



NOVARTIS INDIA LIMITED
ANNUAL REPORT 2024-25





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BOARD OF DIRECTORS

| | |
|---------------------|--|
| Christopher Snook | Chairperson |
| Sanjay Murdeshwar | Vice Chairman and Managing Director (ceased w.e.f closing hours of April 02, 2024) |
| Sandra Martyres | Independent Director |
| Sanker Parameswaran | Independent Director |
| Gira Sardesai | Independent Director |
| Shilpa Joshi | Whole-Time Director and Chief Financial Officer |
| Falin Majmudar | Whole-Time Director (appointed w.e.f June 28, 2024) |

| | |
|----------------|--|
| Chandni Maru | Company Secretary and Compliance Officer (appointed w.e.f May 08, 2024) |
| Nikhil Malpani | Company Secretary and Compliance Officer (ceased w.e.f. closing hours of April 30, 2024) |

CIN L24200MH1947PLC006104

Registered Office Inspire - BKC, 7th Floor, Bandra Kurla Complex,
Bandra East Mumbai 400 051

Telephone Nos. +91 22 5024 3000

E-mail india.investors@novartis.com

Website www.novartis.in

Registrar and Share Transfer Agent MUFG Intime India Private Limited
(formerly known as Link Intime India Private Limited)
C-101, 247 Park, L.B.S. Marg
Vikhroli (West), Mumbai 400 083

Telephone Nos. +91 22 4918 6000

Fax +91 22 4918 6060

E-mail rnt.helpdesk@in.mpms.mufg.com

Annual General Meeting

11.00 A.M. Thursday, July 31, 2025

For detailed instructions to join the AGM through Video Conference (VC) / Other Audio-Visual Means (OAVM) and the procedure to raise questions / seek clarifications with respect to the Annual Report, please refer Note 5 and 6 on Page No. 26 of this Report.

Members are requested to join the virtual AGM by 10:45 A.M. Please keep a soft copy of the Annual Report handy during the meeting proceedings. Members who wish to speak at the AGM are requested to write to the Company in advance at india.investors@novartis.com



Dear Shareholders,

At the outset, it gives me great pleasure to present the Annual Report for Novartis India Limited for the year 2024-25. I extend my heartfelt gratitude for your unwavering trust and continued investment in Novartis India Limited. Your support has been instrumental in our commitment to enhancing healthcare outcomes for patients across the nation.

India's economy has demonstrated remarkable resilience and growth, with the International Monetary Fund projecting a real GDP growth of 6.2 per cent for 2025¹. The economic momentum is mirrored in the healthcare sector, which is experiencing transformative changes driven by technological innovation, increased insurance penetration and a focus on patient-centric care. The Government increased the allocated amount of ₹99,858 crore to the healthcare sector in the Union Budget 2025: a 9.78 per cent increase from the previous fiscal year.²

Programs like Ayushman Bharat and the Digital Health Mission are helping more people get the care they need, while Government support for local manufacturing is creating jobs and boosting the economy. Spending on healthcare is growing quickly—by about 13 per cent each year³—and investment in biotech research has more

than doubled, going from ₹500 crore to ₹1,100 crore.⁴ These are all positive signs. But to truly improve healthcare for everyone, we need to focus not just on numbers, but on building a system that encourages new ideas, ensures access for all, and is strong enough to last for the long term.

Amid this backdrop, three key trends are shaping the future of healthcare in India:

AI and digital health are no longer optional—they're foundational. Artificial Intelligence is now deeply embedded across the healthcare value chain—from molecule discovery to personalised patient care. India's AI market is expected to reach USD 17 billion by 2027, growing at a CAGR of 25 - 35 per cent.⁵ AI applications range from early disease detection to personalized treatment plans, enhancing patient outcomes and operational efficiency. At Novartis India Limited, we are integrating AI in our processes to accelerate the access to medicines for more and more patients in India. All our employees are trained to use AI-enabled tools to improve efficiencies in everyday work.

Healthcare access is expanding through insurance and innovation. India is witnessing a rapid expansion in healthcare coverage. According to

1. India and the IMF

2. Healthcare System in India, Healthcare India - IBEF

3. Press Release: Press Information Bureau

4. Budget 2024: Health and Pharma industry eyes increase in GDP | Today News

5. Nasscom-BCG report says India's AI market is expected to touch 17 billion USD by 2027

At Novartis India Limited, we are integrating AI in our processes to accelerate the access to medicines for more and more patients in India. All our employees are trained to use AI-enabled tools to improve efficiencies in everyday work

Insurance Regulatory and Development Authority of India (IRDAI), over 50 crore people are now covered under some form of health insurance—either public or private—a nearly 5x increase over the past decade.⁶ Enhanced affordability, aided by government schemes like Ayushman Bharat and simplified digital onboarding, are enabling more Indians to seek advanced treatment. For Novartis India, this trend has meant deeper partnerships with payers and providers to widen access to our innovative portfolio.

Organ transplants and chronic disease management are redefining quality of life. India saw over 15,000 organ transplants in 2024, up 20 per cent from the previous year,⁷ with survival rates improving due to better immunosuppressive therapies and post-transplant care [National Organ & Tissue Transplant Organisation (NOTTO), 2024]. As lifespans increase, so do expectations around quality of life. We are proud to be at the forefront of this transformation. Our innovations in transplant immunology are enabling patients not just to survive—but to

thrive. Through 2024-25, we continued to support several transplant centres across India with continuing medical education and digital tools for post-transplant care management.

In addition to our operational priorities, Novartis India Limited remains steadfast in its commitment to social responsibility. In collaboration with The Leprosy Mission Trust of India, we provide vocational training and quality skilling to individuals affected by leprosy, aiming to rehabilitate them into society. Many beneficiaries of these efforts are earning five times more than they were, working with reputed employers and fighting the stigma of leprosy every day. This project has received the Special Commendation Award in Corporate Social Responsibility 2024 by the *CSR Journal*. This initiative underscores our dedication to inclusive growth and community development.

Our achievements would not be possible without the dedication and hard work of our employees. Their unwavering commitment to excellence, innovation, and patient-centricity drives our success. We

are deeply grateful for their contributions and resilience, especially in navigating the challenges of the past year.

As we move forward, Novartis India is poised to leverage the confluence of economic growth, technological advancements, and policy support to further our mission of reimagining medicine. We remain committed to delivering healthcare solutions, expanding access, and improving patient outcomes across the country.

On behalf of the Board of Directors, I am pleased to reiterate our commitment to delivering shareholder value. Therefore, the Company's Board of Directors propose ₹25 per equity share of ₹5 face value per equity share at the upcoming Annual General Meeting, subject to approval by the shareholders of the Company.

Thank you once again for your continued support and trust in our Company.

Sincerely,
Christopher Snook
Chairman

6. India: people with health insurance 2023 | Statista

7. Data: Southern & Western States Lead Organ Transplants in India - FACTLY

Every life touched tells a story: Reimagining life

In the quiet corridors of a transplant ward in Hyderabad, 58-year-old Venkatesh Kumar smiles as his grandson nestles into his arms. Just seven years ago, Venkatesh was battling organ failure, unsure if he would see another Diwali. Today, thanks to timely intervention, access to innovative transplant immunosuppressive therapy, and unwavering support from his medical team, he's planning his summer at the mango farm in the outskirts of the city where he plans to pass on the legacy of nurturing thousands of trees and producing export quality mangoes, to his grandson.

His story is not just a personal triumph—it's a testament to what modern science, compassionate care, and access to the right medicine can accomplish.

At Novartis India Limited, these stories—of resilience, hope, and transformation—lie at the heart of everything we do.

A year of health, humanity, and impact

2025 has been a milestone year—one that reflects our commitment to reimagining medicine and putting patients first. With a diverse portfolio spanning Transplant, Established Medicines, Neurosciences, and Oncology, and 24 brands across therapeutic areas, Novartis India Limited has touched millions of lives—not just through medicines, but through moments that matter.

The heartwarming stories of resilience and impact from Novartis India Limited's key therapeutic areas are:





Disclaimer: Image for representational purposes only and not that of the actual patient.



Disclaimer: Image for representational purposes only and not that of the actual patient.

TRANSPLANT: MORE THAN MEDICINE. LIFE-SAVING

Across India and all over the world, kidney transplants have remained the most frequently conducted organ transplants. In India there has been a significant rise, from 8,052 procedures in 2013 to 26,738 in 2024—marking a more than threefold increase. In India, liver transplants have also seen remarkable progress, growing from 1,796 in 2013 to 9,720 in 2024, which represents over a five-fold rise.¹ Heart and lung transplants also experienced upward trends—however, organ donation rate remains critically low at 0.16 per million.² Our work in transplant immunosuppressive therapy is part of a long-standing commitment to ensuring that patients who receive the gift of life are able to hold on to it.

Through Certican® and Simulect®, we supported over 2,400 patients in 2024 alone. Our partnership with 400+ hospitals and medical colleges on World Organ Donation Day helped amplify awareness—encouraging thousands

to register on the National Organ and Tissue Transplant Organization (NOTTO) platform.

The awareness initiative aimed to highlight the significant disparity between the demand for organs and the available supply. With the awareness initiative, while there has been an increase in donors, the number of deceased donors remain below one donor per million individuals. Educational placards and email campaigns initiated by Novartis India Limited on organ donation highlight the urgent need for individuals to pledge their organs. Doctors served as myth-busters, using educational materials to guide patients and families through the journey of organ donation and post-transplant life.

"I never thought I'd return to farming," shares 54-year-old Raj Shekhar from Bihar. "Post my transplant, with the right treatment and follow up care, I'm stronger than ever."



"Novartis India Limited has played a important role in advancing organ donation awareness across the country. Their initiatives—ranging from educational campaigns to partnerships with hospitals—have empowered both patients and healthcare professionals. By addressing myths and encouraging informed conversations, they are helping bridge the critical gap between organ demand and availability." says Dr Bharat Shah, Director & Head of Department, Nephrology, at Gleneagles Hospital, Mumbai.

1. <https://factly.in/data-southern-western-states-lead-organ-transplants-in-india/#:~:text=The%20organ%2Dwise%20transplantation%20data,slightly%20to%2016%20in%202024.>

2. [https://pmc.ncbi.nlm.nih.gov/articles/PMC4963316/#:~:text=Most%20people%20\(83.2%25\)%20thought,below%20matriculation%20\(Table%202\).](https://pmc.ncbi.nlm.nih.gov/articles/PMC4963316/#:~:text=Most%20people%20(83.2%25)%20thought,below%20matriculation%20(Table%202).)

NEUROSCIENCES: RESTORING DIGNITY AND HOPE

India is home to an estimated 8.8 million individuals living with dementia. This number represents approximately 7.4 per cent of the Indian population aged 60 and older.³ For many families, Alzheimer's is not just a medical challenge but an emotional marathon. Our Exelon® Patch offers an innovative, non-invasive treatment option that preserves independence and memory—even if just for a little longer.

For epilepsy patients, Tegrital® continues to be a dependable ally in a lifelong journey. In 2024, our Neurosciences portfolio empowered over thousands of patients across India to live a better quality of life. "Watching my mother remember her childhood stories again—that's the real medicine," says Anjali, a caregiver from Pune.



Disclaimer: Image for representational purposes only and not that of the actual patient.

TRUSTED FOR GENERATIONS: OUR ESTABLISHED MEDICINES

We believe innovation goes beyond discovering new molecules—it's also about pioneering new models. Our partnership with Dr. Reddy's Laboratories exemplifies what can be achieved when science meets operational scale. By democratizing access and aligning with local market needs, we're ensuring our medicines deliver more impact, reaching more people. Our collaboration with Dr. Reddy's has redefined market access for iconic medicines like the Voveran® range, the Calcium range and Methergine®.

With a footprint spanning 113,000 healthcare professionals and 80,000 retail outlets, we've made sure that even the most remote communities benefit from essential therapies.

Voveran® has stood as a symbol of trusted relief, helping patients worldwide to manage pain and inflammation confidently. Honouring this legacy, Dr. Reddy's has leveraged the strong trust Voveran® commands among healthcare providers and its

deep-rooted market presence to reach both urban and rural populations through the emotionally resonant 'Stronger than Pain' campaign in India.

By nurturing stronger ties with retail partners and healthcare providers, the campaign has expanded the reach of Voveran SR to cities of every size. This initiative is a reflection of our shared commitment to improving quality of life, ensuring effective pain relief is accessible where it's needed.

3. <https://alz-journals.onlinelibrary.wiley.com/doi/10.1002/alz.12928#:~:text=Highlights-,The%20estimated%20dementia%20prevalence%20for%20adults%20ages%2060%2B%20in%20India,in%20rural%20than%20urban%20areas.>

CANCER TREATMENT: WHERE SCIENCE MEETS THE ‘WILL TO FIGHT’

Glivec® has revolutionized the fight against cancer for twenty years. This drug is often referred to as a ‘magic bullet,’ it offers hope for patients suffering from chronic myeloid leukemia (CML) and acute lymphoblastic leukemia with Philadelphia chromosome-positive (Ph-positive ALL).

Femara® helps protect against the return of breast cancer even when treatment starts several years after completing tamoxifen therapy. Femara offers hope to many women, emphasizing that it is never too late for breast cancer survivors to take additional steps to protect themselves against the ongoing risk of disease recurrence.

“Advanced treatment for cancer gave me the courage to relive my life again. Today, my mother’s smile is no longer draping an inner fear. It is optimistic,” smiles 34-year-old Reema, a breast cancer survivor from Lucknow. “I didn’t just survive—my family and I came back stronger.”



Disclaimer: Image for representational purposes only and not that of the actual patient.

What we do at Novartis India Limited is grounded in science but driven by empathy. Every milestone—from transplant recovery to a cancer-free remission—is a reminder that we are in the business of possibility



Beyond the pill: Our commitment to Leprosy

India still accounts for 60 per cent of the world's leprosy cases. The stigma around leprosy casts a long shadow over the lives of those affected. In 2022 – 23, India reported 1,03,819 new leprosy cases, and there are approximately 750 leprosy colonies where more than 2,00,000 individuals live marginalised lives.

Through two of our Corporate Social Responsibility initiatives, we have partnered with The Leprosy Mission Trust India (TLMTI) to create pathways for their reintegration into society. Our vocational training program is designed to equip individuals with the skills they

need to secure sustainable livelihoods and regain their dignity.

Project I: Sustainable Livelihoods for People at High Risk of Unemployment

This project commenced in August 2022 and concluded in March 2025. During FY 2024-25, we trained 159 students across Maharashtra and Tamil Nadu. Over the entire project duration, from August 2022 to March 2025, a total of 339 students were trained at TLMTI's Vocational Training Centers (VTC) located in Maharashtra, Andhra Pradesh, and Tamil Nadu.

Project II: Sustainable Livelihoods for the Community

Since the inception of this project in September 2023, 252 candidates have received vocational training. In FY 2024-25 150 people have benefitted from this program at Nashik and Chandrapur. These programs are more than CSR—it's our conscience in action. The goal is to create a ripple effect that uplifts entire families, and challenges the stigma associated with leprosy.

"My son walks to school again without fear," says Sandhya, whose family once faced leprosy-related discrimination in Maharashtra.

The future is filled with possibilities and hope

What we do at Novartis India Limited is grounded in science but driven by empathy. Every milestone—from transplant recovery to a cancer-free remission—is a reminder that we are in the business of possibility. We see the

future in a schoolgirl whose grandmother can now remember her name, in the civil engineer who rises without pain, in the mother who sees another birthday with her children—thanks to medicine, and thanks to trust.

As we move forward, we remain inspired by our patients, supported by our healthcare partners, and guided by our purpose: to reimagine medicine to improve and extend people's lives.

Notice

NOVARTIS INDIA LIMITED

CIN: L24200MH1947PLC006104

Regd. Office: Inspire BKC, 7th Floor, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

Tel: +91 22-50243000;

Email: india.investors@novartis.com; Website: www.novartis.com/in-en

NOTICE is hereby given that the 77th Annual General Meeting ('AGM') of **NOVARTIS INDIA LIMITED** (hereinafter referred to as 'the Company') is scheduled to be held on Thursday, July 31, 2025 at 11:00 A.M. (IST), through Video Conferencing/ Other Audio-Visual Means (hereinafter referred to as 'VC/ OAVM') without the physical presence of the Members at a common venue in conformity with the regulatory provisions and the circulars issued by Ministry of Corporate Affairs, Government of India to transact the businesses mentioned below.

The proceedings of the AGM shall be conducted at the Registered Office of the Company situated at Inspire BKC, 7th Floor, Bandra Kurla Complex, Bandra East, Mumbai – 400051 which shall be the deemed venue of the AGM.

Ordinary Business

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 together with Reports of the Board and the Auditors thereon:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, the Audited Financial Statements of the Company for the financial year ended March 31, 2025, together with the report of the Board of Directors & its annexures and Auditors Report thereon, as circulated to the Members, along with the Notice of the AGM be and are hereby received, considered and adopted."

2. **To declare final dividend on the equity shares of the Company for the financial year ended March 31, 2025:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, dividend of ₹ 25/- (₹ Twenty Five only) per equity share of the Company of face value ₹ 5/- (₹ Five Only) each for the financial year ended March 31, 2025, be and is hereby declared and will be payable out of the profits of the Company to all those beneficial owners/ members whose names appear in the Register of Members as on the record date for payment of dividend."

3. **To appoint Mr. Falin Majmudar (DIN: 10681030) as Director, who retires by rotation and being eligible, offers himself for re-appointment:**

To consider, and, if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to re-appoint Mr. Falin Majmudar (DIN: 10681030) as a Director, who is liable to retire by rotation."

Special Business

4. **To appoint M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025) as the Secretarial Auditors of the Company:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the amendment notified by SEBI on December 12, 2024, and other applicable provisions, if any, the consent of the members be is hereby accorded to appoint M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025), as the Secretarial Auditors of the Company to hold office for a period of Five (5) consecutive years commencing from April 01, 2025 till March 31, 2030, to conduct the Secretarial Audit and provide the Secretarial Audit Report in the prescribed format.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025), and to take all necessary steps, sign, and file all relevant forms and documents with the Registrar of Companies and other regulatory authorities as may be required in this regard.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, and things as may be necessary to give effect to this resolution.”

**For Novartis India Limited
By Order of the Board of Directors**

**Shilpa Joshi
Whole-Time Director & Chief Financial Officer
DIN: 09775615**

**Registered Office
Novartis India Limited
Inspire BKC, 7th Floor,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400051**

**Date: May 09, 2025
Place: Mumbai**

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) with respect to Item No. 4 of the Notice forms part of this Notice. The relevant details as set out under Item No. 3 of the Notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) in respect of the Directors seeking appointment/ re-appointment at this AGM, are also part of this Notice.
2. Meeting through VC
 - i. Ministry of Corporate Affairs (‘MCA’) vide its General Circular No. 09/2024 dated September 19, 2024 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 28, 2022, September 25, 2023, and September 19, 2024 (collectively referred to as “MCA Circulars”) allowing, inter-alia, conducting of AGMs through Video Conferencing/ Other Audio Visual Means (“VC/ OAVM”) facility on or before September 30, 2025, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated May 5, 2020. The Securities and Exchange Board of India (‘SEBI’) vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 and other relevant Circulars (collectively referred to as ‘Circulars’), dispensed the listed companies from dispatching of the hard copies of Annual Report due in the year 2025 (i.e. till September 30, 2025) to the members of the Company and allowed the companies to conduct their AGMs through Video Conferencing.
 - ii. In compliance with the provisions of the Circulars, the 77th AGM of the Company is being held through VC. Since, the AGM will be held through VC, the route map is not annexed to this Notice.
 - iii. Pursuant to the MCA Circular mentioned above, the Members will not be allowed to attend the AGM in person. Members logging-into the VC facility using the remote e-voting credentials will be reckoned for the purpose of quorum for the AGM under Section 103 of the Companies Act, 2013 (‘the Act’).
 - iv. The Registered Office of the Company shall be deemed to be the venue for the AGM.
 - v. National Securities Depository Limited (NSDL) shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the AGM through VC/ OAVM is explained in subsequent paragraphs below. Participation at the AGM through VC/ OAVM shall be allowed on a first-come-first served basis.
3. Electronic copy of Annual Report along with the Notice of AGM
 - i. Members may note that in compliance with the aforesaid Circulars, Notice of AGM along with the Annual Report for the financial year 2024-2025 are being sent only through electronic mode (by e-mail) to those members whose e-mail addresses/ e-mail IDs are registered with the Company/ Depositories.

- ii. Members may note that the Notice of AGM and Annual Report for the financial year 2024-2025 will also be available on the website of the Company at www.novartis.com/in-en, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com; and on the e-voting website of National Securities Depository Limited ('NSDL') at <https://www.evoting.nsdl.com>
4. Register your e-mail IDs to receive communication electronically

Members who have not registered their e-mail address as a consequence of which the Annual Report, Notice of AGM and e-voting instructions could not be serviced or who have become members post sending of Notice of AGM may register the same in the following manner:

 - i. Members holding equity share(s) in physical mode can register their e-mail ID by sending request to the Registrar and Share Transfer Agent of the Company ('RTA') viz. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) at rnt.helpdesk@in.mpms.mufig.com providing Form ISR-1 along with supporting documents. The said form is available on the website of the Company at <https://www.novartis.com/in-en/investors/shareholders-information>, Folio No., Name of members, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). Alternatively, member can use the link https://web.in.mpms.mufig.com/EmailReg/Email_Register.html for updating their details online.
 - ii. Members holding equity share(s) in an electronic mode are requested to register/ update their email address with their respective Depository Participants (DPs') for receiving all communications from the Company electronically.
5. Proxy

Members may note that since the AGM is being held through VC/ OAVM physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 will not be available for the 77th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Authorised Representative

Institutional/ Corporate shareholders (i.e. other than individuals/HUF/NRI, etc.) are required to send a scanned copy (PDF/ JPG format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the Scrutinizer by email at scrutinizer@snaco.net with a copy marked to evoting@nsdl.com Institutional/ Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-voting" tab in their NSDL Login.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least seven days before the date of the meeting through e-mail at india.investors@novartis.com. Please note that members' question will be answered only if they continue to hold the shares as on cut-off date i.e. July 24, 2025.

8. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings ('Secretarial Standard – 2'), the details of Director seeking re-appointment at the AGM is enclosed in explanatory statement.

9. Book Closure

The Register of Members and Share Transfer Books will remain closed on all days from Thursday, July 24, 2025 to Thursday, July 31, 2025 (both days inclusive).

10. Information related to dividend

- i. Payment of dividend for the financial year ended March 31, 2025 as recommended by the Board, if approved at the meeting, will be payable within Thirty (30) days from the date of its declaration to the members whose names appear in the Register of Members of the Company as on the close of business hours on Wednesday, July 23, 2025 and to those whose names appear as beneficial owners as on end of the day on Wednesday, July 23, 2025.
- ii. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, Power of Attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the RTA in case the shares are held by them in physical form.

11. Taxability of dividend

- i. Members may note that pursuant to the provisions of the Income Tax Act, 1961 (IT Act) as amended by and read with the provisions of the Finance Act, 2020, with effect from April 01, 2020, dividend declared and paid by the Company shall be taxable in the hands of the members. The Company shall therefore be required to deduct tax at source at the prescribed rates at the time of making payment of the said total dividend. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof, if any.
- ii. Necessary communication in this regard will be sent separately to all the members on their registered e-mail IDs. A copy of the said communication will also be placed on the website of the Company at <https://www.novartis.com/in-en>
- iii. Members are requested to furnish appropriate declarations and documents by 11:59 p.m. (IST) on Friday, July 18, 2025 by e-mail to novartisdivtax@in.mpms.mufig.com Alternatively, member can use the link <https://web.in.mpms.mufig.com/formsreg/submission-of-form-15g-15h.html> for submission of appropriate documents in order to enable the Company to determine and deduct appropriate TDS/ withholding tax. No communication/ documents shall be considered post (12.00 a.m. on Saturday, July 19, 2025.)

iv. For Resident shareholders

| Category of shareholder | Tax Deduction Rate | Exemption applicability/Documentation requirement |
|---|--------------------|--|
| Any Resident shareholder | 10% | Update the Permanent Account Number (PAN) if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Share Transfer Agent – MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) (in case of shares held in physical mode) No deduction of taxes in the following cases – <ul style="list-style-type: none"> If dividend income to a resident Individual shareholder during the financial year 2024-25 does not exceed ₹ 5,000 If the shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with documentary evidence in relation to the same |
| Resident individuals submitting Form 15G/15H | Nil | Shareholders providing Form 15G (applicable to individuals below 60 years)/ Form 15H (applicable to individuals above the age of 60 years) – on fulfilment of prescribed conditions |
| Other resident shareholders without registration of PAN or having invalid PAN | 20% | Update the PAN if not already done with depositories (in case of shares held in demat mode) and with the Company's Registrar and Share Transfer Agent – MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) |

- v. Recording of the valid PAN for the registered Folio No./DP ID – Client ID is mandatory. In absence of a valid PAN, the tax will be deducted at a higher rate of 20% as per Section 206AA of the IT Act.
- vi. Non-filers of income-tax return in India will be subject to twice the applicable rate of tax as per Section 206AB of the IT Act if considered as a 'specified person' as per definition provided therein.
- vii. Shareholders holding shares under multiple accounts under different status/ category and with single PAN, may note that higher of tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different account. (The PAN needs to be updated for each account).
- viii. Non-Resident shareholders can avail beneficial tax rates under the tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. The Company is not obligated to apply the beneficial tax treaty rates at the time of Tax deduction/ withholding on dividend amounts. Application of beneficial tax treaty rates shall depend upon the completeness of the documents submitted by the non-resident shareholders and review to the satisfaction of the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the IT Act.

12. Information related to Investor Education and Protection Fund ('IEPF')

- i. Pursuant to the provisions of Section 124(6) of the Act, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, as notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven (7) consecutive years or more, in the Demat Account of IEPF Authority set up by the Central Government. Adhering to requirements set out in the said Rules, the Company has taken appropriate action and transferred the shares to the IEPF Authority on October 31, 2024 for the financial year 2016–17.
- ii. The details of members whose shares have been transferred to IEPF, are placed on the website of the Company at <https://www.novartis.com/in-en>
- iii. Pursuant to the provisions of Sections 124 and 125 of the Act, dividends, which remain unclaimed for a period of 7 (seven) years from the date of transfer to the Unpaid Dividend Account, are required to be transferred to the IEPF authority established by the Central Government. The details of unpaid dividend are placed on the website of the Company at <https://www.novartis.com/in-en>
- iv. Concerned members may note that, upon such transfer, both the unclaimed dividend and the shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed by making an online application to the IEPF Authority in e-Form IEPF- 5 available on www.iepf.gov.in
- v. Members who have not encashed dividend warrant(s) for the financial year 2015–16 and onwards are requested to make their claims directly to the Company or to the Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, without any delay.
- vi. The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs ("MCA") have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS"), NEFT, RTGS facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the members account, elimination of loss of instruments in transit or fraudulent encashment, etc. Bank account details given by Members to their Depository Participant(s) (DPs) and passed on to the Company by such DPs would be printed on the demand drafts of the concerned Members. Members who hold shares in dematerialized form must, therefore, give instructions regarding their bank account details to their DPs. The Company will not act on any request received directly from Members for changes in their bank account details. Further, instructions, if any, given by Members for shares held in physical form will not be applicable to the dividend paid on shares held in electronic form.
- vii. Following are the due dates for transfer of unclaimed dividends to the IEPF

| Financial Year | Dividend Rate per share (in ₹) | Date of declaration | Due date for transfer to IEPF |
|----------------|--------------------------------|---------------------|-------------------------------|
| 2017–18 | 10 | 27.07.2018 | 01.09.2025 |
| 2018–19 | 10 | 09.08.2019 | 15.09.2026 |
| 2019–20 | 10 | 07.08.2020 | 13.09.2027 |
| 2020–21 | 10 | 27.08.2021 | 02.10.2028 |
| 2021–22 | 10 | 29.07.2022 | 03.09.2029 |
| 2022–23 | 47.50 | 28.07.2023 | 02.09.2030 |
| 2023–24 | 25 | 31.07.2024 | 04.09.2031 |

13. SEBI vide circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with master circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievance with the Company/ its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
14. In terms of Section 152 of the Act, Mr. Falin Majmudar (DIN: 10681030), the Director of the company, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company has recommended his re-appointment.
15. Other information
- i. Members holding equity shares in physical form, in identical order of names, in multiple folios are requested to send to the Company or RTA, details of such folios along with the share certificates for consolidating their holdings in one folio. A letter of confirmation will be issued to such member after making requisite changes.
 - ii. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the RTA of the Company, in the prescribed Form SH-13 for this purpose. In case the shares are held by them in demat mode, the members are requested to submit the said details to their DP.
 - iii. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 - iv. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM. All the documents referred to in Notice will also be available for electronic inspection [on all working days between 11.00 a.m. (IST) to 4.00 p.m. (IST)] without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. July 31, 2025. Members seeking to inspect such documents may send their request in writing in advance to the Company at india.investors@novartis.com
 - v. In compliance with the provisions of MCA General Circular No. 09/2024 dated September 19, 2024 and SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, the Company is dispensed with the printing and dispatch of hard copies of Annual Reports to members. Hence, the Annual Report for the financial year 2024-25 shall be sent only through electronic mode to those members whose email IDs are available with the Company/ Depositories/ RTA. If any member is desirous of obtaining hard copy of the Annual Report/ Notice of AGM for the said financial year, they may send request to the

Company's e-mail ID at india.investors@novartis.com mentioning Folio No./DP ID and Client ID. The Annual Report for the financial year 2024-25 shall also be available on the website of the Company at <https://www.novartis.com/in-en>

16. Voting through electronic means

- i. In compliance with the provisions of Section 108 of the Act and other applicable provisions of the Act, if any read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations and applicable Circulars, the Company is providing its members the facility to cast their vote using a remote e-voting system before the AGM as well as during the AGM, through the e-voting services provided by NSDL, on all the Resolutions set forth in this Notice. The instructions for e-voting are given herein below.

Important dates for remote e-voting

| | | |
|---|---|---|
| Cut-off date for determining the members entitled to vote on the Resolutions set forth in the Notice of AGM | : | Thursday, July 24, 2025 |
| Remote e-voting period Members of the Company as on the cut-off date may cast their vote by remote e-voting | : | Commences from 9.00 a.m. (IST) on Monday, July 28, 2025 and ends at 5.00 p.m. (IST) on Wednesday, July 30, 2025 |
| URL for remote e-voting | : | https://www.evoting.nsdl.com |

- ii. The Board of Directors has appointed Mr. S. N. Viswanathan as Scrutinizer (ACS 61955; COP No. 24335) and failing which Ms. Ashwini Vartak as an alternate Scrutinizer (ACS 29463; COP No. 16723) of S N Ananthasubramanian & Co., Company Secretaries, as the Scrutinizers to carry on e-voting process (during e-voting period and AGM) in a fair and transparent manner.
- iii. The remote e-voting module shall be disabled for voting thereafter by NSDL. Once the vote on a Resolution is cast by the member, such member shall not be allowed to change it subsequently.
- iv. Those Members, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. A person who is not a member as on the cut-off date (July 24, 2025) should treat this Notice for information purposes only. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date (July 24, 2025).
- v. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC but shall not be entitled to cast their vote again.
- vi. Any person holding equity shares in physical form and non-individual members, who acquires shares of the Company and becomes member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off

date i.e., July 24, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on 022 4886 7000. In case of individual members holding securities in demat mode who acquire shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 24, 2025 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-voting system”.

- vii. In terms of provisions of Section 107 of the Act, since the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the AGM. If a Member cast votes by both modes i.e. remote e-voting and e-voting system at the AGM, then voting done through remote e-voting shall prevail and voting done through e-voting system at the AGM shall be treated as invalid.

Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: –

The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Thursday, July 24, 2025 may cast their vote electronically.

The voting right of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, July 24, 2025.

The remote e-voting period begins on Monday, July 28, 2025 at 09:00 A.M. (IST) and ends on 05.00 p.m. (IST) on Wednesday, July 30, 2025. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Voting electronically using NSDL e-voting system

Voting electronically on NSDL e-voting system consists of ‘**Two Steps**’ which are as under:–





Step 1 – Access to NSDL e-voting system

- A) Login Method for e-voting and joining virtual meetings for individual members holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-voting facility.

Login method for Individual members holding securities in demat mode is given below:

| Type of Members | Login Method |
|---|---|
| B) Individual members holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered e-mail id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-voting website of NSDL, Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

| Type of Members | Login Method |
|--|--|
| | <p>5. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi/ Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers’ website directly. 3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also directly access the system of all e-voting Service Providers. |

| Type of Members | Login Method |
|---|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants. | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

| Login type | Helpdesk details |
|---|--|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 – 4886 7000 |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

B) Login Method for e-voting and joining virtual meeting for members other than Individual members holding securities in demat mode and members holding securities in physical mode.

How to Log-into NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for members other than Individual members are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those members whose e-mail ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/ OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@snaco.net with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/ Authority Letter” displayed under “e-voting” tab in their NSDL login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on.: 022 – 4886 7000 or send a request to (Mr. Amit Vishal) at evoting@nsdl.com

Process for those members whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail rnt.helpdesk@in.mpms.mufg.com

2. In case shares are held in demat mode, please provide DPID–CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (rnt.helpdesk@in.mpms.mufg.com). If you are an Individual member holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-voting and joining virtual meeting for Individual members holding securities in demat mode.**
3. Alternatively, members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of “VC/ OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Further members will be required to access Camera and are requested to use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, e-mail id, mobile number at india.investors@novartis.com. The same will be replied by the company suitably.
6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.com, Tel: 022 – 4886 7000 or contact Mr. Amit Vishal, Deputy Vice President–NSDL at evoting@nsdl.com or call 022 – 2499 7000.
7. In case of any grievances connected with the facility for e–voting, please contact Ms. Pallavi Mhatre, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Email: evoting@nsdl.com, Tel: 022 – 4886 7000.
8. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the event and count votes cast through remote e–voting and e–voting at the AGM and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website at <https://www.novartis.com/in-en> and on the website of NSDL at <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

**For Novartis India Limited
By Order of the Board of Directors**

**Shilpa Joshi
Whole–Time Director & Chief Financial Officer
DIN: 09775615**

**Registered Office
Novartis India Limited
Inspire BKC, 7th Floor,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400051**

**Date: May 09, 2025
Place: Mumbai**

EXPLANATORY STATEMENT

(As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice)

Information pursuant to Secretarial Standard–2 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 3

To appoint Mr. Falin Majmudar (DIN: 10681030) Whole-Time-Director as Director, who retires by rotation and being eligible, offers himself for re-appointment.

Profile and other details of Director seeking re-appointment.

At the ensuing AGM, Mr. Falin Majmudar (DIN: 10681030) Whole-Time Director of the Company shall retire by rotation, and being eligible, offers himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board has approved his re-appointment subject to members' approval. Mr. Falin Majmudar is Whole-Time Director on the Board of the Company effective June 28, 2024.

Mr. Falin Majmudar has 31+ years of experience in medical device and pharmaceutical industry having expertise in Manufacturing, Supply Chain, External Supply Operations (ESO) and Project Management. Mr. Falin Majmudar joined Novartis India Limited in 2016 as ESO Supply Head for India Cluster and since then successfully held various leadership positions. Currently Mr. Falin Majmudar leads Supply Relationship Team of ESO.

Prior to Joining Novartis India Limited, he has worked in Johnson & Johnson Limited and GlaxoSmithKline Pharmaceutical Limited.

Mr. Falin Majmudar has done his Post graduation in Pharmacy from L M College of Pharmacy, Ahmedabad and Post Graduate Diploma in Business Management from Xaviers Institute of Management, Bhuvneshwar.

Mr. Falin Majmudar brings with him excellent technical knowledge, industry experience and skills to handle challenging situations. He is resilient and has excellent interpersonal skills.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives, are in any way concerned or interested (financially or otherwise), in this Resolution except Mr. Falin Majmudar and his relatives, to the extent of their shareholding in the Company, if any.

DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

| Particulars | Item Nos. 3 |
|---------------------------------|--|
| Name of Director | Mr. Falin Majmudar |
| Director Identification Number | 10681030 |
| Date of Birth / Age | December 22, 1968, 57 Yrs |
| Date of appointment as Director | June 28, 2024 |
| Qualification | Post Graduate in Pharmacy, Post Graduate Diploma in Business Management |

| Particulars | Item Nos. 3 |
|--|--|
| Brief profile and nature of expertise in specific functional areas | Falin Ishwarlal Majmudar has 31+ years of experience in medical device and Pharmaceutical industry having expertise in Manufacturing, Supply Chain, External Supply Operations (ESO) and Project Management. Falin joined Novartis India Limited in 2016 as ESO Supply Head for India Cluster and since then successfully held various leadership positions. Currently Falin leads Supply Relationship Team of ESO APMA. |
| Relationship with other directors, manager and other KMP of the Company | None |
| Terms and Conditions of appointment/ re-appointment | As per his terms of appointment as Whole-Time Director. |
| Remuneration last drawn by such person, if applicable and remuneration sought to be paid | 11.17 million |
| Nature of appointment (appointment/ re-appointment) | Re-appointment as Whole-Time Director (liable to retire by rotation) |
| Date of first appointment on the Board | June 28, 2024 |
| The number of Meetings of the Board attended during the year | 3 |
| Directorships held in other listed companies in India | None |
| Memberships/ Chairmanships of committees held in other listed companies in India | None |
| Shareholding in the Company | 35 shares |
| Relationship between Directors inter-se and with Key Managerial Personnel of the Company | None |

Directorships in foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc. are not considered.

