

November 24, 2017

The Corporate Relations Department
 BSE Limited
 Rotunda Building, 1st floor
 Mumbai Samachar Marg,
 Mumbai – 400 001

Kind Attn: Ms. Amrin Memon

Ref: Public Announcement in respect of buyback of equity shares of face value of ₹ 5 each by Novartis India Limited (the "Company") through Tender Offer route ("Buyback")

We have been appointed by the Company as the Manager to the proposed Buyback of equity shares through Tender Offer route.

The Board of Directors of the Company at a meeting held on September 25, 2017 has passed a resolution to buyback equity shares of the Company subject to approval of its shareholders, by a special resolution, through the postal ballot. The results of the postal ballot were announced on November 22, 2017. Through the special resolution the shareholders of the Company have approved the buyback of not exceeding 34,50,000 (Thirty Four Lakh Fifty Thousand Only) fully paid-up equity shares of face value of ₹ 5 each from all the existing shareholders / beneficial owners of equity shares of the Company as on the record date, on a proportionate basis, through the "Tender Offer" route prescribed under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time (the "Buyback Regulations") at a price of ₹ 670 (Rupees Six Hundred and Seventy Only) per equity share ("Buyback Offer Price") payable in cash for an aggregate amount of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only) ("Buyback").

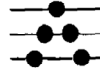
The Buyback is in accordance with Article 9A of the Articles of Association of the Company and subject to the provisions of Section 68, 69, 70 and 110 of the Companies Act, 2013 ("Companies Act") including any statutory modification or re-enactment thereof for the time being in force, and all other applicable provisions, if any, of the Companies Act and the provisions contained in the Buyback Regulations.

In compliance with the requirements of the Buyback Regulations, a public announcement dated November 23, 2017 (the "Public Announcement") to this effect was released for publication by the Company on November 24, 2017 in the following newspapers:

Newspaper	Language	Editions
The Financial Express	English	All editions
The Financial Express	Gujarati	Ahmedabad
Jansatta	Hindi	HRail editions
Navshakti		Mumbai edition



PKS



As per the Buyback Regulations, the Company is required to file a draft letter of offer with Securities and Exchange Board of India on or before December 1, 2017 (i.e. within 5 working days of the Public Announcement).

We are enclosing herewith the following documents for your kind perusal and records:

1. A published copy of the Public Announcement dated November 23, 2017;
2. Certified copy of the board resolution dated September 25, 2017 approving the Buyback;
3. Certified copy of the special resolution passed by the shareholders of the Company by postal ballot, results of which were announced on November 22, 2017; and

Should you require any further information we shall be pleased to furnish the same.

Yours faithfully,
For Ambit Capital Private Limited



Authorised Signatory
Encl : As above


NOVARTIS

Novartis India Limited

Corporate Identification No. (CIN) - L24200MH1947PLC006104
 Registered & Corporate Office: Sandoz House, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018, Maharashtra
 (Tel.: +91 22 2495 8400; Fax: +91 22 2495 0221; Email: india.investors@novartis.com; Website: www.novartis.in)

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF NOVARTIS INDIA LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER

This public announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buyback Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations. OFFER FOR BUYBACK OF NOT EXCEEDING 34,50,000 (THIRTY FOUR LAKH FIFTY THOUSAND ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH AT A PRICE OF ₹ 670 (SIX HUNDRED AND SEVENTY ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

