Novartis India Limited

September 15, 2026

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

Scrip Code: 500672

Subject: Intimation of Transcript of the Analyst(s)/Institutional Investor(s) Call held on Friday, September 11, 2026

Dear Sir/Madam,

This is further to our intimation dated September 08, 2026, regarding the Analysts'/Institutional Investors' Call of **Novartis India Limited** (the "Company"), and our subsequent intimation dated September 11, 2026, enclosing the investor presentation submitted pursuant to Regulation 30 read with Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

We wish to inform you that the aforesaid Analysts'/Institutional Investors' Call was held on Friday, September 11, 2026, at 4:00 P.M. (IST) through both virtual and physical modes. Further, the details of the audio recording of the said call was submitted to the Stock Exchange on September 12, 2026.

In compliance with Regulation 30 read with Part A of Schedule III and Regulation 46(2) of the SEBI Listing Regulations, please find enclosed the transcript of the Call. The transcript has also been uploaded on the Company's website and is available at the following link: https://nilpharma.co.in/investor-analyst-calls/

The above disclosure is being submitted for your information and records.

You are requested to take note of the same.

Thank you.

For Novartis India Limited

CHANDNI BHUPENDRA MARU

Digitally signed by CHANDNI BHUPENDRA MARU
Date: 2026.09.15 15:33:54 +05'30'

Chandni Maru
Company Secretary and Compliance Officer
A60291

Encl: as above

"Novartis India Limited
Investor Meet"
September 11, 2026

MANAGEMENT: **DR. VIKAS GUPTA – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – NOVARTIS INDIA LIMITED**
MR. KSHITIJ SHETH – NON-EXECUTIVE NON-INDEPENDENT ADDITIONAL DIRECTOR – NOVARTIS INDIA LIMITED
DR. JAGRITI GUPTA – NON-EXECUTIVE NON-INDEPENDENT ADDITIONAL DIRECTOR – NOVARTIS INDIA LIMITED
MR. BHAGWAT DEORA – CHIEF FINANCIAL OFFICER – NOVARTIS INDIA LIMITED
MR. JASON D'SOUZA – PRESIDENT; M&A, BD AND INVESTOR RELATIONS – NOVARTIS INDIA LIMITED

Moderator: Thank you, everyone, for joining us today. So let me first start by welcoming you to Novartis India Limited, NIL. This is our first Investor Meet, and we are glad to have an audience that has come across to meet and speak to us.

I would first like to start -- and I will also go into an in-depth, detail introduction, but first let me just mention a few people who are here. First, we have is Vikas Gupta, who is our CEO and MD. We have Bhagwat Deora, who is our CFO. We have the Members of the Board. We have Kshitij and Jagruti. And I won't -- there's also a mention of them in the deck, so I won't take too much time talking about them. So, without any delay, let me start the proceedings.

First, let me just start by reading out a disclaimer, because this is going across via audio also to people who are logging in online. So, the presentation and the call that has been prepared by the management of Novartis India Limited solely for the information of the recipients. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, and completeness or correctness of the information or opinions contained in this presentation.

Such information and opinions, in all events, not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be forward-looking statements based on the currently held beliefs and assumptions of the management of Novartis India Limited, NIL, which are expressed in good faith and, in their opinions, reasonable, including those relating to the company's general business plans and strategy, its future financial conditions, and growth prospects, and future developments in the industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, future financial conditions, performance, or achievements of the company or industry results to differ materially from the results, financial conditions, performance, or achievements expressed or implied by such forward-looking statements, including future changes or developments in the company's business, its competitive environment, and political, economic, legal, and social conditions.

This presentation is for general information purposes only, without regards to any specific objectives, financial situations, or information needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities.

With this, let me just start Novartis India Limited's Investor Meet. First, let me just take the privilege of introducing Dr. Vikas Gupta, our CEO and MD. A pharmaceutical industry leader, spent over two decades across commercial strategy, business transformation, and brand building.

Vikas is known to everyone in the pharmaceutical industry. His last role was as CEO of Alkem Industries, where he has created tremendous value there. And prior to that, he had important senior leadership roles at Cipla, Glenmark, and Ranbaxy Laboratories. Education: an MBBS from University of Delhi with an INSEAD leadership program also to his education qualifications.

Let me just invite Dr. Vikas Gupta on stage, and he will take us through the presentation. Thank you. Over to you, Vikas.

Vikas Gupta: A very good evening to everyone, and thank you so much for making it for this event. I think it'll be better if I -- my height. So, I welcome you all to this first investor presentation after the takeover for this company, which is called Novartis India Limited.

I think, I will just start with a thought of what is it that we intend to do over here. So we want to build a leading platform in the pharmaceutical business with this company. What this company is, I'll give you a brief glimpse of that, where do we stand today, and what do we intend to do in the near-term, is how I would structure the rest of half an hour or so, in which I would try to give a glimpse of what exactly we are going to do about it.

Company overview, just to take you in brief, what is this entity all about? Novartis India Limited has been a household name for many decades. It's not a new company. It is a company which has got almost 79-plus years of existence. This is a company which has been listed for almost 27 years. It's not a new name.

The brands that it has been a household name for decades. And those brands have got so much potential. I think all of us sitting in this room, a large part of it would have used in our lives these brands at some or the other point in time.

That is what this company has been in a nutshell. But this is how the most recent performance of this company has been all about. If you look at the last four years' trend, the company has been pretty much flattish in terms of its revenue or whether it is PAT.

So, a company that houses such well-known brands, massive brand equity with the healthcare practitioners, but for certain reasons, the company was not moving anywhere. Has been pretty much flat. And the good thing is it had a good cash on its balance sheet which could be put to much better use and used for the growth.

