



**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 5, 2020

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 5, 2020**

**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 Thursday, November 5, 2020 (“said meeting”), *inter alia* considered and approved the Unaudited Financial Results of the Company for the quarter and half year ended on September 30, 2020.

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

- a. the Unaudited Financial Results; and
- b. Limited Review Report dated November 5, 2020, 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, as **Annexure 1**.

Further, pursuant to the recommendation of the Nomination and Remuneration Committee and Audit Committee, Board of Directors of the Company at its meeting held today approved the appointment of Ms. Bhavna Gupta as the Internal Auditor of the Company w.e.f. November 5, 2020, brief profile of Ms. Gupta is enclosed as **Annexure 2**.

The said Meeting commenced at 11:45 a.m. and concluded at 2:00 p.m.

The above is for your information and the same is also available on the Company's website i.e. [www.novartis.in](http://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 30.09.2020							
Sr. No.	Particulars	3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	Year ended 31.03.2020 (Audited)
1.	Revenue from Operations	958.3	924.6	1,177.8	1,882.9	2,270.9	4,382.5
	Other Income	56.0	69.6	100.1	125.6	209.0	361.4
	<b>Total Income</b>	<b>1,014.3</b>	<b>994.2</b>	<b>1,277.9</b>	<b>2,008.5</b>	<b>2,479.9</b>	<b>4,743.9</b>
2.	Expenses						
(a)	Purchases of Stock-in-Trade	349.9	427.1	774.2	777.0	1,157.6	1,804.9
(b)	Changes in Inventories of Stock-in-Trade	17.3	(73.7)	(180.0)	(56.4)	(49.0)	18.3
(c)	Employee Benefits Expense	252.1	299.3	271.7	551.4	574.2	1,138.7
(d)	Finance Costs	16.6	16.8	16.8	33.4	28.4	63.9
(e)	Depreciation and Amortisation Expense	31.0	30.6	31.4	61.6	63.6	131.4
(f)	Other Expenses	236.9	230.0	339.8	466.9	668.0	1,300.3
	<b>Total Expenses</b>	<b>903.8</b>	<b>930.1</b>	<b>1,253.9</b>	<b>1,833.9</b>	<b>2,442.8</b>	<b>4,457.5</b>
3.	Profit before tax	110.5	64.1	24.0	174.6	37.1	286.4
4.	Tax Expense						
	Current Tax [Refer Note 7]	42.9	22.6	8.3	65.5	14.0	152.2
	Deferred Tax [Refer Note 9]	(7.6)	(2.4)	67.9	(10.0)	67.4	33.4
	<b>Total Tax Expense</b>	<b>35.3</b>	<b>20.2</b>	<b>76.2</b>	<b>55.5</b>	<b>81.4</b>	<b>185.6</b>
5.	Profit/(loss) for the period / year	75.2	43.9	(52.2)	119.1	(44.3)	100.8
6.	Other Comprehensive Income	-	-	(26.9)	-	(26.9)	(197.3)
	- Items that will not be reclassified to profit or loss	-	-	(36.0)	-	(36.0)	(263.7)
	Remeasurements of the defined benefit plans	-	-	9.1	-	9.1	66.4
	Income tax relating to these items	-	-	-	-	-	-
7.	<b>Total Comprehensive Income / (Loss) for the period / year</b>	<b>75.2</b>	<b>43.9</b>	<b>(79.1)</b>	<b>119.1</b>	<b>(71.2)</b>	<b>(96.5)</b>
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						7,083.9
10.	Earnings Per Share (In ₹) (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	3.05*	1.78*	(2.11)*	4.83*	(1.79)*	4.08

## Notes:

## 1. Statement of Assets and Liabilities

Particulars	(₹ in million)	
	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>A Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	104.3	119.9
Right-of-Use Assets	601.6	642.9
<b>Financial Assets</b>		
(i) Loans		
(ii) Other Financial Assets	3.0	3.4
Deferred Tax Assets	46.8	43.6
Income Tax Assets (Net)	257.4	247.4
Other Non-Current Assets	1,407.0	1,276.4
	314.7	311.5
	<b>2,734.8</b>	<b>2,645.1</b>
<b>Current Assets</b>		
Inventories [Refer Note 6]	643.1	586.8
<b>Financial Assets</b>		
(i) Trade Receivables	248.7	376.0
(ii) Cash and Cash Equivalents	338.5	791.2
(iii) Bank Balances other than (ii) above	4,791.3	5,027.9
(iv) Loans	0.6	0.6
(v) Other Financial Assets	618.9	510.9
Other Current Assets	904.7	827.7
	<b>7,545.8</b>	<b>8,121.1</b>
Assets held for sale	1.2	10.2
<b>TOTAL ASSETS</b>	<b>10,290.8</b>	<b>10,776.4</b>
<b>B Equity and Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	123.4	123.4
Other Equity	6,963.2	7,083.9
	<b>7,086.6</b>	<b>7,207.3</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Lease Liabilities	535.5	564.6
(ii) Other Financial Liabilities	14.8	17.3
Provisions	685.9	659.3
	<b>1,236.2</b>	<b>1,241.2</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	7.5	7.7
- total outstanding dues of creditors other than micro enterprises and small enterprises	529.0	718.3
(ii) Lease Liabilities	126.8	18.3
(iii) Other Financial Liabilities	972.9	1,106.3
Other Current Liabilities	69.7	105.3
Provisions	175.4	185.3
Current Tax Liabilities (Net)	86.7	86.7
	<b>1,968.0</b>	<b>2,327.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,290.8</b>	<b>10,776.4</b>

