



Novartis India Limited
Registered Office:
Sandoz House
Shivsagar Estate
Dr. Annie Besant Road
Worli, Mumbai 400 018
India
Tel +91 22 2495 8400
Fax +91 22 2495 0221
Email: india.investors@novartis.com
CIN No. L24200MH1947PLC006104
Website: www.novartis.in

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

May 26, 2016

Audited Results for the year ended March 31, 2016

Dear Sirs,

We refer to our letter dated May 18, 2015, informing you of our Board Meeting that was scheduled for today. Please note the Board of Directors of Novartis India Limited met today at 11.30 a.m. and the meeting concluded at 6.30 p.m.

The following items were considered and approved:

1. Audited Results of the Company for the year ended March 31, 2016;
2. Dividend recommendation of Rs 10/- per equity share of Rs 5/- each for the year ended March 31, 2016;
3. Convening of the AGM of the Company on Friday, July 29, 2016;
4. Closure of the Register of Members and Share Transfer books from Friday, July 22, 2016 to Friday, July 29, 2016, both days inclusive, for determining the eligibility of shareholders for payment of Dividend. The dividend, if approved by the shareholders, shall be payable on or after Wednesday, August 3, 2016.

The Board accepted the resignation of Mr. Dinesh Charak (DIN: 06827519) as Director and Whole Time Director of the Company from the close of business hours w.e.f. May 26, 2016.

We enclose a copy of our audited financial results for the year ended March 31, 2016 approved at this meeting, Form A and Auditors Report as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the related press release for your information. We have made arrangements for publishing an extract of the above mentioned financial results as per the format prescribed under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, in the selected newspapers.

Thanking you

Yours sincerely,

For Novartis India Limited

Monaž Noble
Chief Financial Officer

Girish Tekchandani
Company Secretary &
Compliance Officer

Novartis India Limited						
Regd. off: Sandoz House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai 400 018. www.novartis.in, CIN:L24200MH1947PLC006104						
₹ in million						
STATEMENT OF STANDALONE AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2016						
Sr. No	Particulars (Refer Notes Below)	3 months ended 31.03.2016 (Unaudited)	3 months ended 31.12.2015 (Unaudited)	3 months ended 31.03.2015 (Unaudited)	Year ended 31.03.2016 (Audited)	Year ended 31.03.2015 (Audited)
1.	Income from Operations					
	(a) Net Sales/Income from Operations (Net of Excise Duty)	1,536.1	1,833.8	2,023.8	7,684.2	8,452.9
	(b) Other Operating Income	136.6	91.9	52.6	399.0	280.9
	Total Income from Operations (Net)	1,672.7	1,925.7	2,076.4	8,083.2	8,733.8
2.	Expenses					
	(a) Cost of Materials Consumed	(3.3)	6.1	(6.7)	30.7	122.4
	(b) Purchases of Stock-in-Trade	746.7	806.7	719.1	3,512.6	3,376.2
	(c) Changes in Inventories of Finished Goods and Stock-in-Trade	(58.8)	71.6	(1.6)	(93.3)	30.5
	(d) Employee Benefits Expense	355.2	430.8	471.4	1,801.2	2,000.3
	(e) Depreciation and Amortisation Expense	11.1	8.0	12.4	36.7	40.1
	(f) Other Expenses	525.6	611.7	720.4	2,597.8	3,243.0
	Total Expenses	1,576.5	1,934.9	1,915.0	7,885.7	8,812.5
3.	Profit/(Loss) from Operations before Other Income and Finance Costs	96.2	(9.2)	161.4	197.5	(78.7)
4.	Other Income	210.0	216.3	368.2	829.4	1,076.4
5.	Profit from Ordinary Activities before Finance Costs	306.2	207.1	529.6	1,026.9	997.7
6.	Finance Costs	0.3	0.5	0.5	1.8	2.1
7.	Profit from Ordinary Activities before Tax	305.9	206.6	529.1	1,025.1	995.6
8.	Tax Expense (Net) (including Deferred Tax)	90.6	81.2	8.0	358.0	155.6
9.	Net Profit from Ordinary Activities after Tax	215.3	125.4	521.1	667.1	840.0
10.	Extraordinary Income/(Expenses) (net of tax effect)*	-	472.7	(1.7)	1,319.0	(48.9)
11.	Net Profit for the period	215.3	598.1	519.4	1,986.1	791.1
12.	Paid-up equity share capital (Face Value ₹ 5 each)	159.8	159.8	159.8	159.8	159.8
13.	Reserves excluding Revaluation Reserves (as per last audited Balance Sheet)				11,461.5	9,860.1
14.	Earnings Per Share (before extraordinary items) - (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	6.73	3.93	16.30	20.87	26.28
15.	Earnings Per Share (after extraordinary items)- (of ₹ 5 each) (not annualised) Basic and Diluted (₹)	6.73	18.72	16.25	62.14	24.75

* Net of tax effect ₹ 132.2 million (charge) for the three months ended 31st December 2015, ₹ 0.6 million (credit) for the three months ended 31st March, 2015, ₹ 377.3 million (charge) for the year ended 31st March 2016 and ₹ 14.4 million (credit) for the year ended 31st March 2015.

SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

in ₹ million						
Sr. No	Particulars	3 months ended 31.03.2016 (Unaudited)	3 months ended 31.12.2015 (Unaudited)	3 months ended 31.03.2015 (Unaudited)	Year ended 31.03.2016 (Audited)	Year ended 31.03.2015 (Audited)
1.	Segment Revenue					
	(a) Pharmaceuticals	1,622.5	1,586.1	1,444.4	6,532.4	5,998.9
	(b) Generics	50.2	89.2	99.9	388.1	484.4
	(c) OTC	-	-	286.1	388.4	1,293.8
	(d) Animal Health	-	250.4	246.0	774.3	956.7
	Total Income from Operations (Net)	1,672.7	1,925.7	2,076.4	8,083.2	8,733.8
2.	Segment Results					
	(a) Pharmaceuticals	103.6	44.8	263.4	425.6	150.1
	(b) Generics	53.4	43.4	(11.8)	157.8	69.1
	(c) OTC	-	-	(10.6)	(119.0)	(32.1)
	(d) Animal Health	-	(5.0)	30.8	25.7	45.8
	Total	157.0	83.2	271.8	490.1	232.9
	Add/(Less):					
	(a) Finance Costs	(0.3)	(0.5)	(0.5)	(1.8)	(2.1)
	(b) Other unallocable expenditure	(58.2)	(86.9)	(84.4)	(272.2)	(266.3)
	(c) Other unallocable income	207.4	210.8	342.2	809.0	1,031.1
	Profit from Ordinary Activities before Tax	305.9	206.6	529.1	1,025.1	995.6
3.	Capital Employed (Segment Assets less Segment Liabilities)					
	(a) Pharmaceuticals	9.2	(64.4)	444.9	9.2	444.9
	(b) Generics	(16.0)	44.1	61.9	(16.0)	61.9
	(c) OTC	-	-	(108.4)	-	(108.4)
	(d) Animal Health	-	-	314.8	-	314.8
	Total	(6.8)	(20.3)	713.2	(6.8)	713.2
	Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	11,628.1	11,811.0	9,306.7	11,628.1	9,306.7
	Total Capital Employed	11,621.3	11,790.7	10,019.9	11,621.3	10,019.9



1. Standalone Statement of Assets and Liabilities

Particulars	in ₹ million	
	As at	
	31.03.2016 (Audited)	31.03.2015 (Audited)
A EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	159.8	159.8
(b) Reserves and Surplus	11,461.5	9,860.1
Sub-total - Shareholders' Funds	11,621.3	10,019.9
2. Non-Current Liabilities		
(a) Other Long-term Liabilities	23.8	36.0
(b) Long-term Provisions	321.4	298.4
Sub-total - Non-Current Liabilities	345.2	334.4
3. Current Liabilities		
(a) Trade Payables		
'-Micro and Small enterprises	3.1	3.3
'-Others	699.9	941.9
(b) Other Current Liabilities	1,135.6	522.4
(c) Short-term Provisions	594.4	639.4
Sub-total - Current Liabilities	2,433.0	2,107.0
TOTAL - EQUITY AND LIABILITIES	14,399.5	12,461.3
B ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	69.2	85.0
(b) Non-Current Investments	0.1	0.1
(c) Deferred Tax Assets	215.8	219.0
(d) Long-term Loans and Advances	1,434.4	1,521.0
(e) Other Non-Current Assets	2.2	2.4
Sub-total - Non-Current Assets	1,721.7	1,827.5
2. Current Assets		
(a) Inventories	724.0	999.4
(b) Trade Receivables	498.0	829.0
(c) Cash and Bank Balances	11,132.6	8,385.5
(d) Short-term Loans and Advances	200.3	392.2
(e) Other Current Assets	122.9	27.7
Sub-total - Current Assets	12,677.8	10,633.8
TOTAL - ASSETS	14,399.5	12,461.3

Notes:

1. The above results were reviewed by the Audit Committee at its meeting held on 26th May 2016 and approved at the meeting of the Board of Directors held on that date.

