



**Novartis India Limited**  
Registered Office:  
Inspire BKC  
Part of 601 & 701  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400 051  
Maharashtra, India  
Tel +91 22 50243000  
Fax +91 22 50243010  
Email: india.investors@novartis.com  
CIN No. L24200MH1947PLC006104

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

November 13, 2018

**Financial results for the second quarter and half year ended September 30, 2018**

Dear Sirs,

We refer to our letter dated September 28, 2018, informing you of our Board Meeting that was scheduled for today. Please note that the Board of Directors of Novartis India Limited met today and considered financial results of the Company for second quarter and half year ended September 30, 2018. The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 3.20 p.m.

We enclose a copy of the quarterly financial results approved at this meeting along with the Limited Review Report provided by Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, for your information. We have made arrangements for publishing an extract of the above mentioned financial results as per the format prescribed under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, in the selected newspapers.

Thanking you

Yours sincerely,

For Novartis India Limited

Trivikram Guda  
Company Secretary &  
Compliance Officer

Encl: as above



**Novartis India Limited**

Regd. off: Inspire - BKC, Part of 601 and 701, Bandra Kurla Complex, Bandra East, Mumbai 400051.  
www.novartis.in, CIN:L24200MH1947PLC006104

(₹ in million)

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30.09.2018**

Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	6 months ended	6 months ended	Year ended
		30.09.2018 (Unaudited)	30.06.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	31.03.2018 (Audited)
1.	Revenue from Operations [Refer Note 6 and 7]	1,065.8	1,381.0	1,676.5	2,446.8	2,824.7	5,638.9
	Other Income [Refer Note 5 (a) and 5 (b)]	310.8	222.8	251.0	533.6	477.8	1,718.3
	<b>Total Income</b>	<b>1,376.6</b>	<b>1,603.8</b>	<b>1,927.5</b>	<b>2,980.4</b>	<b>3,302.5</b>	<b>7,357.2</b>
2.	Expenses						
	(a) Purchases of Stock-in-Trade	641.0	460.7	561.0	1,101.7	1,068.7	2,145.5
	(b) Changes in Inventories of Finished Goods and Stock-in-Trade [Refer Note 7]	(143.3)	136.7	153.1	(6.6)	177.9	309.6
	(c) Excise duty	-	-	-	-	0.1	0.1
	(d) Employee Benefits Expense	311.1	385.7	355.1	696.8	687.3	1,445.3
	(e) Finance Costs [Refer Note 5 (a) and 8]	0.3	15.3	0.5	15.6	0.7	55.3
	(f) Depreciation and Amortisation Expense	6.6	6.6	6.4	13.2	13.5	25.3
	(g) Other Expenses	432.8	432.9	448.0	865.7	852.4	1,800.9
	<b>Total Expenses</b>	<b>1,248.5</b>	<b>1,437.9</b>	<b>1,524.1</b>	<b>2,686.4</b>	<b>2,800.6</b>	<b>5,782.0</b>
3.	Profit before tax	128.1	165.9	403.4	294.0	501.9	1,575.2
4.	Tax Expense						
	Current Tax [Refer Note 9]	48.3	65.3	138.8	113.6	166.8	796.3
	Deferred Tax	(13.9)	0.6	3.4	(13.3)	3.6	(4.7)
	<b>Total Tax Expense</b>	<b>34.4</b>	<b>65.9</b>	<b>142.2</b>	<b>100.3</b>	<b>170.4</b>	<b>791.6</b>
5.	Profit for the period / year	93.7	100.0	261.2	193.7	331.5	783.6
6.	Other Comprehensive Income						
	- Items that will not be reclassified to profit or loss	-	-	-	-	-	12.0
	Remeasurements of post-employment obligations	-	-	-	-	-	18.4
	Income tax relating to these items	-	-	-	-	-	(6.4)
7.	Total Comprehensive Income for the period / year	93.7	100.0	261.2	193.7	331.5	795.6
8.	Paid-up Equity Share Capital (Face Value ₹ 5 each)	123.4	123.4	140.7	123.4	140.7	123.4
9.	Other Equity (as per last audited Balance Sheet)						7,213.0
10.	Earnings Per Share (in ₹) (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	3.80*	4.05*	9.28*	7.85*	11.78*	28.43



**Notes:**
**1. Statement of Assest and Liabilites**

(₹ in million)

