

**Novartis India Limited**

Regd. off: Sandoz House, Shivasagar Estate, Dr Annie Besant Road, Worli, Mumbai 400 018.

PART I							
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2015							
in ₹ million							
Sr. No	Particulars	3 months ended 30.09.2015 (Unaudited)	3 months ended 30.06.2015 (Unaudited)	3 months ended 30.09.2014 (Unaudited)	6 months ended 30.09.2015 (Unaudited)	6 months ended 30.09.2014 (Unaudited)	Year ended 31.03.2015 (Audited)
1.	Income from Operations						
	(a) Net Sales/Income from Operations (Net of Excise Duty)	2,154.4	2,159.9	2,278.3	4,314.3	4,298.9	8,452.9
	(b) Other Operating Income	89.9	80.6	69.6	170.5	136.5	280.9
	<b>Total Income from Operations (Net)</b>	<b>2,244.3</b>	<b>2,240.5</b>	<b>2,347.9</b>	<b>4,484.8</b>	<b>4,435.4</b>	<b>8,733.8</b>
2.	Expenses						
	(a) Cost of Materials Consumed	0.6	27.3	28.3	27.9	75.7	122.4
	(b) Purchases of Stock-in-Trade	1,019.1	940.1	860.5	1,959.2	1,756.5	3,376.2
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	(88.6)	(17.5)	94.4	(106.1)	35.5	30.5
	(d) Employee Benefits Expense	501.1	514.1	478.0	1,015.2	961.0	2,000.3
	(e) Depreciation and Amortisation Expense	9.0	8.6	8.9	17.6	17.7	40.1
	(f) Other Expenses	696.1	764.4	888.3	1,460.5	1,639.7	3,243.0
	<b>Total Expenses</b>	<b>2,137.3</b>	<b>2,237.0</b>	<b>2,358.4</b>	<b>4,374.3</b>	<b>4,486.1</b>	<b>8,812.5</b>
3.	Profit/(Loss) from Operations before Other Income and Finance Costs	107.0	3.5	(10.5)	110.5	(50.7)	(78.7)
4.	Other Income	200.4	202.7	225.2	403.1	473.9	1,076.4
5.	Profit from Ordinary Activities before Finance Costs	307.4	206.2	214.7	513.6	423.2	997.7
6.	Finance Costs	0.5	0.5	0.6	1.0	1.1	2.1
7.	Profit from Ordinary Activities before Tax	306.9	205.7	214.1	512.6	422.1	995.6
8.	Tax Expense (Net) (including Deferred Tax)	115.7	70.5	73.7	186.2	138.6	155.6
9.	Net Profit from Ordinary Activities after Tax	191.2	135.2	140.4	326.4	283.5	840.0
10.	Extraordinary Income/(Expenses) (net of tax effect)*	847.0	(0.7)	-	846.3	-	(48.9)
11.	Net Profit for the period	1,038.2	134.5	140.4	1,172.7	283.5	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 (₹)	5.98	4.23	4.39	10.21	8.87	26.28
15.	Earnings Per Share (after extraordinary items)- (of ₹ 5 each) (not annualised)						
	Basic and Diluted (₹)	32.48	4.21	4.39	36.69	8.87	24.75

\* Net of tax effect ₹ 245.3 million (charge) for the three months ended 30th September 2015, ₹ 0.2 million (credit) for the three months ended 30th June 2015, ₹ 245.1 million (charge) for the half year ended 30th September 2015 and ₹ 14.4 million (credit) for the year ended 31st March 2015.

PART II							
SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2015							
Particulars	3 months ended 30.09.2015	3 months ended 30.06.2015	3 months ended 30.09.2014	6 months ended 30.09.2015	6 months ended 30.09.2014	Year ended 31.03.2015	
<b>A PARTICULARS OF SHAREHOLDING</b>							
1. Public Shareholding							
- Number of Shares	7,990,200	7,990,200	7,990,200	7,990,200	7,990,200	7,990,200	
- Percentage of Shareholding	25.00	25.00	25.00	25.00	25.00	25.00	
2. Promoter and Promoter Group Shareholding							
(a) Pledged / Encumbered							
- Number of Shares	-	-	-	-	-	-	
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-	-	
- Percentage of Shares (as a % of the total Share Capital of the Company)	-	-	-	-	-	-	
(b) Non-Encumbered							
- Number of Shares	23,970,597	23,970,597	23,970,597	23,970,597	23,970,597	23,970,597	
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	100.00	100.00	100.00	100.00	100.00	100.00	
- Percentage of Shares (as a % of the total Share Capital of the Company)	75.00	75.00	75.00	75.00	75.00	75.00	

