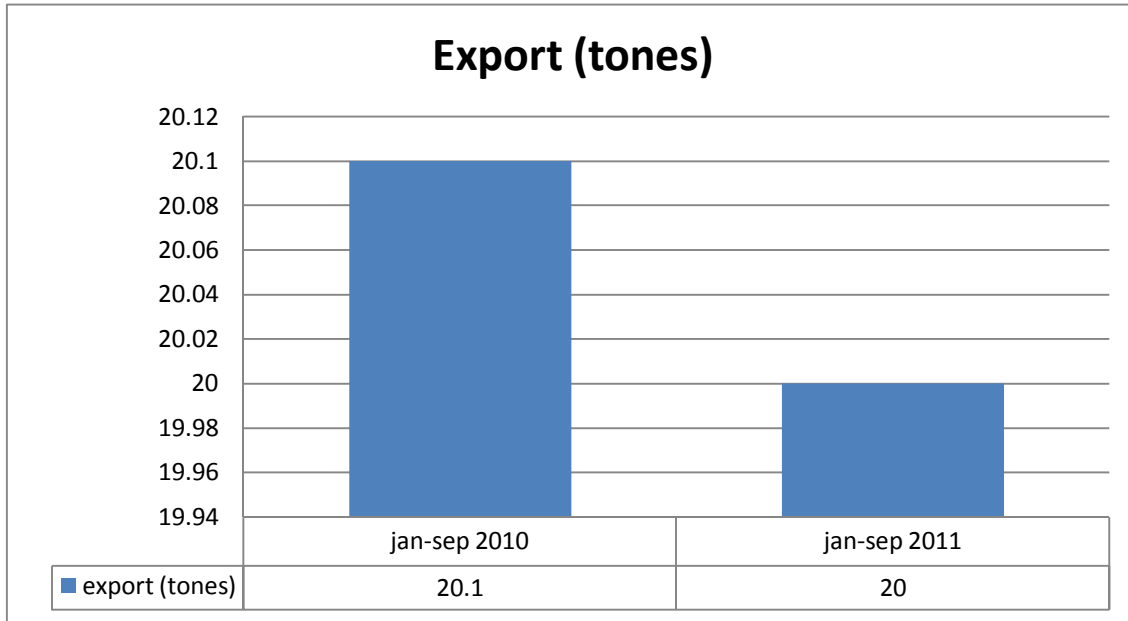
### **BEVERAGES**

#### GENERAL PRODUCT:

The general main product of nestle in beverages are NESCAFE, NEATEA, NESCAFE GOLD, NESCAFE CLASSIC, NESTEA LEMON, SUNRISE, SUNRISE SPECIAL, NESQUIK. This are the products that are widely available in Indian market and exported by nestle. In India Nescafe is second name of coffee.

#### RENOVATION PRODUCT:

The renovation product in beverages is Nescafe MFC (my first cup) in Rs 2. This will available shortly at India. This is new concept available in small packing and costing is Rs 2.



**INTERPRETATION:**

Above graph showed that the total export of beverages of nestles to India. Export is in tones.

In the year 2010 the export of beverages of nestles is about 20.1 tones and in the year 2011 the total export of beverages of nestle company is about 20 tones. The export was decrease by 0.5% and that was also decrease revenue.

**MARKET POSITION**

No 1 in instant coffee.

Very strong presence in vending.

Contribution is 12.9%

## **5.2: BUSINESS OPPORTUNITIES IN INDIA**

- **Introduction:**

Nestle, Switzerland is in the middle of the world's main food and beverages companies. The company is increasingly developing from a respected, truthful food and beverage company to a respected, truthful food, beverage, diet, healthiness and wellness company. This object is encapsulated in "Good Food, Good Life". The code activities of the cluster include: beverages, milk products, nutrition and ice cream; prepared dishes and cooking aids; chocolate, confectionery and biscuits; water; and pet care. Nestle has 511 factories in 86 countries in all over the world.

In the world Nestlé is the main food and beverage company. It is also well on its way to becoming world leader in nutrition, health and wellness. The objective of nestle is to bring more nutrition product to all customer in the world. Second motive is that focus on brand and product of the company and third motive is that the way in which they run business.

India is the earth of opportunities. More company does their business at India and generates huge profit at India. There are lots of company available in the India that doing their businesses not for less than 100 years. And now they are at top and enjoying peak stage of the success. Nestle is one of that company among them.

- **Vision of NESTLE INDIA:**

To rapidly build Nestlé India as the Respected and Trustworthy leading Food, Nutrition, Health and Wellness Company ensures long term sustainable and profitable growth.

BACKGROUND OF NESTLE INDIA: Nestle has 3000 employee strength and \$ 497 million. Nestle India is one of the foremost companies in the FMCG room in India. The company is known amongst India's 'Most valued Companies' and amongst the 'Top assets Creators of India'.

