LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder of **Novartis India Limited** (the "**Company**") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time. If you require any clarification about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Ambit Capital Private Limited) or to the Registrar to the Buyback Offer (Link Intime India Private Limited). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Novartis India Limited

Registered & Corporate Office: Sandoz House, Shivsagar Estate,
Dr Annie Besant Road, Worli, Mumbai – 400018, Maharashtra
Tel: +91 22 2495 8400; Fax: +91 22 2495 0221;
Email: india.investors@novartis.com
Corporate Identification No. (CIN) – L24200MH1947PLC006104
Contact Person: Trivikram Guda, Company Secretary & Compliance Officer
Tel: +91 22 2495 8400; Fax: +91 22 2495 0221;
Email: india.investors@novartis.com; Website: www.novartis.in

CASH OFFER TO BUYBACK NOT EXCEEDING 34,50,000 (THIRTY FOUR LAKHS AND FIFTY THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 5 EACH, REPRESENTING 12.26% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PRESENT ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. FRIDAY, DECEMBER 8, 2017, ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE AT A PRICE OF ₹ 670 (RUPEES SIX HUNDRED AND SEVENTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE MAXIMUM AMOUNT OF ₹ 231,15,00,000 (RUPEES TWO HUNDRED AND THIRTY ONE CRORES FIFTEEN LAKHS ONLY)

1) The Buyback is in accordance with Article 9A of the Articles of Association of the Company, provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, to the extent applicable and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory and/or regulatory authorities including but not limited to Securities and Exchange Board of India, BSE Limited, Reserve Bank of India etc.
2) The Buyback Offer Size is 24.98% of the total paid-up capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 (the last audited financial statements available as on the date of the Board meeting recommending the proposal of the Buyback) and is within the statutory limit of 25% of the total paid-up capital and free reserves as per the last audited financial statements of the Company.
3) This Letter of Offer is sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday, December 8, 2017.
4) The procedure for tender and settlement is set out in paragraph 20 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement ("**Tender Form**") is enclosed together with this Letter of Offer.
5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 20.23 of Letter of Offer.
6) A copy of the Public Announcement, Draft Letter of Offer and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India at http://www.sebi.gov.in.
7) Equity Shareholders are advised to refer to paragraph 17 (Details of Statutory Approvals) and paragraph 21 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: THURSDAY, JANUARY 4, 2018
BUYBACK CLOSES ON: WEDNESDAY, JANUARY 17, 2018
LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK OFFER: FRIDAY, JANUARY 19, 2018 BY 5 PM

All future correspondence in relation to the Buyback, if any, should be addressed to Manager to the Buyback Offer or Registrar to the Buyback Offer at the respective addresses mentioned below:

MANAGER TO THE BUYBACK OFFER	REGISTRAR TO THE BUYBACK OFFER
AMBIT CAPITAL PRIVATE LIMITED Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 **Tel:** +91 22 30433000; **Fax:** +91 22 39823020 **Email:** novartisbuyback2017@ambit.co **SEBI Registration No.:** INM000012379 **Validity Period:** Permanent **Website:** www.ambit.co **Contact Person:** Praveen Sangal	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083, Maharashtra **Tel:** 022 4918 6200; **Fax:** 022-4918 6195 **Email:** novartis.buyback2017@linkintime.co.in **SEBI Registration No.:** INR000004058 **Validity Period:** Permanent **Contact Person:** Mr. Sumeet Deshpande

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1. SCHEDULE OF THE ACTIVITIES OF THE OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback Offer	September 25, 2017	Monday
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback Offer	November 22, 2017	Wednesday
Date of publication of the Public Announcement for the Buyback Offer	November 24, 2017	Friday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	December 8, 2017	Friday
Date of Opening of the Buyback Offer	January 4, 2018	Thursday
Date of Closing of the Buyback Offer	January 17, 2018	Wednesday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar	January 19, 2018	Friday
Last date of verification of Tender Forms by Registrar	January 25, 2018	Thursday
Last date of providing Acceptance to the Stock Exchange by the Registrar	January 25, 2018	Thursday
Last date of settlement of bids on the Stock Exchange	January 29, 2018	Monday
Last date of dispatch of share certificate(s) by Registrar / return of un-accepted demat shares by Stock Exchange to Selling Member / Eligible Shareholders	January 29, 2018	Monday
Last date of extinguishment of Equity Shares	February 5, 2018	Monday

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. DEFINITIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder up to the Eligible Equity Shares
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, including any amendments thereto
AOP	Association of Persons
BSE	BSE Limited
Board Meeting	Meeting of the Board of Directors held on September 25, 2017 approving the proposal for the Buyback Offer
Board of Directors	Board of directors of the Company
BOI	Body of Individuals
Buyback Committee	Buyback Committee comprising of Ranjit Shahani, Vice Chairman & Managing Director, Monaz Noble, Whole Time Director & Chief Financial Officer and Trivikram Guda, Company Secretary & Compliance Officer, constituted and authorized by the Board of Directors for the purposes of the Buyback Offer pursuant to a resolution passed at the Board Meeting
Buyback Entitlement	The number of Equity Shares that an Equity Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Equity Shareholder on the Record Date and the ratio of Buyback applicable in the category to which such Equity Shareholder belongs
Buyback Offer / Buyback / Offer	Offer by Novartis India Limited to buyback not exceeding 34,50,000 fully paid-up equity shares of face value ₹ 5 each from all the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 670 per equity share
Buyback Offer Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. ₹ 670 (Rupees Six Hundred and Seventy only) per Equity Share, payable in cash
Buyback Offer Size	Maximum number of Equity Shares proposed to be bought back (i.e. 34,50,000 Equity Shares of face value of ₹ 5 each) multiplied by the Buyback Offer Price (i.e. ₹ 670 per Equity Share) aggregating to ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only)

Term	Description
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
Closing Date	Wednesday, January 17, 2018
Companies Act	The Companies Act, 2013, as amended and applicable rules thereunder
Company's Broker	Ambit Capital Private Limited
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
Designated Stock Exchange / Stock Exchange	BSE Limited
Draft Letter of Offer	The Draft letter of offer dated December 1, 2017 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DTAA	Double Taxation Avoidance Agreement
DP	Depository Participant
Eligible Equity Shares	Eligible Equity Shares means the lower of: 1. Total number of Equity Shares held by an Equity Shareholder as on the Record Date; or 2. Total number of Equity Shares tendered by an Eligible Shareholder
Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, December 8, 2017
Equity Shares / Shares	Fully paid-up equity shares of face value of ₹ 5 each of the Company
Equity Shareholder(s) / Shareholder	Holders of the Equity Shares of the Company
Escrow Bank	BNP Paribas, Bandra Kurla Complex Branch
Escrow Agreement	The escrow agreement dated November 22, 2017 entered into between the Company, Escrow Bank and Ambit Capital Private Limited.
Escrow Account	The escrow account opened with Escrow Bank in terms of the Escrow Agreement
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer / Offer Document	This Letter of Offer dated December 21, 2017 containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, including comments that were received from SEBI on the Draft Letter of Offer
Ltd.	Limited

Term	Description
Manager to the Buyback Offer	Ambit Capital Private Limited
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s) / FPI(s) and erstwhile OCBs
Novartis / NIL / Company	Novartis India Limited
NRI	Non Resident Indian being citizens of India or persons of Indian origin (as defined under section 115C of the Income Tax Act)
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Tendering Period	Period of ten working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Opening Date	Thursday, January 4, 2018
Promoter	Novartis AG
Public Announcement / PA	The public announcement of the Buyback dated November 23, 2017 which was published on November 24, 2017
PAN	Permanent Account Number
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, December 8, 2017
Registrar to the Buyback Offer / Registrar	Link Intime India Private Limited
SEBI	Securities and Exchange Board of India
Seller Member	A Stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Equity Shareholder, who holds Equity Shares of market value not more than Rupees two lakhs, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, December 8, 2017
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip generated by the exchange bidding system

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback Offer, Ambit Capital Private Limited has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback Offer, Ambit Capital Private Limited has furnished to SEBI a due diligence Certificate dated December 1, 2017 in accordance with Buyback Regulations which reads as follows:

"*We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:*

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *All the legal requirements connected with the said Buyback Offer including Buyback Regulations, have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the company to make a well informed decision in respect of the captioned Buyback Offer;*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.*"

The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter of the Company / Board of Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Promoter of the Company / Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Promoter of the Company / Board of Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

Disclaimer for U.S. Persons

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries

This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on September 25, 2017. The extracts of the Board resolution are as follows:

"RESOLVED THAT pursuant to the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**") and in accordance with Article 9A of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**") to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**"), and in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, statutory modifications or re-enactments, for the time being in force and, subject to the approval of members by postal ballot and further, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of up to 34,50,000 fully paid-up equity shares of Rs. 5/- each of the Company (representing 12.26% of the total paid up equity share capital of the Company) at a price of Rs. 670 per equity share (Rupees Six Hundred and Seventy Only) ("**Buyback Offer Price**") payable in cash for an aggregate amount of Rs. 231.15 crores (Rupees Two Hundred Thirty One crores and Fifteen Lakhs only) ("**Buyback Offer Size**") which is 24.98% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone accounts of the Company for the financial year ended March 31, 2017 from the equity shareholders of the Company, as on the record date, on a proportionate basis through the "**Tender offer**" route as prescribed under the Buyback Regulations ("**Buyback**"). The Buyback size does not include any expenses incurred or to be incurred for the Buyback like filing fees, advisory fees, public announcement expenses, printing and dispatch expenses, and other incidental and related expenses.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

RESOLVED FURTHER THAT as required under Regulation 6 of the Buyback Regulations, the Company shall buy back the equity shares from the shareholders on a proportionate basis under the Tender offer, provided 15% of the number of equity shares which the Company proposes to buy back or number of equity shares entitled as per the shareholding of small shareholders as on Record Date, whichever is higher, shall be reserved for small shareholders in accordance with the provisions of the Buyback Regulations.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback and the amount required by the Company for the Buyback is intended to be met out of the Company's current balances of cash and cash equivalents and/ or internal accruals of the Company (and not from any borrowed funds) and on such terms and conditions as the board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed there under, if any.

