

February 4, 2019

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

Outcome of Board Meeting

Dear Sirs,

We refer to our letter dated December 31, 2018, informing you of our Board Meeting that was scheduled for today. The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 3.50 p.m.

Pursuant to the provisions of Regulation 30 (read with Part A of Schedule III) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at this meeting approved the following:

1. Financial results of the Company for the third quarter and nine months ended December 31, 2018. Copy of the financial results approved at this meeting along with the Limited Review Report provided by Deloitte Haskins & Sells LLP, Auditors of the Company is enclosed as Annexure 1.

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.

2. Based on the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the approval of the shareholders of the Company by Postal Ballot, Mr. Jai Hiremath (DIN: 00062203) and Dr. Rajendra Nath Mehrotra (DIN: 00172639) are re-appointed as Independent Directors of the Company for a term of five years and one year respectively, commencing from April 1, 2019.

A brief profile of Mr. Jai Hiremath and Dr. Rajendra Nath Mehrotra is enclosed as Annexure 2.


It is also informed that none of the Directors of the Company are related to Mr. Hiremath and Dr. Mehrotra. Mr. Hiremath holds no shares in the Company and Dr. Mehrotra holds 220 equity shares in the Company.

The draft Postal Ballot Notice with respect to the re-appointment of Mr. Hiremath and Dr. Mehrotra was approved by the Board at its meeting held on February 4, 2019 and the Board authorized the Company Secretary to finalize the Postal Ballot Notice, explanatory statement and notes thereon and issue the same to the members of the Company.

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 NINE MONTHS ENDED 31.12.2018							
Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
1.	Revenue from Operations [Refer Note 5]	1,356.2	1,065.8	1,561.0	3,803.0	4,385.7	5,638.9
	Other Income [Refer Note 4 (a) and 4 (b)]	114.7	310.8	144.5	648.3	622.3	1,718.3
	Total Income	1,470.9	1,376.6	1,705.5	4,451.3	5,008.0	7,357.2
2.	Expenses						
	(a) Purchases of Stock-in-Trade	489.3	641.0	474.2	1,591.0	1,542.9	2,145.5
	(b) Changes in Inventories of Finished Goods and Stock-in-Trade [Refer Note 5]	85.3	(143.3)	163.5	78.7	341.4	309.6
	(c) Excise duty	-	-	-	-	0.1	0.1
	(d) Employee Benefits Expense	269.2	311.1	389.1	966.0	1,076.4	1,445.3
	(e) Finance Costs [Refer Note 4 (a) and 6]	0.3	0.3	3.2	15.9	3.9	55.3
	(f) Depreciation and Amortisation Expense	9.5	6.6	5.4	22.7	18.9	25.3
	(g) Other Expenses	377.4	432.8	416.0	1,243.1	1,268.4	1,800.9
	Total Expenses	1,231.0	1,248.5	1,451.4	3,917.4	4,252.0	5,782.0
3.	Profit before tax	239.9	128.1	254.1	533.9	756.0	1,575.2
4.	Tax Expense						
	Current Tax [Refer Note 7]	107.2	48.3	86.6	220.8	253.4	796.3
	Deferred Tax	4.0	(13.9)	(19.9)	(9.3)	(16.3)	(4.7)
	Total Tax Expense	111.2	34.4	66.7	211.5	237.1	791.6
5.	Profit for the period / year	128.7	93.7	187.4	322.4	518.9	783.6
6.	Other Comprehensive Income	23.4	-	(18.0)	23.4	(18.0)	12.0
	- Items that will not be reclassified to profit or loss	36.0	-	(27.5)	36.0	(27.5)	18.4
	Remeasurements of post-employment obligations	(12.6)	-	9.5	(12.6)	9.5	(6.4)
	Income tax relating to these items						
7.	Total Comprehensive Income for the period / year	152.1	93.7	169.4	345.8	500.9	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)	5.21*	3.80*	6.66*	13.06*	18.44*	28.43