## Notes:

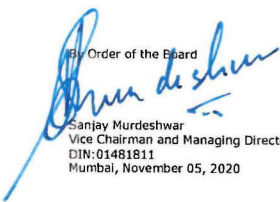
## 2 Statement of Condensed Cash Flows:

(₹ in million)

Particulars	(₹ in million)	
	Half year ended 30.09.2020 (Unaudited)	Half year ended 30.09.2019 (Unaudited)
<b>A. Cash flow from operating activities</b>		
Profit before tax	174.6	37.1
Operating profit before working capital changes	151.1	(52.7)
Net cash (used in)/ generated from operating activities	(494.4)	366.4
<b>B. Cash flow from/(used in) investing activities</b>	346.5	(298.0)
<b>C. Cash flow used in financing activities</b>	(304.8)	(352.2)
Net Decrease in Cash and Cash Equivalents	(452.7)	(283.8)
Cash and Cash Equivalents - At the beginning of the year	791.2	877.6
Cash and Cash Equivalents - At the end of the year	338.5	593.8

- This Statement has been reviewed by the Audit Committee at its meeting held on 05.11.2020 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 (as amended) (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'.
- Consequent to notices received during the quarter 30.09.2018 from Drugs Licensing Authority, Daman by the supplier of a product, the Company has suspended sale of the relevant product. The Company had, based on the Stock Statements received from significant portion of its stockists, arrived at stock position and accordingly made provision for accelerated sales returns and stock, relating thereto. As at 30.09.2020, the provision carried in the books in this respect aggregate to ₹ 40.2 million (as at 31st March, 2020 to ₹ 41.9 million).
- Current tax for the full year ended 31.03.2020 includes provision in respect of earlier years of ₹ 32.5 million.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventories, receivables and other assets. In assessing the recoverability of the assets, the Company has considered internal and external sources of information, available as at the date of approval of these financial results, including subsequent recoveries, credit risk profile, macroeconomic forecasts, latest selling prices of products, orders on hand, margins etc. Based on the above assessment, the Company is of the view that the carrying amounts of the assets will be realised. The impact of COVID-19 on the Company's financial results may be different from that estimated as at the date of approval of these financial results.  
  
During the half year ended 30th September 2020, the Company was able to ensure uninterrupted supply of pharma products. The offices of the Company were open to operate under the guidelines issued by the local authorities with the option of sales employees to work on the field subject to compliance with the guidelines issued and trainings conducted, while all other associates have the option to work from home on digital platforms provided by the Company with need based working from office premises taking into consideration the safety of the associates. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- During the quarter and half year ended 30.09.2019, the company had elected to exercise the option permitted under section 115BAA of Income-tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognised Provision for Income tax since the quarter ended 30th September, 2019 basis the rate prescribed in the said section. The Company had, during the quarter ended 30th September, 2019, also re-measured its net Deferred tax Assets basis the aforesaid amendment, impacting the total tax expense for the quarter and half year ended 30th September, 2019 and for the year ended 31st March 2020.
- The Code on Social Security, 2020 ('Code') received Presidential assent on 28 September 2020. However, the date on which the code will come into effect has not yet been notified. Impact, if any, of the change will be assessed and accounted for in the period of notification of the relevant provisions.

By Order of the Board



Sanjay Murdeshwar  
Vice Chairman and Managing Director  
DIN: 01481811  
Mumbai, November 05, 2020

**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, 2020 ("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.
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: 20102042AAAACV6427)

Place: MUMBAI  
Date: November 05, 2020

## PROFILE

### BHAVNA GUPTA

Ms. Bhavna Gupta is a qualified Chartered Accountant with a Bachelor's degree in Commerce with 14 years of post-qualification experience in various areas of finance and compliance.

She is currently the Senior ERC Manager at Novartis, reporting to Country Head - ERC. In her current role Bhavna is a compliance partner for multiple franchise and functions. Recently, she has also been involved in a global project in Basel on Third party Anti-bribery Risk Management.

Her key skills include sound working knowledge of compliance, risk management, training and monitoring/ independent assessments.

Her past experience includes working for companies like Astra Zeneca Pharma India Ltd, Johnson & Johnson Medical India and ICICI Bank Ltd. in various leadership roles of finance, audit, compliance, controller and business partnering. She is passionate about continuous learning and creating value.

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