RESOLVED FURTHER THAT Mr. Trivikram Guda, Company Secretary & Compliance Officer be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT the draft of the Declaration of Solvency placed before the meeting be and is hereby approved and Mr. Ranjit Shahani, Vice Chairman & Managing Director and any one of Ms. Monaz Noble, Whole Time Director & Chief Financial Officer, Mr. Jai Hiremath and Dr. R Mehrotra, Directors of the Company be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India in accordance with applicable law.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

a) that immediately following the date of the board meeting held on September 25, 2017 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;

b) that as regards the Company's prospects for the year immediately following the date of the board meeting held on September 25, 2017 as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buyback, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;

c) that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the applicable provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016.

RESOLVED FURTHER THAT the Board hereby confirms:

a) That all the equity shares of the Company are fully paid-up;

b) That the Company has not completed a buyback of any of its securities during the period of one year reckoned from the date of the closure of the preceding offer of buyback;

c) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buyback;

d) That the Company shall not buyback the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

e) That the Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;

f) That the Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;

g) That the Company shall not directly or indirectly purchase its own equity shares:
   a. through any subsidiary company including its own subsidiary companies; or
   b. through any investment company or group of investment companies;

h) That there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;

i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;

j) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of this Buyback;

k) That funds borrowed from banks and financial institutions will not be used for the Buyback;

l) That the aggregate amount of the Buyback i.e. Rs. 231.15 crores (Rupees Two Hundred Thirty One Crores and Fifteen Lakhs only) does not exceed 25% of the aggregate of the total paid-up equity capital and free reserves of the Company as on March 31, 2017;

m) That the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

RESOLVED FURTHER THAT a Committee be constituted ("Buyback Committee") comprising of Mr. Ranjit Shahani, Ms. Monaz Noble and Mr. Trivikram Guda. Further the Buyback Committee is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

a) finalizing the terms of the Buyback like record date, entitlement ratio, the timeframe for completion of Buyback;

b) the appointment and finalization of the merchant banker, solicitors, escrow agents, brokers, registrars, lawyers, depository participants, advertising agencies and other advisors/ consultants/ intermediaries/ agencies, as may be required, for the implementation of the Buyback;

c) Decide and settle the remuneration for all such intermediaries/agencies/persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/letters in respect thereof;

d) Preparation, signing and filing of the public announcement, the Draft letter of offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;

e) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder;

f) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017;

g) enter into escrow arrangements as required in terms of the Buyback Regulations;
h) opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations;
i) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
j) extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board, as required under applicable law;
k) do all such acts, matters and things incidental and in connection with the Buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;
l) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members of the Buyback Committee, and the Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;

RESOLVED FUTHER THAT Ms. Monaz Noble, Whole Time Director & Chief Financial Officer and Mr. Trivikram Guda, Company Secretary & Compliance Officer be and are hereby severally authorised to make all necessary regulatory filings, including filing necessary e-form with the Registrar of Companies, Maharashtra, Mumbai and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board or the Buyback Committee to buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law.

RESOLVED FURTHER THAT Mr.S.N.Ananthasubramanian, Practicing Company Secretary, who has given his consent to act as Scrutinizer, if so appointed, be and is hereby appointed as Scrutinizer to conduct the postal ballot at such remuneration, as may be determined by Mr. Trivikram Guda, Company Secretary & Compliance Officer.

RESOLVED FURTHER THAT Mr.S.N.Ananthasubramanian, Practicing Company Secretary, be and is hereby authorized to do all such acts, deeds and things as may be necessary to conduct the process in a fair and transparent manner and to submit his final report, ballot papers and other related papers and registers to the Board of Directors of the Company or its Committee formed for the purpose within the specified time period.

RESOLVED FURTHER THAT in compliance with Buyback Regulations, Ambit Capital Private Limited be appointed as the Merchant Banker for the proposed Buyback;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the board and the buyback committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or

proper in relation to or in connection with or for matters consequential to the buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

5. DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated November 23, 2017 in relation to the Buyback which was published on November 24, 2017 in the following newspapers:

Publication	Language of Newspaper	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

The Public Announcement was issued within two working days from the date of passing the special resolution by the Equity Shareholders of the Company approving the Buyback through postal ballot, the result of which was declared on November 22, 2017.

For compliance with the requirements of Buyback Regulations, the Company will publish further notices or corrigenda in the above 3 newspapers in the editions as mentioned above – i.e. The Financial Express, Jansatta and Navshakti. In addition to the publications mentioned above, wherein the Public Announcement was published to comply with the statutory requirements under the Buyback Regulations, the Public Announcement was also published in the Financial Express (Gujarati – Ahmedabad Edition), on November 24, 2017.

The Public Announcement is available on the SEBI website at www.sebi.gov.in.

6. DETAILS OF THE BUYBACK

6.1. The Company has announced the Buyback of not exceeding 34,50,000 Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares, on a proportionate basis, through the Tender Offer route at a price of ₹ 670 (Rupees Six Hundred and Seventy Only) per Equity Share payable in cash for an aggregate amount of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only). The maximum number of Equity Shares proposed to be bought back represents 12.26% of the total number of Equity Shares in the present paid-up share capital of the Company.

6.2. The Buyback is in accordance with Article 9A of the Articles of Association of the Company, Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, the Companies (Management and Administration) Rules, 2014, to the extent applicable and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange where the Equity Shares of the Company are listed.

6.3. The Buy-back shall be undertaken on a proportionate basis from the holders of Equity Shares / beneficial owners of Equity Shares as on the Record Date being December 8, 2017 through the Tender Offer process prescribed under Regulation 4(1)(a) of the Buyback Regulations. The Buyback will be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and following the procedure described in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to

complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time. In this regard, the Company will request BSE to provide the separate acquisition window to facilitate tendering of Equity Shares under the Buyback. BSE would be the designated stock exchange for this Buyback.

6.4. The Buyback Offer Size is 24.98% of the total paid-up capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 (the last audited financial statements of the Company available as on the date of the Board meeting recommending the proposal of the Buyback) and is within the statutory limit of 25% of the fully paid-up equity share capital and free reserves as per the last audited financial statements of the Company. The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like SEBI filing fees, Stock Exchange fees, advisors fees, brokerage, securities transaction tax, GST, stamp duty, Public Announcement publication expenses, printing & dispatch expenses and other incidental and related expenses.

6.5. Details of shareholding of Promoter, the directors of the Promoter and the directors of the Company:

a) The aggregate shareholding of the Promoter who is in control of the Company as on the date of the Public Announcement (i.e. November 23, 2017) is as follows:

Sr. No.	Name	Equity Shares held	% of Shareholding
1	Novartis AG	2,06,56,042	73.40
	Total	**2,06,56,042**	**73.40**

b) The aggregate shareholding of the directors of the Promoter, as on the date of the Public Announcement (i.e. November 23, 2017), is as follows:

None of the directors of Novartis AG hold any Equity Shares in the Company.

c) Shareholding of the directors of the Company as on the date of the Public Announcement (i.e. November 23, 2017):

None of the directors of the Company hold any Equity Shares in the Company except the following:

Sr. No.	Name	Equity Shares held	% of Shareholding
1	Dr. Rajendra Nath Mehrotra	220	0.0007%
	Total	**220**	**0.0007%**

d) There were no transactions, either purchase / sale / transfer, undertaken by the Promoter of the Company, directors of the Promoter during the period of six months preceding, and including the date of the Board Meeting at which the proposal for Buyback was approved i.e. September 25, 2017 and from the date of the Board Meeting till the date of this Letter of Offer.

6.6. In terms of the Buyback Regulations, under the tender offer route, the promoters of a company have the option to participate in the Buyback. In this regard, Novartis AG, being the Promoter of the Company, has informed the Company vide its letter dated September 25, 2017 regarding its intention to participate in buyback to the extent of its shareholding in the Company as on the Record Date, or such lower number of shares as required in compliance with the Buyback Regulations / terms of the Buyback. For details in regard to the intention of the Promoter of the Company to participate in the Buyback and the maximum number of Equity Shares to be tendered, kindly refer to paragraph 9.2 of this Letter of Offer.