- **MAIN PLAYER IN THIS BUSINESS:**

Nestle India has strong brand in India that are MAGGI, NESCAFE, CERELAC, LACTOGEN, KITKAT and POLO. Nestle is main actor in many segment of the FMCG division such as noodles and sauces, instant coffee [NESCAFE] and weaning foods. Nestle foodstuffs are sell throughout India and are also export to Russia, Hungary, Japan, USA and some other countries. These comprise confident international products similar to Nescafe and Lactogeno, as well as choose cooking foodstuffs to meet up the order of the cultural Indian inhabitant's livelihood abroad. Nestle India was known as the top Exporter Award for sell abroad of Instant Coffee, and for export of all coffees to Russia and other countries.

- **REASON FOR SUCCESS AT INDIA:**

The traditions of modernization and reconstruction, nonstop development and the power on value-for-money and affordability have helped the business to spotlight on addition worth for the consumer. The company has constantly alert on equipped effectiveness; developing product accessibility and visibility and initiated hard work to create its foodstuffs more applicable to the customers. This has been supported by the sharing of smaller stock-keeping units (SKUs).

- ✓ {A} FAITH ON SUPPLY CHAIN:

Throughout the last few years, Nestle India has continuously focused on improving the supply chain

To decrease expenditure, perk up efficiencies and give customers to brilliant stocks all the time. decrease in the over goods record tube to get better newness of stocks and lessen functioning capital, manage on allocation costs through inventive dealings continued development in client repair levels to get better product accessibility across all geography and channels. Decrease in obsolescence of equipment.

- ✓ {B} ABILITY IN RESEARCH AND DEVELOPMENT:

The company has entrance to the Nestlé Group's proprietary skill/brand, know-how and the wide central investigate and expansion facilities. The traditions of modernization and reconstruction and benchmarking of consumers' tastes and products is facilitating in the company by the exclusive "new Kitchen" and "Sensory Laboratory" at the Head Office.

✓ {C} ENDORSEMENT POLICY FOR MARKETPLACE GROWTH:

Accessibility of NESCAFE improved through growth of the transaction mechanism system. New utilization opportunities for chocolates and confectionery were identified and developed in areas similar to railway platforms, college canteens and major events. Nestle locate 'Café Nescafe' and 'Coffee Corners' from corner to corner metros and mini-metro

▪ **FUTURE OPPORTUNITIES AT INDIA:**

Above we see that nestle is doing its business very well at India. He found that India is farmer country and here there will be a cheap labor and material is available at there so company should expand their business.

Company is doing its business in the chocolate industry, magi, coffee, and instant coffee etc. company want to diversify its business to reduce its current business risk and access unused cash in efficient way. So company has to access different business opportunity in parent country.

Still now company is doing its business in products related to dairy because India is farming dependent country and have more assets in the form of cartels and large strength doing dairy business. Following are the opportunities that are available to nestle to will do at India:

1. **Biscuit industry:** in INDIA there two major players in the biscuit industry one is parle-g, and SUNFEAST. Other BRITANIA and PRIYAGOLD also doing biscuit business.  
And biscuit industry is little bit related to company current business. So company has more experience in current business have more finance as well as competent employee to do business. So company has to access these alternatives to enjoy and get benefit of local advantage
2. **Beverage industry:** in India beverages and cold-drink is more popular. And India is biggest market since from many years for beverage business. And there only two major players in India doing beverages business. One is COCA-COLA and another is PEPSI. PARLE AGRO is also doing this business. So company has opportunity to taste this industry as for their business and we can say that company is now diversifying.

3. **Cosmetic industry:** this business is totally unrelated business. Here the company has not any experience in this business but company is taking risk to exploit market opportunity at India and India is leading cosmetic using industry. GARNIER, UNILEVER, AND MARICO, AND P&G doing this business at India. So company faces competition if they are wishes to enter in this business. But sources have shown that nestle have share in LOREAL a leading cosmetic brand.
4. **Dairy business:** India is agriculture country 60% are depend on the agriculture income and have more fertile land as well as knowledge about that. The main subject of the dairy business is milk. And now nestles current business is require milk on daily basis. After starting this business the company will not find any breakdown in operation due to in availability of raw material or basic material/ if company is doing this business it is beneficial to company because it's totally related to its business.

#### **NESTLE FUTURE PLAN:**

1. Nestlé India's purpose is to produce and marketplace the company's foodstuffs in such a way so as to make worth that can be continued over the long term for customers, shareholders, workers and trade partners.
2. Nestle motives is to make worth for customers that can be continued over the long term by gift a wide variety of high excellence, secure foodstuff products at reasonably priced.
3. The company constantly focuses its hard work to improved appreciate the varying lifestyles of new India and expect customer requirements in order to give convenience, flavor, nourishment and wellness throughout its product offerings.



