



**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

July 28, 2016

**Financial results for the first quarter ended June 30, 2016**

Dear Sirs,

We refer to our letter dated July 20, 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 first quarter ended June 30, 2016. The meeting of the Board of Directors of the Company commenced at 12.00 noon and the meeting concluded at 02.30 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.

Thanking you

Yours sincerely,

For Novartis India Limited

Monaz Noble  
Whole Time Director &  
Chief Financial Officer

Girish Tekchandani  
Company Secretary &  
Compliance 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 30TH JUNE 2016**

|                |  | <b>3 months ended<br/>30.06.2016</b> | <b>3 months ended<br/>30.06.2015</b> |
|----------------|--|--------------------------------------|--------------------------------------|
| <b>Sr. No.</b> | <b>Particulars</b>   | <b>(Unaudited)</b>                   | <b>(Not subjected to review)</b>     |
| 1.             | Revenue from Operations  |                                      |                                      |
|                | (a) Sales/Income from operations   | 1,586.2                              | 2,148.3                              |
|                | (b) Other operating income   | 126.9                                | 80.6                                 |
|                | <b>Total Income from Operations</b>  | <b>1,713.1</b>                       | <b>2,228.9</b>                       |
| 2.             | Expenses   |                                      |                                      |
|                | (a) Cost of Materials Consumed   | -                                    | 27.3                                 |
|                | (b) Purchases of Stock-in-Trade  | 915.0                                | 940.9                                |
|                | (c) Changes in Inventories of Finished Goods and Stock-in-Trade              | (100.1)                              | (17.5)                               |
|                | (d) Employee Benefits Expense  | 327.8                                | 513.0                                |
|                | (e) Depreciation and Amortisation Expense                                    | 7.4                                  | 8.6                                  |
|                | (f) Other Expenses   | 477.6                                | 756.4                                |
|                | <b>Total Expenses</b>  | <b>1,627.7</b>                       | <b>2,228.7</b>                       |
| 3.             | Profit from operations before other income and finance costs                 | 85.4                                 | 0.2                                  |
| 4.             | Other Income   | 212.2                                | 204.1                                |
| 5.             | Profit before finance costs  | 297.6                                | 204.3                                |
| 6.             | Finance Costs  | 0.4                                  | 0.6                                  |
| 7.             | Profit before tax  | 297.2                                | 203.7                                |
| 8.             | Tax Expense  | 106.5                                | 70.3                                 |
| 9.             | Net Profit for the period  | 190.7                                | 133.4                                |
| 10.            | Other comprehensive income, net of income tax                                | -                                    | -                                    |
| 11.            | Total comprehensive income for the period                                    | 190.7                                | 133.4                                |
| 12.            | Paid-up equity share capital (Face Value ₹ 5 each)                           | 159.8                                | 159.8                                |
| 13.            | Earnings Per Share - (of ₹ 5 each) (not annualised)<br>Basic and Diluted (₹) | 5.97                                 | 4.17                                 |



| Sr. No    | Particulars  | ₹ in million                                |   |
|-----------|--|---|---|
|           |  | 3 months ended<br>30.06.2016<br>(Unaudited) | 3 months ended<br>30.06.2015<br>(Not<br>subjected to<br>review) |
| <b>1.</b> | <b>Segment Revenue</b>   |   |   |
|           | (a) Pharmaceuticals  | 1,713.1                                     | 1,789.3   |
|           | (b) OTC  | -   | 194.7   |
|           | (c) Animal Health  | -   | 244.9   |
|           | Total Income from Operations (Net)                                       | 1,713.1                                     | 2,228.9   |
| <b>2.</b> | <b>Segment Results</b>   |   |   |
|           | (a) Pharmaceuticals  | 147.1                                       | 120.3   |
|           | (b) OTC  | -   | (49.8)  |
|           | (c) Animal Health  | -   | (5.6)   |
|           | Total  | 147.1                                       | 64.9  |
|           | Add/(Less):  |   |   |
|           | (a) Finance Costs  | (0.4)                                       | (0.6)   |
|           | (b) Other unallocable expenditure  | (60.3)                                      | (62.9)  |
|           | (c) Other unallocable income   | 210.8                                       | 202.3   |
|           | Profit before Tax  | 297.2                                       | 203.7   |
| <b>3.</b> | <b>Capital Employed<br/>(Segment Assets less Segment Liabilities)</b>    |   |   |
|           | (a) Pharmaceuticals  | (179.9)                                     | (429.9)   |
|           | (b) OTC  | -   | (56.8)  |
|           | (c) Animal Health  | -   | 275.9   |
|           | Total  | (179.9)                                     | (210.8)   |
|           | Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities |   |   |
|           |  | 11,918.0                                    | 10,290.5  |
|           | Total Capital Employed   | 11,738.1                                    | 10,079.7  |



**Notes:**

1. This statement has been reviewed by the Audit Committee at its meeting held on 28th July 2016 and approved at the meeting of the Board of Directors held on that date.
2. 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.
3. 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.
4. The statement does not include Ind AS-compliant results for the preceding quarter and previous year ended 31st March 2016 as the same are not mandatory as per SEBI's circular dated 5th July 2016.
5. 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.
6. The results for the quarter ended 30th June 2016 have been subjected to limited review by the statutory auditors of the Company.
7. Post divestment of OTC and Animal Health businesses, the Company operates in a single business and geographical segment which is Pharmaceuticals in India. Accordingly, no separate disclosures of segment information have been made.
8. 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  | ₹ in million              |
|--|---------------------------|
|  | 3 months ended 30.06.2015 |
| Profit After Tax as per previous GAAP (IGAAP)  | 134.5                     |
| Impact of fair valuation of ESOP/RSU of Holding Company granted to the Company's employees | 1.1                       |
| Impact of Expected Credit Loss on Trade Receivables  | (1.1)                     |
| Impact of provision for Cash Discount (on estimated basis)                                 | (1.0)                     |
| Others   | (0.1)                     |
| <b>Total Comprehensive Income as per Ind AS</b>  | <b>133.4</b>              |

9. Previous year figures have been regrouped/restated where necessary. The figures for the quarter ended 30th June 2016 are not comparable to those of the previous quarter ended 30th June 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



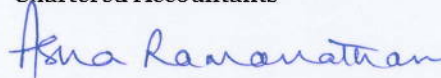
 Ranjit Shahani  
 Vice Chairman and Managing Director  
 DIN: 00103845  
 Mumbai, 28th July 2016


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 30<sup>th</sup> June, 2016 which are included in the accompanying ‘Statement of Standalone Unaudited Results for the Quarter Ended 30<sup>th</sup> June, 2016’ 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”), 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 31<sup>st</sup> March, 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 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 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from 1<sup>st</sup> 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 30<sup>th</sup> June, 2015 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended 30<sup>th</sup> June, 2015. As set out in Note 5 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

Mumbai  
Date: 28<sup>th</sup> July, 2016