



# NESTLÉ INDIA LIMITED

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

(₹ In million)

| THREE MONTHS ENDED                                    |                            |   | PARTICULARS  | Accounting Year ended   |                         |
|---|----------------------------|---|--|-------------------------|-------------------------|
| 31.12.2018<br>(Audited as<br>explained in<br>Note 13) | 30.09.2018<br>(Un-audited) | 31.12.2017<br>(Audited as<br>explained in<br>Note 13) |  | 31.12.2018<br>(Audited) | 31.12.2017<br>(Audited) |
|   |                            |   | <b>A INCOME</b>  |                         |                         |
| 26,905.1  | 27,495.0                   | 24,012.4  | DOMESTIC SALES   | 105,075.4               | 94,724.5                |
| 1,883.2   | 1,724.9                    | 1,884.0   | EXPORT SALES   | 7,086.9                 | 6,626.6                 |
| <b>28,788.3</b>                                       | <b>29,219.9</b>            | <b>25,896.4</b>                                       | <b>SALE OF PRODUCTS</b>  | <b>112,162.3</b>        | <b>101,351.1</b>        |
| 184.4   | 173.7                      | 118.2   | OTHER OPERATING REVENUES   | 760.4                   | 570.7                   |
| <b>28,972.7</b>                                       | <b>29,393.6</b>            | <b>26,014.6</b>                                       | <b>i REVENUE FROM OPERATIONS</b>   | <b>112,922.7</b>        | <b>101,921.8</b>        |
| 752.3   | 670.3                      | 510.9   | <b>ii OTHER INCOME</b>   | 2,589.2                 | 1,769.2                 |
| <b>29,725.0</b>                                       | <b>30,063.9</b>            | <b>26,525.5</b>                                       | <b>TOTAL INCOME</b>  | <b>115,511.9</b>        | <b>103,691.0</b>        |
|   |                            |   | <b>B EXPENSES</b>  |                         |                         |
| 12,008.6  | 10,800.3                   | 10,989.6  | <b>i COST OF MATERIALS CONSUMED</b>  | 43,656.8                | 42,316.6                |
| 610.7   | 668.3                      | 573.5   | <b>ii PURCHASES OF STOCK-IN-TRADE</b>  | 2,305.6                 | 1,747.6                 |
| (725.0)   | 372.6                      | (870.5)   | <b>iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>   | (60.1)                  | (795.6)                 |
| -   | -                          | -   | <b>iv EXCISE DUTY</b>  | -                       | 1,825.8                 |
| 2,798.9   | 2,903.9                    | 2,607.3   | <b>v EMPLOYEE BENEFITS EXPENSE</b>   | 11,241.5                | 10,174.5                |
| 251.7   | 274.6                      | 233.9   | <b>vi FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)</b>                | 1,119.5                 | 919.0                   |
| 784.2   | 930.1                      | 837.6   | <b>vii DEPRECIATION AND AMORTISATION</b>   | 3,356.7                 | 3,422.5                 |
| 8,086.8   | 7,176.3                    | 6,175.0   | <b>viii OTHER EXPENSES</b>   | 28,181.1                | 24,170.2                |
| 69.4  | -                          | 304.6   | <b>ix IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT</b>                                 | 110.8                   | 371.8                   |
|   |                            |   | <b>NET PROVISION FOR CONTINGENCIES</b>   |                         |                         |
| 147.2   | 168.2                      | 316.9   | <b>x - OPERATIONS</b>  | 621.7                   | 383.6                   |