6.7. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter of the Company, post Buyback will increase to 73.85% of the post Buyback equity share capital of the Company. Post the Buyback, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with Article 9A of the Articles of Association of the Company, provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act and Regulation 4(1)(a) and other applicable provisions of the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchange etc.

On September 25, 2017, the Board of Directors passed a resolution to buyback Equity Shares of the Company and sought approval of Shareholders, as a special resolution, through the postal ballot notice dated September 25, 2017. The Shareholders of the Company have approved the Buyback by way of a special resolution, through postal ballot, the results of which were declared on November 22, 2017.

8. NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own equity shares. The objective is to return surplus cash to the Shareholders holding Equity Shares of the Company. The Board at its meeting held on September 25, 2017, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ending March 31, 2017 and considering these, the Board decided to allocate a sum of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only) for distributing to the Equity Shareholders through the Buyback.

After considering several factors and benefits to the Equity Shareholders, the Board decided to recommend Buyback of not exceeding 34,50,000 (Thirty Four Lakh Fifty Thousand) equity shares (representing 12.26% of the total number of equity shares in the present paid-up equity share capital of the Company) at a price of ₹ 670 (Rupees Six Hundred and Seventy Only) per Equity Share for an aggregate consideration of ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only). Buyback is an efficient form of distributing surplus cash to the Shareholders holding Equity Shares of the Company, inter-alia, for the following reasons:

i. The Buyback will help the Company to distribute surplus cash to its Equity Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to Shareholders;
ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to Small Shareholders. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public Shareholders, who would get classified as “Small Shareholder”;
iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in Shareholders’ value; and
iv. The Buyback gives an option to the Equity Shareholders, who can choose to participate and get cash in lieu of Equity Shares accepted under the Buyback Offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

9.1. The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response (100% acceptance) to the Buyback, the funds deployed by the Company towards the Buyback would be ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

9.2. In terms of the Buyback Regulations, under the tender offer route, the promoters of a company have the option to participate in the Buyback. Novartis AG, being the Promoter of the Company, has expressed its intention, vide its letter dated September 25, 2017, to participate in the Buyback and offer up to an aggregate maximum of 2,06,56,042 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.

9.3. As per the information provided by Novartis AG vide its letter dated September 25, 2017, details of the date and price of acquisition of the Equity Shares that they intend to tender are set-out below:

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition / Sale Consideration (₹ in Lakhs)	Nature of Transaction
Prior to 17-Oct-66	48,748	(Refer Note 1)	—
17-Oct-66	162,493	Nil	Bonus Issue
18-Oct-71	105,634	Nil	Bonus Issue
16-Apr-74	84,500	Nil	Bonus Issue
17-Jun-77	200,687	Nil	Bonus Issue
6-May-80	301,031	Nil	Bonus Issue
26-Apr-85	(194,783)	337.00	Sale of Shares
25-Jan-91	354,155	Nil	Bonus Issue
26-Sep-97	Sub division of face value of equity shares from ₹ 100 to ₹ 10 each		
29-Oct-97	2,700,000	Not Available	Allotment of shares post merger of Sandoz India Ltd ("SIL") with Hindustan Ciba Geigy Ltd. ("HCGL") through a court approved scheme of amalgamation. In consideration of transfer of the existing business of SIL in favour of HCGL, the promoters were allotted 10 equity shares of ₹ 10 each of the Company for every 15 shares of ₹ 10 each held in SIL.

Date of Acquisition	No. of Equity Shares Acquired / (Sold)	Cost of Acquisition / Sale Consideration (₹ in Lakhs)	Nature of Transaction
3-Dec-98	2,921,800	56,552.27	Acquisition of shares from Ciba India Private Ltd. for effectuating a reorganization pursuant to a scheme of reconstruction.
12-Oct-00	Demerger of Syngenta and subsequent reduction of face value of the shares from ₹ 10 to ₹ 5		
1-Sep-01	30,987	Not Available	Allotment of shares post merger of Ciba CKD Biochem Ltd. ("CCBL") with Novartis India Ltd. through a court- approved Scheme of Arrangement. In consideration of transfer of the existing business of CCBL in favour of NIL, the promoters were allotted 1 equity share of ₹ 5 each of the Company for every 50 shares of ₹ 10 each held in CCBL.
25-Jun-09	8,147,365	36,663.14	Acquisition of equity shares pursuant to an open offer
30-May-13	(454,205)	(2,544.96)	Sale of shares pursuant to the offer for sale through stock exchange mechanism
21-Sep-16	(3,314,555)	(25,190.62)	Extinguished pursuant to the Buyback Offer
Total Current Holding	**2,06,56,042**		

Note: The relevant documents showing the exact date and cost of acquisition by the Promoter between December 13, 1947 i.e. the date of incorporation of the Company and October 17, 1966 are not available.

9.4. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their entitlement, the aggregate shareholding of the Promoter of the Company, post Buyback will increase to 73.85% from 73.40% pre Buyback, and the aggregate shareholding of the public in the Company shall decrease to 26.15% post Buyback from 26.60% pre Buyback.

9.5. The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.

9.6. Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding would undergo a change.

9.7. The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% of the Buyback Offer (full acceptance).

9.8. The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback.

9.9. The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.

9.10. Salient financial parameters consequent to the Buyback based on the latest standalone audited results as on March 31, 2017 are as under:

Parameters	Pre-Buyback	Post-Buyback***
Net worth (₹ Lakhs)*	92,516	69,401
Return on Net worth (%)	6.18	8.24
Earnings Per Equity Share - Basic & Diluted (net of tax) (Rs.)	19.10	21.58
Book Value per Share (₹)	328.76	281.08
Price/Earnings as per the latest audited financial statements for the financial year ended March 31, 2017**	33.68	29.81
Total Debt / Equity Ratio	Nil	Nil

Notes:

i. Pre and Post Buyback calculations are based on financial numbers as on March 31, 2017.

ii. *Net worth: Equity Share Capital + Free Reserves (as defined under Section 2 (43) of the Companies Act, 2013). The company does not have any revaluation reserves and miscellaneous expenditure to the extent not written off as on March 31, 2017

iii. ** Price / Earnings ratio based on the closing market price as on November 24, 2017, the date of publication of Public Announcement, as quoted on BSE i.e ₹ 643.30.

iv. *** The Post Buyback numbers are calculated by reducing the pre Buyback net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact of reduction in the investment income (due to reduced amount available for investment post buyback) on the profit and loss account.

10. BASIS OF CALCULATING BUYBACK PRICE

10.1. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 670 (Rupees Six Hundred and Seventy Only) per Equity Share.

10.2. The Buyback Offer price of ₹ 670 per Equity Share has been arrived at after considering various factors such as the volume weighted average price of the Equity Shares on BSE (where the Equity Shares are listed), the networth of the Company and the impact of the Buyback on the key financial ratios of the Company.

10.3. The Buyback Offer price represents a premium of 6.82% over the volume weighted average price of the Equity Shares on BSE for 3 months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback and 8.28% over the volume weighted average price of the Equity Shares on BSE for 2 weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.

10.4. For trends in the market price of the Equity Shares, please refer to paragraph 16 of this Letter of Offer.

10.5. The closing market price of the Equity Shares as on September 20, 2017, the date of intimation to the BSE for the Board Meeting for considering the Buyback, was ₹ 648.80 on BSE.

10.6. The Buyback Offer price offers a premium of 103.80% over the Company's pre Buyback book value per share of ₹ 328.76 as at March 31, 2017.

10.7. The earning per share of the Company pre-Buyback as on March 31, 2017 was ₹ 19.10 and post-Buyback will be ₹ 21.58 assuming full acceptance of the Buyback and subject to notes i and iv under paragraph 9.10.

10.8. The Return on Networth of the Company pre Buyback as on March 31, 2017 was 6.18% and post-Buyback will be 8.24% assuming full acceptance of the Buyback and subject to notes i and iv under paragraph 9.10.

11. SOURCES OF FUNDS FOR THE BUYBACK

11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback of 34,50,000 Equity Shares at a price of ₹ 670 (Rupees Six Hundred and Seventy Only) per Equity Share would be ₹ 231,15,00,000 (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only).

11.2. The funds for the Buyback will be sourced from cash balances available with the Company and/or liquidation of financial instruments held by the Company. These funds have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business and to fund inorganic growth opportunities.

11.3. The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

12.1. In accordance with Regulation 10 of the Buyback Regulations, the escrow agreement dated November 22, 2017 has been entered into amongst the Company, Ambit Capital Private Limited and the Escrow Bank having its branch at BNP Paribas House, 1 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai 400053.

12.2. In accordance with the Escrow Agreement, the Company has opened an escrow account in the name and style "**Novartis India Limited Buyback Offer- Escrow Account**" bearing account number 0900911903600147 with the Escrow Bank. The Company has deposited cash of ₹ 381,150,000 (Rupees Thirty Eight Crores Eleven Lakhs Fifty Thousand Only) in the Escrow Account. This amount of cash deposited is equal to the amount required to be deposited in terms of the Buyback Regulations. In terms of the Escrow Agreement, the cash as well as any fixed deposit created therefrom would form part of the Escrow Account. The Manager to the Buyback Offer has been duly authorised to realize the value of the Escrow Account and has been empowered to operate the Escrow Account, in terms of the Buyback Regulations.

