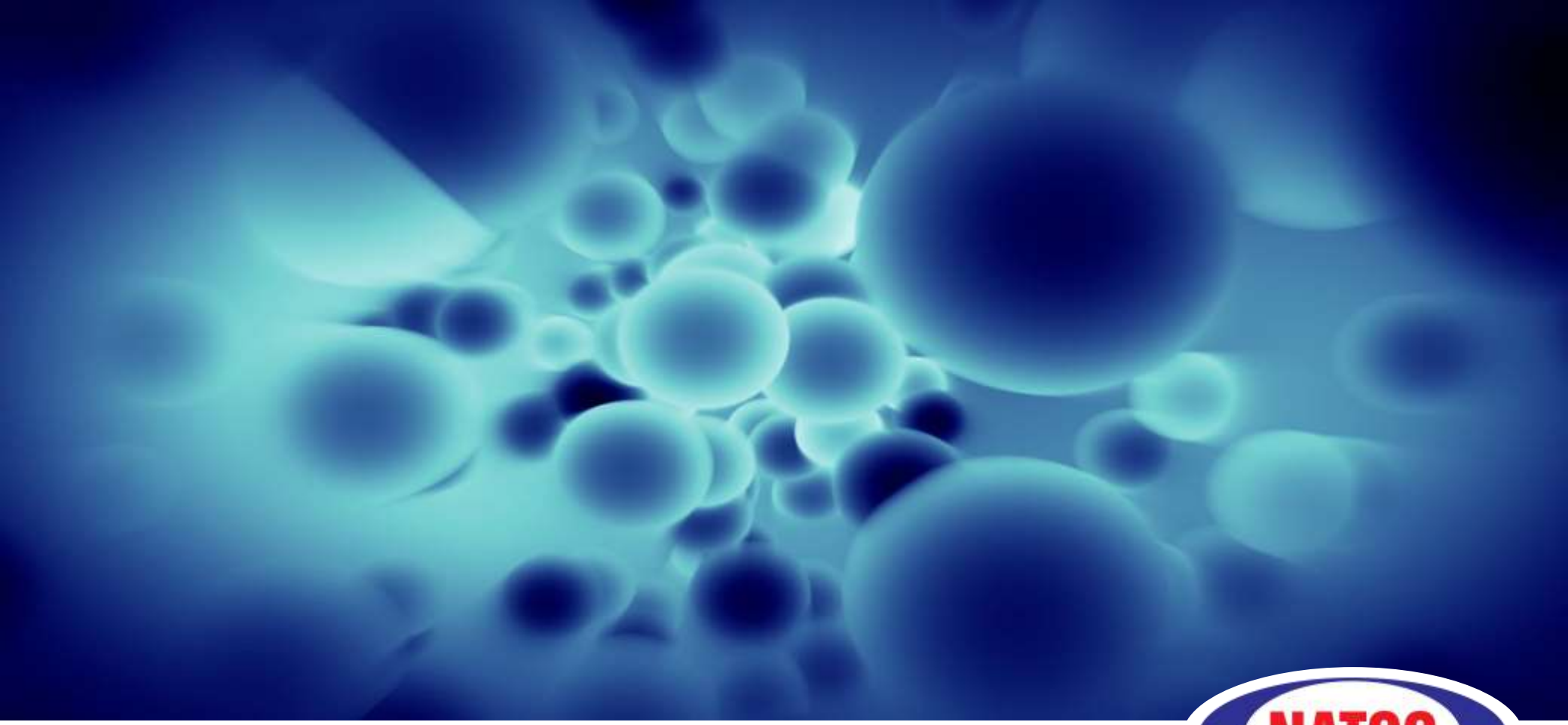


Natco Pharma Limited

Feb 2016

Strictly Private and Confidential

Important Disclosure

This presentation has been prepared by Natco Pharma Limited (the "Company") solely for information purposes without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation should not be construed as legal, tax, investment or other advice. This presentation is confidential, being given solely for your information and for your use, and may not be copied, distributed or disseminated, directly or indirectly, in any manner. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Company. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions. Furthermore, by reviewing this presentation, you agree to be bound by the trailing restrictions regarding the information disclosed in these materials. This presentation contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those specified in such forward-looking statements as a result of various factors and assumptions. The risks and uncertainties relating to these statements include, but are not limited to, (i) fluctuations in earnings, (ii) the Company's ability to manage growth, (iii) competition, (iv) government policies and regulations, and (v) political, economic, legal and social conditions in India. The Company does not undertake any obligation to revise or update any forward-looking statement that may be made from time to time by or on behalf of the Company. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

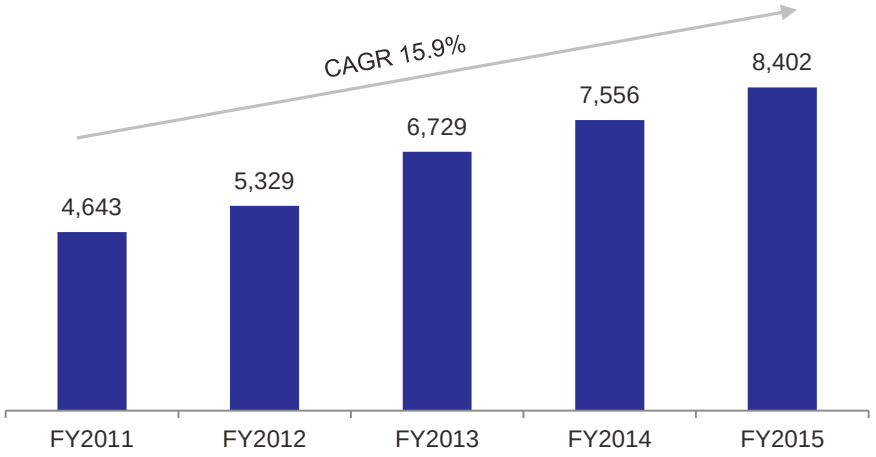
The information contained in this presentation is only current as of its date and has not been independently verified. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness, correctness or fairness of the information, estimates, projections and opinions contained in this presentation. None of the Company or any of its affiliates, advisers or representatives accept any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Such information and opinions are in all events not current after the date of this presentation.

None of the Company, any placement agent or any other persons that may participate in the offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from this presentation or its contents or otherwise arising in connection therewith. This presentation does not constitute or form part of and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company by any person in any jurisdiction, including in India or the United States, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any investment decision or any contract or commitment therefore. Securities of the Company may not be offered or sold in the United States absent registration or an applicable exemption from registration under the United States Securities Act of 1933, as amended. This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India.