The Director is not related to any other Director(s) of the Company.

In terms of Section 152 of the Act, Mr. Falin Majmudar (DIN: 10681030), Whole-Time Director, retires by rotation at the AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended his re-appointment.

The Board recommends the resolution set out at Item No. 3 for the approval of the Members by way of an Ordinary Resolution.

Item No. 4

To appoint M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025) as the Secretarial Auditors of the Company

Pursuant to the amendment notified by SEBI on December 12, 2024, under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment/ re-appointment of the Secretarial Auditor is now required to be approved by the members at the Annual General Meeting.

In compliance with the said amendment and pursuant to the provisions of Section 204 of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company, at its meeting held on May 09, 2025, recommended the appointment of M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025), as the Secretarial Auditors of the Company for a term of 5 (Five) consecutive years commencing from April 01, 2025 till March 31, 2030, to conduct the Secretarial Audit and provide the Secretarial Audit Report in the prescribed format.

M K Saraf & Associates LLP, Company Secretaries is a firm of Practising Company Secretaries co-founded by Mr. Kamalax G. Saraf, a seasoned professional with over three decades of experience, and Mr. Mandar K. Saraf, who has been practicing in the field of corporate laws and compliance since 2014. The firm offers integrated legal, corporate, and compliance solutions to a wide range of corporates, including listed entities and banks. With a team of qualified professionals and trained staff, the firm specializes in Secretarial Audits, Compliance Reports, Corporate Governance certifications, Due Diligence and other statutory compliances and certifications under the Companies Act and SEBI (LODR) Regulations.

M K Saraf & Associates LLP, Company Secretaries have given their consent and confirmed their eligibility to act as the Secretarial Auditors of the Company and have further confirmed that their aforesaid appointment (if approved) would be within the limits specified by Institute of Company Secretaries of India. Furthermore, in terms of the amended regulations, M K Saraf & Associates LLP, Company Secretaries have provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate.

The proposed remuneration for M K Saraf & Associates LLP, Company Secretaries for conducting the Secretarial Audit for the year ending March 31, 2026 is ₹ 1,95,000/- (Rupees One Lakh Ninety-Five Thousand only) plus applicable taxes and out-of-pocket expenses (if any). Besides the secretarial audit services, the Company may also obtain certifications from M K Saraf & Associates LLP, Company Secretaries under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-secretarial audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with M K Saraf & Associates LLP, Company Secretaries.

Based on the recommendations of the Audit Committee, the Board of Directors have approved and recommended the aforesaid proposal for approval of members considering the eligibility of the firm's qualification, experience, independent assessment & expertise of the partners in providing secretarial audit related services.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is, in any way, interested or concerned, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set out at Item No. 4 for the approval of the Members by way of an Ordinary Resolution.

Board's Report

Dear Members,

Your Directors' are pleased to present the 77th Annual Report along with the audited financial statement for the year ended March 31, 2025 ("year under review").

Summary of Financial Results

| Particulars | (₹ in million) | |
|---|----------------|---------|
| | 2024-25 | 2023-24 |
| Revenue from Operations | 3,562.7 | 3,350.7 |
| Total Income | 3,982.3 | 3,967.5 |
| Profit/(Loss) Before Tax | 1,304.2 | 1,228.4 |
| Profit/(Loss) After tax | 1,009.0 | 851.9 |
| Other Comprehensive Income for the year | 9.7 | 12.1 |
| Retained Earnings balance brought forward from previous year available for appropriation | 7,288.4 | 7,597.2 |
| The Directors have made the following appropriations: | | |
| Dividend | 617.3 | 1,172.8 |
| Carry forward | 7,689.8 | 7,288.4 |

Dividend

We are pleased to inform our members that your Board of Directors has recommended a dividend for the reporting period, underscoring our steadfast commitment to delivering sustained value. This recommendation reflects the prudent management of our financial resources and the continued momentum in enhancing profitability. The Board has recommended a Dividend of ₹ 25/- per equity share of ₹ 5/- each to be appropriated from the profits of the year 2024-25 subject to the approval of the members at the ensuing Annual General Meeting (AGM). The dividend, if approved, will result in a cash outflow of ₹ 617.3 million. Dividend, if approved by the Members at the forthcoming Annual General Meeting, will be paid within 30 days from the date of declaration.

The Dividend Distribution Policy, approved by the board in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') is available on the website of the Company at: https://www.novartis.com/in-en/sites/novartis_in/files/Dividend%20Distribution%20policy_2025.pdf

Transfer to General Reserves

In accordance with the provisions of the Companies Act, 2013 ("the Act"), the Board of Directors does not propose to transfer any amount to the General Reserves for the year under review. The entire profit after tax shall be retained under 'Retained Earnings'.

Management Discussion and Analysis

For the financial year under review, the Company operated solely within the Pharmaceuticals segment.

a. Economy, Industry and Development

The Global Pharmaceutical Market was valued at approximately USD 1.65 trillion in 2024 and is projected to grow at a Compound Annual Growth Rate (CAGR) of 6.12 per cent from 2025 to 2030, reaching an estimated USD 2.35 trillion by 2030. This growth is primarily driven by the increasing prevalence of chronic diseases such as diabetes, cancer, and cardiovascular disorders, along with aging populations globally, which are escalating

the demand for healthcare services and medications. Advancements in biotechnology and personalized medicine—particularly in biologics and RNA-based therapeutics—are also major factors contributing to market expansion. Technological innovations in drug delivery systems and the evolution of targeted therapies, such as CAR-T cell therapies for cancer, are transforming treatment paradigms and offering more effective solutions for complex conditions. The United States continues to be the largest pharmaceutical market, followed by Europe and the Asia-Pacific region. Emerging markets in Asia are witnessing rapid growth, propelled by enhanced access to healthcare and rising healthcare expenditures.^{1,2,3}

The Indian Pharmaceutical Market generated revenue of USD 28.72 billion in 2024.⁴ India remains a key global supplier of low-cost, high-quality medicines, including vaccines and generic drugs.⁵ The country has the largest number of USFDA-compliant pharmaceutical plants outside the United States and over 2,000 WHO-GMP approved facilities.⁵ India's pharmaceutical industry benefits from a low cost of manufacturing, which is 30 per cent–35 per cent lower than in the US and Europe, and cost-efficient R&D, which is about 87 per cent less than in developed markets. The government has implemented several initiatives to support the sector, including the Production-Linked Incentive (PLI) scheme with a total outlay of USD 2.04 billion.⁵

The Indian Pharmaceutical Market in FY 2024–25 saw significant growth across various therapy areas. Chronic therapies, such as cardiac, antineoplastics (cancer treatments), and urology, outperformed compared to acute therapies. Among acute therapies, gastroenterology and dermatology led in growth.⁶

Enrolment under the AB-PMJAY health insurance scheme is accelerating, with extensions to senior citizens aged 70 and over and workers in the informal economy. Production-Linked Incentive (PLI) schemes targeting investment in the production of active pharmaceutical ingredients and finished drugs are gaining traction.⁴

References:

1. <https://senorespharma.com/wp-content/uploads/2024/12/10.-Frost-and-Sullivan-report-Overview-of-Global-Pharma-Market-July-24-2024.pdf>
2. <https://www.grandviewresearch.com/industry-analysis/pharmaceutical-market-report>
3. <https://store.frost.com/global-pharmaceutical-industry-outlook-2024.html>
4. IQVIA. (2025). Market Prognosis 2025-2029, India
5. <https://www.ibef.org/industry/indian-pharmaceuticals-industry-analysis-presentation>
6. <https://www.iqvia.com/locations/india/library/presentations/indian-pharmaceutical-business-quarterly-insights-q3-2024>

b. Performance

Revenue from operations for the financial year ended March 31, 2025 stood at ₹ 3,562.7 million, reflecting an increase of 6.3 per cent over the previous year. Profit before tax for the year amounted to ₹ 1,304.2 million as compared to ₹ 1,228.4 million in the previous year.

The National Organ & Tissue Transplant Organisation (NOTTO) continued its efforts to enhance awareness and improve monitoring of brain stem deaths.⁷ The annual number of organ transplants has more than tripled over the past decade, with kidney transplants comprising the majority.⁷

The inclusion of kidney, heart, lung and liver transplants under PM-JAY Ayushman Bharat and Rashtriya Arogya Nidhi, with financial assistance for Below Poverty Line (BPL) patients, highlights a commitment to making organ transplants more accessible in India.

References:

7. <https://www.theweek.in/wire-updates/national/2024/08/03/des43-organ-transplants-notto.html>

Novartis continued to engage physicians to strengthen brand recall and to disseminate key scientific messages. These efforts were carried out through differentiated campaigns delivered via RTEs (Rep Triggered Emails) and CMEs (Continuing Medical Education). During the year, Novartis partnered with the renowned European Renal Association to host a series of International Speaker Programs promoting scientific advocacy for transplantation therapies, attended by approximately 400 transplant physicians. We continue to drive strong differentiation for Novartis brands within the transplant maintenance portfolio.

During the financial year, the transplant portfolio recorded a robust 14 per cent growth, despite supply constraints related to Simulect®.

This growth was realized in a highly genericized and competitive market, by sharply focusing on individual brands in the transplant maintenance portfolio through high-impact share-of-voice campaigns such as ‘My Trust with Myfortic®’ and ‘Start Early with Certican®’.

The exclusive sales and distribution arrangement with Dr. Reddy’s Laboratories for the Established Medicines Brands—including the Voveran® range, the Calcium range, and Methergine® entered its third year of operations. The arrangement aims to broaden access to these medicines across wider geographies, reaching many more patients more efficiently through an expanded field force.

The Pain portfolio with its flagship brand Voveran® range, achieved internal growth of 6 per cent vs. FY 23-24. The team focused on reinforcing Voveran’s efficacy perception among Healthcare Professionals (HCPs), targeting both urban and rural markets with a strong in-clinic share-of-voice push driven by the ‘Stronger than Pain’ campaign. Within this, the Voveran SR range, which represents 91 per cent of the Voveran oral portfolio, exhibited a positive evolution index of 102 per cent on a MAT Dec’24 basis.

There is an increase in the share of voice and Voveran, gaining prescription share among doctor specialties in India. Strong hospital-focused initiatives and efforts to build reasons-to-believe among HCPs have contributed to significant uptake in Voveran AQ injections. Overall, the portfolio registered 10 per cent growth over FY 2023–24.

An estimated 8.8 million Indians are currently living with dementia, with a prevalence rate of 7.4 per cent among adults aged over 60.⁸ Nationwide initiatives are underway to improve awareness and promote early diagnosis through national health programs and collaborations with organizations such as the Alzheimer’s and Related Disorders Society of India (ARDSI).⁹ Exelon® Patch, our innovative treatment for Alzheimer’s disease, offers convenience and safety, contributing to greater patient acceptance and portfolio growth.

The following brands hold key positions in major therapeutic areas such as:

| Therapeutic Area | Therapeutic Area Product |
|----------------------------|--|
| Bone and Pain | Voveran® |
| Transplantation Immunology | Simulect®, Certican®, Sandimmun®, Neoral®, Myfortic® |
| Neurosciences | Tegrital®, Exelon® |

References:

⁸. Lee J, et al. Prevalence of dementia in India: National and state estimates from a nationwide study. *Alzheimers Dement.* 2023 Jul;19(7):2898-2912. doi: 10.1002/alz.12928. Epub 2023 Jan 13. PMID: 36637034; PMCID: PMC10338640.

⁹. <https://www.alz.org/in/dementia-alzheimers-en.asp>

c. Key Financial Indicators

| Particulars | 2024-25 | 2023-24 |
|--------------------------------|---------|---------|
| Operating profit margin (%) | 25.0 | 18.7 |
| Net profit margin (%) | 28.3 | 25.4 |
| Debtors' turnover ratio | 8.7 | 8.6 |
| Current ratio | 5.3 | 4.4 |
| Return on Equity (%) | 13.2 | 11.2 |
| Inventory turnover ratio | 8.3 | 6.7 |
| Debt service coverage ratio | 43.2 | 24.2 |
| Debt equity ratio | 0.01 | 0.01 |
| Return on capital employed (%) | 11.4 | 9.2 |
| Return on Investment | 6.7 | 6.4 |

Reasons for change compared to the previous financial year in key financial ratios are as follows:

Operating profit margin

Operating profit margin is a profitability or performance ratio used to calculate the percentage of profit of a company produces from its operations. It is calculated by dividing the operating earnings before interest and tax by turnover. Margins have improved because of operational efficiencies.

Net profit margin

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing profit for the year by turnover. Net profit margin in the financial year 2024-25 has increased due to operational efficiencies. Current tax expense for the year ended March 31, 2025 and March 31, 2024 includes tax adjustments for earlier years of (₹ 42.5 million) and ₹ 61.6 million respectively.

Debtors' turnover ratio

It is calculated by dividing turnover by average trade receivables, to quantify a company's effectiveness in collecting its receivables. No major movement compared to previous year.

Current ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities. Current ratio has improved due to increase in cash and bank balance.

Return on Equity

Return on equity is a measure of profitability of a company expressed in percentage. It is calculated by dividing profit for the year by average shareholder's equity. Return on equity in the financial year 2024-25 has increased due to operational efficiencies compared to previous financial year 2023-24.

Inventory turnover ratio

Inventory turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory. The movement in the inventory turnover ratio is mainly on account of reduction in inventory.

Debt service coverage ratio

The debt service coverage ratio measures how many times a company can cover its current interest payment with its available earnings. It is calculated by dividing earnings available for debt service by lease payments. The ratio has been impacted positively due to significant reduction in lease liabilities on account of remeasurement.

Debt equity ratio

The debt equity ratio is used to evaluate a company's financial leverage. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. It is calculated by dividing lease liabilities by shareholders equity. This ratio has impacted positively on account of significant reduction in lease liabilities on account of remeasurement.

Return on Capital employed

Return on capital employed is a measure of profitability of a company expressed in percentage. It is calculated by dividing profit before interest and tax for the year by capital employed. Return on capital employed has improved due to operational efficiencies.

Return on Investment

Return on investment is defined as return earned on the investment done. It is calculated by dividing weighted average interest income on bank deposit by weighted average bank deposits. There is no major movement compared to previous year.

d. Risks, Threats, and Concerns

There is significant uncertainty regarding the imposition of trade tariffs by the US and counter-tariffs by other countries, which present downside risks. Recruitment and retention of staff, as along with shortages of equipment and inadequate infrastructure, remain challenges in parts of the Health and Wellness Centres (HWCs) network.

Low budget utilization is slowing progress in improving public hospital infrastructure, and staff recruitment continues to be a challenge. Profit-driven substitution is increasing in private hospital chains, where centralized procurement increasingly dictates prescribing and dispensing choices. In August 2024, The Ministry of Health and Family Welfare (MOHFW) announced a ban on 156 fixed-dose combinations (FDCs) including products containing antibiotics, painkillers, multivitamins, and drugs for fever and hypertension. This ban is facing challenges in court.

Compliance costs may lead to the closure of many smaller domestic producers due to the alignment of India's good manufacturing practice (GMP) standards with WHO GMP. Trade generics have emerged as a growing threat to the traditional branded generics market, slowing overall market growth.

The regulation of promotional practices has been updated, leading to more restrictive approaches to receiving representatives by both government and private hospitals. Plans to impose trade margin caps on more non-scheduled drugs remain a risk.¹

Reference :

¹ IQVIA. (2024). Market Prognosis 2024-2028, India.

e. Outlook

The Indian Pharmaceutical Market is projected to grow at a CAGR of 8.0 per cent (± 2.0 per cent) between 2024 and 2029, reaching ₹ 3,529 billion by 2029. Real GDP growth is expected to improve marginally to 6.5 per cent in 2025–26, supported by a recovery in rural consumption. Consumer price inflation is anticipated to moderate to 4.3 per cent in 2025 and is projected to average 4.5 per cent annually over the period 2026–2029. The Indian rupee is forecast to depreciate gradually during the forecast period, averaging ₹ 89.70 per US\$1 by 2029.

Health policy will continue to be guided by the Ayushman Bharat ('Healthy India'- AB) initiatives. The Union Budget of February 2025 allocated ₹ 998.6 billion to the MOHFW, reflecting an 11 per cent increase over the previous year's revised estimate. Health insurance coverage is expected to rise further, with accelerated enrolment under the AB-PMJAY scheme. The government is also targeting further improvements in public primary healthcare, with over 188,000 Health and Wellness Centres operational by the end of 2024. Concurrently, demand for private hospital services is increasing significantly, attracting substantial private equity and venture capital investments.

The government is intensifying efforts to curb the over prescription of antibiotics and continues to promote generic prescribing. Rapid expansion and consolidation within the private hospital sector are increasing the strategic importance of securing formulary listings. The fast-paced growth of the trade generics segment is beginning to impact dispensing patterns. Meanwhile, the government has indicated a possible overhaul of the existing drug price control regime.

The Union Budget 2025–26 broadened the list of medicines exempted from Basic Customs Duty (BCD), adding 36 life-saving drugs to the fully exempt category and reducing customs duty to 5 per cent on six additional medicines. The annual increases in the maximum retail price of scheduled drugs, approved by the National Pharmaceutical Pricing Authority (NPPA) in March 2025, remained relatively modest. Regulatory efficiency is expected to improve under the proposed Drugs, Medical Devices and Cosmetics Bill. The number of global clinical trials involving Indian sites is on the rise.

India's Good Manufacturing Practice (GMP) standards were harmonised with WHO-GMP guidelines in December 2023. Furthermore, amendments to India's patent rules in March 2024 aim to streamline and expedite the processes for patent application, examination, and management.

Deal-making activity in the pharmaceutical sector remains robust. Continued growth in the trade generics market is anticipated. The expansion of organised pharmacy chains is accelerating. Regulation of promotional practices has been updated with the implementation of the Uniform Code of Pharmaceutical Marketing Practices (UCPMP) in March 2024.⁴

f. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposal. Company policies, guidelines and procedures provide for adequate checks and balances and are intended to ensure that all transactions are authorised, recorded and reported correctly.

The Internal Auditor reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis, and significant deviations are brought to the notice of the Audit Committee of the Board of Directors, following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

During the year, the Company conducted a detailed review of its internal control systems, evaluated the internal financial control systems with the Audit Committee and discussed relevant issues with internal and statutory auditors. Based on the recommendations of the Audit Committee, the Board has stated in its responsibility statement that the Company followed proper internal financial controls and that such internal financial controls are adequate and were operating effectively.

Particulars of Employees

The Company regards its employees as a valuable asset and accords high priority to training and development of employees.

The number of employees in the Company as at March 31, 2025, was 56.

Disclosures pertaining to remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 ('the Act'), read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure A**.

In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report. However, in terms of first provision of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. If any member is interested in obtaining a copy thereof, such members may write to the Company Secretary & Compliance Officer, whereupon a copy would be sent.

Share Capital

The equity shares issued by the Company during the year under review, are listed at BSE Limited (BSE) as on the date of this report and the securities of the Company are not suspended from trading during the reporting period.

During the year under review, there was no change in the authorized, issued and paid-up share capital of the Company than that of the previous year ended March 31, 2024.

Corporate Social Responsibility

The Company continues to support various initiatives in the areas of health. The CSR Policy adopted by the Board of Directors is available on the Company's website at: <https://www.novartis.com/in-en/investors/novartis-india-corporate-policies>

Health: The Government of India announced its commitment to eradicate leprosy from the country by year 2030. Aligned with this vision, the Company reinforced its commitment to leprosy as part of its CSR work in India. The Company continued its support to a non-profit organization with projects based in Tamil Nadu and Maharashtra. The project gives people affected by leprosy the ability to get jobs through vocational training and build a community of empowered young people who can further empower their families and communities.

The Annual Report on Corporate Social Responsibility Activities, in terms of Section 135 of the Act and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended by Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, (effective January 22, 2021) read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, (effective September 20, 2022) (hereinafter referred to as 'CSR Rules'), is annexed herewith as an **Annexure B**.

Contracts or Arrangements with Related Parties

All contracts, arrangements and transactions entered by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis, in accordance with the provisions of the Act.

Your Company has formulated a policy on Related Party Transactions which has been uploaded on the website of the Company at https://www.novartis.com/in-en/sites/novartis_in/files/Policy%20for%20dealing%20with%20Related%20Party%20Transactions%20NIL.pdf

All transactions with related parties during the year were in accordance with the Policy on Related Party Transactions, formulated and adopted by the Company, and were reviewed and approved by the Independent Directors who are members of the Audit Committee, in accordance with the SEBI Listing Regulations. Prior omnibus approval of the Independent Directors who are members of the Audit Committee is obtained on a yearly basis for the transactions that are foreseen and of a repetitive nature. A statement giving details of all Related Party Transactions is placed before the Audit Committee for their review on a quarterly basis.

The details of the related party transactions as per Indian Accounting Standards (IND AS) – 24 are set out in Note No. 30 to the Financial Statements of the Company. The Company, in terms of Regulation 23 of the SEBI Listing Regulations, submits disclosures of all related party transactions to the Stock Exchange within the time stipulated and in the format stipulated under the said SEBI Listing Regulations.

Particulars of contracts or arrangements with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in **Annexure C** in Form AOC-2 and forms part of this report. The transactions disclosed in the said Annexure relate to material RPTs with Novartis Pharma AG for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services and other obligations as approved by members under erstwhile Clause 49(VII)(E) of the Listing Agreement at the 67th AGM of the Company held on July 23, 2015.

Risk Management

Pursuant to Regulation 21 of the SEBI Listing Regulations, your Company has constituted a Risk Management Committee ('RMC') to identify elements of risk in different areas of operations and to develop a policy for actions associated to mitigate the risks.

The RMC is supported by the Internal Risk Steering Committee, risk champions, and on some occasions, by an external risk advisory firm. The teams undertake assessments of internal and external risks, adopt the risk mitigation plan, and regularly monitor them in a structured and controlled environment. The Committee provides updates on risk management to the Risk Committee of the Board of Directors of the Company on a regular basis. There are no risks which, in the opinion of the Board, threaten the existence of your Company.

Details of the composition of the RMC and the Risk Management Policy, adopted by the Board, are provided in the Report on Corporate Governance, which forms part of this Report.

Deposits

During the year under review, your Company neither accepted nor renewed any deposits from the public, in terms of the provisions of Section 73 of the Companies Act, 2013, read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

Insurance

The Company's properties, including buildings, plant and machinery, stocks, stores, etc., have been adequately insured against major risks.

Directors and Officers Insurance (D&O)

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has obtained Directors and Officers (D&O) Insurance for all its directors and members of senior management.

Particulars of Loans, Guarantees or Investments

As on March 31, 2025, there were no outstanding loans or guarantees covered under the provisions of Section 186 of the Act.

Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), (including any statutory modification(s)/ re-enactment(s)/ amendment(s) thereof for the time being in force), the dividend which remains unclaimed or unpaid for a period of seven consecutive years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. As per the IEPF Rules, the corresponding shares in respect of which dividend has not been paid or claimed by the members for seven (7) consecutive years or more shall also be transferred to the dematerialised account created by the IEPF authority within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (such as bonus, etc.), if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen until the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPF authority can be claimed back by the member from IEPF authority by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of members to regularly claim the dividends declared by the Company.

The said requirement does not apply to shares in respect of which there is a specific order of a court, tribunal or statutory authority, restraining any transfer of the shares.

During the year under review, the Company had transferred a sum of ₹ 25,64,060.00/- (Rupees Twenty-Five Lakh Sixty-Four Thousand Sixty Only) lying in the unpaid/ unclaimed dividend for the financial year 2016-17, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in compliance with the provisions laid down in IEPF Rules, the Company sent individual notices and also advertised in the newspapers seeking action from the members who had not claimed their dividends for seven (7) consecutive years or more and transferred all corresponding shares and dividend amounts remaining unclaimed for a period of seven (7) consecutive years till 2016-17 to the Demat Account of the IEPF.

It may please be noted that no claim shall lie against the Company in respect of share(s) transferred to IEPF pursuant to the said Rules. Members or claimants whose shares, unclaimed dividends, have been transferred to the IEPF demat account of the fund, as the case may be, may claim the shares or apply for a refund by making an application to IEPF Authority in form IEPF-5 (available on www.iepf.gov.in). The statement containing details of name, address, folio number, demat account number and number of shares transferred to IEPF demat account is made available on our website <https://www.novartis.com/in-en/investors-corporate-governance/transfer-shares-iepf-demat-account>

The members are encouraged to verify their records and claim their dividends for the preceding seven years, if not claimed.

Board of Directors and Key Managerial Personnel

Appointment of Director

The Board of Directors of the Company at its meeting held on June 28, 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of **Mr. Falin Ishwarlal Majmudar (DIN: 10681030)** as Additional Director (designated as Whole-Time Director) of the Company for a period of five (5) years, with effect from June 28, 2024 and shall be liable to retire by rotation.

The members approved the appointment of Mr. Falin Ishwarlal Majmudar as Whole-Time Director vide a Special Resolution passed at the 76th Annual General Meeting of the Company held on July 31, 2024.

Re-Appointment of Independent Director

Mr. Sanker Parameswaran was appointed as Independent Director on June 22, 2020 for a period of Five (5) years, from June 22, 2020 to June 21, 2025. As his tenure was due for completion as on June 21, 2025, it was proposed to re-appoint Mr. Sanker Parameswaran for the further period of Five (5) years from June 22, 2025 to June 21, 2030 and the approval of Members shall be obtained by way of Postal Ballot.

The Board of Directors, considering the recommendation of Nomination and Remuneration Committee approved his appointment at their meeting held on May 09, 2025 for the further period of Five (5) years from June 22, 2025 to June 21, 2030 subject to the approval of the members.

Re-Appointment of Director retiring by rotation

Mr. Falin Majmudar, Whole-Time Director, retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment subject to the approval of Members at the ensuing Annual General Meeting. His brief resume, nature of expertise, details of directorships held in other companies along with his shareholding in the Company, if any, as stipulated under Secretarial Standard-2 and Regulation 36 of the SEBI Listing Regulations, form part of the Notice of the ensuing AGM.

Cessation and Resignation of Managing Director

Mr. Sanjay Murdeshwar, Vice Chairman and Managing Director of the Company ceased to be the Vice Chairman and Managing Director with effect from close of business hours of April 02, 2024.

The Board places on record its immense appreciation for his contribution to the Company.

Appointment of Company Secretary and Compliance Officer

Ms. Chandni Maru, Company Secretary and Compliance Officer was appointed to the said position by the Board of Directors at their meeting held on May 08, 2024.

Resignation of Company Secretary and Compliance Officer

Mr. Nikhil Malpani, Company Secretary and Compliance Officer of the Company ceased to be the Company Secretary and Compliance Officer with effect from the close of business hours of April 30, 2024.

Declarations by Independent Directors

The Company has received the necessary declarations from all the Independent Directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149(6) of the Act, read with Regulations 25(8) and 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The Independent Directors have also confirmed that they have complied with Schedule IV to the Act and the Company's Code of Conduct/ Ethics.

They have further confirmed that they are not aware of any circumstance or situation which exists, or may reasonably be anticipated, that could impair or impact their ability to discharge their duties. Furthermore, the Independent Directors have submitted their declaration in compliance with the provisions of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandate the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ('IICA') for a period of one year, or five years or lifetime till they continue to hold the office of an Independent Director.

Committees of Board; Meetings of the Board of Directors and Board Committees

The Board currently has five (5) Committees, namely: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, and the Risk Management Committee.

During the year under review, the Board of Directors met six (6) times to transact various affairs of the Company. A detailed update on the Board, its composition, including a synopsis of terms of reference of various Board Committees, number of Board and Committee meetings held during the financial year 2024-25, and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

Key Managerial Personnel (KMP):

In terms of the provisions of Section 203 of the Act, the following are the KMP of the Company as at the date hereof:

Ms. Shilpa Joshi – Whole-Time Director and Chief Financial Officer

Mr. Falin Majmudar – Whole-Time Director (Appointed with effect from June 28, 2024)

Ms. Chandni Maru – Company Secretary and Compliance Officer (Appointed with effect from May 08, 2024)

The Company has in place a Nomination and Remuneration Policy ('Policy'), which provides guidance on selection and nomination of Directors to the Board of the Company; appointment of the Senior Management Personnel of the Company; and remuneration of Directors, KMP, and other employees. The said Policy is also provided in the Report on Corporate Governance, which forms part of this Report, and is available on the website of the Company and can be accessed at: https://www.novartis.com/sites/novartis_in/files/NRC%20Policy.pdf

Performance Evaluation of the Board

Pursuant to the provisions of Section 178 read with Schedule IV of the Act and Regulation 17, read with Part D of Schedule II to the SEBI Listing Regulations, the Board of Directors has carried out the annual performance evaluation of its own performance, that of the Directors individually as well as working of its Audit, Nomination and Remuneration, Stakeholders Relationship, Risk Management and Corporate Social Responsibility Committees.

A structured questionnaire was prepared for the Board evaluation process for the financial year 2024-25, covering various aspects of the Board's functioning, such as proper mix of competencies, sufficient diversity and review of the Company's business, financial performance, governance and compliance etc.

A separate exercise was carried out to evaluate the performance of individual Directors, who were assessed on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the stakeholders of the Company etc.

The Independent Directors of the Company met on April 10, 2025, without the presence of Non-Independent Directors and members of the management to review the performance of Non-Independent Directors and the Board of Directors as a whole; to review the performance of the Chairperson, and Whole-Time Directors of the Company; and to assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors for the financial year 2024-25. The performance evaluation of the Independent Directors was carried out by the entire Board.

The final outcome of the Board evaluation process for the financial year 2024-25 was placed before the Board of Directors at its meeting held on May 09, 2025, and the Directors expressed their satisfaction with the evaluation process carried out.

Directors' Responsibility Statement

The audited financial statements of your Company for the year under review ('financial statements') are in conformity with the requirements of the Act, read with the Rules made thereunder ('Act'), and the applicable Accounting Standards. The financial statements fairly reflects the form and substance of transactions carried out during the year under review and reasonably present your Company's financial condition and results of operations.

Pursuant to Section 134(3)(c) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, if any;
- (b) appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit of the Company for the year ended March 31, 2025;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls were laid down and followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Familiarization programme for Independent Directors

The Company keeps its directors informed of the activities of the Company, its management and operations and provides an overall industry perspective on issues being faced by industry, including changes in regulatory landscape, in a proactive manner. Details of familiarization programme provided to the Directors of the Company are available on the website of the Company at: <https://www.novartis.com/in-en/media/document/10731>

Auditors and auditors report

(i) Statutory Auditors, Auditors Report and Statutory Audit Fees:

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W100022), were appointed as Statutory Auditors of the Company at the AGM held on July 29, 2022, for a term of five (5) years to hold office from the conclusion of the 74th AGM till the conclusion of the 79th AGM of the Company.

The Auditors' Report issued by M/s. B S R & Co. LLP to the members on the Financial Statement of the Company for the year ended March 31, 2025, does not contain any qualification, reservation or adverse remark. The said Report for the financial year ended March 31, 2025, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Act. The Auditors' Report is enclosed with the Financial Statement in this Annual Report.

During the financial year 2024-25, the total fees for the statutory audit rendered by the Statutory Auditors are given below:

| Auditors' Remuneration (Excluding GST, where applicable) | (₹ in million) | |
|---|-------------------------|-------------------------|
| | 2024-25 BSR & Co LLP | 2023-24 BSR & Co LLP |
| Period | April 24 - March 25 | April 23 - March 24 |
| Audit Fees | 7.1 | 6.9 |
| Reimbursement of expenses | 0.8 | 0.9 |
| Total | 7.9 | 7.8 |

(ii) Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Saraf & Associates, Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report is annexed herewith as an **Annexure D**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, as per the recent amendments in SEBI LODR Regulations, 2015 it is prescribed that the term for the appointment of Secretarial Auditor shall not exceed one term of five (5) consecutive years in case of an individual practicing Company Secretary, and for not more than two terms of five (5) consecutive years in case of a firm of Secretarial Auditors.

In this regard, it is proposed to appoint M K Saraf & Associates LLP, Company Secretaries (Firm Registration No. L2025MH018600 and Peer Review Certificate No. 6694/2025) for a period of five (5) consecutive years commencing from April 01, 2025, till March 31, 2030, at the Board Meeting held on May 09, 2025, subject to the approval of members at the ensuing Annual General Meeting.

The Board has received the consent and eligibility letter confirming their willingness to act as Secretarial Auditor and affirming that they are not disqualified from being appointed for the aforesaid term.

(iii) Cost records and Cost Audit:

Maintenance of cost records and the requirement of cost audit, as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company for the financial year 2024-25.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee or the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

Compliance with Secretarial Standards

During the financial year 2024-25, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Annual Secretarial Compliance Report

The Company has conducted an examination of all applicable compliances as per SEBI Listing Regulations and the Circulars/Guidelines issued thereunder, for the financial year 2024-25.

The Annual Secretarial Compliance Report, issued by Saraf & Associates, Company Secretaries, is required to be submitted to the Stock Exchange within 60 days of the end of the financial year. The Report does not contain any qualification, reservation or adverse remark.

Energy, Technology Absorption and Foreign Exchange

Information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption, and foreign exchange earnings/outgo, is included in **Annexure E**, annexed herewith.

Corporate Governance

Your Company has consistently adhered to the corporate governance guidelines and best practices to boost long-term shareholder value and to uphold minority rights. The Company considers it an inherent responsibility to disclose in a timely and accurate manner, all information regarding its operations and performance, as well as regarding leadership and governance within the Company.

Pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, the Report on Corporate Governance for the year under review is presented in a separate section and forms a part of this Annual Report. A certificate from Saraf and Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, also forms part of the Report on Corporate Governance.

Prohibition of Insider Trading

Pursuant to provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (“PIT Regulations”), the Company has adopted Insider Trading Code to regulate, monitor and report trading by insiders. This Code applies to Promoters, all Directors, Designated Persons and Connected Persons and their immediate relatives, who are likely to have access to Unpublished Price Sensitive Information (“UPSI”) relating to the Company.

The Company has also formulated a ‘Code of Practices and Procedures for Fair Disclosure of UPSI’ in compliance with the PIT Regulations. The aforesaid Codes are available on the website of the Company at https://www.novartis.com/in-en/sites/novartis_in/files/2022-02/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf

Business Responsibility and Sustainability Reporting (‘BRSR’)

In terms of amendment to regulation 34(2)(f) of the SEBI Listing Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, as amended from time to time, SEBI has mandated top 1000 listed companies by market capitalization to publish Business Responsibility and Sustainability Report (‘BRSR’) based on nine (9) ESG principles. As Novartis India is amongst the top 1000 listed companies, it has prepared the BRSR, which is enclosed as **Annexure F** to this Annual Report.

Whistle-Blower Policy: Vigil Mechanism

Pursuant to Section 177 of the Act, read with Regulation 22 of the SEBI Listing Regulations, it is mandatory for every listed entity to formulate Vigil Mechanism (‘Whistle-Blower Policy’) to enable the Directors and employees to report genuine concerns. The Company has implemented a Vigil Mechanism and Whistle-Blower Policy that provides for (a) adequate safeguards against victimization of people who avail the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism and Whistle-Blower Policy are made available on the website of the Company at: https://www.novartis.com/sites/novartis_in/files/Vigil%20Mechanism%20%26%20Whistle%20Blower%20Policy_.pdf

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, and Rules framed thereunder. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All persons whether employed as permanent, contractual, temporary or trainees are covered under this Policy.

During the financial year 2024-25, no complaint was received by the Company related to sexual harassment. As on March 31, 2025 there are no complaints to be resolved.

Annual Return

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft Annual Return of the Company for the financial year ended March 31, 2025, is available on the website of the Company at: <https://www.novartis.com/in-en/investors/novartis-india-financials>

Significant and material orders passed by the Regulators or Court

There are no significant material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Other Disclosures

- There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.
- The Company has not issued any shares with differential voting rights/ sweat equity shares.
- There was no revision in the Financial Statements.
- There has been no change in the nature of business of the Company as on the date of this Report.
- No application has been made under the Insolvency and Bankruptcy Code; hence, the requirement to disclose the details of any application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- The requirement to disclose the details of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loans from the Banks or Financial Institutions, along with the reasons thereof, is not applicable; and
- The Company does not have any subsidiaries, associate companies and joint ventures for the year ended March 31, 2025.

