

A. F. FERGUSON & CO.

CHARTERED ACCOUNTANTS
9, SCINDIA HOUSE,
KASTURBA GANDHI MARG,
NEW DELHI - 110001.

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF NESTLÉ INDIA LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Nestlé India Limited ("the Company") for the Quarter ended 31/03/2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchange except for the disclosures in Part II - Select Information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A Review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchange, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchange and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended 31/03/2014 of the Statement, from the details furnished by the Management.



NEW DELHI, 13 MAY 2014

For A. F. Ferguson & Co.
Chartered Accountants
(Firm's Registration No. 112066W)

A handwritten signature in black ink, appearing to read "Jaideep Bhargava".

Jaideep Bhargava
Partner
(Membership No. 90295)

TELEPHONES : 91-11-2331 5884, 2331 5885, 2331 5704

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NESTLÉ INDIA LIMITED

Registered Office: M-5A, Connaught Circus, New Delhi – 110 001

UN - AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st MARCH 2014

PART I

(₹ in millions)

PARTICULARS	THREE MONTHS ENDED			Accounting Year ended 31.12.2013 (Audited)
	31.03.2014 (Unaudited)	31.12.2013 (Audited) As explained in Note 9 below	31.03.2013 (Unaudited)	
1 INCOME FROM OPERATIONS				
(i) NET DOMESTIC SALES	21,672.9	21,178.2	20,952.5	84,357.7
(ii) EXPORT SALES	1,461.7	1,344.8	1,528.3	6,261.3
a) NET SALES (NET OF EXCISE DUTY)	23,134.6	22,523.0	22,480.8	90,619.0
b) OTHER OPERATING INCOME	80.5	106.7	72.7	391.5
TOTAL INCOME FROM OPERATIONS (NET)	23,215.1	22,629.7	22,553.5	91,010.5
2 EXPENSES				
a) COST OF MATERIALS CONSUMED	11,501.2	10,437.3	9,682.1	39,069.9
b) PURCHASES OF STOCK-IN-TRADE	301.6	293.4	253.2	1,100.4
c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	(1,096.2)	(237.1)	222.4	1,053.2
d) EMPLOYEE BENEFITS EXPENSE	1,674.8	1,719.2	1,568.5	6,856.9
e) DEPRECIATION AND AMORTISATION	839.2	756.8	821.2	3,299.5
f) OTHER EXPENSES	5,732.4	5,495.5	5,287.2	22,176.3
g) IMPAIRMENT LOSS ON FIXED ASSETS	-	99.4	-	99.4
h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	89.2	82.7	115.7	413.1
TOTAL EXPENSES	19,042.2	18,647.2	17,950.3	74,068.7
3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], AND EXCEPTIONAL ITEMS [10] i.e. [1-2]	4,172.9	3,982.5	4,603.2	16,941.8
4 OTHER INCOME	309.3	319.0	127.3	830.9
5 PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], AND EXCEPTIONAL ITEMS [10] i.e. [3+4]	4,482.2	4,301.5	4,730.5	17,772.7
6 FINANCE COSTS	102.6	101.1	79.3	365.1
7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	164.7	138.4	141.4	558.1
8 NET PROVISION FOR CONTINGENCIES (OTHERS)	249.5	-	207.4	207.4
9 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [10] i.e. [5-6-7-8]	3,965.4	4,062.0	4,302.4	16,642.1
10 EXCEPTIONAL ITEMS	-	101.7	-	138.1
11 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [9+10]	3,965.4	4,163.7	4,302.4	16,780.2
12 TAX EXPENSE	1,373.8	1,347.1	1,511.5	5,608.9
13 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [11-12]	2,591.6	2,816.6	2,790.9	11,171.3
14 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-	-
15 NET PROFIT FOR THE PERIOD [13-14]	2,591.6	2,816.6	2,790.9	11,171.3
16 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2	964.2
17 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	-	-	-	22,723.3
18 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM	26.88	29.22	28.95	115.87

PART II

PARTICULARS OF SHAREHOLDING	THREE MONTHS ENDED			Year ended 31.12.2013
	31.03.2014	31.12.2013	31.03.2013	
1 PUBLIC SHAREHOLDING				
- NUMBER OF SHARES	35900637	35900637	35900637	35900637
- PERCENTAGE OF SHAREHOLDING	37.24	37.24	37.24	37.24
2 PROMOTERS & PROMOTER GROUP SHAREHOLDING				
(a) PLEDGED/ENCUMBERED				
- NUMBER OF SHARES	-	-	-	-
- PERCENTAGE OF SHARES (AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP AND OF TOTAL SHARE CAPITAL OF COMPANY)	-	-	-	-
(b) NON-ENCUMBERED				
- NUMBER OF SHARES	60515079	60515079	60515079	60515079
- PERCENTAGE OF SHARES (AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)	100.00	100.00	100.00	100.00
- PERCENTAGE OF SHARES (AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)	62.76	62.76	62.76	62.76

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PART II (Cont.)

	PARTICULARS	Three Months Ended 31.03.2014
B	INVESTOR COMPLAINTS	
	PENDING AT THE BEGINNING OF THE QUARTER	0
	RECEIVED DURING THE QUARTER	2
	DISPOSED OFF DURING THE QUARTER	2
	REMAINING UNRESOLVED AT THE END OF THE QUARTER	0

Notes: Comparisons with reference to three months ended 31.03.2013

1. "Net Sales" have increased by 2.9%. "Net Domestic Sales" grew by 3.4% while "Export Sales" declined by 4.4% largely due to export to affiliates (mainly Russia) as capacity was prioritised for domestic business.

Total foreign currency earnings are equivalent to USD 17.4 millions (previous period USD 21.5 millions).

2. Total cost of the employee benefit plans continue to be fully charged to the statement of profit and loss. While the amounts relating to current service cost and actuarial gains/ losses continue to be included in "Employee Benefits Expense"; the increase in cost of employee benefit plans, due to passage of time (net of return on plan assets) is presented under "Employee Benefits Expense due to passage of time" in line with the Accounting Standard 15 on "Employee Benefits".
3. The main contributor to the increase in "Other Expenses" is demand generating spends.
4. "Net Provision for Contingencies" is mainly for matters related to litigation in accordance with the Accounting Standard AS 29 on "Provisions, Contingent Liabilities and Contingent Assets".
5. "Other Income" increased largely due to higher average liquidities and yields.
6. "Tax Expense" is not fully comparable, as in the same quarter last year the net deferred tax liabilities were revalued consequent to the change in income tax surcharge from 5% to 10%.
7. The Board of Directors has declared an interim dividend for 2014 of ₹ 12.50 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 1,205.2 millions, which will be paid on and from 29th May 2014.
8. As the Company's business activity falls within a single primary business segment, namely Food, the disclosure requirements of Clause 41 of the Listing Agreement in terms of Accounting Standard AS 17 on Segment Reporting are not applicable.
9. Figures of quarter ended 31.12.2013 are the balancing figures between audited figures in respect of the full year and the unaudited published figures upto the third quarter ended 30th September 2013.
10. Previous period's figures have been regrouped / reclassified wherever necessary, to make them comparable with the current period.

THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 13th MAY 2014.

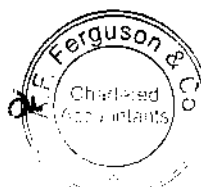
By Order of the Board

(Signature)
Etienne Benet
Managing Director

Date: May 13, 2014

Place: Gurgaon

(Signature)
(Signature)



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