Decades of heritage to its backing, a very strong prescriber equity along with it, and an untapped potential. And that's the opportunity that I believe lies ahead of us. And this is what is the thesis that if you look at the brands that are there -- and I'll give you a glimpse -- all these brands that this company has are leaders in their respective segments, they dominate the markets in which they are present.

If I talk of Voveran, I think at some point of time in our lifetimes, we would have used this as a painkiller. Even if today you speak to customers and you ask say the doctors who treat pain, whenever it is a matter of pain relief -- and we also did one customer insighting when we were building this whole story that when we say Voveran, what comes to your mind? They say pain relief. When it is a matter of efficacy, when it is a matter of potency, I think this is a brand that everyone relies on, right?

If you look at Methergin, again, a gold standard for the management of PPH. There's no other choice. At times, it is life-saving. So, this is how these brands have been known by all the customers in the market.

Calcium Sandoz, an age-old brand. We all associate with it, but today it's in the form of calcium. It's used for treatment of -- whenever there is an injectable calcium requirement, I think this is the brand that everybody falls back on. Tegrital, when it comes to epilepsy, first choice at the entry point. The first brand that will come to any doctor's mind is Tegrital.

That's the kind of brands that are housed in this entity. That's the kind of potential, but somehow the brands have not grown. Somehow the revenue hasn't grown for past many years. This is where we stand. This is where we are. But if you look at where do we go from here, and what's our business strategy, what are the areas where we would like to play? And I will try to keep it as simple as possible, so that -- of course, there is a 100-page strategy document that I can talk about and go on and on, but I would just try and keep it as simple for everybody's understanding, for everybody's comprehension.

We want to be focused, very focused, on the Indian pharmaceutical market. Because I believe that India is one market I have always been bullish on. India is one market which has a large room of potential to grow. Very few markets across the world where you would see on such high base, with increasing base, the market continues to grow at around 9% to 10%.

Even in my previous roles, whenever I have been asked this question that, no, India market seems to be slowing down, etcetera. In the last two, three years, many of you had asked these questions in different forums. I have always believed, no, India market, there is fundamentally nothing wrong, and the markets will bounce back. And we are seeing it in this year. We are seeing pretty healthy growths coming back. We'll be very focused on the Indian pharmaceutical market.

We have chosen key therapy areas. It's not that we are going everywhere and trying to do everything. We have chosen these six anchor therapy areas. And actually, if you look at the incremental value addition that is happening into the market, these six therapy areas, by themselves, contribute to almost 40% to 50% of the incremental value that's getting added to every year to the Indian pharma market.

Cardiology, of course, the biggest market. Pain management, again, continues to grow pretty strong. Women's health, again, an area a lot to be done over there, CNS. And then, the specialist or the specialty businesses like transplant and ophthalmology, which are also of a lot of interest as far as -- and I did mention on those slides that the transplant business that we inherit, all the brands that we have are actually -- the first thing when it comes to a transplant patient is a question of survival.

And many of these brands are synonymous, the quality is synonymous. So, doctors depend on these brands. And when this is not available is when they try and risk it with some other names in that molecule's category. So, that's another area. We want to be very specialist-focused with our strategy, and we want to have a pan-India footprint.

One of the reasons why these brands have not grown, and one of the reasons where we are seeing where Indian pharmaceutical market is growing, is largely tier 2, tier 3 towns where, for the lack of promotion or for the lack of a wide distribution network, these brands have so far not penetrated. We believe that there is a headroom for growth as far as these brands are concerned.

What is our right to win in these markets? One, there is a compounding equity and therapy extension that we can do. And I'll go point by point. If you look at how we intend to grow, we want to put up a team behind promotion of these brands. If you look at the current business model, the current business model was it was given to another player at an arm's length, and those players were responsible for promotion.

But we have seen the last four years' revenue trend that has hardly made any difference to the outcome. And this is what my strong belief is: that unless you go by yourself, unless you put the promotional thrust, unless you have a control on marketing of the products, the brands do stagnate in most of the cases.

If it's not your area of operation, then it's a probably different story. But that's what the thesis is. We are bringing back the control of promotion into our hands. We are putting up a strong team behind this portfolio covering length and breadth of the country. Almost 150,000 healthcare practitioners would be covered.

There's a lot of scope for lifecycle management of these large brands wherein you can add a lot of brand extensions that are very natural choice for this portfolio, which have not been done so far. That can add another lever of growth. If you look at once you have created this kind of platform, that gives you the ability to enter into more attractive, fast-growing chronic therapies as well.

That's another point that will contribute to our overall growth. And then, if you have to look at your core therapies that you are present in, you can clearly -- once you have these large brands being promoted, you can carry with the same vehicle much more brands in that category to the healthcare practitioners.

This is how I believe that we can compound the brand equity that we are inheriting. But in our industry, what matters really is the rigorous execution. In our industry, everybody has every product, right? What really differentiates is how well we execute. A very strong execution focus is something that we are going to work on.

I have been in this market now for a sufficient amount of time, though we all keep learning every new day. But I believe that is something which will differentiate us from the rest. And we'll have to bring in a very strong execution focus. One of the important elements in that execution is setting up an altogether wide distribution network.

While we inherit some distribution network, we are expanding it. And I can tell you in the last 45 days, we have really worked on setting up that network. Earlier, we had say four C&Fs, etcetera, a limited distribution network, just to give you an example. Today, we are expanding that network to almost 25.

We are planning to really have a presence and reach in almost every nook and corner of the country, and we'll be ready for the same within a short span of time. Another very important point is the disciplined capital deployment. While when you start doing things, it is very important to note down things that you do, but it is also equally important to focus on things that you don't do.