- The Board of Directors (the "Board") of Novartis India Limited ("Novartis" or the "Company") on September 25, 2017 ("Board Meeting") passed a resolution to buyback equity shares of the Company and sought approval of its shareholders, by a special resolution, through the postal ballot notice dated September 25, 2017 ("Postal Ballot Notice"), the results of which were announced on November 22, 2017. Through the postal ballot, the shareholders of the Company have approved, by a special resolution, the buyback (the "Buyback") of not exceeding 34,50,000 (Thirty Four Lakh Fifty Thousand only) fully paid-up equity shares of face value of ₹ 5 (Rupees Five only) each of the Company ("Equity Shares") from all the existing shareholders/beneficial owners of Equity Shares of the Company as on the record date, on a proportionate basis, through the tender offer route at a price of ₹ 670 (Rupees Six Hundred And Seventy only) per Equity Share ("Buyback Offer Price") payable in cash, for an aggregate amount of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only) ("Buyback Offer Size").
- The Buyback is in accordance with Article 9A of the Articles of Association of the Company, provisions contained in the Sections 68, 69 and 70 of the Companies Act, 2013 ("Companies Act"), the Companies (Management and Administration) Rules, 2014, to the extent applicable, including any statutory modification or re-enactment thereof for the time being in force, and all other applicable provisions, if any, of the Companies Act and the provisions contained in the Buyback Regulations.
- The Equity Shares of the Company are listed on the BSE Limited ("BSE"/"Designated Stock Exchange").
- The Buyback is further subject to approval(s) as may be necessary, from time to time from statutory authorities.
- The Buyback Offer Size is 24.98% of the total paid-up capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2017 (the last audited financial statements available as on the date of the Board Meeting) and is within the statutory limit of 25% of the total paid-up capital and free reserves as per the last audited financial statements of the Company. The maximum number of Equity Shares proposed to be bought back represents 12.26% of the total number of Equity Shares in the paid-up share capital of the Company.
- The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India ("SEBI"), stock exchange, brokerage, securities transaction tax, GST, stamp duty, advisors fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses.
- The Buyback Offer Price has been arrived at after considering various factors such as the volume weighted average price of the Equity Shares of the Company on BSE where the Equity Shares of the Company are listed, the networth of the Company and the impact of the Buyback on the earnings per equity share of the Company. The Buyback Offer Price represents a premium of 6.82% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback and 8.28% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.
- The Buyback will be undertaken on a proportionate basis from the holders of Equity Shares/beneficial owners of Equity Shares of the Company as on a record date i.e. December 8, 2017 ("Record Date"), as per the records made available to the Company by the Depositories as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFDD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto. In this regard, the Company will request BSE to provide the separate acquisition window to facilitate tendering of Equity Shares under the Buyback. BSE would be the designated stock exchange for this Buyback.

2. NECESSITY/RATIONALE FOR BUYBACK

Share buyback is the acquisition by a company of its own equity shares. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board, at its meeting held on September 25, 2017, considered the accumulated free reserves as well as the cash liquidity reflected in the audited financial statements for the financial year ending March 31, 2017 and considering these, the Board decided to allocate a sum of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only) for distributing to the members holding Equity Shares of the Company, through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend the Buyback of not exceeding 34,50,000 (Thirty Four Lakh Fifty Thousand only) Equity Shares (representing 12.26% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of ₹ 670 (Rupees Six Hundred and Seventy only) per Equity Share for an aggregate consideration of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only). Buyback is a more efficient form of distributing surplus cash to the members holding Equity Shares of the Company. *Inter-alia*, for the following reasons:

- The Buyback will help the Company to distribute surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby enhancing the overall return to members.
- The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder" (as defined in 7.2 below);
- The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to

available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting or within a period of one year from the date on which the results of the postal ballot will be declared, as the case may be;

- In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the applicable provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016.
- ### 6. REPORT ADDRESSED TO THE BOARD BY THE COMPANY'S AUDITORS ON THE PERMISSIBLE CAPITAL PAYMENT
- The text of the Report dated September 25, 2017 received from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:
- To,
 The Board of Directors
 Novartis India Limited
 Sandoz House, Shivsagar Estate,
 Dr. Annie Besant Road, Worli,
 Mumbai - 400 018.
- Statutory Auditor's report in respect of proposed buy back of equity shares by Novartis India Limited in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended).**
- This report is issued in accordance with the terms of our engagement letter dated September 21, 2017. The Board of Directors of Novartis India Limited ("the Company") have, subject to the approval of the shareholders, passed a resolution for buy back of Equity Shares by the Company at its meeting held on September 25, 2017, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ("the Act") read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("SEBI Buy Back Regulations").
 - The accompanying Statement of permissible capital payment (including premium) ("Annexure A") as at March 31, 2017 (hereinafter referred to as the "Statement") is prepared by the Management of the Company, which we have initiated for identification purposes only.
 - The preparation of the Statement in accordance with Section 68(2)(c) of the Act and the compliance with the Sections 68, 69 and 70 of the Act and SEBI Buy Back Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant estimates that are reasonable in the circumstances.
- Auditor's Responsibility**
- Pursuant to the requirements of the SEBI Buy Back Regulations, it is our responsibility to provide a reasonable assurance whether:
 - we have inquired into the state of affairs of the Company;
 - the amount of permissible capital payment (including premium) as stated in Annexure A, has been properly determined in accordance with Section 68(2)(c) of the Act; and
 - the Board of Directors of the Company in their meeting held on September 25, 2017, have formed the opinion as specified in clause (v) of Part A of Schedule II to the SEBI Buy Back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.
 - Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:
 - Examined that the amount of permissible capital payment (including premium) for the buyback as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) of the Act;
 - Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2017 (the "audited financial statements") and examined budgets prepared by the Management;
 - Examined Board of Directors' declarations for the purpose of buy back and solvency of the Company; and
 - Obtained appropriate representations from the Management of the Company.
 - The financial statements referred to in paragraph 5 (ii) above, which we have considered for the purpose of this report, have been audited by M/s. Lovelock & Lewes, Chartered Accountants, on which they have issued an unmodified audit opinion vide their report dated May 23, 2017 and have been adopted by the members of the Company on July 28, 2017.
 - We conducted our examination of the Statement in accordance with the Guidance note on Audit Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("Guidance Note") and the Standards on Auditing specified under Section 143(1)(g) of the Act. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
 - We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.
- Opinion**
- Based on our performance of the aforementioned procedures, we report that:
 - We have inquired into the state of affairs of the Company with reference to its audited financial statements

dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 in terms of Regulation 9(A) of the Buyback Regulations and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

- For implementation of the Buyback, the Company has appointed Ambit Capital Private Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

AMBIT CAPITAL PRIVATE LIMITED
 Ambit House, 449, Senapati Bapat Marg,
 Lower Park,
 Mumbai - 400 013
 Tel.: + 91 22 3043 3000
 Fax: + 91 22 3043 3100
 Contact Person: Mr. Sameer Parkar

- The Company will request BSE to provide the separate acquisition window to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the designated stock exchange for this Buyback.
- During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective stock brokers during normal trading hours of the secondary market. The stock brokers ("Seller Member(s)") can enter orders for demat shares as well as physical shares.
- Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form:**
- Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Seller Members by indicating to the concerned Seller Member, the details of Equity Shares they intend to tender under the Buyback.
- The Seller Members would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Designated Stock Exchange. Before placing the order/bid, the Eligible Shareholder would be required to transfer the Equity Shares to the special account of the Indian Clearing Corporation Limited (referred to as the "Clearing Corporation") by using the early pay-in mechanism as prescribed by the Designated Stock Exchange or the Clearing Corporation prior to placing the bid by the Selling Member.
- The details of the special account of the Clearing Corporation and the settlement number shall be informed in the issue opening circular that will be issued by the Designated Stock Exchange and/or the Clearing Corporation.
- For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- Procedure to be followed by Eligible Shareholders holding Equity Shares in the physical form:**
- Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Members along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include (i) the tender form duly signed (by all shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original share certificate(s), (iii) valid share transfer form (s) i.e. Form SH-4 duly filled and signed by the transferees (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iv) self-attested copy of the shareholder's PAN Card, (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Based on the aforesaid documents, the concerned Seller Members shall place a bid on behalf of the Eligible Shareholders who are holding Equity Shares in physical form and intend to tender Equity Shares in the Buyback using the Acquisition Window of the Designated Stock Exchange. Upon placing the bid, the Seller Member shall provide a TRS generated by the Exchange Bidding System to the Eligible Shareholder. The TRS will contain the details of order submitted like Folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered etc.
- The Seller Member/Eligible Shareholder is required to deliver the original share certificate(s) & documents (as mentioned in paragraph 8.7.1 above) along with TRS either by registered post or courier or hand delivery to the Registrar and Transfer Agent ("RTA") at the address mentioned at paragraph 12 of the Public Announcement or the collection centers of the RTA details of which will be included in the Letter of Offer) within two (two) days of bidding by Seller Member. The envelope should be super scribed as "Novartis India Limited - Buyback Offer 2017". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member/Eligible Shareholder.
- Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this

of distributing surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- The Buyback will help the Company to distribute surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby enhancing the overall return to members;
 - The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder" (as defined in 7.2 below);
 - The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long-term increase in shareholders' value;
 - The Buyback gives an option to the members holding Equity Shares to choose to participate and get cash in lieu of Equity Shares accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
3. **DETAILS OF PROMOTER SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK**
- 3.1 The aggregate shareholding of the promoter group, the directors of the promoter companies holding Equity Shares and of persons who are in control of the Company as on date of the Board Meeting/Postal Ballot Notice (i.e., September 25, 2017) is as follows:

a) Shareholding of the companies/entities forming part of the promoter group and persons in control of the Company:

Sr. No.	Name	Equity Shares	% of shareholding
1	Novartis AG	2,06,56,042	73.40
	Total	2,06,56,042	73.40

b) Shareholding of the directors of the promoter group companies (mentioned in point (a) above): None of the Directors of the company forming part of the promoter group i.e. Novartis AG hold any Equity Shares in the Company.

c) Shareholding of the directors of the Company: None of the Directors of the Company hold any Equity Shares in the Company except the following:

Sr. No.	Name	Designation	Equity Shares	% of shareholding
1	Dr. Rajendra Nath Mehrotra	Director	220	0.0007%
	Total		220	0.0007%

3.2 There were no transactions, either purchase/sale/transfer, undertaken by persons referred to in paragraph 3.1 above during the period of last six months preceding, and including the date of Board Meeting/Postal Ballot Notice (i.e., September 25, 2017).