## **LEVERAGING INDIA ADVANTAGE:**

1. **OUTSOURCING MANUFACTURING:** Nestlé India has six factories and a large number of Co-packers who produce products to Nestlé provision.
2. **OUTSOURCING IT ADVANTAGE:** The Nestlé Group is in the procedure of implement the GLOBE schemes crossways its operations universal. GLOBE is a sole scheme and the main of its type and will allow the Nestlé cluster to preserve its viable advantage in the progressively more compound environments of the future.
3. **VAST CONSUMER:** Nestle has hopeful viewpoint on the Indian economy as the profits of population is rising and the lifestyles are altering. Nestle is eager on leveraging the huge customer marketplace of India.

## **FUTURE PLAN**

Nestlé India announced the execution of the NESCAFÉ PLAN in India. NESCAFÉ PLAN is a worldwide proposal by Nestlé S.A. bring below one sunshade the company's promise on coffee agricultural, manufacture and utilization and will aid Nestlé to promote optimize its coffee supply chain.

To create the roll out of the NESCAFÉ PLAN in India, the first NESCAFÉ coffee demonstration farmhouse and teaching place was inaugurated in BINDHU Estate, KODAGU District, Karnataka by SHRI JAWAID AKHTAR, I.A.S, Chairman, Coffee Board of India, MR. NANDU NANDKISHORE, Nestlé Executive Vice President and Zone Director for Asia, Oceania, Africa and the Middle East, and Mr. Antonio HELIO WASZYK, Chairman & Managing Director, Nestlé India.

This primary coffee 'demonstration' farm in India will aid farmers get better excellence, output and sustainability. The company is support coffee farmers in the area of Karnataka, Kerala and Tamil Nadu to expand their farming practice as require for NESCAFÉ soluble coffee grows in the nation. Also, Nestlé follow a line of investigation and development teams plan to give farmers with high-generating, illness opposed to plant lets appropriate for Indian circumstances.

From side to side the plan, the company seeks to basis coffee sustainably by operational intimately with Indian coffee farmers and ensure cutthroat prices, clearness and traceability.

**SHRI JAWAID AKHTAR, I.A.S,** and Chairman of the Coffee Board of India, said: “I am happy that the NESCAFÉ PLAN is creature launched in India. It will give coffee farmers with skill and most excellent practices for sustainable manufacture of high excellence coffee and also advantage them with better admission to market.”

Throughout the occasion the first groups of 20 farmers who have been taught below the NESCAFÉ PLAN were felicitated. whereas officially release the preparation physical ‘NESCAFÉ Better Farming Practices’, **NANDU NANDKISHORE**, Nestlé Executive Vice President and Zone Director for Asia, Oceania, Africa and the Middle East, assumed: “NESCAFÉ is the world’s foremost coffee brand. As a manager we have the liability to carry on to provide good excellence coffee to customers, while ensuring that coffee undeveloped remains good-looking for farmers and is sustainable crossways the value chain.

The NESCAFÉ PLAN demonstrates our promise to functioning by thousands of farmers around the world, counting in India, to offer teaching and technological aid. By functioning with farmers in this way, we make out where the coffee comes from, and they identify they have a colleague who will offer them cutthroat prices for excellence manufacture.

There is a joint attention. If we desire to be winning in the long period we require creating worth for our shareholders at the similar time as for the communities in which we function”.

In latest years Nestlé India has been does wide effort to get better dispersion of its high excellence NESCAFÉ immediate coffee along with customers and get bigger the marketplace. The NESCAFÉ PLAN is significant to make sure that the business is sustainable and the coffee farmers also advantage. It reflects Nestlé’s commerce attitude that it must make worth for its shareholders as well as the communities where it functions.

## **5.3 CONCLUSIONS AND SUGGESTIONS**

## Conclusions

**After study Switzerland all the aspects we have make conclusion below...**

After studding demographic profile of the country is well developed country and literacy rate show country education, and country morality rate is low so country health hospitality facility is best

After studding economic overview of the Switzerland we have concluded that Swiss GDP growth is good and number persons get employment rate in service and industry ratio is well.

Switzerland has good business relation with India. The level of exporting and importing in good between Swiss and India

After studding different industry of Switzerland we have concluded that in Switzerland there is a good business. Textile business in Switzerland is good because Swiss is and important center of textile production already towards the and of the Middle Ages.

Watch marketing industry of Switzerland is varying popular in all over the world. Swiss watch company like Omega, Rado tag hewer very well known watch brand in all over the world.

Chocolate industry in Switzerland is also popular in the world. Chemical industry in Switzerland was found in 1804 that was big time of the chemical industry. Switzerland is among the world leading producer of chemicals and pharmaceuticals. Chemical industry focus on dyestuff, essence, food flavoring.