Green Initiative

We request all the members to support the 'Green Initiative' of the Ministry of Corporate Affairs and Company's ongoing commitment to a greener environment by consenting to receive the Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ RTA.

Cautionary Note

The statements forming part of the Board's Report may contain certain forward-looking remarks within the meaning of applicable securities laws and regulations. Various factors could cause the actual results, performances, or achievements of the Company to materially differ from any future results, performances, or achievements expressed or implied by such forward-looking statements.

Acknowledgement

The Board expresses its appreciation and places on record the contributions made by all stakeholders particularly employees, shareholders, customers, the medical fraternity, and all business partners, during the year under review. It also acknowledges the support received from the parent Company, Novartis AG.

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

**Christopher Snook
Chairman
DIN: 00369790**

**Date: May 09, 2025
Place: Mumbai**

Annexure A to the Board's Report

Details pertaining to remuneration as under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (A) The percentage increase in remuneration of each Director and Company Secretary during the financial year 2024-25, as may be applicable, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 are as under:

| Name and Designation of Directors and Key Managerial Personnel | % increase/ (decrease) in remuneration in the financial year 2024-2025 as compared to previous financial year 2023-24 | Ratio of the remuneration to median remuneration of the employees (MRE) |
|---|---|---|
| Executive Directors and Key Managerial Personnel ('KMP') | | |
| Mr. Sanjay Murdeshwar ^{\$} Vice Chairman and Managing Director | NA | NA |
| Ms. Shilpa Joshi Whole-Time Director and Chief Financial Officer | 10% | 1:6.8 |
| Mr. Falin Majmudar* Whole-Time Director | 7% | 1:6.0 |
| Non-Executive and Non-Independent Directors | | |
| Mr. Christopher Snook, Chairman | NA | NA |
| Non-Executive and Independent Directors | | |
| Ms. Sandra Martyres | NA | NA |
| Mr. Sanker Parameswaran | NA | NA |
| Ms. Gira Sardesai | NA | NA |
| KMP | | |
| Mr. Nikhil Malpani [@] Company Secretary and Compliance Officer | NA | NA |
| Ms. Chandni Maru [#] Company Secretary and Compliance Officer | NA | NA |

^{\$} Mr. Sanjay Murdeshwar, Vice Chairman and Managing Director of the Company ceased as the Vice Chairman and Managing Director from the said position from close of business hours of April 02, 2024

^{*} Mr. Falin Majmudar, Whole-Time Director of the Company was appointed as the Director w.e.f. June 28, 2024

[@] Mr. Nikhil Malpani, Company Secretary and Compliance Officer of the Company ceased to be the Company Secretary and Compliance Officer from close of business hours of April 30, 2024.

[#] Ms. Chandni Maru, Company Secretary and Compliance Officer was appointed as the Company Secretary and Compliance Officer w.e.f. May 08, 2024.

Note:

Remuneration paid to Independent Directors consists of only sitting fees and commission in the financial year 2024-25 in accordance with Section 197 and other applicable provisions of the Act, details of which are provided in the Report on Corporate Governance forming part of this Annual Report. The percentage increase and ratio of remuneration of Independent Directors are therefore not considered for the above purpose.

- (B) The percentage increase in the median remuneration of employees in the financial year: 5.5 per cent
- (C) The number of permanent employees on the rolls of the Company as on the financial year end: 56
- (D) The average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was 11.8 per cent, while the increase in the remuneration of managerial personnel was 5.5 per cent. The increase in the salaries is basis the performance of the employees and the managerial personnels and is in line with Company's Remuneration Policy.
- (E) Affirmation that the remuneration is as per Nomination and Remuneration Policy of the Company: Yes

Annexure B to the Board's Report

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

1. Brief outline on Corporate Social Responsibility (CSR) Policy of Novartis India Limited ("the Company"):

The CSR Policy of the Company provides guidance on the vision, principles and governance of its CSR initiatives. The focus areas of the Company's CSR program are mainly pertaining to health, education and environment. More details of the Company's Policy are available on the website at: <https://www.novartis.com/in-en/investors/novartis-india-corporate-policies>

2. Composition of the CSR Committee and number of meetings held/attended

| Sr. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------------------------|--|--|--|
| 1 | Mr. Christopher Snook [#] | Chairperson of the Committee; Non-Executive and Non-Independent Director | 2 | 2 |
| 2 | Mr. Sanjay Murdeshwar [*] | Chairperson of the Committee; Vice Chairman and Managing Director | NA | NA |
| 3 | Ms. Sandra Martyres | Member; Non-Executive and Independent Director | 2 | 2 |
| 4 | Ms. Shilpa Joshi | Member; Whole-Time Director and Chief Financial Officer | 2 | 2 |
| 5 | Mr. Falin Majmudar [@] | Member; Whole-Time Director | 2 | 1 |

^{*} Mr. Sanjay Murdeshwar, by virtue of his cessation as Director, he also ceased to be the member of Corporate Social Responsibility Committee w.e.f. close of business hours of April 02, 2024

[#] Mr. Christopher Snook, was appointed as a member and Chairperson of the Committee w.e.f. April 03, 2024

[@] Mr. Falin Majmudar was appointed as a member of the Corporate Social Responsibility Committee w.e.f. October 08, 2024

3. The Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are also disclosed on the website of the Company.

The web-links are as follows:

- Composition of CSR Committee – https://www.novartis.com/in-en/sites/novartis_in/files/charter-committees-21nov24.pdf
- CSR Policy; and CSR Projects – <https://www.novartis.com/in-en/investors/novartis-india-corporate-policies>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**

- a) Average net profit of the company as per Section 135(5) of the Act: ₹ **775.85 million**
 - b) Two percent of average net profit of the Company as per Section 135(5): ₹ **15.52 million**
 - c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**
 - d) Amount required to be set off for the financial year, if any: **NIL**
- 5. Total CSR obligation for the financial year [4(b) + 4(c) – 4(d)]: ₹ 15.52 million**
- (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project): ₹ **15.52 million**
 - (b) Amount spent on Administrative Overheads: **NIL**
 - (c) Amount spent on Impact Assessment, if applicable: **Not applicable**
 - (d) Total amount spent for the financial year [5(a)+5(b)+5(c)]: ₹ **15.52 million**
 - (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in million) | Amount Unspent (₹ in million) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount (in ₹ million) | Date of transfer | Name of the fund | Amount | Date of Transfer |
| 15.52 | 0 | NA | NA | NIL | NA |

- (f) Excess amount for set off, if any:

| Sr. No. | Particulars | Amount (₹ in million) |
|---------|---|-----------------------|
| (i) | Two per cent of average net profit of the Company as per Section 135(5) | — |
| (ii) | Total amount spent for the financial year | — |
| (iii) | Excess amount spent for the financial year [(ii) – (i)] | — |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | — |
| (v) | Amount available for set off in succeeding financial years [(iii) – (iv)] | — |

- 6. Details of Unspent CSR amount for the preceding three financial years:**

| (₹ in million) | | | | | | | | |
|----------------|--------------------------|--|--|------------------------------------|---|------------------|---|-------------------|
| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) | Balance amount in unspent CSR Account under section 135(6) | Amount spent in the Financial Year | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5), if any | | Amount remaining to be spent in succeeding financial years (in ₹) | Deficiency if any |
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY 2024-25 | 0.00 | 0 | 0.07 | — | — | 0 | — |
| 2 | FY 2023-24 | 0.07 | 0 | 0.00 | — | — | 0 | — |
| 3 | FY 2022-23 | 0.00 | 0 | 2.04 | — | — | 0 | — |
| 4 | FY 2021-22 | 2.04 | 0 | 0.00 | — | — | 0 | — |
| | TOTAL | 2.11 | 0 | 2.11 | — | — | 0 | — |

7. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**
8. Specify the reason(s), if the Company has failed to spend two per cent of the Average Net Profit as per Section 135(5): Total obligation was allocated, however, the delay in spends was owing to administrative matters by the non-profit partner. The unspent amount for the financial year 2023–24 was transferred to Unspent CSR Account as per the CSR Rules: **Not Applicable**

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

Shilpa Joshi
Member of the CSR Committee
DIN: 09775615

Christopher Snook
Chairman of the CSR Committee
DIN: 00369790

Date: May 09, 2025
Place: Mumbai

Annexure C to the Board's Report

FORM AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis during the financial year ended March 31, 2025

None

2. Details of material contracts or arrangements or transactions at arm's length basis during the financial year ended March 31, 2025

| Sr. No. | Particulars | Details |
|---------|--|---|
| (a) | Name(s) of the related party & nature of relationship | Novartis Pharma AG, Basel, Switzerland Fellow subsidiary |
| (b) | Nature of contracts/ arrangements/ transactions | Contract(s) for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services and other obligations. Under the erstwhile Clause 49(VII)(E) of the Listing Agreement, the members approved such transactions up to a value of ₹ 3,000 million in each financial year at the 67 th AGM of the Company held on July 23, 2015. |
| (c) | Duration of the contracts/ arrangements/ | Ongoing |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | The transactions under the contract are in the ordinary course of business and at arm's length. The total value of the transactions in the financial year was ₹ 822.4 million. |
| (e) | Date of approval by the Board | Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, necessary approvals are granted by the Audit Committee in line with 'Policy for dealing with Related Party Transactions' adopted by the Board of Directors, as may be applicable, from time to time. |
| (f) | Amount paid as advances, if any | None |

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

**Christopher Snook
Chairman of the Board
DIN: 00369790**

**Date: May 09, 2025
Place: Mumbai**

Annexure D to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NOVARTIS INDIA LIMITED
L24200MH1947PLC006104
Inspire BKC, 7th Floor,
Bandra Kurla Complex, Bandra East,
Mumbai 400051.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NOVARTIS INDIA LIMITED (L24200MH1947PLC006104) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021; **(Not Applicable during the period under review)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable during the period under review)**

- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable during the period under review)**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) The Company has further complied with below mentioned laws, which are specifically applicable to the Company as it is in the business of drugs and pharmaceuticals.
- a) Drugs and Cosmetics Act, 1940
 - b) Drugs (Prices Control) Order, 2013

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. as mentioned above.

I further report that:

- The Board of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, the agenda and detailed notes on the agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions were carried through unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For Saraf & Associates
Practicing Company Secretaries

K. G. Saraf
Proprietor
FCS: 1596 | CP: 642
FRN. S1988MH004800
PR. 1003/2020

Place : Mumbai
Date : May 09, 2025
UDIN : F001596G000311389

Note : This report is to be read with my letter of even date, which is annexed as **'ANNEXURE 1'** and forms an integral part of this report.

‘ANNEXURE 1’

To,
The Members,
NOVARTIS INDIA LIMITED
L24200MH1947PLC006104
Inspire BKC, 7th Floor,
Bandra Kurla Complex, Bandra East,
Mumbai 400051.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as per the Auditing Standards issued by the Institute of Company Secretaries of India to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Saraf & Associates
Practicing Company Secretaries

K. G. Saraf
Proprietor
FCS: 1596 | CP: 642
FRN. S1988MH004800
PR. 1003/2020

Place : Mumbai
Date : May 09, 2025
UDIN : F001596G000311389

Annexure E to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

[Particulars required by Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2025]

A. Conservation of Energy

Measures taken for conservation of energy.

The Company does not have a manufacturing unit in India.

The Company's Registered Office is now situated in a multi-tenanted building, Inspire BKC, in Bandra (E) Mumbai, which is a 'Gold Certified Green Building' with Indian Green Building Council.

- Energy Efficient Lighting System consisting of LED Lighting installed on office floors. This has the potential to reduce energy consumption by up to 90 per cent as against the traditional lighting.
- Occupancy and motion-based sensor LEDs are installed at all workstation areas and meeting rooms, for reduction of energy consumption when not in use.
- To reduce energy consumption through usage of lights, the office space is designed to provide ample natural light from the façade.
- Hydrogen sensors are installed in the UPS room and Quarterly PPM is done for the same.
- Rolled out hybrid working mode for employees with flexibility to work from office or home. The energy consumption in offices has dropped as the strength of employees on a given day at office has been reduced due to hybrid working mode.

B. Technology Absorption

Disclosure of particulars with respect to Technology Absorption:

- **Efforts in brief made towards technology absorption, adaptation and innovation:**

Novartis AG, Switzerland continues to provide basic technology and technical know-how for introduction of new products and formulation development. These are adapted, wherever necessary, to local conditions.

- **Benefits derived as a result of the above efforts:**

New product development, productivity and quality improvements, enhanced safety and environmental protection measures.

- **Technology Imported:**

Novartis AG, Switzerland has provided technical know-how and technology as and when required, relating to products, quality, marketing and so on. This on-going process involves visits by employees of both companies to each other's office sites for discussions and training.

- **Expenditure on R&D:** Nil

C. Foreign Exchange Earnings and Outgo

During the financial year under review, no foreign exchange was earned in terms of actual inflows during the year and the foreign exchange outgo was ₹ 810.30 million in terms of actual outflows.

Report on Corporate Governance

[Pursuant to Regulation 34(3) read with Schedule V Part C of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)]

Your Directors’ present the Company’s Report on Corporate Governance for the year ended March 31, 2025.

MANDATORY REQUIREMENTS

A. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Novartis India Limited (hereinafter referred to as ‘the Company’) strives to follow the best Corporate Governance practices, develop the best policies/ guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. We have established processes to ensure our Board of Directors (hereinafter referred to as ‘the Board’) functions effectively, promoting efficient and balanced decision-making, to effectively fulfill its duties in the best interest of our shareholders, employees and all other stakeholders.

The Company is in compliance with the provisions of Corporate Governance specified under the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘SEBI Listing Regulations’).

The Company is committed to meet the expectations of stakeholders as a responsible corporate citizen. The Novartis Code of Conduct/ Ethics contains the fundamental principles and rules concerning ethical business conduct.

The Company has also adopted Code of Conduct/ Ethics for the Board of Directors and other Senior Level Management and also Whistle-Blower Policy to enable the employees and Directors to report their concerns directly to the Chairman of the Audit Committee.

B. BOARD OF DIRECTORS

Composition and category of directors:

The Company has a balanced and diverse Board of Directors (“Board”). The Company’s Board has an optimum mix of Executive and Non-Executive Directors, to maintain independence and separate the functions of governance and management. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. As on March 31, 2025, the Board consists of Six (6) Directors comprising two Executive Directors, one Non-executive Chairman Director and three Non-Executive Independent Directors including two women Independent Directors.

Mr. Sanjay Murdeshwar (designated as Vice Chairman and Managing Director) ceased to be the Director and employee of the Company from close of business hours of April 02, 2024.

Further, Mr. Falin Ishwarlal Majmudar (DIN: 10681030) was appointed as an Additional Director by the Board at their meeting held on June 28, 2024 and was later regularized and appointed as the Whole-Time Director of the Company after passing the resolution at the Annual General Meeting held on July 31, 2024.

Except for the Non-Executive Chairman and Independent Directors of the Company, all other Directors are liable to retire by rotation.

Information placed before the Board:

The notice and the detailed agenda along with the relevant notes and other material information are sent to each Director well in advance. All major agenda items are backed by comprehensive background information to enable the Board to take well-informed decisions. Presentations are made to the Board on various functional and operational areas of the Company and other business development activities, financial highlights, etc.

Your Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board/ Committees, to the extent it is applicable and relevant. Such information is either circulated in advance as part of the agenda papers of the respective meetings or is presented/ discussed at the meetings.

Mode of meeting:

Video-conferencing facility is provided to enable the Directors travelling abroad or present at other locations to be able to participate in the meetings. The same is conducted in due compliance with the applicable laws.

With a view to leverage technology, save paper and support sustainability, the Company has adopted a Digital Board Book Application for conducting the Board/ Committee meetings digitally. All the documents relating to a meeting, including agenda, explanatory notes and any other document required to be placed at the meeting, are circulated to the Directors in electronic form through the application and the same can be accessed through digital devices. The application meets high standards of security and integrity required for storage and transmission of meeting related documents.

Number of Board Meetings:

Six (6) Board Meetings were held during the Financial Year 2024-25 and the gap between two (2) consecutive meetings did not exceed 120 days. The meetings were held on May 08, 2024, May 10, 2024, June 28, 2024, July 29, 2024, October 25, 2024 and January 28, 2025. The necessary quorum was present throughout all the meetings.

Composition, status and attendance at the Board Meetings and the last Annual General Meeting (AGM):

| Name of the Director | Meetings of the Board for the Financial Year 2024–25 | | | | | | | Attendance at the AGM |
|----------------------|--|-------------------------|----|----|----|----|----|-----------------------|
| | No. of Meetings held during the tenure of the Director | Attendance of Directors | | | | | | July 31, 2024 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | |
| Mr. C. Snook | 6 | √ | √ | √ | √ | √ | √ | √ |
| Mr. S. Murdeshwar* | 0 | NA | NA | NA | NA | NA | NA | NA |
| Ms. S. Martyres | 6 | √ | √ | √ | √ | √ | √ | √ |
| Mr. S. Parameswaran | 6 | √ | √ | √ | √ | √ | √ | √ |
| Ms. G. Sardesai | 6 | √ | √ | √ | √ | √ | √ | √ |
| Ms. S. Joshi | 6 | √ | √ | √ | √ | √ | √ | √ |
| Mr. F. Majmudar# | 3 | NA | NA | NA | √ | √ | √ | √ |

Notes:

* Mr. S. Murdeshwar ceased to be the Director and employee of the Company from close of business hours of April 02, 2024.

Mr. F. Majmudar was appointed as an additional director (designated as Whole-Time Director) by the Board of Directors at their meeting held on June 28, 2024. He was not present during the meeting held on June 28, 2024, when he was appointed. Mr. F. Majmudar was regularized and appointed as the Whole-Time Director of the company after passing the resolution at the Annual General Meeting held on July 31, 2024.

None of the independent directors have resigned before the expiry of their tenure during the reporting period. Hence, the disclosure on the reason for resigning and other material reasons are not provided.

As per disclosure received from the Directors,

- None of the Directors of the Company for the financial year ended on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies;
- None of the Directors hold directorships in more than seven (7) listed companies;
- None of them is a member of more than ten (10) committees or Chairman of more than five (5) committees across all the public companies in which he/she is a Director;
- None of the Directors of your Company are inter-se related to each other.

The Company has obtained a certificate from Mr. K. G. Saraf, Saraf & Associates, in accordance with sub regulation (3) of Regulation 34 read with sub clause (i) of Clause 10 of Para-C of Schedule V of SEBI Listing Regulations, that none of the Directors on the Board of the Company for the financial year ended on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

The profile of all Directors of the Company is placed on the website of the Company at <https://www.novartis.com/in-en/about/board-directors-novartis-india-limited>

Number of other Companies or Committees the Director (being a Director as on the date of the Directors' Report) is a director or member / Chairman respectively:

| Sr. No. | Name | Category | Date of joining | No. of Directorships/ Committee Membership/ Chairmanships (Including Novartis India Limited) | | | | |
|---------|---------------------|---|-----------------|--|----------|-------------------------------------|---------------------------------------|------------------------------|
| | | | | Directorships under Section 165 ⁱ | | Committee Memberships ⁱⁱ | Committee Chairmanships ⁱⁱ | |
| | | | | Public Companies | | | | Private Cos./ Section 8 Cos. |
| | | | | Listed | Unlisted | | | |
| 1. | Mr. C. Snook | Non-Executive Chairman | 01.08.2008 | 1 | — | — | 2 | 1 |
| 2. | Ms. S. Martyres | Independent Director | 19.04.2016 | 1 | 1 | 3* | 1 | 1 |
| 3. | Mr. S. Parameswaran | Independent Director | 22.06.2020 | 2 | — | — | 4 | 1 |
| 4. | Ms. G. Sardesai | Independent Director | 31.03.2024 | 1 | — | 1 | 1 | — |
| 5. | Ms. S. Joshi | Whole-Time Director & Chief Financial Officer | 22.11.2022 | 1 | — | 1* | 1 | — |
| 6. | Mr. F. Majmudar | Whole-Time Director | 28.06.2024 | 1 | — | — | 1 | — |

i. Excluding Directorships outside India.

ii. Membership and Chairmanship in Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not, including Novartis India Limited. Further Committee Memberships include Chairmanships.

* The number of companies mentioned includes one Company under winding-up.

None of the Directors and their relatives hold shares in the Company as on March 31, 2025. Further, there is no relationship amongst the Directors of the Company.

Details of the Directorships as on March 31, 2025, in other listed entities are given below:

| Sr. No. | Name | Name of the Listed Entity | Category of Directorship |
|---------|---------------------|--------------------------------------|--------------------------|
| 1. | Mr. C. Snook | — | — |
| 2. | Ms. S. Martyres | — | — |
| 3. | Mr. S. Parameswaran | Shri Balaji Valve Components Limited | Independent Director |
| 4. | Ms. G. Sardesai | — | — |
| 5. | Ms. S. Joshi | — | — |
| 6. | Mr. F. Majmudar | — | — |

During the year 2024-25, information as mentioned in Part A of Schedule II of SEBI Listing Regulations has been placed before the Board for its review.

Independent Directors:

All the Independent Directors on the Board of the Company are Non-Executive Directors pursuant to Regulation 16 of the SEBI Listing Regulations.

The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and SEBI Listing Regulations. There are no inter-se relationships between the Directors of the Company.

The Independent Directors have submitted a declaration of independence, as required pursuant to Section 149(7) of the Act and Regulation 25 of the SEBI Listing Regulations stating that they meet the criteria of independence as provided in Section 149(6) and Regulations 16 of the SEBI Listing Regulations. They have complied with the Code of Conduct laid down under Schedule IV of the Act.

In compliance with the Regulation 17A of SEBI Listing Regulations, the Independent Directors of the Company do not serve as an Independent Director in more than Seven (7) listed entities. The Independent Directors on the Board of the Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

None of the Independent Directors are Promoters or related to Promoters or the Promoter Group. They do not have pecuniary relationship with the Company and further do not hold two per cent or more of the total voting power of the Company. None of the independent director of the Company is a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

Independent Director Databank Registration:

All Independent Directors have registered themselves with Independent Director's database maintained by the Indian Institute of Corporate Affairs.

Familiarization Program for Independent Directors:

It is the general practice of the Company to notify the changes in the applicable laws from time to time at regular Board Meetings. Formal familiarization programs are conducted regarding the amendments in the Act, Rules prescribed thereunder and SEBI Listing Regulations as and when necessary.

The details of familiarization programme provided to the Directors of the Company is available on the website of the Company at: <https://www.novartis.com/in-en/media/document/10731>

Key Board Qualifications, expertise and attributes:

The Company recognizes and embraces the importance of a diverse Board in its success. The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desirable by the Board as a whole, in order for the Board to fulfill its role and in light of the Company's strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future Director appointments.

The Board has identified the following skill set with reference to its business and industry which are available with the Board:

| Skills and its description | Mr. C. Snook | Ms. S. Martyres | Mr. S. Parmeswaran | Ms. G. Sardesai | Ms. S. Joshi | Mr. F. Majmudar |
|--|--|---|---|--|---|---|
| Vision Familiarity and commitment to Novartis / Company's culture and values | √ | √ | √ | √ | √ | √ |
| Strategic expertise Ability to understand, review and suggest appropriate strategies | √ | √ | √ | √ | √ | √ |
| Experience Leadership experience in managing people and achieving change | √ | √ | √ | √ | √ | √ |
| Industry Knowledge of pharma, healthcare, manufacturing, marketing, finance, banking, HR, legal and public affairs in which the Company operates | √ (refer technical knowledge given below) | √ (refer technical knowledge given below) | √ (refer technical knowledge given below) | √ (refer technical knowledge given below) | √ (refer technical knowledge given below) | √ (refer technical knowledge given below) |
| Technical Technical/professional skills to assist with ongoing aspects of the Company's Board's role | Governance, Strategy, Management | Banking, Finance, Risk Management, Planning and Audit | Legal advisor, Corporate Governance, Legal and Compliance | Accounting, Finance, Business Management | Finance, Governance, Cost Management, Risk Management | Supply Chain Management, External Supply Operations (ESO), Project Management |
| Legal & Governance Knowledge and understanding of legal and regulatory landscape in which the Company operates | √ | √ | √ | √ | √ | √ |
| Behavioral Behavioral competencies such as collaborative and ability to work as a team member, seeking and giving feedback to/ from individual directors, be challenging but supportive in the Boardroom | √ | √ | √ | √ | √ | √ |

| Skills and its description | Mr. C. Snook | Ms. S. Martyres | Mr. S. Parmeswaran | Ms. G. Sardesai | Ms. S. Joshi | Mr. F. Majmudar |
|---|--------------|-----------------|--------------------|-----------------|--------------|-----------------|
| Personal attributes Willingness and ability to devote adequate time and energy to fulfill Board and Committee responsibilities, strategic thinking, integrity with high ethical standards, trust, accountability and avoid situations leading to conflict of interest | √ | √ | √ | √ | √ | √ |

The current composition of your Company's Board includes directors with core industry experience and has the key skills and experience set out above.

None of the independent directors has resigned before the expiry of his or her tenure during the year under review and till the date of this report.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company <https://www.novartis.com/in-en/about/board-directors-novartis-india-limited>

The number of equity shares held by the Directors as on March 31, 2025, are given below:

| Sr. No | Name of Director | Category | No. of shares |
|--------|--------------------|---|---------------|
| 1. | Mr. C. Snook | Non-Executive Chairman | 0 |
| 2. | Ms. S. Martyres | Independent Director | 0 |
| 3. | Mr. S. Parmeswaran | Independent Director | 0 |
| 4. | Ms. G. Sardesai | Independent Director | 0 |
| 5. | Ms. S. Joshi | Whole-Time Director & Chief Financial Officer | 0 |
| 6. | Mr. F. Majmudar | Whole-Time Director | 35 |

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

None of the Directors were issued ESOPs by the Company during the year.

Meeting of Independent Directors:

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company as well as the Board, it is important for the independent directors to have meetings without the presence of the executive management.

Pursuant to Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors of your Company met once on April 03, 2024 in the absence of Non-Independent Directors and members of the management. At the meeting, the Independent Directors discussed the matters pertaining to review of performance of Non-Independent Directors and the Board as a whole and also that of the Chairman.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company, which includes:

- Performance of all directors; and
- Fulfilment of the independence criteria and their independence from the management.

Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

C. COMMITTEES OF THE BOARD

As on March 31, 2025, there are five (5) committees of the Board viz. Audit Committee, Corporate Social Responsibility (CSR) Committee, Nomination and Remuneration Committee (NRC), Stakeholder's Relationship Committee (SRC) and Risk Management Committee (RMC).

1. Audit Committee

The Board has constituted a well-qualified independent Audit Committee which considers all matters specifically referred to it by the Board in addition to mandatory matters as per Section 177 of the Act read with Regulation 18 of the SEBI Listing Regulations. The Committee acts as a link between the management, external and internal auditors and the Board. All the members of the Committee are Independent Directors, except the Chairman Mr. Christopher Snook, who is non-executive, non-independent director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc. The Committee, to carry out its responsibilities efficiently and transparently, relies on the Management's financial expertise and that of the internal and independent auditors.

During the year under review, the Committee met four (4) times i.e., on May 10, 2024; July 29, 2024; October 25, 2024; January 28, 2025. The gap between two (2) consecutive committee meetings did not exceed 120 days. The details of the composition of the Audit Committee and attendance of Members of the committee meetings are as follows:

| Name of the Member | Category | Meetings of the Committee for the financial year 2024-25 | | | | |
|--------------------|--|--|---|---|---|---|
| | | No. of Meetings held during the tenure | 1 | 2 | 3 | 4 |
| Ms. S. Martyres* | Chairperson of the Committee; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |
| Mr. C. Snook | Member; Non-Executive Director | 4 | √ | √ | √ | √ |
| Mr. S. Parmeswaran | Member; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |
| Ms. G. Sardesai* | Member; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |

* Ms. S. Martyres stepped down from the position of Chairperson of the Audit Committee w.e.f May 09, 2025. However, she shall continue to be the member of the Audit Committee.

Ms. G. Sardesai has been appointed as the Chairperson of the Audit Committee w.e.f. May 09, 2025.

Mr. Nikhil Malpani, Company Secretary and Compliance Officer of the Company, acted as Secretary to the Committee till April 30, 2024.

Ms. Chandni Maru, Company Secretary and Compliance Officer of the Company, acts as Secretary to the Committee w.e.f, May 08, 2024. In accordance with the IEPF Rules, the Board of Directors has also appointed Ms. Chandni Maru as the Nodal Officer of the Company.

Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee invites such of the executives, as it deems appropriate (particularly the head of the finance function), representatives of the statutory auditors and internal auditors to be present at its meetings.

The terms of reference of the Audit Committee are set out in accordance with the requirement of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, *inter alia* consists of:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure it is correct, sufficient and credible;
- Reviewing with the management the quarterly and annual financial statements and auditor's report before submission to the Board for approval, primarily focusing, *inter alia*, on
 - Any change in accounting policies, practices and reasons for the change;
 - Significant adjustments made in financial statements arising out of audit findings;
 - Major accounting entries based on exercise of judgment by Management;
 - Compliance with accounting standards, other stock exchange and legal requirements relating to quarterly / annual financial statements;
 - Matters to be included in the director's responsibility statement;
 - The going concern assumption;
- Related party transactions;
- Review of the adequacy of the internal control systems with the Management, internal auditors and statutory auditors;
- Recommending the Board, the appointment / re-appointment of statutory auditors and fixing their fees;
- Approval for payment to statutory auditors for other services;
- Discussing with the Statutory Auditors before the audit commences, the nature and scope of audit as well as conduct post-audit discussions to ascertain any area of concern;
- Reviewing the adequacy of internal audit function, coverage and frequency of internal audit;
- Review with internal auditors and senior management of any significant findings and follow-ups thereon;
- Reviewing any findings of any financial irregularities or failure of internal control systems and reporting to the Board;
- Review of the Company's financial risk and management policies;
- Review functioning of the Whistle-Blower mechanism;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- Any other function as may be stipulated by any law/Government guidelines;
- Such other functions as may be specified by the Board of Directors of the Company from time to time.

The Committee is also responsible to look into any substantial defaults in payments of dividends, deposits or to creditors.

During the year under review, the Audit Committee besides considering the unaudited quarterly financial results and audited financial results and recommending to the Board of Directors of the Company for its adoption and approval, discussed various

topics relating to the Company's operations including inventory, direct tax compliance, GST compliance, receivables, and compliances in general. The minutes of the Audit Committee Meetings are placed before the Board for their review.

The Committee relies on the expertise and knowledge of the management, the Internal Audit Team and Statutory Auditors in carrying out its responsibilities. It also uses external expertise where necessary. Management is responsible for the preparation, presentation and integrity of the Company's financial reporting. Management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with Accounting Standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("the NRC") is constituted in compliance with the requirements of Regulation 19 of the SEBI Listing Regulations and section 178 of the Act.

The NRC has been vested with the authority to recommend nominations for Board membership, succession planning for the senior management and the Board, recommend composition of the Board commensurate with the size, nature of the business and operational dimension of the Company, establish criteria for selection of Board Members with respect to skills, abilities, experience competencies, qualifications, track record, integrity, and determine overall compensation policies of the Company.

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board periodically, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. In addition to the above, the NRC's role includes identifying persons who may be appointed to a senior management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

The NRC met four (4) times during the year on May 08, 2024; May 10, 2024; June 28, 2024 and January 28, 2025.

Constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended March 31, 2025, are given below:

| Name of the Member | Category | Meetings of the Committee for the financial year 2024-25 | | | | |
|--------------------|--|--|---|---|---|---|
| | | No. of Meetings held during the tenure | 1 | 2 | 3 | 4 |
| Ms. S. Martyres | Chairperson of the Committee; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |
| Mr. C. Snook | Member; Non-Executive Director | 4 | √ | √ | √ | √ |
| Ms. G. Sardesai | Member; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |

The terms of reference of nomination and remuneration committee, *inter alia* consists of:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Formulation of criteria for evaluation of Independent Directors and the Board;

- Devising a policy on Board diversity;
- Formulate and recommend to the Board a policy for payment of remuneration to Executive Directors, Non-Executive Directors, Key Managerial Personnel etc. and its review from time to time.
- Periodically review and suggest revision of the total remuneration package of Executive Directors and Key Managerial Personnel under the provisions of the Act;
- Decide the salary, allowances, perquisites and increments of Executive Directors under the Act.
- Decide the amount of incentive/bonus payable to Executive Directors under the provisions of the Act;

In determining the remuneration package of the Executive Directors under the provisions of Act, the NRC evaluates the remuneration paid by comparable organizations within the industry and across various industries before making its recommendations to the Board. The compensation is also linked to individual and Company performance.

The NRC at its meeting held on July 25, 2014, approved the Nomination and Remuneration Policy ('NRC Policy') and the methodology for conducting the performance appraisal of the Board, the Board Committees and the Directors. The NRC policy of the Company can be accessed on the Company's website at https://www.novartis.com/sites/novartis_in/files/NRC%20Policy.pdf

Performance Evaluation of Non-Executive and Independent Directors

Pursuant to the provisions of the Act and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee. A peer review was done by all the Directors evaluating every other Director.

A structured questionnaire was prepared for the Board evaluation process for the financial year 2024-25, covering various aspects of the Board's functioning such as a proper mix of competencies, sufficient diversity and reviewing of the Company's business, financial performance, governance and compliance etc.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the stakeholders of the Company etc.

3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted in compliance with the provisions of Section 178(5) of the Act read with Regulation 20 and Part D of Schedule II of the SEBI Listing Regulations.

As of March 31, 2025, the Stakeholders Relationship Committee comprises of a non-executive director being the Chairman of the Committee, two (2) executive directors and one (1) Independent Director as the members of the Committee.

During the year under review, the Committee met Four (4) times i.e., on May 10, 2024; July 29, 2024; October 24, 2024, and January 28, 2025. The details of the meeting and attendance of Members to the committee meetings are as follows:

| Name of the Member | Category | Meetings of the Committee for the financial year 2024-25 | | | | |
|---------------------|---|--|----|----|---|---|
| | | No. of Meetings held during the tenure | 1 | 2 | 3 | 4 |
| Mr. C. Snook | Chairman; Non-Executive Director | 4 | √ | √ | √ | √ |
| Mr. S. Parameswaran | Member; Non-Executive and Independent Director | 4 | √ | √ | √ | √ |
| Ms. S. Joshi | Member; Whole-Time Director and Chief Financial Officer | 4 | √ | √ | √ | √ |
| Mr. F. Majmudar * | Member, Whole-Time Director | 2 | NA | NA | √ | √ |

* Mr. F. Majmudar was appointed as a member of Stakeholders, Relationship Committee w.e.f. October 08, 2024.

Mr. Nikhil Malpani, Company Secretary and Compliance Officer of the Company, acted as Secretary to the Committee till April 30, 2024.

Ms. Chandni Maru, Company Secretary and Compliance Officer of the Company, acts as Secretary to the Committee w.e.f, May 08, 2024. In accordance with the IEPF Rules, the Board of Directors has also appointed Ms. Chandni Maru as the Nodal Officer of the Company.

The terms of reference of the Stakeholders Relationship Committee are set out as per the Act and Regulations 19 and 20 read with Part D of Schedule II of SEBI Listing Regulations, *inter alia*, consists of:

- Monitor redressal of investors/shareholders grievances;
- Approve transfer and transmission of shares;
- Issue of duplicate share certificates;
- Approving of split and consolidation requests;
- Review of shares dematerialized;
- Oversee the performance of the Company's Registrars and Share Transfer Agents;
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends and issue of new/duplicate certificates;
- Review of measures taken for effective exercise of voting rights by the shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the Company;
- All other matters related to shares.

Investor complaints are processed through a centralized web-based complaints redressal system. Centralized database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

The Registrar and Share Transfer Agents of the Company - MUFG Intime India Private Limited, (formerly known as Link Intime India Private Limited) attend to all grievances received from shareholders and investors.

All queries like non-receipt of annual reports, dividend, transfer of shares, change of address etc. were resolved to the satisfaction of the shareholders/ investors. All investor grievances/ queries and complaints from statutory authorities have been resolved to the satisfaction of the complainants before the end of the financial year. The details of the shareholders/ investor grievances are as follows:

| Particulars | SEBI | BSE | ODR | Letters | Mails | Total |
|---|------|-----|-----|---------|-------|-------|
| Pending at the beginning of the year | Nil | Nil | Nil | Nil | Nil | Nil |
| Received during the year | 13 | Nil | 05 | 02 | 04 | 24 |
| Disposed during the year | 13 | Nil | 05 | 02 | 04 | 24 |
| Remaining unresolved at the end of the year | Nil | Nil | Nil | Nil | Nil | Nil |

All valid requests for share transfers received during the year have been acted upon and there are no share transfer requests pending as on March 31, 2025.

