



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

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

November 11, 2016

Financial results for the second quarter and half year ended September 30, 2016

Dear Sirs,

We refer to our letter dated October 27, 2016, informing you of our Board Meeting that was scheduled for today. Please note that the Board of Directors of Novartis India Limited met today and at this meeting considered the financial results of the Company for the second quarter and half year ended September 30, 2016. The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and the meeting concluded at 2.00 p.m.

We enclose a copy of our financial results approved at this meeting along with the Limited Review Report provided by Lovelock & Lewes, Auditors of the Company and the related press release, for your information. 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 select newspapers.

Thanking you

Yours sincerely,

For Novartis India Limited

Ranjit Shahani
Vice Chairman &
Managing Director

Monaz Noble
Whole Time Director &
Chief Financial Officer

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 STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED AND HALF YEAR ENDED 30TH SEPTEMBER 2016						
Sr. No.	Particulars	3 months ended 30.09.2016	3 months ended 30.06.2016	3 months ended 30.09.2015	6 months ended 30.09.2016	6 months ended 30.09.2015
		(Unaudited)	(Unaudited)	(Not subjected to review)	(Unaudited)	(Not subjected to review)
1.	Revenue from Operations					
	(a) Sales/Income from operations	1,625.6	1,586.2	2,150.4	3,211.8	4,298.7
	(b) Other operating income	125.0	126.9	89.9	251.9	170.5
	Total Income from Operations	1,750.6	1,713.1	2,240.3	3,463.7	4,469.2
2.	Expenses					
	(a) Cost of Materials Consumed	0.2	-	0.6	0.2	27.9
	(b) Purchases of Stock-in-Trade	886.3	915.0	1,018.3	1,801.3	1,959.2
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	(60.8)	(100.1)	(88.6)	(160.9)	(106.1)
	(d) Employee Benefits Expense	341.5	327.8	502.2	669.3	1,015.2
	(e) Depreciation and Amortisation Expense	7.1	7.4	9.0	14.5	17.6
	(f) Other Expenses	428.8	477.6	694.7	906.4	1,451.1
	Total Expenses	1,603.1	1,627.7	2,136.2	3,230.8	4,364.9
3.	Profit from operations before other income and finance costs	147.5	85.4	104.1	232.9	104.3
4.	Other Income*	191.5	212.2	1,293.1	403.7	1,497.2
5.	Profit before finance costs	339.0	297.6	1,397.2	636.6	1,601.5
6.	Finance Costs	0.4	0.4	0.6	0.8	1.2
7.	Profit before tax	338.6	297.2	1,396.6	635.8	1,600.3
8.	Tax Expense	116.5	106.5	359.7	223.0	430.0
9.	Net Profit for the period	222.1	190.7	1,036.9	412.8	1,170.3
10.	Other comprehensive income, net of income tax	-	-	-	-	-
11.	Total comprehensive income for the period	222.1	190.7	1,036.9	412.8	1,170.3
12.	Paid-up equity share capital (Face Value ₹ 5 each)	140.7	159.8	159.8	140.7	159.8
13.	Earnings Per Share - (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	7.03	5.97	32.45	13.00	36.62

*Other Income for the quarter and half year ended 30th September 2015 includes profit on divestment of OTC business of ₹ 1,092.3 million and ₹ 1,091.4 million respectively.