After studding different economic sectors of Switzerland we have conclude that agriculture, industry, service are the main Swiss economic sectors. Only small minority of the workers are involved in the primary or agriculture sector (3.8 %) of the population. While major minority is involved in the secondary or manufacturing sector (23 %).

Switzerland has an extensive industrial sector like as nestle, pharmaceutical like Novartis, roof, coating fill among many other. Banking sector in Swiss is also an obvious pillar of service sector. Geneva and Zurich in particular have long tradition of banking and investment. Insurance sector in unique in many ways not one insurance has ever gone bankrupt or failed to meet its obligation.

After studding of overview of business and trade at international level we have conclude that Switzerland has good business relation with other country. Switzerland is also member of the flowering international organization: WTO, OECD, FTA, AND OSCE.

After studding present trade relation and business volume of different product with India we have conclude that before 5 decade Indian Prime Minister Jawaharlal Nehru signed friendship pack which happened to be with Switzerland on august 14<sup>th</sup> 1948. At information technology and telecommunication, Software Company, chemical industries, pharmaceutical industries, biotechnology sector have good business relation with India

In PESTEL analysis we conclude that Swiss government is a concordance democracy in which co operation and conscience between political, social and economic group is value. per capita income of Switzerland is vertically highest in the world .social care include infant care ,child rearing and education, higher education level Switzerland is found good. All Swiss are literate Swiss is one of the leading country in computer applications. Many of this Switzerland is embedded in top services and products. Weather of Switzerland is good for business but sudden climate change may affect on people who came for mountain.

Nestle is a market leader due to different reasons: Its price is high against its competitors but it matches its quality with its competitors. Nestle is using its brand name to promote its products & it's very popular as compared to its competitors.

Its packaging is good. We can easily find Nestle from any retailer shop. Due to its advertisement, Nestle attracts more customers & has very prosperous future if it continues to promote its products and bring all the possible innovational aspects using different product line strategies. It has always maintained the quality of its products.

Despite of all the facts, there's need to maintain the condition of office and enhance the security. Behavior of employees is not professional and every department should treat equally. The objective of this to study marketing strategies of nestle pure water and milk pack. From our report it is concluded that nestle has a good reputation as a strong consumer brand. 66% of the consumers use Nestlé's products regularly.

60% of the consumer's associate quality with Nestle.57.3 % of the consumers prefers Nestle over other brands of pure water that are available in the market .66% consumers bought Nestle water because of its brand image which is of good quality products. This is also proved by the statistical and graphical analysis of the data obtained from consumers that they are quite satisfied from nestle pure water. Nestle formulating a good strategy and they are trying to go for mass-marketing.

## **Suggestions and Recommendations:**

As Nestle is the best company all over the world but there are some recommendations and

Suggestions.

Their prices are a little bit higher so they should lower their prices to increase their customers.

About 70 % of people use their products, why the rest don't use them they should conduct a survey and concentrate on those facts why they are not using their products.

They should also improve their advertising. Their advertising doesn't have a long-term effect in the mind of customers.

About 17% of people are not satisfied with the taste of Nestle so Nestle has to improve its taste.

Due to a great demand for Nestle Milk Pack, nowadays there is a shortage of Nestle milk in shops, sometimes they have to consider this aspect too.

They should increase their product quality as nowadays they are facing a problem of impurity in their products. They have to improve their marketing strategies so that they can capture the market and improve their sales. Nestle must state in writing that it accepts that the international code and the subsequent relevant World Health Assembly Resolutions are minimum requirements for every country.

Nestle must state in writing that it will make the required changes to bring its Baby Food Marketing policy and practice into line with national Code and Resolutions. SUGGESTIONS Nestle Milk Pack should concentrate on all age groups (by showing its benefits) instead of concentrating just on child growth.

They should try to create strong brand loyalty among customers. They should keep in mind the competing environment while designing their strategies. They should concentrate on customer retention. They should improve their customer services. They should try to exploit the loopholes of their competitor's products.

## **ANNEXURE**



**TABLE: 1 MAIN ITEM THAT EXPORT BY SWITZERLAND TO INDIA IN 2009.**

FOLLOWING ARE THE ITEMS THAT ARE EXPORT BY SWITZERLAND TO INDIA

ITEMS	RS IN MILLION
MACHINERY	504.13
PHARMACEUTICAL	388.84
STONE,METAL,JEWELER	338.91
MACHINERY-ELECTRICAL	240.15
METAL PRODUCT	56.60
CHEMICAL PRODUCT	142.7
WATCHES	74.89
FERTILIZER,DYES	98.68
PRECISION INSTRUMENT	154.84
TOTAL EXPORT BY SWITZERLAND	2156.20

SUMMARY: After analyze above data we can come to one conclusion that the export relationship between India and Switzerland. We arrange it from highest export to lowest export item machinery that are non electrical are more exported by Switzerland to India. Then metal product is less exported by Switzerland to India.