4. Corporate Social Responsibility (CSR) Committee

As of March 31, 2025, the CSR Committee comprised of non-executive non-independent director as the Chairman, two (2) executive directors and one (1) non-executive independent director as a member of the Committee. The composition of the Committee and its terms of reference meets the requirements of section 135 of the Act. The Committee met two (2) times during the year under review i.e., on May 10, 2024, and October 24, 2024.

Details of constitution and attendance of the CSR Committee as on March 31, 2025, are given below:

| Name of the Member | Category | Meetings of Committee for the financial year 2024-25 | | |
|------------------------------|--|--|----|---|
| | | No. of Meetings held during the tenure | 1 | 2 |
| Mr. C. Snook [#] | Chairperson of the Committee; Non-Executive and Non-Independent Director | 2 | √ | √ |
| Ms. S. Martyres | Member; Non-Executive and Independent Director | 2 | √ | √ |
| Ms. S. Joshi | Member; Whole-Time Director and Chief Financial Officer | 2 | √ | √ |
| Mr. F. Majmudar [*] | Member, Whole-Time Director | 1 | NA | √ |

[#] Mr. C. Snook, was appointed as a member and Chairman of the Corporate Social Responsibility Committee w.e.f. April 03, 2024.

^{*} Mr. F. Majmudar was appointed as the member of the Corporate Social Responsibility Committee w.e.f. October 08, 2024.

The CSR Policy is uploaded on the Company's website https://www.novartis.com/sites/novartis_in/files/CSR%20Policy%20Novartis%20India%20Limited.pdf required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR projects for the financial year 2024-25 approved by the Board have also been disclosed on the Company's website https://www.novartis.com/in/en/sites/novartis_in/files/NIL%20details%20of%20CSR%20Project%20FY%202024-25%20Final.pdf

The Annual Report on CSR activities is a part of the Board's Report, which details the various CSR projects undertaken by the Company during the financial year 2024-25.

Terms of Reference

- Formulate and recommend to the Board a Corporate Social Responsibility Policy ('CSR Policy') which shall indicate the activities to be undertaken by the entity in areas or subject, specified in Schedule VII of the Act which includes ongoing projects;
- Recommend the amount of expenditure to be incurred on the activities referred;
- Consider and propose an Annual Budget for CSR activities to the Board for approval as part of the overall budget process together with the Action Plan;
- Receive reports and review activities executed by the CSR team;
- Review the CSR programme of the Company and ensure that the internal CSR function is adequately resourced and has appropriate standing within the Company;
- Consider and review the Annual Corporate CSR Report and ensure that it is a fair reflection of the Company's CSR approach, policies, systems and performance and is coherent and published in a timely manner;
- Review the CSR Policy of the Company from time to time;
- Retain/ hire outside consultants, if required and;
- Consider other matters as specified by the Board.

The details of CSR activities carried out by the Company during the year under review are set out in **Annexure B** to the Directors' Report. The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to the business. The Committee believes it has performed effectively and carried out the role assigned to it. The Company will continue to pursue CSR activities as one of its fundamental priorities towards the society in which it operates. CSR activities of the Company is expected to continuously evolve for a long-term sustainability of business, society and environment at large. CSR activities shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core principles of business.

5. Risk Management Committee

The scope of this Committee is to assist the Board of Directors in early identification, assessment and mitigation of risks pertaining to financial, regulatory, statutory, operational, strategic, reputational, and others risks the Company may face. The Committee has overall responsibility for monitoring and approving the risk management framework and is capable of effectively addressing these risks. The terms of reference of the Committee cover the areas of developing a formal risk management structure along with formation and delegation of responsibility to an executive management team which defines risk across the organization, monitors the material risks to which your organization is exposed and appropriately implements the mitigation plan on sustainable and continuous basis.

The Risk Management Committee has been constituted in accordance with the provisions of Regulation 21 of SEBI Listing Regulations for identifying the elements of risk, which in the opinion of the Board of Directors threaten the existence of the Company.

The Committee met three (3) times during the year under review i.e., on May 10, 2024; October 24, 2024 and January 28, 2025. Details of constitution and attendance of Committee as on March 31, 2025, are given below:

| Name of the Member | Category | Meetings of Committee for the financial year 2024-25 | | | |
|---------------------|---|--|----|---|---|
| | | No. of Meetings held during the tenure | 1 | 2 | 3 |
| Mr. S. Parameswaran | Chairperson; Non-Executive and Independent Director | 3 | √ | √ | √ |
| Ms. G. Sardesai# | Member; Non-Executive and Independent Director | 3 | √ | √ | √ |
| Ms. S. Joshi | Member; Whole-Time Director and Chief Financial Officer | 3 | √ | √ | √ |
| Mr. F. Majmudar* | Member; Whole-time Director | 2 | NA | √ | √ |

Ms. G. Sardesai, was appointed as a member of the Risk Management Committee w.e.f. April 01, 2024.

* Mr. F. Majmudar was appointed as the member of the Risk Management Committee w.e.f. October 08, 2024.

The Role of the Committee:

1. The Committee shall review and approve the Enterprise Risk Management Framework/ Risk management plan/ Policy of the Company at least once in two years by considering the changing industry dynamics and evolving complexity.
2. The Committee shall periodically review the risk management processes and practices of the Company and ensure that appropriate methodology processes and systems are in place to monitor and evaluate risks and to achieve prudent balance between risk and reward in both ongoing and new business activities.
3. The Committee shall monitor and oversee implementation of Risk Management Policy, including evaluating the adequacy of risk management system.
4. The Committee shall inform the Board of Directors about the nature and content of its discussions, recommendations and actions to be taken.
5. The Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
6. The Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives and ongoing activities such as business continuity planning).
7. The Committee shall evaluate risks related to cyber security and ensure appropriate procedures are in place to mitigate these risks.
8. The Committee may form and delegate authority to subcommittees as and when appropriate.
9. The Committee shall review and reassess the adequacy of this charter / terms of reference periodically and recommend any proposed changes to the Board for approval.
10. The Committee shall have access to any internal information necessary to fulfill its oversight role.
11. The Committee shall have power to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
12. The Board may review the performance of the Committee periodically.

6. Senior Management

As subordinate to the Board of Directors, Key Managerial Personnel (KMP) and the Committees to the Board, there are several Senior Management in the hierarchy of your Company.

Details of Senior Management Personnel as on March 31, 2025, as defined under Regulation 16(1)(d) of SEBI (LODR) Regulations are as follows:

| Sr. No. | Name | Designation |
|---------|---------------------|---|
| 1. | Ms. Shilpa Joshi | Whole Time Director & Chief Financial Officer |
| 2. | Mr. Falin Majmudar* | Whole Time Director & Head External Supply Operations (ESO) |
| 3. | Ms. Chandni Maru# | Company Secretary & Compliance Officer |

* Mr. Falin Majmudar was appointed as the Whole-Time Director of the Company w.e.f. June 28, 2024.

Ms. Chandni Maru was appointed as Company Secretary and Compliance Officer w.e.f. May 08, 2024.

D. REMUNERATION TO DIRECTORS

Remuneration Policy:

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel and other employees, in accordance with the provisions of the Act and SEBI Listing Regulations. The Nomination and Remuneration policy is uploaded on the Company's website https://www.novartis.com/sites/novartis_in/files/NRC%20Policy.pdf

Mr. C. Snook, Non-Executive Chairperson of the Board does not get any remuneration from the Company.

The Whole-Time Directors gets a monthly salary, perquisites and performance pay as per the policies of the Company. In the event of the Whole-Time Directors desiring to leave the services of the Company, he/ she shall give to the Company three months' notice respectively as prescribed in the employment agreement executed with the Company. The Company may, at its sole discretion, relieve the Whole-Time Director of their duties any time by giving prescribed notice period as stated in the employment agreement.

The criteria for making payments to the Whole-Time Directors are:

1. Salary, as recommended by the NRC and approved by the Board and shareholders of the Company. Perquisites, retirement benefits and performance pay are also paid/ provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.
2. Remuneration paid to the Vice Chairman & Managing Director, if any, and Whole-Time Director are determined keeping in view industry benchmarks and Novartis policies.

Remuneration of the Whole-Time Directors are within the limits of provisions of Section 197 of the Act and as approved by the Board and shareholders of the Company from time to time.

The criteria for making payments to the Independent Directors are:

1. Independent Directors are paid sitting fees with effect from April 01, 2019 for attending the Board and Audit Committee meetings.
2. The Independent Directors receive remuneration by way of Commission as may be decided by the Board based on the industry benchmarks after receipt of necessary approvals.

The Board decides on the Commission based on industry benchmarks and commensurate challenges.

The remuneration paid or payable to the Directors for the financial year 2024-25 are given below:

(Amounts in ₹)

| Name of the Director | Basic Salary | Flexible Compensation | Annual incentive | Commission | Benefits/ Perquisites/ Allowances | Stock Options* | Others** | Total |
|----------------------|--------------|-----------------------|------------------|------------|-----------------------------------|----------------|----------|-------------|
| Mr. C. Snook | — | — | — | — | — | — | — | — |
| Ms. S. Martyres | — | — | — | 10,00,000 | — | — | — | 10,00,000 |
| Mr. S. Parameswaran | — | — | — | 10,00,000 | — | — | — | 10,00,000 |
| Ms. G. Sardesai | — | — | — | 10,00,000 | — | — | — | 10,00,000 |
| Ms. S. Joshi | 42,19,846 | 45,92,894 | 31,58,543 | — | 5,61,421 | 14,49,515 | 1,324 | 1,39,83,543 |
| Mr. F. Majmudar | 41,52,605 | 41,93,976 | 23,29,047 | — | 1,63,566 | 2,93,431 | 41,171 | 1,11,73,796 |

* Employee Stock Option, Stock Grant or any other Stock Linked Incentive Plan whether existing or declared by the Parent company, Novartis AG ('Stock Options') as per Novartis Group Policies and Rules of the Company; the cost thereof being borne by the Company.

** Others include Superannuation Fund Amount, Employer's contribution to PF and Gratuity Amount, as may be applicable.

The aforesaid remuneration does not include sitting fees paid to Independent Directors of the Company for the financial year 2024-25 aggregating to ₹ 1.5 million.

None of the Non-Executive Directors had any material pecuniary relationship or transaction vis-à-vis the Company during the year under review.

E. General Body Meetings

Location and time for the last three AGMs held and the Special Resolutions, if any, passed thereat, are as given below:

| AGM for the financial year | Date of AGM | Time of AGM | Location of holding AGM | Special Resolutions passed |
|----------------------------|-----------------|-------------|---|---|
| 2023-2024 | July 31, 2024 | 11:00 a.m. | Video Conferencing/ Other Audio-Visual Means | <ol style="list-style-type: none"> Appointment of Mr. Falin Majmudar (DIN: 10681030) as the director of the company. Appointment of Mr. Falin Majmudar (DIN: 10681030) as the Whole-Time Director of the company. |
| 2022-2023 | July 28, 2023 | 11:00 a.m. | | None |
| 2021-2022 | August 29, 2022 | 11:00 a.m. | | <ol style="list-style-type: none"> Approval of payment of Commission to the Independent Directors for the financial year 2021-22. Approval of payment of Commission or otherwise to the Non-Executive and Independent Directors for a period of 5 (five) years commencing from April 1, 2022 to March 31, 2027. |

No Extraordinary General Meeting has been held during the past 3 years.

POSTAL BALLOT: No resolutions were passed during the year 2024-25 by Postal Ballot.

F. DISCLOSURES

Related Party Transactions ('RPTs'):

All the transactions with related parties were in the ordinary course of business and on arms' length basis. In terms of Regulation 23 of SEBI Listing Regulations the Company has obtained prior approval of the audit committee for entering any transaction with related parties. The audit committee granted omnibus approval for all transactions to be entered into with the related parties, during the year. The audit committee is entrusted with responsibility of approval or any subsequent modification of transactions with the related parties. All material related party transactions have been approved by the shareholders through special/ ordinary resolution, as applicable. Further, the material RPTs with Novartis Pharma AG for purchase, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services and other obligations are approved by members under erstwhile Clause 49(VII)(E) of the Listing Agreement at the 67th AGM of the Company held on July 23, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel or otherwise which may have potential conflict with the interest of the Company at large apart from the ones approved by the Shareholders.

The details of the transactions with Related Parties are provided in accordance with the Accounting Standards in Note No. 30 to the financial statements in the Annual Report. Accordingly, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering such a contract or arrangement in Form AOC-2 form a part of the Report.

The related party transactions for the half year ended March 31, 2025 in the format prescribed by SEBI is uploaded on the website of the Company <https://www.novartis.com/in-en/investors-corporate-governance/novartis-india-stock-exchange-disclosures>

The Board approved policy for related party transactions is uploaded on the website of the Company https://www.novartis.com/in-en/sites/novartis_in/files/Policy%20for%20dealing%20with%20Related%20Party%20Transactions%20NIL.pdf

Whistle-Blower Policy and Vigil Mechanism:

In terms of the provisions of Section 177(9) of the Act, the Company has implemented a vigil mechanism, which includes implementation of the Whistle-Blower Policy. No employee has been denied access to the Chairman of the Audit Committee. The Company in conjunction with the Legal and Ethics Team of its ultimate holding company has informed its employees that any non-compliant behaviour of directors or employees, including non-compliance of its code of conduct, may be reported by them using the ethics hotline or ethics e-mail id. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. The policy also provides adequate safeguards to employees against victimization of people who use such mechanism. The Company's Whistle-Blower Policy has been uploaded on the website of the Company.

https://www.novartis.com/sites/novartis_in/files/Vigil%20Mechanism%20%26%20Whistle%20Blower%20Policy_.pdf

Policy on determination of materiality of events and information for disclosures:

The Company has adopted a policy on determination of materiality on disclosures and the same has been uploaded on the website of the Company <https://www.novartis.com/in-en/media/document/10886>

Dividend Distribution Policy:

The objective of the Company's Dividend Distribution Policy is to reward its shareholders by sharing a portion of the profits, whilst ensuring that sufficient funds are retained in the Company for growth, working capital requirements, capex requirement etc. The policy aims to ensure a regular dividend income for the shareholders and long-term capital appreciation for all shareholders of the Company. The Company would strive to strike an

optimum balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The general factors considered by the Company for taking decisions with regard to dividend payout includes contractual obligations, taxation policy, statutory covenants, historical financial performance, future financial outlook, current year profits and outlook, operating cash flows, possibilities of alternate usage of cash, providing for unforeseen events and contingencies etc.

The Board can modify/ amend the policy depending on business needs and external environment.

The Company's Dividend Distribution Policy has been uploaded on the website of the Company https://www.novartis.com/sites/novartis_in/files/Dividend%20Distribution%20policy.pdf

G. COMPLIANCES

During the preceding three (3) financial years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets.

H. ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company has published its quarterly, half-yearly and annual financial results in two newspapers including one vernacular newspaper having wide circulation. The results are promptly put up on the website of the Company besides being sent to the Stock Exchange. The Company has not circulated a half yearly declaration on financial performance to its shareholders.

The statutory auditors of the Company have issued an audit report with unmodified opinion on the financial statements for the financial year ended March 31, 2025.

Internal audit function is handled by a set of professionals within the Company who conduct a thorough audit of the procedures in place of all the departments in the organization and report to the audit committee. The audit plan and performance of the internal audit team is reviewed by the audit committee. The internal auditor of the Company reports directly to the audit committee.

I. CODE OF CONDUCT/ ETHICS

The Board has laid down a Code of Conduct/ Ethics for all Directors and Senior Management and all its employees. The Code of Conduct/ Ethics is posted on the Company's website https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf

Directors and Senior Management personnel of the Company have affirmed compliance with the Code. A declaration signed by Ms. Shilpa Joshi, Whole-Time Director and Chief Financial Officer of the Company to this effect is appended at the end of this Report.

J. CFO CERTIFICATION

A certificate from Ms. Shilpa Joshi, Whole-Time Director and Chief Financial Officer of the Company on the integrity of the financial statements and other matters for the financial year ended March 31, 2025 was placed before the Board at its meeting held on May 09, 2025.

K. MEANS OF COMMUNICATION

Quarterly, Half-Yearly and Annual results of the Company are published in newspapers such as "The Financial Express" and "Navshakti". These results are promptly submitted to BSE Limited facilitating them to display the same on their website. The Company's results are available on the website of the Company at <https://www.novartis.com/in-en/investors/novartis-india-financials>

SEBI Complaints Redressal System (SCORES): A centralised web-based complaints redressal system, which serves as a centralised database of all complaints received,

enables uploading of Action Taken Reports (ATRs) by the concerned company and online viewing by the investors of actions taken on the complaint and its current status. Further, SEBI vide Circular dated August 13, 2020, has specified standard operating procedure for handling complaints by Stock Exchanges, accordingly the Company is now required to resolve the complaint within a period of 30 days of receipt of the same.

L. GENERAL SHAREHOLDER INFORMATION

| | |
|---|--|
| Annual General Meeting | : Thursday, July 31, 2025 through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) at 11:00 a.m. (IST) |
| Financial Year | : April 01 – March 31 |
| First Quarter Results | : Second fortnight of July 2025 |
| Second Quarter Results | : Second fortnight of October 2025 |
| Third Quarter Results | : Second fortnight of January 2026 |
| Results for the year ending March 2026 | : First fortnight of May 2026 |
| Date of Book Closure | : Thursday, July 24, 2025 to Thursday, July 31, 2025 (both days inclusive) |
| Record Date | : Wednesday, July 23, 2025 |
| Dividend payment date | : On or after August 05, 2025 |
| Listed on Stock Exchange | : Yes |
| Names of the Stock Exchange where securities are listed | : BSE Limited, Mumbai |
| Payment of Annual Listing Fees | : The Annual Listing Fees for the Financial Year 2025-26 have been paid to BSE Limited |
| Scrip Code (BSE) | : 500672 |
| Demat ISIN no. for NSDL and CDSL | : INE234A01025 |
| Corporate Identification Number (CIN) | : L24200MH1947PLC006104 |

Your Company has not issued any Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any other convertible instruments. Hence, no further details in this regard have been provided in this report.

Monthly Highs and Lows for the period April 2024 to March 2025: Please refer BSE website <https://www.bseindia.com/stock-share-price/novartis-india-ltd/novartind/500672/>

The company has not raised any funds through preferential allotment or qualified institutional placement during the previous financial year. Hence, no further disclosure is made in this regard in accordance with 10(h) of other disclosures under Schedule V of the LODR Regulations. There are no instances of explanation for the variation specified in 32(1) of SEBI Listing Regulations.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: **Nil**.

The Company has not entered into any transaction or agreements which requires disclosure under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations.

Registrars and Share Transfer Agents ("RTA"):

| | |
|-----------|--|
| Name | MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) |
| Address | C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. |
| Telephone | +91 22 4918 6000 |
| Fax | +91 22 4918 6060 |
| E-mail | rnt.helpdesk@in.mpms.mufg.com |

Documents will be accepted at the above address between 10.00 a.m. to 3.30 p.m. (IST) (Monday to Friday except bank holidays).

Share Transfer System:

Trading in equity shares of the Company is permitted only in dematerialized form. In terms of requirements of Regulation 40 of the SEBI Listing Regulations read with SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, transmission or transposition of securities held in physical or dematerialized form shall be affected only in dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized.

Distribution of shareholding as on March 31, 2025:

| Sr. No. | No. of Equity Shares | | Shareholder(s) | | Shareholding(s) | |
|---------|----------------------|-------|----------------|---------|-----------------|---------|
| | From | To | Nos. | % | Nos. | % |
| 1. | 1 | 500 | 39,014 | 96.3380 | 2,837,751 | 11.4932 |
| 2. | 501 | 1000 | 785 | 1.9384 | 585,331 | 2.3706 |
| 3. | 1001 | 2000 | 357 | 0.8815 | 519,391 | 2.1036 |
| 4. | 2001 | 3000 | 130 | 0.3210 | 324,778 | 1.3154 |
| 5. | 3001 | 4000 | 46 | 0.1136 | 163,953 | 0.6640 |
| 6. | 4001 | 5000 | 35 | 0.0864 | 159,390 | 0.6455 |
| 7. | 5001 | 10000 | 69 | 0.1704 | 477,787 | 1.9351 |
| 8. | 10001 and above | | 61 | 0.1506 | 19,622,416 | 79.4726 |
| Total | | | 40,497 | 100 | 24,690,797 | 100 |

Shareholding pattern as on March 31, 2025 is as follows:

| Category | No. of shares held | Percentage of shareholding |
|--|--------------------|----------------------------|
| A. Promoters' Holding | | |
| 1. Promoters | — | — |
| – Indian Promoters | 17,450,680 | 70.6769 |
| – Foreign Promoters | — | — |
| 2. Persons Acting in concert | — | — |
| Sub-Total | 17,450,680 | 70.6769 |
| B. Non-Promoters' Holding | | |
| 3. Institutional Investors | | |
| a. Mutual Funds & UTI | 952 | 0.0039 |
| b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions) | 130,950 | 0.5303 |
| c. Foreign Institutional Investors (FIIs) | 45,854 | 0.1857 |
| Sub-Total | 177,756 | 0.7199 |
| 4. Others | | |
| a. Private Corporate Bodies | 525,957 | 2.1302 |
| b. Indian Public | 5,705,918 | 23.1096 |
| c. NRI's | 248,163 | 1.0051 |
| d. Directors and their relatives | 35 | 0.0000 |
| e. Others | 582,288 | 2.3583 |
| Sub-Total | 7,062,361 | 27.6032 |
| Grand Total | 24,690,797 | 100.0000 |

| | |
|---|--|
| Dematerialization of shares and liquidity : | The Company's shares are traded compulsorily in dematerialized form on the stock exchange. As on March 31, 2025, 99.01 per cent of the paid-up share capital of the Company was in dematerialized form. |
| Outstanding GDRs/ADRs/Warrants or any : other Convertible Instruments, conversion dates and likely impact on equity | Not Applicable |
| Plant Location : | The Company does not have any manufacturing facility. |
| Address for correspondence : | Shareholders should address their correspondence to the Company's Registrar and Share Transfer Agent at the address mentioned earlier. Shareholders may also contact Ms. Chandni Maru, Company Secretary at the Registered Office of the Company situated at Inspire – BKC, 7 th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Telephone No: +91 22 5024 3000 E-mail: india.investors@novartis.com |
| Commodity price risk or foreign exchange : risk and hedging activities | The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. The Company actively monitors and seeks to reduce, where it deems it appropriate to do so, fluctuations in these exposures. The Company has not entered into any derivative transactions during the year. |

There were no credit ratings obtained by the Company along with any revisions thereto during the financial year 2024-25 either for any debt instruments, fixed deposit program or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

M. OTHER DISCLOSURES

Details of total fees paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part are as follows:

(₹ in million)

| Name of the Statutory Auditor/ Network entity | Fees paid during FY 2024-25 | | | |
|--|-----------------------------|----------------|---------------------------|-------|
| | Audit Fees | Other Services | Reimbursement of expenses | Total |
| B S R & Co. LLP | 7.1 | — | 0.8 | 7.9 |

Disclosure in relation with sexual harassment at workplace:

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All persons whether employed as permanent, contractual, temporary or trainees are covered under this policy.

The Company has mandated all employees to undergo online training on Prevention of Sexual Harassment (POSH) and also conducted the workshops during the year. The report has been filed with the appropriate authority.

During the year under review, no complaint relating to sexual harassment has been received. There were no complaints disposed of during the financial year and no complaints were pending as on the end of financial year.

The Company has complied with the mandatory requirements of SEBI Listing Regulations. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) read with Part E of Schedule II of SEBI Listing Regulations which are as under:

- There have been no instances where the board has not accepted the recommendations of any committee as mentioned in (10)(i) of other disclosures under Schedule V of the LODR Regulations and hence no further disclosures is required under this section.
- The details of the shares lying in the Demat Suspense Account/ Unclaimed Suspense Account are as follows:

| Particulars | No. of Shareholders/ Claimants | No. of Shares |
|---|-----------------------------------|---------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account as on April 01, 2024; | 2 | 30 |
| Number of shareholders who approached listed entity for transfer of shares from suspense account during the financial year 2024-2025; | — | — |
| Number of shareholders to whom shares were transferred from suspense account during the financial year 2024-2025; | — | — |
| Number of shares transferred to suspense account during the financial year 2024-2025. | 1 | 33 |
| Aggregate number of shareholders and the outstanding shares in the suspense account as on March 31, 2025. | 3 | 63 |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

- There are no non-compliances of any requirement of corporate governance report of sub-paras (2) to (10).

The Company has complied with the Regulations 17 to 27 and Regulation 46(2)(b) to 46(2)(b)(i) of the SEBI LODR Regulations.

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

**Date : May 9, 2025
Place : Mumbai**

**Shilpa Joshi
Whole Time Director &
Chief Financial Officer
DIN: 09775615**

Declaration – Adherence with Code of Ethics/ Conduct

In accordance with Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Shilpa Joshi, Whole-Time Director and Chief Financial Officer of the Company hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Ethics/ Conduct of the Company for the year ended March 31, 2025.

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

Date : May 9, 2025
Place : Mumbai

Shilpa Joshi
Whole-Time Director & Chief Financial Officer
DIN: 09775615

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
NOVARTIS INDIA LIMITED
CIN: L24200MH1947PLC006104
Inspire BKC, 7th Floor,
Bandra Kurla Complex, Bandra East,
Bandra (East), Mumbai 400051

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NOVARTIS INDIA LIMITED** having **CIN : L24200MH1947PLC006104** and having registered office at Inspire - Inspire BKC, 7th Floor, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, India, 400051 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company* |
|---------|--------------------------|----------|---------------------------------|
| 1. | Christopher Snook | 00369790 | 01/08/2008 |
| 2. | Sanker Parameswaran | 00008187 | 22/06/2020 |
| 3. | Sandra Martyres | 00798406 | 19/04/2016 |
| 4. | Shilpa Shashank Joshi | 09775615 | 22/11/2022 |
| 5. | Gira Jagdeesh Sardesai | 02610502 | 31/03/2024 |
| 6. | Falin Ishwarlal Majmudar | 10681030 | 28/06/2024 |

* The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Saraf & Associates
Practicing Company Secretaries

K. G. Saraf
(Proprietor)
FCS 1596 : CP 642
PR : 1003/2020
FRN : S1988MH004800

Date : May 09, 2025
Place : Mumbai
UDIN : F001596G000311400

Chief Financial Officer (CFO) Certification

[Pursuant to regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

This is to certify that:

1. I have reviewed the Audited Financial Statements and the cash flow statement of Novartis India Limited (“the Company”) for the financial year ended March 31, 2025 and to the best of my knowledge and belief, I state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - b. these statements together present a true and fair view of the Company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company’s Code of Ethics/ Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps that I have taken or proposed to be taken to rectify the deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - a. significant changes, if any, in the internal control over financial reporting during the financial year ended on March 31, 2025;
 - b. significant changes, if any, in the accounting policies made during the financial year ended on March 31, 2025 have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

Shilpa Joshi
Whole-Time Director & Chief Financial Officer
Novartis India Limited

Certificate of Compliance with the Corporate Governance

[Pursuant to Regulation 34(3) read with paragraph E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
NOVARTIS INDIA LIMITED
L24200MH1947PLC006104
Inspire BKC, 7th Floor,
Bandra Kurla Complex,
Bandra East, Mumbai 400051.

I have examined the compliance of the conditions of Corporate Governance by **NOVARTIS INDIA LIMITED** (CIN - L24200MH1947PLC006104) ('the Company') as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the year ended on March 31, 2025.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the management; I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Saraf & Associates
Practicing Company Secretaries

K. G. Saraf
(Proprietor)
FCS 1596 : CP 642
PR : 1003/2020
FRN : S1988MH004800

Date : May 09, 2025
Place : Mumbai
UDIN : F001596G000311400

Business Responsibility and Sustainability Reporting

About this Report

Novartis India Limited (“Novartis India/ Company”) is deeply committed to advancing and enriching people’s lives. Guided by the principles of integrity and quality, we continue to foster a culture that embraces innovative strategies to expand access to our medicines, thus serving patients more effectively.

This Business Responsibility and Sustainability Report (BRSR) aims to disclose our performance against the nine principles of the ‘National India Guidelines on Responsible Business Conduct’ (NGBRCs). The BRSR will help the investors and other stakeholders understand the sustainable business practices adopted by Novartis India which prioritises the environment, people and society. Each principle of the BRSR is further divided into Essential Indicators and Leadership Indicators. Essential Indicators must be reported on a mandatory basis, while the reporting of Leadership Indicators is voluntary. As this is our third year, we have disclosed all Essential Indicators and opted for a few Leadership Indicators.

As Novartis India is a trading entity, many indicators do not apply to us. Therefore, we have appropriately labelled them as “not applicable.”

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| | |
|---|---|
| 1. Corporate Identity Number (CIN) of the Listed Entity | L24200MH1947PLC006104 |
| 2. Name of the Listed Entity | Novartis India Limited |
| 3. Year of Incorporation | 1947 |
| 4. Registered office address and Corporate Office Address | Inspire BKC, 7 th Floor, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, India, 400051. |
| 5. Email | india.investors@novartis.com |
| 6. Telephone | +91 22 50243000 |
| 7. Website | https://www.novartis.com/in-en/ |
| 8. Financial year for which reporting is being done | 1 st April 2024 – 31 st March 2025 |
| 9. Name of the Stock Exchange(s) where shares are listed | BSE Limited |
| 10. Paid-up Capital | ₹ 123,453,985 |
| 11. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | Ms. Chandni Maru Company Secretary and Compliance Officer Email ID: india.investors@novartis.com Contact No: +91 22 50243000 |
| 12. Reporting Boundary | Standalone |
| 13. Name of assurance provider | This year we have not obtained assurance. |
| 14. Type of assurance obtained | |

II. Products/services

15. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|----------------------------------|-----------------------------|
| 1. | Pharmaceuticals | Trading | 100% |

16. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|---|----------|---------------------------------|
| 1. | Wholesale of pharmaceutical and medical goods | 46497 | 100% |

III. Operations

17. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | — | 3* | 3* |
| International | — | — | — |

*The Company is operating through 22 states in India. However, it operates from three offices only.

18. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 22* |
| International (No. of Countries) | — |

*The number is based on GST registrations.

b. What is the contribution of exports as a percentage of the total turnover of the entity?
Nil

c. A brief on types of customers

Our customer base includes distributors, private hospitals and Government Institutions to whom we sell our products.

IV. Employees

19. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total A | Male | | Female | |
|-----------|----------------------|---------|-------|-------|--------|-------|
| | | | No. B | B/A % | No. C | C/A % |
| Employees | | | | | | |
| 1. | Permanent | 56 | 48 | 86% | 8 | 14% |
| 2. | Other than Permanent | 5 | 0 | 0% | 5 | 100% |
| 3. | Total employees | 61 | 48 | 79% | 13 | 21% |
| Workers | | | | | | |
| 4. | Permanent | — | — | — | — | — |
| 5. | Other than Permanent | — | — | — | — | — |
| 6. | Total workers | — | — | — | — | — |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total A | Male | | Female | |
|-----------------------------|-----------------------------------|---------|-------|-------|--------|-------|
| | | | No. B | B/A % | No. C | C/A % |
| Differently abled Employees | | | | | | |
| 1. | Permanent | — | — | — | — | — |
| 2. | Other than Permanent | — | — | — | — | — |
| 3. | Total differently abled employees | — | — | — | — | — |
| Differently Abled Workers | | | | | | |
| 4. | Permanent | — | — | — | — | — |
| 5. | Other than permanent | — | — | — | — | — |
| 6. | Total differently abled workers | — | — | — | — | — |

20. Participation/Inclusion/Representation of women

| | Total | No. and percentage of Females | |
|--------------------------|-------|-------------------------------|--------|
| | | No. | % |
| Board of Directors | 6 | 3 | 50.00% |
| Key Management Personnel | 3 | 2 | 66.67% |

21. Turnover rate for permanent employees and workers:

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|----------------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 7% | — | 7% | 11% | 10% | 11% | 21% | 9% | 19% |
| Permanent Workers | — | — | — | — | — | — | — | — | — |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

22. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding/ subsidiary/ associate companies/ joint ventures | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|--|--|-----------------------------------|--|
| 1. | Novartis AG | Holding | 70.68% | No* |

* Novartis AG, being a foreign entity is governed by laws of host country. However, Novartis AG has aligned its practices to global sustainability standards.