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

Sr. No.	Particulars	3 months ended 30.09.2016	3 months ended 30.06.2016	3 months ended 30.09.2015	6 months ended 30.09.2016	6 months ended 30.09.2015
		(Unaudited)	(Unaudited)	(Not subjected to review)	(Unaudited)	(Not subjected to review)
1.	Segment Revenue					
	(a) Pharmaceuticals	1,750.6	1,713.1	1,772.0	3,463.7	3,561.3
	(b) OTC	-	-	193.1	-	387.8
	(c) Animal Health	-	-	275.2	-	520.1
	Total Income from Operations (Net)	1,750.6	1,713.1	2,240.3	3,463.7	4,469.2
2.	Segment Results					
	(a) Pharmaceuticals	192.0	147.1	214.2	339.1	334.5
	(b) OTC	-	-	(68.8)	-	(118.6)
	(c) Animal Health	-	-	36.1	-	30.5
	Total	192.0	147.1	181.5	339.1	246.4
	Add/(Less):					
	(a) Finance Costs	(0.4)	(0.4)	(0.6)	(0.8)	(1.2)
	(b) Other unallocable expenditure	(41.9)	(60.3)	(64.2)	(102.2)	(127.1)
	(c) Other unallocable income	188.9	210.8	1,279.9	399.7	1,482.2
	Profit before Tax	338.6	297.2	1,396.6	635.8	1,600.3
3.	Capital Employed (Segment Assets less Segment Liabilities)					
	(a) Pharmaceuticals	(225.6)	(179.9)	10.2	(225.6)	10.2
	(b) Animal Health	-	-	257.8	-	257.8
	Total	(225.6)	(179.9)	268.0	(225.6)	268.0
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	9,268.1	11,918.0	10,862.5	9,268.1	10,862.5
	Total Capital Employed	9,042.5	11,738.1	11,130.5	9,042.5	11,130.5



Notes:
1. Standalone Statement of Assets and Liabilities

Particulars	in ₹ million	
	As at	
	30.09.2016	
	(Unaudited)	
A ASSETS		
Non-Current Assets		
Property, Plant and Equipment		43.9
Financial Assets		
(i) Investments		0.1
(ii) Other Financial Assets		75.5
Deferred Tax Assets		218.8
Income Tax Assets (Net)		1,035.9
Other Non-Current Assets		226.2
Sub-total - Non-Current Assets		1,600.4
Current Assets		
Inventories		883.8
Financial Assets		
(i) Trade Receivables		461.1
(ii) Cash and Cash Equivalents		479.8
(iii) Bank balances other than (ii) above		7,664.5
(iv) Other Financial Assets		185.7
Other Current Assets		143.0
Assets classified as held for sale		10.4
Sub-total - Current Assets		9,828.3
TOTAL ASSETS		11,428.7
B EQUITY		
Equity Share Capital		140.7
Other Equity		8,901.8
Sub-total - Equity		9,042.5
Non-Current Liabilities		
Financial Liabilities		
Other Financial Liabilities		23.5
Provisions		327.1
Other Non Current Liabilities		46.9
Sub-total - Non-Current Liabilities		397.5
Current Liabilities		
Financial Liabilities		
(i) Trade Payables		873.9
(ii) Other Financial Liabilities		448.2
Other Current Liabilities		463.5
Provisions		159.7
Current Tax Liabilities (Net)		43.4
Sub-total - Current Liabilities		1,988.7
Total Liabilities		2,386.2
TOTAL EQUITY AND LIABILITIES		11,428.7

- This statement has been reviewed by the Audit Committee at its meeting held on 11th November 2016 and approved at the meeting of the Board of Directors held on that date.
- 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. Beginning 1st April 2016, the Company has for the first time adopted Ind AS with a transition date of 1st April 2015.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with the requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013, which are applicable to companies that are required to comply with Ind AS.
- The statement does not include Ind AS-compliant results for the previous year ended 31st March 2016 and Statement of Assets & Liabilities as at 31st March 2016 as the same are not mandatory as per SEBI's circular dated 5th July 2016.
- The Ind AS-compliant corresponding figures in the previous year have not been subjected to review/audit. However, the Company's management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.



