



Novartis India Limited

Regd. off: Sandoz House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai 400 018.

PART I						In ₹ million
STATEMENT OF STANDALONE AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2015						
Sr. No	Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31.03.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2014 (Unaudited)	31.03.2015 (Audited)	31.03.2014 (Audited)
1.	Income from Operations					
	(a) Net Sales/Income from Operations (Net of Excise Duty)	2,023.8	2,130.2	1,930.3	8,452.9	8,397.8
	(b) Other Operating Income	52.6	91.8	75.4	280.9	224.5
	Total Income from Operations (Net)	2,076.4	2,222.0	2,005.7	8,733.8	8,622.3
2.	Expenses					
	(a) Cost of Materials Consumed	(6.7)	53.4	23.3	122.4	337.3
	(b) Purchases of Stock-in-Trade	719.1	900.6	888.9	3,376.2	3,530.3
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	(1.6)	(3.4)	(94.1)	30.5	63.1
	(d) Employee Benefits Expense	471.4	567.9	463.5	2,000.3	1,741.9
	(e) Depreciation and Amortisation Expense	12.4	10.0	8.5	40.1	36.5
	(f) Other Expenses	720.4	882.9	650.5	3,243.0	2,962.7
	Total Expenses	1,915.0	2,411.4	1,940.6	8,812.5	8,671.8
3.	Profit/(Loss) from Operations before Other Income and Finance Costs	161.4	(189.4)	65.1	(78.7)	(49.5)
4.	Other Income	368.2	234.3	258.1	1,076.4	951.2
5.	Profit from Ordinary Activities before Finance Costs	529.6	44.9	323.2	997.7	901.7
6.	Finance Costs	0.5	0.5	0.6	2.1	2.7
7.	Profit from Ordinary Activities before Tax	529.1	44.4	322.6	995.6	899.0
8.	Tax Expense/(Credit) (Net) (Including Deferred Tax)	8.0	9.0	83.8	155.6	(86.3)
9.	Net Profit from Ordinary Activities after Tax	521.1	35.4	238.8	840.0	985.3
10.	Extraordinary Items (net of tax effect)*	1.7	47.2	-	48.9	-
11.	Net Profit/(Loss) for the period	519.4	(11.8)	238.8	791.1	985.3
12.	Paid-up equity share capital (Face Value ₹ 5 each)	159.8	159.8	159.8	159.8	159.8
13.	Reserves excluding Revaluation Reserves (as per last audited Balance Sheet)				9,860.1	9,453.7
14.	Earnings Per Share (before extraordinary Items)- (of ₹ 5 each) (not annualised)					
	Basic and Diluted (₹)	16.30	1.11	7.47	26.28	30.83
15.	Earnings/(Loss) Per Share (after extraordinary Items)- (of ₹ 5 each) (not annualised)					
	Basic and Diluted (₹)	16.25	(0.37)	7.47	24.75	30.83

* Net of tax effect ₹ 0.6 million for the three months ended 31st March 2015, ₹ 13.8 million for the three months ended 31st December 2014 and ₹ 14.4 million for the year ended 31st March 2015.

PART II						
SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2015						
	Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
A	PARTICULARS OF SHAREHOLDING					
1.	Public Shareholding					
	- Number of Shares	7,990,200	7,990,200	7,990,200	7,990,200	7,990,200
	- Percentage of Shareholding	25.00	25.00	25.00	25.00	25.00
2.	Promoter and Promoter Group Shareholding					
	(a) Pledged / Encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-
	- Percentage of Shares (as a % of the total Share Capital of the company)	-	-	-	-	-
	(b) Non-Encumbered					
	- Number of Shares	23,970,597	23,970,597	23,970,597	23,970,597	23,970,597
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of Shares (as a % of the total Share Capital of the company)	75.00	75.00	75.00	75.00	75.00

Particulars	3 months ended
	31.03.2015
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	2
Received during the quarter	-
Disposed of during the quarter	2
Remaining unsolved at the end of the quarter	-



SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

In ₹ million

Sr. No	Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31.03.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2014 (Unaudited)	31.03.2015 (Audited)	31.03.2014 (Audited)
1.	Segment Revenue					
	(a) Pharmaceuticals	1,444.4	1,496.0	1,376.8	5,998.4	5,805.8
	(b) Generics	99.9	126.6	74.3	484.4	524.3
	(c) OTC	286.1	357.3	344.5	1,293.8	1,255.1
	(d) Animal Health	246.0	242.1	210.1	956.7	1,037.1
	Total Income from Operations (Net)	2,076.4	2,222.0	2,005.7	8,733.8	8,622.3
2.	Segment Results					
	(a) Pharmaceuticals	263.4	(148.8)	(17.5)	150.1	(70.6)
	(b) Generics	(11.8)	23.0	-	69.1	60.4
	(c) OTC	(10.6)	3.4	59.7	(32.1)	141.6
	(d) Animal Health	30.8	(3.0)	27.3	45.8	58.8
	Total	271.8	(125.4)	69.5	232.9	190.2
	Add/(Loss):					
	(a) Finance Costs	(0.5)	(0.5)	(0.6)	(2.1)	(2.7)
	(b) Other unallocable expenditure	(84.4)	(56.0)	(1.4)	(266.3)	(222.0)
	(c) Other unallocable income	342.2	226.3	255.1	1,031.1	933.5
	Profit from Ordinary Activities before Tax	529.1	44.4	322.6	995.6	899.0
3.	Capital Employed (Segment Assets less Segment Liabilities)					
	(a) Pharmaceuticals	444.9	(170.8)	207.1	444.9	207.1
	(b) Generics	61.9	34.7	(5.3)	61.9	(5.3)
	(c) OTC	(108.4)	(105.4)	(78.4)	(108.4)	(78.4)
	(d) Animal Health	314.8	304.4	361.6	314.8	361.6
	Total	713.2	62.9	485.0	713.2	485.0
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	9,306.7	9,822.3	9,128.5	9,306.7	9,128.5
	Total Capital Employed	10,019.9	9,885.2	9,613.5	10,019.9	9,613.5

Notes:

1. Standalone Statement of Assets and Liabilities

Particulars	As at	
	31.03.2015 (Audited)	31.03.2014 (Audited)
A EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	159.8	159.8
(b) Reserves and Surplus	9,860.1	9,453.7
Sub-total - Shareholders' Funds	10,019.9	9,613.5
2. Non-Current Liabilities		
(a) Other Long-term Liabilities	36.0	38.8
(b) Long-term Provisions	298.4	247.2
Sub-total - Non-Current Liabilities	334.4	286.0
3. Current Liabilities		
(a) Trade Payables	1,026.2	1,075.2
(b) Other Current Liabilities	441.4	475.8
(c) Short-term Provisions	596.3	570.7
Sub-total - Current Liabilities	2,063.9	2,121.7
TOTAL - EQUITY AND LIABILITIES	12,418.2	12,021.2
B ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	85.0	70.7
(b) Non-Current Investments	0.1	0.3
(c) Deferred Tax Assets	219.0	162.1
(d) Long-term Loans and Advances	1,426.7	1,148.4
(e) Other Non-Current Assets	2.4	1.3
Sub-total - Non-Current Assets	1,733.2	1,410.8
2. Current Assets		
(a) Inventories	999.4	1,035.9
(b) Trade Receivables	829.0	774.0
(c) Cash and Bank Balances	8,385.5	168.1
(d) Short-term Loans and Advances	443.4	8,630.1
(e) Other Current Assets	27.7	2.3
Sub-total - Current Assets	10,685.0	10,610.4
TOTAL - ASSETS	12,418.2	12,021.2



2. The above results were reviewed by the Audit Committee at its meeting held on 27th May 2015 and approved at the meeting of the Board of Directors held on that date.
3. Transactions with GSK and Lilly:

On 22nd April 2014, Novartis AG, Basel, Switzerland (Novartis) entered into the following agreements with GlaxoSmithKline plc, UK (GSK) and Eli Lilly and Company, USA (Lilly):

(a) Combination of Novartis OTC with GSK Consumer Healthcare in a Joint Venture

Novartis and GSK have agreed to create a consumer healthcare business through a Joint Venture between Novartis OTC and GSK Consumer Healthcare. The transaction, except in respect of the Company's OTC Division, closed on 1st March 2015.

In connection with the divestment of the Novartis OTC business to GSK, the Board of Directors (Board) of Novartis India Limited (Company) in its meeting held on 13th January 2015 approved the slump sale of the Company's OTC Division to GlaxoSmithKline Consumer Private Limited (GSK CPL), a private unlisted company incorporated under the Companies Act, 2013 (or another affiliate of GSK) for a consideration of ₹ 1,097.3 million. Closing of this slump sale is subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. The Company had made a separate announcement on 13th January 2015 to BSE Limited in this regard.

(b) Divestment of Novartis Animal Health business to Lilly

As part of its global portfolio transformation, Novartis AG, Basel, Switzerland ("Novartis AG") agreed on 22 April 2014 to divest its global Animal Health business to Eli Lilly and Company ("Lilly"). Closing of this global transaction was subject to receipt of applicable anti-trust and regulatory approvals, as well as the satisfaction or waiver (as applicable) of various other conditions (the "Global Animal Health Transaction").