| 415.1   | -                          | 492.9   | <b>xi - OTHERS</b>   | 415.1                   | 492.9                   |
| 55.4  | 52.0                       | 90.6  | <b>xii CORPORATE SOCIAL RESPONSIBILITY EXPENSE</b>   | 273.7                   | 269.1                   |
| <b>24,503.0</b>                                       | <b>23,346.3</b>            | <b>21,751.4</b>                                       | <b>TOTAL EXPENSES</b>  | <b>91,222.4</b>         | <b>85,298.0</b>         |
| <b>5,222.0</b>  | <b>6,717.6</b>             | <b>4,774.1</b>  | <b>C PROFIT BEFORE TAX (A-B)</b>   | <b>24,289.5</b>         | <b>18,393.0</b>         |
|   |                            |   | <b>D TAX EXPENSE:</b>  |                         |                         |
| 1,847.6   | 2,395.6                    | 1,852.7   | <b>CURRENT TAX</b>   | 8,848.7                 | 6,491.7                 |
| (43.2)  | (139.1)                    | (196.9)   | <b>DEFERRED TAX</b>  | (628.5)                 | (350.6)                 |
| <b>3,417.6</b>  | <b>4,461.1</b>             | <b>3,118.3</b>  | <b>E PROFIT FOR THE PERIOD (C-D)</b>   | <b>16,069.3</b>         | <b>12,251.9</b>         |
|   |                            |   | <b>F OTHER COMPREHENSIVE INCOME</b>  |                         |                         |
| (201.6)   | (86.3)                     | (701.1)   | <b>a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>                        |                         |                         |
| -   | -                          | -   | - RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS  | (464.0)                 | (1,387.3)               |
| 70.5  | 30.1                       | 242.6   | - CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS  | (100.0)                 | -                       |
|   |                            |   | <b>(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b> | 162.0                   | 480.1                   |
| 55.9  | (7.8)                      | 35.3  | <b>b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS</b>                            |                         |                         |
| (19.5)  | 2.7                        | (12.3)  | - CHANGES IN FAIR VALUE OF CASH FLOW HEDGES  | (3.2)                   | 26.7                    |
|   |                            |   | <b>(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS</b>     | 1.1                     | (9.3)                   |
| <b>(94.7)</b>   | <b>(61.3)</b>              | <b>(435.5)</b>  | <b>TOTAL OTHER COMPREHENSIVE INCOME (a+b)</b>  | <b>(404.1)</b>          | <b>(889.8)</b>          |
| <b>3,322.9</b>  | <b>4,399.8</b>             | <b>2,682.8</b>  | <b>G TOTAL COMPREHENSIVE INCOME (E+F)</b>  | <b>15,665.2</b>         | <b>11,362.1</b>         |
| 964.2   | 964.2                      | 964.2   | <b>H PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)</b>                         | 964.2                   | 964.2                   |
| <b>35.45</b>  | <b>46.27</b>               | <b>32.34</b>  | <b>I EARNINGS PER SHARE (EPS)</b>  | <b>166.67</b>           | <b>127.07</b>           |
|   |                            |   | <b>BASIC/ DILUTED EPS (₹)</b>  |                         |                         |
|   |                            |   | <b>ADDITIONAL INFORMATION:</b>   |                         |                         |
| 5,191.9   | 6,373.9                    | 5,080.6   | <b>PROFIT FROM OPERATIONS [C - A(ii) + B(vi)+B(xi)+B(xii)]</b>                             | 23,508.6                | 18,304.8                |





## STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2018

(₹ In million)

| PARTICULARS |  | As at<br>31.12.2018<br>(Audited) | As at<br>31.12.2017<br>(Audited) |
|-------------|--|----------------------------------|----------------------------------|
| <b>A</b>    | <b>ASSETS</b>  |                                  |                                  |
| <b>1</b>    | <b>NON-CURRENT ASSETS</b>  |                                  |                                  |
|             | (a) PROPERTY, PLANT & EQUIPMENT  | 24,006.2                         | 26,161.8                         |
|             | (b) CAPITAL WORK-IN-PROGRESS   | 1,052.0                          | 941.6                            |
|             | (c) FINANCIAL ASSETS   |                                  |                                  |
|             | (i) INVESTMENTS  | 7,333.6                          | 5,852.8                          |
|             | (ii) LOANS   | 401.4                            | 463.5                            |
|             | (d) OTHER NON-CURRENT ASSETS   | 718.1                            | 832.3                            |
|             | <b>Sub-total - NON-CURRENT ASSETS</b>  | <b>33,511.3</b>                  | <b>34,252.0</b>                  |
| <b>2</b>    | <b>CURRENT ASSETS</b>  |                                  |                                  |
|             | (a) INVENTORIES  | 9,655.5                          | 9,024.7                          |
|             | (b) FINANCIAL ASSETS   |                                  |                                  |
|             | (i) INVESTMENTS  | 19,251.3                         | 13,935.9                         |
|             | (ii) TRADE RECEIVABLES   | 1,245.9                          | 889.7                            |
|             | (iii) CASH AND CASH EQUIVALENTS  | 15,987.7                         | 14,476.9                         |
|             | (iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS                                | 112.9                            | 97.3                             |
|             | (v) LOANS  | 178.9                            | 288.0                            |
|             | (vi) OTHER FINANCIAL ASSETS  | 524.9                            | 427.9                            |
|             | (c) CURRENT TAX ASSETS (NET)   | 188.5                            | 63.9                             |
|             | (d) OTHER CURRENT ASSETS   | 223.9                            | 169.6                            |
|             | <b>Sub-total - CURRENT ASSETS</b>  | <b>47,369.5</b>                  | <b>39,373.9</b>                  |
|             | <b>TOTAL-ASSETS</b>  | <b>80,880.8</b>                  | <b>73,625.9</b>                  |
| <b>B</b>    | <b>EQUITY AND LIABILITIES</b>  |                                  |                                  |
|             | <b>EQUITY</b>  |                                  |                                  |
|             | (a) EQUITY SHARE CAPITAL   | 964.2                            | 964.2                            |
|             | (b) OTHER EQUITY   | 35,773.2                         | 33,241.7                         |
|             | <b>Sub-total - EQUITY</b>  | <b>36,737.4</b>                  | <b>34,205.9</b>                  |
|             | <b>LIABILITIES</b>   |                                  |                                  |
| <b>1</b>    | <b>NON-CURRENT LIABILITIES</b>   |                                  |                                  |
|             | (a) FINANCIAL LIABILITIES  |                                  |                                  |
|             | (i) BORROWINGS   | 351.4                            | 351.4                            |
|             | (b) PROVISIONS   | 24,649.2                         | 22,915.9                         |
|             | (c) DEFERRED TAX LIABILITIES (NET)   | 588.2                            | 1,219.6                          |
|             | (d) OTHER NON-CURRENT LIABILITIES  | 5.1                              | 6.0                              |
|             | <b>Sub-total - NON-CURRENT LIABILITIES</b>   | <b>25,593.9</b>                  | <b>24,492.9</b>                  |
| <b>2</b>    | <b>CURRENT LIABILITIES</b>   |                                  |                                  |
|             | (a) FINANCIAL LIABILITIES  |                                  |                                  |
|             | (i) TRADE PAYABLES   |                                  |                                  |
|             | TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES                      | 107.7                            | 52.5                             |
|             | TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES | 12,296.0                         | 9,793.9                          |
|             | (ii) OTHER FINANCIAL LIABILITIES   | 3,161.8                          | 3,140.2                          |
|             | (b) PROVISIONS   | 1,572.6                          | 874.6                            |
|             | (c) OTHER CURRENT LIABILITIES  | 1,411.4                          | 1,065.9                          |
|             | <b>Sub-total - CURRENT LIABILITIES</b>   | <b>18,549.5</b>                  | <b>14,927.1</b>                  |
|             | <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>80,880.8</b>                  | <b>73,625.9</b>                  |

**Notes:**

Financial results have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Ind-AS and Schedule III (Division II) to the Companies Act, 2013.

For better understanding of the financial performance, the Company has chosen to present "Profit from Operations" as an additional information in the Statement of Profit and Loss. "Profit from Operations" is arrived from 'Profit before Tax' after reducing Other Income and adding back Finance Costs (including interest cost on employee benefit plans), Net provision for contingencies (others) and corporate social responsibility expense.



