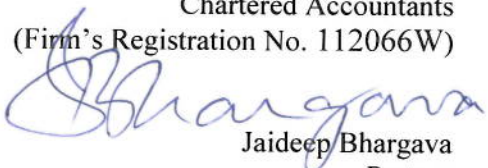


**A. F. FERGUSON & CO.**  
CHARTERED ACCOUNTANTS  
9, SCINDIA HOUSE,  
KASTURBA GANDHI MARG,  
NEW DELHI - 110001.

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **NESTLE INDIA LIMITED** ("the Company") for the Quarter and Nine Months ended 30/09/2014 ("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 procedures 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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 Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months ended 30/09/2014 of the Statement, from the details furnished by the Management.

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

  
Jaideep Bhargava  
Partner

(Membership No. 90295)



NEW DELHI, 28 October, 2014

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

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



**NESTLÉ INDIA LIMITED**

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

**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30<sup>TH</sup> SEPTEMBER 2014**

**PART I**

(₹ in millions)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	NINE MONTHS ENDED (Un-audited)		Accounting Year ended
30.09.2014	30.06.2014	30.09.2013		30.09.2014	30.09.2013	31.12.2013 (Audited)
			<b>1 INCOME FROM OPERATIONS</b>			
23,991.7	22,380.6	21,832.0	(i) NET DOMESTIC SALES	68,045.2	63,179.5	84,357.7
1,586.3	1,808.5	1,651.1	(ii) EXPORT SALES	4,856.5	4,916.5	6,261.3
25,578.0	24,189.1	23,483.1	a) NET SALES (NET OF EXCISE DUTY)	72,901.7	68,096.0	90,619.0
126.2	130.6	117.1	b) OTHER OPERATING INCOME	337.3	284.8	391.5
<b>25,704.2</b>	<b>24,319.7</b>	<b>23,600.2</b>	<b>TOTAL INCOME FROM OPERATIONS (NET)</b>	<b>73,239.0</b>	<b>68,380.8</b>	<b>91,010.5</b>
			<b>2 EXPENSES</b>			
10,841.6	11,234.7	9,822.6	a) COST OF MATERIALS CONSUMED	33,577.5	28,632.6	39,069.9
246.7	328.5	266.3	b) PURCHASES OF STOCK-IN-TRADE	876.8	807.0	1,100.4
714.0	(54.3)	479.2	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	(436.5)	1,290.3	1,053.2
1,912.7	1,918.5	1,810.3	d) EMPLOYEE BENEFITS EXPENSE	5,506.0	5,137.7	6,856.9
846.2	841.8	834.9	e) DEPRECIATION AND AMORTISATION	2,527.2	2,542.7	3,299.5
6,354.1	5,726.0	6,043.7	f) OTHER EXPENSES	17,812.5	16,680.8	22,176.3
69.4	-	-	g) IMPAIRMENT LOSS ON FIXED ASSETS	69.4	-	99.4
90.1	93.9	105.5	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	273.2	330.4	413.1
<b>21,074.8</b>	<b>20,089.1</b>	<b>19,362.5</b>	<b>TOTAL EXPENSES</b>	<b>60,206.1</b>	<b>55,421.5</b>	<b>74,068.7</b>
<b>4,629.4</b>	<b>4,230.6</b>	<b>4,237.7</b>	<b>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]</b>	<b>13,032.9</b>	<b>12,959.3</b>	<b>16,941.8</b>
155.4	231.2	230.6	4 OTHER INCOME	695.9	511.9	830.9
<b>4,784.8</b>	<b>4,461.8</b>	<b>4,468.3</b>	<b>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]</b>	<b>13,728.8</b>	<b>13,471.2</b>	<b>17,772.7</b>
2.0	37.7	99.6	6 FINANCE COSTS	142.3	264.0	365.1
162.3	163.8	139.0	7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	490.8	419.7	558.1
-	-	-	8 NET PROVISION FOR CONTINGENCIES (OTHERS)	249.5	207.4	207.4
<b>4,620.5</b>	<b>4,260.3</b>	<b>4,229.7</b>	<b>9 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [10] i.e. [5-6-7-8]</b>	<b>12,846.2</b>	<b>12,580.1</b>	<b>16,642.1</b>
-	-	36.4	10 EXCEPTIONAL ITEMS	-	36.4	138.1
<b>4,620.5</b>	<b>4,260.3</b>	<b>4,266.1</b>	<b>11 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [9+10]</b>	<b>12,846.2</b>	<b>12,616.5</b>	<b>16,780.2</b>
1,507.6	1,381.7	1,416.1	12 TAX EXPENSE	4,263.1	4,261.8	5,608.9
<b>3,112.9</b>	<b>2,878.6</b>	<b>2,850.0</b>	<b>13 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [11-12]</b>	<b>8,583.1</b>	<b>8,354.7</b>	<b>11,171.3</b>
-	-	-	14 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-
<b>3,112.9</b>	<b>2,878.6</b>	<b>2,850.0</b>	<b>15 NET PROFIT FOR THE PERIOD [13-14]</b>	<b>8,583.1</b>	<b>8,354.7</b>	<b>11,171.3</b>
964.2	964.2	964.2	16 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
-	-	-	17 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	-	-	22,723.3
<b>32.28</b>	<b>29.86</b>	<b>29.56</b>	<b>18 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM</b>	<b>89.02</b>	<b>86.65</b>	<b>115.87</b>