12.3. Sandip Shah & Co. Chartered Accountants (Firm Registration Number: 133680W), having their office at B-402, 4th Floor, Sahayog Co. Op. Hsg. Soc. Ltd., S.V. Road, Kandivali (W), Mumbai – 400 067, Tel: + 9122 6561 6681, signing through their proprietor Sandip Shah (Membership Number: 103125) have certified vide their certificate dated November 23, 2017, that the Company has adequate financial resources to fulfilling financial obligations arising out of the Buyback Offer.

12.4. Based on the above mentioned certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1. The capital structure of the Company, as on the date of the Public Announcement, is as follows:

Particulars	No. of Shares	Amount (₹ Lakhs)
Authorised Equity Shares	64,000,000	3,200

Particulars	No. of Shares	Amount (₹ Lakhs)
Issued, Subscribed and Paid-up Equity Shares before the Buyback	2,81,40,797	1,407
Issued, Subscribed and Paid-up Equity Shares after the Buyback*	2,46,90,797	1,235

*Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of Buyback.

13.2. Except for the below mentioned buyback programme, the Company has not bought back any equity shares under any buyback programme during the 3 years preceding the date of the Public Announcement:

No. of Equity Shares bought back	Buyback Price (₹)	Offer Opening Date	Offer Closing Date
38,20,000	760	August 25, 2016	September 8, 2016

13.3. As on the date of the Public Announcement, there are no outstanding preference shares, partly paid-up equity shares or outstanding convertible instruments or calls in arrears.

13.4. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

13.5. The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback.

13.6. The shareholding pattern of the Company pre-Buyback, taken as on December 8, 2017 (the Record Date), as well as the post Buyback shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback#	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of post buyback equity share capital
Promoter and persons acting in concert	20,656,042	73.40	18,235,154	73.85
Foreign Investors (including Non Resident Indians FIIs and Foreign Mutual Funds)	285,704	1.02	6,455,643	26.15
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	286,506	1.02		
Others (Public, Public Bodies Corporate etc.)	6,912,545	24.56		
Total	**28,140,797**	**100.00**	**24,690,797**	**100.00**

Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement. The shareholding, post completion of the Buyback, may differ depending upon the actual number of Equity Shares bought back in the Buyback from each category.

13.7. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoter of the Company, post Buyback will increase to 73.85% of the post Buyback equity share capital of the Company.

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1. The Company was originally incorporated on December 13, 1947 as 'Ciba Pharma Private Limited'. On January 5, 1961, its name was changed to 'Ciba of India Limited'. On March 22, 1974, it was further changed to 'Ciba-Geigy of India Ltd.' and on January 1, 1983 it was changed to 'Hindustan Ciba-Geigy Ltd.'. The Company has been known as Novartis India Limited since October 21, 1997 as a result of the amalgamation of Sandoz (India) Ltd and Hindustan Ciba-Geigy Ltd.

14.2. The Company's registered and corporate office is situated at Sandoz House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai – 400018, Maharashtra. The Company's Corporate Identity Number (CIN) is L24200MH1947PLC006104.

14.3. The Company operates in the branded generics pharmaceutical segment. It operates in therapeutic areas of Pain & Inflammation, Central Nervous System, Transplant & Immunology and Oncology.

14.4. For the financial years ended March 2017, 2016, 2015, 2014 and 2013, the Company recorded revenue from operations of ₹ 65,623 Lakhs, ₹ 68,990 Lakhs, ₹ 87,338 Lakhs, ₹ 86,223 Lakhs and ₹ 90,336 Lakhs, respectively, and Profit for the year of ₹ 5,722 Lakhs, ₹ 19,829 Lakhs (after extraordinary items), ₹ 7,911 Lakhs, ₹ 9,853 Lakhs and ₹ 11,973 Lakhs, respectively on a standalone basis. Figures for the year ended March 31, 2017 & March 31, 2016 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and figures for the year ended March 31, 2015, March 31, 2014 and March 2013 are in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (IGAAP).

14.5. The Equity shares of the Company were listed on BSE Limited in 1983.

14.6. Details of the changes in share capital of the Company since listing is as follows:

Date of the allotment / extinguishment	No. of Equity Shares issued	Cumulative Equity share capital		Mode of Allotment
		No. of Equity Shares	₹ In Lakhs	
September 23, 1983	381,400 equity shares of ₹ 100/- each	1,770,775	1,770.78	Allotment made on IPO
January 25, 1991	885,387 equity shares of ₹ 100/-each	2,656,162	2,656.16	Bonus Issue
October 29, 1997	5,300,004* equity shares of ₹ 10/-each	31,861,624	3,186.16	Allotment of shares to Shareholders of Sandoz India post merger of Sandoz India Ltd with Hindustan Ciba Geigy Ltd. and split in the face value of shares of Hindustan Ciba Geigy Ltd. from ₹ 100 per share to ₹ 10 per share through a court approved scheme of amalgamation
September 1, 2001	99,173 equity shares of ₹ 5/-each	31,960,797	1,598.04#	Allotment of shares post merger of Ciba

Date of the allotment / extinguishment	No. of Equity Shares issued	Cumulative Equity share capital		Mode of Allotment
		No. of Equity Shares	₹ In Lakhs	
				CKD Biochem with Novartis India Ltd. through a court-approved Scheme of Arrangement**
September 21, 2016	(3,820,000) equity shares of ₹ 5/-each	2,46,90,797	1,235	Extinguished pursuant to the Buyback Offer

Notes:

1. * As the scheme of Amalgamation was retrospectively effective from April 1, 1996 these shares were deemed to have been allotted from April 1, 1996.
2. ** The Order also provided for reduction in the face value of Company's equity shares from ₹ 10 per share to ₹ 5 per share. This change was effective from April 1, 2000.
3. # Effective April 1, 2001, the agribusiness undertaking of the Company was transferred to Syngenta India Private Limited. In terms of scheme of demerger, the issued, subscribed and paid up share capital reduced from ₹ 3,186.16 lakhs divided into 31,861,624 equity shares of ₹ 10 each to 31,861,624 shares of ₹ 5 each. Every shareholder was allotted from Syngenta one fully paid equity share of ₹ 5 each for every one fully paid equity share of ₹ 5 each held in the Company.
4. The relevant documents for allotments made by the Company since the date of incorporation of the Company and September 23, 1983 are not available.

14.7. The Board of Directors of the Company as on the date of the Public Announcement:

Sr. No.	Name, Qualification, Occupation and Age	Date of Appointment / Re appointment	Designation	Other Directorships
1.	Christopher Snook **Qualification:** B.E. Mechanical Engineering **Occupation:** Strategic Advisor **Age:** 64 years	August 1, 2008	Chairman	1. Novartis Pharma (Pakistan) Limited, Karachi 2. Novartis (Bangladesh) Limited, Gazipur 3. Beijing Novartis Pharma Co Ltd 4. Tianjin Hexal Pharmaceutical Co., Ltd.
2.	Ranjit Shahani* **Qualification:** B.E. Mechanical Engineering, P.G. Business Management **Occupation:** Employment **Age:** 68 years	November 1, 2002	Vice Chairman & Managing Director	1. Novartis Comprehensive Leprosy Care Association 2. Octopus Steel Private Limited 3. Organisation of Pharmaceutical Producers of India 4. Swiss Indian Chamber of Commerce India
3.	Monaz Noble **Qualification:** Bcom, ACS, ACMA, MBA **Occupation:** Employment **Age:** 50 years	June 13, 2016	Whole Time Director & Chief Financial Officer	Nil
4.	Jai Hiremath **Qualification:** CA **Occupation:** Business	January 28, 2006	Independent Director	1. Ekadant Investment Pvt. Ltd. 2. Shri Badrinath

Sr. No.	Name, Qualification, Occupation and Age	Date of Appointment / Re appointment	Designation	Other Directorships
	Age: 69 years			Investment Pvt. Ltd. 3. Shri Rameshwara Investment Pvt. Ltd. 4. Iris Investment Pvt. Ltd. 5. Decent Electronics Pvt. Ltd. 6. Karad Engineering Consultancy Pvt. Ltd. 7. Rushabh Capital Services Pvt. Ltd. 8. Hikal Ltd 9. Acoris Research Ltd. 10. International Wine and Food Society
5.	Dr Rajendra Nath Mehrotra **Qualification:** B.E. Electrical & Mechanical Engineering & Master in Management & Doctorate **Occupation:** Professional **Age:** 72 years	May 30, 2000	Independent Director	Nil
6.	Sandra Martyres **Qualification:** Masters in Economics and Diploma in Business Administration **Occupation:** Consultant **Age:** 65 years	April 19, 2016	Independent Director	1. SG Wealth Management Solutions Private Limited 2. Daystar Travels Private Limited 3. Bank One Mauritius

* Mr. Ranjit Shahani will be stepping down from the office of Vice Chairman and Managing Director effective February 28, 2018 (close of business hours) on account of resignation on November 10, 2017.

