



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

May 19, 2022

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

Scrip Code: 500672

Dear Sir/ Madam,

Sub: Outcome of the Meeting of the Board of Directors of Novartis India Limited (“the Company”) held on May 19, 2022

In continuation to our letter dated March 31, 2022 and pursuant to Regulations 30, 33 and 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, we hereby inform that the Board of Directors of the Company at its Meeting held today i.e. May 19, 2022 have, *inter-alia*, approved the following matters:

1. Audited Financial Results:

The Board of Directors (‘Board’) have approved the Audited Financial Statement for the year ended March 31, 2022 and Audited Financial Results for the fourth quarter & year ended March 31, 2022, as recommended by the Audit Committee.

2. Dividend:

The Board has recommended final dividend of Rs. 10 per equity share (of the face value of Rs. 5 each) for the financial year ended March 31, 2022, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting (‘AGM’). Accordingly, the said final dividend, if approved by the shareholders, will be paid on or after August 2, 2022.

3. Appointment of Statutory Auditors:

The Board has recommended the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI FRN: 101248W/W-100022) as Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of 74th AGM till the conclusion of 79th AGM of the Company subject to the approval of the shareholders at the ensuing AGM. Brief Profile of M/s. B S R & Co. LLP is enclosed herewith.

The existing Statutory Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, shall hold the office till the conclusion of 74th AGM (i.e. the ensuing AGM) of the Company.





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

4. Intimation of Date of AGM and Book Closure for Dividend:

The 74th AGM of the Company will be held on Friday, July 29, 2022 at 11.00 A.M. (IST) through Video Conferencing / Other Audio-Visual Means in compliance with the applicable provisions of the Circulars issued in this regard by Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time.

The Register of Members and Share Transfer books shall be closed from Friday, July 22, 2022 to Friday, July 29, 2022, both days inclusive, for determining the eligibility of shareholders for payment of dividend, if approved by the shareholders at the AGM.

The said Meeting commenced at 01:30 p.m. and concluded at 05:14 p.m.

Further, pursuant to Regulation 33 of the SEBI Listing Regulations, please find enclosed herewith:

- Audited Financial Results for the quarter and year ended March 31, 2022
- Auditors Report dated May 19, 2022, issued by the Statutory Auditors of the Company with respect to the Audited Financial Results and taken on record by the Board of the Company
- Declaration on unmodified opinion on Audit Report issued by the Statutory Auditors 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

Thanking you

Yours sincerely,

For **Novartis India Limited**

Nikhil Malpani
Company Secretary & Compliance Officer

Encl.: as above

Profile of B S R & Co. LLP

B S R & Co. ('the firm ') was constituted on 27 March 1990 as a partnership firm having firm registration no. as 101248W. It and was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai-400063.

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

B S R & Co. LLP has over 3000 staff and 100+ Partners.

B S R & Co. LLP audits various companies listed on stock exchanges in India including companies in the life science sector”.

(₹ in million)

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2022

Sr. No.	Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
		31.03.2022 (Unaudited) (Refer Note 9)	31.12.2021 (Unaudited)	31.03.2021 (Unaudited) (Refer Note 9)	31.03.2022 (Audited)	31.03.2021 (Audited)
1.	Revenue from Operations	983.2	989.6	992.9	3,998.7	3,813.5
	Other Income [Refer note 6]	143.1	60.4	122.7	331.9	330.9
	Total Income	1,126.3	1,050.0	1,115.6	4,330.6	4,144.4
2.	Expenses					
	(a) Purchases of Stock-in-Trade	719.3	328.8	349.3	1,872.6	1,358.8
	(b) Changes in Inventories of Stock-in-Trade	(225.3)	108.7	(25.1)	(91.3)	107.4
	(c) Employee Benefits Expense	206.0	260.0	240.5	1,018.9	1,085.1
	(d) Finance Costs	3.3	14.6	27.2	48.3	76.8
	(e) Depreciation and Amortisation Expense	13.1	27.5	29.2	96.5	121.6
	(f) Other Expenses	227.0	226.5	275.5	927.4	994.3
	Total Expenses	943.4	966.1	896.6	3,872.4	3,744.0
3.	Profit before exceptional items and tax	182.9	83.9	219.0	458.2	400.4
4.	Exceptional items (Refer Note 7)	496.4	-	-	496.4	-
5.	Profit/(Loss) before tax	(313.5)	83.9	219.0	(38.2)	400.4
6.	Tax Expense					
	Current Tax	(96.4)	25.3	78.8	-	178.9
	Deferred Tax	21.0	(4.9)	(4.1)	3.4	(34.8)
	Tax adjustment for earlier years	(4.4)	-	47.3	(4.4)	47.3
	Total Tax Expense	(79.8)	20.4	122.0	(1.0)	191.4
7.	Profit/(Loss) for the period / year	(233.7)	63.5	97.0	(37.2)	209.0
8.	Other Comprehensive Income	20.8	-	(39.7)	81.9	(60.9)
	- Items that will not be reclassified to profit or loss					
	Remeasurements of the defined benefit plans	27.8	-	(53.1)	109.5	(81.4)
	Income tax relating to these items	(7.0)	-	13.4	(27.6)	20.5
9.	Total Comprehensive Income/(loss) for the period / year	(212.9)	63.5	57.3	44.7	148.1
10.	Paid-up Equity Share Capital (Face Value ₹ 5 each)	123.4	123.4	123.4	123.4	123.4
11.	Other Equity				6,793.6	6,988.5
12.	Earnings Per Share (in ₹) (Basic & Diluted)- (of ₹ 5 each) (*not annualised)	(9.47)*	2.57 *	3.93 *	(1.51)	8.46