VI. CSR Details

23. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

(ii) Turnover (in ₹) (for FY 2024-25) – 3562.7 million

(iii) Net worth (in ₹) (for FY 2024-25) – 7849.6 million

VII. Transparency and Disclosures Compliances

24. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Previous Financial Year) | | |
|---|--|--|--|--|--|--|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Refer Note 1 | — | — | — | NIL | — | — |
| Investors (other than shareholder) | Refer Note 1 | — | — | — | NIL | — | — |
| Shareholders | Refer Note 1 | 24 | — | — | 15 | — | — |
| Employees and workers | Refer Note 1 | 3 | — | — | 4 | 3 | The pending case was closed during the current financial year |
| Customers | Refer Note 1 | 26 | — | All the Complaints have been addressed and closed | 25 | 8 | The pending cases were closed during the financial year |
| Value Chain Partners | Refer Note 1 | — | — | — | NIL | — | — |
| Other (please specify) | Refer Note 2 | 4 | 1 | The open case is under investigation and shall be closed in due course | NIL | — | — |

Note

1. Novartis India has Vigil Mechanism & Whistle-Blower Policy which allows any of the stakeholders to raise concerns. The same is available at https://www.novartis.com/sites/novartis_in/files/Vigil%20Mechanism%20%26%20Whistle%20Blower%20Policy_.pdf. Associates may also access the Chairperson of the Audit Committee of the Company, in appropriate and exceptional cases, by writing to vigil.india@novartis.com
2. These are Global Security/ Legal/ Finance Cases

25. Overview of the entity's material responsible business conduct issues

At Novartis India, we are committed in meeting the expectations of all those who are influenced by our operations or impact them directly. To achieve this, we diligently identify key areas where we can generate substantial value for both our stakeholders and society at large. These key areas are stated below:

| S. No. | Material issue identified | Subtopic | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--------------------------------|--|---|--|--|
| 1. | Business Ethics | Professional practices | Risk | Any deviation from the standards of ethical business conduct can adversely impact the trust placed in us by patients and society. Non-compliance with professional practices may result in penalties, fines and may impact the business continuity. | We are committed to upholding the same high standards of ethical business conduct where we operate. Engaging ethically and acting with integrity have a profound impact on our ability to discover new ways to expand patient access to our treatments and build trust with society. | Negative |
| 2. | Business Ethics | Data Privacy | Risk | Non-compliance with General Data Protection Regulation ('GDPR') Laws can lead to fines and penalties, operational inefficiencies and reputational damage. | Novartis India will adhere to its Data Privacy principles and ensure that its external service providers also commit to these principles. | Negative |
| 3. | Business Ethics | Information and Cyber Security | Risk | Misuse of Patients' and Partners' confidential information which can result in reduced productivity and reputational damage | <ul style="list-style-type: none"> To protect our data and technology, and to ensure that information is safeguarded against theft, loss, misuse or disclosure. We will take responsibility for the information and technology we manage. | Negative |

| S. No. | Material issue identified | Subtopic | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|------------------------------------|--------------------------------|--|--|--|--|
| 4. | Business Ethics | Anti Bribery/ Fair Competition | Risk | It erodes trust with stakeholders and limits access to public services, including health and education. | To ensure that our business judgement remains free from personal interests, we will not tolerate any form of Bribery and Corruption. Furthermore, we will not engage in agreements or conduct that unlawfully prevent or restrict competition. We will also refrain from using external parties to carry out acts of bribery or corruption on our behalf. | Negative |
| 5. | Access and Affordability | Access to medicine | Opportunity | To bring more of our medicines to more people, regardless of where they are. | NA | Positive |
| 6. | Product Quality and Patient Safety | Drug Safety/ Patient Safety | Risk | The safety of medicines and treatment of patients worldwide are of critical importance. Medicines and treatments may have potentially undesirable effects, and reporting such adverse events is essential to enable appropriate actions that safeguard patient safety. | <ul style="list-style-type: none"> • Patient health and safety are fundamental to our business. Our efforts focus on three key areas: product quality, pharmacovigilance, and the fight against falsified medicines. • Our objective is to ensure high quality of our products by continuously evaluating their safety profiles and promptly assessing reports of adverse events. Additionally, we communicate the risks associated with our medicines to stakeholders accurately and transparently. | Negative |

| S. No. | Material issue identified | Subtopic | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|---|---|--|
| 7. | Regulatory Compliance | Regulatory Environment | Risk | Non-compliance could result in monetary penalties, reputational damage to Novartis India. | Complying with customs regulations, export controls, and DCGI/State regulatory policies enables us to deliver our medicines promptly to patients who need them, whilst also building trust with society. | Negative |
| 8. | People and Culture | Promotion of Diversity, Equity and Inclusion | Opportunity | Creating an equitable environment and being inclusive of all individuals helps us to generate new ideas, drive innovation, better understand our stakeholders, and stay closer to patients. | NA | Positive |
| 9. | People and Culture | Employee Health & Safety and Employee Well Being | Risk | Adverse impacts on employee health, safety and wellbeing could lead to regulatory consequences, reputational damage, and negatively affect the long term sustainability. | <ul style="list-style-type: none"> • We are committed to protecting and promoting the health and safety of our associates, visitors, patients and the communities in which we operate. • We maintain a rigorous process to identify and mitigate health and safety risks, while promoting best practices in health and safety. • Our goal is to create a safe and inclusive workplace, where all our associates have an equal opportunity to succeed. • We do not tolerate discrimination, harassment, retaliation, bullying or incivility. • We value the contributions of our associates and encourage them to express themselves and their opinions freely in a professional way. | Negative |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------------------------------------|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1. | a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/ No) ¹ | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. Web Link of the Policies, if available ^{2,3} | Please refer to foot-note 2,3 below. | | | | | | | | |
| 2. | Whether the entity has translated the policy into procedures? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. | Do the enlisted policies extend to your value chain partners? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. | Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle | All the Company's policies are aligned with Novartis AG's global best practices and are in compliance with Indian laws and regulations. | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | Novartis India follows guidance received from Novartis AG on ESG principles. | | | | | | | | |
| 6. | Performance of the entity against specific commitments, goals and targets along with reasons in case the same are not met. | Performance against goals is provided in this report under respective principles. | | | | | | | | |
| Governance, leadership and oversight | | | | | | | | | | |
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Novartis India is committed to improve and extend people's lives. We are enabling a culture to find efficient ways of increasing access to our medicines, to help patients. We operate with the highest values, integrity and quality standards. Novartis India Limited is aligned to our parent company, Novartis AG's Global Sustainability Commitments for 2025. From an ESG perspective, several initiatives have been implemented at our offices. These include the installation of energy efficient lighting system consisting of LED lights, which reduce the energy consumption up to 90 per cent. Occupancy and motion-based sensor LEDs have been installed at all workstations and meeting rooms to minimize energy use when not in operation. Additionally, the office space has been designed to maximise the use of natural light. Similarly, a comprehensive Standard Operating Procedure (SOP) has been developed, outlining the processes for the retrieval and safe disposal of expired or defected products. These products are disposed or incinerated in accordance with the government protocol and at government approved waste disposal facilities. In our continued commitment to environmental stewardship, the company undertook a major shift in its logistics strategy by transitioning from air freight to more sustainable freight options. This change has delivered significant environmental benefits, by reducing the CO ₂ emissions by over 70 per cent in 2024 compared to 2022 levels. Despite consistent import volumes, our emission intensity dropped from 1.37 kg CO ₂ /kg to as low as 1.02 kg CO ₂ /kg by early 2025. This strategic move aligns with our ESG goals and highlights our proactive approach to minimizing our carbon footprint while maintaining operational efficiency. All our people and culture-centric initiatives are also in line with our global policies and are tailored as per local laws that take precedence. We are also extending these practices to our external service providers and spearheading the implementation of ESG practices for third-party partners. All new contracts and amendments will mandatorily include the Environment Sustainability criteria as an annexure. | | | | | | | | | |

| Disclosure Questions | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----------------------|---|---|----|----|----|----|----|----|----|----|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | DIN: 09775615 Name: Shilpa Shashank Joshi Designation: Whole-Time Director and CFO | | | | | | | | |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details. | DIN:00369790 Name: Christopher David Snook Designation: Chairman & Non-Executive Director | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|--|---|----|----|----|----|----|----|----|----|--|----|----|----|----|----|----|----|----|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action. | Performance against policies is reviewed periodically or on a need basis and necessary changes are implemented. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances. | The Company is in compliance with the regulations, as applicable. The Board reviews the compliance status of various laws on a quarterly basis. | | | | | | | | | | | | | | | | | |

| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|----|----|----|----|----|----|----|----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | NO However, there is an internal monitoring mechanism in place. | | | | | | | | |

| Name of Policy/ Code | Linkage to principle | Web link |
|---------------------------------|------------------------------------|---|
| Code of Ethics | P1, P2, P3, P4, P5, P6, P7, P8, P9 | https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf |
| Anti-Bribery Policy | P1 | https://www.novartis.com/sites/novartis_com/files/p3-professional-practices-policy.pdf |
| Professional Practices Policy | P1 | https://www.novartis.com/sites/novartis_com/files/p3-professional-practices-policy.pdf |
| Conflicts of Interest Guideline | P1 | https://www.novartis.com/sites/novartis_com/files/conflict-of-interest-guideline.pdf |
| Fair Disclosure Code | P1 | https://www.novartis.com/in-en/sites/novartis_in/files/2022-02/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf |

| Name of Policy/ Code | Linkage to principle | Web link |
|--|-------------------------|---|
| Health, Safety & Environment Policy | P2, P3, P6 | https://www.novartis.com/sites/novartis_com/files/health-safety-environment-policy.pdf |
| Global Parental Leave Guideline | P3 | https://www.novartis.com/sites/novartis_com/files/global-parental-leave-guideline-public.pdf |
| Human Rights Commitment Statement | P3, P5, P7, P8, P9 | https://www.novartis.com/sites/novartis_com/files/novartis-human-rights-commitment-statement.pdf |
| Third Party Code | P5 | https://www.novartis.com/sites/novartis_com/files/novartis-third-party-code-v-3.pdf |
| CSR Policy | P8, P4 | https://www.novartis.com/sites/novartis_in/files/CSR%20Policy-%20Novartis%20India%20Limited.pdf |
| Novartis Privacy Hub | P9 | https://www.novartis.com/privacy |

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: NA

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|----|----|----|----|----|----|----|----|----|
| The entity does not consider the principles material to its business (Yes/No) | | | | | NA | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | NA | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | NA | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | NA | | | | |
| Any other reason (please specify) | | | | | NA | | | | |

Notes:

1. *Standards and Policies adopted by the Company's global parent have been in India implemented and daily noted by the Board, Committees and Head of Departments. The statutory policies have been approved by the Board, Committee or Head of Department as per statutory requirements.*
2. *All the policies and Procedures are derived from Code of Ethics which is a document for conducting business of the Company. The same is available at https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf.*

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

| Segment | Total number of training and awareness programs held | Topics/principles covered under the training and its impact | %age of persons in respective categories covered by the awareness Programs |
|--|---|--|--|
| Board of Directors | 1 | Code of Ethics | 100% |
| Key Managerial Personnel | 7 Programs were conducted for all employees across all levels | Code of Ethics, POSH, Adverse Events, Compliance, TPRM for value chain partner, Sustainability and safety trainings ¹ | 100% |
| Employees other than Board of Directors and KMPs | | | 100% |
| Workers | 0 | NA | NA |

Notes:

1. The training programs were focused on compliance requirements under various policies and codes of the Company. Apart from the above, the Board of Directors are also provided with an update on the economic outlook, industry, business trends etc. These trainings help the Board, employees and workers stay updated and agile.
2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (LODR) Regulations, 2015 and as disclosed on the entity's website):

| | NGRBC Principle | Name of the regulatory / enforcement agencies/judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|----------------------------------|-----------------|---|---------------|--|--|
| Monetary | | | | | |
| Penalty/ Fine | NA | Assistant Commissioner of State Tax, Orissa | 50,000 | Penalty u/s 125 of GST Act- Penalty Procedural lapses | No |
| Penalty/ Fine[®] | NA | Assistant Commissioner of CGST & Central Excise | 15,03,762 | Order Ref No: OIO No. CGST/ME/Div. IV/AC/SCH/ Novartis/166/2024-25 dt. 17.02.25 DIN No. 20250267VM000081823E 1. Order passed under Section 73(1) and Section 75 of the Finance Act, 1994 for demand and recovery including Interest. 2. Imposition of Penalty under Section 77 of the Finance Act, 1994 3. Imposition of Penalty under Section 78 of the Finance Act, 1994 read with Rule 15 of the Cenvat Credit Rules, 2004. | Yes |

| | NGRBC Principle | Name of the regulatory / enforcement agencies/judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|------------------------|-----------------|--|---------------|---|--|
| Settlement** | NA | Deputy Commissioner (Arrear Recovery) Office of Joint Commissioner, Taxpayer Services, Ernakulam | 95,175 | Tax demand was raised on the grounds of Pending Declaration Forms and Tax on PAP Free goods supplies. | NA |
| Settlement** | NA | Deputy Commissioner (Arrear Recovery) Office of Joint Commissioner, Taxpayer Services, Ernakulam | 30,775 | Tax demand was raised on the grounds of Pending Declaration Forms. | NA |
| Compounding Fee | — | — | — | — | — |
| Non-Monetary | | | | | |
| Imprisonment | — | — | — | — | — |
| Punishment | — | — | — | — | — |

@ the company has not paid/ deposited the said penalty amount since it has preferred an appeal in the said matter.

** the settlement amount mentioned above is with respect to the tax amount only and is not a penalty.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|-------------------------------|---|
| Appeal is filed on 09.04.2025 | Commissioner of Central Goods & Services Tax & Central Excise, Appeals-II, Mumbai |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the company has in place an Anti-Bribery Policy that addresses a variety of context in which bribery issues may arise. Other aspects of business ethics and corruption, including conflict of interest, passive bribery (e.g. receipt of a bribe), and insider trading, are regulated separately.

Aligned to best practices within Novartis globally, the policy prohibits its associates from engaging in bribery or corruption, including the use of intermediaries such as agents, consultants, advisers, distributors, or any other business partners to commit acts of bribery and corruption.

The Policy is also available at website of the company and can be accessed at https://www.novartis.com/sites/novartis_com/files/anti-bribery-policy-en.pdf

The aspects of anti-corruption are covered in the Code of Ethics which is also available at https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption: **Nil**

6. Details of complaints with regard to conflict of interest: **Nil.**

All the transactions with Related Parties are governed by Policy for Dealing with Related Party Transactions. All the transactions with Related Parties are approved by the Audit Committee as a part of omnibus approval mechanism and Board, if required under the applicable law and Material Related Party transactions, if any, are approved by the shareholders of the Company.

| | FY 2024-25 (Current Financial Year) | | FY 2023-24 (Previous Financial Year) | |
|--|--|---------|---|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | — | NA | — | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | — | NA | — | NA |

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.— **NA**

8. Number of days of accounts payables (Accounts payable *365)/ Cost of goods/ services procured) in the following format:

| Particulars | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|-------------------------------------|--|---|
| Number of days of accounts payables | 76.28 | 92.50 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|----------------------------|--|--|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | — | — |
| | b. Number of trading houses where purchases are made from | — | — |
| | c. Purchases from the top 10 trading houses as % of total purchases from trading houses. | — | — |

| Parameter | Metrics | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|------------------------|---|---|--|
| Concentration of Sales | a. Sales to dealers/ distributors as % of total sales | 97.61% | 96.10% |
| | b. Number of dealers/ distributors to whom sales are made | 1978 | 2134 |
| | c. Sales from top 10 dealers/ distributors as % of total sales to dealers/distributors | 63.70% | 63.90% |
| Share of RPTs in | a. Purchases (Purchases with related parties/ total Purchases) | 41.31% | 40.50% |
| | b. Sales (Sales with related parties/ total Sales) | — | — |
| | c. Loans & advances (Loans & advances given to related parties/ total loans & advances) | — | — |
| | d. Investments (Investments in related parties/ total Investments made) | — | — |

Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, Novartis India has in place a comprehensive 'Code of Ethics for the Board of Directors and Senior Management' ('Code') and a Related Party Transaction Policy ('RPT'), which has been formulated to address potential conflicts of interest. All transactions involving related parties are governed by these policies. The policies are also available at: https://www.novartis.com/sites/novartis_com/files/code-of-ethics-english.pdf
<https://www.novartis.com/in-en/media/document/8141>.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year | Previous Financial Year | Details of Improvements in environmental and social impacts |
|-------|------------------------|-------------------------|---|
| R&D | — | — | — |
| Capex | — | — | — |

2.
 - a. Does the entity have procedures in place for sustainable sourcing? (Yes / No)
 - b. If yes, what percentage of inputs were sourced sustainably?

We are in process of setting up standard operating procedure to track the percentage of inputs that were sourced sustainably. Novartis India is spearheading the implementation of ESG practices for third-party partners. To promote sustainable and environmentally compliant partnerships, Novartis India has developed an Environmental Sustainability Criteria, which aligns with Novartis' Global Sustainability commitments for 2025. Environmental and Sustainability clauses are also included in the purchase order terms and conditions & contractual purchases, which further reinforce the Company's commitment to ESG.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a pharmaceutical company, Novartis India has established rigorous procedures for the retrieval and safe disposal of its expired or defective products through incineration. Any such products undergo comprehensive analysis before disposal. A detailed Standard Operating Procedure (SOP) has been developed, outlining the specific responsibilities of each person involved in the supply chain, as well as the precise steps for safe disposal of these products. This policy is periodically reviewed to ensure continued effectiveness and compliance.

The SOP includes training programs for individuals responsible for handling expired or defective products, ensuring that they are equipped with the necessary skills to carry out this task safely and effectively. Novartis India's commitment to safe and responsible product disposal underscores the Company's dedication to upholding high standards of ESG in its operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, the waste collection plan is in line with the Extended Producer Responsibility plan submitted to Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, as the Novartis India is a trading entity, it has not carried out Life Cycle Assessment of the products sold by it.

2. If there are any significant social or environmental concerns and/ or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable.

4. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|---|---------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|----------------------------------|------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities ¹ | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 48 | 48 | 100% | 48 | 100% | — | — | 48 | 100% | — | — |
| Female | 8 | 8 | 100% | 8 | 100% | 8 | 100% | — | — | — | — |
| Total | 56 | 56 | 100% | 56 | 100% | 8 | 100% | 48 | 100% | — | — |
| Other than Permanent employees ² | | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — | — |
| Female | 5 | 5 | 100% | 5 | 100% | 5 | 100% | — | — | — | — |
| Total | 5 | 5 | 100% | 5 | 100% | 5 | 100% | — | — | — | — |

Notes:

1. Company provides its employees (both male and female) an allowance upto the age of two years of the child to compensate the daycare facility or creche charges. This provides flexibility to the associates to balance their work along with the caregiving responsibilities and facilitates their ability to meet both personal and professional obligations. By prioritizing the needs of its employees in this way, the Company demonstrates its commitment to fostering a supportive and inclusive work environment that enables individuals to thrive both in and out of the workplace.
2. The category 'Other than permanent employees' are not being governed by Company's policies.

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|---|-------------------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — | — |
| Total | — | — | — | — | — | — | — | — | — | — | — |
| Other than Permanent workers ¹ | | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — | — |
| Total | — | — | — | — | — | — | — | — | — | — | — |

Notes:

- The category 'Other than permanent workers' are governed by the third-party vendors who are providing services. The Company validates the compliances provided to them. The workers are covered under the Employee State Insurance Act.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|--|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.36% | 0.07% |

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

| Benefits | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Current Financial Year) | | |
|--------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| Provident Fund | 100% | — | Y | 100% | 100% | Y |
| Gratuity | 100% | — | NA | 100% | 100% | NA |
| Employee State Insurance | NA | NA | NA | — | 100% | Y |
| Others, if any | — | — | — | — | — | — |

- Accessibility of workplaces: Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.
The premises/ offices of the Company including the registered and corporate offices are easily accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Novartis India has Equal Opportunity Policy as per Rights of Persons with Disability Act, 2016. The Policy outlines the Company's commitment to practice of non-discriminatory employment. https://www.novartis.com/sites/novartis_in/files/Equal%20Opportunity%20Policy%20.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | NA | NA | NA | NA |
| Female | NA | NA | NA | NA |
| Total | NA | NA | NA | NA |

Note:

There were no employees who were due to return during the year 2024-25.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/ No (If Yes, then give details of the mechanism in brief) | |
|--------------------------------|---|---|
| Permanent Workers | Yes | The Speak Up Office, established in accordance with the Whistle-Blower Policy, serves as a dedicated channel for employees, workers, and external individuals to voice their grievances or report instances of misconduct. |
| Other than Permanent Workers | Yes | |
| Permanent Employees | Yes | |
| Other than Permanent Employees | Yes | This channel is available 24/7 and can be accessed from anywhere. The same can be accessed at https://www.novartis.com/esg/ethics-risk-and-compliance/ethical-behavior/speakup line from Whistle-Blower Policy. Associates may also access the Chairperson of the Audit Committee of the Company, in appropriate and exceptional cases, by writing to vigil.india@novartis.com |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity: **Nil.**

8. Details of training given to employees and workers:

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|------------------------|--------------|-------------------------------------|------------|-------------------------|------------|--------------|-------------------------------------|------------|-------------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Permanent Employees | | | | | | | | | | |
| Male | 48 | 48 | 100% | 48 | 100% | 52 | 52 | 100% | 52 | 100% |
| Female | 8 | 8 | 100% | 8 | 100% | 10 | 10 | 100% | 10 | 100% |
| Total | 56 | 56 | 100% | 56 | 100% | 62 | 62 | 100% | 62 | 100% |
| Permanent Workers – NA | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — |
| Total | — | — | — | — | — | — | — | — | — | — |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Previous Financial Year) | | |
|-------------------------------|--|-----------|-------------|---|-----------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Permanent Employees | | | | | | |
| Male | 48 | 48 | 100% | 52 | 52 | 100% |
| Female | 8 | 8 | 100% | 10 | 10 | 100% |
| Total | 56 | 56 | 100% | 62 | 62 | 100% |
| Permanent Workers – NA | | | | | | |
| Male | — | — | — | — | — | — |
| Female | — | — | — | — | — | — |
| Total | — | — | — | — | — | — |

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, we have a health and safety management system which provides for reporting, tracking and action taken on any of the health and safety incidents across Novartis India. The system covers 100% of Novartis India employees.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Management of Novartis India is actively committed to providing a safe and a healthy working environment. The Management evaluates the potential work-related hazards through incidents that are reported through health and safety management systems as well as through the analysis of day-to-day operations and industry. Key processes and tools like HSE (Healthy Safety Environment) Handbook for offices, Enablon tool, Komrisk tool are used majorly for mapping HSE (Healthy Safety Environment) activities.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)

Yes, Novartis India is committed to ensuring the health and safety of employees and workers. Periodic training is provided to employees and workers to enable them to identify and report the work-related hazards and remove themselves from such potentially risky situations. Employees and workers are encouraged to report work related hazards through various channels of communication including reporting to Human Resources, reporting managers or reporting online. The top 5 risks are proactively identified along with the general common risks. For incident investigation, Enablon reporting system is used in accordance with the HSE (Healthy Safety Environment) guidelines.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees are provided with comprehensive health insurance or medical insurance, which provides them access to medical and healthcare services for both non-occupational and occupational health issues.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2024-25 (Current FY) | FY 2023-24 (Previous FY) |
|---|-----------|----------------------------|-----------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | — | — |
| | Workers | — | — |
| Total recordable work-related injuries | Employees | — | — |
| | Workers | — | — |
| No. of fatalities | Employees | — | — |
| | Workers | — | — |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | — | — |
| | Workers | — | — |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Novartis India is dedicated to providing a safe and healthy workplace for its employees and workers. The Company has implemented the Corrective and Preventive Action Plan based on the lessons learned from previous incidents. This approach helps prevent recurring injuries by sharing past learnings with employees and workers. In addition, Novartis India regularly conducts trainings based on Standard Operating Procedures (SOPs) to ensure that its workplace remains safe and healthy. The incident investigation program is well established, with corrective and preventive actions fully embedded into the process.

13. Number of Complaints on the following made by employees and workers:

| | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Previous Financial Year) | | |
|--------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | — | — | Nil | — | — |
| Health & Safety | Nil | — | — | Nil | — | — |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

The assessment of health and safety practices and working conditions did not identify any significant risks or concerns. Novartis India employs a Corrective and Preventive Action Plan for all safety incidents. This includes conducting thorough investigations and generating detailed reports to determine the root cause of each incident. The insights gained are then integrated into training modules to help prevent similar incidents in the future.

Leadership Indicators

1. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

There were no work-related injuries reported during the year. Enablon HSE (Healthy Safety Environment) reporting system is used for mapping the work-related injury.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

In selecting the stakeholder groups, we have identified individuals, firms, and entities that are most crucial to our business operations and form an integral part of our business ecosystem. These includes both internal and external stakeholders. These stakeholder groups are identified after thorough analysis and deliberation by leaders across Novartis India.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Groups | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other) | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|--|---|---|--|
| Patients and caregivers | Yes | Website, Patient assistance Program, Pharmacovigilance Helpline. | Periodic and Event based | To provide awareness about the products and understand their needs. |
| Healthcare professionals | No | Website, Seminars, Sales Representatives | Periodic and Event based | To disseminate information about the products, take feedback and understand patient needs. |
| Employees | No | Employee Engagement Survey, Townhalls, Awards and Recognitions, Performance Evaluation. | Daily, Event based | To understand the needs, communicate performance of Company, engage them and recognize them for their performance. |
| Suppliers/ Service providers | No | Audits, Supplier Meetings. | Periodic and Event based | To provide periodic trainings about the products and safety, conduct audits to ensure they are meeting standards set out by Novartis India and to understand their concerns. |
| Government, Regulatory Authorities and Policy makers | No | One-to-one or group meetings. | Periodic and Event based | To submit application for drug approvals/ holding marketing authorizations, represent the Company on various matters. |
| Shareholders and Investors | No | Results through Stock Exchange, General Meetings, e-mails, Newspaper Advertisements, notices, Annual Report, Website. | Annual, Half yearly, Quarterly and Event based | Intimation of the business performance of the Company and understanding stakeholders' expectations from the Company. |
| Local Community | Yes | Non-Governmental Organizations/ implementation partner. | Periodic and Event based | To understand the needs of the community around the business eco system and support the marginalized and vulnerable groups as per Company's CSR Policy |

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Novartis India believes that consistent communication with key stakeholders is essential for enhancing its performance and strategic decisions. Stakeholder consultations are typically conducted by the Company executives and functional heads who regularly seek feedback through various platforms. These engagements provide invaluable insights that plays a vital role in supporting the Company's commitment to sustainability. The feedback obtained from these interactions is then escalated to the Board to ensure that stakeholders' concerns are given due consideration. Novartis India has a well-defined process for addressing suggestions, complaints, and grievances which are carefully evaluated based on their significance. Depending on the nature and scope of the issues, they are referred to by the appropriate committee of the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/ No). If so, provide details of instances as to how the input received from stakeholders on these topics was incorporated into policies and activities of the entity.

Yes, as outlined in response to question 1 of leadership indicators in Principle 4, the management regularly engages with stakeholders to identify key environmental and social topics. As part of local materiality assessment, the Management of the Company considers the feedback of the internal stakeholders, industry benchmark and global standards to identify material Environmental, Social and Governance (ESG) topics. Novartis India continually strives to make changes in its policies, strategies, business practices, and operations based on the stakeholders' feedback and suggestions. These practices are reflected in the Company's disclosures under relevant principles.

PRINCIPLE 5: Businesses should respect and promote Human Rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------------|------------|--------------------------------------|-------------|------------|--------------------------------------|-------------|
| | Total (A) | No. of employees/workers covered (B) | % (B/A) | Total (C) | No. of employees/workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 56 | 56 | 100% | 62 | 62 | 100% |
| Other than permanent | 5 | 5 | 100% | 7 | 7 | 100% |
| Total Employees | 61 | 61 | 100% | 69 | 69 | 100% |
| Workers | | | | | | |
| Permanent | — | — | — | — | — | — |
| Other than permanent | — | — | — | 11 | — | — |
| Total Workers | — | — | — | 11 | — | — |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2024-25 (Current Financial Year) | | | | | FY 2023-24 (Previous Financial Year) | | | | |
|----------------------|--|--------------------------|------------|---------------------------|------------|---|--------------------------|------------|---------------------------|------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 56 | — | — | 56 | 100% | 62 | — | — | 62 | 100% |
| Male | 48 | — | — | 48 | 100% | 52 | — | — | 52 | 100% |
| Female | 8 | — | — | 8 | 100% | 10 | — | — | 10 | 100% |
| Other than Permanent | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — |
| Female | 5 | — | — | 5 | 100% | 7 | — | — | 7 | 100% |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | — | — | — | — | — | — | — | — | — | — |
| Female | — | — | — | — | — | — | — | — | — | — |
| Other than Permanent | | | | | | | | | | |
| Male | — | — | — | — | — | 9 | — | — | 9 | 100% |
| Female | — | — | — | — | — | 2 | — | — | 2 | 100% |

3. Details of remuneration/ salary/ wages, Financial Year for 2024-25 in the following format:

a. Median remuneration/ wages

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | | | | |
| Executive Board of Directors | 1 | 86,51,263 | 1 | 98,13,586 |
| Non-Executive Board of Directors | 1 | 15,00,000 | 2 | 15,00,000 |
| Key Managerial Personnel | 1 | 86,51,263 | 2 | 57,45,735 |
| Employees other than BoD and KMP | 47 | 14,05,522 | 6 | 13,50,844 |
| Permanent Workers | — | — | — | — |

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|--|---|
| Gross wages paid to females as % of total wages | 17.58% | 15.27% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/ No)

Yes, access to remedy is a core human rights principle, as articulated in Article 8 of the Universal Declaration of Human Rights (UDHR) and Article 2 of the International Covenant on Civil and Political Rights (ICCPR). Novartis India is committed to provide adequate access to a grievance mechanism for all affected rightsholders, in line with the “Effectiveness Criteria” in the UN Guiding Principles, and to remediate harms consistent with the UNGPs. Our **Speak Up** channel is an independent platform for addressing all issues related to Human Rights, among the others concern line from vigil mechanism policy. Associates may also access the Chairperson of the Audit Committee of the Company, in appropriate and exceptional cases, by writing to vigil.india@novartis.com

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

As stated above, our **Speak Up** channel is an independent platform for addressing all issues related to Human Rights, amongst the others. The Speak Up Office helps employees of Novartis India to act with the highest ethical standards in the following ways:

- Empowering associates to speak up without fear.
- Treating those that trust us with their concerns with respect, fairness, confidentiality and protection against retaliation.
- Establishing the facts and trying to understand the truth with a sense of urgency.
- Ensuring fair and consistent remedial actions.
- Providing feedback to those courageous enough to raise concerns.

6. Number of Complaints on the following made by employees and workers:

| | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Previous Financial Year) | | |
|-------------------------------------|--|---------------------------------------|---------|---|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | — | — | — | — | — | — |
| Discrimination at workplace | — | — | — | — | — | — |
| Child Labour | — | — | — | — | — | — |
| Forced Labour / Involuntary Labour | — | — | — | — | — | — |
| Wages | — | — | — | — | — | — |
| Another human rights related issues | — | — | — | — | — | — |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|--|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | — | — |
| Complaints on POSH as a % of female employees/ workers | — | — |
| Complaints on POSH upheld | — | — |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Novartis India has established the Speak Up Office as a grievance mechanism, enabling both employees and external parties to report potential misconduct confidentially, without fear of reprisal. Additionally, we provide tailored training to employees in high-risk functions or locations and fosters awareness across the organization regarding the importance of respecting human rights. Novartis India actively engages with stakeholders to listen to their concerns, collaborates on collective actions when necessary, and provides regular updates on its progress.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, Novartis India contractually binds third-party to abide by the standards on quality, ethics, and human rights and applicable laws.

10. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child Labour | — |
| Forced Labour | — |
| Sexual Harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |

11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

There were no significant risks/ concerns identified during the year.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

Not Applicable, as there were no complaints related to Human Rights during Financial Year 2024-25.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The scope of assessment included wellbeing of employees, discrimination at workplace, any kind of harassment and wages which covered 100% of Novartis India operations.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The Company has ensured accessibility for people with disabilities by implementing the following measures:

- **Elevators** are available on all floors to facilitate easy movement.
- **Ramps** have been provided as alternatives to staircases, enabling barrier-free access throughout the premises.
- **Dedicated washrooms** have been designed to meet the specific needs of people with disabilities, ensuring comfort and compliance with accessibility standards.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2024-2025 (Current Financial Year) | FY 2023-2024 (Previous Financial Year) |
|--|--|---|
| From renewable sources | | |
| Total electricity consumption (A) | — | — |
| Total fuel consumption (B) | — | — |
| Energy consumption through other sources (C) | — | — |
| Total energy consumed from renewable sources (A+B+C) | — | — |
| From non-renewable sources | | |
| Total electricity consumption (D) | 1310 GJ | 1105 GJ |
| Total fuel consumption (E) | — | — |
| Energy consumption through other sources (F) | — | — |
| Total energy consumed from non-renewable sources (D+E+F) | 1310 GJ | 1105 GJ |
| Total energy consumed (A+B+C+D+E+F) | 1310 GJ | 1105 GJ |
| Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) | 0.00000036770 | — |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP) | 0.0000075966 | — |
| Energy intensity in terms of physical output | — | — |
| Energy intensity (optional) – the relevant metric may be selected by the entity | NA | NA |

Note: This has been only compiled for the Corporate Office situated at BKC.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency. **No**

- Does the entity have any sites/ facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/ No)
If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any-
None of the sites/ facilities of the Company comes under PAT Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | — | — |
| (ii) Groundwater | — | — |
| (iii) Third party water | — | — |
| (iv) Seawater/ desalinated water | — | — |
| (v) Others Municipal | 320.955 | 514.413 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 320.955 | 514.413 |
| Total volume of water consumption (in kilolitres) | 320.955 | 514.413 |
| Water intensity per rupee of turnover (Water consumed/ turnover) | 0.00000009009 | 0 |
| Water intensity (optional) – the relevant metric may be selected by the entity | NA | NA |

Since the Company does not have its own manufacturing facility and has taken the office space on lease, the data has been extrapolated by calculating 15 liters per person per working day till December 31st, 2024. From January 1st to March 31st, 2025 the same has been calculated adhering to the guidelines issued by the CGWA i.e. 45 liters per person per working day.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency: **No**

4. Provide the following details related to water discharged:

Since the offices of the Company are in commercial buildings, the water discharged is not tracked by the Company.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Since the Company is a trading entity and does not own any premises, this is not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: Since the Company is a trading entity and does not own any premises, this is NA

| Parameter | Unit | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|-------------------------------------|------|--|---|
| Nox | — | — | — |
| Sox | — | — | — |
| Particulate matter (PM) | — | — | — |
| Persistent organic pollutants (POP) | — | — | — |
| Volatile organic compounds (VOC) | — | — | — |
| Hazardous air pollutants (HAP) | — | — | — |
| Others – please Specify | — | — | — |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency: **No**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|--|---|--|---|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | <i>Metric tonnes of CO₂ equivalent</i> | Not tracked | Not tracked |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | <i>Metric tonnes of CO₂ equivalent</i> | 277.36 | 253.00 |
| Total Scope 1 and Scope 2 emissions per rupee of Turnover | | 0.0000000779 | 0.000 |
| Total Scope 1 and Scope 2 emission intensity (<i>optional</i>) – the relevant metric may be selected by the entity | | NA | NA |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | 0.0000016084 | — |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | NA | NA |
| Total Scope 1 and Scope 2 emission intensity (<i>optional</i>) – the relevant metric may be selected by the entity | | NA | NA |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency: **No**

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Since Novartis India has accounted for electricity consumption, all related initiatives focus on energy savings, which contributes to a reduction in Scope 2 emissions. A few of the initiatives are provided below:

- **Energy Efficient Lighting System:** LED Lighting has been installed across office floors. This system has the potential to reduce the energy consumption of up to 90 per cent as compared to the traditional lightning.
- **Occupancy and motion-based sensor:** Sensor-controlled LED lights are installed in all workstation areas and meeting rooms to minimise energy consumption when not in use.
- **Optimised use of Natural Light:** The office space is designed to maximise natural light through the façade, thereby reducing the need for artificial lighting during day light hours.
- **Logistics and Transportation:**
To further reduce indirect emissions, the company has transitioned a significant portion of its import logistics from air to surface freight. This shift has had a substantial impact, resulting transportation-related emissions being over 70 per cent lower in 2024 compared to 2022. The improved efficiency also led to a notable decrease in emission intensity, aligning with the company's broader sustainability objectives.

9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|---|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | Nil | Nil |
| E-waste (B) | Nil | Nil |
| Bio-medical waste (C) | Nil | Nil |
| Construction and demolition waste (D) | Nil | Nil |
| Battery waste (E) | Nil | Nil |
| Radioactive waste (F) | Nil | Nil |
| Other Hazardous waste. Please specify, if any. (G) | 36.09 | 48.92* |
| Other Non-hazardous waste generated (H) . Please specify, if any. General Waste | 1.814 | 2.28 |
| Carton box | 1.695 | 1.82 |
| Total (A + B + C + D + E + F + G + H) | 39.599 | 53.02 |

| Parameter | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|--|--|---|
| Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) | 0.0000000111 | 0.00 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP) | 0.0000002296 | 0.00 |
| Waste intensity in terms of physical output | NA | NA |
| Waste intensity (optional) – the relevant metric may be selected by the entity | NA | NA |

**For each category of waste generated, total waste recovered through recycling, re-using or other
recovery operations (in metric tonnes)**

| | | |
|---------------------------------|---|---|
| Category of waste | | |
| (i) Recycled | — | — |
| (ii) Re-used | — | — |
| (iii) Other recovery operations | — | — |
| Total | | |

**For each category of waste generated, total waste disposed by nature of disposal method
(in metric tonnes)**

| | | |
|--|-------|--------|
| Category of waste | | |
| (i) Incineration | 36.09 | 48.92* |
| (ii) Landfilling | — | — |
| (iii) Other disposal operations Recycled e-waste through third party | — | — |
| Total | 36.09 | 48.92* |

*As a part of data strengthening and accuracy exercise, the data for the previous year has been added.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency. **No**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

Hazardous waste source, if from central storage warehouse wherein date expired medicines or market rejects are sent to MWML (Mumbai Waste Management Limited) for incineration as per 'The Hazardous Waste Rules, 2016' and its amendments from time to time.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

| S. No. | Location of operations/ offices | Type of Operations | Whether the conditions of environmental approval/ clearance are being complied with? (Yes/ No) If no, the reasons thereof and corrective action taken, if any. |
|--------|---------------------------------|--------------------|---|
|--------|---------------------------------|--------------------|---|

Our office is not located in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant Web link |
|-----------------------------------|----------------------|------|--|---|-------------------|
| — | — | — | — | — | — |

The Company does not cause adverse impacts on the regional environment and biodiversity, as it is only into trading.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Yes/ No). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/ penalties/ action taken by regulatory agencies such as pollution control board or by courts | Corrective action taken, if any |
|--------|---|---------------------------------------|--|---------------------------------|
| | — | — | — | — |

The Company is compliant with environmental laws. Therefore, this question is not relevant.

Leadership Indicators

- Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link
Yes. Business Continuity Plan (BCP) is available and is under the scope of site REFS (Real Estate Facility Services).

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. Four (4)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|--------|---|--|
| 1 | Organization of Pharmaceutical Producers of India | National |
| 2 | Federation of Indian Chambers of Commerce & Industry | National |
| 3 | Healthcare Federation of India (NATHEALTH) | National |
| 4 | Swiss-Indian Chamber of Commerce India | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.
NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. **NA**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|---|--|-------------------|
| — | — | — | — | — | — |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **NA**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|--------|--|-------|----------|---|--------------------------|---|
| — | — | — | — | — | — | — |

3. Describe the mechanisms to receive and redress grievances of the community.

While the whistle blower/ vigil mechanism is available to the community for raising grievances related to business conduct, ethics, human rights and more, Novartis India also engages with NGOs to take feedback and understand their concerns.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2024-25 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|--|--|---|
| Directly Sourced through MSME/ small producers | 2.87% | 3.45% |
| Directly from within India | 56.35% | 55.81% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost

| Location | FY 2024-2025 (Current Financial Year) | FY 2023-24 (Previous Financial Year) |
|--------------|--|---|
| Rural | — | — |
| Semi-urban | — | — |
| Urban | — | — |
| Metropolitan | 100% | 100% |

(Place to be categorized as RBI Classification System - rural/ semi-urban/ urban/ metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

| S. No. | State | Aspirational District | Amount Spent (In INR) |
|--------|-------|-----------------------|-----------------------|
| NA | NA | NA | NA |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/ No)
- (b) From which marginalized/ vulnerable groups do you procure? NA
- (c) What percentage of total procurement (by value) does it constitute? NA
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: NA
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: NA
6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of people benefited from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1. | Sustainable Livelihood for people of high risk of unemployment | 159 | 100% |
| 2. | Community Skilling and Livelihood project | 150 | 100% |

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Being in the Pharmaceutical industry, we are committed to adhering to best-in-class practices and have developed a robust mechanism for receiving and responding to consumer complaints and feedback. The consumers can report a complaint about product related issue on the website of the Company at <https://www.novartis.com/report>. All the complaints have defined Turnaround Time (“TAT”) and are resolved within this timeframe.

