

9th Annual Report 1996-97

Novartis India Limited

		BKC	✓
		DPY	✓
		DIV	✓
		AC	✓
✓	✓	SHI	✓
✓	✓		✓

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NOVARTIS

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Board of Directors

Y. Curmally	Chairman
Dr. A.F. Jetzer	Vice-Chairman
Dr. V.S. Sohoni	Managing Director

K.K. Arnoldi
Dr. Ch.F. Buxtorf
J.S. Khambata
W.D. Paris
U.V. Rao

Executive Committee

P.K. Apte	Crop Protection
D.S. Gokhale	Seeds
P.P. Krishnamurthy	Ciba Vision
A. Mirchandani	Finance & Legal
Dr. R. Mehrotra	Industrial Relations & HRD
Dr. P.R. Rao	Animal Health
R. Shahani	Pharmaceuticals
Dr. V.S. Sohoni	Managing Director

Company Secretary M.P. Saranath

Auditors Messrs A.F. Ferguson & Co.
Registrars & Sharepro Services
Transfer Agents Satam Estate, 3rd Floor
Cardinal Gracias Road, Chakala
Andheri (East), Mumbai 400 099

Registered Office 14 Jamshedji Tata Road
Mumbai 400 020

Works P.O. Sandoz Baug
Kolshet, Thane 400 607

Santa Monica Works
Corlim, Ilhas, Goa 403 110

Plot Nos. 26-28, Sector II
Kandla Free Trade Zone
Gandhidham, 370 230

Plot Nos. 1/4, Sector III
Kandla Free Trade Zone
Gandhidham, 370 230

Plot Nos. 629/630
G.I.D.C. Panoli 394 115

The design of this annual report cover relates to the science of life. A strand of DNA has been magnified many times, electronically enhanced and then treated in the colours of Novartis™.

Members are requested to bring their copy of the Annual Report to the meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrars & Transfer Agents, Sharepro Services, at the address alongside.

Annual General Meeting

3.30 p.m., December 24, 1997
Patkar Hall, Vithaldas Thackersey Marg,
Mumbai 400 020

letter

O c t o b e r 2 9 , 1 9 9 7

Ladies and Gentlemen

The formation of Novartis India Limited is a major event for all shareholders and employees of the two companies Sandoz (India) Limited and Hindustan Ciba-Geigy Limited. A new entity has been created which will be stronger and more dynamic than just the sum of the two parts.

With an enlarged product portfolio, field force and infrastructural strength, Novartis India Limited has the capability to make progress towards becoming a leader in all the businesses it participates in. There are opportunities for revenue and profitability growth and with the management team and support of all employees, I am confident that we will, together, achieve the ambitious targets that are set.

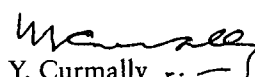
Our commitment to customers, shareholders and employees must be reflected in the quality of our products and services, concern for economy in our activities and progressive personnel policies. We have all to shoulder the responsibility to

fulfil the aspirations of all these stakeholders.

The first year of this new company is already behind us. This annual report represents the results achieved during a very challenging and difficult transition period. Several teams were reconstituted, distribution patterns were changed and major modifications in our working processes were instituted. The new environment created will, I am certain, ensure higher efficiency and productivity.

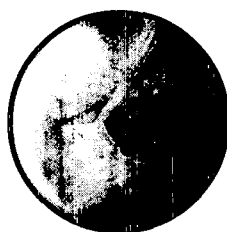
Resistance to change is not an unnatural first reaction. Mature thinking and logic, however, must prevail and the change must be managed with sensitivity. I am pleased to see that the attitude in all functions is positive and that the dynamics of the merger are resulting in progress and renewed determined effort on all fronts.

On behalf of all my colleagues on the Board, I wish every success in the years ahead for Novartis India Limited.