14.8. The details of changes in the Board of Directors during the 3 years preceding the date of the Public Announcement are as follows:

Name of Director	Appointment/ Resignation	Effective Date	Reasons
Manisha Girotra	Resignation	February 11, 2016	Resignation
Sandra Martyres	Appointment	April 19, 2016	Appointment
Dinesh Charak	Resignation	May 26, 2016	Resignation
Monaz Noble	Appointment	June 13, 2016	Appointment

14.9. The Buyback will not result in any benefit to any directors of the Company / Promoter of the Company / person in control / group company except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company, as extracted from the standalone audited results for the last three financial years and standalone unaudited financials for the six months period ended September 30, 2017 is detailed below:

(₹ in Lakhs unless stated otherwise)

Particulars	**For six months period ended September 30, 2017***	**For the year ended March 31, 2017***	**For the year ended March 31, 2016***	**For the year ended March 31, 2016^**	**For the year ended March 31, 2015^**
	Ind AS	**Ind AS**	**Ind AS**	**IGAAP**	**IGAAP**
Continuing Operations					
Revenue from -Operations	28,247	65,623	68,990	69,282	64,834
Other Income	4,778	7,015	8,088	8,039	10,685
Total Income	33,025	72,638	77,078	77,321	75,519
Total Expenditure excluding depreciation & amortisation, finance costs	27,864	63,034	65,571	65,770	65,324
Depreciation & amortisation	135	359	349	349	355
Finance costs					
(i) Interest Expense	-	-	-	-	-
(ii) Other Finance Costs	7	72	21	18	21
Profit from Continuing Operations before Tax	**5,019**	**9,173**	**11,137**	**11,184**	**9,819**
Total Tax Expense (including deferred tax)	1,704	3,451	3,888	3,903	1,397
Profit from Continuing Operations after Tax	**3,315**	**5,722**	**7,249**	**7,281**	**8,422**
Discontinued Operations@					
Profit from Discontinued Operations after Tax	0	0	12,580	12,580	(511)
Profit for the year	3,315	5,722	19,829	19,861	7,911
As On	September 30, 2017*	March 31, 2017*	March 31, 2016*	March 31, 2016^	March 31, 2015^
Paid-up equity share capital	1,407	1,407	1,598	1,598	1,598
Reserves & Surplus	90,817	90,557	117,760	114,615	98,601
Net worth#	92,444	92,516	120,052	116,198	100,184
Total debt	Nil	Nil	Nil	Nil	Nil

Notes:

1. * Figures for the year ended March 31, 2017 & March 31, 2016 and for the six months period ended September 30, 2017 are in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS)
2. ^ Figures for the year ended March 31, 2016 & March 31, 2015 are in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (IGAAP)
3. @ The Company discontinued with OTC Division operations wef 30th September, 2015 and Animal Health Division operations wef 31st December, 2015
4. # Net worth = Equity Share Capital + Free Reserves (as defined under Section 2(43) of the Companies Act, 2013).

Key Financial Ratios:

Particulars	For six months period ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2015
	Ind AS	Ind AS	Ind AS	IGAAP	IGAAP
Earnings Per Equity Share – Basic & Diluted (from continuing Operations (₹)	11.78	19.10	22.68	22.78	26.35
Earnings Per Equity Share – Basic & Diluted (from total operations(₹)	11.78	19.10	62.04	62.14	24.75
Book Value per Equity Share (₹)	328.51	328.76	375.62	363.56	313.46
Return on Net worth (after extraordinary Items) (%)	3.59	6.18	16.52	17.09	7.90
Debt / Equity Ratio	Nil	Nil	Nil	Nil	Nil
Total Debt/Net worth	Nil	Nil	Nil	Nil	Nil

The key financial ratios have been computed as below:

Key Ratios	Basis of Calculation
Net worth	Equity Share Capital + Free Reserves (as defined under Section 2(43) of the Companies Act, 2013.)
Earnings Per Equity Share (Rs.)	Profit for the year/ Weighted average number of Equity Shares outstanding during the year
Book Value per Equity Share (Rs.)	Net worth / Total outstanding shares as on March 31
Return on Net Worth	Profit for the year/ Net worth
Debt / Equity Ratio	Total Debt / Net worth

The computation of the above ratios is based on the annual audited standalone financials of the Company and any discrepancy with the derived ratios from the table "Key Financials" is due to rounding off. Further, the ratios for the six months period ended September 30, 2017 are based on unaudited standalone financials and have not been annualized.

15.2. The Company shall comply with the Takeover Regulations, wherever and if applicable. The Company hereby declares that it has complied with Section 68, 69, 70, and 110 of the Companies Act.

16. STOCK MARKET DATA

16.1. The Company's Equity Shares are listed and traded on the BSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from May 1, 2017 to November 23, 2017 and the corresponding volumes on BSE are as follows:

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low@ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 3 years								
FY 2014-15	760.00	9-Sep-2014	35,560	438.20	1-Apr-2014	5,674	615.50	7,221,446
FY 2015-16	982.00	20-Jul-2015	553,621	556.15	28-Apr-2015	22,300	759.12	11,792,807
FY 2016-17	855.00	25-May-2016	89,276	629.95	16-Nov-2016	25,046	695.53	3,515,630

Period	High~ (₹)	Date of High	Number of Shares traded on that date	Low@ (₹)	Date of Low	Number of Shares traded on that date	Average Price # (₹)	Number of Shares traded in the period
Preceding 6 months								
May 1, 2017 – May 31, 2017	708.00	3-May-2017	6,114	615.00	25-May-2017	6,839	663.13	183,787
Jun 1, 2017 – Jun 30, 2017	664.00	8-June-2017	6,846	619.10	28-Jun-2017	2,892	636.97	111,326
Jul 1, 2017 – Jul 31, 2017	680.90	27-July-2017	68,928	618.00	3-July-2017	10,436	634.58	352,304
Aug 1, 2017 – Aug 31, 2017	631.85	2-Aug-2017	6,124	579.00	11-Aug-2017	14,592	598.67	158,442
Sep 1, 2017 – Sep 30, 2017	698.00	22-Sep-2017	76,636	588.05	4-Sep-2017	10,783	628.40	746,686
Oct 1, 2017 – Oct 31, 2017	640.10	18-Oct-2017	9,750	627.00	12-Oct-2017	10,291	632.72	148,844
Nov 1, 2017 – Nov 23, 2017	654.00	13-Nov-2017	21,011	630.10	1-Nov-2017	8,639	638.29	197,983

(Source: www.bseindia.com)
~ High is the highest price recorded for the equity share of the Company during the said period
@ Low is the lowest price recorded for the equity share of the Company during the said period
# Average Price is the arithmetical average of closing prices during the said period

16.2. The closing market price of the Equity Shares of the Company on BSE as on September 24, 2017, i.e. the trading day before the date of the Board Meeting was ₹ 682.60 per Equity Share.

16.3. The closing market price of the Equity Shares of the Company on BSE on September 26, 2017, i.e. the trading day immediately after the Board Meeting was ₹ 636.25 per Equity Share.

17. DETAILS OF STATUTORY APPROVALS

17.1. The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.

17.2. The Buyback Offer from Non-Resident Indian Shareholders will be subject to approval, if any of the appropriate authorities, under the applicable law and regulations. The Eligible Shareholders will solely be responsible for obtaining all such statutory consent and approvals including but without limitation the approval from RBI as may be required by them to sell their Equity Shares to the Company pursuant to the Buyback and shall submit, to the Registrar to the Buyback Offer, a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them and to sell their Equity Shares to the Company.

17.3. Non-Resident Shareholders (excluding OCBs) permitted under general permission under the consolidated Foreign Direct Investment policy issued by the Government of India read with applicable FEMA Regulations, are not required to obtain approvals from RBI.

17.4. As of date, there is no statutory or regulatory approval required to implement the Buyback Offer. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the BSE.

18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Equity Shareholders who wish to tender their Equity Shares in the Buyback Offer can either send it by registered post/courier or hand deliver the Tender Form, physical share certificate, TRS and other documents by superscribing the envelope as "**Novartis India Limited Buyback Offer 2017**" to the Registrar to the Buyback Offer at their below office, so that the same are received within 2 (two) days from the Closing Date i.e. Friday, January 19, 2018:

Link Intime India Private Limited
C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai - 400 083, Maharashtra
Tel: 022 4918 6200
Fax: 022-4918 6195
Email: novartis.buyback2017@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

In case of any query, the shareholders may contact the Registrar during working hours i.e. 10 a.m. and 5 p.m. on all working days except Saturday, Sunday and public holidays.

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to buyback not exceeding 34,50,000 (Thirty Four Lakh Fifty Thousand) Equity Shares from all the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹ 670 (Rupees Six Hundred and Seventy only) per Equity Share, payable in cash for an aggregate amount of ₹ 231.15 Crores (Rupees Two Hundred and Thirty One Crores Fifteen Lakhs only). The maximum number of Equity Shares proposed to be bought back represents 12.26% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 9A of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, RBI etc. The Buyback Offer Size is 24.98% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017.

19.2 The aggregate shareholding of the Promoter as on the Record Date is 2,06,56,042 Equity Shares, which represents 73.40% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the buyback. In this regard, Novartis AG, being the Promoter of the Company, has expressed its intention, vide its letter dated September 25, 2017, to participate in the Buyback and offer upto an aggregate maximum of 2,06,56,042 Equity Shares or such lower number of Equity Shares as required in compliance with the Buyback Regulations / terms of the Buyback.

