



# 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 2013

### PART I

THREE MONTHS ENDED			PARTICULARS	Accounting Year ended	
31.12.2013 (Audited as explained in Note 10)	30.09.2013 (Un-audited)	31.12.2012 (Audited as explained in Note 10)		31.12.2013 (Audited)	31.12.2012 (Audited)
			<b>1 INCOME FROM OPERATIONS</b>		
21,178.2	21,832.0	20,414.4	(i) NET DOMESTIC SALES	84,357.7	78,765.7
1,344.8	1,651.1	1,112.1	(ii) EXPORT SALES	6,261.3	4,256.9
22,523.0	23,483.1	21,526.5	a) NET SALES (NET OF EXCISE DUTY)	90,619.0	83,022.6
106.7	117.1	84.8	b) OTHER OPERATING INCOME	391.5	322.7
<b>22,629.7</b>	<b>23,600.2</b>	<b>21,611.3</b>	<b>TOTAL INCOME FROM OPERATIONS (NET)</b>	<b>91,010.5</b>	<b>83,345.3</b>
			<b>2 EXPENSES</b>		
10,437.3	9,822.6	9,723.0	a) COST OF MATERIALS CONSUMED	39,069.9	37,568.7
293.4	266.3	267.9	b) PURCHASES OF STOCK-IN-TRADE	1,100.4	1,115.3
(237.1)	479.2	(346.4)	c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	1,053.2	(920.2)
1,857.6	1,949.3	1,750.0	d) EMPLOYEE BENEFITS	7,415.0	6,633.8
756.8	834.9	835.3	e) DEPRECIATION AND AMORTISATION	3,299.5	2,771.5
5,495.5	6,043.7	5,175.5	f) OTHERS	22,176.3	20,367.4
99.4	-	19.9	g) IMPAIRMENT LOSS ON FIXED ASSETS	99.4	68.5
82.7	105.5	131.0	h) NET PROVISION FOR CONTINGENCIES (FROM OPERATIONS)	413.1	339.9
<b>18,785.6</b>	<b>19,501.5</b>	<b>17,556.2</b>	<b>TOTAL EXPENSES</b>	<b>74,626.8</b>	<b>67,944.9</b>
<b>3,844.1</b>	<b>4,098.7</b>	<b>4,055.1</b>	<b>3 PROFIT FROM OPERATIONS BEFORE OTHER INCOME [4], FINANCE COSTS [6], OTHER CONTINGENCIES [7], AND EXCEPTIONAL ITEMS [9] i.e. [1 -2]</b>	<b>16,383.7</b>	<b>15,400.4</b>
319.0	230.6	126.4	4 OTHER INCOME	830.9	310.3
<b>4,163.1</b>	<b>4,329.3</b>	<b>4,181.5</b>	<b>5 PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS [6], OTHER CONTINGENCIES [7], AND EXCEPTIONAL ITEMS [9] i.e. [3+4]</b>	<b>17,214.6</b>	<b>15,710.7</b>
101.1	99.6	99.1	6 FINANCE COSTS	365.1	266.0
-	-	-	7 NET PROVISION FOR CONTINGENCIES (OTHERS)	207.4	(81.5)
<b>4,062.0</b>	<b>4,229.7</b>	<b>4,082.4</b>	<b>8 PROFIT FROM ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS [9] i.e. [5-6-7]</b>	<b>16,642.1</b>	<b>15,526.2</b>
101.7	36.4	-	9 EXCEPTIONAL ITEMS	138.1	-
<b>4,163.7</b>	<b>4,266.1</b>	<b>4,082.4</b>	<b>10 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX [8+9]</b>	<b>16,780.2</b>	<b>15,526.2</b>
1,347.1	1,416.1	1,293.2	11 TAX EXPENSE	5,608.9	4,846.9
<b>2,816.6</b>	<b>2,850.0</b>	<b>2,789.2</b>	<b>12 NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX [10-11]</b>	<b>11,171.3</b>	<b>10,679.3</b>
-	-	-	13 EXTRAORDINARY ITEM (NET OF TAX)	-	-
<b>2,816.6</b>	<b>2,850.0</b>	<b>2,789.2</b>	<b>14 NET PROFIT FOR THE PERIOD [12-13]</b>	<b>11,171.3</b>	<b>10,679.3</b>
964.2	964.2	964.2	15 PAID UP EQUITY SHARE CAPITAL (FACE VALUE – ₹10 PER SHARE)	964.2	964.2
-	-	-	16 RESERVES EXCLUDING REVALUATION RESERVES AS PER BALANCE SHEET OF PREVIOUS ACCOUNTING YEAR	22,723.3	17,019.9
<b>29.22</b>	<b>29.56</b>	<b>28.93</b>	<b>17 EARNINGS PER SHARE (EPS) [NOT ANNUALISED] BASIC AND DILUTED EPS (₹) BEFORE / AFTER EXTRAORDINARY ITEM</b>	<b>115.87</b>	<b>110.76</b>