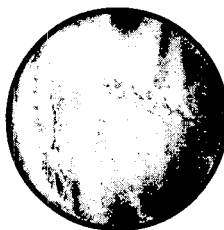


Y. Curmally
Chairman

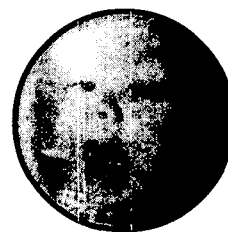
of Novartis



Healthcare



Agribusiness



Nutrition

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In March 1996, Chairmen of the Boards of Ciba and Sandoz announced their intention to merge and form the world's biggest Life Sciences company - Novartis. The name Novartis is derived from the Latin "Novae Artes" which means new skills. Novartis was formally founded on December 20, 1996 when it was entered in the Register of Companies in Switzerland.

In India, the merger took a while longer. The shareholders of Hindustan Ciba-Geigy Limited and Sandoz (India) Limited approved the merger at their respective EGMs in December last year. Approval of the Bombay High Court was received in August 1997 and the name change to Novartis India Limited was formally registered by the Registrar of Companies in October 1997.

Novartis has a representation in India in the fields of Agribusiness comprising Animal Health, Crop Protection and Seeds and Healthcare comprising CIBA Vision® and Pharmaceuticals. We hope to capture and maintain a leadership position in these segments and meet the expectations of all our stakeholders, customers, shareholders, employees and the communities in which we live and work.



Pharmaceuticals

At the global level, the Novartis Pharmaceuticals sector is a leader in the discovery, development, manufacture and marketing of innovative prescription medications focussed in several therapeutic categories including transplantation, central nervous system disorders, cardiovascular/endocrine/respiratory diseases, dermatology, oncology/hematology, rheumatism/bone and hormone replacement therapy.

Novartis India is committed to meet the healthcare needs of this country by developing, manufacturing and marketing innovative products. Our portfolio includes several original research products addressing local needs. We have a strong presence in immunology, oncology, psychiatry, cardiovascular, anti-TB, gynaecology, dermatology and organ transplant segments.

Products launched in the year under review include the anti-spastic drug Lioresal™, an oral dehydrate Orfiz™ and an analgesic Voltaflam™. During the current year we plan to introduce two oncology products.

We are currently among the first 10 pharmaceutical companies in India. We hope to improve on this ranking and strengthen our competitive position.



CIBA Vision (a sector of Novartis Healthcare) is a world leader in the research, development and manufacturing of optical and ophthalmic products and services.

CIBA Vision is committed to providing quality products and services that improve eye care around the world.

CIBA Vision started operations in India in mid-1994. We

have pioneered the disposable lenses segment in the country

with the introduction of FOCUS™, the world's number 1

monthly disposable lens in April 1996. The previous year

we introduced a cosmetic lens "Illusions"™, a brand leader

in this category. We hope to begin marketing our range of

ophthalmic pharmaceuticals in the current year.

Agribusiness



Novartis Crop Protection, the world's leading supplier of crop protection products, is a business sector of Novartis. Our products, services and technologies contribute to achieving sustainability in agricultural production.

We support Integrated Pest Management (IPM) which provides the most cost-effective and environmentally sound solutions for insect, disease and weed management problems. IPM is promoted through product development and customer education. Quality management is integral to our fundamental business philosophy and is the responsibility of each one in Novartis Crop Protection.

In India, Novartis Crop Protection has introduced six new speciality products in the recent past which are expected to play a significant role in Indian agriculture.

These are :

① CURACRON® and POLYTRIN® C 44

for insect control in cotton

② DUAL®, a herbicide for soyabean


③ RIFIT®, a herbicide for rice

④ TOPAZ™ and TILT™, fungicides for
fruits and cereal crops.




Seeds

Novartis Seeds is the second largest seeds company in the world. Using traditional breeding techniques and state-of-the-art biotechnology, our Seeds sector produces high value-added varieties of corn, sugar beets, oilseeds, vegetables and flowers that help farmers and growers obtain consistent quality supply and performance.



We develop, produce and market selected high performance seeds based on the most advanced technologies. In India, we are present in vegetables, cotton and cereals. We have test marketed superior hybrids of maize and expect to commercialise these seeds in 1998.



The Seeds sector strives to satisfy the needs of farmers, growers, processors and consumers by providing innovative and cost effective solutions with high quality products and services.

With this objective in view, we have set up a Research and Development Centre. The Centre carries out breeding to evolve better quality seeds for the Indian market and also tests and evaluates seeds and plants for quality standards.