I believe keeping it absolutely financially prudent for any capital allocation decision that we will go with. Say, to give you an example, do we need a manufacturing plant? At this stage, at this scale, we won't invest in manufacturing, because it's very easy to get these products. We have the supply chain figured out for almost every product.

We believe that the capital would give a better return if deployed in marketing, in promotion, in acquiring brands. Those are the areas where we will be very, very focused. And I believe disciplined capital deployment is going to be one of the key aspects of our strategy. M&A is going to be a very integral part.

And most recently, you would have just seen this week, on Monday, we did close one trademark acquisition from Pfizer in the cardiology space, that's Minipress XL, and I'll give you more color onto that acquisition in the subsequent slides. That is one. And then, the very next day, we closed one in-licensing deal with NHPL, where that's the ophthalmology portfolio.

Two therapy areas which were areas as part of our shortlisting where we had to operate, now we have started our journey in those therapy areas as well. All this will be backed by a very strong governance framework. You name it, it's going to be the best-in-class governance that we are going to put behind the whole asset, behind the company, whether it is various committees that are required.

We have a new board in place and a new management team in place. Just to give you a glimpse of who the new independent directors are: again, names in the corporate world with very strong backing. They sit on pretty much many other boards. Our Chairperson, Mr. Ramesh, has been ex-MD of 3M India. If you look at the other independent directors, Suchita Sharma has been a well-known name in the audit world.

If you look at Shashank Sinha, he's been the ex-MD and CEO of Strides Pharma. This is a group of Independent directors. And the rest of the board members, we have two of them sitting here with us, Jagriti and Kshitij. In the financial world, everybody knows them. We have Dr. Ashok Bhatia, who has played various leadership roles at Zydus in his professional career. And myself.

That constitutes the new board. And this new board is going to ensure a very strong governance framework, is what I can assure all of you. Equally important is the new management team that we have put, because as I mentioned, it's all about executing well. So, the whole rigorous execution that I spoke about in the previous slides is going to be done by people who are from this industry, people who have very strong track record of executing things in their previous roles.

Right from our CFO, Mr. Bhagwat, who is sitting over here, again, earlier with Cipla, with JB, Macleods, PwC. Jason, I think all of you know Jason since long, has been in the investor relations, BD, and M&A roles at various organizations. Sumeet Rajput, who is our commercial head. We have Mr. Masud Shaikh, again, a lifer in supply chain, worked in companies like Alembic, have know-how of distribution at the back of his hand.

And a CHRO, Mr. Rahul Vijayvargiya. That constitutes the new management team, and all of them have been in place already and have started working on the platform. Now, I would like to give you some glimpse of what this M&A is all about. Most recently, we have acquired the trademark Minipress XL. Minipress XL was a trademark owned by Pfizer Inc., US. Again, a brand which is leader in its category, a brand that has more than 50% market share in the alpha-blocker market.

Alpha-blocker is a category which is predominantly an antihypertensive, but has also got usage in indications like BPH in urology. Wherever nothing else works, when the blood pressure doesn't come down by any other therapy, I think it is implied that you give an alpha-blocker, especially in the resistant hypertension cases, and the drug works well.

It is almost a textbook brand. Again, goes in with the likes of Voveran, goes in with the likes of Methergin. So when these brands are placed in one family, they are almost all of them are synonymous with the molecules that they operate in.

So again, a big opportunity as per IQVIA. The reported revenue for MAT July '26 was INR228 crores. It has a CAGR of 6.5%, if you look at the last few years. But if you look at the market, the market has grown at close to around 9% to 10%. A brand which is leader in its category, because of some internal prioritization issues, has not been on focus for them, and we see an opportunity over here.

We believe that the leader brand can actually grow much faster than the market, because the market is already growing. And that was the thesis for us to take over this brand. So if you look at, the brand sells almost across the country.

It is not dominant in any one particular geography. Of course, there is a slight higher distribution salience in south, but that's the case with any other chronic brand. If you will see, chronic as a market is a little higher in south, and same is the case with this brand as well.

Market share ranges from 55% to 60%. That's the kind of presence that the brand has in its market. This is on Minipress XL. But what it does is it gives us a very strong platform in cardiology. If we were to start from cardiology from zero, it wouldn't make that much sense.

But now, on the backing of Minipress XL, we can even come up with newer products in that division, and we can make sure that we grow that business. I think that gives us a very good head start as far as cardiology as a therapy is concerned. And that's the number one segment as far as Indian pharmaceutical industry is concerned.

Now cardiology is even above anti-infectives. That's the reason for us to look at Minipress as an opportunity. The other one is the ophthalmology in-licensing. Two brands: Pagenax and Accentrix. Pagenax, again, under patent, the only brand in its category. These brands are used for diabetes macular edema as well as wet AMD. So these indications, as the incidence of diabetes is increasing, the retina specialists are the ones who treat this diseases.

And if you look at these brands, again, innovator brands, doctors vouch for -- these injections are given in the eye. Doctors are extremely choosy about what they use, because in such cases I am sure nobody would want to take risk.

They go with the global brands, and this is what they are, both Accentrix as well as Pagenax. Though Accentrix has seen some sort of genericization. There are other brands that are available in the market.

The total portfolio is close to almost INR100 crores-plus, and we have paid an upfront INR10 crores in terms of fee to the innovator. What it brings is a lot of distribution synergy for us. And what it gives us, again, is a platform on the back of which we can build other products as far as ophthalmology is concerned. These are the two M&As that we have done in the first 45 days or so. This is from where we get going. This is from where we begin.