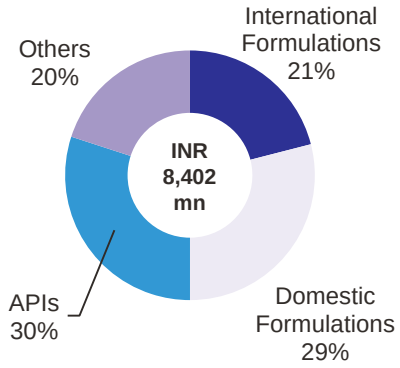
Natco Pharma at a Glance

- **Vertically integrated** pharmaceutical company with focus on **niche therapeutic areas and complex products** in Finished Dosage Formulations ("FDF") and Active Pharmaceutical Ingredients ("APIs")
- Diversified business model with presence across segments including Domestic & International formulations, API manufacturing and drug discovery
  - Products marketed in over 40 countries
  - Portfolio of **38 niche ANDA filings** in the US **including 16 Para IV** filings and **31 USDMFs filings** (as of 31-Dec-2015)
- **Strong position in domestic oncology** segment with presence in Gastroenterology and Orthopaedics
  - **Portfolio of 26 products** (as of 31-Dec-2015) catering to various oncology diseases including breast, brain, bone, lung and ovarian cancer
  - **Launched the generic version of Gilead's Sovaldi, under its brand HEPCINAT** for the treatment of Hepatitis C
- **Strong R&D capabilities** supported by two well equipped research centres and seven approved manufacturing facilities (five formulations and two APIs)
- Incorporated in 1981 and headquartered in Hyderabad currently employs over 3,300 employees across all locations

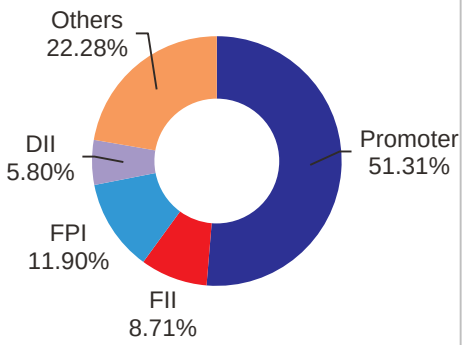
Total Revenue, Consolidated Basis (INRmn)



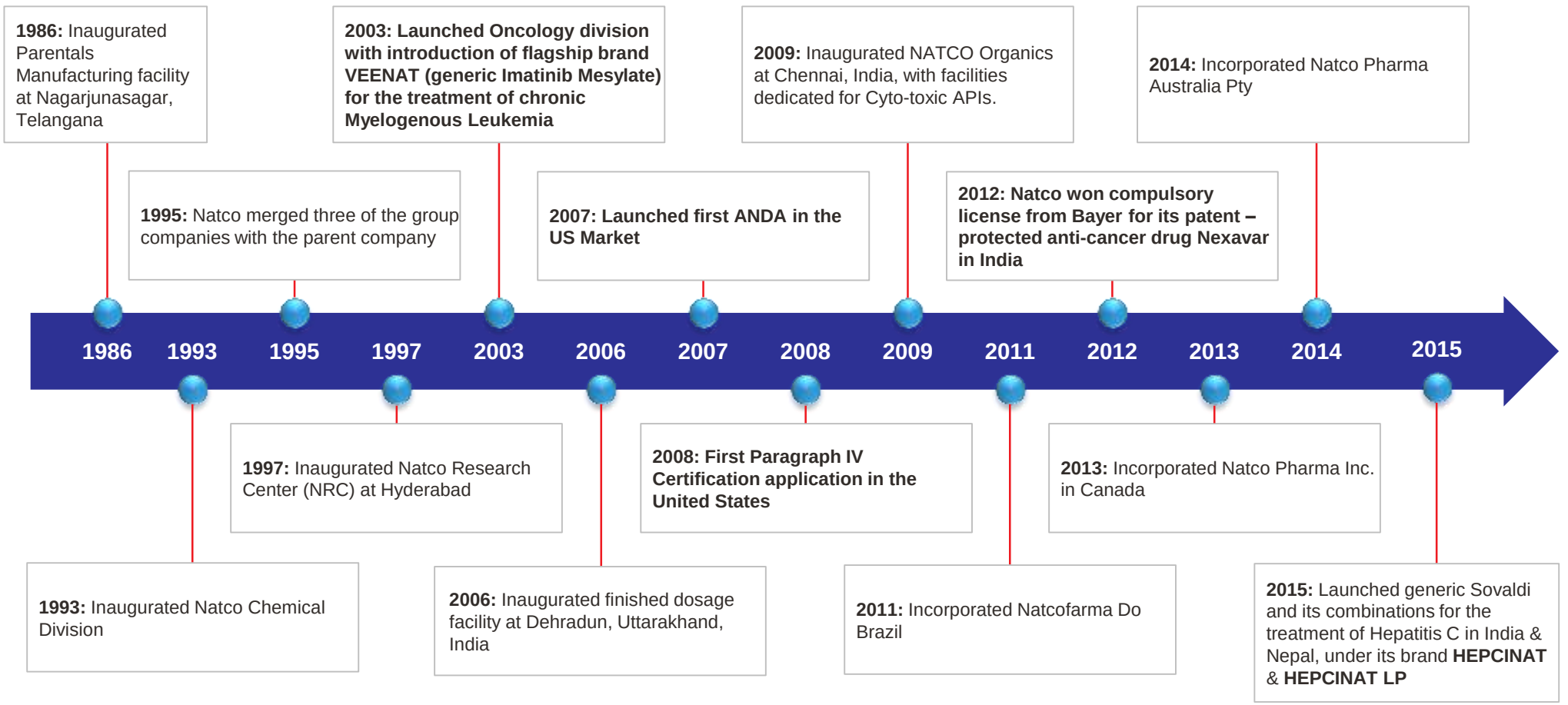
FY2015 Revenue Segmentation



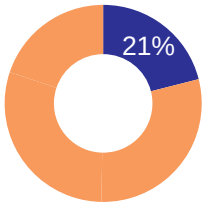
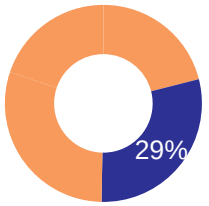
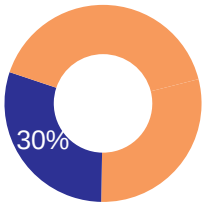
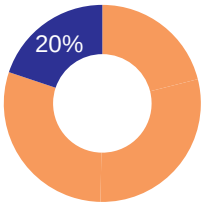
Shareholding Pattern
(as of 31-Dec-2015)