In connection with the Global Animal Health Transaction, the Board of Directors of Novartis India Limited (the "Company") considered and approved on 7 November 2014, the transfer of the Company's Animal Health Division as a going concern by way of a 'slump sale' to Elanco India Private Limited ("Elanco India"), or another affiliate of Lilly, for a consideration of Rs 866.8 million, on or before 22 July 2015, subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities, as well as the closing of the Global Animal Health Transaction (the "Animal Health Transaction"). This approval of the Company's Board of Directors was disclosed to the Stock Exchange on 7 November 2014. The Global Animal Health Transaction closed globally (but not with respect to India, as explained below) on 1 January 2015.

Closing of the Animal Health Transaction in India is conditional upon the receipt by Elanco India of the written approval of the Foreign Investment and Promotion Board, Government of India (the "FIPB"). Further to the FIPB's response to Elanco India's application that it would not approve the Animal Health Transaction due to the existence of the restrictions on competition explained below, and at Elanco India's request, the Company and Elanco India have executed a letter which records the parties' agreement that the terms of the Global Animal Health Transaction agreed between Novartis AG and Lilly restricting the competition by the Novartis AG group of companies in connection with animal health activities, will not apply with respect to the Company vis-a-vis Elanco India in India (the "Non-Compete Amendment Letter"). The Non-Compete Amendment Letter will be submitted by Elanco India to the FIPB, together with a representation against the FIPB's non-approval of Elanco India's application for the Animal Health Transaction. The Company will continue to co-operate with Elanco India, to the extent necessary, and monitor the FIPB process in this matter and will provide further updates if and when required.

The consideration to be received by the Company in relation to the slump sales of the Animal Health Division to Elanco India Private Limited (or another affiliate of Lilly) and the OTC Division to GSK CPL (or another affiliate of GSK) totalling to ₹ 1,964.1 million has not been accounted in the results for twelve months ended 31st March 2015 because the transactions are subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. Costs incurred by the Company in relation to the transactions have been shown under Extraordinary Items.

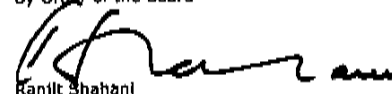
For information in respect of discontinuing operations i.e. the Animal Health Division and the OTC Division, refer to disclosures in Segment Revenue, Results and Capital Employed.

4. The Company has filed a Writ Petition on 8th May 2014 before the Hon'ble Delhi High Court challenging the move of the National Pharmaceuticals Pricing Authority ("NPPA") to include Voveran 50 GE Tablets, marketed by the Company, under price control in terms of the Drug Price Control Order 2013 ("DPCO 2013").

During the pendency of the Writ Petition the NPPA issued a Show Cause Notice dated 24th September 2014 to the Company alleging over charge on sales of Voveran 50 GE Tablets by the Company. The Company responded to the show cause notice vide its letters dated 13th October 2014 and 27th October 2014. The NPPA issued a Demand Notice dated 31st October 2014 directing the company to pay ₹ 281.8 million (including interest) by 15th November 2014. This demand has been challenged before the Hon'ble Delhi High Court which granted a stay on the demand. The matter is posted for further hearing on 10th August 2015.

5. Tax Expenses/(Credit) (Net) includes write back of provision for current tax for the Assessment Year 1995-1996 amounting to ₹ 139.3 million (previous year: ₹ 307.7 million). The aforesaid write backs are on account of favourable Orders of the Income Tax Appellate Tribunal, received by the Company in the respective years, for non-taxability of consideration from sale of its Oral Hygiene Business.
6. The Board of Directors has recommended a dividend of 200% (₹ 10 per equity share of ₹ 5 each) for the year ended 31st March 2015 (2014: 200%, ₹ 10 per equity share of ₹ 5 each).
7. The figures for the quarter ended 31st March 2015 are the balancing figures between the audited financial results for the year ended 31st March 2015 and the published unaudited financial results for the nine months ended 31st December 2014.
8. Figures for the prior periods have been regrouped where necessary.

By Order of the Board


Ranjit Shahani
Vice Chairman and Managing Director
DTN: 00103845
Mumbai, 27th May 2015



Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr Annie Besant Road
Worli, Mumbai 400 018
India

Novartis India announces results for the quarter and year ended March 31, 2015

At a meeting held in Mumbai today, the Board of Novartis India Limited approved results for the quarter and financial year ended March 31, 2015 and recommended dividend of Rs 10 per equity share of Rs 5 each.

During the quarter ended March 31, 2015, Total Income from Operations was Rs 207.6 crore in comparison to Rs 200.6 crore recorded in the previous corresponding quarter. Our core business, Pharmaceuticals, recorded Total Income from Operations of Rs 144.4 crore in comparison to Rs 137.7 crore in the previous corresponding quarter. The Generics business recorded Total Income from Operations of Rs 10.0 crore as against Rs 7.4 crore in the previous corresponding quarter. OTC business registered Total Income from Operations of Rs 28.6 crore as against Rs 34.5 crore in the previous corresponding period. The Animal Health business registered Total Income from Operations of Rs 24.6 crore during the period under review in comparison to Rs 21.0 crore in the previous corresponding quarter.