Particulars	As at	
	30.09.2018 (Unaudited)	31.03.2018 (Audited)
<b>A Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	147.0	46.0
Financial Assets		
(i) Loans	27.5	55.2
(ii) Other Financial Assets	4.5	4.6
Deferred Tax Assets	243.8	230.5
Income Tax Assets (Net)	985.8	918.4
Other Non-Current Assets	295.5	318.7
	<b>1,704.1</b>	<b>1,573.4</b>
<b>Current Assets</b>		
Inventories [Refer Note 7]	572.2	565.6
Financial Assets		
(i) Trade Receivables	468.8	439.1
(ii) Cash and Cash Equivalents	370.2	376.3
(iii) Bank Balances other than (ii) above	6,177.6	7,374.5
(iv) Loans	25.6	29.7
(v) Other Financial Assets	452.6	236.7
Other Current Assets	369.9	499.6
	<b>8,436.9</b>	<b>9,521.5</b>
Assets held for sale	10.2	10.3
<b>TOTAL ASSETS</b>	<b>10,151.2</b>	<b>11,105.2</b>
<b>B Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	123.4	123.4
Other Equity	7,136.7	7,213.0
	<b>7,260.1</b>	<b>7,336.4</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
(i) Other Financial Liabilities	18.0	18.2
Employee Benefit obligations	419.0	417.3
Other Non-Current Liabilities	20.1	26.8
	<b>457.1</b>	<b>462.3</b>
<b>Current Liabilities</b>		
Financial Liabilities		
(i) Trade Payables	865.2	1,061.1
(ii) Other Financial Liabilities	897.6	1,382.1
Employee Benefit Obligations	310.1	202.2
Other Current Liabilities [Refer Note 5 (a)]	61.4	452.6
Provisions	232.8	131.1
Current Tax Liabilities (Net)	66.9	66.9
	<b>2,434.0</b>	<b>3,296.0</b>
Liabilities directly associated with assets classified as held for sale	-	10.5
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,151.2</b>	<b>11,105.2</b>




**Notes:**

2. This Statement has been reviewed by the Audit Committee at its meeting held on November 13, 2018 and approved at the meeting of the Board of Directors held on that date.
3. This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies to the extent applicable.
4. The Company has a single business segment namely 'Pharmaceuticals Business'.
5. (a) During the year ended 31.03.2018, the Company received interest on refund of Income tax for AY 1995-96. Interest income of ₹ 981.3 million received on such income tax refund was recognized as income in the Statement based on the management estimate of the amount the Company was entitled to receive in accordance with the provisions of the Income Tax Act, 1961. The Company sought clarification with appropriate authorities for interest working. Pending receipt of clarification, balance amount of interest of ₹ 370.0 million received was included under "Other Current Liabilities" as at the year end. In the quarter ended 30.06.2018 Company paid ₹ 384.6 million being the demand for such excess interest on refund of Income Tax for AY 1995-96 and the differential interest paid of ₹ 14.6 million was recognised under finance costs.
- (b) "Other income" includes ₹ 201.6 million for the quarter ended 30.09.2018, ₹ 103.5 million for the quarter ended 30.06.2018, ₹ 112.7 million for the quarter ended 30.09.2017, ₹ 305.1 million for the half year ended 30.09.2018, ₹ 198.8 million for half year ended 30.09.2017 and ₹ 198.8 million for the year ended 31.03.2018 being profit on disposal of certain assets out of "Assets held for sale".
6. Due to implementation of Goods And Services Tax (GST), effective July 01, 2017, the revenue from operations for the quarter ended 30.09.2017 included a significant recovery of the trade down stocking that took place in the quarter ended 30.06.2017 in anticipation of GST implementation.
7. Consequent to notices during the quarter from Drugs Licensing Authority, Daman to the supplier of a product, the Company has suspended sale of the product. The supplier has contested the notices and the matter is sub judice. Further, the Company has made a provision of ₹ 163.4 million for expected accelerated sales returns and stocks, relating thereto. This has impacted results for the quarter and six months ended 30.09.2018.
8. Finance Costs for year ended 31.03.2018 includes ₹ 51.2 million being interest on income tax provision pertaining to prior years.
9. Current tax for the year ended 31.03.2018 includes prior years' provision of ₹ 191.7 million.
10. The results for quarter and half year ended 30.09.2018 have been subjected to limited review by the statutory auditors of the Company on which an unmodified opinion has been issued.
11. Figures for the prior periods / year have been regrouped where necessary.



By Order of the Board



Milan Paleja  
 Vice Chairman and Managing  
 Director  
 DIN:08127535  
 Mumbai, November 13, 2018

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

**TO THE BOARD OF DIRECTORS OF  
NOVARTIS INDIA LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **NOVARTIS INDIA LIMITED** ("the Company"), for the Quarter and Half year ended 30.09.2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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 Indian 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Uday M Neogi  
Partner  
(Membership No. 30235)

MUMBAI, November 13, 2018

Regd. Office: Indiabulls Finance Centre, Tower 3, 27<sup>th</sup> - 32<sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.

(LLP Identification No. AAB-8737)

