



NESTLÉ INDIA LIMITED

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

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2018

(₹ In million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	SIX MONTHS ENDED (Unaudited)		Accounting Year ended (Audited)
30.06.2018	31.3.2018	30.06.2017		30.6.2018	30.6.2017	31.12.2017
			A INCOME			
25,073.3	25,602.0	23,211.2	DOMESTIC SALES	50,675.3	47,304.6	94,724.5
1,712.4	1,766.4	1,479.4	EXPORT SALES	3,478.8	3,143.4	6,626.6
26,785.7	27,368.4	24,690.6	SALE OF PRODUCTS	54,154.1	50,448.0	101,351.1
198.3	204.0	156.7	OTHER OPERATING REVENUES	402.3	318.7	570.7
26,984.0	27,572.4	24,847.3	i REVENUE FROM OPERATIONS	54,556.4	50,766.7	101,921.8
602.3	564.3	412.3	ii OTHER INCOME	1,166.6	827.9	1,769.2
27,586.3	28,136.7	25,259.6	TOTAL INCOME	55,723.0	51,594.6	103,691.0
			B EXPENSES			
9,687.3	11,160.6	9,876.0	i COST OF MATERIALS CONSUMED	20,847.9	21,220.1	42,316.6
514.3	512.3	349.2	ii PURCHASES OF STOCK-IN-TRADE	1,026.6	737.5	1,747.6
688.3	(396.0)	565.4	iii CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE	292.3	(228.2)	(795.6)
-	-	825.2	iv EXCISE DUTY	-	1,825.8	1,825.8
2,848.8	2,689.9	2,531.3	v EMPLOYEE BENEFITS EXPENSE	5,538.7	4,992.4	10,174.5
282.5	310.7	228.9	vi FINANCE COSTS (INCLUDING INTEREST COST ON EMPLOYEE BENEFIT PLANS)	593.2	456.5	919.0
817.1	825.3	854.4	vii DEPRECIATION AND AMORTISATION	1,642.4	1,721.0	3,422.5
6,512.3	6,405.7	6,064.4	viii OTHER EXPENSES	12,918.0	12,233.8	24,170.2
41.4	-	-	ix IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT	41.4	-	371.8
			NET PROVISION FOR CONTINGENCIES			
155.7	150.6	(30.5)	x - OPERATIONS	306.3	67.6	383.6
-	-	-	xi - OTHERS	-	-	492.9
85.5	80.8	49.6	xii CORPORATE SOCIAL RESPONSIBILITY EXPENSE	166.3	127.1	269.1
21,633.2	21,739.9	21,313.9	TOTAL EXPENSES	43,373.1	43,153.6	85,298.0
5,953.1	6,396.8	3,945.7	C PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (A-B)	12,349.9	8,441.0	18,393.0
-	-	-	D EXCEPTIONAL ITEMS	-	-	-
5,953.1	6,396.8	3,945.7	E PROFIT BEFORE TAX (C-D)	12,349.9	8,441.0	18,393.0
			F TAX EXPENSE:			
2,150.8	2,454.7	1,408.2	CURRENT TAX	4,605.5	2,876.1	6,491.7
(148.0)	(298.2)	(96.8)	DEFERRED TAX	(446.2)	(137.0)	(350.6)
3,950.3	4,240.3	2,634.3	G PROFIT FOR THE PERIOD (E-F)	8,190.6	5,701.9	12,251.9
			H OTHER COMPREHENSIVE INCOME			
			a. (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
(86.2)	(89.9)	(122.4)	- RE-MEASUREMENT OF RETIRAL DEFINED BENEFIT PLANS	(176.1)	(264.0)	(1,387.3)
-	(100.0)	-	- CHANGES IN FAIR VALUE OF EQUITY INSTRUMENTS	(100.0)	-	-
30.1	31.3	42.4	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	61.4	91.4	480.1
			b. (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS			
(16.2)	(35.1)	4.0	- CHANGES IN FAIR VALUE OF CASH FLOW HEDGES	(51.3)	9.2	26.7
5.7	12.2	(1.4)	(ii) INCOME TAXES RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS	17.9	(3.2)	(9.3)
(66.6)	(181.5)	(77.4)	TOTAL OTHER COMPREHENSIVE INCOME (a+b)	(248.1)	(166.6)	(889.8)
3,883.7	4,058.8	2,556.9	I TOTAL COMPREHENSIVE INCOME (G+H)	7,942.5	5,535.3	11,362.1
964.2	964.2	964.2	J PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2	964.2
40.97	43.98	27.32	K EARNINGS PER SHARE (EPS) BASIC/ DILUTED EPS (₹)	84.95	59.14	127.07
			ADDITIONAL INFORMATION:			
5,718.8	6,224.0	3,811.9	PROFIT FROM OPERATIONS [C - A(ii) + B(vi)+B(xi)+B(xii)]	11,942.8	8,196.7	18,304.8



STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2018

(₹ in million)

