



Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
India
Tel +91 22 2495 8888
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CIN No. L24200MH1947PLC006104
Website: www.novartis.in
Email: india.investors@novartis.com

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

February 11, 2016

Financial results for the third quarter and nine months ended December 31, 2015

Dear Sirs,

We refer to our letter dated February 1, 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 third quarter and nine months ended December 31, 2015. The meeting of the Board of Directors of the Company commenced at 11.30 a.m. and concluded at 1.40 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, 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.

The Board also took on record the resignation of Ms. Manisha Girotra (DIN: 00774574) as Independent Director of the Company w.e.f. February 11, 2016.

Thanking you.

Yours sincerely,
For Novartis India Limited

Dinesh Charak
Whole Time Director

Girish Tekchandani
Company Secretary &
Compliance Officer

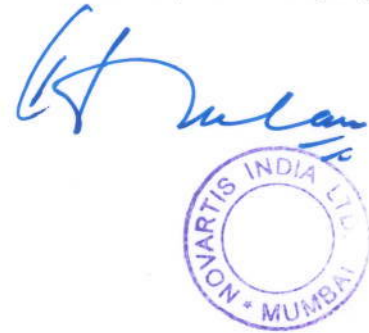
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Novartis India Limited

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 www.novartis.in, CIN:L24200MH1947PLC006104

PART I								₹ in million
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2015								
Sr. No	Particulars (Refer Notes Below)	3 months ended 31.12.2015 (Unaudited)	3 months ended 30.09.2015 (Unaudited)	3 months ended 31.12.2014 (Unaudited)	9 months ended 31.12.2015 (Unaudited)	9 months ended 31.12.2014 (Unaudited)	Year ended 31.03.2015 (Audited)	
1.	Income from Operations							
	(a) Net Sales/Income from Operations (Net of Excise Duty)	1,833.8	2,154.4	2,130.2	6,148.1	6,429.1	8,452.9	
	(b) Other Operating Income	91.9	89.9	91.8	262.4	228.3	280.9	
	Total Income from Operations (Net)	1,925.7	2,244.3	2,222.0	6,410.5	6,657.4	8,733.8	
2.	Expenses							
	(a) Cost of Materials Consumed	6.1	0.6	53.4	34.0	129.1	122.4	
	(b) Purchases of Stock-in-Trade	806.7	1,019.1	900.6	2,765.9	2,657.1	3,376.2	
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	71.6	(88.6)	(3.4)	(34.5)	32.1	30.5	
	(d) Employee Benefits Expense	430.8	501.1	567.9	1,446.0	1,528.9	2,000.3	
	(e) Depreciation and Amortisation Expense	8.0	9.0	10.0	25.6	27.7	40.1	
	(f) Other Expenses	611.7	696.1	882.9	2,072.2	2,522.6	3,243.0	
	Total Expenses	1,934.9	2,137.3	2,411.4	6,309.2	6,897.5	8,812.5	
3.	(Loss)/Profit from Operations before Other Income and Finance Costs	(9.2)	107.0	(189.4)	101.3	(240.1)	(78.7)	
4.	Other Income	216.3	200.4	234.3	619.4	708.2	1,076.4	
5.	Profit from Ordinary Activities before Finance Costs	207.1	307.4	44.9	720.7	468.1	997.7	
6.	Finance Costs	0.5	0.5	0.5	1.5	1.6	2.1	
7.	Profit from Ordinary Activities before Tax	206.6	306.9	44.4	719.2	466.5	995.6	
8.	Tax Expense (Net) (including Deferred Tax)	81.2	115.7	9.0	267.4	147.6	155.6	
9.	Net Profit from Ordinary Activities after Tax	125.4	191.2	35.4	451.8	318.9	840.0	
10.	Extraordinary Income/(Expenses) (net of tax effect)*	472.7	847.0	(47.2)	1,319.0	(47.2)	(48.9)	
11.	Net Profit/(Loss) for the period	598.1	1,038.2	(11.8)	1,770.8	271.7	791.1	
12.	Paid-up equity share capital (Face Value ₹ 5 each)	159.8	159.8	159.8	159.8	159.8	159.8	
13.	Reserves excluding Revaluation Reserves (as per last audited Balance Sheet)						9,860.1	
14.	Earnings Per Share (before extraordinary items) - (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	3.93	5.98	1.11	14.14	9.98	26.28	
15.	Earnings/(Loss) Per Share (after extraordinary items)- (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	18.72	32.48	(0.37)	55.41	8.50	24.75	

* Net of tax effect ₹ 132.2 million (charge) for the three months ended 31st December 2015, ₹ 245.3 million (charge) for the three months ended 30th September 2015, ₹ 13.8 million (credit) for the three months ended 31st December 2014, ₹ 377.3 million (charge) for the nine months ended 31st December 2015, ₹ 13.8 million (credit) for the nine months ended 31st December 2014 and ₹ 14.4 million (credit) for the year ended 31st March 2015.