### PART II

THREE MONTHS ENDED			PARTICULARS OF SHAREHOLDING	Accounting Year ended	
31.12.2013	30.09.2013	31.12.2012		31.12.2013	31.12.2012
35900637	35900637	35900637	<b>A PUBLIC SHAREHOLDING</b>		
37.24	37.24	37.24	1 - NUMBER OF SHARES	35900637	35900637
			- PERCENTAGE OF SHAREHOLDING	37.24	37.24
			<b>2 PROMOTERS &amp; PROMOTER GROUP SHAREHOLDING</b>		
			(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		
			- NUMBER OF SHARES	60515079	60515079
			- PERCENTAGE OF SHARES	100.00	100.00
			(AS A % OF THE TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP)	100.00	100.00
			- PERCENTAGE OF SHARES	62.76	62.76
			(AS A % OF THE TOTAL SHARE CAPITAL OF THE COMPANY)	62.76	62.76

**PART II**

	PARTICULARS	Three Months Ended 31.12.2013
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	PENDING AT THE BEGINNING OF THE QUARTER	0
	RECEIVED DURING THE QUARTER	4
	DISPOSED OFF DURING THE QUARTER	4
	REMAINING UNRESOLVED AT THE END OF THE QUARTER	0

**STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2013****(₹ in millions)**

Particulars	As at 31.12.2013	As at 31.12.2012
	(Audited)	(Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 SHAREHOLDERS' FUNDS</b>		
(a) SHARE CAPITAL	964.2	964.2
(b) RESERVES AND SURPLUS	22,723.3	17,019.9
(c) MONEY RECEIVED AGAINST SHARE WARRANTS	-	-
<b>Sub-total – SHAREHOLDERS' FUNDS</b>	<b>23,687.5</b>	<b>17,984.1</b>
<b>2 SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	-	-
<b>3 NON-CURRENT LIABILITIES</b>		
(a) LONG-TERM BORROWINGS	11,894.8	10,499.5
(b) DEFERRED TAX LIABILITIES (NET)	2,154.7	1,620.8
(c) OTHER LONG-TERM LIABILITIES	-	-
(d) LONG-TERM PROVISIONS	11,933.9	10,147.5
<b>Sub- total –NON-CURRENT LIABILITIES</b>	<b>25,983.4</b>	<b>22,267.8</b>
<b>4 CURRENT LIABILITIES</b>		
(a) SHORT-TERM BORROWINGS	0.1	2.4
(b) TRADE PAYABLES	6,330.4	5,394.0
(c) OTHER CURRENT LIABILITIES	5,002.5	5,580.3
(d) SHORT-TERM PROVISIONS	2,138.8	410.6
<b>Sub-total –CURRENT LIABILITIES</b>	<b>13,471.8</b>	<b>11,387.3</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>63,142.7</b>	<b>51,639.2</b>
<b>B ASSETS</b>		
<b>1 NON-CURRENT ASSETS</b>		
(a) FIXED ASSETS	36,640.2	35,483.5
(b) NON-CURRENT INVESTMENTS	2,241.2	-
(c) DEFERRED TAX ASSETS (NET)	-	-
(d) LONG-TERM LOANS AND ADVANCES	1,239.4	1,254.5
(e) OTHER NON-CURRENT ASSETS	4.7	-
<b>Sub-total– NON-CURRENT ASSETS</b>	<b>40,125.5</b>	<b>36,738.0</b>
<b>2 CURRENT ASSETS</b>		
(a) CURRENT INVESTMENTS	6,269.6	3,648.6
(b) INVENTORIES	7,359.3	7,455.8
(c) TRADE RECEIVABLES	842.7	875.7
(d) CASH AND BANK BALANCES	7,493.6	2,369.6
(e) SHORT-TERM LOANS AND ADVANCES	1,013.6	541.5
(f) OTHER CURRENT ASSETS	38.4	10.0
<b>Sub-total –CURRENT ASSETS</b>	<b>23,017.2</b>	<b>14,901.2</b>
<b>TOTAL–ASSETS</b>	<b>63,142.7</b>	<b>51,639.2</b>