2. Turnover of products and/ services as a percentage of turnover from all products/ services that carry information about:

| | As percentage to turnover |
|--|---------------------------|
| Environmental and Social parameters relevant to products | Not Applicable |
| Safe and responsible usage | 100% |
| Recycling and/ or safe disposal | Not Applicable |

3. Number of consumer complaints in respect of the following:

| | FY 2024-25 (Current Financial Year) | | | FY 2023-24 (Previous Financial Year) | | |
|--------------------------------|--|---------------------------------------|--|---|---------------------------------------|---|
| | Received during the year | Pending Resolution at the end of year | Remarks | Received during the year | Pending Resolution at the end of year | Remarks |
| Data Privacy | — | — | NA | — | — | NA |
| Advertising | — | — | NA | — | — | NA |
| Cyber Security | — | — | NA | — | — | NA |
| Delivery of essential services | — | — | NA | — | — | NA |
| Restrictive trade practices | — | — | NA | — | — | NA |
| Unfair trade practices | — | — | NA | — | — | NA |
| Other Product related | 20 | 3 | All pending complaints will be closed in due course. | 25 | 8 | All the cases have been closed as on date |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reason for recall |
|------------------|--------|-------------------|
| Voluntary recall | — | NA |
| Forced recall | — | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.

Yes, Novartis India has established a framework for cyber security and risks related to data privacy. The Company is committed to complying with all applicable data privacy laws and upholding the Novartis India Data Privacy Principles, which also extend to genetic data. Our data privacy program includes a global organization and infrastructure, as along with procedures and training to support local activities and reinforce our compliance efforts. The framework can be accessed by clicking <https://www.novartis.com/privacy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

There were no instances.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: **Nil**
- b. Percentage of data breaches involving personally identifiable information of customers: **Nil**
- c. Impact, if any, of the data breaches: **NA**

Essential Indicators

1. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services

In the Pharmaceutical industry, we are committed to adhering to best-in-class practices and have developed a robust mechanism for receiving and responding to consumer complaints and feedback. Consumers can report product-related issues on the Company's website at <https://www.novartis.com/report>. All complaints have a defined Turnaround Time ("TAT") and are resolved within this timeframe.

Independent Auditor's Report To the Members of Novartis India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Novartis India Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

See Note 1(J) of material accounting policies and Note 17 in financial statements.

| The key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Revenue from the sale of products is recognized at a point in time when control over goods is transferred to a customer. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered into with customers. The Company has a large number of customers operating across country and sales contracts with customers have distinct terms relating to the recognition of revenue and the right of return.</p> <p>Revenue is measured at the amount of consideration which the entity expects to be entitled, based on the expected level of returns. Estimation of accrual for sales returns involves significant judgement and estimates.</p> <p>Revenue is a key performance indicator for the Company and there could be pressure to meet the expectations/targets of investors and other stakeholders. We have considered there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed.</p> <p>Accordingly, we identified recognition of revenue and accrual for sales returns as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; Testing the design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key manual and IT application controls over timely and accurate recognition of revenue in the correct period and accrual for sales return; Performed testing of selected samples of revenue transactions recorded during the year including year-end cutoff testing. We used statistical sampling and verified contractual terms of sales invoices / contracts and acknowledged delivery receipts for those transactions; Performed testing of accrual for sales returns by checking the completeness and accuracy of the data used by the Company and examining material sales returns subsequent to the year end; Tested journal entries posted to revenue to identify unusual or irregular items during the year. Evaluating adequacy of disclosures given in the financial statements. |

Contingencies and Litigations

See Note 1 (O) of material accounting policies and Notes 14, 24 and 25 in financial statements.

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>The Company has outstanding litigations pertaining to income tax and Sales tax/ Value added tax (VAT)/ Service tax for several assessment years which are at various stages and pending at different forums. The eventual outcome of these legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits.</p> <p>The Company faces a number of legal and regulatory cases, of which the most significant is litigation under Drug Price Control Order ("DPCO"). DPCO has issued various orders/ notification for fixing the price of various pharma products. With respect to the sales of the pharmaceutical products covered by the aforementioned DPCO orders, in earlier years as well as the current year, the Company has received demand notices for overcharging price. The Company has challenged these demands from DPCO and the cases are pending at various courts in India.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understanding the processes, and evaluating and testing the design and implementation of operating effectiveness of the Company's controls (including management review controls) over assessment of contingencies, claims and litigations; Obtaining and reviewing the outstanding litigations against the Company and discussing updates during the year with the Company's inhouse legal counsel and other key managerial personnel who have knowledge of these matters; Reading the correspondence between the Company and the various direct tax/ indirect tax/ legal authorities and the legal opinions of external legal advisors, where applicable, for significant matters and rolled out confirmations to external legal counsel on a test check basis; Ensuring the completeness of the litigations and claims by examining on a sample basis and scrutinizing the Company's legal expenses and reading the minutes of the board meetings; |

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| <p>The amounts involved are significant and the application of accounting principles of Ind AS 37, to determine whether a recognition of provision or a disclosure of contingent liability is required, is inherently subjective, and needs careful evaluation/judgement by the Company. Key judgments are made by the Company taking into consideration the related legal advice including those relating to interpretation of laws/regulations, in estimating the provisions and/or contingent liabilities related to aforementioned litigations.</p> <p>Considering the degree of judgment, significance of the amounts involved, this matter has been identified as a key audit matter.</p> | <ul style="list-style-type: none"> - Challenging the Company's estimate of the possible outcome of the disputed direct and indirect tax matters based on applicable direct tax laws and indirect tax laws by involving our specialists; and - Assessing the adequacy of the Company's disclosures in respect of contingent liabilities and provisions for direct tax, indirect tax and legal matters. |

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of payroll master and vendor master which form part of the 'books of account and other relevant books and papers in electronic mode' has not been maintained on the servers physically located in India.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2025 to 21 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Notes 14, 24 and 25 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly

or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 12 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the feature of recording audit trails (edit logs) was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the vendor master. Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail in respect of the previous year has been preserved by the Company as per the statutory requirements for record retention except for the logs generated for the payroll master and vendor master.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Maulik Jhaveri
Partner

Place : Mumbai
Date : 09th May, 2025

Membership No.: 116008
ICAI UDIN:25116008BMOJQP4136

Annexure A to the Independent Auditor's Report on the Financial Statements of Novartis India Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Sales Tax, Service Tax, Duty of Customs which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Gross Amount (₹ in million) | Amount paid under protest (₹ in million) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|---|-----------------------------|--|---|--|
| Income Tax Act, 1961 | Income Tax including tax deducted at source and interest, as applicable | 2,876.2 | 509.1 | Assessment years 2010-2011 to 2019-2020 and 2021-2022 | Appellate Authority – up to Commissioner's level |
| | | 64.0 | 32.4 | Assessment years 2006-2007 and 2012-2013 | Income Tax Appellate Tribunal |

| Name of the statute | Nature of the dues | Gross Amount (₹ in million) | Amount paid under protest (₹ in million) | Period to which the amount relates | Forum where dispute is pending |
|--|---|-----------------------------|--|--|--|
| The Central Sales Tax Act, 1956 and Local Sales Tax Acts | Sales tax including interest and penalty, as applicable | 290.6 | 50.3 | 2000-2001 to 2017-2018 | Appellate Authority – up to Commissioner’s level |
| | | 66.5 | 12.9 | 1993-1994, 2002-2003, 2003-2004, 2007-2008, 2010-2011, 2011-2012 and 2013-2014 to 2015-2016 | Sales tax – Tribunal |
| | | 0.3 | 0.1 | 1997-1998 | The High Court of Kerala |
| The central goods and services Tax Act, 2017 | Goods and Service Tax | 91.3 | 4.6 | 2017-18 to 2021-22 | Appellate Authority upto Commissioner Level |
| The Finance Act, 1994 | Service tax | 27.6 | 0.4 | April 2005 to September 2005, September 2004 to September 2009 and October 2014 to June 2017 | Appellate Authority – up to Commissioner’s level |
| The Customs Act, 1962 | Customs Duty | 7.5 | - | 2016-17 | Customs Appellate Authority |

Note - The above amounts are inclusive of interest and penalty upto the date of respective orders.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Maulik Jhaveri
Partner
Membership No.: 116008
ICAI UDIN:25116008BMOJQP4136

Place : Mumbai
Date : 09th May, 2025

Annexure B to the Independent Auditor's Report on the financial statements of Novartis India Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Novartis India Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Maulik Jhaveri
Partner
Membership No.: 116008
ICAI UDIN:25116008BMOJQP4136

Place : Mumbai
Date : 09th May, 2025

Balance Sheet as at 31st March, 2025

| | Notes | As at 31 st March, 2025 (in ₹ million) | As at 31 st March, 2024 (in ₹ million) |
|--|-------|---|---|
| Assets | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 9.7 | 16.5 |
| Right-of-Use Assets | 31 | 35.7 | 52.9 |
| Financial Assets | | | |
| (i) Other Financial Assets | 3 | 10.6 | 21.7 |
| Deferred Tax Assets (Net) | 4 | 154.8 | 153.7 |
| Other Tax Assets (Net) | 5 | 1,152.5 | 1,232.0 |
| Other Non-Current Assets | 6 | 656.6 | 779.9 |
| Total Non-Current assets | | 2,019.9 | 2,256.8 |
| Current Assets | | | |
| Inventories | 7 | 411.1 | 448.6 |
| Financial Assets | | | |
| (i) Trade Receivables | 8 | 401.4 | 414.7 |
| (ii) Cash and Cash Equivalents | 9(a) | 520.7 | 449.8 |
| (iii) Bank Balances other than (ii) above | 9(b) | 5,959.6 | 5,511.0 |
| (iv) Other Financial Assets | 3 | 9.4 | 8.1 |
| Other Current Assets | 10 | 156.0 | 160.4 |
| Total Current assets | | 7,458.2 | 6,992.6 |
| Total Assets | | 9,478.1 | 9,249.3 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity Share Capital | 11 | 123.4 | 123.4 |
| Other Equity | 12 | 7,726.2 | 7,324.8 |
| Total Equity | | 7,849.6 | 7,448.2 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Lease Liabilities | 31 | 32.1 | 50.7 |
| (ii) Other Financial Liabilities | 13(b) | 2.0 | 2.2 |
| Provisions | 14 | 173.9 | 176.2 |
| Total Non-Current Liabilities | | 208.0 | 229.1 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Borrowings | 13(a) | — | 0.2 |
| (ii) Lease Liabilities | 31 | 18.5 | 18.8 |
| (iii) Trade Payables | | | |
| – total outstanding dues of micro and small enterprises | 13(c) | 4.5 | 6.4 |
| – total outstanding dues of creditors other than micro and small enterprises | 13(c) | 510.2 | 609.5 |
| (iv) Other Financial Liabilities | 13(b) | 195.4 | 266.2 |
| Other Current Liabilities | 15 | 34.4 | 50.4 |
| Provisions | 14 | 523.1 | 545.7 |
| Current Tax Liabilities (Net) | 16 | 134.4 | 74.8 |
| Total Current Liabilities | | 1,420.5 | 1,572.0 |
| Total Equity and Liabilities | | 9,478.1 | 9,249.3 |

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For and on behalf of Novartis India Limited
CIN – L24200MH1947PLC006104

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number – 101248W/W – 100022

Christopher Snook

Chairman

DIN: 00369790

Shilpa Joshi

Whole time Director &

Chief Financial Officer

DIN: 09775615

Maulik Jhaveri

Partner

Membership no. 116008

Mumbai, 9 May, 2025

Chandni Maru

Company Secretary & Compliance Officer

Membership no. ACS 60291

Mumbai, 9 May, 2025

Statement of Profit and Loss for the year ended 31st March, 2025

| | Notes | Year ended 31 st March, 2025 (in ₹ million) | Year ended 31 st March, 2024 (in ₹ million) |
|--|-------|--|--|
| Income | | | |
| Revenue from Operations | 17 | 3,562.7 | 3,350.7 |
| Other Income | 18 | 419.6 | 616.8 |
| Total Income | | 3,982.3 | 3,967.5 |
| Expenses | | | |
| Purchases of Stock-in-Trade | | 1,990.7 | 1,899.8 |
| Changes in Inventories of Stock-in-Trade | 19 | 37.5 | 98.6 |
| Employee Benefits Expense | 20 | 187.2 | 229.6 |
| Finance Costs | 21 | 7.7 | 14.9 |
| Depreciation Expense | 22 | 21.9 | 26.1 |
| Impairment loss on receivables | | (1.7) | 1.7 |
| Other Expenses | 23(a) | 434.8 | 468.4 |
| Total Expenses | | 2,678.1 | 2,739.1 |
| Profit before Tax | | 1,304.2 | 1,228.4 |
| Tax Expense | 27 | | |
| Current Tax | | 299.6 | 376.3 |
| Deferred Tax | | (4.4) | 0.2 |
| Total Tax Expense | | 295.2 | 376.5 |
| Profit for the year | | 1,009.0 | 851.9 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements gain on Defined Benefit Plans | | 13.0 | 16.2 |
| Income tax relating to these items | | (3.3) | (4.1) |
| Other Comprehensive Income for the year | | 9.7 | 12.1 |
| Total Comprehensive Income for the year | | 1,018.7 | 864.0 |
| Earnings per Share – Basic and Diluted [per Equity Share of ₹ 5 each] | 32 | 40.87 | 34.50 |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For and on behalf of Novartis India Limited
CIN – L24200MH1947PLC006104

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number – 101248W/W – 100022

Christopher Snook

Chairman

DIN: 00369790

Shilpa Joshi

Whole time Director &

Chief Financial Officer

DIN: 09775615

Maulik Jhaveri

Partner

Membership no. 116008

Mumbai, 9 May, 2025

Chandni Maru

Company Secretary & Compliance Officer

Membership no. ACS 60291

Mumbai, 9 May, 2025

Statement of Changes in Equity for the year ended 31st March, 2025

A. Equity Share Capital

| | Note 11 | Amount (in ₹ million) |
|---|------------|--------------------------|
| Balance as at 1st April, 2024 | | 123.4 |
| Change in Equity Share Capital due to prior period errors | | — |
| Change in Equity Share Capital during the year | | — |
| Balance as at 31st March, 2025 | | 123.4 |
| Balance as at 1st April, 2023 | | 123.4 |
| Change in Equity Share Capital due to prior period errors | | — |
| Change in Equity Share Capital during the year | | — |
| Balance as at 31st March, 2024 | | 123.4 |

B. Other Equity

| | Attributable to the equity holders of the Company | | | | (in ₹ million) |
|--|--|----------------------------------|--|----------------------|-----------------------|
| | Reserves and Surplus | | | | |
| | Note 12 | Capital Redemption Reserve | Share Options Outstanding Account | Retained Earnings | Total Other Equity |
| Balance as at 1st April, 2024 | | 36.4 | — | 7,288.4 | 7,324.8 |
| Profit for the year | | — | — | 1,009.0 | 1,009.0 |
| Other Comprehensive Income for the year | | | | | |
| Remeasurement gain on defined benefit plans net of tax | | — | — | 9.7 | 9.7 |
| Total Comprehensive Income for the year | | — | — | 1,018.7 | 1,018.7 |
| Distribution to Owners | | | | | |
| Dividends | | — | — | (617.3) | (617.3) |
| Balance as at 31st March, 2025 | | 36.4 | — | 7,689.8 | 7,726.2 |
| Balance as at 1st April, 2023 | | 36.4 | (0.4) | 7,597.2 | 7,633.2 |
| Profit for the year | | — | — | 851.9 | 851.9 |
| Other Comprehensive Income for the year | | | | | |
| Remeasurement gain on defined benefit plans net of tax | | — | — | 12.1 | 12.1 |
| Total Comprehensive Income for the year | | — | — | 864.0 | 864.0 |
| Transactions with owners of the Company | | | | | |
| Distribution to Owners | | | | | |
| Dividends | | — | — | (1,172.8) | (1,172.8) |
| Expense charged to Statement of Profit and Loss (net) [Refer Note 20] | | — | 0.4 | — | 0.4 |
| Balance as at 31st March, 2024 | | 36.4 | — | 7,288.4 | 7,324.8 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number – 101248W/W – 100022

Maulik Jhaveri

Partner

Membership no. 116008

Mumbai, 9 May, 2025

For and on behalf of Novartis India Limited

CIN – L24200MH1947PLC006104

Christopher Snook

Chairman

DIN: 00369790

Shilpa Joshi

Whole time Director &

Chief Financial Officer

DIN: 09775615

Chandni Maru

Company Secretary & Compliance Officer

Membership no. ACS 60291

Mumbai, 9 May, 2025

Statement of Cash Flows for the period ended 31st March, 2025

| | Year ended 31 st March, 2025 (in ₹ million) | Year ended 31 st March, 2024 (in ₹ million) |
|--|--|--|
| A. Cash flow from operating activities | | |
| Profit before tax | 1,304.2 | 1,228.4 |
| Adjustments for – | | |
| Depreciation Expense | 21.9 | 26.1 |
| Share Based Payments | 3.3 | 2.5 |
| (Gain) on Sale/Disposal of Asset held for sale | — | (32.1) |
| Interest Income | (408.8) | (551.9) |
| Unwinding of discount on security deposits | (0.7) | (1.5) |
| Finance Costs | 7.7 | 14.9 |
| (Gain) on derecognition of lease liability and Right-of-Use Assets | — | (26.8) |
| (Gain) on sale of Property, Plant and Equipment (Net) | (1.1) | — |
| Unrealised (gain)/loss on Foreign currency transactions (Net) | (3.2) | 1.0 |
| Credit Balances Written-Back | (5.5) | (4.5) |
| Impairment loss on receivables | (1.7) | 1.7 |
| Provision for deposits/advances (net) | 0.1 | 3.1 |
| Operating cash flows before working capital changes | 916.2 | 660.9 |
| Working Capital Adjustment | | |
| Decrease/(Increase) Trade Receivables | 15.0 | (53.4) |
| Decrease Inventories | 37.5 | 98.6 |
| Decrease Non-current Financial Assets Others | 10.8 | 1.5 |
| Decrease Current Financial Assets Others | (1.1) | 57.9 |
| Decrease Other Non-Current Assets | 123.3 | 111.1 |
| (Increase) Other Current Assets | 1.1 | (0.8) |
| (Decrease)/Increase Trade Payables | (92.5) | 21.2 |
| (Decrease) Provisions | (11.9) | (45.1) |
| (Decrease)/Increase Other Current Liabilities | (16.0) | 12.6 |
| (Decrease) Non-current Financial Liabilities | (0.2) | (75.6) |
| (Decrease) Current Financial Liabilities | (73.6) | (37.6) |
| Cash generated from operations | 908.6 | 751.3 |
| Income Tax (Paid)/Refund received | (162.9) | 382.7 |
| Net Cash generated from operating activities | 745.7 | 1,134.0 |
| B. Cash flow from investing activities | | |
| Proceeds from disposal of Property, Plant and Equipment | 3.2 | — |
| Proceeds from disposal of Asset Held for Sale | — | 32.7 |
| Interest received | 412.7 | 346.9 |
| Fixed deposits placed during the year | (11,500.0) | (10,402.8) |
| Fixed deposits receipts during the year | 11,051.0 | 10,354.5 |
| Net cash (used in)/generated from investing activities | (33.1) | 331.3 |

Statement of Cash Flows for the Year ended 31st March, 2025

| | Year ended 31 st March, 2025 (in ₹ million) | Year ended 31 st March, 2024 (in ₹ million) |
|---|--|--|
| C. Cash flow from financing activities | | |
| Lease payments | (24.1) | (37.0) |
| Finance cost paid | (0.1) | (0.1) |
| Dividends paid | (617.3) | (1,172.8) |
| Net cash (used in) financing activities | (641.5) | (1,209.9) |
| Net Increase in Cash and Cash Equivalents | 71.1 | 255.4 |
| Cash and Cash Equivalents – At the beginning of the year | 449.6 | 194.2 |
| Cash and Cash Equivalents – At the end of the year [Refer Note 9(a)]* | 520.7 | 449.6 |

* Cash & Cash Equivalents includes bank overdraft [Refer Note 9(a)]

Note:

Disclosure of changes in liabilities arising from investing and financing activities on account of non-cash transactions

| Particulars | April 1, 2024 | Cash flow | Non-Cash Changes | | March 31, 2025 |
|-------------------------------------|------------------|-----------|-----------------------|--------------------------------|-------------------|
| | | | Addition/ deletion | Interest expense/ income | |
| Lease Liabilities (Refer note 31) | 69.5 | (24.1) | — | 5.2 | 50.6 |
| Interest accrued on deposit not due | — | — | — | — | — |

| Particulars | April 1, 2023 | Cash flow | Non-Cash Changes | | March 31, 2024 |
|-------------------------------------|------------------|-----------|------------------|--------------------------------|-------------------|
| | | | Addition | Interest expense/ income | |
| Lease Liabilities (Refer note 31) | 215.1 | (37.0) | (123.4) | 14.8 | 69.5 |
| Interest accrued on deposit not due | (76.2) | — | — | 76.2 | — |

The Company has elected to present cashflows from Operating activities using indirect method.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number – 101248W/W – 100022

Maulik Jhaveri

Partner

Membership no. 116008

Mumbai, 9 May, 2025

For and on behalf of Novartis India Limited
CIN – L24200MH1947PLC006104

Christopher Snook

Chairman

DIN: 00369790

Shilpa Joshi

Whole time Director &

Chief Financial Officer

DIN: 09775615

Chandni Maru

Company Secretary & Compliance Officer

Membership no. ACS 60291

Mumbai, 9 May, 2025

Corporate Information

Novartis India Limited ("the Company") is a public limited company listed on the Bombay Stock Exchange, incorporated and domiciled in India and has its registered office at Inspire - BKC, Part of 701, Bandra Kurla Complex, Bandra East, Mumbai 400051, India. It is primarily engaged in the business of trading of Pharmaceuticals.

These financial statements were authorised for issue by the Board of Directors on 9th May, 2025.

1. Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of Preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of Act.

(ii) Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in accounting policies themselves, they impacted the accounting policy information disclosed in financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in financial statements.

(iii) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values and net defined benefit assets/ (liability) at fair value of plan assets less present value of defined benefit obligation at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iv) Operating Cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

B. Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are recognised using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

C. Property, Plant and Equipment

Items of Property, Plant and Equipment are stated in the balance sheet at historical cost less accumulated depreciation and impairment loss, if any. The historical cost of Property, Plant and Equipment comprises of its purchase price and cost directly attributable to bringing the assets to their working condition for their intended use. The cost of any item of PPE shall be recognised as an asset if and only if it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably.

Capital Work-in-Progress represents Property, Plant and Equipment that are not ready for their intended use as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

On transition to Ind AS, the Company elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1st April, 2015 ("transition date") measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation:

The Company depreciates its Property, Plant and Equipment using Straight Line Method (SLM) over their estimated useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 (the "Act") and management estimates, as applicable. The estimated useful lives of the assets are as follows:

| Description | Management Estimated Useful Lives | Useful life as per schedule II |
|------------------------|-----------------------------------|--------------------------------|
| Buildings | 60 years | 60 years |
| Plant and Equipment # | 3 years to 12.5 years | 8 years – 20 years |
| Furniture and Fixtures | 10 years | 10 years |
| Office Equipment | 5 years | 5 years |

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Act.

Leasehold improvements are depreciated over the primary period of the lease agreement or the useful life, whichever is shorter.

Mobile Handsets and Mobile Devices are fully depreciated in the year of purchase.

Estimated useful lives, residual values and depreciation methods are reviewed periodically, including at each financial year end, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains or losses arising from disposal of Property, Plant and Equipment are determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or Loss.

D. Impairment of Non-Financial Assets

Assets that are subject to depreciation or amortisation are tested at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's (CGU) carrying amount exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of the future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset or the CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

E. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on moving weighted average basis. Cost of inventory comprises cost of purchase and other cost incurred in bringing the goods to their present condition and location. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Net realisable value comparison is made on item by item basis.

F. Non-Current/Current Assets Held for Sale

Non-current/current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, the asset is available for immediate sale in its present condition and a sale is considered highly probable.

Non-current/current assets are not depreciated or amortised while they are classified as held for sale and are measured at lower of their carrying amount and fair value less cost to sell.

Non-current/current assets and liabilities classified as held for sale are presented separately from the other assets and liabilities in the balance sheet.

G. Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables without a significant financing component are initially measured at the transaction price and subsequently measured at amortised cost less provision for impairment by applying the expected credit loss method.

H. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

I. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets (unless it is a trade receivable without a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit or Loss.

Financial Assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortised Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any Loss allowance. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method. The Company does not have financial assets that are subsequently measured either at fair value through other comprehensive income or at fair value through Statement of Profit or Loss.

Impairment of Financial Assets:

The Company applies the expected credit loss model for recognising impairment loss on its financial assets.

The Company measures the loss allowance for financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on that financial instruments has increased significantly since initial recognition. If credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables, the Company always measures the loss allowance at an amount equal to life time expected credit losses. Further for the purpose of measuring life time expected credit loss allowance for trade receivables the Company has used practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on provision matrix which takes into the account historical credit loss experience and adjusted for forward looking information.

Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received / receivable is recognised in Statement of Profit or Loss.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost using effective interest method. The interest expense is included in finance cost line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in Statement of Profit or Loss.

J. Revenue Recognition

Sale of Traded goods

Revenue from contract with customers is recognised when the Company satisfies performance obligation which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined

is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Provision is made for the non-sellable returns of goods from the customers estimated on the basis of historical data of sales return trends with respect to the shelf life of various products. Such provision for non-sellable sales returns is reduced from sale of products for the year.

Sale of Services

Service revenue is measured based on the consideration specified in a contract with a customer. Service revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Service income is accounted net of goods and services tax.

Commission Income

Commission income from customer is recognised in line with the contractual terms with the customer.

K. Interest Income

Interest income is recognised using the effective interest method.

L. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

M. Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset and liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except to the extent that it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current Tax

The current tax charge for the year is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period as adjusted for taxes in respect of previous years. Management periodically evaluates positions taken in tax returns, including assessment orders received during the year, with respect to situations in which applicable tax regulation is subject to interpretation. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Deferred Tax

Deferred tax is recognised, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax assets in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset is reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to take benefit of the reduced tax rate as permitted in the said section.

The Company previously accounted for deferred tax on leases by applying the “integrally linked” approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis. Following the amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets as at 1st April 2022 and thereafter.

N. Employee Benefits

(i) Short-Term Employee Benefits

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service are recognised and measured at the undiscounted amount expected to be paid in exchange for the related service.

(ii) Other Long-term Employee Benefit Obligations

The employees of the Company are entitled to other long-term benefits in the form of Long Service Awards as per the policy of the Company and Leave encashment. Liability for such benefits is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liabilities is the projected unit credit method.

(iii) Post-Employment Obligations

The Company has the following post-employment schemes:

- a)** Defined benefit plans such as Provident Fund, Gratuity, Non-Contractual Pension Plan and Post Retirement Medical Benefits.
- b)** Defined contribution plans such as Superannuation Fund and Employees' Pension Scheme.

Defined Benefit Plans

The Company has Defined Benefit Plans for post employment benefits in the form of Provident Fund, Gratuity, Non-Contractual Pension Plan and Post Retirement Medical Benefits.

Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC).

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate (interest rates of government bond) that have terms to maturity approximating to the terms of the related Provident Fund, Gratuity, Non-contractual Pension Plan and Post Retirement Medical Benefits liabilities.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding net interest) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Defined Contribution Plan

The Company has Defined Contribution Plans for post-employment benefits in the form of Superannuation Fund and Employees' Pension Scheme which are recognised by the Income-tax authorities and administered through trustees and/or LIC. Superannuation Fund which constitutes an insured benefit and Employees' Pension Scheme are classified as Defined Contribution Plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution Plans are charged to the Statement of Profit and Loss as incurred.

(iv) Termination Benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

(v) Share-Based Payments

The Company offers its employees, share based payments in the form of a "Select" plan. The Equity Plan "Select" is a global equity incentive plan for eligible employees. This plan allows its participants to choose the form of their equity compensation in "Restricted Shares" or "Tradable Shares" of the ultimate holding Company, Novartis AG, Basel.

Unvested restricted shares are conditional on the provision of services by the plan participant during the vesting period. They are valued using their fair value (market price of traded stocks of Novartis AG) on the grant date. The fair value of these grants are expensed on a straight-line basis over the respective vesting period.

The total expense (adjusted for estimated forfeitures) is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the Company revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit and Loss with a corresponding adjustment to equity/prepayments.

Group Company recharges to the Company for the share based payments made/to be made by them to the Company's employees and the payment is adjusted against the Share Options Outstanding Account classified under other equity/prepayments by the Company.

(vi) Employee Share Purchase Plan (ESPP)

In the year ending 31st March 2024 Novartis AG started to grant shares under the Employee Share Purchase Plan (ESPP). The ESPP enables employees to voluntarily purchase Novartis AG shares through payroll deductions at a 15% discounted price. The shares are not subject to a vesting period.

(vii) Bonus Plans

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

O. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Contingent Liabilities

Contingent liabilities are disclosed, unless the possibility of outflow of resources is remote, when there is:

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

(iii) Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

P. Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Q. Earnings Per Share

Basic earnings per share are computed by dividing the profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

R. Leases

As a lessee:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost at the commencement date. At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease. The Company uses its incremental borrowing rate as the discount rate.

After the commencement date, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and the lease liability is measured by (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest expense on the lease liability is a component of finance costs. Gain / Loss relating to modification of lease not accounted as separate lease are recognised in the Statement of Profit and Loss.

S. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

T. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

U. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million with one decimal thereof as per the requirement of Schedule III, unless otherwise stated.

V. Exceptional items

When items of income or expense are of such nature, size or incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "Exceptional items". Exceptional items are of non-recurring in nature.

W. Critical Accounting Estimates and Judgements

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the areas involving critical estimates as at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Estimation of Defined Benefit Obligation : key actuarial assumptions [Refer Note 14(a)]

Estimation of Provision and Contingent Liabilities : key assumptions about the likelihood and magnitude of an outflow of resources; [Refer Note 24 and 25]

Estimation of Lease : discount rate used for determination of lease liability and Right-of-use asset [Refer Note 31]

Revenue Recognition : assumptions of estimation of sale return and discounts.[Refer Note 25 and 29]

Provision for Deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; [Refer Note 4]

Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified IND AS-117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to company w.e.f April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have significant impact in its financial statements.

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

2. Property, Plant and Equipment

(in ₹ million)

| Particulars | Tangible Assets | | | | | |
|--|-----------------|---------------------|------------------------|------------------|------------------------|-------------|
| | Buildings | Plant and Equipment | Furniture and Fixtures | Office Equipment | Leasehold Improvements | Total |
| As at 1st April, 2023 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 0.5 | 32.7 | 3.7 | 11.3 | 46.3 | 94.5 |
| Additions | — | — | — | — | — | — |
| Disposals | — | (1.0) | (0.8) | (0.8) | (6.2) | (8.8) |
| As at 31st March, 2024 | 0.5 | 31.7 | 2.9 | 10.5 | 40.1 | 85.7 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation | 0.5 | 32.6 | 3.7 | 10.4 | 28.8 | 76.0 |
| Depreciation charge during the year | — | 0.1 | — | 0.9 | 0.8 | 1.8 |
| Disposals | — | (1.0) | (0.8) | (0.8) | (6.0) | (8.6) |
| As at 31st March, 2024 | 0.5 | 31.7 | 2.9 | 10.5 | 23.6 | 69.2 |
| Net carrying amount | | | | | | |
| As at 31st March, 2024 | — | — | — | — | 16.5 | 16.5 |
| As at 1st April, 2024 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 0.5 | 31.7 | 2.9 | 10.5 | 40.1 | 85.7 |
| Additions | — | — | — | — | — | — |
| Disposals | (0.5) | (31.7) | (2.9) | (10.5) | (2.2) | (47.8) |
| As at 31st March, 2025 | — | — | — | — | 37.9 | 37.9 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation | 0.5 | 31.7 | 2.9 | 10.5 | 23.6 | 69.2 |
| Depreciation charge during the year | — | — | — | — | 4.7 | 4.7 |
| Disposals | (0.5) | (31.7) | (2.9) | (10.5) | (0.1) | (45.7) |
| As at 31st March, 2025 | — | — | — | — | 28.2 | 28.2 |
| Net carrying amount | | | | | | |
| As at 31st March, 2025 | — | — | — | — | 9.7 | 9.7 |

| | 31 st March, 2025 | | 31 st March, 2024 | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | (in ₹ million) Current | (in ₹ million) Non-current | (in ₹ million) Current | (in ₹ million) Non-current |
| 3. Other financial assets: | | | | |
| Tender Deposits | | | | |
| Unsecured, considered good | 1.4 | 3.6 | 0.6 | 3.2 |
| Considered Doubtful | 7.4 | — | 8.5 | — |
| Less: Loss allowance on deposits | (7.4) | — | (8.5) | — |
| | 1.4 | 3.6 | 0.6 | 3.2 |
| Security Deposits | | | | |
| Unsecured, considered good | 4.6 | 5.4 | 3.0 | 15.9 |
| Considered Doubtful | 0.2 | — | 0.5 | — |
| Less: Loss Allowance for Doubtful Deposits | (0.2) | — | (0.5) | — |
| | 4.6 | 5.4 | 3.0 | 15.9 |
| Advance to employees | | | | |
| Unsecured, considered good | 3.4 | — | 3.0 | — |
| Considered Doubtful | — | — | 1.1 | — |
| Less: Loss allowance on advances | — | — | (1.1) | — |
| | 3.4 | — | 3.0 | — |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

3. Other financial assets: (contd.)

| | 31 st March, 2025 | | 31 st March, 2024 | |
|---|------------------------------|--------------------|------------------------------|--------------------|
| | (in ₹ million) | (in ₹ million) | (in ₹ million) | (in ₹ million) |
| | Current | Non-current | Current | Non-current |
| Deposits with banks with original maturity of more than twelve months | | | | |
| Unsecured, considered good | — | 1.6 | — | 2.6 |
| Considered Doubtful* | — | 2.1 | — | 2.1 |
| Less: Loss allowance on deposits | — | (2.1) | — | (2.1) |
| | <u>—</u> | <u>1.6</u> | <u>—</u> | <u>2.6</u> |
| Consignment receivables | | | | |
| Considered good | — | — | 1.5 | — |
| Considered Doubtful | 1.5 | — | — | — |
| Less: Loss allowance on Receivables | (1.5) | — | — | — |
| | <u>—</u> | <u>—</u> | <u>1.5</u> | <u>—</u> |
| Total Other Financial Assets | <u>9.4</u> | <u>10.6</u> | <u>8.1</u> | <u>21.7</u> |

* The deposits placed are earmarked against the tender.

4. Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Property, Plant and Equipment | 8.0 | 8.8 |
| Right to use of Asset | 87.0 | 82.5 |
| Loss Allowances for Debts, Advances and Deposits | 10.8 | 11.5 |
| Lease liabilities | (83.4) | (78.7) |
| Provision for Employee Benefits | 74.6 | 86.5 |
| Other (Including MSME Payments, Provision for Contingencies) | 57.8 | 43.1 |
| Total Deferred Tax Assets | <u>154.8</u> | <u>153.7</u> |

Movement in deferred tax assets

| | Property, Plant and Equipment | Allowances for Doubtful Debts, Advances and Deposits | Right of Use of Asset | Provision for Employee Benefits | Lease Liabilities | Others | Total |
|---------------------------------------|-------------------------------|--|-----------------------|---------------------------------|----------------------|--------------------|---------------------|
| At 1st April, 2023 | 13.0 | 11.5 | 76.4 | 96.4 | (66.2) | 26.9 | 158.0 |
| (Charged)/Credited | | | | | | | |
| — To Statement of Profit or Loss | (4.2) | — | 6.1 | (5.8) | (12.5) | 16.2 | (0.2) |
| — To Other Comprehensive Income | — | — | — | (4.1) | — | — | (4.1) |
| At 31st March, 2024 | <u>8.8</u> | <u>11.5</u> | <u>82.5</u> | <u>86.5</u> | <u>(78.7)</u> | <u>43.1</u> | <u>153.7</u> |
| At 1st April, 2024 | 8.8 | 11.5 | 82.5 | 86.5 | (78.7) | 43.1 | 153.7 |
| (Charged)/Credited | | | | | | | |
| — To Statement of Profit or Loss | (0.8) | (0.7) | 4.5 | (8.6) | (4.7) | 14.7 | 4.4 |
| — To Other Comprehensive Income | — | — | — | (3.3) | — | — | (3.3) |
| At 31st March, 2025 | <u>8.0</u> | <u>10.8</u> | <u>87.0</u> | <u>74.6</u> | <u>(83.4)</u> | <u>57.8</u> | <u>154.8</u> |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

5. Other Tax Assets (Net)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Advance income tax (including amount paid under protest) [net of provisions ₹ 6,915.1 million (As at 31 st March, 2024 ₹ 7,087.1 million)] | 1,152.5 | 1,232.0 |
| Total Other Tax Assets (Net) | 1,152.5 | 1,232.0 |

6. Other Non-Current Assets

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Balances with Government authorities (Unsecured and considered good) | | |
| Value added Tax Receivable, Input tax credit (including amount paid under protest) | 603.6 | 676.5 |
| Custom duty (paid under protest) | 21.6 | 21.6 |
| Prepayments | 31.4 | 81.8 |
| Total Other Non-Current Assets | 656.6 | 779.9 |

7. Inventories

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Stock-in-Trade [including in transit of ₹ 16.01 million (As at 31 st March, 2024, ₹ Nil million)] | 411.1 | 448.6 |
| Total Inventories | 411.1 | 448.6 |

The cost of inventory recognised as an expense includes ₹ 18.3 million (previous year ₹ 11.7 million) in respect of write-downs of inventory, and has been reduced by ₹ 9.3 million (previous year ₹ 28.3 million) in respect of the reversals of such write-downs consequent to the sales in the current period.