19.3 Assuming response to the Buyback Offer is to the extent of 100% from all the Eligible Shareholders up to their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoter of the Company will be 18,235,154 Equity Shares, representing 73.85% of the post Buyback equity share capital of the Company i.e. an increase of 0.45 % from their present holding of 73.40% of the pre Buyback equity share capital of the Company.

19.4 Record Date, ratio of Buyback and entitlement of each Shareholder

a) The Company has fixed Friday, December 8, 2017 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.

b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:

- Reserved category for Small Shareholders ("**Reserved Category**"); and

- General category for all Shareholders other than Small Shareholders ("**General Category**")

c) As defined in the Buyback Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than ₹ 200,000 (Rupees Two Lakhs). As on the Record Date, the closing price on BSE was ₹ 635.30 per Equity Share, accordingly all Shareholders holding not more than 314 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.

d) Based on the above definition, there are 40,426 Small Shareholders with aggregate shareholding of 3,119,478 Shares, as on the Record Date, which constitutes 11.09 % of the outstanding paid up equity share capital of the Company and 90.42% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.

e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 5,17,500 Equity Shares which is higher of:

i. Fifteen percent of the number of Equity Shares which the Company proposes to buyback i.e. 15% of 34,50,000 Equity Shares which works out to 5,17,500 Equity Shares; or

ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.(31,19,478 /2,81,40,797)X34,50,000] which works out to 3,82,441 Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

f) Accordingly, the entitlement for General Category shall consist of 29,32,500 Equity Shares.

g) Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category	Entitlement Ratio of Buyback*
Reserved Category	71 Equity Shares out of every 428 fully paid-up Equity Shares held on the Record Date
General Category	77 Equity Shares out of every 657 fully paid-up Equity Shares held on the Record Date

*The above ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio of Buy-back may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is 16.589314% and General category for all other Eligible Shareholders is 11.720006%.

19.5 Fractional Entitlements

If the entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 6 or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

b) Post the acceptance as described in paragraph 19.6 (a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.

c) Post the acceptance as described in paragraph 19.6 (a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category **("Reserved Category Additional Shares"**) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b), shall be reduced by one.

d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c), will be made as follows:

- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

a) Full Acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

b) Post the acceptance as described in paragraph 19.7 (a), in case, there are any validly tendered unaccepted Shares in the General Category **("General Category Additional Shares"**) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares tendered by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.

c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b), will be made as follows:

- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Equity Shares between the two categories

a) After acceptances of tenders, as mentioned in paragraph 19.6 and 19.7, in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares **("Further Additional Shares")** in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.

b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.

c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a):

- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:
  - the number of Shares tendered by the respective Shareholder and
  - the number of Shares held by the respective Shareholder, as on the Record Date.
- Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

19.10 In case of any practical issues, resulting out of rounding-off of Shares or otherwise in Reserved Category and/or General Category, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Paragraph 19.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

20.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.

20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed / dispatched to Equity Shareholders of the Company whose names appear on the register of members of the

Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.

20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.

20.5 Eligible Shareholder(s) will have to transfer the Equity Shares from the same demat account, in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholder(s) are required to tender the applications separately from each demat account, to the special account of The Clearing Corporation of India Limited ("**Clearing Corporation**"). In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback Offer and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback Offer.

20.6 Shareholders' participation in Buyback will be voluntary. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their Buyback Entitlement. Shareholders also have the option of tendering additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 19 of this Letter of Offer.

20.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.

20.8 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

20.9 For implementation of the Buyback, the Company has appointed Ambit Capital Private Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

AMBIT
Acumen at work

Ambit Capital Private Limited
Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Tel: + 91 22 30433000; Fax: + 91 22 30433100; Contact Person: Mr. Sameer Parkar

20.10 The Company will request BSE Limited to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback Offer. The details of the platform will be specified by BSE from time to time.

20.11 All Eligible Shareholder(s) may place orders in the Acquisition Window, through their respective stock brokers ("**Seller Member(s)**").

20.12 Eligible Shareholder(s) can approach any BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker viz. Ambit Capital Private Limited, to bid by using quick UCC facility. The Eligible Shareholder(s) approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

In case of Eligible Shareholder being an individual

If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
    i. Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
    i. PAN card copy
    ii. Address proof
    iii. Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case Eligible Shareholder is HUF:

If Eligible Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
    i. Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
    i. PAN card copy of HUF & KARTA
    ii. Address proof of HUF & KARTA
    iii. HUF declaration
    iv. Bank details (cancelled cheque)

- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Shareholder other than Individual and HUF:
If Eligible Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
    i. Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Shareholder is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
    i. PAN card copy of company/ firm/trust
    ii. Address proof of company/ firm/trust
    iii. Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in physical form must also provide the documents mentioned in Paragraph 20.19.1.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.13 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholder(s) through their respective Seller Members during normal trading hours of the secondary market.

20.14 Seller Members can enter orders for demat Shares as well as physical Shares.

20.15 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

20.16 The cumulative quantity tendered shall be made available on BSE Limited's website – www.bseindia.com throughout the trading session and will be updated at specific intervals

during the Tendering Period.

20.17 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.18 **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**

20.18.1 Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.

20.18.2 The Seller Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender their Equity Shares in the Buyback using the acquisition window of the BSE. It is mandatory to transfer the tendered Equity Shares into the account of Clearing Corporation by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid on the Designated Stock Exchange platform by the Selling Member. This shall be validated at the time of order/bid entry. For further details, Eligible Shareholder(s) may refer to the circulars issued by BSE/Clearing Corporation.

20.18.3 The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by BSE / Clearing Corporation.

20.18.4 For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

20.18.5 Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('**TRS**') generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

20.18.6 Eligible Shareholder(s) who have tendered their Equity Shares in the Buyback may 'hand deliver' the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system at the collection centre (mentioned in section 18 of this Letter of Offer) of the Registrar to the Buyback Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents at the collection centre, may send the same by registered post / speed post, at their own risk, by super scribing the envelope as "Novartis India Limited Buyback Offer 2017", to the Registrar to the Buyback Offer at their office mentioned on the cover page of this Letter of Offer, so that the same are received within 2 (two) days from the Closing Date i.e. Friday, January 19, 2018 (by 5:00 PM).

20.18.7 All Eligible Shareholder(s) shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;

b) Duly attested death certificate and succession certificate / legal heirship certificate, in case any Eligible Shareholder has expired; and

c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).

20.18.8 In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in

the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

20.18.9 The Eligible Shareholder(s) will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback as decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive consideration for Equity Shares accepted in the Buyback Offer.

20.19 Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical form

20.19.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:

a) The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares
b) Original share certificates
c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
d) Self-attested copy of all Shareholder's PAN Card
e) Any other relevant documents such as (but not limited to):
   i. Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
   ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
   iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

20.19.2 Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ('**TRS**') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

20.19.3 After placement of bid, as mentioned in Paragraph 20.19.2, the Seller Member / Shareholder must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph 20.19.1) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ('**RTA**') (at the address mentioned on the cover page or the collection centre of the RTA mentioned in section 18 of this Letter of Offer) within 2 (two) days from the Closing Date i.e. Friday, January 19, 2018 (by 5:00 PM). The envelope should be superscribed as "**Novartis India Limited Buyback Offer 2017**". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member / Shareholder.

20.19.4 Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.

20.19.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before Closing Date.

20.20 In case of non-receipt of this Letter of Offer and the Tender Form:

a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.novartis.in or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.novartis.in or by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), self-attested copy of Equity Shareholders' PAN card(s) including joint holders and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.novartis.in. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.19.1), reach the collection centre before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

20.21 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder(s), shall not invalidate the Buyback Offer in any way.

20.22 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.23 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

20.23.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

20.23.2 The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholder(s). If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholder(s) will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.

20.23.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.

20.23.4 For the Eligible Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.

20.23.5 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company ("Demat Escrow Account") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.

20.23.6 Excess demat Shares or unaccepted demat Shares, if any, tendered by the Eligible Shareholder(s) would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process, not later than Monday, January 29, 2018. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of Custodian Participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted Shares to their respective clients on whose behalf the bids have been placed.

20.23.7 Physical Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholders directly by RTA. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Shareholders holding Equity Shares in the physical form. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Monday, January 29, 2018

20.23.8 The Seller Member would issue contract note for the Equity Shares accepted under the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

20.24 Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity

Shares in the Buyback (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.

20.25 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

20.26 Rejection Criteria

The Equity Shares tendered by Shareholders are liable to be rejected on the following grounds amongst others:

For Shareholders holding Equity Shares in dematerialised form:

a. The Shareholder is not an Eligible Shareholder of the Company as of the Record Date;
b. If there is mismatch in the name (s) of holders/ order of the names in demat account from where shares are tendered and in the demat account as of Record Date;
c. Shares tendered over and above the holding as on the Record Date.