Particulars	3 months ended 30.09.2015
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed of during the quarter	1
Remaining unsolved at the end of the quarter	-





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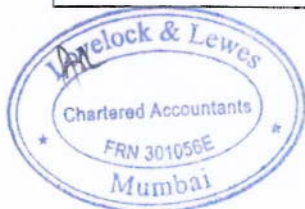
**SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED**

Sr. No	Particulars	in ₹ million					
		3 months ended 30.09.2015 (Unaudited)	3 months ended 30.06.2015 (Unaudited)	3 months ended 30.09.2014 (Unaudited)	6 months ended 30.09.2015 (Unaudited)	6 months ended 30.09.2014 (Unaudited)	Year ended 31.03.2015 (Audited)
1.	<b>Segment Revenue</b>						
	(a) Pharmaceuticals	1,634.4	1,689.4	1,552.4	3,323.8	3,058.5	5,998.9
	(b) Generics	137.2	111.5	135.0	248.7	257.9	484.4
	(c) OTC	193.7	194.7	422.1	388.4	650.4	1,293.8
	(d) Animal Health	279.0	244.9	238.4	523.9	468.6	956.7
	<b>Total Income from Operations (Net)</b>	<b>2,244.3</b>	<b>2,240.5</b>	<b>2,347.9</b>	<b>4,484.8</b>	<b>4,435.4</b>	<b>8,733.8</b>
2.	<b>Segment Results</b>						
	(a) Pharmaceuticals	164.2	113.0	(2.0)	277.2	35.5	150.1
	(b) Generics	51.8	9.2	37.7	61.0	57.9	69.1
	(c) OTC	(69.2)	(49.8)	15.3	(119.0)	(24.9)	(32.1)
	(d) Animal Health	36.3	(5.6)	8.7	30.7	18.0	45.8
	<b>Total</b>	<b>183.1</b>	<b>66.8</b>	<b>59.7</b>	<b>249.9</b>	<b>86.5</b>	<b>232.9</b>
	Add/(Less):						
	(a) Finance Costs	(0.5)	(0.5)	(0.6)	(1.0)	(1.1)	(2.1)
	(b) Other unallocable expenditure	(64.2)	(62.9)	(66.2)	(127.1)	(125.9)	(266.3)
	(c) Other unallocable income	188.5	202.3	221.2	390.8	462.6	1,031.1
	<b>Profit from Ordinary Activities before Tax</b>	<b>306.9</b>	<b>205.7</b>	<b>214.1</b>	<b>512.6</b>	<b>422.1</b>	<b>995.6</b>
3.	<b>Capital Employed (Segment Assets less Segment Liabilities)</b>						
	(a) Pharmaceuticals	74.6	(364.7)	34.0	74.6	34.0	444.9
	(b) Generics	(2.3)	9.5	41.6	(2.3)	41.6	61.9
	(c) OTC	-	(56.8)	(87.9)	-	(87.9)	(108.4)
	(d) Animal Health	257.8	275.9	360.6	257.8	360.6	314.8
	<b>Total</b>	<b>330.1</b>	<b>(136.1)</b>	<b>348.3</b>	<b>330.1</b>	<b>348.3</b>	<b>713.2</b>
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	10,862.5	10,290.5	9,548.7	10,862.5	9,548.7	9,306.7
	<b>Total Capital Employed</b>	<b>11,192.6</b>	<b>10,154.4</b>	<b>9,897.0</b>	<b>11,192.6</b>	<b>9,897.0</b>	<b>10,019.9</b>