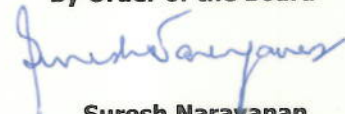


**Notes: Comparisons with reference to full year ended 31.12.2017 unless otherwise specified:**

1. In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the period 1 January to 30 June 2017 in the previous year were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/Sales Tax, Excise duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported in the previous year under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial results for the year ended 31 December 2018 and in particular Sales, absolute expenses and ratios in percentage of Sales are not comparable with the previous year. Profit from Operations in percentage of Sales and Net Profit in percentage of Sales are positively impacted as the percentages have been calculated on lower reported sales.
2. Reported Total Sales and Domestic Sales for the year increased by 10.7% and 10.9% respectively. These growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes (refer note 1 above). Domestic Sales growth is volume led and broad based. "Export Sales" increased by 6.9%.
3. "Total Sales" for the quarter increased by 11.2%. "Domestic Sales" increased by 12.0% supported by volumes and is broad based. "Export Sales" remained flat due to lower exports to Bangladesh & United Arab Emirates.
4. "Other Income" has increased due to higher average liquidities as well as higher yields.
5. "Cost of Materials consumed" [B(i)+B(ii)+B(iii)] has been favourably impacted by lower commodity prices.
6. "Other Expenses" have increased due to step up in demand generating activities including on new products.
7. "Net Provision for Contingencies" is mainly for matters related to litigations /related disputes and other uncertainties requiring management judgement. Provisions for Contingencies/ Contingent Liabilities are recognised/ disclosed after a careful evaluation of the facts and legal aspects of the matters involved, in line with Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets".
8. "Re-Measurement of Retiral Defined Benefit Plans" represents actuarial gains/losses on defined benefit plans.
9. The Board of Directors have recommended a final dividend of ₹ 25.00 per equity share amounting to ₹ 2,410.4 million for the year 2018. The total dividend for 2018 aggregates to ₹ 115.00 per equity share which includes three interim dividends of ₹ 20.00 per equity share paid on 1 June 2018, ₹ 20.00 per equity share paid on 24 August 2018 and ₹ 50.00 per equity share paid on 21 December 2018. The final dividend is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on "Events after the Reporting Period".
10. Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within a single operating segment, namely Food. Accordingly, the disclosure requirements of Ind AS 108 are not applicable.
11. Legal proceedings in the MAGGI Noodles issue are currently on before the Hon'ble Supreme Court. The issue has been adequately explained in the Annual Report 2015 and also in the press releases in 2015 available on the Company's website [www.nestle.in](http://www.nestle.in)
12. Previous period's figures have been regrouped/ reclassified to conform with the current year's classification /grouping.
13. Figures of last quarter are the balancing figures between audited figures in respect of the full year and the un-audited published figures upto the period ended 30 September.

**THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 14 FEBRUARY 2019.**

**By Order of the Board**



**Suresh Narayanan**  
Chairman and Managing Director

**Date: 14 February 2019**  
**Place: Gurugram**

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)  
Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110 001  
Corporate Identity Number: L15202DL1959PLC003786  
Email ID: [investor@in.nestle.com](mailto:investor@in.nestle.com), Website: [www.nestle.in](http://www.nestle.in)  
Phone: 011-23418891, Fax: 011-23415130



## Nestlé India Limited

(CIN : L15202DL1959PLC003786)  
Nestlé House  
Jacaranda Marg  
'M' Block, DLF City, PHASE - II  
GURUGRAM - 122002, HARYANA  
Phone 0124 - 3940000  
E-mail: [corporate@IN.nestle.com](mailto:corporate@IN.nestle.com)  
Website: [www.nestle.in](http://www.nestle.in)



**FEBRUARY 14, 2019**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai - 400 001

**Scrip Code - 500790**

**Subject : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended on 31 December 2018**

Dear Sir,

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016; this is hereby declared that the Auditors of the Company, M/s. B S R & Co. LLP, Chartered Accountants, has issued the Audit Reports for Financial Statements as prepared under the Companies Act, 2013 and Financial Results as prepared under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31 December 2018 with unmodified opinion.

Nestlé India Limited

  
Shobinder Duggal  
Director - Finance & Control and CFO



# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
Fax: + 91 124 235 8613

## **Independent Auditor's Report on Financial Results of Nestlé India Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To Board of Directors of Nestlé India Limited**

We have audited the accompanying annual financial results of Nestlé India Limited for the year ended 31 December 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 December 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion

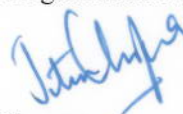
In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 December 2018.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022



**Jiten Chopra**

*Partner*

Membership No.: 092894

Place: Gurugram

Date : 14 February 2019