Company Evolution



Key Business Segments

	Formulations		API (Domestic & Exports)	Others
	International	Domestic		
Overview	▪ Portfolio of niche and complex products for US ▪ 38 niche ANDA filings in the US – 16 product approvals (including 3 tentative approvals) – 21 products under review ▪ Emerging presence in Europe, Asia and other ROW countries.	▪ Leading Player[1] in India's generic oncology space led by flagship brands like Geftinat, Erlonat, Veenat and Sorafenat – Widened its product range from 6 in FY2004 to 25 as on 31-Dec-2015 ▪ Specialist sales force of 150 marketing personnel and over 350 distributors ▪ Holds compulsory license from Bayer for its patent – protected anti-cancer drug Nexavar in India	▪ Filed 31 DMFs in US with over 15 products under development ▪ Vertically integrated for most of its FDF products ▪ Exports focused on the US, Europe and Brazil	▪ Operates one pharmacy store in US ▪ Operates in Brazil, Canada, Singapore and Australia through following subsidiaries: – Natco Farma Do Brazil – Natco Pharma (Canada) Inc. – Natco Asia Pte Ltd., Singapore – Natco Pharma Australia Pty ▪ Selective contract manufacturing business
FY15 Revenue (INRmn)	**INR 1,767.67mn**	**INR 2,458.66mn**	**INR 2,506.53mn**	**INR 1,668.97mn**
FY15 Revenue Contribution				

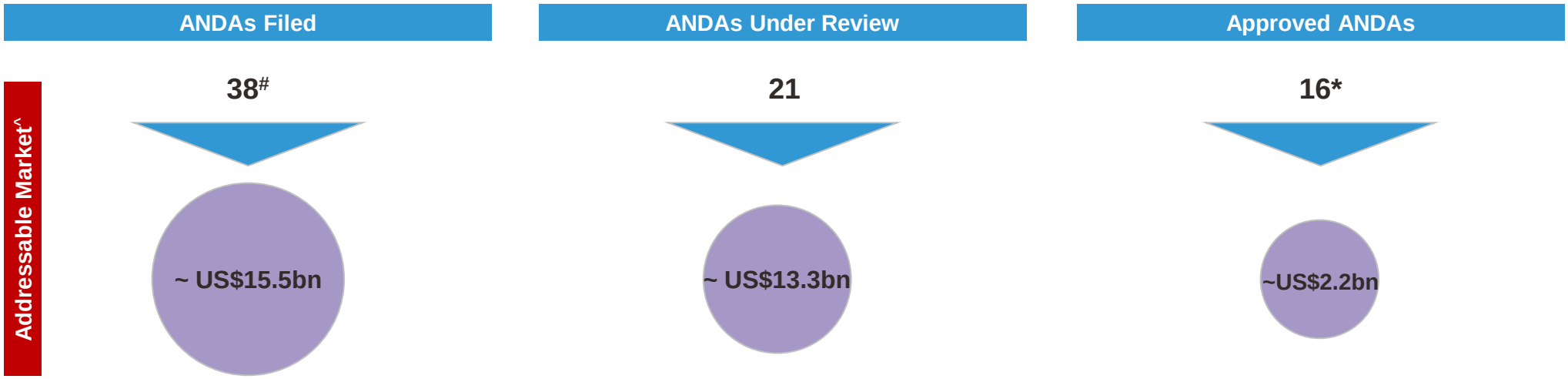
- (1) Source: Report On Pharmaceutical Industry by CARE Ratings, 2015

Key Growth Pillars in Place Supported by a Strong Foundation for Value Creation

Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products

- Pipeline of **niche and complex generics** products in US
- **38 ANDA filings including 16 Para IV** filings with USFDA (as on December 31, 2015) targeting a combined market of over **US$15.0bn**^
- **16 approved** ANDAs (including 3 tentative approvals)
- Adopts **partnering strategy to develop and market products** for the US with globally renowned pharmaceutical companies

Overview of US Portfolio (As on 31-Dec-2015)



Portfolio of 38 ANDAs including 16 Para IV filings some of which are believed to be First-to-file (FTF)

- * Includes 3 tentative approvals; ^ Source: IMS; Based on annual sales of products for 12-month period Oct-2014 to Sept 2015; # One ANDA filing withdrawn

Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products (Cont'd)

Overview of Key Filings

Key Brand	Molecule	Therapeutic Segment / Indication	Dosage Form	Para IV	Para III	Market Size (US$mn)#
Copaxone 20&40mg	Glatiramer 20&40mg	Multiple Sclerosis	PFS	✓		4,318
Gleevac	Imatinib	Cancer, CML	Tablets	✓		2,417
Gilenya	Fingolimod	Multiple Sclerosis	Capsules	✓		1651.8
Tamiflu	Oseltamivir Capsules	Influenza Infection	Capsules	✓		666.8
Treanda	Bendamustine	Leukemia	Injection	✓		713.2
Entocort	Budesonide	Crohn Disease	Capsules		✓	518.8
Nuvugil	Armodafinil	Antidepressants	Tablets	✓		472.4
Vidaza	Azacitidine	Myelodysplastic syndrome	Injection		✓	248.1
Jevtana	Cabazitaxel	Prostate cancer	Injection	✓		132.6
Fosrenol	Lanthanum Carbonate	End stage renal disease	Tablets	✓		119.8
Tykerb	Lapatinib Ditosylate	Anti cancer	Tablets	✓		79.1
Revlimid*	Lenalidomide	Multiple Myloma	Capsules	✓		1002.7
Tracleer*	Bosentan	Hypertension	Tablets		✓	41.8
Nexavar*	Sorafenib	Anti cancer	Tablets	✓		62.5

- **US FDF products portfolio is predominantly focused on high-barrier-to-entry products that are difficult to formulate, difficult to manufacture or may face complex legal and regulatory challenges**
- **16 Para IV filings with combined market size of US$13.3bn[1]**

* Represents REMS product

Source: IMS; Based on annual sales of products for 12-month period Oct 2014 to Sept 2015