For Shareholders holding shares in physical form:

a. If the original share certificate(s) is/ are not enclosed or any other company's equity share certificate(s) are enclosed with the Tender Form instead of the Equity Share Certificate(s) of the Company;
b. If the transmission of Equity Shares is not completed and the Equity Shares are not in the name of the Eligible Shareholders;
c. If the Eligible Shareholders has bid the Equity Shares but the Registrar to the Buyback Offer does not receive the Equity Share Certificate(s)/ does not receive the Equity Share Certificate(s) within 2 (two) days from the Closing Date i.e. Friday, January 19, 2018 (by 5:00 PM);
d. In case the signature in the Tender Form and Form SH-4 does not match as per the specimen signatures recorded with Company/ Registrar of the Company;
e. In case the transfer form–SH4 is not witnessed;
f. Shares tendered over and above the holding as on the Record Date.

21. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance. The summary does not address any tax considerations arising under the laws of any other tax country.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

1.1. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

a. Shares held as investment (Income from transfer taxable under the head "Capital Gains")

b. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession")

1.2 Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:
- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:
- Non Resident Indians (NRIs)
- Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than Company

2. SHARES HELD AS INVESTMENT

2.1. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement ('DTAA') and subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ('GAAR').

2.2. The taxability as per the provisions of the Income Tax Act is discussed below.

2.2.1. Nature of capital gains as per the provisions of the Income Tax Act
As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

a. Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).

b. Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

2.2.2. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

2.2.3. The provisions of buyback tax under Section 115QA in Chapter XII-DA of the Act do not apply for shares listed on the recognized stock exchange in India.

Buyback of shares through a recognized stock exchange

2.3. Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

a. LTCG arising from such transaction would typically be exempt from tax under section 10(38) of the Act. However, in certain specified cases, the said exemption is available only if purchase of such shares is chargeable to STT; and

b. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

3. SHARES HELD AS STOCK-IN-TRADE

3.1. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

3.2. Resident Shareholders

3.2.1. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
3.2.2. For Domestic Companies, whose total turnover or gross receipt in the previous year 2015-16 is not exceeding ₹ Fifty Crore, profits would be taxable at 25%.
3.2.3. For persons other than individuals, HUF, AOP, BOI and Domestic Companies(whose total turnover or gross receipt in the previous year 2015-16 is not exceeding ₹ Fifty Crore) profits would be taxable @ 30%.

No benefit of indexation by virtue of period of holding would be available in any case.

3.3. Non Resident Shareholders

3.3.1. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the Act.
3.3.2. Where DTAA provisions are not applicable:
- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

4. TAX DEDUCTION AT SOURCE

4.1. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

4.2. In case of Non Resident Shareholders

- In case of FPIs: Section 196D of the Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.
- In case other than FPIs: Section 195(1) of the Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Act. In doing this, the company will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

  Since the buyback is through the Recognized Stock Exchange in India, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholders given that practically it is very difficult to compute withholding taxes. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians/ authorised dealers and/or tax advisors as appropriate.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

NOTES

1. In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess as under:
   - In case of foreign companies: Surcharge @ 5% is leviable where the total income exceeds Rs.10 Crore and @ 2% where the total income exceeds Rs 1 Crore and upto Rs. 10 Crore.
   - In case of non-resident individuals, HUF, AOP, BOI: Surcharge @ 15% is leviable where the total income exceeds ₹ 1 crore and @ 10% where the total income exceeds ₹ 50 Lakh and upto ₹ 1 crore.
   - In case of other non-resident shareholders: Surcharge @ 12% is leviable where the total income exceeds ₹ 1 crore
   - In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 Crore and @ 7% where the total income exceeds Rs.1 Crore and upto Rs. 10 Crore.
   - In case of individuals, HUF, AOP, BOI: Surcharge @ 15% is leviable where the total income exceeds ₹ 1 crore and @ 10% where the total income exceeds ₹ 50 Lakh and upto ₹ 1 crore.
   - In case of other resident assessee: Surcharge @ 12% is leviable where the total income exceeds Rs.1 Crore.

   Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

(ii) The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.

(iii) All the above benefits are as per the current Indian tax laws (Including amendments made by the finance Act 2017), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.

(iv) Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

(v) The company does not accept any responsibility for the accuracy or otherwise of such advice. Therefore, shareholders cannot rely on this advice and the summary Income Tax implications relating to the treatment of Income-tax in the case of buyback of listed equity shares on the recognized stock exchange in India set out below should be treated as indicative and for guidance purposes only.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board of Directors made the aforementioned declaration as on the date of passing the board resolution approving the Buyback i.e. September 25, 2017. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated September 25, 2017, the Buyback Committee has confirmed on behalf of Board of Directors that:

i. there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institutions or banks.

ii. Based on a full enquiry into the affairs and prospects of the Company, the Board of Directors has formed the opinion that:

a) immediately following the date of the Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;

b) as regards the Company's prospects for the year immediately following the date of the Letter of Offer that, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date;

c) In forming its opinion aforesaid, the Buyback Committee has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016.

This declaration is made and issued by the Buyback Committee (under the authority of the Board of Directors) in terms of the resolution passed at the meeting of the Buyback Committee held on December 21, 2017.

For and on behalf of the Board of Directors of Company

Sd/-	Sd/-
Ranjit Shahani	Monaz Noble
Vice Chairman & Managing Director	Whole Time Director & Chief Financial Officer

23. AUDITORS CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment:

The text of the Report dated September 25, 2017 received from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

To,
The Board of Directors
Novartis India Limited
Sandoz House, Shivsagar Estate,
Dr. Annie Besant Road, Worli,
Mumbai- 400 018.

Statutory Auditor's report in respect of proposed buy back of equity shares by Novartis India Limited in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended).

1. This report is issued in accordance with the terms of our engagement letter dated September 21, 2017. The Board of Directors of Novartis India Limited ("**the Company**") have, subject to the approval of the shareholders, passed a resolution for buy back of Equity Shares by the Company at its meeting held on September 25, 2017, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ("**the Act**") read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("**SEBI Buy Back Regulations**").
2. The accompanying Statement of permissible capital payment (including premium) ("**Annexure A**") as at March 31, 2017 (hereinafter referred to as the "**Statement**") is prepared by the Management of the Company, which we have initialed for identification purposes only.

Management's Responsibility

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Act and the compliance with the Sections 68, 69 and 70 of the Act and SEBI Buy Back Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. Pursuant to the requirements of the SEBI Buy Back Regulations, it is our responsibility to provide a reasonable assurance whether:
   (i) we have inquired into the state of affairs of the Company;
   (ii) the amount of permissible capital payment (including premium) as stated in Annexure A, has been properly determined in accordance with Section 68(2)(c) of the Act; and
   (iii) the Board of Directors of the Company in their meeting held on September 25, 2017, have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buy Back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.
5. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. Within the scope of our work, we performed the following procedures:
   i) Examined that the amount of permissible capital payment (including premium) for the buy back as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) of the Act;
   ii) Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2017 (the "**audited financial statements**") and examined budgets prepared by the Management;
   iii) Examined Board of Directors' declarations for the purpose of buy back and solvency of the Company; and
   iv) Obtained appropriate representations from the Management of the Company.
6. The financial statements referred to in paragraph 5 (ii) above, which we have considered for the purpose of this report, have been audited by M/s. Lovelock & Lewes, Chartered Accountants, on which they have issued an unmodified audit opinion vide their report dated May 23, 2017 and have been adopted by the members of the Company on July 28, 2017.
7. We conducted our examination of the Statement in accordance with the Guidance note on Audit Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("**Guidance Note**") and the Standards on Auditing specified under Section 143(10) of the Act. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

Opinion

9. Based on our performance of the aforementioned procedures, we report that:

   i) We have inquired into the state of affairs of the Company with reference to its audited financial statements as at and for the year ended March 31, 2017;
   ii) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view, properly determined in accordance with Section 68(2)(c) of the Act;
   iii) The Board of Directors of the Company in their meeting held on September 25, 2017, have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI

Buy Back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforementioned date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

Restrictions on Use

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buy Back Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Manager, for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

(Uday M. Neogi)
(Partner)
(Membership No. 30235)

Place: Mumbai
Date: September 25, 2017

Annexure A – Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment (including premium) towards buy back of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 ("the Act"):

Particulars	**Rs. in Million**
Equity Share Capital as at March 31, 2017 (28,140,797 equity shares of Rs. 5 each fully paid-up)	140.7
Free reserves as at March 31, 2017:	
- General Reserve	774.7
- Retained Earnings	8,336.2
Total	9,251.6
Maximum permissible amount of buy back i.e. 25% of the total paid-up capital and free reserves	2312.9

Note:

(1) Calculation in respect of permissible capital payment (including premium) for buy back of equity shares is done on the basis of audited financial statements of the company for the year ended March 31, 2017.

(2) The Company has no debt as at March 31, 2017 and hence, computation of debt equity ratio is not applicable.