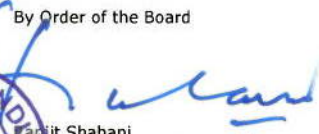
7. The results for the quarter ended 30th September 2016 have been subjected to limited review by the statutory auditors of the Company.
8. Post divestment of OTC and Animal Healthcare businesses, the Chief Operating Decision Maker views erstwhile Pharmaceuticals and Generics divisions as a single operating segment, i.e. Pharmaceuticals Segment for the purpose of making decisions about allocating resources and assessing its performance.
9. The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below:

Description	3 months ended 30.09.2015	6 months ended 30.09.2015
Profit After Tax as per previous GAAP (IGAAP)	1,038.2	1,172.7
Impact of Expected Credit Loss on Trade Receivables	(2.3)	(3.4)
Impact of provision for Cash Discount (on estimated basis)	0.8	(0.2)
Others	0.2	1.2
Total Comprehensive Income as per Ind AS	1,036.9	1,170.3


10. Previous year figures have been regrouped/restated where necessary. The figures for the quarter and half year ended 30th September 2016 are not comparable to those of the previous quarter and half year ended 30th September 2015 on account of the sale of OTC and Animal Health Divisions on 30th September 2015 and 31st December 2015 respectively.



By Order of the Board



Karmit Shahani
 Vice Chairman and Managing Director
 DIN: 00103845
 Hyderabad, 11th November 2016



The Board of Directors
Novartis India Limited
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai – 400 018

1. We have reviewed the unaudited financial results of Novartis India Limited (the “Company”) for the quarter ended 30th September, 2016 which are included in the accompanying ‘Statement of Standalone Unaudited Results for the quarter ended and half year ended 30th September, 2016’ and the statement of assets and liabilities on that date together with the notes thereon (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”) and SEBI Circular dated 5th July, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company’s opening unaudited Balance Sheet as at 1st April, 2015 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. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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.
3. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 3 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from 1st April, 2016, and accordingly, the Statement has been prepared by the Company’s Management in compliance with Ind AS.
 - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on 30th September, 2015 and for the half year ended on 30th September, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended on 30th September, 2015 and for the half year ended on 30th September, 2015. As set out in Note 6 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Asha Ramanathan
Partner
Membership Number: 202660

Hyderabad
Date: 11th November, 2016

MEDIA RELEASE • MEDIA RELEASE • MEDIA RELEASE

Novartis India announces Q2 2016-17 Results

- *Total Income from Operations down by 22%:*
 - *Previous corresponding quarter includes income from the divested businesses of OTC and Animal Health*
 - *Impact of price controls*

Hyderabad, November 11, 2016 – The Board of Directors of Novartis India Limited (the “Board”) at its meeting today approved results for the quarter ended 30 September 2016. Post divestment of the OTC and Animal Health businesses, Novartis India Limited (the “Company”) operates in a single business segment which is Pharmaceuticals in India. Accordingly, no separate disclosures of segment information have been made.

During the period under review, the Company recorded Total Income from Operations of ₹ 175.1 crore as against ₹ 224.0 crore in the previous corresponding quarter. Total Income from Operations was down by 22% as the previous corresponding quarter includes income from the divested businesses of OTC and Animal Health as well as the impact of price controls.

During the quarter under review the Company recorded a Profit from Operations of ₹ 14.7 crore as compared to Profit from Operations of ₹ 10.4 crore during the corresponding period of the previous year. Increase in Profit from Operations is mainly due to divestment of OTC and Animal Health businesses which had reported a loss of ₹ 3.3 crore during the corresponding period of the previous year. The Company registered Net Profit after Other Income of ₹ 22.2 crore as against ₹ 103.7 crore in the previous corresponding period.

During half year ended 30 September 2016 Total Income from Operations stood at ₹ 346.4 crore in comparison to ₹ 446.9 crore recorded in the previous corresponding period.

During the half year ended under review, profit from operations was ₹ 23.3 crore as against ₹ 10.4 crore in the previous corresponding period while profit after tax stood at ₹ 41.3 crore as against ₹ 117.0 crore in the previous corresponding period

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Novartis India Media Relations

Svetlana Pinto

+91-22-24951074 (direct)

+91-98210 54884 (mobile)

Email: svetlana.pinto@novartis.com

Liana Albuquerque

+91 22 24939403 (direct)

+91 98214 36458 (mobile)

liana.albuquerque@novartis.com