The cost of inventories recognised as an expense is disclosed in Note 19 together with purchases of stock-in-trade disclosed in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in Note 1.E

8. Trade Receivables

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Trade Receivable | | |
| Considered good – unsecured | 401.4 | 416.5 |
| Significant increase in credit risk | — | — |
| Credit impaired | 23.3 | 23.2 |
| | 424.7 | 439.7 |
| Less: Loss allowance on trade receivables | (23.3) | (25.0) |
| Net Trade Receivables | 401.4 | 414.7 |
| Of the above, Trade Receivables from related parties are as follows | | |
| Receivables from Related Parties [Refer Note 30] | 1.7 | 0.9 |
| Less: Loss allowance on Related Parties | — | — |
| Net Trade Receivables | 1.7 | 0.9 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

8. Trade Receivables (contd.)

Out of the total trade receivable as on March 31, 2025 ₹ 251.2 million [March 31, 2024 ₹ 229.2 million] pertains to a single customer.

Trade Receivable ageing schedule

| | Outstanding for the period from due date of payment | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 Months | 6 Months – 1 year | 1–2 years | 2–3 years | More than 3 years | |
| 31st March, 2024 | | | | | | | |
| Undisputed Trade receivables – Considered good | 404.9 | 7.2 | 0.9 | 3.5 | — | — | 416.5 |
| Undisputed Trade receivables – Significant increase in credit risk | — | — | — | — | — | — | — |
| Undisputed Trade receivables – Credit impaired | — | — | 0.1 | 1.4 | 0.2 | 21.5 | 23.2 |
| 31st March, 2025 | | | | | | | |
| Undisputed Trade receivables – Considered good | 371.8 | 24.1 | 2.0 | 2.1 | 1.3 | — | 401.4 |
| Undisputed Trade receivables – Significant increase in credit risk | — | — | — | — | — | — | — |
| Undisputed Trade receivables – Credit impaired | — | — | 0.0 | 0.2 | 1.1 | 22.0 | 23.3 |

9(a). Cash and Cash Equivalents

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Balances with Banks | | |
| — in Current Accounts | 30.7 | 49.8 |
| — Deposits with original maturity of less than 3 months | 490.0 | 400.0 |
| Total Cash and Cash Equivalents in balance sheet | 520.7 | 449.8 |
| Bank overdrafts [Refer Note 13(a)] | — | 0.2 |
| Total Cash and Cash Equivalents in the statement of cashflows | 520.7 | 449.6 |

9(b). Bank Balances Other than 9(a) above

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Earmarked balances with banks | | |
| — Unpaid Dividend Accounts | 20.6 | 17.8 |
| Bank deposits with original maturity of more than 3 months but less than 12 months | 5,850.0 | 5,400.0 |
| Interest accrued on deposits not due | 89.0 | 93.2 |
| Total Other Bank Balances | 5,959.6 | 5,511.0 |

10. Other Current Assets

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Balances with Government Authorities (Unsecured and considered good) | 124.0 | 135.1 |
| Advances other than capital advances | | |
| — Advances to Vendors | 7.3 | 6.4 |
| Prepayments | 24.7 | 18.9 |
| Total Other Current Assets | 156.0 | 160.4 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

11. Equity Share Capital

| | Number of shares | Amount (₹ in million) | | |
|--|------------------------------------|------------------------------------|------------------------------------|-----------------|
| Authorised Share Capital | | | | |
| As at 1 st April, 2023 (Equity Shares of ₹ 5 each) | 64,000,000 | 320.0 | | |
| Increase/(decrease) during the year | — | — | | |
| As at 31 st March, 2024 (Equity Shares of ₹ 5 each) | 64,000,000 | 320.0 | | |
| Increase/(decrease) during the year | — | — | | |
| As at 31st March, 2025 (Equity Shares of ₹ 5 each) | 64,000,000 | 320.0 | | |
| Issued, Subscribed and Fully Paid-up Equity Share Capital | | | | |
| As at 1 st April, 2023 (Equity Shares of ₹ 5 each) | 24,690,797 | 123.4 | | |
| Increase/(decrease) during the year | — | — | | |
| Change in Equity Share Capital due to prior period errors | — | — | | |
| As at 31 st March, 2024 (Equity Shares of ₹ 5 each) | 24,690,797 | 123.4 | | |
| Increase/(decrease) during the year | — | — | | |
| Change in Equity Share Capital due to prior period errors | — | — | | |
| As at 31st March, 2025 (Equity Shares of ₹ 5 each) | 24,690,797 | 123.4 | | |
| (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period | | | | |
| As at 1 st April, 2023 (Equity Shares of ₹ 5 each) | 24,690,797 | | | |
| Movement during the year | — | | | |
| As at 31 st March, 2024 (Equity Shares of ₹ 5 each) | 24,690,797 | | | |
| Movement during the year | — | | | |
| As at 31st March, 2025 (Equity Shares of ₹ 5 each) | 24,690,797 | | | |
| (ii) Rights, Preferences and Restrictions: | | | | |
| The Company has only one class of shares i.e. Equity Shares having a face value of ₹ 5 each. Every member present in person or by proxy shall on show of hands have one vote and upon a poll, the voting right shall be in proportion to his share of the paid up equity share capital of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | | | |
| (iii) Other details of equity shares for a period of five years immediately preceding 31st March, 2025 | | | | |
| The Company has neither allotted equity shares as fully paid up pursuant to contract(s) without payment being received in cash nor has the Company allotted equity shares as fully paid up bonus shares. | | | | |
| (iv) Shares of the Company held by Holding Company | | | | |
| | 31st March, 2025 | 31st March, 2024 | | |
| | No. of Shares | No. of Shares | | |
| Novartis AG, Basel, Switzerland | 17,450,680 | 17,450,680 | | |
| (v) Shareholders Holding more than 5% Shares in the Company | | | | |
| | 31st March, 2025 | | 31st March, 2024 | |
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Novartis AG, Basel, Switzerland (Holding Company) | | | | |
| Equity shares of ₹ 5 each fully paid up | 17,450,680 | 70.68% | 17,450,680 | 70.68% |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

11. Equity Share Capital (contd.)

(vi) Shareholding of promoters

| Promoter Name | 31 st March, 2025 | | 31 st March, 2024 | | % Change during the year |
|--|------------------------------|-------------------|------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Novartis AG, Basel, Switzerland (Holding Company) Equity shares of ₹ 5 each fully paid up | 17,450,680 | 70.68% | 17,450,680 | 70.68% | — |

| Promoter Name | 31 st March, 2024 | | 31 st March, 2023 | | % Change during the year |
|--|------------------------------|-------------------|------------------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | No. of shares | % of total shares | |
| Novartis AG, Basel, Switzerland (Holding Company) Equity shares of ₹ 5 each fully paid up | 17,450,680 | 70.68% | 17,450,680 | 70.68% | — |

12. Other Equity

| | 31 st March, 2025 | 31 st March, 2024 |
|----------------------------|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Capital Redemption Reserve | 36.4 | 36.4 |
| Retained Earnings | 7,689.8 | 7,288.4 |
| Total Other Equity | 7,726.2 | 7,324.8 |

Nature and Purpose of Other Equity

Capital Redemption Reserve

Capital Redemption reserve was created consequent to the buy back of shares. In terms of Section 69 of the Act, the Company transfers a sum equal to nominal value of the shares bought back to Capital Redemption Reserve. The Reserve may be applied by the Company in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

Share Options Outstanding Account

The Share Options Outstanding Account is used to amortise the grant date fair value of Tradeable Options / Restricted shares issued to employees under group global equity incentive plan.

Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (₹ in million) | (₹ in million) |
| (i) Capital Redemption Reserve | | |
| Opening Balance | 36.4 | 36.4 |
| Movement during the year | — | — |
| Closing Balance | 36.4 | 36.4 |
| (ii) Share Options Outstanding Account | | |
| Opening Balance [Refer Note 33] | — | (0.4) |
| Less-Amount charged to Statement of Profit and Loss (net) [Refer Note 20] | — | 0.4 |
| Closing Balance | — | — |
| (iii) Retained Earnings | | |
| Opening Balance | 7,288.4 | 7,597.2 |
| Profit for the year | 1,009.0 | 851.9 |
| Other Comprehensive Income (net of tax) | 9.7 | 12.1 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

12. Other Equity (contd.)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (₹ in million) | (₹ in million) |
| Total Comprehensive Income for the year | 1,018.7 | 864.0 |
| Payment of Dividends | (617.3) | (1,172.8) |
| Closing Balance | 7,689.8 | 7,288.4 |

Dividends

| Particulars | 31 st March, 2025 | 31 st March, 2024 |
|-------------|------------------------------|------------------------------|
| | (₹ in million) | (₹ in million) |

Equity shares

| | | |
|---|-------|---------|
| Final dividend for the year ended 31 st March, 2024 of ₹ 25 per fully paid share (31 st March, 2023 of ₹ 47.5 per fully paid share) | 617.3 | 1,172.8 |
|---|-------|---------|

Dividends not recognised at the end of the reporting period

| | | |
|--|-------|-------|
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 25 per share (Previous year ₹ 25 per share). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 617.3 | 617.3 |
|--|-------|-------|

13. Financial Liabilities

13(a). Borrowings

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Current | | |
| Bank Overdrafts (Unsecured Repayable on demand with Interest @9.1% p.a.) | — | 0.2 |
| Total Current Borrowings | — | 0.2 |

13(b). Other Financial Liabilities

Non-Current

| | | |
|--|------------|------------|
| Security Deposits | 2.0 | 2.2 |
| Total Other Non-Current Financial Liabilities | 2.0 | 2.2 |

Current

| | | |
|--|--------------|--------------|
| Unpaid Dividends@ | 20.6 | 17.8 |
| Payable to Related Parties [Refer Note 30] | 12.9 | 11.5 |
| Security Deposits | — | 75.0 |
| Payables to Employees | 161.9 | 161.9 |
| Total Other Current Financial Liabilities | 195.4 | 266.2 |

@ There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

13(c). Trade Payables

Current

| | | |
|--|--------------|--------------|
| Total outstanding dues of micro and small enterprises [MSME] [Refer Note 26] | 4.5 | 6.4 |
| Total outstanding dues of creditors other than micro and small enterprises | | |
| – Related Parties [Refer Note 30] | 170.2 | 151.9 |
| – Others | 340.0 | 457.6 |
| Total Trade Payables | 514.7 | 615.9 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

13(c). Trade Payables (contd.)

Trade Payable ageing schedule:

| Particulars | Outstanding for the period from due date of payment | | | | | | Total |
|------------------------------------|---|--------------|------------------|------------|------------|-------------------|--------------|
| | Unbilled dues | Not Due | Less than 1 year | 1–2 Years | 2–3 Years | More than 3 Years | |
| 31st March, 2024 | | | | | | | |
| Undisputed MSME | — | — | 6.4 | — | — | — | 6.4 |
| Undisputed Others | 186.9 | 328.2 | 87.9 | — | 6.1 | 0.4 | 609.5 |
| 31st March, 2025 | | | | | | | |
| Undisputed MSME | — | — | 4.5 | — | — | — | 4.5 |
| Undisputed Others | 151.7 | 168.7 | 184.3 | 0.7 | 0.2 | 4.6 | 510.2 |

14. Provisions

| | 31 st March, 2025 | | 31 st March, 2024 | |
|--|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | (in ₹ million) Current | (in ₹ million) Non-current | (in ₹ million) Current | (in ₹ million) Non-current |
| Provision for Employee Benefits [Refer Note 14(a)] | | | | |
| Gratuity | 58.9 | 29.4 | 91.2 | 25.7 |
| Leave Obligations | 54.1 | 28.7 | 62.8 | 29.7 |
| Post Retirement Medical Benefits | 8.1 | 83.8 | 9.0 | 91.9 |
| Long Term Service Awards | 0.2 | 0.7 | 0.2 | 0.8 |
| Provident Fund | 1.3 | 31.3 | 4.3 | 28.1 |
| Employee separation [Refer Note 25 (iii)] | 135.5 | — | 154.1 | — |
| | <u>258.1</u> | <u>173.9</u> | <u>321.6</u> | <u>176.2</u> |
| Other Provisions | | | | |
| Non-saleable Sales Returns [Refer Note 25 (i)] | 27.3 | — | 34.6 | — |
| Contingencies [Refer Note 25 (ii)] | | | | |
| For Indirect Tax matters | 204.8 | — | 158.2 | — |
| For Legal Cases | 32.9 | — | 31.3 | — |
| Total Provisions | <u>523.1</u> | <u>173.9</u> | <u>545.7</u> | <u>176.2</u> |

14(a). Employee Benefit Obligations

(i) Defined Contribution Plans:

The Company's contribution to Superannuation Fund and Employees' Pension Scheme aggregating ₹ 4.6 million (Previous year – ₹ 5.4 million) has been recognised as expense in the Statement of profit and loss for the year under the head Employee Benefits Expense [Refer Note 20].

(ii) Defined Benefit Plans:

General Description of Defined Benefit Plans:

(a) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity plan is a funded plan and it is recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation (LIC). Liability for Gratuity is provided on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary.

(b) Provident Fund

Provident fund is Defined Benefit Plan that provides for lump sum amount to be paid to employees at the time of separation from the Company. Both employee and employer (at a determined rate) contribute monthly to a Trust set up by the Company to manage the investments and distribute the amounts entitled to employees. The benefits are accumulated value of contributions made by the employee and the Company at the minimum interest rate as declared by the Employee Provident Fund Organisation for respective years. Valuation for interest rate guarantee is provided on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary.

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

14(a). Employee Benefit Obligations (contd.)

(c) Non-Contractual Pension Plan

The Pension Scheme is a Defined Benefit Plan with a minimum pension guarantee that provides for an annuity in the form of pension amount at retirement to a select category of employees. The fund is administered by LIC of India. Liability for Non-Contractual Pension Plan is provided on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary.

(d) Post Retirement Medical Benefits (PRMB)

The PRMB scheme is a fixed monetary amount Defined Benefit Plan that provides for a payment made after retirement when a retiree claims medical benefits. The benefits are defined on the basis of amount claimed under medical expenses upto a maximum limit after retirement. This is an unfunded defined benefit plan. Liability for Post Retirement Medical Benefits is provided on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary.

As per actuarial valuation as on 31st March, 2025 and 31st March, 2024 :

| Particulars | (in ₹ million) | | | | | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| | Gratuity | | Provident Fund | | Non Contractual Pension Plan | | Post Retirement Medical Benefits | |
| | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 |
| I. Expense recognised in the Statement of Profit and Loss for the year | | | | | | | | |
| 1. Current service cost | 2.4 | 2.6 | 8.6 | 18.1 | — | — | 1.3 | 1.3 |
| 2. Curtailment (credit)/cost | — | — | — | — | — | — | — | — |
| 3. Net interest on net defined benefit liability / (asset) | 0.6 | 1.1 | 1.7 | 4.2 | — | — | 6.6 | 6.6 |
| | 3.0 | 3.7 | 10.3 | 22.3 | — | — | 7.9 | 7.9 |
| II. Recognised in other comprehensive income for the year | | | | | | | | |
| 1. Return on plan assets excluding amount included in net interest on net defined benefit liability/(assets) | (10.1) | 11.0 | (5.8) | (167.4) | (10.7) | (11.2) | — | — |
| 2. Actuarial (Gain)/Loss on account of: | | | | | | | | |
| — Financial Assumptions | 0.6 | 1.0 | 0.1 | 0.2 | — | — | 1.6 | 3.2 |
| — Experience Adjustments | (2.1) | (0.8) | 17.1 | 136.5 | 10.7 | 11.1 | (14.4) | 0.2 |
| — Demographic Assumptions | — | — | — | — | — | — | — | — |
| | (11.6) | 11.2 | 11.4 | (30.7) | — | (0.1) | (12.8) | 3.4 |
| III. Net Asset/(Liability) recognised in the Balance Sheet at Year End | | | | | | | | |
| 1. Present value of defined benefit obligation at year end | 168.7 | 194.1 | 673.7 | 1,066.5 | 157.1 | 159.8 | 91.9 | 100.9 |
| 2. Fair value of plan assets at year end | 80.4 | 77.2 | 641.0 | 1,034.1 | 157.1 | 159.8 | — | — |
| 3. Surplus/(Deficit) | (88.3) | (116.9) | (32.7) | (32.4) | — | — | (91.9) | (100.9) |
| 4. Current portion of the above | (58.9) | (91.2) | (1.3) | (4.3) | — | — | (8.1) | (9.0) |
| 5. Non current portion of the above | (29.4) | (25.7) | (31.4) | (28.1) | — | — | (83.8) | (91.9) |
| IV. Change in the present value of defined obligation during the year ended 31st March | | | | | | | | |
| 1. Present value of defined benefit obligation at the beginning of the year | 194.1 | 249.2 | 1,066.5 | 1,353.2 | 159.8 | 168.8 | 100.9 | 94.1 |
| 2. Expenses Recognised in Profit and Loss | | | | | | | | |
| — Current Service Cost | 2.4 | 2.6 | 8.6 | 18.1 | — | — | 1.3 | 1.3 |
| — Interest Expense (Income) | 2.4 | 2.9 | 56.9 | 79.3 | — | — | 6.6 | 6.6 |
| — Other adjustment | — | — | — | — | — | — | — | — |
| — Curtailment (credit)/cost | — | — | — | — | — | — | — | — |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

14(a). Employee Benefit Obligations (contd.)

| Particulars | (in ₹ million) | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|
| | Gratuity | | Provident Fund | | Non Contractual Pension Plan | | Post Retirement Medical Benefits | |
| | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 |
| 3. Remeasurement gains / (losses) | | | | | | | | |
| — Actuarial Gain (Loss) arising from: | | | | | | | | |
| i. Financial Assumptions | 0.6 | 1.0 | 0.1 | 0.2 | | — | 1.6 | 3.2 |
| ii. Experience Adjustments | (2.1) | (0.8) | 17.1 | 136.5 | 10.7 | 11.1 | (14.4) | 0.2 |
| 4. Benefit payments | | | | | | | | |
| — paid by Company | — | — | — | — | — | — | (4.1) | (4.5) |
| — paid from planned assets | (28.7) | (60.8) | (483.6) | (530.6) | (13.4) | (20.1) | — | — |
| 5. Employee Contributions | | — | 8.1 | 9.8 | | — | — | — |
| 6. Present value of defined benefit obligation at the end of the year | 168.7 | 194.1 | 673.7 | 1,066.5 | 157.1 | 159.8 | 91.9 | 100.9 |
| V. Change in fair value of assets during the year ended 31st March | | | | | | | | |
| 1. Fair value of plan assets at the beginning of the year | 77.2 | 145.4 | 1,034.1 | 1,284.6 | 159.8 | 168.7 | — | — |
| 2. Interest on plan assets | 1.8 | 1.8 | 55.2 | 75.1 | — | — | — | — |
| 3. Acquisition adjustments | — | — | — | — | — | — | — | — |
| 4. Remeasurement gains / (losses) | | | | | | | | |
| — Actual return on plan assets excluding amount included in net interest on net defined benefit liability / (asset) | 10.1 | (11.0) | 5.8 | 167.4 | 10.7 | 11.2 | — | — |
| 5. Employer Contribution | 20.0 | 1.8 | 21.4 | 27.8 | — | — | — | — |
| 6. Employee Contribution | | — | 8.1 | 9.8 | — | — | — | — |
| 7. Benefit payments | (28.7) | (60.8) | (483.6) | (530.6) | (13.4) | (20.1) | — | — |
| 8. Fair value of plan assets at the end of the year | 80.4 | 77.2 | 641.0 | 1,034.1 | 157.1 | 159.8 | — | — |

The net liability disclosed above relate to funded and unfunded plans is as follows:

| Particulars | (in ₹ million) | | | |
|-------------------------------------|----------------|----------------|------------------------------|----------------------------------|
| | Gratuity | Provident Fund | Non Contractual Pension Plan | Post Retirement Medical Benefits |
| 31st March, 2024 | | | | |
| Present value of funded obligations | 194.1 | 1,066.5 | 159.8 | 100.9 |
| Fair value of plan assets | 77.2 | 1,034.1 | 159.8 | — |
| Deficit of funded plan | <u>116.9</u> | <u>32.4</u> | <u>—</u> | <u>100.9</u> |
| 31st March, 2025 | | | | |
| Present value of funded obligations | 168.7 | 673.7 | 157.1 | 91.9 |
| Fair value of plan assets | 80.4 | 641.0 | 157.1 | — |
| Deficit of funded plan | <u>88.3</u> | <u>32.7</u> | <u>—</u> | <u>91.9</u> |

Significant estimates: Actuarial assumptions and sensitivity

The significant weighted actuarial assumptions are as follows:

| Particulars | 31 st March, 2025 | 31 st March, 2024 |
|--------------------|--------------------------------------|------------------------------|
| Discount rate | | |
| — Pension | 6.50% | 7.00% |
| — Gratuity | 6.60% | 6.90% |
| — Others | 6.70% | 6.90% |
| Salary growth rate | 12% in First Year and 10% thereafter | 7% – 10% |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

14(a). Employee Benefit Obligations (contd.)

| Particulars | 31 st March, 2025 | 31 st March, 2024 |
|---------------------------|---|---|
| Medical inflation rate | 8.00% | 8.00% |
| Mortality table | | |
| In Service Mortality rate | India Assured Lives Mortality (2006–08) ult | India Assured Lives Mortality (2006–08) ult |
| Post Retirement Mortality | Annuitants 2012–2015 | Annuitants 2012–2015 |
| Withdrawal rates | | |
| Officers | | |
| Less than 5 years | 16% | 16% |
| 5–10 years | 5% | 5% |
| Above 10 years | 5% | 5% |
| Non Officers | | |
| Less than 5 years | 0% | 0% |
| Above 5 years | 0% | 0% |

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: (in ₹ million)

| Particulars | Gratuity Scheme (LIC) | | Gratuity Scheme (In house Fund) | | Non Contractual Pension Plan | | Post Retirement Medical Benefits | | Provident Fund | |
|---------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|------------------------------|------------------------------|----------------------------------|------------------------------|------------------------------|------------------------------|
| | Change in assumptions | | Change in assumptions | | Change in assumptions | | Change in assumptions | | Change in assumptions | |
| | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 | 31 st March, 2025 | 31 st March, 2024 |
| Discount rate | | | | | | | | | | |
| Increase by 0.25% | (0.6) | (0.5) | NA | (0.1) | (*) | (*) | (2.0) | (2.1) | (0.1) | (0.1) |
| Decrease by 0.25% | 0.6 | 0.5 | NA | 0.1 | * | * | 2.0 | 2.2 | 0.1 | 0.1 |
| Salary growth rate | | | | | | | | | | |
| Increase by 0.25% | 0.3 | 0.3 | NA | 0.1 | — | — | — | — | — | — |
| Decrease by 0.25% | (0.3) | (0.3) | NA | (0.1) | — | — | — | — | — | — |
| Withdrawal Rate | | | | | | | | | | |
| Increase by 5% | (0.5) | (0.8) | NA | (0.3) | — | — | (5.4) | (5.1) | — | — |
| Decrease by 5% | 0.1 | 1.0 | NA | 0.4 | — | — | 11.4 | 10.7 | — | — |
| Medical Inflation | | | | | | | | | | |
| Increase by 1% | — | — | — | — | — | — | 7.4 | 7.5 | — | — |
| Decrease by 1% | — | — | — | — | — | — | (6.4) | (6.5) | — | — |

* Amount is below the rounding off norm adopted by the Company.

The above sensitivity analyses is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected aggregate contributions to post employment benefit plans for the year ending 31st March, 2026 are ₹ 13.79 million (March 31, 2025 ₹ 15.1 million).

As at March 31, 2025, the weighted average duration of the defined benefit obligation for gratuity scheme for LIC is 9 years and inhouse is 7 years (March 31, 2024 7 years) and Provident fund is 5.35 years (March 31, 2024 4.9 years)

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

14(a). Employee Benefit Obligations (contd.)

(in ₹ million)

Maturity profile of defined benefit obligation

(in ₹ million)

| | Less than a Year | Between 1-2 years | Between 2-5 years | Between 5-10 years |
|------------------------------------|---------------------|----------------------|----------------------|-----------------------|
| 31st March, 2024 | | | | |
| Gratuity | 162.1 | 3.2 | 7.9 | 28.3 |
| Post Retirement Medical Benefits | 9.3 | 9.4 | 27.0 | 41.8 |
| Total | 171.4 | 12.6 | 34.9 | 70.1 |
| 31st March, 2025 | | | | |
| Gratuity | 122.1 | 12.3 | 18.4 | 17.8 |
| Post Retirement Medical Benefits | 8.4 | 7.8 | 24.2 | 37.5 |
| Total | 130.5 | 20.2 | 42.6 | 55.4 |

Risk exposure

Through its defined benefit obligation the Company is exposed to a number of risks, the most significant of which are detailed below–

Interest rate risk – The defined benefit obligation calculated uses a discount rate based on Government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk – Higher than expected increase in salary will increase the defined benefit obligation.

Demographic risk – This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in financial analysis the retirement benefit of the short career employee typically costs less per year as compared to a long service employee.

Medical inflation risk – Higher than expected increase in premium will lead to increase in defined benefit obligations. The risk is mitigated by capping the benefit paid by insurance Company (limiting the premium amount for the Company).

Investment return risk – Lower the expected investment return, higher will be the defined benefit obligation.

(in ₹ million)

| Major category of plan assets are as follows – Provident fund | 31 st March, 2025 | | 31 st March, 2024 | |
|---|------------------------------|----------------|------------------------------|----------------|
| | Amount | in % | Amount | in % |
| Government Bonds | 193.4 | 30.17% | 232.2 | 22.45% |
| Debt Instruments | 257.7 | 40.20% | 290.4 | 28.08% |
| Investment funds | 94.9 | 14.80% | 91.2 | 8.82% |
| Special Deposit scheme (including FD's & special deposit) | 69.7 | 10.87% | 361.5 | 34.96% |
| Cash | 25.3 | 3.96% | 58.8 | 5.69% |
| | 641.0 | 100.00% | 1,034.1 | 100.00% |

(in ₹ million)

| Major category of plan assets are as follows – Gratuity | 31 st March, 2025 | | 31 st March, 2024 | |
|---|------------------------------|---------|------------------------------|---------|
| | Amount | in % | Amount | in % |
| Insurer Managed Funds | 80.4 | 100.00% | 77.2 | 100.00% |

Employee Benefit – Leave Obligations

Employee benefit expenses for the year include expense of ₹ 1.8 million (Previous year gain ₹ 7.3 million) towards leave obligations Provision for leave obligation as on 31st March, 2025 is ₹ 82.8 million (as at 31st March, 2024, ₹ 92.5 million)

Provision for long term service award as on 31st March, 2025 is ₹ 0.9 million (as at 31st March, 2024, ₹ 1.0 million)

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

15. Other Current Liabilities

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Advances from Customers | 21.0 | 23.1 |
| Others | | |
| — Statutory Dues (Contributions to Provident Fund, Professional Tax, Withholding Taxes, Goods and Services Tax etc.) | 13.4 | 27.3 |
| Total Other Current Liabilities | 34.4 | 50.4 |

16. Current Tax Liabilities (Net)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Provision for tax [net of advance tax ₹ 2,840.7 million (As at 31 st March, 2024 ₹ 2,426.3 million)] | 134.4 | 74.8 |
| Total Current Tax Liabilities (Net) | 134.4 | 74.8 |

17. Revenue from Operations

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Revenue from contracts with customers | | |
| Sale of Traded goods [Refer Note 29] | 3,553.0 | 3,333.8 |
| Sale of Services [Refer Note 29] | 9.6 | 6.6 |
| Other Operating Revenue | | |
| Commission Income | 0.1 | 10.3 |
| Total Revenue from Operations | 3,562.7 | 3,350.7 |

18. Other Income

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Interest Income under effective interest rate method on financial assets at amortised cost | | |
| On Bank Deposits | 408.5 | 363.9 |
| From Customers | 0.3 | 0.2 |
| Interest income on income tax refund of earlier years | — | 187.8 |
| Unwinding of Discount on Security Deposits | 0.7 | 1.5 |
| Credit Balances Written-Back | 5.5 | 4.5 |
| Gain on derecognition of lease liability and Right-of-Use Assets [Refer Note 31] | — | 26.8 |
| Gain on sale of property plant and equipment | 1.1 | — |
| Gain on sale of Property held for sale | — | 32.1 |
| Miscellaneous Income | 3.5 | — |
| Total Other Income | 419.6 | 616.8 |

19. Changes in Inventories of Stock-in-trade

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Opening Stock | | |
| Stock-in-Trade | 448.6 | 547.2 |
| Total Opening Stock | 448.6 | 547.2 |
| Closing Stock | | |
| Stock-in-Trade | (411.1) | (448.6) |
| Total Closing Stock | (411.1) | (448.6) |
| Total Changes in Inventories of Stock-in-trade | 37.5 | 98.6 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

20. Employee Benefits Expense

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Salaries and Wages* [Refer Note 14(a)] (including Employee share purchase plan expense) | 166.4 | 210.4 |
| Contributions to Other Funds [Refer Note 14(a)] | 4.6 | 5.4 |
| Share Based Payments [Refer Note 33] | 3.3 | 2.5 |
| Staff Welfare Expenses | 12.9 | 11.3 |
| Total Employee Benefits Expense | 187.2 | 229.6 |

* Net of expenses recharged of ₹ Nil million (31 March 2024 ₹ 10.1 million) recharged to other companies. (Refer Note 30)

21. Finance Costs

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Interest expense under effective interest rate method on financial liabilities not at fair value through Statement of Profit and loss | | |
| Lease liabilities | 5.2 | 14.8 |
| Security Deposits | 0.1 | 0.1 |
| Interest on income -tax | 2.4 | — |
| Total Finance Costs | 7.7 | 14.9 |

22. Depreciation Expense

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Depreciation of Property, Plant and Equipment | 4.7 | 1.8 |
| Depreciation of Right-of-Use Assets [Refer Note 31] | 17.2 | 24.3 |
| Total Depreciation Expense | 21.9 | 26.1 |

23(a). Other Expenses*

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Power and Fuel | 1.4 | 1.8 |
| Rent [Refer Note 31] | 0.7 | 1.1 |
| Repairs and Maintenance | | |
| Buildings | — | 1.1 |
| Others | — | 0.2 |
| Insurance | 3.3 | 4.4 |
| Rates and Taxes | 60.9 | 61.7 |
| Legal and Professional Charges | 28.6 | 54.2 |
| Travelling and Conveyance | 16.7 | 18.8 |
| Other Outside Services | 81.8 | 48.7 |
| Payment to auditors [Refer Note 23(b)] | 7.9 | 7.8 |
| Expenditure towards Corporate Social Responsibility Activities [Refer Note 23(c)] | 15.5 | 10.0 |
| Freight, Forwarding and Distribution | 82.4 | 139.3 |
| Advertisement and Sales Promotion | 23.4 | 19.4 |
| Printing, Postage and communication | 1.8 | 1.4 |
| Commission to Independent Directors [Refer Note 30] | 3.0 | 3.0 |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

23(a). Other Expenses* (contd.)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|---------------------------------|---------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Directors Sitting fees [Refer Note 30] | 1.5 | 1.3 |
| Royalty | 29.0 | 25.4 |
| Provision for deposits/advances | 0.1 | 1.0 |
| Provisions for Contingencies [Refer Note 25 (ii)] | 48.2 | 21.7 |
| Net Loss on Foreign Currency Transactions and Translation | 2.9 | 2.7 |
| Miscellaneous Expenses | 25.7 | 43.4 |
| Total Other Expenses | 434.8 | 468.4 |

* Including expenses recharged to other companies [Refer Note 30]

23(b). Payment to auditors

| | 31 st March, 2025 | 31 st March, 2024 |
|-----------------------------------|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| As auditor: | | |
| Audit Fees (Excluding taxes) | 7.1 | 6.9 |
| Reimbursement of Expenses | 0.8 | 0.9 |
| Total Payments to Auditors | 7.9 | 7.8 |

23(c). Expenditure towards Corporate Social Responsibility Activities

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Amount spent during the year on: | | |
| (i) Donations | 15.5 | 10.0 |
| (ii) Expenditure on maintenance of gardens | — | — |
| (iii) Expenditure on health awareness | — | — |
| Total | 15.5 | 10.0 |

Gross amount required to be spent as per Section 135 of the Act 15.5 10.0

Amount approved by Board to be spent during the year 15.5 10.0

Amount spent during the year on

(i) Construction/acquisition of an asset — —

(ii) On purposes other than (i) above 15.5 10.0

(iii) Transactions with Related Party — —

Excess CSR spent in current year — —

Amount unspent during the year — 0.1

Due to unavoidable circumstances, amount could not be spent before 31st March, 2024 (deposited entire unspent amount of ₹ 0.07 million towards ongoing project on 23rd April, 2024 with BNP Paribas bank)

Details of CSR expenditure under Section 135(5) of the Act in respect of ongoing projects

| Balance as at 1 st April, 2024 | | Amt required to be spent during the year | Excess CSR Amount spent during the year | Amount spent during the year | | Balance Unspent as at 31 st March, 2025 | |
|--|---|---|--|---------------------------------|--|---|---|
| With Company | In Separate CSR Unspent Account | | | From Company's Bank | From Separate CSR Unspent Account* | With Company | In Separate CSR Unspent Account |
| — | 0.1 | 15.6 | — | 15.5 | 0.1 | — | — |

23(c). Expenditure towards Corporate Social Responsibility Activities (contd.)

| Balance as at 1 st April, 2023 | | Amt required to be spent during the year | Excess CSR Amount spent during the year | Amount spent during the year | | Balance Unspent as at 31 st March, 2024 | | |
|---|---------------------------------|--|---|------------------------------|------------------------------------|--|---|---------------------------------|
| With Company | In Separate CSR Unspent Account | | | From Company's Bank | From Separate CSR Unspent Account* | With Company | | In Separate CSR Unspent Account |
| — | — | 10.0 | — | 9.9 | — | — | — | 0.1 |

* The statute requires the CSR Unspent amount to be deposited in separate CSR Unspent account within 30 days from end of Financial Year. The Company has deposited the same within stipulated timelines.

Details of CSR expenditure under Section 135(6) of the Act in respect of other than ongoing projects

| Balance as at 1 st April, 2024 | Amount deposited in specified fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance Unspent as at 31 st March, 2025 |
|---|---|---|------------------------------|--|
| — | — | — | — | — |

| Balance as at 1 st April, 2023 | Amount deposited in specified fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance Unspent as at 31 st March, 2024 |
|---|---|---|------------------------------|--|
| — | — | — | — | — |

24. Contingent Liabilities and Commitments

| | Refer note below | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|--|------------------|--|--|
| Contingent Liabilities* | | | |
| Claims against the Company not acknowledged as debt | | | |
| Income–Tax matters | | | |
| (i) Matters decided in favor of the Company but disputed further by the income-tax authorities | | — | 8.2 |
| (ii) Matters decided against the Company in respect of which the Company has preferred an appeal | Note 1 | 3.1 | 101.0 |
| (iii) Tax demands by assessing officer in respect of which Company has preferred an appeal | | 2,949.8 | 2,949.8 |
| Sales Tax matters | Note 2 | 295.4 | 446.2 |
| Service Tax | Note 3 | 27.6 | 26.2 |
| Drug Price Control Order 2013 | Note 5 and 6 | 416.2 | 416.2 |
| Goods and Services tax | Note 4 | 91.3 | 36.2 |

The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

*Including Interest and Penalty, where applicable upto the date of orders.

