



# NESTLÉ INDIA LIMITED

Registered Office: M-5A, Connaught Circus, New Delhi – 110 001

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> DECEMBER 2014

### PART I

(₹ in millions)

THREE MONTHS ENDED			PARTICULARS	Accounting Year ended	
31.12.2014 (Audited as explained in Note 10)	30.09.2014 (Un-audited)	31.12.2013 (Audited as explained in Note 10)		31.12.2014 (Audited)	31.12.2013 (Audited)
			<b>1 INCOME FROM OPERATIONS</b>		
23,575.7	23,991.7	21,178.2	(i) NET DOMESTIC SALES	91,620.9	84,357.7
1,585.3	1,586.3	1,344.8	(ii) EXPORT SALES	6,441.8	6,261.3
25,161.0	25,578.0	22,523.0	a) NET SALES (NET OF EXCISE DUTY)	98,062.7	90,619.0
148.4	126.2	106.7	b) OTHER OPERATING INCOME	485.7	391.5
<b>25,309.4</b>	<b>25,704.2</b>	<b>22,629.7</b>	<b>TOTAL INCOME FROM OPERATIONS (NET)</b>	<b>98,548.4</b>	<b>91,010.5</b>
			<b>2 EXPENSES</b>		
11,247.9	10,841.6	10,437.3	a) COST OF MATERIALS CONSUMED	44,825.4	39,069.9
211.7	246.7	293.4	b) PURCHASES OF STOCK-IN-TRADE	1,088.5	1,100.4
(237.8)	714.0	(237.1)	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	(674.3)	1,053.2
2,043.1	1,912.7	1,719.2	d) EMPLOYEE BENEFITS EXPENSE	7,549.1	6,856.9
848.2	846.2	756.8	e) DEPRECIATION AND AMORTISATION	3,375.4	3,299.5
6,200.9	6,354.1	5,495.5	f) OTHER EXPENSES	24,013.4	22,176.3
11.7	69.4	99.4	g) IMPAIRMENT LOSS ON FIXED ASSETS	81.1	99.4
91.1	90.1	82.7	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	364.3	413.1
<b>20,416.8</b>	<b>21,074.8</b>	<b>18,647.2</b>	<b>TOTAL EXPENSES</b>	<b>80,622.9</b>	<b>74,068.7</b>
<b>4,892.6</b>	<b>4,629.4</b>	<b>3,982.5</b>	<b>3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], CORPORATE SOCIAL RESPONSIBILITY EXPENSE [10], AND EXCEPTIONAL ITEMS [11] i.e.[1 -2]</b>	<b>17,925.5</b>	<b>16,941.8</b>
177.3	155.4	319.0	4 OTHER INCOME	873.2	830.9
<b>5,069.9</b>	<b>4,784.8</b>	<b>4,301.5</b>	<b>5 PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS [6], EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME [7], OTHER CONTINGENCIES [8], CORPORATE SOCIAL RESPONSIBILITY EXPENSE [10], AND EXCEPTIONAL ITEMS [11] i.e. [3+4]</b>	<b>18,798.7</b>	<b>17,772.7</b>
-	2.0	101.1	6 FINANCE COSTS	142.3	365.1
157.5	162.3	138.4	7 EMPLOYEE BENEFITS EXPENSE DUE TO PASSAGE OF TIME	648.3	558.1
-	-	-	8 NET PROVISION FOR CONTINGENCIES (OTHERS)	249.5	207.4
<b>4,912.4</b>	<b>4,620.5</b>	<b>4,062.0</b>	<b>9 PROFIT FROM ORDINARY ACTIVITIES BEFORE CORPORATE SOCIAL RESPONSIBILITY EXPENSE [10], AND EXCEPTIONAL ITEMS [11] i.e. [5-6-7-8]</b>	<b>17,758.6</b>	<b>16,642.1</b>
85.1	-	-	10 CORPORATE SOCIAL RESPONSIBILITY EXPENSE U/S 135 OF COMPANIES ACT, 2013	85.1	-
70.0	-	101.7	11 EXCEPTIONAL ITEMS	70.0	138.1
<b>4,897.3</b>	<b>4,620.5</b>	<b>4,163.7</b>	<b>12 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [9-10+11]</b>	<b>17,743.5</b>	<b>16,780.2</b>
1,633.5	1,507.6	1,347.1	13 TAX EXPENSE	5,896.6	5,608.9
<b>3,263.8</b>	<b>3,112.9</b>	<b>2,816.6</b>	<b>14 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [12-13]</b>	<b>11,846.9</b>	<b>11,171.3</b>
-	-	-	15 EXTRAORDINARY ITEM (NET OF TAX)	-	-
<b>3,263.8</b>	<b>3,112.9</b>	<b>2,816.6</b>	<b>16 NET PROFIT FOR THE PERIOD [14-15]</b>	<b>11,846.9</b>	<b>11,171.3</b>
964.2	964.2	964.2	17 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2
-	-	-	18 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	27,407.9	22,723.3
<b>33.85</b>	<b>32.28</b>	<b>29.22</b>	<b>19 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM</b>	<b>122.87</b>	<b>115.87</b>



