

Novartis India Limited

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2010

Rupees Million

Sr. No.	Particulars	Quarter ended 30.09.2010 (Unaudited)	Quarter ended 30.09.2009 (Unaudited)	Half year ended 30.09.2010 (Unaudited)	Half year ended 30.09.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
1.	(a) Net Sales	1,849.1	1,615.4	3,531.9	3,147.2	6,241.0
	(b) Other Operating Income	111.3	74.9	200.2	155.5	341.3
2.	Income from Operations	1,960.4	1,690.3	3,732.1	3,302.7	6,582.3
3.	Expenditure					
	(a) (Increase)/Decrease in stock-in-trade and work-in-progress	19.2	(62.8)	36.6	(28.2)	(4.6)
	(b) Consumption of raw materials	50.6	51.1	83.6	87.0	172.6
	(c) Purchases of traded goods	619.6	631.1	1,217.0	1,167.0	2,311.0
	(d) Employees cost	261.7	200.1	568.7	400.5	851.0
	(e) Depreciation	5.3	5.6	10.0	11.2	22.5
	(f) Advertisement and sales promotion	159.4	120.8	266.4	217.3	472.3
	(g) Other Expenditure	403.8	346.1	754.3	654.7	1,394.6
	Sub-total	1,519.6	1,292.0	2,936.6	2,509.5	5,219.4
4.	Profit from operations before Other Income and Interest	440.8	398.3	795.5	793.2	1,362.9
5.	Other Income	155.6	106.3	276.4	215.0	438.3
6.	Profit before Interest	596.4	504.6	1,071.9	1,008.2	1,801.2
7.	Interest	0.6	0.5	1.2	1.2	3.2
8.	Profit from ordinary activities before Taxation	595.8	504.1	1,070.7	1,007.0	1,798.0
9.	Tax Expense					
	- Current tax	194.1	187.5	356.1	363.5	654.2
	- Deferred tax	(3.9)	(5.4)	(6.3)	(6.7)	(16.1)
	- Fringe benefits tax	-	(10.6)	-	-	-
10.	Net profit	405.6	332.6	720.9	650.2	1,159.9
11.	Paid-up equity share capital (face value Rs. 5 each)	159.8	159.8	159.8	159.8	159.8
12.	Reserves and surplus (excluding revaluation reserves)					5,774.8
13.	Earnings Per Share - Basic and Diluted (Rs.) (not annualised)	12.69	10.40	22.56	20.34	36.29
14.	Public Shareholding					
	- Number of shares	7,535,995	7,535,995	7,535,995	7,535,995	7,535,995
	- Percentage of shareholding	23.58	23.58	23.58	23.58	23.58
15.	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	24,424,802	24,424,802	24,424,802	24,424,802	24,424,802
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	76.42	76.42	76.42	76.42	76.42

Novartis India Limited

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

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

		Rupees Million				
Sr. No.	Particulars	Quarter ended 30.09.2010 (Unaudited)	Quarter ended 30.09.2009 (Unaudited)	Half year ended 30.09.2010 (Unaudited)	Half year ended 30.09.2009 (Unaudited)	Year ended 31.03.2010 (Audited)
1.	Segment revenue					
	(a) Pharmaceuticals	1,290.3	1,135.0	2,512.2	2,261.2	4,373.0
	(b) Generics	113.6	99.7	225.6	207.6	399.1
	(c) OTC	264.6	207.0	464.0	376.5	859.7
	(d) Animal Health	180.6	173.7	330.1	301.9	609.2
	Net sales	1,849.1	1,615.4	3,531.9	3,147.2	6,241.0
2.	Segment results before interest and tax					
	(a) Pharmaceuticals	391.9	395.2	751.0	782.6	1,294.9
	(b) Generics	44.0	29.6	88.9	63.2	111.1
	(c) OTC	22.5	(2.8)	11.9	(6.4)	33.6
	(d) Animal Health	16.8	31.9	30.1	44.2	82.2
	Total	475.2	453.9	881.9	883.6	1,521.8
	Add/(Less):					
	(a) Interest	(0.6)	(0.5)	(1.2)	(1.2)	(3.2)
	(b) Other unallocable expenditure	(41.7)	(57.2)	(96.1)	(97.8)	(176.7)
	(c) Other unallocable income	162.9	107.9	286.1	222.4	456.1
	Total profit before tax	595.8	504.1	1,070.7	1,007.0	1,798.0
3.	Capital employed (Segment assets less segment liabilities)					
	(a) Pharmaceuticals	111.7	541.6	111.7	541.6	444.4
	(b) Generics	23.7	18.4	23.7	18.4	18.0
	(c) OTC	7.1	41.8	7.1	41.8	56.4
	(d) Animal Health	144.0	154.9	144.0	154.9	175.5
	Total	286.5	756.7	286.5	756.7	694.3
	Add: Unallocable corporate assets less unallocable corporate liabilities	6,369.0	5,040.9	6,369.0	5,040.9	5,240.3
	Total capital employed	6,655.5	5,797.6	6,655.5	5,797.6	5,934.6

Notes:

1. The Statement of Assets and Liabilities as required under clause 41(V)(h) of Listing Agreement is as under :

Particulars	Rupees Million	
	As at	
	30.9.2010 (Unaudited)	30.9.2009 (Unaudited)
Shareholders' Funds		159.8
(a) Capital	159.8	159.8
(b) Reserves and Surplus	6,495.7	5,637.8
Loan Funds - Unsecured Loans	2.5	2.1
Total	6,658.0	5,799.7
Fixed Assets	81.8	81.6
Investments	50.8	0.4
Deferred Taxation	161.3	145.6
Current Assets, Loans and Advances		
(a) Inventories	491.4	535.0
(b) Sundry Debtors	668.0	621.1
(c) Cash and Bank Balances	377.2	130.2
(d) Loans and Advances	6,326.9	5,447.9
Less: Current Liabilities and Provisions		
(a) Liabilities	1,069.1	904.1
(b) Provisions	430.3	258.0
Total	6,658.0	5,799.7

2. The above results were reviewed by the Audit Committee at its meeting held on 21st October 2010 and approved at the meeting of the Board of Directors held on that date.
3. The results for the quarter ended 30th September 2010 have been subjected to limited review by the statutory auditors of the company.
4. Consequent to the amendment to the provisions of sub-section (3) of Section 4 of the Payment of Gratuity Act, 1972 revising the ceiling limit of gratuity payable to employees from rupees three lakhs fifty thousand to rupees ten lakhs, during the half year ended 30th September 2010, the company has made a further provision of Rs. 46.5 million, towards the past service cost, on the basis of valuation carried out by independent actuary. Of the above, provision for the quarter ended 30th September 2010 is Nil.
5. Provision for taxation - current tax is net of write back of provision for earlier year: Rs. 5.9 million for the quarter ended 30th September 2010 (2009: Nil) and Rs. 5.9 million for the half year ended 30th September 2010 (2009: Nil).
6. During the quarter, 8 investor complaints were received and resolved. No complaints were pending either at the beginning or at the end of the quarter.
7. Figures for the prior periods have been regrouped where necessary.

Initialled for identification

By Order of the Board

Price Waterhouse
Chartered Accountants
Mumbai, 21st October 2010

R. Shahani
Vice Chairman and Managing Director
Mumbai, 21st October 2010