De-risked Business Model through Partnership with Global Pharmaceutical Players

Mitigation Strategy

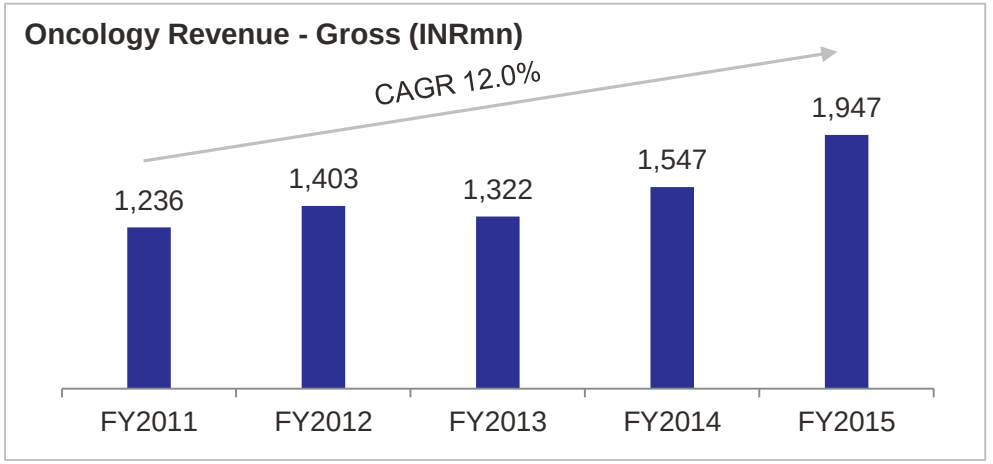
US Market reach and Regulatory Challenges

- Adopted and successfully implemented partnership strategy for international formulations product
  - Has product specific partnerships with global generic players at different stages of a potential ANDA filing
  - Entered into de-risked arrangements with marketing partner whereas the partner undertakes the responsibility of lengthy and complex litigation and regulatory issues and securing the ANDA approval
  - Global generic pharmaceutical companies have significant insight into global legal procedures and protocols enabling us to draw on their experience to successfully obtain the necessary regulatory approvals and effectively commercialize our products.

Key Pipeline Product	Marketing Partner
Copaxone 20mg	Yes - Mylan
Copaxone 40mg	Yes - Mylan
Gleevac	Yes - Lupin
Gilenya	Yes
Tamiflu	Yes - Alvogen
Treanda	Yes – Breckenridge
Revlimid	Yes - Actavis
Entocort	Yes - Alvogen
Nuvugil	Yes – Breckenridge
Vidaza	Yes – Breckenridge
Jevtana	Yes - Breckenridge
Fosrenol	Yes - Lupin
Tykerb	Yes - Lupin
Tracleer	Yes - Lupin
Nexavar	Yes - Mylan

Leading Position in Domestic Oncology Segment

- **Focus on oncology segment in domestic market** and hold leading market share in operated portfolio of product
- Entered the segment with launch of **Veenat (Imatinib generic version**) in 2003
- Progressively widened its oncology product range from **6** in 2003-04 to **26** as on 31-Dec-2015
  - Portfolio catering to Breast, Brain, Bone, Lung, and Ovarian Cancers
- Sales and marketing of the product is supported by strategically located **logistics network of 150 marketing personnel & over 350 distributors**



Oncology Portfolio	No. of Active Brands*	INR100mn+ Brands (FY15)
Hematology	10	(Veenat) (Lenalid)
Solid Tumors	16	(Erlonat) (Geftinat) (Sorafenat)

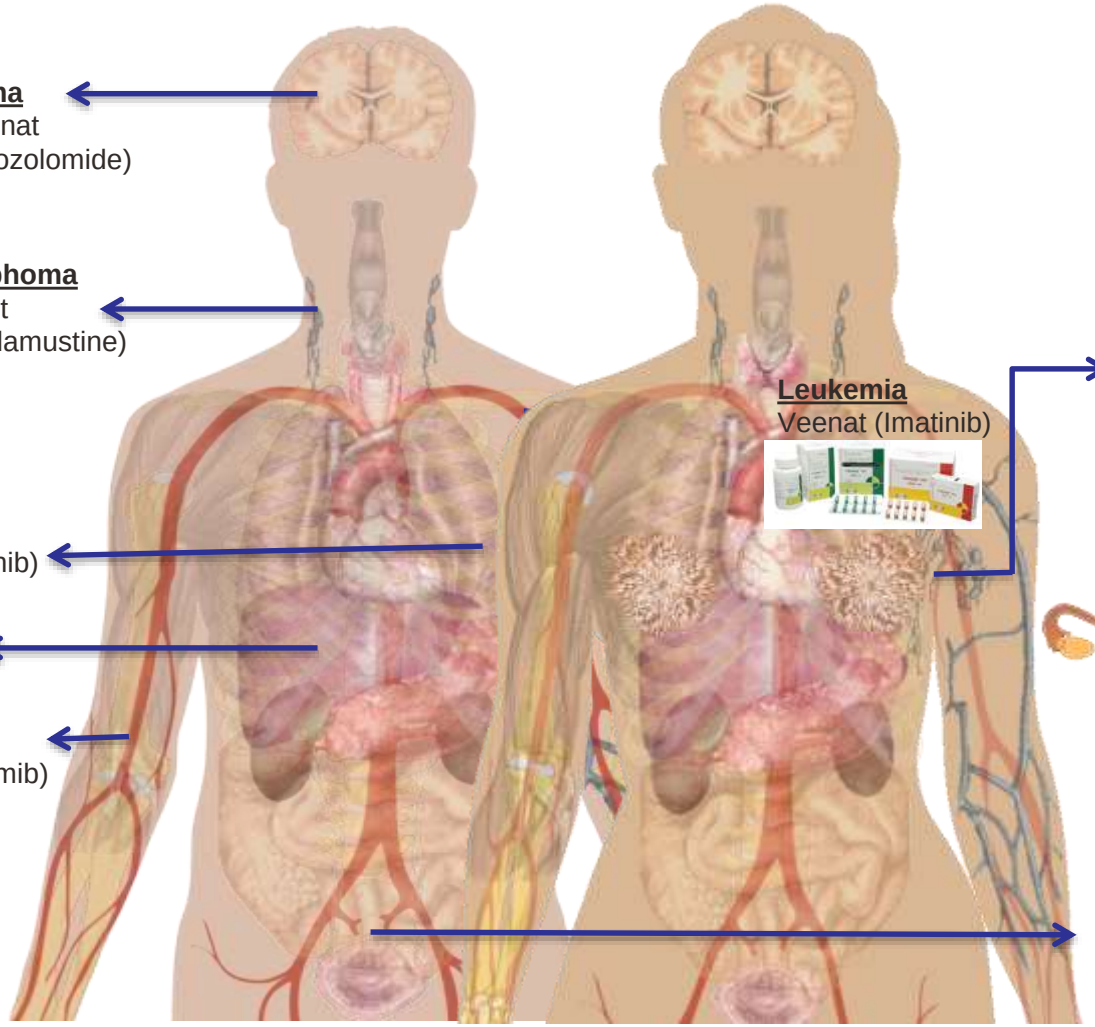




- ✓ Substantial reduction in the **treatment cost of Chronic Myeloid Leukaemia** via launch of generic Imatinib
- ✓ **G**ranted a compulsory license to launch Bayer's patent – protected anti-cancer drug Nexavar in India