Now, having said all of that, I just want to also call out that all this transition plan in the near term will have some impact. In the near term, there will be some costs which are going to start getting incurred from now. There will be some one-time costs that will be there which will come as part of making this commercial reset model.

It's almost like there are two cases. Many a times, we internally talk about it. There's a painting, and there is a blank canvas. Sometimes, you are just writing on the blank canvas. In this case, you have to erase that painting, make the canvas blank, and then again get going about painting it.

So I think all of that has got some impact in the near term because the costs will start getting built up. There is a team that we are putting up, there is marketing costs that we will print up, there are inventory corrections that will happen in the medium term. But over a period of time, I am sure we are in it for the long run.

And if you look at the long-term gains, I am sure they will be very rewarding. From a company which has been a flat revenue trajectory, we want it to become a growth company. We see a lot of growth happening in the Indian pharmaceutical market. We expect to grow much faster, much ahead of the Indian pharmaceutical market from here on.

Look at the portfolio breadth. Today, there were only three or four assets that are there. Of course, they are large assets. But the portfolio breadth that we will have, there will be six therapeutic areas which we will go after. We will have larger brands, and you will have more newer brands that would be created in the company as far as long term is concerned.

There are a lot of other growth avenues that can come in, because we will be very strong on the cash flows. So if you look at the operating cash flow and the free cash flows that we will generate, we would like to do more and more M&As in times to come. Of course, with the right filters that I have mentioned about in the previous slides.

Our focus is going to be very strong on the returns. All the metrics like ROCE, growth, FCF, these are going to be the first and foremost principle behind doing or making any such move. The interests that we have in mind is creating the shareholder value. I think that's the whole intent of going after this strategy.

And then, there is going to be a margin uplift as well. While that is work in process, I think the operational effectiveness, so to say, of all the things that should be looked at in terms of creating value, I think, will be looked at. This is the medium-term and the long-term transition that we are going to work on.

I will just give you the new ownership and how it looks like for the company. 70.68% stake held by ChrysCapital. The open offer price was INR 860.64/-. If you look at, the tendering of that open offer happened between 11th to 24th June, but I think very minimal shares were tendered by the public investors.

This is a brief on ChrysCapital. While they are, I would say household name for every person of pharma interest. I think the maximum number of investments made in Indian pharmaceutical market would have been by them. We are backed by an investor which understands pharma business.

They have had almost every multibagger in the recent years that has been there in the Indian pharmaceutical market has been one of their investments at some or the other point in time. We are assured of the backing of the capital that's going to come behind for realizing this strategy that I have placed in front of all of you.

So I think, this is largely what I wanted to speak to all of you. Let's welcome the beginning of a new chapter, and with this, I would open the house for any questions, right? And I would also invite Mr. Jason and Bhagwat, who is our CFO, to please join me on the stage for any questions.

Moderator: Vikas, we also have the audio line on, so we will first start by taking questions from the group present here. And thereafter, we will also move to the audio line. Just give us a couple of minutes until we sit. I see Naman's hand up, so Naman, do you want to kind of take the first question, or do you want to kind of give some mic to…?

Naman Bagrecha: Hello. Thank you for the opportunity. I'm Naman Bagrecha from IIFL Capital. Very nice presentation, Dr. Vikas. If you could sum up, let's say, in terms of your long-term vision, let's say, 5 to 10 years, where do you see Novartis over the next, let's say, 5 to 10 years? And if you could put some numbers to it. I mean, we've seen qualitative aspects in terms of how you want to grow, etcetera. That would be very helpful.

Vikas Gupta: I'm good at the qualitative aspects. Numbers, you guys are better, so I would flip that one to you. But what I say, if you try to give you a, again, a range or a qualitative aspect, and I will not talk about 5 to 10 years. I would say, say first four to five years, what do we intend to do? From this base, I clearly see ourselves at least doubling up in next four to five years. This is what is the first goal that we would have on our mind.

I think, if that gives you some sense of numbers, then this is what is the immediate, I would say, aspiration that we would set for ourselves. And I think how we'll get there is what I have spoken about.

Naman Bagrecha: Do you think, I mean, if you look, the company over the last four years have been flattish. Now, this doubling of revenues in the next, let's say, four years will also be included -- I mean, M&A would be part of this? So, the base of this is organic?

Vikas Gupta: First thing organically, this is how -- and any, see, M&As are they happen when they happen. You can't time them. You can't really know what would come at what stage. Whatever keeps getting added, we keep resetting the goal for ourselves. That's the way we want to go about it, right? Because see, in pharma market, what happens is, the better is your scale, the higher is your ability to keep compounding. And I think that's the beauty of the asset. Our first intent is to get to that scale, so that from there we can start really moving ahead. And that's why I'm saying, what I'm saying.

Management: I am just adding, Naman, to your point, here when Vikas is making a mention, we are taking roughly the acquisitions also as part of the organic base as we speak. Roughly the run rate, annualized run rate, should be around INR650-odd crores for '27, and you can see that doubling over the next four to five years.

Naman Bagrecha: Sure, sure. Just one more question, if I may. In terms of, let's say, the therapy areas that you highlighted, the six core therapy areas that you're looking at, why these six therapy areas? Is it the strength of, let's say, the existing business? Is it the strength of the team that you are going to build? If you could elaborate on that?

Vikas Gupta: It's a mix of the strength of what we inherit, and the therapies that we should be in. Say, for example, when I talk about pain management, when I talk of women's health, transplant, these are the strengths that we inherit. And we can really go further from here. Cardiology, ophthalmology are necessary for -- if you look at the highest incremental addition to the Indian pharma market is happening in the field of cardiology. It's a function of these two.