For and on behalf of Novartis India Limited

Ranjit Shahani
Vice Chairman &
Managing Director

Monaz Noble
Whole Time Director &
Chief Financial Officer

Place: Mumbai
Date: September 25, 2017

Unquote

24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by Shareholders of Novartis India Limited at the corporate office of the Company at Sandoz House, Shivsagar Estate, Dr Annie Besant Road, Worli, Mumbai – 400018, Maharashtra from 10.30 AM to 1 PM on any day, except Saturdays, Sundays and public holidays, during the Tendering Period:

i. Copy of the certificate of incorporation and the Memorandum and Articles of Association of the Company;
ii. Copy of the annual reports of the Company for the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017;
iii. Copy of Limited Review Report received from Deloitte Haskins & Sells LLP, the statutory auditors of the Company, for six months period ended September 30, 2017;
iv. Copy of the resolution passed by the Board of Directors at the meeting held on September 25, 2017 approving proposal for Buyback;
v. Copy of certificate dated September 25, 2017 received from Deloitte Haskins & Sells LLP, the statutory auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
vi. Copy of the postal ballot notice to the Equity Shareholders dated September 25, 2017, along with explanatory statement;
vii. Copy of special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on November 22, 2017;
viii. Copy of declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
ix. Copy of escrow agreement dated November 22, 2017 between the Company, Escrow Bank, and Ambit Capital Private Limited;
x. A confirmation letter dated November 30, 2017 from Escrow Bank confirming the balance to the credit of Escrow Account;
xi. Copy of the certificate from Sandip Shah & Co., Chartered Accountant dated November 23, 2017 certifying that the Company has made firm arrangements for fulfilling the obligations under the Buyback, in accordance with the Buyback Regulations;
xii. Copy of Public Announcement published in the newspapers on November 24, 2017 regarding Buyback of Equity Shares;
xiii. Opinion dated November 15, 2017 obtained by the Company on taxation; and
xiv. Copy of SEBI observation letter no. CFD/DCR/OW/2017/32397 dated December 20, 2017.

25. COMPLIANCE OFFICER

Trivikram Guda,
Company Secretary & Compliance Officer
Novartis India Limited
Sandoz House, Shivsagar Estate, Dr Annie Besant Road,
Worli, Mumbai, Maharashtra – 400018
Tel: +91 22 2495 8400
Fax: +91 22 2495 0221
Email: india.investors@novartis.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 AM and 5:00 PM on all working days except Saturday, Sunday and Public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS

26.1 In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

26.2 If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of sub-section (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

26.3 The address of the concerned office of the Registrar of Companies is as follows:
Registrar of Companies, Maharashtra, Mumbai
100, Everest, Marine Drive, Mumbai – 400 002

27. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and public holidays between 10:00 AM and 4:30 PM at the following address:

Link Intime India Private Limited
C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai - 400 083, Maharashtra
Tel: 022 4918 6200;
Fax: 022-4918 6195;
Email: novartis.buyback2017@linkintime.co.in;
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INR000004058
Validity Period: Permanent
CIN: U67190MH1999PTC118368

28. MANAGER TO THE BUYBACK OFFER

AMBIT
Acumen at work

AMBIT CAPITAL PRIVATE LIMITED
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai- 400013
Tel: +91 22 39821819;
Fax:+91 22 39823020;
Email: novartisbuyback2017@ambit.co
Website: www.ambit.co
Contact person: Praveen Sangal
SEBI Registration No.: INM000012379
Validity Period: Permanent

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer or any other advertisement, circular, brochure, publicity material which may be issued and confirm that the information on such documents contain true, factual and material information and shall not contain any misleading information. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on December 21, 2017.

For and on behalf of the Board of Directors of
Novartis India Limited

Sd/-	Sd/-	Sd/-
Ranjit Shahani	Monaz Noble	Trivikram Guda
Vice Chairman &	Whole Time Director &	Company Secretary &
Managing Director	Chief Financial Officer	Compliance Officer

Date: December 21, 2017
Place: Mumbai

Enclosure:

1. Form of Acceptance-cum-Acknowledgement

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

Bid Number:
Date:

BUYBACK OPENS ON	THURSDAY, JANUARY 4, 2018
BUYBACK CLOSES ON	WEDNESDAY, JANUARY 17, 2018
For Registrar / Collection Centre use	

Status (please tick appropriate box)					
	Individual		FII/FPI		Insurance Company
	Foreign Company		NRI/OCB		Foreign National
	Body Corporate		Bank/FI		Other (Specify)

To,
The Board of Directors
Novartis India Limited,
C/o Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083.

Dear Sir/Madam,
Sub: Letter of Offer dated December 21, 2017 to Buyback not exceeding 34,50,000 Equity Shares of Novartis India Limited (the "Company") at a price of ₹ 670 (Rupees Six Hundred and Seventy only) per Equity Share ("Buyback Offer Price"), payable in cash

1. I/We (having read and understood the Letter of Offer dated December 21, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback Offer to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
5. I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
6. I/We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned as per the provisions of Buyback Regulations and circulars issued by SEBI.
7. I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
8. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
9. Details of Equity Shares held and tendered / offered for Buyback Offer:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date, i.e. December 8, 2017		
Number of Equity Shares tendered for Buy-back (Buy-back Entitlement)		
Number of Equity Shares offered for Buy-back (Including additional Equity Shares, if any)		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8 and 19.9 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

_____Tear along this line_____

ACKNOWLEDGMENT SLIP: NOVARTIS INDIA LIMITED – BUYBACK OFFER
(To be filled by the Equity Shareholder) (Subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence		Stamp of Broker	

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

11. Equity Shareholders Details:

Particulars	**First/Sole Holder**	**Joint Holder 1**	**Joint Holder 2**	**Joint Holder 3**
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

** Corporate must affix rubber stamp and sign under valid authority. The Corporate Authorisation should be enclosed with the application form submitted.*

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.

1. This Offer will open on Thursday, January 4, 2018 and close on Wednesday, January 17, 2018.
2. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to section 20 of the Letter of Offer.
3. All documents sent by Equity Shareholders will be at their own risk. Equity Shareholders of the Company are advised to safeguard adequately their interests in this regard.

Tear along this line

All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your client ID and DP ID:

Investor Service Centre, Novartis India Limited – Buyback Offer

Link Intime India Private Limited

C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083, Maharashtra

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

Bid Number:
Date:

BUYBACK OPENS ON	THURSDAY, JANUARY 4, 2018
BUYBACK CLOSES ON	WEDNESDAY, JANUARY 17, 2018
For Registrar/Collection Centre use	

Status (please tick appropriate box)					
	Individual		FII/FPI		Insurance Company
	Foreign Company		NRI/OCB		Foreign National
	Body Corporate		Bank/FI		Others (Specify)

To,

The Board of Directors
Novartis India Limited,
C/o Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083.

Dear Sir/Madam,

Sub: Letter of Offer dated December 21, 2017 to Buyback not exceeding 34,50,000 Equity Shares of Novartis India Limited (the "Company") at a price of ₹ 670 (Rupees Six Hundred and Seventy only) per Equity Share ("Buyback Offer Price"), payable in cash

1. I/We (having read and understood the Letter of Offer dated December 21, 2017) hereby tender / offer my / our Equity Shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback Offer to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback Offer.
5. I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
6. I / We agree that the consideration for the accepted Shares will be paid as per the provisions of Buyback Regulations and circulars issued by SEBI.
7. I / We undertake to return to the Company any Buyback Offer consideration that may be wrongfully received by me / us.
8. I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Equity Shareholder.
9. I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
10. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback Offer in accordance with the Companies Act and the Buyback Regulations.
11. Details of Equity Shares held and tendered / offered for Buyback Offer:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date, i.e. December 8, 2017		
Number of Equity Shares entitled for Buy-back (Buy-back Entitlement)		
Number of Equity Shares offered for Buyback (including additional Equity Shares, if any)		

Note: An Equity Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Equity Shareholder up to the Buyback Entitlement of such Equity Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Equity Shareholder over and above the Buyback Entitlement of such Equity Shareholder shall be accepted in accordance with Paragraph 19.6, 19.7, 19.8 and 19.9 of the Letter of Offer. Equity Shares tendered by any Equity Shareholder over and above the number of Equity Shares held by such Equity Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

_____ Tear along this line _____

ACKNOWLEDGMENT SLIP: NOVARTIS IDNIA LIMITED – BUYBACK OFFER
(To be filled by the Equity Shareholder) (Subject to verification)

Folio No.			
Received from Mr./Ms./Mrs.			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(In Words)	
Please quote Folio No. for all future correspondence		Stamp of Broker / Registrar	

12. Details of Equity Share Certificate(s) enclosed:_____ Total No. of Share Certificates Submitted: [ ]

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
Total					

In case the number of folios and share certificates enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

13. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney		Corporate Authorisations
	Death Certificate		Succession Certificate
	Self-attested copy of PAN Card of all Shareholders		TRS
	Original Share Transfer Form SH4 duly executed and witnessed		Others (please specify)

14. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

*Corporate must affix rubber stamp and sign.

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Offer will open on Thursday, January 4, 2018 and close on Wednesday, January 17, 2018.
2. For the procedure to be followed by Equity Shareholders for tendering in the Buyback Offer, please refer to section 20 of the Letter of Offer.
3. All documents sent by or to Eligible Shareholders will be at their own risk and the Eligible Shareholders are advised to adequately safeguard their interests in this regard.

_____ Tear along this line _____

All future correspondence in connection with this Buyback, if any, should be addressed to Registrar to the Buyback Offer at the following address quoting your Folio No.:

Investor Service Centre, Novartis India Limited – Buyback Offer

Link Intime India Private Limited

C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400 083, Maharashtra