2. 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.

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 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 Animal Health Division to Elanco India was completed on 31st December, 2015. The Company made separate announcements on November 7, 2014, May 27, 2015, July 10, 2015, September 16, 2015 and December 10, 2015 to BSE Limited in this regard.

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 was accounted in the quarter ended 30 September 2015 results. The sale consideration for the slump sale of the Animal Health Division to Elanco India amounting to ₹ 866.8 million has been received and accounted in quarter ended 31st December 2015. Net profit from the sale of the OTC and Animal Health Divisions 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.

3. The Board of Directors has recommended a dividend of 200% (₹ 10 per equity share of ₹ 5 each) for the year ended 31st March 2016 (2015: 200%, ₹ 10 per equity share of ₹ 5 each).
4. The figures for the quarter ended 31st March 2016 are the balancing figures between the audited financial results for the year ended 31st March 2016 and the published unaudited financial results for the nine months ended 31st December 2015.
5. Previous year figures have been regrouped/restated where necessary. The figures for the year ended 31st March 2016 are not comparable to those of the previous year ended 31st March 2015 on account of the sale of OTC and Animal Health Divisions.

By Order of the Board




Ranjit Shahani
Vice Chairman and Managing Director
DIN: 00103845
Mumbai, 26th May 2016

FORM A

1.	Name of the Company	Novartis India Limited
2.	Annual Financial Statements for the year ended	31 st March, 2016
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	Refer below

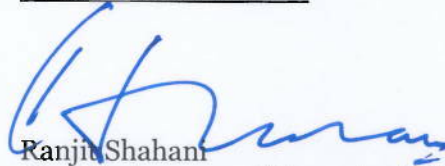
Auditors of the Company

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants



Asha Ramanathan
Partner
Membership No. 202660
Mumbai, May 26, 2016

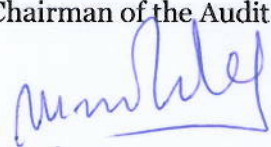
Novartis India Limited



Ranjit Shahani
Vice Chairman and Managing Director



Jai Hiremath
Chairman of the Audit Committee



Monaz Noble
Chief Financial Officer

Mumbai, May 26, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NOVARTIS INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Novartis India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back up of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 10(b) above that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements – Refer Note [19];



- ii. The Company has long-term contracts as at March 31, 2016, for which there were no material foreseeable losses. The Company did not have any derivative contract as at March 31, 2016;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Asha Ramanathan

Asha Ramanathan
Partner
Membership Number: 202660

Place: Mumbai
Date: May 26, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Novartis India Limited on the financial statements for the year ended March 31, 2016

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Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Novartis India Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Novartis India Limited on the financial statements for the year ended March 31, 2016

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Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants



Asha Ramanathan
Partner
Membership Number: 202660

Place: Mumbai
Date: May 26, 2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Novartis India Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. in million*	Period to which the amount relates	Forum where the dispute is pending
The Income-tax Act, 1961	Income-tax including tax deducted at source and interest, as applicable	33.0	Assessment Years 1994-1995, 2008-2009, 2009-2010, 2011-2012 and 2012-2013	Appellate Authority – up to Commissioner's level
		23.0	Assessment Year 2006-2007	Income Tax Appellate Tribunal



Annexure B to Independent Auditors' Report

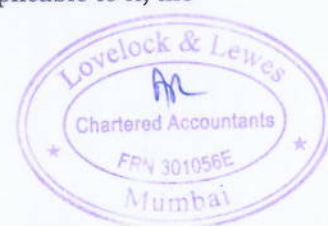
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Novartis India Limited on the financial statements as of and for the year ended March 31, 2016

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Name of the statute	Nature of dues	Amount Rs. in million*	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax including interest and penalty, as applicable	338.1	2000-2001 to 2013-2014	Appellate Authority – up to Commissioner's level
		48.1	1993-1994, 2001-2002 to 2005-2006, 2007-2008, 2010-2011 and 2012-2013	Tribunal
		0.2	1997-1998	The High Court of Kerala
		15.4	2008-2009 to 2010-2011	West Bengal Sales Tax Appellate and Revisional Board
The Finance Act, 1994	Service tax	4.7	September 2004 to September 2009	Appellate Authority – up to Commissioner's level
The Customs Act, 1962	Customs Duty	0.4	2002-2003	Appellate Authority – up to Commissioner's level
The Central Excise Act, 1944	Excise duty including penalty, as applicable	0.6	1990 and June 1993 to October 1993	Appellate Authority – up to Commissioner's level
		2.4	August 1993 to December 1996	Customs, Excise & Service Tax Appellate Tribunal

*Net of amounts paid including under protest.