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**Notes: Comparisons with reference to three months ended 31.12.2012**

Net Sales have increased by 4.6%. "Net Domestic Sales" have increased by 3.7% mainly on account of net realisations and product mix. "Export Sales" grew by 20.9% contributed largely by export to affiliates.

**Comparisons are with reference to full year ended 2012**

1. "Net Domestic Sales" grew by 7.1% contributed by net realisations and volume growth in certain product categories. "Export Sales" grew by 47.1% mainly due to export to affiliates.

Total foreign currency earnings are equivalent to USD 83.6 millions (previous year USD 55.3 millions).

2. The increase in "Other Operating Income" is mainly due to higher realisation of export incentives.
3. "Other Income" improved largely due to higher average liquidities coupled with better yields during the latter part of the year.
4. "Depreciation and Amortization" has increased due to expansion in production capacities made over the last year together with amortization of capitalised borrowing costs and exchange differences partially offset by lower depreciation of certain plant and machinery that have not run on multiple shifts.
5. "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".
6. "Tax Expense" has increased mainly due to the change in income-tax surcharge from 5% to 10% effective 01.04.2013.
7. Statement of Assets and Liabilities (comparison with the position as at 31.12.2012): -
  - "Long-term borrowings" have increased mainly due to restatement of outstanding ECB loan at the closing exchange rate. US Dollar (USD) 192 million continues to remain outstanding since April 2012 and its annualised cost over the loan period since inception, including interest and unrealised exchange differences, is 17.6%.
  - "Deferred tax liabilities (net)" have increased largely due to the incremental difference between tax and book depreciation as well as revaluation of net liabilities at the revised income tax rate.
  - "Long-term provisions" have increased due to provisions for employee retirement benefit and contingencies.
  - "Non-current investments" include investment in long term tax free bonds as well as acquisition of a non-controlling stake in "Sahyadri Agro And Dairy Limited" previously known as "Indocon Agro and Allied Activities Private Ltd."
  - "Short-term loans and advances" have increased mainly due to subscription money for tax free bonds pending allotment.
  - "Cash & Bank balances" and "Current Investments" have increased due to better cash flows from operations.
8. The Board of Directors has recommended a final dividend for 2013 of ₹ 12.50 per equity share (Face value ₹ 10/- per equity share). This is in addition to the two interim dividends of ₹ 18.00 each per equity share paid in August and November 2013 respectively. The total dividend per share in 2013 aggregates to ₹ 48.50 per equity share, the same as in the last four years which is in line with the financing strategy of the Company.
9. 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.
10. 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.
11. 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 14<sup>th</sup> FEBRUARY 2014.**

By Order of the Board

Etienne Benet  
Managing Director

Date : February 14, 2014  
Place: Gurgaon

Email ID : [investor@in.nestle.com](mailto:investor@in.nestle.com) Website : [www.nestle.in](http://www.nestle.in)



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**A. F. FERGUSON & CO.**  
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**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 31/12/2013 ("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 notified under the Companies Act, 1956 (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) 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 31/12/2013 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



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for the year ended 31/12/2013 and also gives a true and fair view of the statement of assets and liabilities as at 31/12/2013.

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 31/12/2013 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 14, 2014