I hope I'm relaying it, right? I think that is how we've chosen for these therapy areas, and I think for any fast-growing company in Indian pharmaceutical market, I think these are the therapy areas that you would necessarily go after.

Naman Bagrecha: Just a follow-up on that. If everybody is after these, let's say, therapy areas, then how do you plan to outperform or be better than the others?

Vikas Gupta: See, in, again, IPM, if you have a large brand, that really gives you a -- it's actually a competitive advantage. If you look at each of these therapy areas that I have mentioned, we have presence in as large brands. And that's where -- and these brands are large, because there is a strong customer equity that's there associated with these brands, and that's why these brands are large. Actually, you're not inheriting only that revenue. You are inheriting a strong equity that you enjoy with that group of customers, and then it's up to you to leverage.

Like I mentioned, it's the rigorous execution that creates the whole differentiation. Of course, you're right. Every company doesn't win in every molecule and every therapy, right? But our market is such where leader still is at, say, 9%, 10% of market share. And each company that executes well in the certain segment is going to have its own share over there. I think that is what we are planning: Where is it that we can be leaders? What are the complementary molecules that we can launch on the back of that equity? How is it that we can cross-leverage?

That's why I said I have a 100-page strategic detail on how this would this would get executed. We didn't come to you before we understood ourselves right. Today, say 45 days after making this, when we are very clear in our strategy is when we are coming and relaying it to you. And some part of it we have already executed. So, if that gives you any comfort, any indication, we just did two of those in in this last week.

Naman Bagrecha: Thank you.

Moderator: We'll just take the next question. Please, please go ahead.

Nitin: Hi, Nitin from Bank of India Mutual Fund. Three questions. One is, if you can more elaborate on your M&A criteria's. You touched upon the softer aspects with regard to synergies or how do you want to operationalize the benefit of Novartis brand to the next brand that you are going to acquire? Some qualitative aspects in terms of IRRs or how do you wish to scale up once you acquire and the IRRs that should be good enough? You want me to run through the other questions as well?

Vikas Gupta: Second question.

Nitin: Second question is more pertaining to the existing cost, which you mentioned briefly. The legacy cost or historical cost which have come through, if you can quantify what kind of magnitude of cost you think can be readjusted over a period of time, which doesn't sync right now with the way the new Novartis is shaping up.

Third question is doctors have a way of looking at a company, it's a me-too company or it's an innovator company. Though the Novartis brand does carry an innovator tagline, but the new Novartis is trying to do a me-too kind of work where the products are not novel. Otherwise, products used to come from the parent's table, which used to be the novel or innovator product. How do you fix this gap when it comes to doctor psyche?

Vikas Gupta: Which order?

Nitin: It's on you, sir.

Vikas Gupta: Okay, fine. I'll go with the M&A thing first. I think the most important criteria would be the, can we create value if we inherit something? And again, if there is a very attractive proposition, but it's coming at a price that we know we can't create value from there, I would just pass. So, that is very clear. When I say disciplined capital deployment, I think that is one rule that we would live with, right?

But at the same time, if there's something which is a large brand, which has a headroom for growth, which can really create value for us in, in our hands, how it looks like, for sure, we would go ahead and do that. If it comes in these six therapy areas, it's a no-brainer. We have to go. Suppose there is a seventh area where I have to do things, I would really think twice. If it makes sense financially, we would go after it. If it doesn't, we would just drop it. So I think this is the color that I would give you

Nitin: Sorry. If you can just be more specific on the IRR part as well.

Vikas Gupta: See, I think the discounting that we take is around 12%, 12.5%.

Management: Let me just take that, Nitin. I think a few things that we want to mention. Let's look at the current acquisition that we have done, which is Minipress. This Minipress definitely was is opportunistic. In the past also, in my previous experience, a lot of this has been opportunistic. I think the beauty of all of these acquisitions, where we come from, is our execution capability.

So to answer that question, very fair and good, the kind of execution capabilities that we can drive, and including the synergies that we can kind of look at post a brand acquisition, let me just give you an example of Minipress that is there. And let me not look at it the IRR way. Let me just try and answer you the way I'm looking at it.

If today I'm going to get an EBITDA, starting EBITDA, of INR90-odd crores coming in from a Minipress brand, which can grow significantly, for my investment of INR1,250 crores, that itself should answer your question into what is the return. That is, I think, the most important thing.

The second element is that, yes, we would -- in fact, if you ask us, more than IRR, I'm at least more interested in looking at the payback period. Okay? And that is something that if you look at it post-synergies, I think we would be comfortable between an 8 to 9 years. Now, please remember one more thing.

It is a very competitive market out there. You would have seen some of the assets that have come in there, very expensive that is there in. But I think the beauty for us is that we've got a very strong base. I think in each of the therapy areas that we are present in, we have one anchor brand each.

And the important out here is that for us, a bolt-on which comes into a therapy area, we would be able to pay up and still meet our payback criteria and returns. And I think that is the big differentiator for us. And then, you will see that playing out very clearly. And as Vikas said, if there is something that doesn't fit in our appetite, we will just not go after it.

Vikas Gupta: Second one was on…

Nitin: On the historical cost, and if there is something that you can quantify, you can weed it out for a period of time.

Management: See, historically, we were at a cost of quarterly run rate of INR10 crores to INR15 crores as a listed entity. Now, when we are doing these all these, team-building, marketing activities, and all of that, so we see an incremental cost of around INR40 crores to INR50 crores per quarter. That's what we are looking at it from, say, that run rate what we would hit from next quarter onwards.

