



Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
India
Tel +91 22 2495 8400
Fax +91 22 2495 0221
Email: india.investors@novartis.com
CIN No. L24200MH1947PLC006104
Website: www.novartis.in

May 10, 2018

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

Audited Financial Results for the financial year ended March 31, 2018

Dear Sirs,

The Board of Directors of Novartis India Limited at its meeting held today has approved the Audited Financial Results for the financial year ended March 31, 2018.

Please find enclosed herewith the Audited financial results for the financial year ended March 31, 2018 alongwith the Declaration and Independent Auditors' Report as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

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.

Please take the same on record.

Thanking you.

Yours sincerely,

For **Novartis India Limited**

A handwritten signature in black ink, appearing to read "Trivikram Guda", written over a circular stamp or seal.

Trivikram Guda
Company Secretary &
Compliance Officer

Encl: As above

Novartis India Limited

 Regd. off: Sandoz House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai 400 018.
 www.novartis.in, CIN:L24200MH1947PLC006104

(₹ in million)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2018

Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31.03.2018 (Unaudited) [Refer Note 9 below]	31.12.2017 (Unaudited)	31.03.2017 (Unaudited) [Refer Note 9 below]	31.03.2018 (Audited)	31.03.2017 (Audited)
1.	Revenue from Operations	1,253.2	1,561.0	1,454.9	5,638.9	6,562.3
	Other Income [Refer Note 5(a) and 5(b)]	1,096.0	144.5	148.1	1,718.3	710.0
	Total Income	2,349.2	1,705.5	1,603.0	7,357.2	7,272.3
2.	Expenses					
	(a) Cost of Materials Consumed	-	-	0.3	-	1.2
	(b) Excise duty	-	-	0.1	0.1	0.1
	(c) Purchases of Stock-in-Trade	602.6	474.2	825.9	2,145.5	3,212.1
	(d) Changes in Inventories of Finished Goods and Stock-in-Trade	(31.8)	163.5	(113.7)	309.6	(152.1)
	(e) Employee Benefits Expense	368.9	389.1	352.2	1,445.3	1,393.0
	(f) Finance Costs (Refer Note 6)	51.4	3.2	3.9	55.3	7.2
	(g) Depreciation and Amortisation Expense	6.4	5.4	13.4	25.3	35.9
	(h) Other Expenses	532.5	416.0	449.3	1,800.9	1,857.6
	Total Expenses	1,530.0	1,451.4	1,531.4	5,782.0	6,355.0
3.	Profit before tax	819.2	254.1	71.6	1,575.2	917.3
4.	Tax Expense					
	Current Tax (Refer Note 7)	542.9	86.6	46.5	796.3	364.1
	Deferred Tax	11.6	(19.9)	(4.0)	(4.7)	(19.0)
	Total Tax Expense	554.5	66.7	42.5	791.6	345.1
5.	Profit for the period / year	264.7	187.4	29.1	783.6	572.2
6.	Other Comprehensive Income	30.0	(18.0)	20.1	12.0	5.0
	- Items that will not be reclassified to profit or loss					
	Remeasurements of post-employment obligation	45.9	(27.5)	30.7	18.4	7.6
	Income tax relating to these items	(15.9)	9.5	(10.6)	(6.4)	(2.6)
7.	Total Comprehensive Income for the period / year	294.7	169.4	49.2	795.6	577.2
8.	Paid-up Equity Share Capital (Face Value ₹ 5 each)	123.4	140.7	140.7	123.4	140.7
9.	Other Equity				7,213.0	9,055.7
10.	Earnings Per Share (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	9.60*	6.66*	1.03*	28.43	19.10




Notes:
1. Statement of Assets and Liabilities

(₹ in million)


Particulars	As at	
	31.03.2018	31.03.2017
	Audited	Audited
	in ₹ million	in ₹ million
A Assets		
Non-Current Assets		
Property, Plant and Equipment	46.0	57.1
Capital Work-in-Progress	-	0.1
Financial Assets		
(i) Loans	55.2	11.9
(ii) Other Financial Assets	4.6	4.9
Deferred Tax Assets	230.5	232.2
Income Tax Assets (Net)	918.4	1,189.3
Other Non-Current Assets	318.7	262.1
	1,573.4	1,757.6
Current Assets		
Inventories	565.6	875.2
Financial Assets		
(i) Trade Receivables	439.1	408.3
(ii) Cash and Cash Equivalents	376.3	755.9
(iii) Bank Balances other than (ii) above	7,374.5	7,401.3
(iv) Loans	29.7	58.8
(v) Other Financial Assets	236.7	172.3
Other Current Assets	499.6	59.6
	9,521.5	9,731.4
Assets held for sale	10.3	10.4
TOTAL ASSETS	11,105.2	11,499.4
B Equity and Liabilities		
Equity		
Equity Share Capital	123.4	140.7
Other Equity	7,213.0	9,055.7
Total Equity	7,336.4	9,196.4
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Other Financial Liabilities	18.2	22.7
Employee Benefit Obligations	417.3	380.9
Other Non-Current Liabilities	26.8	40.2
	462.3	443.8
Current Liabilities		
Financial Liabilities		
(i) Trade Payables	1,061.1	732.2
(ii) Other Financial Liabilities (other than those specified in 'Provisions' below)	1,382.1	467.4
Employee Benefit Obligations	202.2	291.7
Other Current Liabilities (Refer Note 5(a))	452.6	136.4
Provisions	131.1	126.2
Current Tax Liabilities (Net)	66.9	76.5
	3,296.0	1,830.4
Liabilities classified as held for sale	10.5	28.8
TOTAL EQUITY AND LIABILITIES	11,105.2	11,499.4