3.3 In terms of the Buyback Regulations, under the tender offer route, the promoters and promoter group of the Company have the option to participate in the Buyback. In this regard, Novartis AG, being the promoter of the Company, vide its letter dated September 25, 2017 has expressed its intention to participate in Buyback to the extent of its shareholding in the Company as on the Record Date, or such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback.

Details of the date and price of acquisition of the Equity Shares that Novartis AG intends to tender set-out below:

Date of Acquisition	No. of Equity Shares Acquired/(Sold)	Cost of Acquisition/Sale Consideration (₹ in Lakhs)	Nature of Transaction
Prior to 17-Oct-66	48,748	(Refer Note 1)	
17-Oct-66	162,493	Nil	Bonus Issue
18-Oct-71	105,634	Nil	Bonus Issue
16-Apr-74	84,500	Nil	Bonus Issue
17-Jun-77	200,687	Nil	Bonus Issue
6-May-80	301,031	Nil	Bonus Issue
26-Apr-85	(194,753)	337.00	Sale of Shares
25-Jan-91	354,155	Nil	Bonus Issue
26-Sep-97			Sub division of face value of equity shares from ₹ 100 to ₹ 10 each
29-Oct-97	2,700,000	Not Available	Allotment of shares post-merger of Sandoz India Ltd. ("SIL") with Hindustan Ciba Geigy Ltd. ("HCGIL") through a court approved scheme of amalgamation. In consideration of transfer of the existing business of SIL in favour of HCGIL, the promoters were allotted 10 equity shares of ₹ 10 each of the Company for every 15 shares of ₹ 10 each held in SIL.
3-Dec-98	2,921,800	56,552.27	Acquisition of shares from Ciba India Private Ltd. for effectuating a reorganization pursuant to a scheme of reconstruction.
12-Oct-00			Demerger of Syngenta and subsequent reduction of face value of the shares from ₹ 10 to ₹ 5
1-Sep-01	30,987	Not Available	Allotment of shares post-merger of Ciba CKD Biochem Ltd. ("CCBL") with Novartis India Ltd. ("NIL") through a court-approved Scheme of Arrangement. In consideration of transfer of the existing business of CCBL in favour of NIL, the promoters were allotted 1 Equity Share of ₹ 5 each of the Company for every 50 shares of ₹ 10 each held in CCBL.
25-Jun-09	8,147,365	36,683.14	Acquisition of Equity Shares pursuant to an open offer
30-May-13	(454,205)	(2,544.96)	Sale of shares pursuant to the offer for sale through stock exchange mechanism
21-Sep-16	(3,314,555)	(25,190.82)	Extinguished pursuant to the buyback offer
Total Current Holding	2,06,56,042		

Note:

- The relevant documents showing the exact date and cost of acquisition by the promoter between December 13, 1947 i.e. the date of incorporation of the Company and October 17, 1966 are not available.
- The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
 - that immediately following the date of the Board Meeting and the date on which the results of the postal ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
 - that as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as for the year immediately following the date on which the results of the postal ballot will be declared, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be

available to the Company for the purpose of discharging its obligations under the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our performance of the aforementioned procedures, we report that:

- We have inquired into the state of affairs of the Company with reference to its audited financial statements as at and for the year ended March 31, 2017;
- The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herein is, in our view, properly determined in accordance with Section 68(2)(c) of the Act;
- The Board of Directors of the Company in their meeting held on September 25, 2017, have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buy Back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforementioned date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

Restrictions on Use

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buy Back Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Manager, for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366WW-100018)
(Uday M. Neogi)
(Partner)
(Membership No. 30235)

Place: Mumbai

Date: September 25, 2017

Annexure A – Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment (including premium) towards buyback of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 ("the Act"):

Particulars	Rs. in Million
Equity Share Capital as at March 31, 2017 (28,140,797 equity shares of Rs. 5 each fully paid-up)	140.7
Free reserves as at March 31, 2017:	
- General Reserve	774.7
- Retained Earnings	8,336.2
Total	9,251.6
Maximum permissible amount of buyback i.e. 25% of the total paid-up capital and free reserves	2312.9

Note:

- Calculation in respect of permissible capital payment (including premium) for buyback of equity shares is done on the basis of audited financial statements of the company for the year ended March 31, 2017.
- The Company has no debt as at March 31, 2017 and hence, computation of debt equity ratio is not applicable.