- viii. As the Company neither has any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Novartis India Limited on the financial statements as of and for the year ended March 31, 2016
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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants



Asha Ramanathan
Partner
Membership Number: 202660

Place: Mumbai
Date: May 26, 2016



Novartis India Limited
Sandoz House
Shivsagar Estate
Dr Annie Besant Road
Worli, Mumbai 400 018
India
CIN-L24200MH1947PLC006104
Website: www.novartis.in
Tel +91 22 2495 8888
Fax +91 22 2495 0221

MEDIA RELEASE • MEDIA RELEASE • MEDIA RELEASE

Novartis India announces results for the quarter and year ended March 31, 2016

- *Full year profits from operations only 2.4% of Total Income from Operations; substantially impacted by price controls*
- *Full year net profits primarily due to divestment of OTC and Animal Health businesses*
- *Share buyback proposal approved*
- *Board recommends dividend of ₹10 per equity share of ₹5 each*

At a meeting held in Mumbai today, the Board of Novartis India Limited approved results for the quarter and financial year ended March 31, 2016 and recommended dividend of ₹ 10 per equity share of ₹ 5 each. The Board also unanimously approved a buyback proposal for the Company to purchase 3,820,000 equity shares of ₹5 each (representing 11.95% of the total equity capital) from all shareholders of the Company on a proportionate basis through the "Tender Offer" route as prescribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 at a price of ₹760 (Rupees Seven Hundred and Sixty per equity share), aggregating to ₹ 290.32 crore.

During the period under review, Total Income from Operations was ₹ 167.3 crore in comparison to ₹ 207.6 crore recorded in the previous corresponding quarter. Our core business, Pharmaceuticals recorded Total Income from Operations of ₹ 162.3 crore in comparison to ₹ 144.4 crore recorded in the previous corresponding quarter. The Generics business recorded Total Income from Operations of ₹ 5.0 crore as against ₹ 10.0 crore in the previous corresponding quarter.

During the quarter under review, profit from operations was ₹ 9.6 crore as against profit of ₹ 16.1 crore in the previous corresponding period while profit after tax stood at ₹ 21.5 crore as against profit after tax of ₹ 51.9 crore in the previous corresponding period.

During FY 2015-2016 Total Income from Operations stood at ₹ 808.3 crore in comparison to ₹ 873.4 crore recorded in the previous corresponding period. Our core business, Pharmaceuticals recorded Total Income from Operations of ₹ 653.2 crore in comparison to ₹ 599.9 crore in the previous corresponding period. The Generics business recorded Total Income from Operations of ₹ 38.8 crore as against ₹ 48.4 crore in the previous corresponding period. The Animal Health business registered Total Income from Operations of ₹ 77.4 crore during the period under review while it registered ₹ 95.7 crore in the prior corresponding period. The OTC business registered Total Income from Operations of ₹ 38.8 crore during the period under review as against ₹ 129.4 crore in the previous corresponding period. With regards to the OTC and Animal Health businesses the figures for the year ended March 31, 2016 are not comparable with corresponding figures of the prior year.

During the year ended under review, profit from operations was ₹ 19.8 crore as against loss of ₹ 7.9 crore in the previous corresponding period. Profit from operations is only 2.4% of Total Income from Operations as the Company has had a substantial impact on account of reduction in prices of products covered under NLEM.

Profit after tax stood at ₹ 198.6 crore as against ₹ 79.1 crore in the previous corresponding period. The substantial increase in Net Profit is primarily due to receipt of the sale consideration in relation to the slump sale of the OTC Division to GlaxoSmithKline Consumer Private Limited amounting to ₹ 109.7 crore and the same being accounted in the quarter ended September 30, 2015 as well as sale consideration in relation to the sale of the Animal Health Division to Elanco India Private Limited amounting to ₹ 86.7 crore and the same being accounted in the quarter ended December 31, 2015.

Net Profit from the sale of the OTC and Animal Health Divisions and costs incurred by the Company in relation to these transactions have been shown under Extraordinary items.

Issued by Corporate Communications on 26 May 2016

Media contacts

Svetlana Pinto

+91-22-24951074 (direct)

+91-98210 54884 (mobile)

Email: svetlana.pinto@novartis.com

Liana Albuquerque

+91 22 24939403 (direct)

+91 98214 36458 (mobile)

liana.albuquerque@novartis.com