Notes:

1. Statement of Assets and Liabilities

(₹ in million)

Particulars	As at	As at
	31.03.2022 (Audited)	31.03.2021 (Audited)
A Assets		
Non-Current Assets		
Property, Plant and Equipment	34.8	89.0
Right-of-Use Assets	201.7	550.1
Financial Assets		
(i) Loans	5.8	3.3
(ii) Other Financial Assets	35.9	46.3
Deferred Tax Assets	271.8	302.7
Income Tax Assets (Net)	1,583.8	1,437.2
Other Non-Current Assets	354.6	353.9
	2,488.4	2,782.5
Assets held for sale	9.1	9.1
Current Assets		
Inventories	570.7	479.5
Financial Assets		
(i) Trade Receivables	445.6	387.3
(ii) Cash and Cash Equivalents	1,583.5	682.7
(iii) Bank Balances other than (ii) above	3,592.8	4,306.1
(iv) Loans	4.6	0.6
(v) Other Financial Assets	119.8	457.1
Other Current Assets	761.2	918.0
	7,078.2	7,231.3
TOTAL ASSETS	9,575.7	10,022.9
B Equity and Liabilities		
Equity		
Equity Share Capital	123.4	123.4
Other Equity	6,793.6	6,988.5
	6,917.0	7,111.9
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
(i) Lease Liabilities	182.7	497.8
(ii) Other Financial Liabilities	13.3	15.7
Provisions	298.5	808.0
	494.5	1,321.5
Current Liabilities		
Financial Liabilities		
(i) Trade Payables		
- total outstanding dues of micro enterprises and small enterprises	17.5	9.4
- total outstanding dues of creditors other than micro enterprises and small enterprises	704.5	542.6
(ii) Lease Liabilities	57.4	127.0
(iii) Other Financial Liabilities	301.3	448.4
Other Current Liabilities	94.7	121.0
Provisions	906.2	219.3
Current Tax Liabilities (Net)	82.6	121.8
	2,164.2	1,589.5
TOTAL EQUITY AND LIABILITIES	9,575.7	10,022.9



2 Statement of Cash Flows:

(₹ in million)

Particulars	Year ended 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A. A. Cash flow from operating activities		
Profit/(Loss) before tax	(38.2)	400.4
Adjustments for -		
Depreciation and Amortisation Expense	96.5	121.6
Share Based Payments	18.5	17.4
Interest Income	(163.3)	(184.4)
Unwinding of discount on security deposits	(2.7)	(2.8)
Finance Costs	48.3	65.4
Gain on derecognition of lease liability and Right-of-Use Assets	(54.4)	-
Loss / (Gain) on sale of Property, Plant and Equipment (Net)	1.4	(0.6)
Gain on sale of residential property held for sale	-	(44.9)
Unrealised Gain on Foreign currency translations (Net)	(0.9)	(3.1)
Credit Balances Written-Back	(1.7)	(19.4)
Provision for Doubtful Debts, Advances and Deposits	1.9	1.0
Operating cash flows before working capital changes	(94.6)	350.6
Movement in operating assets and liabilities		
Trade Receivables	(42.0)	(9.2)
Inventories	(91.2)	107.3
Financial Assets	382.2	54.0
Other Non-Current Assets	0.7	(42.4)
Other Current Assets	156.8	(90.3)
Trade Payables	148.3	(173.8)
Provisions	286.9	106.9
Other Current Liabilities	(26.3)	15.7
Financial Liabilities	(148.2)	(659.0)
Cash generated from / (used in) operations	572.6	(340.2)
Income Tax Paid (Net)	(185.9)	(351.9)
Net cash generated from / (used in) operating activities	386.7	(692.1)
B. Cash flow from investing activities		
Payments for Property, Plant and Equipment	(5.0)	(0.9)
Proceeds from disposal of Property, Plant and Equipment	-	46.8
Interest received	155.4	207.8
Fixed deposits matured (net)	720.0	697.9
Net cash from investing activities	870.4	951.6
C. Cash flow from financing activities		
Lease payments	(109.0)	(120.3)
Finance cost paid	(0.4)	(0.8)
Dividends paid	(246.9)	(246.9)
Net cash used in financing activities	(356.3)	(368.0)
Net Increase/(Decrease) in Cash and Cash Equivalents	900.8	(108.5)
Cash and Cash Equivalents - At the beginning of the period	682.7	791.2
Cash and Cash Equivalents - At the end of the period	1,583.5	682.7

