



Novartis India Limited  
Registered Office:  
Inspire BKC  
Part of 601 & 701  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400 051  
Maharashtra, India  
Tel +91 22 50243000  
Fax +91 22 50243010  
Email: india.investors@novartis.com  
CIN No. L24200MH1947PLC006104  
Website: www.novartis.in

February 11, 2020

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Sub.: Outcome of the Meeting of the Board of Directors of Novartis India Limited (“the Company”) held on February 11, 2020**

**Ref.: 1. Regulation 30 (read with Schedule III – Part A), 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**  
**2. Scrip Code: 500672**

Dear Sir/ Madam,

Kindly note that the Board of Directors of the Company has in its meeting held today i.e. on Tuesday, February 11, 2020 ("said meeting"), *inter alia* considered and approved the Unaudited Financial Results of the Company for the third quarter and nine months ended on December 31, 2019.

The said Meeting commenced at 11:00 a.m. and concluded at 5:00 p.m.

Further, in terms of the applicable provisions of SEBI Listing Regulations, please find enclosed herewith:

- a. the Unaudited Financial Results;
- b. Limited Review Report dated February 11, 2020, issued by the Statutory Auditors of the Company with respect to the Unaudited Financial Results and taken on record by the Board of Directors of the Company.

The above is for your information and the same is also available on the Company's website i.e. [www.novartis.in](http://www.novartis.in)

Thanking you

Yours sincerely,

For Novartis India Limited



Trivikram Guda  
Company Secretary &  
Compliance Officer

**Novartis India Limited**  
 Regd. off: Inspire - BKC, Part of 601 and 701, Bandra Kurla Complex, Bandra East, Mumbai 400051.  
 www.novartis.in, CIN:L24200MH1947PLC006104

(₹ in million)

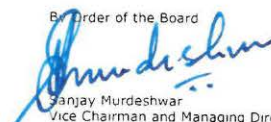
**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31.12.2019**

Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
		31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
1	Revenue from Operations [Refer Note 6]	1,174.6	1,177.8	1,356.2	3,445.5	3,803.0	4,906.8
	Other Income [Refer Note 4]	73.0	100.1	114.7	282.0	648.3	782.6
	<b>Total Income</b>	<b>1,247.6</b>	<b>1,277.9</b>	<b>1,470.9</b>	<b>3,727.5</b>	<b>4,451.3</b>	<b>5,689.4</b>
2	Expenses						
	(a) Purchases of Stock-in-Trade	348.6	774.2	489.3	1,506.2	1,591.0	2,026.0
	(b) Changes in Inventories of Stock-in-Trade [Refer Note 6]	124.0	(180.0)	85.3	75.0	78.7	(39.5)
	(c) Employee Benefits Expense	304.6	271.7	269.2	878.8	966.0	1,171.1
	(d) Finance Costs [Refer Note 5 and Note 7]	16.6	16.8	0.3	45.0	15.9	15.9
	(e) Depreciation and Amortisation Expense [Refer Note 7]	32.7	31.4	9.5	96.3	22.7	31.8
	(f) Other Expenses [Refer Note 7]	307.3	339.8	377.4	975.3	1,243.1	1,626.4
	<b>Total Expenses</b>	<b>1,133.8</b>	<b>1,253.9</b>	<b>1,231.0</b>	<b>3,576.6</b>	<b>3,917.4</b>	<b>4,831.7</b>
3	Profit before tax	113.8	24.0	239.9	150.9	533.9	857.7
4	Tax Expense [Refer Note 8 and Note 9]						
	Current Tax	68.3	8.3	107.2	82.3	220.8	332.7
	Deferred Tax	(31.8)	67.9	4.0	35.6	(9.3)	7.3
	<b>Total Tax Expense</b>	<b>36.5</b>	<b>76.2</b>	<b>111.2</b>	<b>117.9</b>	<b>211.5</b>	<b>340.0</b>
5	Profit / (Loss) for the period / year	77.3	(52.2)	128.7	33.0	322.4	517.7
6	Other Comprehensive Income	(35.3)	(26.9)	23.4	(62.2)	23.4	16.2
	- Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit plans	(47.1)	(36.0)	36.0	(83.1)	36.0	24.9
	Income tax relating to these items	11.8	9.1	(12.6)	20.9	(12.6)	(8.7)
7	Total Comprehensive Income / (Loss) for the period / year	42.0	(79.1)	152.1	(29.2)	345.8	533.9
8	Paid-up Equity Share Capital (Face Value ₹ 5 each)	123.4	123.4	123.4	123.4	123.4	123.4
9	Other Equity						7,468.5
10	Earnings Per Share (in ₹) (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	3.13 *	(2.11)*	5.21 *	1.34 *	13.06 *	20.97

**Notes:**

- This Statement has been reviewed by the Audit Committee at its meeting held on February 11, 2020 and approved at the meeting of the Board of Directors held on that date and has been subjected to limited review by the statutory auditors of the Company.
- This Statement has been prepared in accordance with the recognition and measurement principles laid down in 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.
- The Company has a single business segment namely Pharmaceuticals Business.
- Other income includes ₹ 307.3 million for the nine months ended 31.12.2018 and for the year ended 31.03.2019 being profit on disposal of certain assets classified under Assets held for sale.
- During the year ended 31.03.2018, the Company had received interest on refund of Income tax for AY 1995-96 in respect of which the Company had sought clarification with appropriate authorities for interest working. During the nine months ended 31.12.2018, based on rectification order received, the Company repaid the excess amount included under "Other Current Liabilities" along with the interest of ₹ 14.6 million which was recognised under finance costs.
- Consequent to notices received during the quarter 30.09.2018 from Drugs Licensing Authority, Daman by the supplier of a product, the Company has suspended sale of the relevant product. The supplier has contested the notices and the matter is sub-judice before Hon'ble Delhi High Court. The Company had accordingly made a provision of ₹ 163.4 million for expected accelerated sales returns and stocks, relating thereto during the quarter ended 30.09.2018. Subsequently during the quarter ended 31.12.2018, the Company, based on the Stock Statements received from significant portion of its stockists, arrived at stock position and accordingly revised the provision to ₹ 73 million.
- Effective 01.04.2019, the Company adopted Ind AS 116 "Leases", with respect to lease contracts outstanding as on 01.04.2019 with the transition option of not retrospectively adjusting the prior periods presented and recognising the Right-of-Use asset at an amount equal to the lease liability as on 01.04.2019. The financial results for the quarter and nine months ended 31.12.2018 and for the year ended 31.03.2019 have accordingly not been retrospectively adjusted. The effect of this adoption on the Profit for the period and earnings per share is not significant. The nature of expenses in respect of operating leases has changed from lease rent, included in other expenses, in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.
- The Company has elected to exercise the option permitted u/s 115BAA of the Income-tax Act, 1961 as Introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income tax for the half year ended 30.09.2019 and re-measured its net Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit and Loss for the quarter ended 30.09.2019.
- Current tax for the quarter and nine months ended 31.12.2019 includes provision in respect of earlier years of ₹ 32.5 million.



By Order of the Board  
  
 Ganjay Murdeshwar  
 Vice Chairman and Managing Director  
 DIN: 01481811  
 Mumbai, February 11, 2020



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF NOVARTIS INDIA LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **NOVARTIS INDIA LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

A handwritten signature in black ink, appearing to read 'Rakesh N. Sharma'.

Rakesh N. Sharma  
Partner  
(Membership No. 102042)  
(UDIN: 20102042AAAAAJ3139)

Place: MUMBAI  
Date: February 11, 2020