PARTICULARS		As at 30.06.2018 (Un-audited)	As at 30.06.2017 (Un-audited)	As at 31.12.2017 (Audited)
A	ASSETS			
1	NON-CURRENT ASSETS			
	(a) PROPERTY, PLANT & EQUIPMENT	25,107.3	26,099.7	26,161.8
	(b) CAPITAL WORK IN-PROGRESS	860.3	2,038.3	941.6
	(c) FINANCIAL ASSETS			
	(i) INVESTMENTS	7,345.9	5,299.8	5,852.8
	(ii) LOANS	416.7	642.3	463.5
	(d) OTHER NON-CURRENT ASSETS	831.1	761.9	832.3
	Sub-total– NON-CURRENT ASSETS	34,561.3	34,842.0	34,252.0
2	CURRENT ASSETS			
	(a) INVENTORIES	10,014.0	10,001.8	9,024.7
	(b) FINANCIAL ASSETS			
	(i) INVESTMENTS	12,834.8	11,019.3	13,935.9
	(ii) TRADE RECEIVABLES	1,241.4	901.2	889.7
	(iii) CASH AND CASH EQUIVALENTS	19,320.1	10,424.6	14,476.9
	(iv) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	94.8	96.2	97.3
	(v) LOANS	344.1	722.3	288.0
	(vi) OTHER FINANCIAL ASSETS	387.9	412.5	427.9
	(c) CURRENT TAX ASSETS (NET)	-	-	63.9
	(d) OTHER CURRENT ASSETS	181.3	723.3	169.6
	Sub-total –CURRENT ASSETS	44,418.4	34,301.2	39,373.9
	TOTAL–ASSETS	78,979.7	69,143.2	73,625.9
B	EQUITY AND LIABILITIES			
	EQUITY			
	(a) EQUITY SHARE CAPITAL	964.2	964.2	964.2
	(b) OTHER EQUITY	36,186.5	32,984.7	33,241.7
	Sub-total – EQUITY	37,150.7	33,948.9	34,205.9
	LIABILITIES			
1	NON-CURRENT LIABILITIES			
	(a) FINANCIAL LIABILITIES			
	(i) BORROWINGS	351.4	351.4	351.4
	(b) PROVISIONS	23,649.4	20,635.6	22,915.9
	(c) DEFERRED TAX LIABILITIES (NET)	743.6	1,434.0	1,219.6
	(d) OTHER NON-CURRENT LIABILITIES	5.5	6.4	6.0
	Sub- total –NON-CURRENT LIABILITIES	24,749.9	22,427.4	24,492.9
2	CURRENT LIABILITIES			
	(a) FINANCIAL LIABILITIES			
	(i) TRADE PAYABLES	10,031.6	7,200.3	9,846.4
	(ii) OTHER FINANCIAL LIABILITIES	2,563.4	2,378.1	3,140.2
	(b) PROVISIONS	1,172.5	533.9	874.6
	(c) CURRENT TAX LIABILITIES (NET)	1,935.6	751.7	-
	(d) OTHER CURRENT LIABILITIES	1,376.0	1,902.9	1,065.9
	Sub-total –CURRENT LIABILITIES	17,079.1	12,766.9	14,927.1
	TOTAL – EQUITY AND LIABILITIES	78,979.7	69,143.2	73,625.9



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 Exceptional items and 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.

Comparisons with reference to quarter ended 30.6.2017 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 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 quarter in comparison to the sales reported 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 quarter and six months ended 30 June 2018 and in particular Sales, absolute expenses, elements of Working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of Sales are not comparable with the figures of corresponding periods. 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 quarter increased by 8.5% and 8.0% respectively, on a base impacted by softer trading ahead of the rollout of Goods and Services Tax. The growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes (refer note 1 above) and reduction in realisations to pass on the GST benefits. Sales Growth is supported by increase in volumes.
3. "Other Income" has increased due to higher average liquidities as well as higher yields.
4. "Cost of materials consumed" [B(i)+B(ii)+B(iii)] has been favourably impacted by lower commodity prices.
5. "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".
6. "Re-Measurement of Retiral Defined Benefit Plans" represents actuarial gains/losses on defined benefit plans.
7. The Board of Directors have declared second interim dividend for 2018 of ₹ 20.00 per equity share (Face value ₹10/- per equity share) amounting to ₹ 1,928.3 million, which will be paid on and from 24 August 2018. This is in addition to the first interim dividend of ₹ 20.00 per equity share paid on 1 June 2018.
8. 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.
9. 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.
10. Previous period's figures have been regrouped/ reclassified to conform with the current year's classification /grouping.

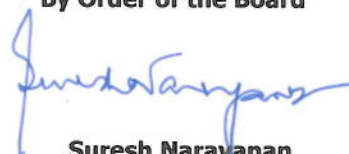
THE ABOVE RESULTS AND THIS RELEASE HAVE BEEN REVIEWED BY THE AUDIT COMMITTEE OF THE BOARD AND APPROVED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 3 AUGUST 2018.



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 30 June 2018.

Date: 3 August 2018
Place: Gurugram

By Order of the Board



Suresh Narayanan
Chairman and Managing Director

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Review Report

To

Board of Directors of **Nestlé India Limited**

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **Nestlé India Limited** ('the Company') for the quarter ended 30 June 2018 and the year-to-date results for the period from 1 January 2018 to 30 June 2018 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/ W-100022

Jiten Chopra

Partner

Membership No.: 092894

Place: Gurugram

Date: 3 August 2018