



Natco Pharma Limited

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CIN : L24230TG1981PLC003201, www.natcopharma.co.in

28th November, 2014

M/s. National Stock Exchange of India Ltd
"Exchange Plaza", Bandra – Kurla Complex
Bandra (E)
Mumbai 400 051.

Attn: Shreya Ghose

Dear Sir/ Madam,

This is with regard to clarification sought by you on the press release dt.27-11-2014 issued by us. The litigation with SMS Pharmaceuticals Ltd. pertaining to a civil dispute in relation to settlement of conversion charges and others for the job works undertaken by Natco Pharma Ltd. to SMS Pharmaceuticals Ltd.

Natco Pharma filed a civil recovery suit against SMS Pharmaceuticals Ltd. in the City Civil courts, Hyderabad in the year 2002 and SMS Pharmaceuticals Ltd. also filed a Civil Suit against Natco Pharma Limited for recovery of some receivables etc. in the year 2002. The suit filed by Natco Pharma was dismissed and the suit filed by SMS Pharmaceuticals Ltd. was decreed in their favour in February, 2012 for an amount of Rs.32.41 crores plus interest of 15.5% from the date of the order. The Company preferred an appeal against the said order in the High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh. In the appeal Company deposited Rs.11.58 crores in the Court against the said claim which was written off in 2012. The Management has decided to settle the dispute for which both parties consented to file for withdrawal of appeal on payment of Rs.15.07 crores to SMS Pharmaceuticals Ltd.

This is for your information and records.

Thanking you,

Yours faithfully,

For NATCO Pharma Limited

A handwritten signature in black ink, appearing to read "M. Adinarayana".

M. Adinarayana

Company Secretary &

Vice President (Legal & Corp Affairs)