



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
Website: www.novartis.in

November 8, 2019

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

Sub.: Outcome of the Meeting of the Board of Directors of Novartis India Limited (“the Company”) held on November 8, 2019

Ref.: 1. Regulation 30 (read with Schedule III – Part A), 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)
2. Scrip Code: 500672

Dear Sir/ Madam,

Kindly note that the Board of Directors of the Company has in its meeting held today i.e. on Friday, November 8, 2019 ("said meeting"), *inter alia* considered and approved the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2019.

The said Meeting commenced at 11:00 a.m. and concluded at 3:00 p.m.

Further, in terms of the applicable provisions of SEBI Listing Regulations, please find enclosed herewith:

- a. the Unaudited Financial Results;
- b. Limited Review Report dated November 8, 2019, issued by the Statutory Auditors of the Company with respect to the Unaudited Financial Results and taken on record by the Board of Directors of the Company.

The above is for your information and the same is also available on the Company's website i.e. www.novartis.in

Thanking you

Yours sincerely,

For Novartis India Limited

Trivikram Guda
Company Secretary &
Compliance Officer

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 30.09.2019							
Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	6 months ended	6 months ended	Year ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
1.	Revenue from Operations [Refer Note 10]	1,177.8	1,093.1	1,065.8	2,270.9	2,446.8	4,906.8
	Other Income [Refer Note 7]	100.1	108.9	310.8	209.0	533.6	782.6
	Total Income	1,277.9	1,202.0	1,376.6	2,479.9	2,980.4	5,689.4
2.	Expenses						
	(a) Purchases of Stock-in-Trade	774.2	383.4	641.0	1,157.6	1,101.7	2,026.0
	(b) Changes in Inventories of Stock-in-Trade	(180.0)	131.0	(143.3)	(49.0)	(6.6)	(39.5)
	(c) Employee Benefits Expense	271.7	302.5	311.1	574.2	696.8	1,171.1
	(d) Finance Costs [Refer Note 6 and Note 9]	16.8	11.6	0.3	28.4	15.6	15.9
	(e) Depreciation and Amortisation Expense [Refer Note 9]	31.4	32.2	6.6	63.6	13.2	31.8
	(f) Other Expenses [Refer Note 9]	339.8	328.2	432.8	668.0	865.7	1,626.4
	Total Expenses	1,253.9	1,188.9	1,248.5	2,442.8	2,686.4	4,831.7
3.	Profit before tax	24.0	13.1	128.1	37.1	294.0	857.7
4.	Tax Expense [Refer Note 11]						
	Current Tax	8.3	5.7	48.3	14.0	113.6	332.7
	Deferred Tax	67.9	(0.5)	(13.9)	67.4	(13.3)	7.3
	Total Tax Expense	76.2	5.2	34.4	81.4	100.3	340.0
5.	Profit / (Loss) for the period / year	(52.2)	7.9	93.7	(44.3)	193.7	517.7
6.	Other Comprehensive Income	(26.9)	-	-	(26.9)	-	16.2
	- Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans	(36.0)	-	-	(36.0)	-	24.9
	Income tax relating to these items	9.1	-	-	9.1	-	(8.7)
7.	Total Comprehensive Income / (Loss) for the period / year	(79.1)	7.9	93.7	(71.2)	193.7	533.9
8.	Paid-up Equity Share Capital (Face Value ₹ 5 each)	123.4	123.4	123.4	123.4	123.4	123.4
9.	Other Equity						7,468.5
10.	Earnings Per Share (in ₹) (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	(2.11)*	0.32 *	3.80 *	(1.79)*	7.85 *	20.97

