



NATCO'S POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

In pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Requirements') the Board of Directors ('Board') of Natco Pharma Limited (the 'Company') hereby formulate the policy for determining material subsidiary which shall be called "Natco's Policy on Determination of Material Subsidiary" (the 'Policy') which is effective from 01.12.2015.

PURPOSE:

The policy is framed to identify the criteria for determining material subsidiary of the Company.

DEFINITIONS:

Any term used in this policy shall have the meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder or any other relevant legislation/law applicable to the Company.

MATERIALITY CRITERIA:

A Subsidiary of the Company is deemed to be material if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

ANNUAL REVIEW:

The Board shall at its first meeting held in every financial year review the criteria and ascertain if any subsidiary falls under the said criteria.

COMPLIANCE BY THE COMPANY:

Whenever the Board determines that one or more of the Subsidiaries of the Company are 'material', the Company shall disclose the same to the Stock Exchanges and simultaneously update the same in its website.



Natco Pharma Limited

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POWER TO AMEND:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy in conformity with the applicable laws in force.

DISCLOSURE IN WEBSITE:

Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report of the Company.