

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th JUNE, 2016

(₹ in million)

THREE MONTHS ENDED (Un-audited)			PARTICULARS	SIX MONTHS ENDED (Un-audited)		Accounting Year ended
30.06.2016	31.03.2016	30.06.2015		30.06.2016	30.06.2015	31.12.2015 (Audited)
			1 INCOME FROM OPERATIONS			
20,872.5	21,299.3	17,760.3	(i) NET DOMESTIC SALES	42,171.8	41,086.3	74,877.4
1,688.4	1,658.0	1,578.1	(ii) EXPORT SALES	3,346.4	3,320.0	6,355.3
22,560.9	22,957.3	19,338.4	a) NET SALES (NET OF EXCISE DUTY)	45,518.2	44,406.3	81,232.7
156.0	67.3	231.7	b) OTHER OPERATING INCOME	223.3	328.6	520.4
22,716.9	23,024.6	19,570.1	TOTAL INCOME FROM OPERATIONS (NET)	45,741.5	44,734.9	81,753.1
			2 EXPENSES			
9,110.3	9,654.2	7,188.0	a) COST OF MATERIALS CONSUMED	18,764.5	18,293.0	33,588.7
221.7	289.2	285.1	b) PURCHASES OF STOCK-IN-TRADE	510.9	543.8	980.7
163.4	(92.5)	1,080.3	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	70.9	342.3	119.7
2,407.2	2,267.5	1,921.0	d) EMPLOYEE BENEFITS EXPENSE	4,674.7	3,976.2	8,374.3
889.4	891.3	720.0	e) DEPRECIATION AND AMORTISATION	1,780.7	1,670.1	3,472.6
6,016.0	5,432.8	5,071.3	f) OTHER EXPENSES	11,448.8	11,247.8	21,264.3
-	-	-	g) IMPAIRMENT LOSS ON FIXED ASSETS	-	113.9	282.2
113.6	117.9	78.1	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	231.5	164.2	333.1
18,921.6	18,560.4	16,343.8	TOTAL EXPENSES	37,482.0	36,351.3	68,415.6
3,795.3	4,464.2	3,226.3	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]	8,259.5	8,383.6	13,337.5
366.1	348.5	301.3	4 OTHER INCOME	714.6	556.0	1,100.9
4,161.4	4,812.7	3,527.6	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]	8,974.1	8,939.6	14,438.4
0.6	38.4	0.6	6 FINANCE COSTS	39.0	34.7	32.9
219.3	220.8	190.9	7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	440.1	381.5	753.2
110.7	345.7	-	8 NET PROVISION FOR CONTINGENCIES (OTHERS)	456.4	301.5	301.5
3,830.8	4,207.8	3,336.1	9 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [10] AND CORPORATE SOCIAL RESPONSIBILITY EXPENSE [11] i.e. [5-6-7-8]	8,038.6	8,221.9	13,350.8
320.0	(1.8)	4,516.6	10 EXCEPTIONAL ITEMS – CHARGE / (CREDIT)	318.2	4,516.6	5,008.4
66.1	5.7	5.1	11 CORPORATE SOCIAL RESPONSIBILITY EXPENSE U/S 135 OF COMPANIES ACT, 2013	71.8	25.3	206.1
3,444.7	4,203.9	(1,185.6)	12 PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX [9-10-11]	7,648.6	3,680.0	8,136.3
1,136.3	1,613.9	(541.6)	13 TAX EXPENSE / (CREDIT)	2,750.2	1,121.2	2,503.6
2,308.4	2,590.0	(644.0)	14 NET PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX [12-13]	4,898.4	2,558.8	5,632.7
-	-	-	15 EXTRAORDINARY ITEM (NET OF TAX)	-	-	-
2,308.4	2,590.0	(644.0)	16 NET PROFIT / (LOSS) FOR THE PERIOD [14-15]	4,898.4	2,558.8	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
23.94	26.86	(6.68)	19 EARNINGS/ (LOSS) PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM	50.80	26.54	58.42

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2016

(₹ in million)