**TABLE: 2 MAIN ITEMS THAT ARE IMPORT BY SWITZERLAND FROM INDIA IN 2009.**

FOLLOWING ARE THE AIETS THAT ARE MAINLY EXPORTED BY INDIA AND IMPORTED BY SWITZERLAND.

ITEMS	RS IN MILLION
CHEMICAL PRODUCT	245.64
TEXTILES	157.91
TRANSPORT EXUIPMENT	46.70
FERTILIZER,DYES	28.85

METAL AND ITS PRODUCT	26.64
MACHINERY-NON ELECTRICAL	24.95
LEATHER PRODUCT	24.64
AGRICULTURE PRODUCT	73.29
STONE,JEWELER	66.43
TOTAL IMPORT	800.61

SUMMARY: After analyze above data we can conclude that Switzerland importing maximum item from India. The chemical product is more import by Switzerland from India. Here we have not arranged data on the acceding and descending order the data is randomly. The leather product is less import by Switzerland.

**TABLE: 3 THE MAJOR TRADING PARTNER OF SWITZERLAND**

FOLLOWING TABLE SHOW THE MAJOR TRADING PARTNER OF SWITZERLAND MEANS WHICH HAVE TRADE RELATION WITH EACHOTHER.

MAIN TRADE PARTNER AND THEIR % SHARE IN SWISS EXPORT		MAIN TRADE PARTNER AND THEIR % SHARE IN SWISS IMPORT	
GERMANY	19.5%	GERMANY	33.6%
USA	9.8%	INDIA	0.5%
ITALY	8.6%	IRELAND	2.6%
FRANCE	8.4%	BELGIUM	2.8%
CHINA AND HONGKONG	5.1%	UK	3.5%
UK	4.7%	CHINA AND HONGKONG	3.7%
JAPAN	3.8%	AUSTRIA	4.5%
SPAIN	3.6%	NETHARLAND	4.8%
AUSTRIA	3%	USA	5%
NETHARLAND	2.9%	FRANCE	9.5%
INDIA	1.2%	ITALY	11.2%

SUMMARY: After analyze above data we have conclude that Switzerland have good trade relation with other country because above data show this. The major trade relation is with Germany and India has trade relation with Switzerland is about 1.2% in export and 0.5% in import business respectively.

**TABLE 4: SWITZERLAND AND INDIA AREA AND STATE WISE ASSOCIATION**

AREA/STATE	NO. OF ASSOCIATION	
WESTERN AREA:	62	
MAHARASHTRA		59
GUJARAT		2
GOA		1
SOUTH AREA:	30	
KARNATAKA		18
TAMIL NADU		9
KERALA		2
ANDHRA PRADESH		1
NORTH AREA:	39	
DELHI		15
HARYANA		17
UTTAR PRADESH		3
CHANDIGARH		2
RAJASTHAN		2
EAST AREA:	1	
WEST BENGAL		1
TOTAL	132	132

SUMMARY: After analyze above data we can conclude that in the western area the Switzerland have more association rather than other area. Because in western area the total number of association is 62. And in eastern area there is a less number of associations are 1.

**TABLE: 5 STUDY BETWEEN SWITZERLAND AND INDIA BUSINESS ASSOCIATION AT INDIA**

FOLLOWING DATA SHOW THE INDUSTRY WIDE BUSINESS ASSOCIATION.

INDUSTRY	NUMBER(APPROX)
ANIMAL HUSBANDRY	1
POWER	3
PEOCESSED FOOD	2
ELECTRONICS	4
CONSTRUCTION	4
AUTO PARTS	5
INDUSTRIAL EQUIPMENT	31
CHEMICALS AND PHARMA	12
TEXTILES	11

SUMMARY: After analyze above data we can conclude that in the industrial equipment India and Switzerland association is more than other industry is 31 numbers. How is it we can say that the Switzerland industrial equipment making company ABB main plant unit at Gujarat (western area) where no of association is 62. In other industry there is a good association between India and Switzerland in chemical and pharmacy sector and textile sector there is 12 and 11 numbers respectively.

**TABLE: 6 TABLE OF POPULATION GROWTH RATE**

FOLLOWING TABLE SHOW THE GROWTH RATE OF POPULATION IN SWITZERLAND FROM 2001 TO 2011.

YEAR	FIGURE IN %
2001	0.27%
2002	0.24%
2003	0.21%

2004	0.54%
2005	0.49%
2006	0.43%
2007	0.38%
2008	0.33%
2009	0.28%
2010	0.22%
2011	0.21%

SUMMARY: Above data are relating to Switzerland population growth rate. After analyze above data we can conclude that the population growth rate remain between 0.21 to 0.54. Means less than 1 so it is good. Because if population growth rate is more so it directly create impact on country economic condition.

**TABLE: 7 TABLE OF BIRTH RATE**

FOLLOWING TABLE SHOW THE BIRTH RATE OF SWITZERLAND.