*As on 31-Dec-2015

Leading Position In Domestic Oncology Segment (Cont'd)



Glioma
Temonat
(Temozolomide)

Lymphoma
Bendit
(Bendamustine)

Leukemia
Veenat (Imatinib)

Lung Cancer
Geftinat (Geftinib)

HCC/RCC/DTC
Sorafenat
(Sorafenib)

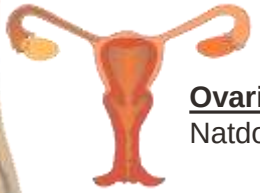
Myeloma
Bortenat (Bortezomib)

Supportive Care
Zoldonat
(Zoledronic Acid)

Breast Cancer
Fulvenat (Fulvestrant)

Xtane (Exemestane)

Letronet (Letrozole)



Ovarian Cancer
Natdox-LP

Colorectal Cancer
Capnat (Capecitabine)

Expanding Presence in Domestic Specialty Pharma Segment

Domestic Specialty Pharma

- Portfolio of 13 products catering primarily to Gastroenterology, Orthopaedics and Critical Care/CNS
- Currently products in oral and injectables dosage forms
- Select contract manufacturing assignments

Hepatitis C Opportunity

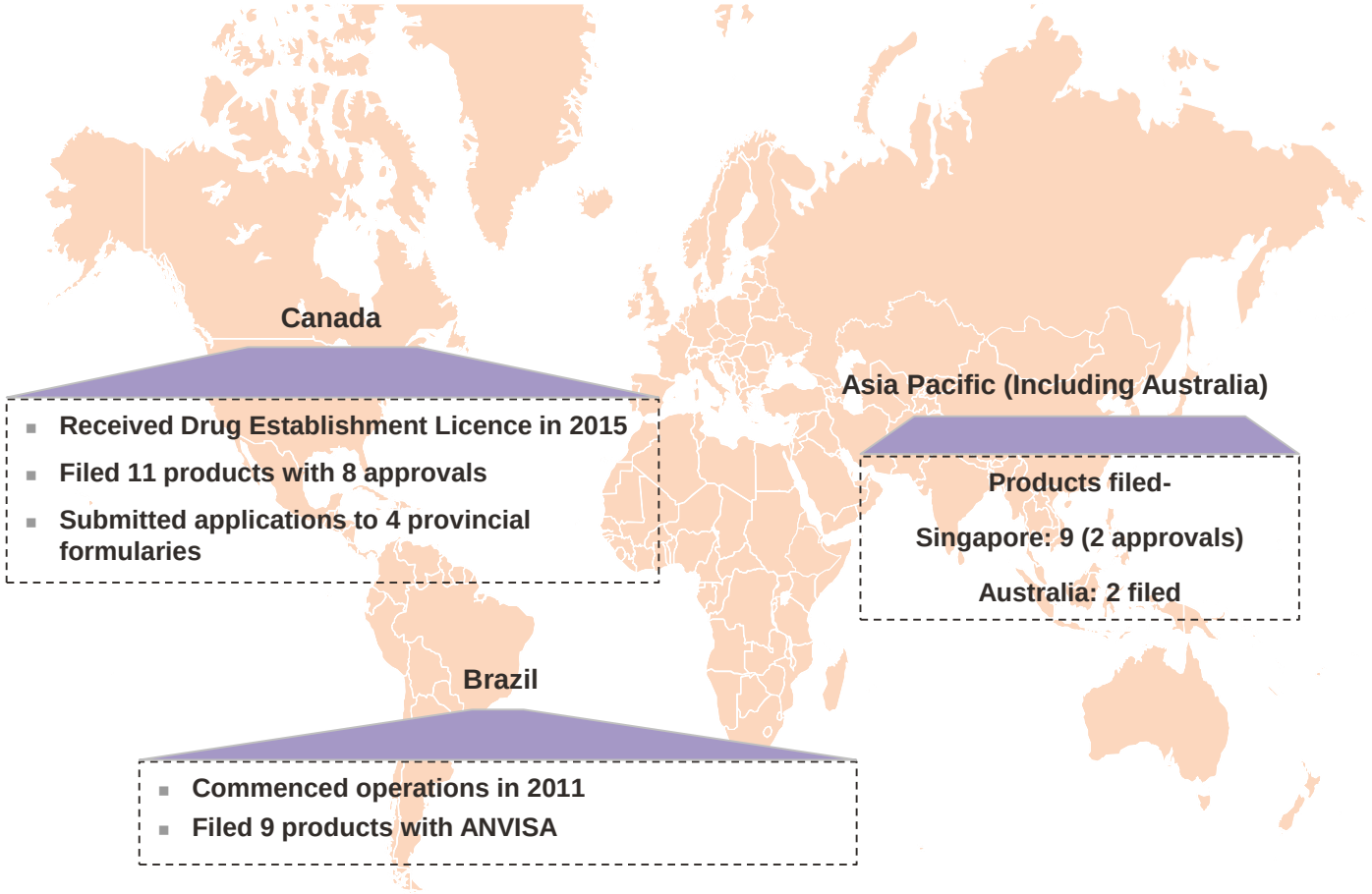
- Launched generic Sovaldi and its combinations for the treatment of Hepatitis C in India & Nepal under its brand **HEPCINAT** & **HEPCINAT LP**
  - Medicine used for chronic hepatitis C infection and sold globally by Gilead Sciences, Inc., under its brand Sovaldi
- Non-exclusive licensing agreement with Gilead Sciences for 101 countries including India
- Launched generic Daclatasvir in India under its brand **Natdac**

Overview of Key Products

Products	Active Ingredient	Dosage Form	Therapeutic Area
 Natzold	Zoledronic Acid	Infusion Solution	Orthopaedics, Supportive Care
 Glatimer	Glatiramer Acetate	Injection	Multiple Sclerosis
 Teravir	Tenofovir	Tablets	Hepatitis-B

Expanding Europe & RoW Presence

RoW formulation growth to be driven by launches in EU, scale up in Latin America and Canada and phased launch of generic Sovaldi



Canada

- Received Drug Establishment Licence in 2015
- Filed 11 products with 8 approvals
- Submitted applications to 4 provincial formularies

Asia Pacific (Including Australia)

Products filed-

Singapore: 9 (2 approvals)

Australia: 2 filed

Brazil

- Commenced operations in 2011
- Filed 9 products with ANVISA

Europe

- Sell our products in UK and Germany
- 4 approvals
- Distribution arrangements with our business partner

