

UN - AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST MARCH, 2016

(₹ in million)

PARTICULARS	THREE MONTHS ENDED			Accounting Year ended 31.12.2015 (Audited)
	31.03.2016 (Unaudited)	31.12.2015 (Audited) As explained in Note 11 below	31.03.2015 (Unaudited)	
1 INCOME FROM OPERATIONS				
(i) NET DOMESTIC SALES	21,299.3	17,913.3	23,326.0	74,877.4
(ii) EXPORT SALES	1,658.0	1,551.1	1,741.9	6,355.3
a) NET SALES (NET OF EXCISE DUTY)	22,957.3	19,464.4	25,067.9	81,232.7
b) OTHER OPERATING INCOME	67.3	130.2	96.9	520.4
TOTAL INCOME FROM OPERATIONS (NET)	23,024.6	19,594.6	25,164.8	81,753.1
2 EXPENSES				
a) COST OF MATERIALS CONSUMED	9,654.2	8,690.7	11,105.0	33,588.7
b) PURCHASES OF STOCK-IN-TRADE	289.2	230.2	258.7	980.7
c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	(92.5)	(839.4)	(738.0)	119.7
d) EMPLOYEE BENEFITS EXPENSE	2,267.5	2,373.0	2,055.2	8,374.3
e) DEPRECIATION AND AMORTISATION	891.3	897.0	950.1	3,472.6
f) OTHER EXPENSES	5,432.8	5,171.4	6,176.5	21,264.3
g) IMPAIRMENT LOSS ON FIXED ASSETS	-	-	113.9	282.2
h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	117.9	91.6	86.1	333.1
TOTAL EXPENSES	18,560.4	16,614.5	20,007.5	68,415.6
3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], EXCEPTIONAL ITEMS [10], AND CORPORATE SOCIAL RESPONSIBILITY EXPENSE [11] i.e.[1 -2]	4,464.2	2,980.1	5,157.3	13,337.5
4 OTHER INCOME	348.5	272.7	254.7	1,100.9
5 PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], EXCEPTIONAL ITEMS [10], AND CORPORATE SOCIAL RESPONSIBILITY EXPENSE [11] i.e. [3+4]	4,812.7	3,252.8	5,412.0	14,438.4
6 FINANCE COSTS	38.4	(2.0)	34.1	32.9
7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	220.8	182.7	190.6	753.2
8 NET PROVISION FOR CONTINGENCIES (OTHERS)	345.7	-	301.5	301.5
9 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [10] AND CORPORATE SOCIAL RESPONSIBILITY EXPENSE [11] i.e. [5-6-7-8]	4,207.8	3,072.1	4,885.8	13,350.8
10 EXCEPTIONAL ITEMS – CHARGE/(CREDIT)	(1.8)	246.6	-	5,008.4
11 CORPORATE SOCIAL RESPONSIBILITY EXPENSE U/S 135 OF COMPANIES ACT, 2013	5.7	164.6	20.2	206.1
12 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [9-10-11]	4,203.9	2,660.9	4,865.6	8,136.3
13 TAX EXPENSE	1,613.9	829.0	1,662.8	2,503.6
14 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [12-13]	2,590.0	1,831.9	3,202.8	5,632.7
15 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-	-
16 NET PROFIT FOR THE PERIOD [14-15]	2,590.0	1,831.9	3,202.8	5,632.7
17 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2	964.2
18 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	-	-	-	27,214.2
19 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM	26.86	19.00	33.22	58.42

Notes: Comparisons with reference to three months ended 31.03.2015

1. Results for the quarter have been impacted by the MAGGI Noodles issue in 2015. This issue has been adequately explained in the Annual Report 2015 as well as in the press releases in 2015 available on the Company website www.nestle.in. Legal proceedings are currently on before the Hon'ble Supreme Court.
2. "Net Sales" for the quarter has decreased by 8.4% largely due to the impact of MAGGI Noodles issue in 2015. "Net Domestic Sales" decreased by 8.7%. "Export Sales" decreased by 4.8%.
3. "Depreciation" in the comparative period included a charge of ₹ 80.7 million, being the impact of implementation of reassessed useful life of fixed assets as per Schedule II of Companies Act, 2013.
4. "Net Provision for Contingencies" is mainly for matters related to litigations and related disputes. Provisions for Contingencies/ Contingent Liabilities are recognised/ disclosed after a careful evaluation of the facts and legal aspects of the matter involved, in line with the Accounting Standard AS 29 on "Provisions, Contingent Liabilities and Contingent Assets".
5. "Other Income" has increased due to higher average liquidities partially offset by lower yields.
6. 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 AS 15 on "Employee Benefits".
7. "Exceptional Items" during the quarter is net of (a) the provision made for diminution in the value of non-current investments and (b) write back, arising, inter alia, from actualization of estimates of part of the provision made for exceptional item in the previous year.
8. "Tax Expense" is higher due to lower tax holiday/benefits, mix of assessable income with higher share of permanent differences and the increase in income tax surcharge effective 1st April, 2015.
9. The Board of Directors have declared an interim dividend for 2016 of ₹ 12.00 per equity share (Face value ₹10/- per equity share) amounting to ₹ 1,157 million, which will be paid on and from 31st May, 2016.
10. As the Company's business activity falls within a single primary business segment, namely Food, the disclosure requirements under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of Accounting Standard AS 17 on "Segment Reporting" are not applicable.
11. Figures of quarter ended 31st December, 2015 are the balancing figures between audited figures in respect of the full year and the un-audited published figures upto the third quarter ended 30th September, 2015.
12. Previous year's figures have been regrouped/ reclassified wherever necessary to conform with the current year's classification / disclosure.
13. For even a better understanding of the results, please read the section on "Significant Accounting Policies" in the Annual Report 2015 available on the Company website www.nestle.in.

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 12th MAY, 2016.

Limited Review - The limited review, as required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related report forwarded to the stock exchange. The report does not have any impact on the above 'results and notes' for the quarter ended 31st March, 2016.



Date: 12th May, 2016
Place: Gurgaon

By Order of the Board


Suresh Narayanan
Chairman and Managing Director

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF NESTLÉ INDIA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **NESTLÉ INDIA LIMITED** ("the Company") for the Quarter ended 31/03/2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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


Manjula Banerji
Partner

(Membership No. 86423)

NEW DELHI, 12 May, 2016

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