

# **DPCO has significant adverse impact on revenue and operating profits of Novartis India for the quarter and year ended March 31, 2014**

May 22, 2014

At a meeting held in Mumbai today, the Board of Novartis India Limited approved results for the quarter and financial year ended March 31, 2014 and recommended dividend of Rs 10 per equity Share of Rs 5 each.

During the quarter ended March 31, 2014, Total Income from Operations was Rs 200.6 crore in comparison to Rs 212.6 crore recorded in the previous corresponding quarter. Our core business, Pharmaceuticals, recorded Total Income from Operations of Rs 137.7 crore in comparison to Rs 142.5 crore in the previous corresponding quarter. The Generics business recorded Total Income from Operations of Rs 7.4 crore as against Rs 16.2 crore in the previous corresponding quarter. OTC business registered Total Income from Operations of Rs 34.5 crore as against Rs 29.9 crore in the previous corresponding period. The Animal Health business registered Total Income from Operations of Rs 21.0 crore during the period under review in comparison to Rs 23.9 crore in the previous corresponding quarter.

During the quarter under review profit before tax was Rs 32.3 crore as against Rs 29.8 crore in the previous corresponding period while profit after tax stood at Rs 23.9 crore as against Rs 24.4 crore in the previous corresponding period.

During 2013-14, Total Income from Operations stood at Rs 862.2 crore in comparison to Rs 903.4 crore recorded in the previous corresponding period. During the year under review, our core business Pharmaceuticals registered Total Income from Operations of Rs 580.6 crore in comparison to Rs 634.9 crore in the previous corresponding period. The Generics business recorded Total Income from Operations of Rs 52.4 crore as against Rs 62.5 crore in the previous corresponding period. The OTC business registered Total Income from Operations of Rs 125.5 crore as against Rs 110.5 crore in the previous corresponding period. The Animal Health business recorded Total Income from Operations of Rs 103.7 crore during the period under review while it registered Rs 95.5 crore in the prior corresponding period.

During the year under review profit before tax stood at Rs 89.9 crore as against Rs 169.4 crore in the corresponding previous year while profit after tax stood at Rs 98.5 crore as against Rs 119.7 crore in the previous corresponding period.

Reduction in the selling prices of some key products arising out of the Notification of the new Drug Price Control Order had a significant adverse impact on the revenue and operating profits of the company. Depreciation of the rupee further impacted profits.

Tax Credit for the year ended March 31, 2014 includes write back of provision for current tax for the Assessment Year 1995-1996 amounting to Rs 36.7 crore (net of additional current tax charge for the Assessment Years 1992-1993 to 1994-1995 amounting to Rs 2.1 crore on account of various matters). The aforesaid write back is on account of a favourable Order of the Income Tax Appellate Tribunal, received during the year, for non-taxability of consideration from sale of an undertaking.

At this meeting, the Board appointed two new Directors to the Board; Ms Manisha Girotra as Additional Director and Mr Dinesh Charak as Additional Director and Whole Time Director.

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