For and on behalf of Novartis India Limited

Ranjit Shahani
Vice Chairman & Managing Director
Monaz Noble
Whole Time Director & Chief Financial Officer

Place: Mumbai

Date: September 25, 2017

RECORD DATE AND SHAREHOLDER ENTITLEMENT

7.1 As required under the Buyback Regulations, the Company has fixed Friday, December 8, 2017 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who will be eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company shall be divided into two categories: (a) reserved category for Small Shareholders (as defined in the Buyback Regulations) and (b) the general category for all Eligible Shareholders other than Small Shareholders.

7.2 As defined in the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than ₹ 2,00,000 (Rupees two lakhs only).

7.3 In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

7.4 On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs.

7.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their entitlement in other category.

7.6 Eligible Shareholders' participation in Buyback will be voluntary. Eligible Shareholders can choose to participate, in part or in full, and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post-Buyback, without additional investment. Eligible Shareholders may also accept a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.

7.7 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

7.8 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buyback entitlement to tender Equity Shares in the Buyback.

7.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer which will be sent in due course to the Eligible Shareholders as on the Record Date.

8. **PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK**

8.1 The Buyback is open to all equity Eligible Shareholders/beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.

8.2 The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DR2/CFR/P/2016/131

Registrar and Transfer Agent ("RTA") (at the address mentioned at paragraph 12 of the Public Announcement or the collection centers of the RTA details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Member. The envelope should be super scried as "Novartis India Limited - Buyback Offer 2017". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member/Eligible Shareholder.

8.7.4 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by this Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the Designated Stock Exchange shall display such bids as "unconfirmed physical bids". Once, RTA confirms the bids it will be treated as "Confirmed Bids".

8.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.

8.9 The cumulative quantity tendered shall be made available on BSE's website - www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

9. **METHOD OF SETTLEMENT**

9.1 Upon finalization of the basis of acceptance as per Buyback Regulations:

9.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

9.1.2 The Company will pay the consideration to the Company Broker which will transfer the consideration pertaining to the Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If any Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder.

9.1.3 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.

9.1.4 Eligible Shareholders will have to ensure that they keep their depository participant ("DP") account active and unlocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback. Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Shareholder would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar to the Buyback Offer. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.

9.1.5 Seller Members would issue contract note for the Equity Shares accepted under the Buyback. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

9.1.6 Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Eligible Shareholders placing the order to sell the Equity Shares on behalf of the Eligible Shareholders. The Buyback consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Manager to the Buyback and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

10. The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

11. **COMPLIANCE OFFICER**

The Company has designated the following as the Compliance Officer for the Buyback:

Mr. Trivikram Guda, Company Secretary & Compliance Officer
Novartis India Limited
Sandoz House, Shivasagar Estate, Dr Annie Besant Road, Worli, Mumbai, Maharashtra - 400018
Tel.: +91 22 2495 8400
Fax: +91 22 2495 0221
Email: india.investors@novartis.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10 AM to 5 PM on all working days except Saturday, Sunday and Public holidays.

12. **INVESTOR SERVICE CENTRE/REGISTRAR TO THE BUYBACK OFFER**

The Company has appointed Link Intime India Private Limited as the Registrar to the Buyback Offer. In case of any query, the Shareholders may contact the Registrar to the Buyback Offer during working hours i.e. 10.00 am IST and 5.00 pm IST on all working days except Saturday, Sunday and Public holidays at the following address:

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai - 400 083, Maharashtra
Tel.: 022-4918 6200
Fax: 022-4918 6195
Email: novartis.buyback2017@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INF000000/058
CIN: U67190MH1999PTC118368

13. **MANAGER TO THE BUYBACK OFFER**

AMBIT CAPITAL PRIVATE LIMITED
Ambit House, 448, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Tel. No.: +91 22 3962 1819; Fax No.: +91 22 3962 3020
Contact Person: Mr. Praveen Sangal
Email: novartisbuyback2017@ambit.co
Website: www.ambit.co
SEBI Registration number: INN000012379
CIN: U7140MH1999PTC107588

14. **DIRECTORS' RESPONSIBILITY**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board accepts full and final responsibility for the information contained in this Public Announcement or any other advertisement, circular, brochure, publicity material which may be issued and confirm that the information on such documents contain true, factual and material information and shall not contain any misleading information.

For and on behalf of the Board of Directors of

NOVARTIS INDIA LIMITED

Sd/- Sd/- Sd/-
Ranjit Shahani Monaz Noble Trivikram Guda
Vice Chairman & Managing Director Whole Time Director & Chief Financial Officer Company Secretary & Compliance Officer

Date : November 23, 2017

Place : Mumbai

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