This is purely in terms of investing in the market, and which Vikas spoke in his presentation that what are we going to invest in terms of building the team as well as creating our pedigree in the market.

Vikas Gupta: And the third was qualitative on innovator versus…

Management: Doctor psyche.

Vikas Gupta: Yes. India pharma market is a branded generic market largely even today. So there is room for --and I think if doctors were to classify between me-too and innovator, the presence in the market would look very differently. I think they associate with the brands that they remember.

And that's why I have always said that any company that has these leading brands which have got very strong brand equity with the customer clearly has a competitive advantage. And I think from that standpoint, we are lucky that we are inheriting that. Thanks, Nitin.

Moderator: Yes, please.

Brijesh: Hi, this is Brijesh from 3P Investment Managers. On your slides, you mentioned about changing the name of the company in the near term, right? So, how that is going to impact the brand recall of the company in doctors' mind and patients' mind?

Vikas Gupta: So, see, we will be going to the shareholders for the necessary approvals for the change in name. Like I mentioned, and again I'll repeat, doctors associate with the brand names of the products. So brand names of the products are going to remain the same. It's the parent entity that changes, that gets changed.

And sometimes when you're going with a new strategy, you're going with altogether new energy to the market. I think that change of name really helps. That it is a new identity that we have created that has got these brands. I think that's the way we look at it. It's an opportunity.

Brijesh: Okay. And the second question is, is there any revenue-sharing or royalty fee payment to Novartis for Accentrix and the other brand which I forgot?

Vikas Gupta: So it's an in-licensing agreement where we are getting it at a transfer price, and we will be marketing it. It's like any other distribution and exclusive distribution and in-licensing. That's how it is.

Brijesh: Okay. And Accentrix is in the market for long, but still Intas has captured a large portion of that market. So how do you take that competitive landscape evolving?

Vikas Gupta: See, like that, for various brands, there would be various competitors. So I'm not commenting on an individual brand or an individual company or an individual competitor. I think we have our strategy figured out from this base, how we have to go. At the same time, Pagenax is a huge opportunity, right? So something is a nature of the market, individual brands, individual markets, how we will compete, I think we'll see as we as we progress, right?

Brijesh: Okay. Thank you.

Vikas Gupta: Thank you, Brijesh.

Moderator: Please.

Manoj Bagadia: Hi, this is Manoj Bagadia from Equicorp. My first question is, what is the timeframe you will take to set the sales engine as well as the distribution network? In the cost, he mentioned that

INR40 crores to INR50 crores will be spending, but what is the timeframe by which it will start working completely?

Vikas Gupta: I think we've started hiring, so some of these costs will start building from Q2 onwards. I think by the end of Q3, we should be fully on board, will be fully in the market. So, if Q4 is any indicator, you will have the full costs being reflected from Q4 onwards.

Manoj Bagadia: And the productivity from the sales rep, when do you see that? Q4 onward you are saying?

Vikas Gupta: Because we are hiring now. We're setting up the team de novo. So from now on for next 2 to 3 months, whatever time it takes to hire people, to get the engine running, to get them on board, it will take us that much time. And then you'll start seeing -- people will be fully operational by the end of Q3, somewhere around December should be the…

Manoj Bagadia: You mentioned about the strength of the brand. So if I recall, Abbott in 2005, they got a new leader, Abbott India. They got a new leader. They had the very strong brands, and we have seen the progress what happened in next 5, 7 years from there. Do you see similar thing happening in our case with the line extension as well as what…

Vikas Gupta: I'm not comparing to anyone else, but I have full confidence in myself. At least, that much I can I can assure you. And see, for me also, it was it was a big decision for me to come and be a part of this story. I am very excited about it. And this is how -- I think this is the confidence that I wanted to give you when I was showing you the numbers. Let's see how it goes.

Manoj Bagadia: That was one of my question why you came to such a small company.

Vikas Gupta: I preempted it, and that's why I answered it.

Manoj Bagadia: Okay. Sir, my third question is whatever agreement we had, we terminated with Dr. Reddy's. So is it possible to quantify the financial impact of the termination fee as well as the stock returns and everything?

Vikas Gupta: I think it's still in the works, so we are not talking of any financials over here right now. I think once we will close the quarters, etcetera, we will have -- after second quarter, we will have a clear answer to that. And at that time, we will be in a better position to give you specifics.

Manoj Bagadia: Thank you, sir.

Moderator: The next question, Yes, please.

Mehul Dalmia: Hi, Mehul Dalmia from Edelweiss Mutual Fund. So, want to understand 2, 3 things from you. So first one being, when you look at the current MR force at roughly 900, is that the number that you're building up to?

Vikas Gupta: Yes, we're building up that number.

Mehul Dalmia: So generally, we've seen, whenever companies have added MRs, it takes around 2 years for them to fully ramp up. And obviously, we're starting from a low base and we're kind of growing the brands. And we are still looking at M&A opportunity. So as you're looking at your growth, I would say, assets are not as cheap as they used to be.

So, how do you draw synergy, especially when you look at growth, how much portion of that you think will come from M&A? And how do you think of synergy from that perspective? Because it's not like you take up a brand and you have a pre-existing field force and you push it to them. So your thoughts on that?

Vikas Gupta: I think Jason just clarified the growth, that aspiration that we were talking about is more for organic piece that we have as of now. And I believe when you have a clean slate from which you are starting, things are sometimes easier than redrawing and doing things. So I think we are in that phase right now.

And I believe from January onwards, we would be actually starting afresh, or December, whatever that timeframe it takes. I don't foresee that as a challenge for absorbing any other asset if at all it comes, any opportunity comes. Will timing be the right option -- be a deciding factor? To my mind, I don't think that should be a case, and we'll figure out how do we draw synergies, how will we -- scale or capability is not an issue.