Note 1

Company has on-going disputes with income-tax authorities, whereby cases are pending before various levels of Appellate Courts. The disputes largely relate to legacy issues pertaining to tax exemption, tax deduction, depreciation, capital gains etc. Additionally, Company also has on-going withholding tax litigation. The Company periodically receives notices/enquiries/orders from direct tax authorities/courts and evaluates the same to determine if a provision/ contingent liability is to be created based on whether demands are likely to sustain or not.

Note 2

This consist of State specific Litigations at various forums under Valued Added Tax Act, Central Sales Tax Act and Entry Tax Act. Under Value Added Tax Act and Entry Tax Act, issues under litigation can be broadly classified into Claim of TDS/Tax Payment not allowed, Enhancement in Turnover, ITC/Credit Notes disallowance, Tax Free & Concessional sales disallowance etc. Under Central Sales Tax Act, issues under litigation can be broadly classified into Enhancement in Turnover, Exports/Tax Free goods/Concessional sales disallowed, Non-Submission of Statutory Forms etc.

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

24. Contingent Liabilities and Commitments (contd.)

Note 3

Service tax consist of litigation pending before CESTAT in respect of demand on the license fees/marketing fees.

Note 4

This consists of state specific litigations mainly due to denial of input tax credit under Goods and Service tax Act.

Note 5

The Company has filed a Writ Petition on 8th May, 2014 before the Hon'ble Delhi High Court challenging the move of the National Pharmaceuticals Pricing Authority ("NPPA") to include Voveran 50 GE Tablets, marketed by the Company, under price control in terms of the Drug Price Control Order 2013 ("DPCO 2013").

During the pendency of the Writ Petition, the NPPA issued a Show Cause Notice dated 24th September, 2014 to the Company alleging over charge on sales of Voveran 50 GE Tablets by the Company. The Company responded to the show cause notice vide its letters dated 13th October, 2014 and 27th October, 2014. The NPPA issued a Demand Notice dated 31st October, 2014 directing the Company to pay ₹ 281.8 million (including interest) by 15th November, 2014. This demand has been challenged by the Company before the Hon'ble Delhi High Court by way of miscellaneous applications followed by an amended writ petition. The Hon'ble Delhi High Court passed order restraining the NPPA from taking coercive steps in respect of the aforesaid demand. The next tentative next date of hearing is 17th July, 2025.

In the opinion of the Company, Voveran 50 GE Tablet is not covered under the category of essential medicines under the National List of Essential Medicines and, hence, is a non-scheduled drug under DPCO, 2013. Therefore, Voveran 50 GE Tablet cannot be brought under the regime of price control under Paragraph 14 of the DPCO, 2013. Accordingly, no provision is considered necessary at this stage.

Note 6

The NPPA had issued a demand notice dated 20th/25th June, 2018 of ₹ 134.4 million (including interest) on the Company alleging over charge on sales of Tegriral CR 200 by the Company. This demand has been challenged by the Company before the Hon'ble Delhi High Court by filing a Writ Petition on 27th July, 2018 challenging the move of the NPPA to include Tegriral CR 200, marketed by the Company, under price control in terms of the DPCO 2013. The Hon'ble Delhi High Court had on 6th August, 2018 passed an order directing the NPPA not to give effect to the aforesaid impugned demand notice. This writ petition was listed on 30th March, 2022, however due to paucity of time hearing has been adjourned to 31st July, 2025.

In the opinion of the Company, the Price Revision Notification dated 28th April, 2014 would not apply to Tegriral CR 200 as it was not covered by the ambit of price notification in as much Tegriral CR 200 drug was not a "scheduled formulation" under DPCO 2013. When Tegriral CR became a scheduled formulation w.e.f. 10th March, 2016, NPPA issued a separate Ceiling Price Notification on 29th March, 2016 for the said formulation, which amounts to admission on the part of NPPA that this formulation could be covered only by the subsequent Notification of 2016 and not by the prior Notification of 2014, on the basis whereof the impugned Demand has been raised by NPPA. Accordingly, no provision is considered necessary at this stage.

Note:

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

25. Provisions

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|--|--|--|
| (i) Provision for Non-saleable Sales Returns | | |
| As at 1 st April | 34.6 | 43.6 |
| Provision made during the year | 6.7 | 28.1 |
| Amounts used during the year | (14.0) | (37.1) |
| As at 31 st March | <u>27.3</u> | <u>34.6</u> |
| Provision is made for the non-saleable sales returns of goods from the customers estimated on the basis of historical data of sales return trends with respect to the shelf life of various products, level of inventories in the distribution channel, specific events during the year, etc. Such provision for non-saleable sales returns is reduced from sale of products for the year. These claims are expected to be settled in next financial year. | | |
| (ii) Provision for Contingencies | | |
| As at 1 st April | 189.5 | 167.8 |
| Provision/Adjustments made during the year | 62.0 | 53.7 |
| Amounts used during the year | (13.8) | (32.0) |
| As at 31 st March | <u>237.7</u> | <u>189.5</u> |

Notes forming part of the Financial Statements as at and for the year ended 31st March, 2025

25. Provisions (contd.)

Provision for matter related to pricing dispute for products covered under DPCO and sales tax matters made for probable liabilities/claims arising out of pending disputes, litigations/ commercial transactions with statutory authorities/third parties.

(iii) Provision for Employee Separation

| | | |
|--|--------|--------|
| As at 1 st April | 154.1 | 188.6 |
| Provision made during the year | — | — |
| Amounts used/paid/released during the year | (18.6) | (34.5) |
| As at 31 st March | 135.5 | 154.1 |

26. Disclosures as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. This information and that given in Note 13(b) - Trade Payables regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|---|--|--|
| (a) Principal amount remaining unpaid to any supplier as at the end of the year | 4.5 | 6.4 |
| Interest due thereon remaining unpaid to any suppliers as at the end of the year | * | 0.1 |
| (b) The amount of interest paid by the buyer in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during the year | — | — |
| (c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified | 0.4 | 0.5 |
| (d) The amount of interest accrued and remaining unpaid at the end of the year | 1.6 | 1.4 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006. | 0.3 | 0.3 |

* Amount is below the rounding off norm adopted by the Company.

27. Tax expense

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|----------------------------------|--|--|
| (a) Tax expense | | |
| Current tax | | |
| In respect of the current year | 342.1 | 314.7 |
| In respect of the earlier years* | (42.5) | 61.6 |
| Total current tax expense | 299.6 | 376.3 |

27. Tax expense (contd.)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Deferred tax | (4.4) | 0.2 |
| Total deferred tax expense | (4.4) | 0.2 |
| Tax expense recognised in statement of profit or loss | 295.2 | 376.5 |
| * Represents (write back of provision)/ provision made towards Income tax demand orders. | | |
| (b) The Income tax expense for the year can be reconciled to the accounting profit as follows: | | |
| Profit before tax | 1,304.2 | 1,228.4 |
| Income Tax expense* | 328.2 | 309.2 |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Effect of expenses that are not deductible in determining taxable profit | 9.8 | 6.3 |
| Other items | (0.3) | (0.6) |
| Adjustments for current tax of prior years (net) | (42.5) | 61.6 |
| Income tax expense | 295.2 | 376.5 |
| * The tax rate used for the FY 2024-25 and FY 2023-24 in the reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profit under the Indian tax laws. | | |
| (c) Income tax recognised in Other Comprehensive Income | | |
| Deferred Tax | | |
| Arising on amounts recognised in Other Comprehensive Income | | |
| — Remeasurements of Defined Benefit Plans | (3.3) | (4.1) |
| | (3.3) | (4.1) |

28. Segment Information

The Company has a single business segment namely 'Pharmaceutical Business', and generates revenues from its operations in India. The Company has only one customer with whom revenue from sale of traded goods ₹ 1,626.9 million (Previous year ₹ 1,611.0 million) is more than 10% of the total revenue from sale of traded goods.

29. Revenue from Operations

A. Reconciliation of Revenue from sale of products with contracted price

| | 31 st March, 2025 | 31 st March, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Contracted Price | 3,891.2 | 3,651.5 |
| Less: Trade discounts, free goods etc | (338.2) | (317.7) |
| Sale of Products | 3,553.0 | 3,333.8 |

29. Revenue from Operations (contd.)

B. Disaggregation of revenue form contacts with customers

Out of the revenue from contracts with customer, ₹ 1,626.9 million (Previous year ₹ 1,611.0 million) of revenue from sale of traded goods pertains to one major customer and remaining revenue from sale of traded goods and sale of services ₹ 1,935.73 million (Previous year ₹ 1,729.4 million) pertains to other customers.

C. Contract Balances

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|--------------------------------------|--|--|
| Contract Liabilities [Refer Note 15] | 21.0 | 23.1 |
| | 21.0 | 23.1 |

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2025. Contract liability of current year will be recognised as revenue in coming twelve months.

D. Performance Obligation

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms. For the accounting policy for revenue recognition see Note 1J

| Type of product/Service | Nature and timing of satisfaction of performance obligation, including significant payment terms |
|-------------------------|---|
| Sale of traded goods | Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally when the goods are dispatched from the Company's warehouse. Payments terms are generally in the range of 7 days to 90 days |
| Sale of services | Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Payments terms are generally 30 days. |

30. Related Party Disclosures

(A) Enterprise where control exists

| | |
|-----------------|--------------------------|
| Holding Company | Novartis AG, Switzerland |
|-----------------|--------------------------|

(B) Other Related Parties with whom the company had transactions during the year and/or the previous year

| | |
|---|--|
| (i) Fellow Subsidiaries with whom transactions have taken place during the year | Novartis Healthcare Private Limited, India Novartis Holding AG, Switzerland Novartis Pharma AG Novartis Pharma Services AG, Switzerland Novartis Farma – Produtos Farmacêuticos, S.A. Novartis-Mitarbeiterbeteiligungsstiftung (MBS) Novartis International AG |
| (ii) List of other related parties (Post-employment benefit plan of Novartis India Limited) | Novartis India Limited Employees' Provident Fund Novartis India Limited Superannuation Fund Novartis India Limited Employees' Gratuity Fund |

30. Related Party Disclosures (contd.)

| | |
|-------------------------------------|--|
| (C) Key Management Personnel | S. Murdeshwar (Till 2 April, 2024) |
| | C. Snook* |
| | J. Hiremath @ (Till 31 March, 2024) |
| | S. Gira @ (From 31 March, 2024) |
| | S. Martyres @ |
| | Sanker Parmeswaran @ |
| | Shilpa Joshi |
| | Falin Majumdar (From 28 June, 2024) |
| | Chandani Bhupendra Maru (From 8 May, 2024) |

@ Independent Directors

* Non Independent Non Executive Director

(D) Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

| | 31st March, 2025 | 31st March, 2024 |
|--|------------------------------------|------------------------------------|
| | (in ₹ million) | (in ₹ million) |
| (a) Holding Company and Ultimate Holding Company | | |
| Dividend paid | 436.3 | 828.9 |
| Royalty Expense | 29.0 | 25.4 |
| Balance as at the year end — | | |
| Outstanding Payable | 12.9 | 11.5 |
| (b) Fellow Subsidiaries | | |
| | 31st March, 2025 | 31st March, 2024 |
| | (in ₹ million) | (in ₹ million) |
| Purchases of Stock-in-Trade | | |
| Novartis Pharma AG | 822.4 | 809.9 |
| | 822.4 | 809.9 |
| Sale of Services | | |
| Novartis Healthcare Private Limited | 9.6 | 6.6 |
| | 9.6 | 6.6 |
| Commission Income | | |
| Novartis Healthcare Private Limited | 0.1 | 10.3 |
| | 0.1 | 10.3 |
| Services Availed | | |
| Novartis Healthcare Private Limited | 58.0 | 22.0 |
| | 58.0 | 22.0 |
| Business Support Services | | |
| Novartis Healthcare Private Limited | 6.6 | — |
| | 6.6 | — |
| Sale of Property Plant and Equipment | | |
| Novartis Healthcare Private Limited | 2.2 | — |
| | 2.2 | — |
| Purchase of Restricted Shares (including shares under ESPP) of Novartis AG on behalf of employees of the Company by Novartis-Mitarbeiterbeteiligungsstiftung (MBS) | 3.3 | 6.0 |
| Novartis Holding AG | — | 0.9 |

30. Related Party Disclosures (contd.)

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|---|--|--|
| | <u>3.3</u> | <u>6.9</u> |
| Forfeiture of Restricted Shares of Novartis AG by | | |
| Novartis Holding AG | 3.0 | — |
| | <u>3.0</u> | <u>—</u> |
| Expenses paid by Company on behalf of the related party | | |
| Novartis Farma – Produtos Farmacêuticos, S.A. | — | 10.1 |
| | <u>—</u> | <u>10.1</u> |
| Expenses paid by the related party on behalf of the Company | | |
| Novartis Healthcare Private Limited | — | 1.1 |
| | <u>—</u> | <u>1.1</u> |
| | <u>31st March, 2025</u> | <u>31st March, 2024</u> |
| | <u>(in ₹ million)</u> | <u>(in ₹ million)</u> |
| Balances as at the year end – | | |
| Outstanding Receivables | | |
| Novartis Healthcare Private Limited | 1.7 | 0.9 |
| | <u>1.7</u> | <u>0.9</u> |
| Outstanding Payables | | |
| Novartis Healthcare Private Limited | 11.6 | 7.4 |
| Novartis–Mitarbeiterbeteiligungsstiftung (MBS) | 2.8 | 6.0 |
| Novartis Pharma AG | 155.8 | 138.5 |
| | <u>170.2</u> | <u>151.9</u> |

(c) Post Employment Benefit Plans of Novartis India Limited

| | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|---|--|--|
| Contribution to In-house Trust for Post Employment Benefits | | |
| Novartis India Limited Employees' Provident Fund | 21.4 | 27.8 |
| Novartis India Limited Employees' Gratuity Fund | 14.0 | — |
| Novartis India Limited Employees' Superannuation Fund | — | 0.1 |
| | <u>35.4</u> | <u>27.9</u> |

30. Related Party Disclosures (contd.)

(d) Key Management Personnel Compensation

| | 31 st March, 2025 | 31 st March, 2024 |
|--|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Managing Director- Remuneration | — | 17.3 |
| Whole time Director - Remuneration | 12.4 | — |
| Whole time Director & Chief Financial Officer | 14.4 | 12.4 |
| Post-employment & long term benefits | 0.5 | 0.2 |
| Commission to Independent Directors | 3.0 | 3.0 |
| Sitting fees to Independent Directors | 1.5 | 1.3 |
| Total compensation | 31.9 | 34.2 |

Notes:

- 1) The company had a Managing Director during the year, till 2nd April, 2024.
- 2) No amounts have been written off/provided for or written back in respect of amounts receivable from or payable to the related parties except as disclosed above.
- 3) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- 4) All the related party transactions are on an arms length basis.

31. Disclosures required under Ind AS 116 “Leases”

The Company has taken residential/office premises on lease. The lease term in respect of these leases range from 3 to 10 years. In respect of the said leases, the additional information is as under:

Right-of-use assets

| | 31 st March, 2025 | 31 st March, 2024 |
|---|---------------------------------|---------------------------------|
| | (in ₹ million) | (in ₹ million) |
| The carrying amount of right of use assets at the start of reporting period by class of underlying asset. | 52.9 | 174.0 |
| Depreciation charge for right-of-use assets | 17.2 | 24.3 |
| Addition to right-of-use assets | — | — |
| Derecognition of right-of-use assets | — | 96.8 |
| The carrying amount of right of use assets at the end of reporting period by class of underlying asset. | 35.7 | 52.9 |
| Depreciation charge for right-of-use assets | 17.2 | 24.3 |
| Interest expense on lease liability | 5.2 | 14.8 |
| Gain on derecognition of lease liability and Right-of-Use Assets (Refer Note below) | — | 26.8 |
| Total cash outflow for leases | 24.1 | 37.0 |
| The carrying amount of right of use assets at the end of reporting period by class of underlying asset. | 35.7 | 52.9 |
| Lease Liabilities | | |
| Opening Balance of Lease liability | 69.5 | 215.1 |

31. Disclosures required under Ind AS 116 “Leases” (contd.)

| | 31 st March, 2025 | 31 st March, 2024 |
|---|---------------------------------|---------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Additions/Modification/(Deletion) | — | (123.4) |
| Finance charge accrued during the year | 5.2 | 14.8 |
| Payment of Lease Liabilities | (24.1) | (37.0) |
| Closing Balance of Lease liability | 50.6 | 69.5 |
| Maturity analysis of lease liabilities (on undiscounted basis): | | |
| not later than one month; | 2.0 | 2.0 |
| later than one month and not later than three months; | 4.0 | 4.0 |
| later than three months and not later than one year; | 16.0 | 18.0 |
| later than one year and not later than five years; and | 34.8 | 56.8 |
| later than five years | — | — |
| Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application | 8.50% | 8.50% |

Note : For the year ended 31 March 2024, the Company has amended the original agreement with the lessor for one of the premise taken on lease, which has resulted in decrease in scope of original agreement. Pursuant to such decrease, there is a partial derecognition of the lease liability and the Right of Use asset. The gain on the resulting derecognition has been recognised under Other Income.

32. Earnings Per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has not issued any potential equity shares and accordingly, the basic earnings per share and diluted earnings per share are the same. Earnings per share has been computed as under:

| | 31 st March, 2025 | 31 st March, 2024 |
|---|---------------------------------|---------------------------------|
| (a) Basic & diluted earnings per share:— | | |
| From operations attributable to the equity holders of the Company (in ₹) (Face value of ₹5/share) | 40.87 | 34.50 |
| (b) Earnings used in calculation of basic & diluted earnings per share | | |
| Profit for the year attributable to the equity shareholders of the Company (in ₹ million) | 1,009.0 | 851.9 |
| (c) Weighted average number of equity shares used as the denominator in calculating basic & diluted earnings per share (number of shares) | 24,690,797 | 24,690,797 |

33. Disclosures for Employee Share Based Payments

The Company offers its employees, share based payments in the form of a “Select” plan. The Equity Plan “Select” is a global equity incentive plan for eligible employees. This plan allows its participants to choose the form of their equity compensation in ‘Restricted Shares’ or ‘Tradable Options’ of the ultimate holding company, Novartis AG, Basel. The “Select” plan of the ultimate holding company is being managed and administered by the group company, Novartis Holding AG and the Company is compensating Novartis Holding AG for the Restricted Shares or Tradable Options acquired towards the grants made to the employees and accordingly these costs are being reflected in the financial statements.

33. Disclosures for Employee Share Based Payments (contd.)

There are two schemes under which employees are granted stock options:

- (A) Restricted Shares are the shares of its ultimate holding company. These have voting rights until vested to employees. There is no time limit to sell the Restricted Shares once these are vested.

Restricted Shares

| | 31 st March, 2025 | 31 st March, 2024 |
|--|---------------------------------|---------------------------------|
| Type of Arrangement | | |
| (i) Date of Grant | @ | \$ |
| (ii) Numbers Granted | 236 | 747 |
| (iii) Vesting Conditions | 1 – 3 Years | 1 – 3 Years |
| @ 24 th January, 2025 | | |
| \$ 24 th January, 2024, 2 nd May, 2023 | | |

| | 31 st March, 2025 | 31 st March, 2024 |
|---|---------------------------------|---------------------------------|
| (i) Balance at the beginning of the year | 1,365 | 810 |
| (ii) Granted | 236 | 747 |
| (iii) Grants forfeited | 382 | — |
| (iv) Grants vested | 513 | 192 |
| (v) Grants Transferred | — | — |
| (vi) Balance at the end of the year | 706 | 1,365 |
| (vii) Weighted average remaining contractual life of Restricted Shares outstanding at end of period | 1.25 years | 1.66 years |

Fair Value of the Restricted Stock Units

The Fair Value of Restricted Stock Unit is equivalent to the market price of traded stock of Novartis AG as on date of grant.

Expenses arising from share based payment transactions

Total expenses/(credit) arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense is as follows:

| Particulars | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|--|---|---|
| Restricted Stock Units | 3.3 | 2.5 |
| Total employee share based payment expense/(credit) | 3.3 | 2.5 |

34. Employee Share Purchase Plan (ESPP)

In the year ending 31st March 2024 Novartis AG started to grant shares under the Employee Share Purchase Plan (ESPP). The ESPP enables employees to voluntarily purchase Novartis AG shares through payroll deductions at a discounted price. The shares are not subject to a vesting period.

The total charge to Statement of Profit and Loss on of ESPP is ₹ 0.2 million (Previous year - ₹ 0.1 million)

The total carrying amount as on 31st March 2025 on account of ESPP is ₹ 0.8 million (as on 31st March 2024 ₹ 0.4 million)

35. Financial Instruments

Financial Instruments – Fair values and Risk Management

A Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

35. Financial Instruments (contd.)

Carrying amount of financial assets and liabilities at amortised cost

| Particulars | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|---|---|---|
| Financial assets at amortised cost | | |
| Trade Receivables | 401.4 | 414.7 |
| Cash and Cash Equivalents | 520.7 | 449.8 |
| Bank Balances other than (ii) above | 5,959.6 | 5,511.0 |
| Other Financial Assets | 9.4 | 8.1 |
| | 6,891.1 | 6,383.6 |
| Financial liabilities not measured at fair value | | |
| Bank Overdraft | — | 0.2 |
| Lease Liabilities | 18.5 | 18.8 |
| Trade Payables | 514.7 | 615.9 |
| Other Financial Liabilities | 195.4 | 266.2 |
| | 728.6 | 901.1 |

Fair value of Financial assets and liabilities at amortised cost

| Particulars | 31 st March, 2025 (in ₹ million) | 31 st March, 2024 (in ₹ million) |
|--|---|---|
| Financial assets at amortised cost (level 2) | | |
| Other non-current financial assets | 10.6 | 21.7 |
| Financial liabilities at amortised cost (level 2) | | |
| Other non-current financial liabilities | 2.0 | 2.2 |
| Lease Liabilities | 32.1 | 50.7 |

Note

Fair values of financial instruments such as trade receivables, short term loans, cash and cash equivalents, bank balances other than cash and cash equivalents and trade payables have not been disclosed because their carrying amounts are a reasonable approximation of fair value.

Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments.

| Type | Valuation technique |
|---|--|
| Non-current loans | Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The own non-performance risk in case of financial liabilities was assessed to be insignificant. |
| Other non-current financial assets | |
| Other non-current financial liabilities | |

36. Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. Market risk is the loss of future earnings, fair values or future cash flows that may result from the change of a price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

36. Financial risk management (contd.)**(A) Credit Risk**

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers including outstanding receivables.

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(i) Trade and other receivables

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company manages credit risk through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

At 31st March, 2025, the Company had 2 customers (At 31st March, 2024 : 5 customers) that owed the Company more than ₹ 10 million each and accounted for approximately 64% (At 31st March, 2024 : 66%) of all the trade receivables, excluding related parties. The Company performs regular monitoring of credit limits and key performance indicators as agreed as well as manages the collection of receivables in order to minimize the credit risk exposure.

In furtherance to above, the Company has assessed the impact of the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized in respect of trade receivables.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account historical data of collections. Receivables are classified into different buckets based on the overdue period ranging from 6 months – one year to more than two years. There are different provisioning rates for each bucket.

Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has further considered internal and external sources of information, specifically having regard to the current macro economic conditions and the global health pandemic to assess the impact on credit losses. Basis the information available as at the date of approval of these financial statements, the Company expects the historical trend of minimal credit losses to continue.

For credit risk exposure, refer note 8 Trade Receivables.

The following table provides information about the exposure to credit risk and ECL's for trade receivables from individual customers:

[ii(a)] Expected Credit loss assessment for customers

| As at March 31, 2025 | Trade receivable balance | Weighted average loss rate | Impairment loss allowance | Credit Impaired |
|-----------------------------|---------------------------------|-----------------------------------|----------------------------------|------------------------|
| Not due | 371.8 | 0.0% | — | No |
| 1–30 Days | 3.2 | 0.0% | — | No |
| 31–90 days | 10.3 | 0.0% | — | No |
| 91–180 days | 10.6 | 0.0% | — | No |
| 181–360 days | 2.0 | 0.0% | — | No |
| More than 360 days | 26.6 | 87.6% | 23.3 | Yes |
| | 424.5 | | 23.3 | |

[ii(b)] Expected Credit loss assessment for customers

| As at March 31, 2024 | Trade receivable balance | Weighted average loss rate | Impairment loss allowance | Credit Impaired |
|-----------------------------|---------------------------------|-----------------------------------|----------------------------------|------------------------|
| Not due | 404.9 | 0.7% | 2.9 | No |
| 1–30 Days | 2.5 | 0.0% | — | No |

36. Financial risk management (contd.)

| As at March 31, 2024 | Trade receivable balance | Weighted average loss rate | Impairment loss allowance | Credit Impaired |
|----------------------|--------------------------|----------------------------|---------------------------|-----------------|
| 31–90 days | 3.9 | 0.0% | — | No |
| 91–180 days | 0.8 | 0.0% | — | No |
| 181–360 days | 1.1 | 0.0% | — | No |
| More than 360 days | 26.5 | 83.3% | 22.1 | Yes |
| | 439.7 | | 25.0 | |

[(ii)(c)] Movement in expected credit loss allowance

| Particulars | (in ₹ million) |
|---|----------------|
| As at 1st April, 2023 | 23.3 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 1.7 |
| As at 31st March, 2024 | 25.0 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net) | (1.7) |
| As at 31st March, 2025 | 23.3 |

(iii) Cash and cash equivalents and deposits with banks

Credit risk on Cash and Cash Equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

(B) Liquidity Risk**(i) Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Bank balances are maintained with reputed banks. Management monitors rolling forecasts of the company's liquidity position (comprising the unused cash and bank balances along with temporary investments in fixed deposits) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the Company operates.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity based on their remaining contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual cash flows. Balances approximate their carrying balances as the impact of discounting is not significant.

| | (in ₹ million) | | | | |
|---|------------------|--------------|-------------------|--------------|----------------|
| Contractual maturities of financial liabilities | Less than 1 year | 1 to 3 years | More than 3 years | Total | Carrying value |
| 31st March, 2025 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Non-Interest bearing | 710.1 | — | — | 710.1 | 710.1 |
| Fixed interest rate instruments* | — | — | 2.0 | 2.0 | 2.0 |
| Lease Liability | 22.0 | 34.8 | — | 56.8 | 50.6 |
| Total | 732.1 | 34.8 | 2.0 | 768.9 | 762.7 |
| 31st March, 2024 | | | | | |
| Non-derivative financial liabilities | | | | | |
| Non-Interest bearing | 882.1 | — | — | 882.1 | 882.1 |
| Fixed interest rate instruments* | 0.2 | — | 2.2 | 2.4 | 2.4 |

36. Financial risk management (contd.)

| Contractual maturities of financial liabilities | (in ₹ million) | | | | |
|---|------------------|--------------|-------------------|--------------|----------------|
| | Less than 1 year | 1 to 3 years | More than 3 years | Total | Carrying value |
| Lease Liability | 24.0 | 56.8 | — | 80.8 | 69.5 |
| Total | 906.3 | 56.8 | 2.2 | 965.3 | 954.0 |

* Effective interest rate payable on security deposit on 31st March, 2025 is 6% (31st March 2024 - 5.88%) and on bank overdraft (31st March 2023 - 9.1%)

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The amounts disclosed in the table are the contractual undiscounted cash flows.

| Contractual maturities of financial assets | (in ₹ million) | | | | |
|--|------------------|--------------|-------------------|----------------|----------------|
| | Less than 1 year | 1 to 3 years | More than 3 years | Total | Carrying value |
| 31st March, 2025 | | | | | |
| Non-derivative financial assets | | | | | |
| Non-Interest bearing | 491.3 | 7.2 | 18.4 | 516.9 | 470.8 |
| Fixed interest rate instruments* | 6,429.0 | 3.7 | - | 6,432.7 | 6,430.6 |
| Total | 6,920.3 | 10.9 | 18.4 | 6,949.6 | 6,901.4 |
| 31st March, 2024 | | | | | |
| Non-derivative financial assets | | | | | |
| Non-Interest bearing | 525.1 | 6.8 | 18.4 | 550.3 | 512.7 |
| Fixed interest rate instruments* | 5,893.2 | 4.7 | — | 5,897.9 | 5,895.8 |
| Total | 6,418.3 | 11.5 | 18.4 | 6,448.2 | 6,408.5 |

* Effective interest rate is 3%

(iv) Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

| Particulars | 31 st March, 2025 | 31 st March, 2024 |
|---|------------------------------|------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Bank Overdraft/ WCDL facility | 90.0 | 19.8 |
| Non-Fund Based facility: (Letter of Credit, Bank Guarantee, etc.) | 116.5 | 117.5 |

(C) Market Risk – Foreign Exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. These transactions are mainly with the related parties only. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the Company is to minimize the volatility of the ₹ cash flows of highly probable forecast transactions.

36. Financial risk management (contd.)

The Company actively monitors and seeks to reduce, where it deems it appropriate to do so, fluctuations in these exposures.

(i) Foreign Currency Risk Exposure:

The Company has not entered into any derivative transactions during the year.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ (in million), is as follows :

| | 31st March, 2025 | 31st March, 2024 |
|--------------------|------------------------------------|------------------------------------|
| | (in ₹ million) | (in ₹ million) |
| Receivables | | |
| USD | — | — |
| Payables | | |
| USD | 158.6 | 144.5 |
| SGD | — | 1.1 |

(ii) Sensitivity:

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| | 31st March, 2025 | 31st March, 2024 |
|---------------------------------------|------------------------------------|------------------------------------|
| | (in ₹ million) | (in ₹ million) |
| USD sensitivity | | |
| ₹/USD –Increase by 1% # | (1.6) | (1.4) |
| ₹/USD –decrease by 1% # | 1.6 | 1.4 |
| #Holding all other variables constant | | |

37. Capital management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company has no borrowings as at 31st March, 2025 and had a bank overdraft as at 31st March, 2024, and no borrowings were availed during the previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

38. Ratios

| Ratio | Numerator | Denominator | 31st March, 2025 | 31st March, 2024 | % Change as compared to 2024 |
|--|--|--|------------------|------------------|------------------------------|
| Current Ratio | Current Assets | Current liabilities | 5.3 | 4.4 | 18% |
| Debt-equity ratio | Lease liabilities + Borrowings | Shareholder equity | 0.01 | 0.01 | (31%) |
| Explanation | Variance in lease liabilities is due to reduction in lease area resulting in reduced lease payments compared to previous year. | | | | |
| Debt Service coverage ratio | Earning available for debt service | Lease payments | 43.2 | 24.2 | 79% |
| Explanation | Variance in lease liabilities is due to reduction in lease area resulting in reduced lease payments compared to previous year. | | | | |
| Return on equity Ratio | Profit for the year | Average Shareholder's equity (Opening + Closing)/2 | 13.2% | 11.2% | 18% |
| Inventory turnover Ratio | Sale of Products | Average Inventory (Opening + Closing)/2 | 8.3 | 6.7 | 23% |
| Trade receivable turnover Ratio | Revenue from Operations | Average Trade Receivables (Opening + Closing)/2 | 8.7 | 8.6 | 1% |
| Trade Payable turnover Ratio | Purchases of Stock-in-Trade + Other Expenses | Average Trade payables (Opening + Closing)/2 | 4.4 | 4.1 | 7% |
| Net capital turnover Ratio | Revenue from Operations | Average Working Capital (Opening + Closing)/2 | 0.6 | 0.6 | (2%) |
| Net Profit Ratio | Profit for the year | Revenue from Operations | 28.3% | 25.4% | 11% |
| Return on capital employed | Earnings Before Interest and Taxes | Capital Employed | 11.4% | 9.2% | 24% |
| Return on Investment | Weighted average Interest Income on Bank Deposit | Weighted average bank deposits | 6.7% | 6.4% | 4% |

39. There are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40. There are no funds that have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41. Additional disclosures

i Details of benami property held

No proceedings have been initiated on/or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

41. Additional disclosures (contd.)

iii Relationships with struck off Companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 except as mentioned below for the year ended 31st March 2024 and 31st March 2025

| Sr.no | Company name | No of Shares 2024 | No of Shares 2025 | Relationship with company |
|-------|--|-------------------|-------------------|---------------------------|
| 1 | FAIRTRADE SECURITIES LIMITED | 1.0 | 1.0 | Shareholder |
| 2 | ROOPAK TRADING AND INVESTMENTS PVT LTD | 50.0 | 50.0 | Shareholder |
| 3 | MHT INVESTMENT PVT.LTD. | 2.0 | 2.0 | Shareholder |
| 4 | BADRI SARRAF FIN & MUTUAL BENEFIT CO LTD | — | 100.0 | Shareholder |
| 5 | UNICON FINCAP PRIVATE LIMITED | — | 300.0 | Shareholder |

iv Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

v Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vi Details of Crypto currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

vii Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

viii Valuation of Property plant and equipment, intangible assets and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix Charges or satisfaction which are yet to be registered with Registrar of Companies beyond the satisfactory period as at 31st March 2025

Charges or satisfaction which are yet to be registered with Registrar of Companies beyond the satisfactory period as at 31st March 2024:

| Sr. no | Charge holder's name | Amount in Million | Status |
|--------|---|-------------------|-----------------------------------|
| 1 | Grindlays Bank | 452.0 | Date of Satisfaction – 01.07.2024 |
| 2 | The Industrial Credit and Investment Corporation of India Ltd | 200.0 | Date of Satisfaction – 30.04.2024 |
| 3 | Citi Bank N.A | 5.0 | Date of Satisfaction – 10.04.2024 |
| 4 | The National Bank of India Ltd | 0.3 | Date of Satisfaction – 20.08.2024 |

As per our report of even date attached.

For and on behalf of Novartis India Limited
CIN – L24200MH1947PLC006104

For B S R & Co LLP

Chartered Accountants

Firm's Registration Number – 101248W/W – 100022

Christopher Snook

Chairman

DIN: 00369790

Shilpa Joshi

Whole time Director &

Chief Financial Officer

DIN: 09775615

Maulik Jhaveri

Partner

Membership no. 116008

Mumbai, 9th May, 2025

Chandni Maru

Company Secretary &

Compliance Officer

Membership no. ACS 60291

Mumbai, 9th May, 2025

NOTES

[illegible]

FINANCIALS SUMMARY OF 10 YEARS

(₹ in million)

| | 2024-25 | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|--|-------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| I. INCOME, PROFIT AND DIVIDEND | | | | | | | | | | | |
| Sales of product (Net) | 3553 | 3334 | 3672 | 3754 | 3565 | 3997 | 4322 | 4980 | 5836 | 7222 | 8122 |
| Profit before tax (PBT) | 1304 | 1228 | 1154 | -38 | 400 | 286 | 858 | 1575 | 917 | 2717 | 932 |
| Profit after tax (PAT) | 1009 | 852 | 1034 | -37 | 209 | 101 | 518 | 784 | 572 | 1983 | 791 |
| Dividend | 617 | 617 | 1173 | 247 | 247 | 247 | 247 | 247 | 281 | 320 | 320 |
| Dividend - ₹ per share | 25 | 25 | 47.5 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| II. SHAREHOLDER'S FUND | | | | | | | | | | | |
| Share capital | 123 | 123 | 123 | 123 | 123 | 123 | 123 | 123 | 141 | 160 | 160 |
| Reserve and surplus | 7726 | 7325 | 7633 | 6,794 | 6989 | 7084 | 7469 | 7213 | 9055 | 11776 | 9860 |
| Net worth (Shareholder's fund) | 7850 | 7448 | 7757 | 6917 | 7112 | 7207 | 7592 | 7336 | 9196 | 11936 | 10020 |
| III. RATIOS | | | | | | | | | | | |
| Return on sales (PAT) % | 28.4 | 25.6 | 28.1 | -1.0 | 5.9 | 2.5 | 12 | 15.7 | 9.8 | 27.5 | 9.7 |
| Return on shareholder's fund (PAT) % | 12.9 | 11.4 | 13.3 | -0.5 | 2.9 | 1.4 | 6.8 | 10.7 | 6.2 | 16.6 | 7.9 |
| Earning per share (calculated on PAT) ₹ | 40.9 | 34.5 | 41.86 | -1.51 | 8.46 | 4.08 | 20.97 | 28.43 | 19.1 | 62.04 | 24.75 |

Notes:

- 1) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, with effect from April 1, 2016. The figures mentioned for the financial year 2015-16 in the above table have been restated to Ind AS.
- 2) In the financial year 2017-18, the Company undertook buy back of 3,450,000 shares by way of tender offer through stock exchange mechanism.
- 3) In the financial year 2016-17, the Company undertook buy back of 3,820,000 shares by way of tender offer through stock exchange mechanism.
- 4) The financial year 2015-16 includes extraordinary items from sale of OTC and Animal Health Divisions.
- 5) The financial year 2021-22 includes an exceptional expense towards employee separation relating to a business transaction of Established Medicines Division.



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