PARTICULARS		As at 30.06.2016	As at 30.06.2015	As at 31.12.2015
		(Un-audited)	(Un-audited)	(Audited)
A	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUNDS			
	(a) SHARE CAPITAL	964.2	964.2	964.2
	(b) RESERVES AND SURPLUS	30,720.1	28,143.8	27,214.2
	(c) MONEY RECEIVED AGAINST SHARE WARRANTS	-	-	-
	SUB-TOTAL – SHAREHOLDERS' FUNDS	31,684.3	29,108.0	28,178.4
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-	-
3	NON-CURRENT LIABILITIES			
	(a) LONG-TERM BORROWINGS	313.5	169.3	167.9
	(b) DEFERRED TAX LIABILITIES (NET)	1,558.4	1,594.1	1,729.3
	(c) OTHER LONG-TERM LIABILITIES	-	-	-
	(d) LONG-TERM PROVISIONS	17,485.0	15,107.0	15,971.7
	SUB-TOTAL – NON-CURRENT LIABILITIES	19,356.9	16,870.4	17,868.9
4	CURRENT LIABILITIES			
	(a) SHORT-TERM BORROWINGS	5.5	44.2	9.4
	(b) TRADE PAYABLES	7,286.3	6,521.3	7,435.4
	(c) OTHER CURRENT LIABILITIES	4,220.8	4,857.7	4,659.3
	(d) SHORT-TERM PROVISIONS	1,221.0	659.7	2,653.2
	SUB-TOTAL – CURRENT LIABILITIES	12,733.6	12,082.9	14,757.3
	TOTAL – EQUITY AND LIABILITIES	63,774.8	58,061.3	60,804.6
B	ASSETS			
1	NON-CURRENT ASSETS			
	(a) FIXED ASSETS	28,994.2	32,248.0	31,286.4
	(b) NON-CURRENT INVESTMENTS	3,628.8	3,213.5	3,417.8
	(c) DEFERRED TAX ASSETS (NET)	-	-	-
	(d) LONG-TERM LOANS AND ADVANCES	1,499.5	1,313.0	1,304.3
	(e) OTHER NON-CURRENT ASSETS	-	-	-
	SUB-TOTAL – NON-CURRENT ASSETS	34,122.5	36,774.5	36,008.5
2	CURRENT ASSETS			
	(a) CURRENT INVESTMENTS	10,124.4	7,006.5	9,831.4
	(b) INVENTORIES	9,786.5	8,984.9	8,208.1
	(c) TRADE RECEIVABLES	1,123.9	935.4	784.2
	(d) CASH AND BANK BALANCES	7,450.6	3,284.2	4,995.5
	(e) SHORT-TERM LOANS AND ADVANCES	1,017.3	953.7	829.7
	(f) OTHER CURRENT ASSETS	149.6	122.1	147.2
	SUB-TOTAL – CURRENT ASSETS	29,652.3	21,286.8	24,796.1
	TOTAL-ASSETS	63,774.8	58,061.3	60,804.6



Notes:

Comparisons are with reference to quarter ended 30th June, 2015 and Statement of Assets and Liabilities as on that date which was impacted by the MAGGI Noodles issue.

1. Results for the quarter/ half year ended 30th June, 2016 are not entirely comparable with the results of the corresponding period/s due to MAGGI Noodles issue in 2015. This 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 16.7% on a base impacted by MAGGI Noodles issue. While Domestic Sales increased by 17.5%; "Exports" increased by 7.0%.
3. "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".
4. "Other Income" has increased due to higher average liquidities partially offset by lower yields.
5. 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".
6. "Exceptional Item" during the quarter is towards the restructuring of a long term arrangement for supply of ingredients to extinguish the obligations under the arrangement in view of changed business circumstances.
7. The Board of Directors have declared second interim dividend of ₹ 12.00 per equity share (Face value ₹ 10/- per equity share) amounting to ₹ 1,157.0 million, which will be paid on and from 19th August, 2016. This is in addition to the first interim dividend of ₹ 12.00 per equity share paid on 31st May, 2016.
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 year's figures have been regrouped/ reclassified wherever necessary to conform with the current year'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 29th JULY, 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 half year ended 30th June, 2016.

Date: 29th July, 2016
Place: Gurgaon

By Order of the Board


Suresh Narayanan
Chairman and Managing Director

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A. F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

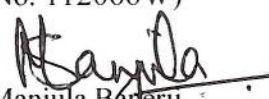
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 Six Months ended 30/06/2016 ("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, 29 July, 2016



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