**Notes:**

1. Standalone Statement of Assets and Liabilities

Particulars	As at	
	30.09.2015 (Unaudited)	31.03.2015 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
1. Shareholders' Funds		
(a) Share Capital	159.8	159.8
(b) Reserves and Surplus	11,032.8	9,860.1
<b>Sub-total - Shareholders' Funds</b>	<b>11,192.6</b>	<b>10,019.9</b>
2. Non-Current Liabilities		
(a) Other Long-term Liabilities	32.0	36.0
(b) Long-term Provisions	283.9	298.4
<b>Sub-total - Non-Current Liabilities</b>	<b>315.9</b>	<b>334.4</b>
3. Current Liabilities		
(a) Trade Payables	935.0	1,026.2
(b) Other Current Liabilities	582.5	441.4
(c) Short-term Provisions	403.0	596.3
<b>Sub-total - Current Liabilities</b>	<b>1,920.5</b>	<b>2,063.9</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>13,429.0</b>	<b>12,418.2</b>
<b>B ASSETS</b>		
1. Non-Current Assets		
(a) Fixed Assets	81.7	85.0
(b) Non-Current Investments	0.1	0.1
(c) Deferred Tax Assets	220.9	219.0
(d) Long-term Loans and Advances	1,387.6	1,426.7
(e) Other Non-Current Assets	1.9	2.4
<b>Sub-total - Non-Current Assets</b>	<b>1,692.2</b>	<b>1,733.2</b>
2. Current Assets		
(a) Inventories	929.3	999.4
(b) Trade Receivables	780.0	829.0
(c) Cash and Bank Balances	9,853.9	8,385.5
(d) Short-term Loans and Advances	83.4	443.4
(e) Other Current Assets	90.2	27.7
<b>Sub-total - Current Assets</b>	<b>11,736.8</b>	<b>10,685.0</b>
<b>TOTAL - ASSETS</b>	<b>13,429.0</b>	<b>12,418.2</b>



2. The above results were reviewed by the Audit Committee at its meeting held on 5th November 2015 and approved at the meeting of the Board of Directors held on that date.

3. 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.

(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. The transaction, except in respect of the Company's Animal Health Division, closed on 1 January 2015.

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 is subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. The Company made a separate announcement on 7 November 2014 to BSE Limited in this regard. The Global Animal Health Transaction closed globally (but not with respect to India, as explained below) on 1 January 2015.

Closing of the Animal Health Transaction in India is conditional upon the receipt by Elanco India of the written approval of the Foreign Investment and Promotion Board, Government of India (the "FIPB"). Further to the FIPB's response to Elanco India's application that it would not approve the Animal Health Transaction due to the existence of the restrictions on competition explained below, and at Elanco India's request, the Company and Elanco India have executed a letter which records the parties' agreement that the terms of the Global Animal Health Transaction agreed between Novartis AG and Lilly restricting the competition by the Novartis AG group of companies in connection with animal health activities, will not apply with respect to the Company vis-a-vis Elanco India in India (the "Non-Compete Amendment Letter"). The Non-Compete Amendment Letter was submitted by Elanco India to the FIPB, together with a representation against the FIPB's non-approval of Elanco India's application for the Animal Health Transaction.

As per the announcement to BSE Limited on 7 November 2014 and 27 May 2015 closing of the Animal Health transaction is conditional upon, amongst other matters, the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. As announced to BSE Limited on 10 July 2015, the Company was informed by Elanco India that Elanco India believed it was advisable to submit a formal application to the Competition Commission of India (the "CCI"), for its review of the Animal Health transaction. In connection with the submission by Elanco India to the CCI of the Elanco India's CCI application, at Elanco India's request, the Company and Elanco India executed a letter (the "Amendment Letter") which records the parties' agreement that:

- i. Completion of the Animal Health Transaction is subject to Elanco India obtaining written approval from the CCI to consummate completion of the Animal Health Transaction, or written confirmation from the CCI that it does not have jurisdiction to review the Animal Health Transaction; and
- ii. The date by which closing of the Animal Health Transaction must occur shall be extended from 22 July 2015 (as announced previously) until 1 June 2016.

Further, as per the announcement to BSE Limited on 16 September 2015, Elanco India informed the Company that the FIPB, pursuant to its letter dated 2 September 2015, approved the proposal made by Elanco India to acquire the Company's Animal Health Division. Elanco India is awaiting the approval for the contemplated transfer by the CCI, following which the Company and Elanco India will proceed with closing of the transaction.

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 has been accounted in the quarter ended 30 September 2015 results. The sale consideration for the slump sale of the Animal Health Division to Elanco India (or another affiliate of Lilly) amounting to ₹ 866.8 million has not been accounted in the quarter ended 30 September 2015 results because this transaction is subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. Net profit from the sale of the OTC Division 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.

4. The results for the quarter ended 30th September 2015 have been subjected to limited review by the statutory auditors of the Company.
5. Figures for the prior periods have been regrouped where necessary.



By Order of the Board

  
 Ranjit Shahani  
 Vice Chairman and Managing Director  
 DIN: 00103845  
 Singapore, 5th November 2015