YEAR	FIGURE IN %
2001	0.27%
2002	0.24%
2003	0.21%
2004	0.54%
2005	0.49%
2006	0.43%
2007	0.38%
2008	0.33%
2009	0.28%
2010	0.22%
2011	0.21%

SUMMARY: The birth rate gives data about the number live birth during a 1 year per 1000 population. If birth rate is high then population of the country will increase so it create problem for sharing basic need like infrastructure etc. here Switzerland birth rate is between 0.21 to 0.54. At the end of 2011 the birth rate of Switzerland is 0.21%.

**TABLE: 8 TABLE OF INFANT MORTALITY RATE**

FOLLOWING TABLE SHOE INFANT MORTALITY RATE OF SWITZERLAND.

YEAR	FIGURE IN %
2001	4.48%
2002	4.42%
2003	4.36%
2004	4.43%
2005	4.39%
2006	4.34%
2007	4.28%
2008	4.23%
2009	4.18%
2010	4.12%
2011	4.08%

SUMMARY: We get infant mortality rate by dividing number of child got died by number of live birth during a year. It is also known as infant death rate. In Switzerland infant mortality rate remain between 4.08% to 4.48%. The infant mortality rate remain stable not exceed 4.48% and go below 4.08%.

The total mortality rate is 4.08% death per 1000 live birth among it 4.53% male death per 1000 live birth and 3.6% female per 1000 live birth. The female mortality is lesser than male.

**TABLE: 9 TABLE OF GDP OF SWITZERLAND WITH US DOLLAR**

FOLLOWING TABLE SHOW THE EXCHANGE RATE BETWEEN US DOLLAR AND SWITZERLAND FRANCS.

YEAR	US \$	SWISS FRANCS
2006	490,545	1.25 FRANCS
2007	521,068	1.20 FRANCS
2008	547,196	1.08 FRANCS
2009	535,282	1.09 FRANCS
2010	546,245	1.04 FRANCS
2011	IN PROCESS	0.75 FRANCS

**TABLE: 10 TABLE OF SWITZERLAND COMPARISON WITH OTHER COUNTRY IN DIFFERENT SECTORS, UNEMPLOYMENT.(IN 2010)**

COUNTRY	AGRICULTURE	SERVICE	MANUFACTURING	UNEMPLOYMENT
SWISS	3.8%	73.2%	23%	4%
EU	4.7%	67.9%	27.4%	8.2%
GERMANY	2.2%	68%	29.8%	10.3%
FRANCE	3.9%	71.8%	24.3%	8.8%
ITALY	4.2%	66%	29.8%	6.6%
UNITED KINGDOM	1.3%	76.7%	22%	5.3%
UNITED STATES	1.6%	77.8%	20.6%	5.1%

SUMMARY: Above all data show the comparison of Switzerland with EU, UK, US. As compare to US,UK,EU Switzerland provide more work opportunity in service sector because data show 73.2% are involve in service sector. And we can see that unemployment rate of Switzerland is lesser than UK, US, EU. We can also conclude that in manufacturing sector the Switzerland is providing good work opportunity 23% than UK and US.

**Table : 11 2011 consolidated (in millions of chf)**

<b>2011 consolidated (in millions of chf)</b>		
1	Sales	83642
2	Trading in service profit	12538
3	As % of sales	15.0%
4	Profit for the period attribute to shareholder of the parent	9487
5	As% of sales	11.3%
6	Equity attribute to shareholder of the parent before planned appropriations of nestle s.a.	56797
7	Market capitalization, end december	171287
8	Operating cash flow	9763
9	Free cash flow	4491
10	Capital expenditure	4779
11	As % of sales	5.7%
12	Net financial debt	14319
13	Ratio of net financial debt to equity (gearing)	25.2%

Per share data (chf)

1	Total basic earnings per share	2.97
2	Underlying	3.08
3	Dividend as proposed by the board of directors of nestle	1.95

**Table: 12 revenue contribution &country growth**

	<b>Segement growth</b>	<b>% of total revenues</b>
<b>2007</b>	<b>9.10%</b>	<b>45.40%</b>
<b>2008</b>	<b>9.00%</b>	<b>44.50%</b>
<b>2009</b>	<b>9.40%</b>	<b>43.70%</b>
<b>2010</b>	<b>22.60%</b>	<b>43.20%</b>
<b>2011</b>	<b>27.10%</b>	<b>46.30%</b>

**Table : 13 brands and compititors of different dairy product**



<b>Product category</b>	<b>Brands</b>	<b>Nearest competitor</b>
Ghee	Everyday	Amul, vijaya, sagar etc.
Dairy whitener	Everyday	Amul ( amulya)
Packaged milk	Nestle	Amul
Dahi	Nestle fruit 'n' natural	Amul, mother dairy etc.
Fruit yogurt	Nesvita	-
Baby & infant food	Cerelac, nan, lactogen & nestogen	Amul ( amul milk powder)
Cereals	Cerevita	Kelloggs
Sweetened condensed milk	Milkmaid	Amul ( mithai mate)