But I think for now, we are concentrating on what we have -- what we've acquired and inherited. We want to get this engine running. And then, as Phase 2, we will look at the subsequent M&As if at all they come. Organic growth would be a key factor for us to go after.

Management: But Mehul, just to kind of elaborate on that, I mean, as we mentioned earlier, in each of our therapy areas, there is a certain investments that we've made. Most importantly, in each of the therapy areas, we have a very strong anchor brand. For us, bolt-ons in the existing therapy areas are going to be deliver great synergies. So, I think that is something that we will always keep note of while looking at M&A opportunities.

Mehul Dalia: And in terms of these anchor brands, as I see, I think Voveran is at 240, all of the others are -INR50 crores today. Obviously, that's also put one way an opportunity to grow, but the other way I look at it is that how important do you think is to have a basket of molecules when you are going to the doctors today? And how are you thinking of building that up?

Vikas Gupta: I mentioned, each of these vehicles that we would we would build to go to doctors will be fortified further with new introductions as well. It's not that we are going to the market only with these brands. Two aspects there, one is the brand extensions in this space wherever the regulatory, after necessary regulatory approvals. And second, the new introductions or the fast-growing therapies which may not have been possible in the previous avatar of this company. Today, we have that as a part of strategy.

Moderator: Before we take the next question, Vikas, on the webcast, one of the question is that what is going to be the new product introduction strategy, and how do you see that as growth?

Vikas Gupta: I think a part of it I already answered. The new introductions would happen only in the focus therapy areas that we are going after. The divisions, the field force that we have built, just to improve upon the per productivity of the individuals and the operational synergies are maximum when you introduce new products in those categories. Again, for the sake of repetition, the lifecycle management strategy for the large brands, and the new introductions in those therapies that are fast-growing is going to be out.

Moderator: Yes. Why don't we -- why don't we take a question from…

Henil Bagadia: Hi, sir. This is Henil Bagadia from Equicorp. Sir, we had contingent liabilities that was there in the balance sheet against Voveran and Tegretal. And I think, sir, this is based on the NPPA pricing dispute since 2014, and we've not actually provided. If you could give some more understanding there. And for other drugs, what would be the contingent liability, that's one.

And number two is on the income tax liability of about INR300-odd crores. If you could give some more understanding if it could materialize, we've actually provided that. If you could give some more details out here?

Management: Not going into very specifics, but these are litigations which are on for more than last 10 to 15 years. There's no change, and at least on the NPPA matter, case, what we've understood last 7, 8 years, there's no hearing, so there's no movement on that litigation, right? That is as and when it comes up, we'll look.

But when in terms of compliance, what we've looked at it, the entity was compliant, okay? And that's where it stands currently, and that's why this litigation is on even tax matters, yes, wherever we see that there was risk, it's already provided in the books of accounts. So, that's where the status are.

Vikas Gupta: More than that, we can't comment.

Henil Bagadia: Sir, lastly, if you could highlight on the sales potential possible from Accentrix and the Pagenax portfolio that we've got in ophthalmology?

Vikas Gupta: I think brand-by-brand projection, I'm not getting into, but here the overall aspiration for the business as a whole is what I've given. But we believe that these are therapies that can really give us very good entry point for building the whole ophthalmology as a franchise. I think that that's the way I'll take it.

Henil Bagadia: If I can just put one more comment. I think so, as one of my previous participant also alluded, Intas has got a biosimilar there, and it's one of the cheapest out there. So how do you actually see us getting market share from the competition? For example, in Minipress, it's USV and Glenmark. Glenmark I think so is…

Vikas Gupta: No, USV is not there. It's Sun Pharma, La Renon. In Minipress, it's more of that. It's a two, three player market. Similarly -- see, in India, like I said, there is a place for innovator molecules, there is a place for genericized molecules. They're at different price points and they have their own perception, very distinct positioning in the minds of the customer.

So while it will not be a very fast-growing category, but still there's enough room for the brands in both the spaces to coexist, right? And especially in biosimilars and this kind of products, it's always a limited player market. I don't think ranibizumab is a category where are there are 100 manufacturers.

That's not the case, or there are 100 players in the market, right? It will always be a four to five player market, and there is enough segment that you can create for yourself to compete in that market. And Pagenax, again, like I said, is a big opportunity, because that's the only one in its category. I think we will deal with that as it comes. We build all of that in our…

Moderator: Plus, it gives you a platform, right, to grow.

Vikas Gupta: That's what…

Moderator: So I think just the next question is, I think, coming from Rohan Shah, Alpha Investments. Bhagwat, would you please provide details on licensing terms of Sandoz brands, and also brands from Novartis? Are these in perpetuity, or are there any future royalties or payouts due?

Bhagwat Deora: With Novartis brands, again, the differentiation: Voveran and all are trademarks which have now been assigned to the company, which was not the case earlier. So now these trademarks belong, like Voveran, Methergine, these brands belong to the company. Sandoz is for a period which we would not disclose, but it's for a long-term period we have.

And other brands will continue, the imported brands which were there earlier, we will continue to import, and we will have an exclusivity period for a longer term, I would say. And that will still we will be buying, and it'll be like an in-licensing from Novartis to us. That's the model which we will be operating.

Moderator: Correct. And no future royalties.

Bhagwat Deora: No future royalties, Yes. This will be an exclusive distribution kind of an arrangement for the imported products.

Moderator: Yes. We'll take the next question. Yes, please.