**PART II**

THREE MONTHS ENDED			SELECT INFORMATION	Accounting Year ended	
31.12.2014	30.09.2014	31.12.2013		31.12.2014	31.12.2013
			<b>A PARTICULARS OF SHAREHOLDING</b>		
			1 PUBLIC SHAREHOLDING		
35,900,637	35,900,637	35,900,637	- NUMBER OF SHARES	35,900,637	35,900,637
37.24	37.24	37.24	- PERCENTAGE OF SHAREHOLDING	37.24	37.24
			2 PROMOTERS & PROMOTER GROUP SHAREHOLDING		
			(a) PLEDGED/ENCUMBERED		
-	-	-	- NUMBER OF SHARES	-	-
-	-	-	- PERCENTAGE OF SHARES	-	-
			(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP AND OF TOTAL SHARE CAPITAL OF COMPANY)		
			(b) NON-ENCUMBERED		
60,515,079	60,515,079	60,515,079	- NUMBER OF SHARES	60,515,079	60,515,079
100.00	100.00	100.00	- PERCENTAGE OF SHARES	100.00	100.00
62.76	62.76	62.76	(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)	62.76	62.76
			(AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)		

PARTICULARS	Three Months Ended 31.12.2014
<b>B INVESTOR COMPLAINTS</b>	
PENDING AT THE BEGINNING OF THE QUARTER	0
RECEIVED DURING THE QUARTER	2
DISPOSED OFF DURING THE QUARTER	2
REMAINING UNRESOLVED AT THE END OF THE QUARTER	0

**STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2014**

(₹ in millions)

Particulars	As at 31.12.2014	As at 31.12.2013
	(Audited)	(Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 SHAREHOLDERS' FUNDS</b>		
(a) SHARE CAPITAL	964.2	964.2
(b) RESERVES AND SURPLUS	27,407.9	22,723.3
(c) MONEY RECEIVED AGAINST SHARE WARRANTS	-	-
<b>Sub-total – SHAREHOLDERS' FUNDS</b>	<b>28,372.1</b>	<b>23,687.5</b>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	-	-
<b>3 NON-CURRENT LIABILITIES</b>		
(a) LONG-TERM BORROWINGS	154.6	11,894.8
(b) DEFERRED TAX LIABILITIES (NET)	2,227.2	2,154.7
(c) OTHER LONG-TERM LIABILITIES	-	-
(d) LONG-TERM PROVISIONS	13,886.6	11,933.9
<b>Sub- total –NON-CURRENT LIABILITIES</b>	<b>16,268.4</b>	<b>25,983.4</b>
<b>4 CURRENT LIABILITIES</b>		
(a) SHORT-TERM BORROWINGS	41.1	0.1
(b) TRADE PAYABLES	7,287.1	6,330.4
(c) OTHER CURRENT LIABILITIES	4,095.7	5,002.5
(d) SHORT-TERM PROVISIONS	2,130.6	2,138.8
<b>Sub-total –CURRENT LIABILITIES</b>	<b>13,554.5</b>	<b>13,471.8</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>58,195.0</b>	<b>63,142.7</b>
<b>B ASSETS</b>		
<b>1 NON-CURRENT ASSETS</b>		
(a) FIXED ASSETS	34,214.2	36,640.2
(b) NON-CURRENT INVESTMENTS	3,044.6	2,241.2
(c) DEFERRED TAX ASSETS (NET)	-	-
(d) LONG-TERM LOANS AND ADVANCES	1,299.5	1,239.4
(e) OTHER NON-CURRENT ASSETS	-	4.7
<b>Sub-total– NON-CURRENT ASSETS</b>	<b>38,558.3</b>	<b>40,125.5</b>
<b>2 CURRENT ASSETS</b>		
(a) CURRENT INVESTMENTS	5,073.6	6,269.6
(b) INVENTORIES	8,441.0	7,359.3
(c) TRADE RECEIVABLES	991.0	842.7
(d) CASH AND BANK BALANCES	4,458.2	7,493.6
(e) SHORT-TERM LOANS AND ADVANCES	520.7	1,013.6
(f) OTHER CURRENT ASSETS	152.2	38.4
<b>Sub-total –CURRENT ASSETS</b>	<b>19,636.7</b>	<b>23,017.2</b>
<b>TOTAL –ASSETS</b>	<b>58,195.0</b>	<b>63,142.7</b>