Notes:

- This Statement has been reviewed by the Audit Committee at its meeting held on February 04, 2019 and approved at the meeting of the Board of Directors held on that date and have 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 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'.
- (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. During the nine months ended 31.12.2018 the Company paid ₹ 384.6 million based on rectification order received from the appropriate authorities 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, ₹ 305.1 million for the nine months ended 31.12.2018, ₹ 198.8 million for the nine months ended 31.12.2017 and ₹ 198.8 million for the year ended 31.03.2018 being profit on disposal of certain assets out of "Assets held for sale".
- Consequent to the notices received during the quarter ended 30.09.2018 from the Drugs Licensing Authority, Daman by the supplier of a product, the Company suspended the sale of the relevant product. The supplier has contested the notices and the matter is sub judice before Hon'ble Delhi High Court. The Company had earlier made a provision of ₹ 163.4 million for expected accelerated sales returns and stocks, relating thereto. This impacted the results for the quarter ended 30.09.2018.

During the current quarter the Company has, based on stock statements received from significant portion of its stockists, arrived at the stock position and accordingly reversed the provision made in earlier quarter by ₹ 90.1 million.
- Finance Costs for year ended 31.03.2018 includes ₹ 51.2 million being interest on income tax provision pertaining to prior years.
- Current tax for the quarter ended and nine months ended 31.12.2017 includes prior year's write back of ₹ 32.6 million and ₹ 41.6 million respectively. Current tax for the year ended 31.03.2018 includes prior year's provision of ₹ 191.7 million.
- Figures for the prior periods / year have been regrouped where necessary.



By Order of the Board

Menez Noble
Whole Time Director & Chief
Financial Officer
DIN: 03086192
Mumbai, February 04, 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 nine months ended 31.12.2018 ("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.

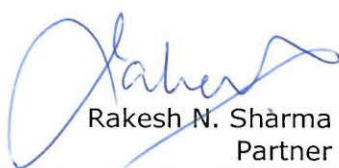
This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 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.



MUMBAI, February 04, 2019

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



Rakesh N. Sharma
Partner
(Membership No. 102042)

ANNEXURE 2

BRIEF PROFILE OF MR. JAI HIREMATH

Mr. Jai Hiremath is the Founder and Chairman of Hikal Limited, and has over 36 years of experience in the fine chemicals and pharmaceuticals industry. His contribution to the industry has been recognized on global forums. In 2005, he was awarded Chemtech Business Leader of the Year Award (Chemicals). Mr. Hiremath is the past President of the Indian Chemical Council (ICC), and the former Chairman of the Chemicals Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He is on the Board of National Safety Council (NSC) of India. He is an ex-board member of the Drug, Chemical and Associated Technologies Association (DCAT) headquartered in New Jersey, USA.

Mr. Hiremath is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and he is a 2004 alumnus of Harvard University, USA.

BRIEF PROFILE OF DR. RAJENDRA NATH MEHROTRA

Dr. Rajendra Nath Mehrotra has industrial, academic and international civil service experience of over four decades. He has worked with reputed public Companies in India and handled the Manufacturing and Human Resources functions. He was also Professor and Head of Production Management and Dean of the Post Graduate Programme (PGP) in Industrial Engineering of National Institute of Industrial Engineering (NITIE), Mumbai with Ministry of Education, Government of India (GOI). He was Former Senior Employers' Specialist for South Asian Region with United Nations International Labour Organization (ILO). He is very well conversant with Industrial Relations / Human Resource issues and regularly writes articles on them.

Dr. Mehrotra holds an Honours Degrees in Electrical and Mechanical Engineering and Masters in Management Studies (MMS) and a Ph.D Degree from University of Mumbai. He had advance training in Industrial Engineering & Quality Management in Japan & in General Management at the Hass School of Business, University of California, Berkeley, USA.