**Table : 14 outlook of liquide milk**

<b>Year</b>	<b>Liquid milk</b>	<b>Converted product</b>
<b>2005</b>	<b>73.1</b>	<b>21.4</b>
<b>2011</b>	<b>97.5</b>	<b>22.5</b>

**Table : 15 brands and compititors of different prepaid dishes product**

<b>Product category</b>	<b>Brands</b>	<b>Nearest competitors</b>
Ketchup	Maggi	Kissan
Instant noodles	Maggi	Top ramen (nisin)
Soup	Maggi	Knorr

**Table : 16 total prcentage revenue and segmentation growth of switzerland**

<b>Cy</b>	<b>% of total revenues</b>	<b>Segement growth</b>
-----------	----------------------------	------------------------

2007	<b>17.70%</b>	<b>2.70%</b>
<b>2008</b>	<b>19.00%</b>	<b>19.30%</b>
<b>2009</b>	<b>20.30%</b>	<b>19.20%</b>
<b>2010</b>	<b>21.40%</b>	<b>30.60%</b>
<b>2011</b>	<b>23.10%</b>	<b>34%</b>

**Table : 17 comparative position of nestle with amul financial comparison**

**Amul key figure(2011)**

Sales	90,578
Ebit (a) group	12 153
As % of sales	9.8%
<i>Capital expenditure</i>	5487
<i>As % of sales</i>	3.2%
Equity attributable to shareholder of the parent	55 425
Market capitalization, end december	119 879
Operating cash flow	10 578
Free cash flow (c)	4587
Net debt	4789
Ratio of the debt to equity (gearing)	5.8%
Net profit (b)	30 500

**Nestle Key Figures**

2011 consolidated (in millions of chf)	
Sales	109 722
Ebit (a) group	16 194
As % of sales	14.8%

Net profit (b)	34 233
As % of sales	31.2%
Capital expenditure	4 576
As % of sales	4.2%
Equity attributable to shareholders of the parent	61 867
Market capitalisation, end december	178 316
Operating cash flow	13 608
Free cash flow (c)	7 761
Net debt	3 854
Ratio of the debt to equity (gearing)	6.2%

**Table :18 financial result for the quarter ended 31<sup>st</sup> 2012**

Particulars	31-03-2012	31-12-2011	31-03-2011
Income from operation			
3) Net domestic sales	194614	186245	171195
4) Export sales	10131	9223	9804
c) Income from operation	204725	195468	180999
d) Other operating income	842	802	444
	205587	196270	181443
<b>Total income from operation(net)</b>			
Expenses			
i) Cost of raw material and consumed	98870	93695	90959
j) Purchase of stock in trade	3132	3305	2241
k) Changes in inventory of finish good, work in progress and stock in trede	(8166)	(8197)	(4791)
	15468	14607	12048
	5277	4460	3271
l) Employee benefit expense	49717	50790	42009
	-	1039	-
m) Depreciation and amortization expense	1286	988	691
	165584	160687	146428
n) Other expense			
o) Impairment of fixed assets net-			
p) Provision of contingency net from operation			
<b>Total expense</b>			
Profit and loss from operation before other income [4] ,finance cost [6], other contingency [6(2)] and exceptional item [8]	40003	35583	35015
Other income	517	1005	831

Profit/loss before finance cost [6] , other contingency [6(2)], exceptional item[8]	40520	36588	35846
Finance cost	227	331	7
Provision for contingency net-others	-	1698	-
Profit/loss finance cost but before exceptional item[8]	40293	34559	35839
Profit/ loss from ordinary activity before tax [7-8]	40293	34559	35839
Tax expense	12720	11476	10268
Net profit/ loss from ordinary activities after tax [9-10]	25753	23083	25571
Net profit/loss period	25753	23083	25571
Paid of equity share capital	9642	9642	9642
Earning per share	28.60	23.94	26.52

### **Statement of assets and liabilities of nestle India pvt limited**

#### **Part – I**

Three month year ended			
	31-3-2012	31-12-2011	31-3-2011
Particular of shareholding			
Public shareholding			
- No.of shares	35900637	35900637	35900637
- Percentage of shareholding	37.24	37.24	37.24
Promoters and promoters group shareholding			
b) Pledge incumbered			
- No.of shares			
- Percentage of shares			
B) non incumbered			
- no.of shares	60515079	60515079	60515079
- percentage of shares ( total a% of shareholding the	100.00	100.00	100.00

promoter group) - percentage of share(total share capital of the company)	62.76	62.76	62.76