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## Notes: Comparisons with reference to three months ended 31.12.2013

"Net Sales" have increased by 11.7% aided by base effect. "Net Domestic Sales" grew by 11.3% contributed by better realisations and volume growth in certain product categories. "Export Sales" grew by 17.9% contributed largely by export of milk & nutrition products to Bangladesh.

## Comparisons are with reference to full year ended 2013

- "Net Sales" have increased by 8.2%. "Net Domestic Sales" grew by 8.6% mainly from better realisations. "Export Sales" grew by 2.9% impacted by lower coffee exports to Russia.
- The increase in "Other Operating Income" is mainly due to higher realisation of export incentives.
- The cost of materials consumed [2(a) +2(b) +2(c)] has increased mainly due to significantly higher cost of milk and its derivatives in India which were even higher than those in international markets during most part of 2014 and has not been fully passed on to the consumers.
- 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 15 on "Employee Benefits".
- "Net Provision for Contingencies" is mainly for matters related to litigation in accordance with the Accounting Standard AS 29 on "Provisions, Contingent Liabilities and Contingent Assets".
- "Finance Costs" have reduced mainly due to repayment of External Commercial Borrowing (ECB).
- Statement of Assets and Liabilities (comparison with the position as at 31.12.2013): -
  - "Long-term borrowings" have decreased mainly due to full repayment of ECB.
  - "Long-term provisions" have increased due to provisions for employee retirement benefits and contingencies.
  - "Non-current investments" have increased mainly due to additional investments made in long term tax free bonds.
  - "Cash & Bank balances" and "Current Investments" have decreased mainly due to repayment of ECB.
- The Board of Directors have recommended a final dividend of ₹ 12.50 per equity share (Face value ₹ 10/- per equity share) for 2014. This is in addition to the three interim dividends of ₹ 12.50 per equity share paid on 29<sup>th</sup> May 2014, ₹ 30.00 per equity share (including an additional interim dividend of ₹ 10.00 per equity share as the Company has completed the major capital expenditure programme announced in 2010 and has fully repaid the borrowings made for capital expenditure) paid on 26<sup>th</sup> September 2014 and ₹ 8.00 per equity share paid on 22<sup>nd</sup> December 2014. The total dividend for 2014 aggregates to ₹ 63.00 per equity share compared to ₹ 48.50 per equity share for 2013.
- As the Company's business activity falls within a single primary business segment, namely Food, the disclosure requirements of Clause 41 of the Listing Agreement in terms of Accounting Standard AS 17 on Segment Reporting are not applicable.
- 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 third quarter ended 30th September.
- Previous period's figures have been regrouped / reclassified wherever necessary, to make them comparable with the current period.

**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 13<sup>th</sup> FEBRUARY 2015.**

By Order of the Board

  
Etienne Benet  
Managing Director

Date : February 13, 2015  
Place: Gurgaon

Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurgaon 122 002 (Haryana)  
Registered Office: M-5A, Connaught Circus, 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



# A. F. FERGUSON & CO.

CHARTERED ACCOUNTANTS

9, SCINDIA HOUSE,  
KASTURBA GANDHI MARG,  
NEW DELHI - 110001.

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF NESTLÉ INDIA LIMITED

1. We have audited the accompanying Statement of Financial Results of **NESTLÉ INDIA LIMITED** ("the Company") for the year ended 31/12/2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchange, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement has been prepared on the basis of the related annual financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement 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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 10 of the Statement regarding the figures for the quarter ended 31/12/2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
  - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended 31/12/2014 and also gives a true and fair view of the statement of assets and liabilities as at 31/12/2014.

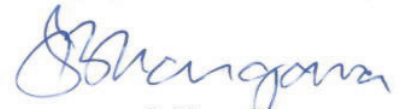


TELEPHONES : 91-11-2331 5884, 2331 5885, 2331 5704

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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and year ended 31/12/2014 of the Statement, from the details furnished by the Management.

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



**Jaideep Bhargava**  
Partner  
(Membership No.90295)



NEW DELHI, February 13, 2015