2. This Statement has been reviewed by the Audit Committee at its meeting held on May 10, 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 quarter and year ended 31.03.2018, the Company has received interest on refund of Income tax for AY 1995-96. Interest income of ₹ 981.3 million received on such income tax refund is recognized as income in the Statement based on the management estimate of the amount the Company is entitled to receive in accordance with the provisions of the Income Tax Act, 1961. The Company has sought clarification with appropriate authorities for interest working. Pending receipt of clarification, balance amount of interest of ₹ 370.0 million received has been included under "Other Current Liabilities".
(b) "Other income" for the year ended 31.03.2018 includes ₹ 198.8 million being profit on disposal of certain assets out of "Assets held for sale".
6. Finance Costs for the quarter and year ended 31.03.2018 includes ₹ 51.2 million being interest on income tax provision pertaining to prior years.
7. Current tax for the quarter and year ended 31.03.2018 includes prior years' provision of ₹ 233.3 million and ₹ 191.7 million respectively. Current tax for the quarter ended 31.12.2017 includes prior years' write back of ₹ 32.6 million.
8. In accordance with Sec 68, 69, 70 and other applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("SEBI Buy Back Regulations"), the Company concluded during the quarter ended 31.03.2018, the buyback of 3,450,000 equity shares of ₹ 5/- each fully paid up, as approved by the Board of Directors on 25th September, 2017 by way of tender offer through stock exchange mechanism for cash at price of ₹ 670/- per equity share. This has resulted in a total cash outflow of ₹ 2,311.6 million.

Pursuant to buyback the Company has adjusted premium on buyback of ₹ 665/- per share aggregating ₹ 2,294.3 million, from General Reserve ₹ 774.7 million and from Retained earnings ₹ 1,519.6 million. Further, an amount of ₹ 17.3 million (equivalent to the face value of shares) has been transferred to Capital Redemption Reserve from the Retained earnings. Buy-back expenses of ₹ 17.8 million (net of tax of ₹ 9.4 million) have also been debited to the Retained earnings.
9. The figures of the quarter ended 31.03.2018 and 31.03.2017 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the relevant financial year which were subjected to limited review by the auditors for the respective financial years.
10. The Board of Directors has recommended a dividend of 200% (₹ 10 per equity share of ₹ 5 each) for the year ended 31st March 2018 (2017: 200%, ₹ 10 per equity share of ₹ 5 each).
11. Figures for the prior periods / year have been regrouped where necessary.

By Order of the Board


Christopher Snook
Chairman
DIN:00369790
Mumbai, May 10, 2018





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DECLARATION

Unmodified opinion on Audit Report for year ended March 31, 2018

Pursuant to Regulation 33(3)(d) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Annual Audited Financial Results for the financial year ended March 31, 2018, have been approved by the Board of Directors of the Company at their meeting, held on May 10, 2018 and the Statutory Auditors have not expressed any modified opinion in their Audit Report dated May 10, 2018.

Please take the same on record.

For **Novartis India Limited**

A blue ink signature of Christopher Snook, consisting of several loops and a long horizontal stroke.

Christopher Snook
Chairman

A blue ink signature of Monaz Noble, featuring a large, stylized initial 'M' followed by a horizontal line.

Monaz Noble
Whole Time Director &
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
NOVARTIS INDIA LIMITED**

1. We have audited the accompanying Statement of Financial Results of **Novartis India Limited** ("the Company"), for the year ended 31.03.2018 ("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.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended 31.03.2018.

**Deloitte
Haskins & Sells LLP**


5. The Statement includes the results for the Quarter ended 31.03.2018 being the balancing figure between 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 which were subjected to limited review by us.
6. The comparative financial information for the year ended 31.03.2017, included in this Statement, were audited by another auditor who expressed an unmodified opinion vide their report dated May 23, 2017. The Statement also includes the results for the Quarter ended 31.03.2017 being the balancing figure between audited figures in respect of the full previous financial year referred to above and the published year to date figures up to the third quarter of the previous financial year which were subjected to limited review by the other auditor.

Our report is not modified in respect of this matter.

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



Uday M. Neogi
Partner
(Membership No.30235)

 MUMBAI, May 10, 2018