

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 30th SEPTEMBER, 2016

(₹ in million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	NINE MONTHS ENDED (Un-audited)		Accounting Year ended
30.09.2016	30.06.2016	30.09.2015		30.09.2016	30.09.2015	31.12.2015 (Audited)
			1 INCOME FROM OPERATIONS			
21,902.0	20,872.5	15,877.8	(i) NET DOMESTIC SALES	64,073.8	56,964.1	74,877.4
1,559.8	1,688.4	1,484.2	(ii) EXPORT SALES	4,906.2	4,804.2	6,355.3
23,461.8	22,560.9	17,362.0	a) NET SALES (NET OF EXCISE DUTY)	68,980.0	61,768.3	81,232.7
173.1	156.0	61.6	b) OTHER OPERATING INCOME	396.4	390.2	520.4
23,634.9	22,716.9	17,423.6	TOTAL INCOME FROM OPERATIONS (NET)	69,376.4	62,158.5	81,753.1
			2 EXPENSES			
9,034.7	9,110.3	6,605.0	a) COST OF MATERIALS CONSUMED	27,799.2	24,898.0	33,588.7
297.9	221.7	206.7	b) PURCHASES OF STOCK-IN-TRADE	808.8	750.5	980.7
527.0	163.4	616.8	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	597.9	959.1	119.7
2,485.2	2,407.2	2,150.7	d) EMPLOYEE BENEFITS EXPENSE	7,159.9	6,126.9	8,374.3
882.3	889.4	905.5	e) DEPRECIATION AND AMORTISATION	2,663.0	2,575.6	3,472.6
6,354.4	6,016.0	4,719.5	f) OTHER EXPENSES	17,803.2	15,967.3	21,264.3
89.0	-	168.3	g) IMPAIRMENT LOSS ON FIXED ASSETS	89.0	282.2	282.2
95.2	113.6	77.3	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	326.7	241.5	333.1
19,765.7	18,921.6	15,449.8	TOTAL EXPENSES	57,247.7	51,801.1	68,415.6
3,869.2	3,795.3	1,973.8	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]	12,128.7	10,357.4	13,337.5
373.9	366.1	272.2	4 OTHER INCOME	1,088.5	828.2	1,100.9
4,243.1	4,161.4	2,246.0	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]	13,217.2	11,185.6	14,438.4
0.6	0.6	0.2	6 FINANCE COSTS	39.6	34.9	32.9
219.1	219.3	189.0	7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	659.2	570.5	753.2
-	110.7	-	8 NET PROVISION FOR CONTINGENCIES (OTHERS)	456.4	301.5	301.5
4,023.4	3,830.8	2,056.8	9 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [10] AND CORPORATE SOCIAL RESPONSIBILITY EXPENSE [11] i.e. [5-6-7-8]	12,062.0	10,278.7	13,350.8
-	320.0	245.2	10 EXCEPTIONAL ITEMS	318.2	4,761.8	5,008.4
56.7	66.1	16.2	11 CORPORATE SOCIAL RESPONSIBILITY EXPENSE U/S 135 OF COMPANIES ACT, 2013	128.5	41.5	206.1
3,966.7	3,444.7	1,795.4	12 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [9-10- 11]	11,615.3	5,475.4	8,136.3
1,272.8	1,136.3	553.4	13 TAX EXPENSE	4,023.0	1,674.6	2,503.6
2,693.9	2,308.4	1,242.0	14 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [12-13]	7,592.3	3,800.8	5,632.7
-	-	-	15 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-
2,693.9	2,308.4	1,242.0	16 NET PROFIT FOR THE PERIOD [14-15]	7,592.3	3,800.8	5,632.7
964.2	964.2	964.2	17 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
-	-	-	18 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	-	-	27,214.2
27.94	23.94	12.88	19 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM	78.74	39.42	58.42

Notes:

Comparisons are with reference to quarter ended 30th September, 2015 which was impacted by the MAGGI Noodles issue

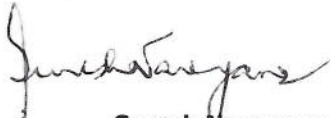
1. Results for the quarter and nine months ended 30th September, 2016 are not entirely comparable with the results of the corresponding period/s due to MAGGI Noodles issue in 2015 and rebuild of the MAGGI Noodles business in 2016. The MAGGI Noodles issue has been adequately explained in the Annual Report 2015 and also 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 increased by 35.1% on a base impacted by MAGGI Noodles issue. While "Domestic Sales" increased by 37.9%; "Exports" increased by 5.1%.
3. "Other Operating Income" has increased largely due to timing differences in realisation of export incentives.
4. "Employee Benefits Expense" and "Other Expenses" have increased by 15.6% and 34.6% respectively, (even though as a percentage of Net sales, they have decreased due to better absorption of costs) largely due to rebuild of the MAGGI Noodles business. Brand building activities have also been stepped up.
5. "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".
6. "Other Income" has increased due to higher average liquidities partially offset by lower yields.
7. "Tax Expense" has increased by 130.0% largely due to rebuild of the MAGGI Noodles business. Effective Tax rate has increased largely due to decrease in contribution of income from tax free bonds in the total income.
8. 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.
9. Previous period's figures have been regrouped/ reclassified wherever necessary to conform with the current period's classification / disclosure.
10. 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 28th OCTOBER, 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 and nine months ended 30th September, 2016.

Date: 28th October, 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 and Nine Months ended 30/09/2016 ("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, 28 October, 2016

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