## Part- II

Particular	Three month ended 31-3-12
<b>Investor complaint</b>	
Pending of the beginning of the quarter	0
Receive during the quarter	5
Dispose of the during the quarter	5
Remaining unresolved at the end of the quarter	0

**Table : 19 audited financial result for the year ended 31<sup>st</sup> march 2011**

Particular	31-12-2011	31-12-2011
Net domestic sales	709503	590102
Export sales	39579	35273
C) Net sales income from operation	749082	625475
D) Other operating income	2364	1889
<b>Expenditure</b>		
i) Increase / decrease stock in trade and work in progress	(4829)	(8294)
j) Consumption of raw and packaging material	352285	304281
k) Purchase of trade	11480	9571

goods	54646	43344
l) Employee cost	15333	12775
m) Depreciation	180223	151608
n) Other expenditure	1039	-
o) Impairment of fixed assets-net	2873	208
p) Provision for contingency-operation	613050	513493
<b>Total= a+b+c+d+e+f+g+h</b>		
Profit from operation before other income [4], interest[6], other contingency[6(a)] and exceptional item[8].	138396	113871
Other income	2725	2376
Profit before interest [6] other contingency[6(a)] and exceptional item[8].	141121	116247
Interest and financing expense	511	107
Provision for contingency-others	1817	1629
Profit after interest but before exceptional item	138793	114511
Tax expense	42648	32645
Net profit from ordinary activities after tax	96155	81866
Net profit for the period	96155	81866
Paid up equity share capital (face value rs.10 per share)	9642	9642
Reservation excluding	117753	75900

revaluation reserve as per balancesheet		
Earning per share	99.73	84.91
<b>Public share holding</b>		
-no.of share	35900637	35900637
-percentageof shareholding	37.24	37.24
<b>Promoter &amp; promoters group shareholding</b>		
<b>b) Pledged</b>		
– no. Of share	-	-
- % of share	-	-
<b>B) non pledged</b>		
– no. Of share	60515079	60515079
- % of share	100.00	100.00
_% of share (share capital of the company)	62.76	62.76

**Table: 20 statement of the assets and liabilities as per december 31<sup>st</sup> 2011**

Particular	As at 31-12-2011	31-12-2010
Shareholders fund		
c) Capital	9642	9642
d) Reserveand surplus	117753	75900
Loan fund	97087	-
Deffered tax liability	4350	3327
Total	228832	88868
Fixed assets	299439	136165
Investment	13437	136165
Current assets,loan and		



advances		
f) Inventory	73404	57595
g) Sundry debtor	11542	6329
h) Cash and bank balance	22721	25529
i) Other current assets	-	-
j) Loan and advances	19635	15144
Less: current liability and provision		
c) Current liability	100963	76167
d) Current provision	110383	90794
Miscellaneous expenditure	-	-
Profit & loss account	-	-
Total	228832	88869

**Table : 21 Unmarried taxpayers follow following tax rates**

Taxable income (chf)	Tax on lower amount (chf)	Tax on excess (%)
0 - 13,600	-	0%
13,601 – 29,800	-	0.77%
29,801 – 39,000	124.70	0.88%
39,001 – 52,000	205.65	2.64%
52,001 – 68,300	548.85	2.97%
68,301 – 73,600	1,032.95	5.94%
73,601 – 97,700	1,347.75	6.60%
97,701 - 127,100	2,938.35	8.80%
127,101 - 166,200	5,525.55	11.00%
166,201 - 712,400	9,826.55	13.20%
712,401 - 712,500	81,924.95	0%
712,501 +	81,937.50	11.50%

**Table:22 Married tax payers follow following tax rates**

Taxable income (chf)	Tax on lower amount (chf)	Tax on excess (%)
0 - 26,700	-	0%
26,701 - 47,900	-	1%
47,901 - 54,900	212.00	2%

54,901 - 70,900	352.00	3%
70,901 - 85,100	832.00	4%
85,101 - 97,400	1,400.00	5%
97,401 - 108,100	2,015.00	6%
108,101 - 117,000	2,657.00	7%
117,001 - 124,000	3,280.00	8%
124,001 - 129,300	3,840.00	9%
129,301 - 132,900	4,317.00	10%
132,901 - 134,700	4,677.00	11%
134,701 - 136,500	4,875.00	12%
136,501 - 843,600	5,091.00	13%
843,601 +	97,014.00	11.5%

**Table :23 contribution of product category to net sales**

% share	Product	% share
44.7%	Milk and nutrition product	45%
28.5%	Prepared dishes and cooking	27.1%
13.9%	Chocolate and confectionary	14.6%
12.9%	Beverages	13.3%
Jan-sep 2010		Jan-sep 2011

**Table : 24 total export**

Volume (000 tones)		Value (inr)	
-10.2%		+8.9%	
12.8%	11.5%	2.8%	3%
Jan-sep 2010	Jan-sep 2011	Jan-sep 2010	Jan-sep 2011

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