Ramesh Bhojwani: Sir, Ramesh Bhojwani from Mehta & Vakil. It is really a delight that you have reconnected. And the thoughts which you have very subtly and sublimely shared of renaming the company, I believe basically you are more attached to the Sandoz roots than the Novartis roots. But it will come in due course.

Vikas Gupta: Okay.

Ramesh Bhojwani: Two thoughts were there in my mind. You mentioned that Voveran, whatever the competition, continues to remain as the number one painkiller, because I have orthopedic surgeon as a friend.

Vikas Gupta: Okay.

Ramesh Bhojwani: And he will write only Voveran. And many years ago, for my mother, he had recommended calcium, but Shelcal of Elder. Elder closed. Shelcal went to some other company. And very honestly, its efficacy is not what it was. You have a brand in Calcium Sandoz. If you can rebrand this and communicate on all media, not only for what it is existing, but higher efficacy for usage, like Shelcal, particularly for women who cross 40 or 45, because their bone strength gets weaker. And there, calcium need is a must.

This kind of efficacy improvisation, not only in Calcium Sandoz, but in your other brands, will do wonders. One, it will be like rejuvenating and revitalizing each and every brand, each and every specific generic or otherwise. So, I thought I will share these thoughts with you.

Vikas Gupta: Thank you. Thank you so much for the feedback. Well noted, and we will see what we can do.

Ramesh Bhojwani: Thank you and all the best.

Vikas Gupta: Thank you.

Moderator: Any more questions from the audience?

Analyst: Just one question, the last one. If you could give what's the playbook in the Tier 1 market as well as the Tier 2, 3 markets for the Evalon portfolio, the pain management?

Vikas Gupta: Voveran portfolio. Playbook as in -- so, like I mentioned, we will have the…

Analyst: The distribution side.

Vikas Gupta: Distribution network in the widest corner of the country. The product will be reaching to -- we'll have more than 4,000 to 5,000 distributors that would carry the product now to the widest corners of the country. So, from a distribution network, we are all setting up and will be sorted within next one month or 45 days. We will have our field presence in many of those markets which are beyond tier 1 markets, so I think that will give us another leverage as far as the…

Analyst: Exactly. My question was that in the two, three, four cities, how much field force do you plan to add, and HCPs you plan to cover?

Vikas Gupta: See, HCP numbers, I gave you close to 150,000, and I think that can happen only when you get to the widest corners of the country. So, I think specific headquarters straight, if you are looking at, maybe we can have an -- we are not getting into those details right now. If you have anything specific, you can reach out to us, right?

Analyst: Yes. Hi, just a small question. How do you plan to fund the Minipress acquisition?

Vikas Gupta: Okay. So, we have taken exploratory approval from the Board. We are exploring various options to repay the debt that we have taken for this acquisition. We will come back with specifics as and when we get clarity, but we don't want to keep the balance sheet stressed for a long time. So, before the end of this financial year, we expect a significant amount of that we would have repaid. Yes, whether it is -- various forms of capital raising is what we will go to the market with. We are figuring that out. I think you will get to know of it in a month's time or so.

Analyst: Thanks.

Moderator: We'll just take a question from the audio link next. Thank you. First question is from the line of Vishal Manchanda from Systematix Group. Please go ahead.

Vishal Manchanda: Hi, good evening and thanks for the opportunity. With respect to the Minipress acquisition, would you be inheriting the sales force of Minipress, or you would be entirely hiring afresh for the brand?

Vikas Gupta: Yes. So, Vishal, we'll be hiring afresh. We're not inheriting any manpower as part of the deal.

Vishal Manchanda: Okay. And with respect to the manufacturing, since Pfizer has discontinued, do you have an alternative source in place? And I also understand there is complexity in the product from a manufacturing standpoint…

Vikas Gupta: So, rest assured, one, we have a bridging stock, so patients will not have any issues with regards to the availability. And we have the supply chain figured out for the product, and that's why we went ahead. So, I would give an assurance on the same.

Vishal Manchanda: Okay, thanks.

Ankush: Hello?

Moderator: And Vishal, last question from you? Do you want another question?

Vishal Manchanda: Yes, I have one question.

Moderator: Go ahead.

Ankush: Hello?

Moderator: Go ahead.

Ankush: This is myself, [Ankush 01:03:50]. So, it's related to the profitability. Last year, we had a 27% of the margins. Now, Minipress acquisition is there. Further, we are adding manpower, acquisition cost. So, could you throw some light that how could be the profitability as compared to the last year in the upcoming next three to four quarters?

Vikas Gupta: So, see, like I've said, it's a commercial reset, and that's why I'm calling it out upfront that Bhagwat has given an indication of the costs that will be built up quarterly. So, we will have a dip for sure as a part of doing this commercial reset. But we will start getting better from there, and I think our focus will be on growth. And that's the guidance that I've given you that this is our aspiration as far as growth is concerned.

So, in the short term to medium term, you will see a dip, because these costs will be built upfront and then revenue starts happening over a period of time. But I think with -- from here on, next financial year, we would be better than this. It will take us to come back to this level, maybe by two to three years, we should be coming back to upwards of 20%, and I think that's a timeframe. But if you will look at the top line, would be very different by then.

Ankush: Thank you.

Moderator: Let's take the next one. You had a question? It's okay. Anyone else, or we take -- I think if there are no more questions, I think we can call it off. Do you have any closing remarks that you want?

Vikas Gupta: No. Thank you so much once again, all of you, for taking the time out. We're just attempting a makeover for what we have inherited. Like [inaudible 01:05:48] always says, we are erasing and then painting a new picture now all together. So I think that is what we are going after. We'll need your best wishes. And we'll keep interacting from time to time. Right. Thank you. Thank you so much, everyone.