

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 and Nine Months ended 30/09/2013 ("the Statement"), being submitted by the Company pursuant to 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 procedures applied to financial data and thus provide 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 13 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 Exchanges, 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 and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended 30/09/2013 of the Statement, from the details furnished by the Management.



NEW DELHI, 13 OCT 2013

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

Jaideep Bhargava
Partner

(Membership No. 90295)

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

BANGALORE • CHENNAI • HYDERABAD • JAMSHEDPUR • KOLKATA • MUMBAI • PUNE • VADODARA

**Nestlé****NESTLÉ INDIA LIMITED**

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

UN-AUDITED FINANCIAL RESULTS FOR THREE AND NINE MONTHS ENDED 30TH SEPTEMBER 2013**PART I****(₹ in millions)**

THREE MONTHS ENDED (Un-audited)			PARTICULARS	NINE MONTHS ENDED (Un-audited)		Accounting Year ended
30.09.2013	30.06.2013	30.09.2012		30.09.2013	30.09.2012	31.12.2012 (Audited)
			1 INCOME FROM OPERATIONS			
21,832.0	20,395.0	20,206.5	(i) NET DOMESTIC SALES	63,179.5	58,351.3	78,765.7
1,651.1	1,737.1	949.3	(ii) EXPORT SALES	4,916.5	3,144.8	4,256.9
23,483.1	22,132.1	21,155.8	a) NET SALES (NET OF EXCISE DUTY)	68,096.0	61,496.1	83,022.6
117.1	95.0	85.5	b) OTHER OPERATING INCOME	284.8	237.9	322.7
23,600.2	22,227.1	21,241.3	TOTAL INCOME FROM OPERATIONS (NET)	68,380.8	61,734.0	83,345.3
			2 EXPENSES			
9,822.6	9,127.9	9,009.6	a) COST OF MATERIALS CONSUMED	28,632.6	27,845.7	37,568.7
266.3	287.5	297.8	b) PURCHASES OF STOCK-IN-TRADE	807.0	847.4	1,115.3
479.2	588.7	404.4	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	1,290.3	(573.8)	(920.2)
1,949.3	1,898.2	1,671.4	d) EMPLOYEE BENEFITS	5,557.4	4,883.8	6,633.8
834.9	886.6	735.2	e) DEPRECIATION AND AMORTISATION	2,542.7	1,936.2	2,771.5
6,043.7	5,349.9	5,338.7	f) OTHERS	16,680.8	15,191.9	20,367.4
-	-	4.2	g) IMPAIRMENT LOSS ON FIXED ASSETS	-	48.6	68.5
105.5	109.2	73.7	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	330.4	208.9	339.9
19,501.5	18,248.0	17,535.0	TOTAL EXPENSES	55,841.2	50,388.7	67,944.9
4,098.7	3,979.1	3,706.3	3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], FINANCE COSTS [6], OTHER CONTINGENCIES [7], AND EXCEPTIONAL ITEMS [9] i.e. [1-2]	12,539.6	11,345.3	15,400.4
230.6	154.0	87.5	4 OTHER INCOME	511.9	183.9	310.3
4,329.3	4,133.1	3,793.8	5 PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS [6], OTHER CONTINGENCIES [7], AND EXCEPTIONAL ITEMS [9] i.e. [3+4]	13,051.5	11,529.2	15,710.7
99.6	85.1	(76.2)	6 FINANCE COSTS	264.0	166.9	266.0
-	-	-	7 NET PROVISION FOR CONTINGENCIES (OTHERS)	207.4	(81.5)	(81.5)
4,229.7	4,048.0	3,870.0	8 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [9] i.e. [5-6-7]	12,580.1	11,443.8	15,526.2
36.4	-	-	9 EXCEPTIONAL ITEMS	36.4	-	-
4,266.1	4,048.0	3,870.0	10 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [8+9]	12,616.5	11,443.8	15,526.2
1,416.1	1,334.2	1,196.9	11 TAX EXPENSE	4,261.8	3,553.7	4,846.9
2,850.0	2,713.8	2,673.1	12 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [10-11]	8,354.7	7,890.1	10,679.3
-	-	-	13 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-
2,850.0	2,713.8	2,673.1	14 NET PROFIT FOR THE PERIOD [12-13]	8,354.7	7,890.1	10,679.3
964.2	964.2	964.2	15 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
-	-	-	16 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	-	-	17,019.9
29.56	28.14	27.72	17 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM	86.65	81.83	110.76

PART II

THREE MONTHS ENDED			PARTICULARS OF SHAREHOLDING	NINE MONTHS ENDED		Year ended
30.09.2013	30.06.2013	30.09.2012		30.09.2013	30.09.2012	31.12.2012
35900637	35900637	35900637	A PUBLIC SHAREHOLDING			
37.24	37.24	37.24	1 - NUMBER OF SHARES	35900637	35900637	35900637
			- PERCENTAGE OF SHAREHOLDING	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
			- PERCENTAGE OF SHARES	100.00	100.00	100.00
			(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)	62.76	62.76	62.76
			- PERCENTAGE OF SHARES			
			(AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)			



PART II

	PARTICULARS	Three Months Ended 30.09.2013
B	INVESTOR COMPLAINTS	
	PENDING AT THE BEGINNING OF THE QUARTER	0
	RECEIVED DURING THE QUARTER	4
	DISPOSED OFF DURING THE QUARTER	4
	REMAINING UNRESOLVED AT THE END OF THE QUARTER	0

Notes: Comparisons with reference to three months ended 30.09.2012

1. "Net Domestic Sales" grew by 8.0% contributed by net realisations and volume growth in certain products. "Export Sales" rose by 73.9% mainly due to export to affiliates coupled with a positive impact of the ₹ depreciation.

The total foreign currency earnings are USD 21.0 millions (year to date: current year USD 67.4 millions; previous year USD 41.0 millions).

2. The increase in "Other Operating Income" is mainly due to higher realisation of export incentives.
3. "Other Income" improved largely due to higher average liquidities.
4. "Depreciation & Amortization" increased due to expansion in production capacities made over the last year together with amortization of capitalised borrowing costs and exchange differences partially offset by lower depreciation of certain plant and machinery that have not run on triple shifts.
5. 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".
6. "Finance Costs" during the third quarter of 2012 were favourably impacted due to one off reversal of exchange differences amounting to ₹178.6 millions consequent to first time application of circular no. 25/2012 dated 09.08.2012 issued by Ministry of Corporate Affairs (MCA) w.e.f. September 2012 which required that all exchange differences on long term foreign currency borrowings for fixed assets be treated as capital expenditure.
7. "Tax Expense" has increased mainly due to the increase in income-tax surcharge from 5% to 10% effective 01.04.2013.
8. The Board of Directors has declared today an interim dividend for 2013 of ₹ 18.0 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 1,735.5 million, which will be paid on and from 15th November 2013. This is in addition to the interim dividend of ₹ 18.00 each per equity share paid in August 2013.
9. 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.
10. Previous period's figures have been regrouped / reclassified wherever necessary, to make them comparable with the current period.
11. The Limited Review of the un-audited results for the current period, as required under clause 41 of the Listing Agreement, has been completed by the Statutory Auditors and their report is being forwarded to the Stock Exchange.

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 30th OCTOBER 2013.

By Order of the Board

Date : October 30, 2013

Place: Gurgaon

Email ID: investor@in.nestle.com Website: www.nestle.in

**Etienne Benet
Managing Director**