Venezuela

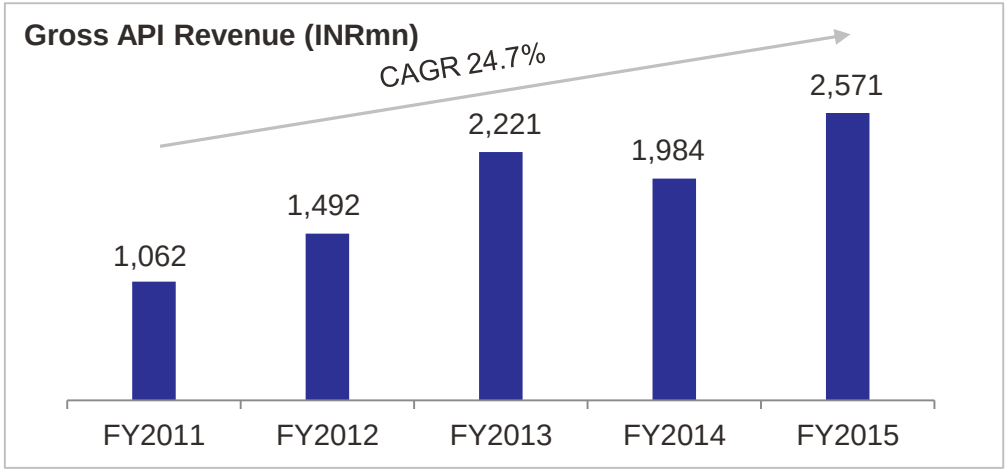
- Sell our FDF products (oncology) to third parties

Other Geographies

- Indian sub-continent
- Middle East

Strong In-House API Development with Vertical Integration for Key Formulation Products

- Strategically important business – develops APIs primarily for **captive consumption** of its FDF portfolio as well as third party sales
- Portfolio of **31 USDMFs** with over **15 products** under development
- Focuses on **complex molecules** in **oncology** and **CNS** segments
  - Other therapeutic areas of focus includes Anti-asthmatic, Anti-depressant, Anti-migraine, Anti-osteoporosis and G I Disorders
- Exports are focused on the US, EU, Canada, Latin America and South-East Asia
- **Vertical integration for several APIs** a key competitive advantage

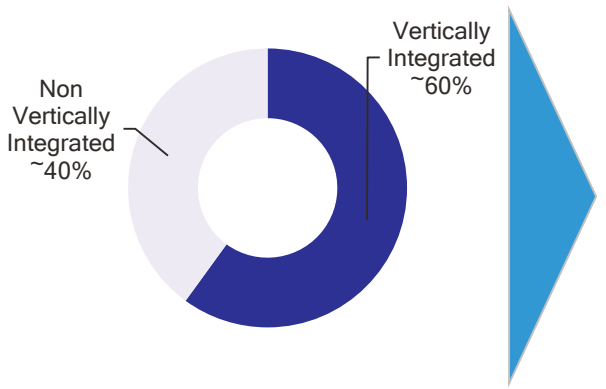


Strategic Advantage with Backward Integration in Critical APIs

API Strengths

- ✓ Complex multi-step synthesis & scale-up
- ✓ Semi-synthetic fusion technologies
  - Fermentation / Biotech / Synthetic / Separation technologies
- ✓ Containment / High potency APIs
- ✓ Peptide (Solid phase) pharmaceuticals

Vertically Integrated ANDAs



Total Addressable Market (US$mn)[1]

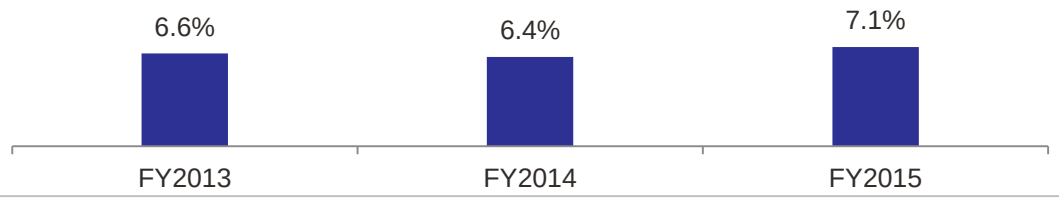
(1) Source: IMS. Denotes size of FDF markets of vertically integrated ANDAs

Strong Research & Development Capabilities

Strong R&D capabilities demonstrated by its complex and niche product filings in formulations and API segments

- Two well equipped research facilities with capabilities across synthetic chemistry, biotech & fermentation, nano pharmaceuticals, new drug discovery & cell biology
  - Currently engaged in discovery and development of drugs NRC-AN-019 (brain tumour, pancreatic cancer and CML) and NRC-2694 (Breast Cancer); NRC-019 has received orphan drug status in USA

R&D as % of Standalone Revenue



Function	No. of Labs	No. of Scientists
Process Research	12	80
Discovery - NCEs (Anti-cancer segment)	4	15
Analytical Development	5	45
Therapeutic Peptides	3	15
New formulation / Cell Biology / Animal house Toxicology / Molecular modeling & RDD	4	30
Biotechnology & Fermentation	3	20
Containment labs for high potency products	2	10
Bio-Analytical lab	1	10
NDDS & nano-pharmaceuticals	2	10

16 ANDAs Approved
(including 3 tentative approvals)
16 Para IV Filings

31 US DMFs Filed
Over 15 API products Under Development

127 International Patents Filed
100 International Patents Granted

76 Indian Patents Filed
79 Indian Patents Granted

Commitment to Manufacturing Excellence with a Culture of Quality and Compliance

Formulations Manufacturing Facilities

Kothur Facility

- Capability: Tablets, Capsules, Pellets, Injectables
- Key Regulatory Approvals: GMP, USFDA, German Health Authority, ANVISA
- Last USFDA audit approval : July 2014

Nagarjuna Sagar Facility

- Capability: Ampoules, Vials, Lyophilized vials, Parenterals, Sterile Dry Powders
- Key Regulatory Approvals: GMP

Dehradun Unit 6 Facility

- Capability: Tablets, Capsules, Injectables
- Key Regulatory Approvals: GMP

Dehradun Unit 7 Facility

- Capability: Tablets, Capsules
- Key Regulatory Approvals: GMP, Public Health Service of the Netherlands (EU GMP)

Guwahati Facility

- Recently Commissioned GMP Compliant Facility
- Capability: Tablets, Capsules

API Manufacturing Facilities

Mekaguda Facility

- Key Regulatory Approvals: GMP, USFDA, German Health Authority, PMDA (Japan), Cofepris (Mexico)
- Last USFDA audit approval: January 2015