- 3 This Statement has been reviewed by the Audit Committee at its meeting held on 19.05.2022 and approved at the meeting of the Board of Directors held on that date.
- 4 This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies, to the extent applicable.
- 5 The Company has a single business segment namely 'Pharmaceuticals Business'.
- 6 Other income for the year ended 31.03.2021 included ₹ 44.9 million being profit on disposal of a residential property out of 'Assets held for sale' and for the quarter ended 31.03.2021 includes ₹ 57.3 million being interest on income tax refund. Other income for the quarter ended 31.03.2022 includes ₹ 46.3 million being interest on income tax refund.
- 7 The Company has entered into an exclusive sales and distribution agreement with Dr. Reddy's Laboratories Limited of its Established Medicines Division ("EMD"). This arrangement, amongst other things, aims to further broaden access of these medicines beyond the current geographies to benefit many more patients. This strategic business decision has led to an exceptional expense of ₹ 496.4 million (net of re-evaluation of retirement obligations) towards its erstwhile associates of EMD in this year under employee separation scheme.
- 8 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of inventories, receivables and other assets. In assessing the recoverability of the assets, the Company has considered internal and external sources of information, available as at the date of approval of these financial results, including subsequent recoveries, credit risk profile, macroeconomic forecasts, latest selling prices of products, orders on hand, margins etc. Based on the above assessment, the Company is of the view that the carrying amounts of the assets will be realised. The impact of COVID-19 on the Company's financial results may be different from that estimated as at the date of approval of these financial results.
- During the year ended 31.03.2022, the Company continued to ensure uninterrupted supply of its products. The offices of the Company were operating as per local regulations due to the pandemic. All associates / employees had the choice to come to office/site or work from home on digital platforms provided by the Company. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.
- 9 The figures for the quarter ended 31.03.2022 and the quarter ended 31.03.2021 are the balancing figures between the audited figures in respect of full financial year and published year to date figures upto the third quarter of the relevant financial year which were subjected to limited review by the statutory auditors.
- 10 The Board of Directors has recommended a dividend of 200% (₹ 10 per share of ₹ 5 each) for the year ended 31.03.2022 [2021 : 200% (₹ 10 per share of ₹ 5 each)].

By Order of the Board

Santosh Murdeshwar
Vice Chairman and Managing Director
DIN:01481811
Mumbai, 19th May, 2022



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS
AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF NOVARTIS INDIA LIMITED

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2022 and (b) reviewed the Financial Results for the quarter ended March 31, 2022 (refer 'Other Matter' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2022 of **NOVARTIS INDIA LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2022 :

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive income / and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2022

With respect to the Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2022 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33) of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

(b) Review of the Financial Results for the quarter ended March 31, 2022

We conducted our review of the Financial Results for the quarter ended March 31, 2022 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 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 SAs specified under section 143(10) of the Act 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.

Other Matter

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

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



Rakesh N. Sharma
Partner
Membership No.102042
(UDIN: 22102042AJFPVK2348)

Place: Mumbai
Date: May 19, 2022



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

May 19, 2022

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 500672

Sub.: Declaration on behalf of Novartis India Limited (“the Company”)

Ref.: Regulation 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Dear Sir/ Madam,

In terms of the provisions of Regulations 33 of the SEBI Listing Regulations, read with said circular, we hereby declare and confirm that the Statutory Auditor of the Company viz. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.:117366W/W-100018) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the year ended March 31, 2022.

The above is for your information and record.

Thanking you

For **Novartis India Limited**

ssjoshi.



Shilpa Joshi
Chief Financial Officer