**PART II**

THREE MONTHS ENDED			PARTICULARS OF SHAREHOLDING	NINE MONTHS ENDED		Year ended
30.09.2014	30.06.2014	30.09.2013		30.09.2014	30.09.2013	31.12.2013
			<b>A</b>			
			<b>1 PUBLIC SHAREHOLDING</b>			
35900637	35900637	35900637	- NUMBER OF SHARES	35900637	35900637	35900637
37.24	37.24	37.24	- PERCENTAGE OF SHAREHOLDING	37.24	37.24	37.24
			<b>2 PROMOTERS &amp; PROMOTER GROUP SHAREHOLDING</b>			
			(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			
60515079	60515079	60515079	- NUMBER OF SHARES	60515079	60515079	60515079
100.00	100.00	100.00	- PERCENTAGE OF SHARES	100.00	100.00	100.00
62.76	62.76	62.76	(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP) (AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)	62.76	62.76	62.76



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**PART II (Cont.)**

	<b>PARTICULARS</b>	<b>Three Months Ended 30.09.2014</b>
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	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 30.09.2013**

1. "Net Sales" have increased by 8.9%. "Net Domestic Sales" grew by 9.9% mainly from better realisations. "Export Sales" declined by 3.9% mainly due to lower coffee exports.
2. The cost of materials consumed [2(a) +2(b) +2(c)] has increased mainly due to significantly higher cost of milk and its derivatives in India which was even higher than those in international markets.
3. 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".
4. Net Provision for Contingencies is mainly for matters related to litigation/dispute, in accordance with the Accounting Standard AS 29 on "Provisions, Contingent Liabilities and Contingent Assets".
5. "Other Income" has decreased largely due to lower average liquidities consequent to repayment of External Commercial Borrowing (ECB) as well as lower yields.
6. "Finance Costs" have reduced mainly due to repayment of External Commercial Borrowing (ECB).
7. The Board of Directors had declared a second interim dividend for 2014 aggregating to ₹ 30.0 per equity share (face value ₹ 10/- per equity share). This includes an additional interim dividend of ₹ 10.0 per equity share as the Company has completed the major capital expenditure programme announced in 2010 and has fully repaid the borrowings made for capital expenditure. The second interim dividend was paid on 26<sup>th</sup> September 2014 and was in addition to an interim dividend of ₹ 12.50 each per equity share paid on 29<sup>th</sup> 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. Previous period's figures have been regrouped / reclassified wherever necessary, to make them comparable with the current period.
10. 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 28<sup>th</sup> OCTOBER 2014.**



**Date: October 28, 2014**  
**Place: Gurgaon**

**By Order of the Board**

**Etienne Benet**  
**Managing Director**

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