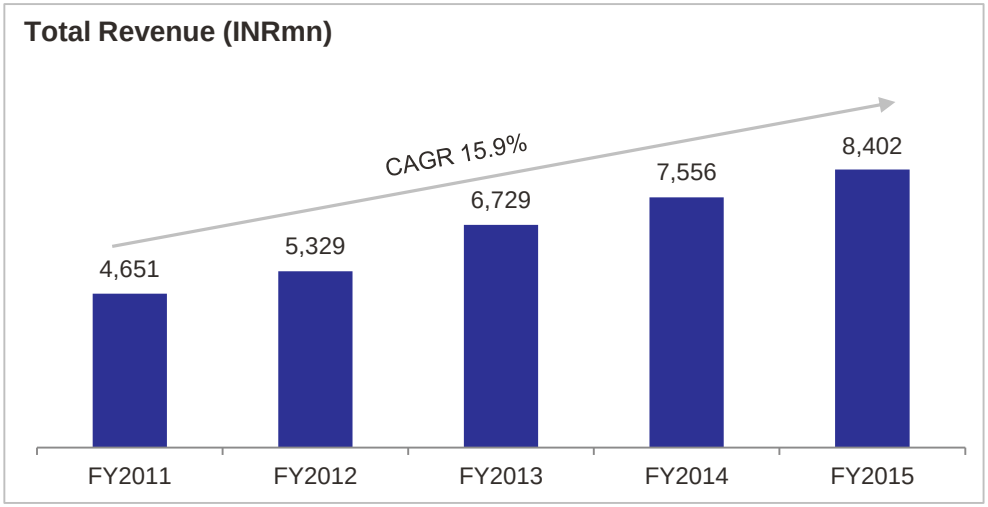
Chennai Facility

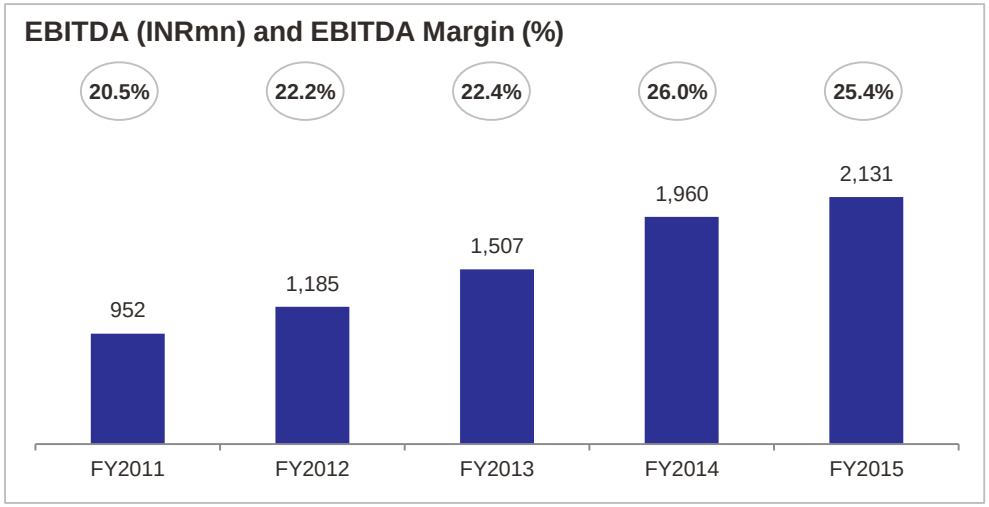
- Key Regulatory Approvals: GMP

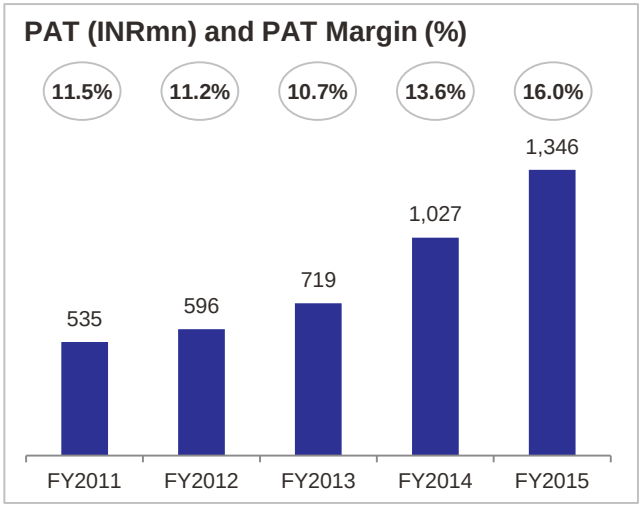
Experienced Management

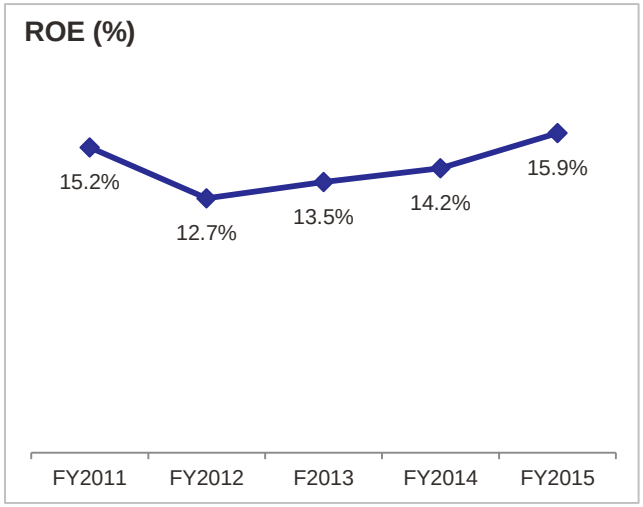
 **Mr. V.C Nannapaneni** *Chairman and Director*	▪ Holds Masters degree in Pharmaceutical Administration from the Long Island University, US ▪ Over 42 years of experience in the Pharmaceutical Industry
 **Mr. Rajeev Nannapaneni** *Vice Chairman & CEO*	▪ Holds bachelors degree in Quantitative Economics and History from Tufts University, Boston, USA ▪ Holds wide experience and exposure in General Management and Product Development
 **Dr. A.K.S Bhujanga Rao** *President (R&D and Technical)*	▪ Awarded Ph.D.in Synthetic Organic Chemistry from the Indian Institute of Science (IISc), Bangalore ▪ Wide expertise in technology transfer to commercial scale, quality control regulatory affairs and Patents
 **Dr. Linga Rao** *President (Technical Affairs)*	▪ Holds Masters degree in Science (Applied Chemistry) & Ph.D in Chemistry from JNTU, Hyderabad ▪ Over 35 years of experience in the pharmaceutical industry and has been working with Natco for over 21 years
 **Mr. P.S.R.K Prasad** *Executive Vice President*	▪ Holds B.E. Mech. Engg. from Andhra University, Visakhapatnam ▪ Responsible for looking after the general administration, engineering, regulatory, training, environmental matters, safety, health, production and maintenance activities of the Company
 **Mr. S.V.V.N.Appa Rao** *Vice President – Finance & Interim CFO*	▪ Over 25 years of experience including 20 years within the Company covering areas of accounting, financial controller, treasury ▪ Responsible for finance and treasury functions at the Company
 **M. Adinarayana** *Company Secretary & VP-Legal & Corporate Affairs*	▪ Bachelors in Commerce and Bachelors in Law from Andhra University, Fellow Member of Institute of Company Secretaries of India ▪ 22+ years of experience within the Company in legal, secretarial and patent litigation areas
 **Mr. Rajesh Chebiyam** *Vice President - Business Development & Corp Support*	▪ Holds MBA from Babson College and Masters degree in Chemical Engineering from University of Rhode Island ▪ 20+ years of experience across supply chain, operations, business development, sales and strategy