Notes:
1. Statement of Assets and Liabilities

Particulars	(₹ in million)	
	As at	As at
	30.09.2019 (Unaudited)	31.03.2019 (Audited)
A Assets		
Non-Current Assets		
Property, Plant and Equipment	130.4	149.8
Right of Use Assets [Refer Note 9]	651.3	-
Financial Assets		
(i) Loans	4.4	6.4
(ii) Other Financial Assets	38.4	34.0
Deferred Tax Assets [Refer Note 11]	156.1	214.4
Income Tax Assets (Net)	1,164.9	1,048.0
Other Non-Current Assets	311.8	307.1
	2,457.3	1,759.7
Current Assets		
Inventories [Refer Note 10]	654.4	605.1
Financial Assets		
(i) Trade Receivables	529.8	455.9
(ii) Cash and Cash Equivalents	593.8	877.6
(iii) Bank Balances other than (ii) above	5,745.6	5,242.6
(iv) Loans	0.7	0.6
(v) Other Financial Assets	153.7	328.1
Other Current Assets	796.7	544.6
	8,474.7	8,054.5
Assets held for sale	10.2	10.2
TOTAL ASSETS	10,942.2	9,824.4
B Equity and Liabilities		
Equity		
Equity Share Capital	123.4	123.4
Other Equity	7,120.5	7,468.5
	7,243.9	7,591.9
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Lease Liabilities [Refer Note 9]	567.4	-
(ii) Other Financial Liabilities	17.5	18.7
Provisions	357.4	350.3
Other Non-Current Liabilities	6.7	12.4
	949.0	382.4
Current Liabilities		
Financial Liabilities		
(i) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	6.0	6.0
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,193.2	908.0
(ii) Lease Liabilities [Refer Note 9]	100.6	-
(iii) Other Financial Liabilities	883.8	441.1
Other Current Liabilities	53.9	78.7
Provisions [Refer Note 10]	424.4	328.9
Current Tax Liabilities (Net)	87.4	87.4
	2,749.3	1,850.1
TOTAL EQUITY AND LIABILITIES	10,942.2	9,824.4



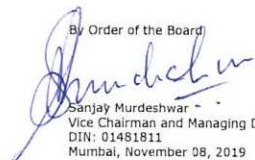
Notes:
2. Condensed Statement of Cash Flows:

(₹ in million)

Particulars	Half year ended 30.09.2019 (Unaudited)	Half year ended 30.09.2018 (Unaudited) [Refer Note 8]
A. Cash flow from Operating Activities		
Profit before tax	37.1	294.0
Operating Loss before working capital changes	(52.7)	(175.3)
Net Cash generated from / (used in) Operating Activities	366.4	(1,293.0)
B. Cash flow (used in) / generated from Investing Activities	(298.0)	1,600.2
C. Cash flow used in Financing Activities	(352.2)	(313.3)
Net decrease in Cash and Cash Equivalents (A+B+C)	(283.8)	(6.1)
Cash and Cash Equivalents		
At the beginning of the period	877.6	376.3
At the end of the period	593.8	370.2

- This Statement has been reviewed by the Audit Committee at its meeting held on November 08, 2019 and approved at the meeting of the Board of Directors held on that date and has been subjected to limited review by the statutory auditors of the Company.
- This Statement has been prepared in accordance with the recognition and measurement principles laid down in 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.
- The Company has a single business segment namely 'Pharmaceuticals Business'.
- During the year ended 31.03.2018, the Company had received interest on refund of Income tax for AY 1995-96 in respect of which the Company had sought clarification with appropriate authorities for interest working. During the half year ended 30.09.2018, based on rectification order received, the Company repaid the excess amount included under "Other Current Liabilities" along with the interest of ₹ 14.6 million which was recognised under finance costs.
- Other income includes ₹ 201.6 million for the quarter ended 30.09.2018 and ₹ 307.3 million for the half year ended 30.09.2018 and for the year ended 31.03.2019 being profit on disposal of certain assets classified under Assets held for sale.
- The Condensed Statement of Cash Flows for the corresponding half year ended 30.09.2018 is approved by the board of directors of the Company but has not been subjected to review by the Statutory Auditors.
- Effective April 01, 2019, the Company adopted Ind AS 116 "Leases", with respect to lease contracts outstanding as on April 01, 2019 with the transition option of not retrospectively adjusting the prior periods presented and recognising the Right-of-Use asset at an amount equal to the lease liability as on April 01, 2019. The financial results for the quarter and half year ended 30.09.2018 and for the year ended 31.03.2019 have accordingly not been retrospectively adjusted. The effect of this adoption on the Profit for the period and earnings per share is not significant. The nature of expenses in respect of operating leases has changed from lease rent, included in other expenses, in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
- Consequent to notices received in the quarter 30.09.2018 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. The Company had accordingly made a provision of ₹ 163.4 million, in quarter 30.09.2018 for expected accelerated sales returns and stocks, relating thereto.
- For the purpose of these results, the Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as Introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for income tax for the half year ended September 30, 2019 and re-measured its net Deferred Tax Assets basis the rate prescribed in the said section impacting the total tax expense for the quarter and half year ended 30 September, 2019 by ₹ 55.1 million.



By Order of the Board

 Sanjay Murdeshwar
 Vice Chairman and Managing Director
 DIN: 01481811
 Mumbai, November 08, 2019

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 six months ended September 30, 2019 ("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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 8 of the Statement which states that the condensed statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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 amended, 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)



Rakesh N. Sharma
Partner
(Membership No. 102042)
UDIN: 19102042AAAACL7925

Place: MUMBAI
Date: November 08, 2019