Novartis India Limited

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SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

Sr. No	Particulars	in ₹ million					
		3 months ended 31.12.2015 (Unaudited)	3 months ended 30.09.2015 (Unaudited)	3 months ended 31.12.2014 (Unaudited)	9 months ended 31.12.2015 (Unaudited)	9 months ended 31.12.2014 (Unaudited)	Year ended 31.03.2015 (Audited)
1.	Segment Revenue						
	(a) Pharmaceuticals	1,586.1	1,634.4	1,496.0	4,909.9	4,554.5	5,998.9
	(b) Generics	89.2	137.2	126.6	337.9	384.5	484.4
	(c) OTC	-	193.7	357.3	388.4	1,007.7	1,293.8
	(d) Animal Health	250.4	279.0	242.1	774.3	710.7	956.7
	Total Income from Operations (Net)	1,925.7	2,244.3	2,222.0	6,410.5	6,657.4	8,733.8
2.	Segment Results						
	(a) Pharmaceuticals	44.8	164.2	(148.8)	322.0	(113.3)	150.1
	(b) Generics	43.4	51.8	23.0	104.4	80.9	69.1
	(c) OTC	-	(69.2)	3.4	(119.0)	(21.5)	(32.1)
	(d) Animal Health	(5.0)	36.3	(3.0)	25.7	15.0	45.8
	Total	83.2	183.1	(125.4)	333.1	(38.9)	232.9
	Add/(Less):						
	(a) Finance Costs	(0.5)	(0.5)	(0.5)	(1.5)	(1.6)	(2.1)
	(b) Other unallocable expenditure	(86.9)	(64.2)	(56.0)	(214.0)	(181.9)	(266.3)
	(c) Other unallocable income	210.8	188.5	226.3	601.6	688.9	1,031.1
	Profit from Ordinary Activities before Tax	206.6	306.9	44.4	719.2	466.5	995.6
3.	Capital Employed (Segment Assets less Segment Liabilities)						
	(a) Pharmaceuticals	(64.4)	74.6	(170.8)	(64.4)	(170.8)	444.9
	(b) Generics	44.1	(2.3)	34.7	44.1	34.7	61.9
	(c) OTC	-	-	(105.4)	-	(105.4)	(108.4)
	(d) Animal Health	-	257.8	304.4	-	304.4	314.8
	Total	(20.3)	330.1	62.9	(20.3)	62.9	713.2
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	11,811.0	10,862.5	9,822.3	11,811.0	9,822.3	9,306.7
	Total Capital Employed	11,790.7	11,192.6	9,885.2	11,790.7	9,885.2	10,019.9



[Handwritten Signature]





Notes:

1. The above results were reviewed by the Audit Committee at its meeting held on 11th February 2016 and approved at the meeting of the Board of Directors held on that date.
2. Transactions with GSK and Lilly:

On 22 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 agreed to create a consumer healthcare business through a Joint Venture between Novartis OTC and GSK Consumer Healthcare.

In connection with the divestment of the Novartis OTC business to GSK, the Board of Directors of Novartis India Limited (the "Company") in its meeting held on 13 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 was subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. On the basis of the approval received from the Foreign Investment Promotion Board, Government of India and the Competition Commission of India, the transaction for the transfer of the Company's OTC Division to GSK CPL was completed on 30 September 2015. The Company made separate announcements on 13 January 2015, 28 August 2015 and 1 October 2015 to BSE Limited in this regard.

The figures for the quarter and nine months ended 31 December 2015 are not comparable with corresponding figures of the prior year.

(b) Divestment of Novartis Animal Health business to Lilly

As part of its global portfolio transformation, Novartis agreed on 22 April 2014 to divest its global Animal Health business to Lilly.

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 ₹ 866.8 million. Closing of this slump sale was subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. On the basis of the approval received from the Foreign Investment Promotion Board, Government of India and the Competition Commission of India, the transaction for the transfer of the Company's Animal Health Division to Elanco India was completed on 31st December, 2015. The Company made separate announcements on November 7, 2014, May 27, 2015, July 10, 2015, September 16, 2015 and December 10, 2015 to BSE Limited in this regard.

The Company has received the sale consideration in relation to the slump sale of the OTC Division to GSK CPL amounting to ₹1,097.3 million and the same was accounted in the quarter ended 30 September 2015 results. The sale consideration for the slump sale of the Animal Health Division to Elanco India amounting to ₹ 866.8 million has been received and accounted in quarter ended 31st December 2015. Net profit from the sale of the OTC and Animal Health Divisions and costs incurred by the Company in relation to these 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.

3. The results for the quarter ended 31st December 2015 have been subjected to limited review by the statutory auditors of the Company.
4. Figures for the prior periods have been regrouped where necessary.



By Order of the Board

Ranjit Shahani
Vice Chairman and Managing Director
DIN: 00103845
Mumbai, 11th February 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 31st December, 2015 which are included in the accompanying ‘Statement of Standalone Unaudited Results for the quarter and nine months ended 31st December, 2015’ (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations, 2015”) and 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. 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 the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Asha Ramanathan
Partner
Membership Number: 202660

Mumbai, 11th February, 2016