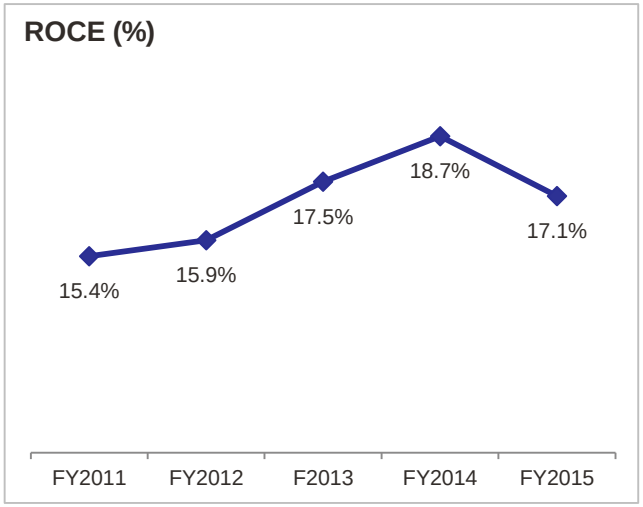
Demonstrated Track Record of Topline and Earnings Growth











Historical Financials

Consolidated Profit & Loss Statement (INRMn)

Particulars	31-Mar-13	31-Mar-14	31-Mar-15
Revenue from operations (gross)	6,681	7,447	8,382
Less : Excise duty	76	58	129
Revenue from operations (net)	6,605	7,389	8,253
Other income	124	167	149
Total revenue	**6,729**	**7,556**	**8,402**
Expenses			
Cost of material consumed	1,776	1,601	1,673
Purchase of stock in trade	871	889	843
Change in Inventory	(219)	(158)	(92)
Employee benefits	1,023	1,128	1,369
Finance costs	263	366	317
Depreciation	221	304	473
Other expenses	1,654	2,135	2,325
Prior period expenses	1	0	1
Total expenses	**5,590**	**6,266**	**6,908**
Profit before exceptional items and tax	**1,139**	**1,290**	**1,493**
Exceptional item	116	-	151
Profit before tax	**1,023**	**1,290**	**1,342**
Current Tax	230	323	351
Deferred Tax Benefit	134	(14)	(312)
PAT (Before Minority interest)	**659**	**981**	**1,303**
Minority Interest	(60)	(46)	(43)
PAT (After Minority interest)	**719**	**1,027**	**1,346**

Consolidated Balance Sheet (INRMn)

Particulars	31-Mar-13	31-Mar-14	31-Mar-15
Share Capital	314	331	332
Reserves and Surplus	5,022	6,928	8,128
Net Worth	**5,335**	**7,259**	**8,461**
Minority Interest	105	69	50
Long-term borrowings	1,378	955	970
Deferred Tax Liabilities	443	431	119
Other Non-Current Liabilities	7	10	8
Long-term Provisions	86	111	95
Total Current Liabilities	**1,915**	**1,507**	**1,192**
Short-term borrowings	1,477	986	1,685
Trade Payables	1,143	1,098	1,253
Other current liabilities	818	1,022	1,186
Provisions	11	17	13
Current Liabilities	**3,449**	**3,123**	**4,137**
Total Liabilities	**10,804**	**11,957**	**13,840**
Tangible Assets	5,539	6,127	6,640
Intangible Assets	288	320	459
CWIP	1,058	1,238	1,290
Non-current Investments	15	16	16
Long Term Loans & Advances	572	542	570
Other Non-Current Assets	1	32	35
Non Current Assets	**7,475**	**8,276**	**9,011**
Current Investments	8	3	1
Inventories	1,460	1,811	2,200
Sundry Debtors	1,297	1,188	1,924
Cash and Bank Balances	127	110	134
Loans and Advances	404	543	551
Other Current Assets	33	25	19
Current Assets	**3,330**	**3,681**	**4,830**
Total Assets	**10,804**	**11,957**	**13,840**

Historical Financials (contd.)

Consolidated Cash Flow Statement (INRMn)

	31-Mar-13	31-Mar-14	31-Mar-15
Profit Before Tax	1,023	1,290	1,342
Add: Depreciation and Amortization	221	304	473
Less: Change in Working Capital	(674)	(161)	(860)
Others (inc Tax & Other Adjustments)	41	7	(29)
Cash flow from operations	**612**	**1,440**	**927**
Net Capex	(1,117)	(1,104)	(1,192)
Others	46	14	45
Cash Flow from Investing	**(1,071)**	**(1,089)**	**(1,148)**
Proceeds from Equity	2	1,085	-
Net Borrowings	701	(911)	714
Dividend Paid	(144)	(193)	(199)
Finance Cost Paid	(321)	(343)	(299)
Movement in minority interest	24	10	75
Cash Flow from Financing	**263**	**(353)**	**291**
Effect of currency adjustments	(51)	4	(48)
Net Increase/Decrease in Cash	(247)	3	22
Opening Balance	346	100	102
Closing Balance	**100**	**102**	**124**

Q1-Q2-Q3 FY16 Consolidated Financial Results (INRMn)

	31-Dec-15	30-Sep-15	30-Jun-15
Total Revenues	**2,814**	**2,370**	**2,255**
EBITDA	**610**	**585**	**575**
EBITDA Margin (%)	*22.0%*	*25.0%*	*25.5%*
PAT	**372**	**296**	**282**
PAT Margin (%)	*13.2%*	*12.5%*	*12.5%*