

Novartis India Limited

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

PART I in ₹ million

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014

Sr. No	Particulars	3 months ended	3 months ended	3 months ended	Year ended
		30.06.2014 (Unaudited)	31.03.2014 (Unaudited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
1.	Income from Operations				
	(a) Net Sales/Income from Operations (Net of Excise Duty)	2,020.6	1,930.3	2,190.3	8,397.8
	(b) Other Operating Income	66.9	75.4	40.7	224.5
	Total Income from Operations (Net)	2,087.5	2,005.7	2,231.0	8,622.3
2.	Expenses				
	(a) Cost of Materials Consumed	47.4	23.3	121.1	337.3
	(b) Purchases of Stock-in-Trade	896.0	888.9	802.4	3,530.3
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	(58.9)	(94.2)	81.8	63.1
	(d) Employee Benefits Expense	483.0	463.5	459.0	1,741.9
	(e) Depreciation and Amortisation Expense	8.8	8.5	9.3	36.5
	(f) Other Expenses	751.4	651.2	740.0	2,962.7
	Total Expenses	2,127.7	1,941.2	2,213.6	8,671.8
3.	(Loss)/Profit from Operations before Other Income and Finance Costs	(40.2)	64.5	17.4	(49.5)
4.	Other Income	248.7	258.8	205.5	951.2
5.	Profit from Ordinary Activities before Finance Costs	208.5	323.3	222.9	901.7
6.	Finance Costs	0.5	0.7	0.7	2.7
7.	Profit from Ordinary Activities before Tax	208.0	322.6	222.2	899.0
8.	Tax (Credit)/Expense (Net) (including Deferred Tax)	64.9	83.8	83.5	(86.3)
9.	Net Profit for the period	143.1	238.8	138.7	985.3
10.	Paid-up equity share capital (Face Value ₹ 5 each)	159.8	159.8	159.8	159.8
11.	Reserves excluding Revaluation Reserves (as per last audited Balance Sheet)				9,453.7
12.	Earnings Per Share - (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	4.48	7.47	4.34	30.83

PART II

SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE 2014

	Particulars	3 months ended	3 months ended	3 months ended	Year ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
A	PARTICULARS OF SHAREHOLDING				
1.	Public Shareholding				
	- Number of Shares	7,990,200	7,990,200	7,990,200	7,990,200
	- Percentage of Shareholding	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
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	100.0	100.0	100.0	100.00
	- Percentage of Shares (as a % of the total Share Capital of the company)	75.00	75.00	75.00	75.00

Particulars	3 months ended 30.06.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	-
Disposed of during the quarter	-
Remaining unsolved at the end of the quarter	-

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

in ₹ million

Sr. No	Particulars	3 months ended	3 months ended	3 months ended	Year ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Segment Revenue				
	(a) Pharmaceuticals	1,506.1	1,376.8	1,627.8	5,805.8
	(b) Generics	122.9	74.3	149.2	524.3
	(c) OTC	228.3	344.5	198.5	1,255.1
	(d) Animal Health	230.2	210.1	255.5	1,037.1
	Total Income from Operations (Net)	2,087.5	2,005.7	2,231.0	8,622.3
2.	Segment Results				
	(a) Pharmaceuticals	37.5	(17.5)	92.7	(70.6)
	(b) Generics	20.2	-	36.4	60.4
	(c) OTC	(40.2)	59.7	(23.2)	141.6
	(d) Animal Health	9.3	27.3	(1.5)	58.8
	Total	26.8	69.5	104.4	190.2
	Add/(Less):				
	(a) Finance Costs	(0.5)	(0.7)	(0.7)	(2.7)
	(b) Other unallocable expenditure	(59.7)	(1.9)	(77.4)	(222.0)
	(c) Other unallocable income	241.4	255.7	195.9	933.5
	Profit from Ordinary Activities before tax	208.0	322.6	222.2	899.0
3.	Capital Employed (Segment Assets less Segment Liabilities)				
	(a) Pharmaceuticals	348.0	207.1	206.0	207.1
	(b) Generics	22.5	(5.3)	157.2	(5.3)
	(c) OTC	4.0	(78.4)	1.0	(78.4)
	(d) Animal Health	376.0	361.6	339.7	361.6
	Total	750.5	485.0	703.9	485.0
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	9,006.1	9,128.5	8,436.9	9,128.5
	Total Capital Employed	9,756.6	9,613.5	9,140.8	9,613.5

Notes:

1. The above results were reviewed by the Audit Committee at its meeting held on 25th July 2014 and approved at the meeting of the Board of Directors held on that date.

2. The results for the quarter ended 30th June 2014 have been subjected to limited review by the statutory auditors of the company.

3. Transactions with GSK and Lilly:

On 22nd 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 have agreed to create a consumer healthcare business through a joint venture between Novartis OTC and GSK Consumer Healthcare. Upon completion, Novartis will own a 36.5% share of the joint venture and will have four of eleven seats on the joint venture's Board. The transaction with GSK is subject to approval by GSK shareholders and other closing conditions, including anti-trust approvals. The transaction is expected to close during the first half of 2015.

(b) Divestment of Novartis Animal Health business to Lilly

In a separate transaction, Novartis has agreed to divest its Animal Health business to Lilly. The transaction is subject to closing conditions, including anti-trust approvals and is expected to close by the end of the first quarter of 2015.

The company will evaluate and take necessary approvals as may be required under applicable laws and regulations in India at the appropriate time.

4. Figures for the prior periods have been regrouped where necessary.

By Order of the Board

Ranjit Shahani
Vice Chairman and Managing Director
Mumbai, 25th July 2014