During the quarter under review Profit from Ordinary Activities before Tax was Rs 52.9 crore as against Rs 32.3 crore in the previous corresponding period while profit after tax stood at Rs 51.9 crore as against Rs 23.9 crore in the previous corresponding period.

During 2014 -15, Total Income from Operations stood at Rs 873.4 crore in comparison to Rs 862.2 crore recorded in the previous corresponding period. During the year under review, our core business Pharmaceuticals registered Total Income from Operations of Rs 599.9 crore in comparison to Rs 580.6 crore in the previous corresponding period. The Generics business recorded Total Income from Operations of Rs 48.4 crore as against Rs 52.4 crore in the previous corresponding period. The OTC business registered Total Income from Operations of Rs 129.4 crore as against Rs 125.5 crore in the previous corresponding period. The Animal Health business recorded Total Income from Operations of Rs 95.7 crore during the period under review while it registered Rs 103.7 crore in the prior corresponding period.

During the year under review Profit from Ordinary Activities before Tax stood at Rs 99.6 crore as against Rs 89.9 crore in the corresponding previous year while profit after tax stood at Rs 79.1 crore as against Rs 98.5 crore in the previous corresponding period.

Transactions with GSK and Lilly:

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(a) Combination of Novartis OTC with GSK Consumer Healthcare in a Joint Venture

Novartis and GSK have agreed to create a consumer healthcare business through a Joint Venture between Novartis OTC and GSK Consumer Healthcare. The transaction, except in respect of the Company's OTC Division, closed on March 1, 2015.

In connection with the divestment of the Novartis OTC business to GSK, the Board of Directors (Board) of Novartis India Limited (Company) in its meeting held on January 13, 2015 approved the slump sale of the Company's OTC Division to GlaxoSmithKline Consumer Private Limited (GSK CPL), a private unlisted company incorporated under the Companies Act, 2013 (or another affiliate of GSK) for a consideration of Rs 109.7 crore. Closing of this slump sale is subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities.

(b) Divestment of Novartis Animal Health business to Lilly

As part of its global portfolio transformation, Novartis AG, Basel, Switzerland ("Novartis AG") agreed on April 22, 2014 to divest its global Animal Health business to Eli Lilly and Company ("Lilly"). Closing of this global transaction was subject to receipt of all applicable anti-trust and regulatory approvals, as well as the satisfaction or waiver (as applicable) of various other conditions (the "Global Animal Health Transaction").

In connection with the Global Animal Health Transaction, the Board of Directors of Novartis India Limited (the "Company") considered and approved on November 7, 2014, the transfer of the Company's Animal Health Division as a going concern by way of a 'slump sale' to Elanco India Private Limited ("Elanco India"), or another affiliate of Lilly, for a consideration of Rs 86.7 crore, on or before July 22, 2015, subject to the receipt of applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities, as well as closing of the Global Animal Health Transaction (the "Animal Health Transaction"). The Global Animal Health Transaction closed globally (but not with respect to India, as explained below) on January 1, 2015.

Closing of the Animal Health Transaction in India is conditional upon the receipt by Elanco India of the written approval of the Foreign Investment and Promotion Board, Government of India (the "FIPB"). Further to the FIPB's response to Elanco India's application that it would not approve the Animal Health Transaction due to the existence of the restrictions on competition explained below, and at Elanco India's request the Company and Elanco India have executed a letter which records the parties' agreement that, the terms of the Global Animal Health Transaction agreed between Novartis AG and Lilly restricting the competition by the Novartis AG group of companies in connection with animal health activities, will not apply with respect to the Company vis-a-vis Elanco India in India (the "Non-Compete Amendment Letter"). The Non-Compete Amendment Letter will be submitted by Elanco India to the FIPB, together with a representation against the FIPB's non-approval of Elanco India's application for the Animal Health Transaction. The Company will continue to cooperate with Elanco India, to the extent necessary, and monitor the FIPB process in this matter and will provide further updates if and when required.

The consideration to be received by the Company in relation to the slump sales of the Animal Health Division to Elanco India Private Limited (or another affiliate of Lilly) and the

OTC Division to GSK CPL (or another affiliate of GSK) totalling to Rs 196.4 crore has not been accounted in the results for twelve months ended March 31, 2015 because the transactions are subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. Costs incurred by the Company in relation to the transactions have been shown under Extraordinary Items.

Issued by Corporate Communications on May 27, 2015

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