



ICRA

ICRA Limited

CONFIDENTIAL

Ref: ICRA/ Natco Pharma Limited/ 28042022/ 1

Date: April 28, 2022

Mr. S.V.V.N. Apparao
Chief Financial Officer
Natco Pharma Limited
Road No:2, Banjara Hills
Hyderabad - 500 0331

Dear Sir,

Re: Surveillance of ICRA-assigned Credit Rating for Rs. 1,150.00 crore Bank Facilities of Natco Pharma Limited (instrument details in Annexure)

Please refer to the Rating Agreement executed between ICRA Limited ("ICRA") and your company whereby ICRA is required to assign/review the ratings on your company's debt on an annual basis, or as and when the circumstances warrant.

The Rating Committee of ICRA, after due consideration, has **reaffirmed the long-term rating at [ICRA]AA (pronounced ICRA double A) and reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus)** ("Rating") for the bank facilities of Rs 1,150.00 crore. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using the above Rating, it should be stated as **[ICRA]AA (Stable) / [ICRA]A1+**.

The aforesaid ratings will be due for surveillance any time before April 30, 2023.

The ratings are specific to the terms and conditions of the bank facilities as indicated to us by you, and any change in the terms or size of the same would require a review of the ratings by us. In case there is any change in the terms and conditions or the size of the rated bank facilities, the same must be brought to our notice before the facility is used by you. In the event such changes occur after the ratings have been assigned by us and their use has been confirmed by you, the ratings would be subject to our review, following which there could be a change in the ratings previously assigned. Notwithstanding the foregoing, any change in the over-all limit of the bank facilities from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement. ICRA reserves the right to review and/or, revise the above ratings at any time on the basis of new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the ratings assigned.

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Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.Tel. :+91.11.23357940-45

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The rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated bank facility availed by your company.

The rating assigned to the bank facility of your company shall require revalidation if there is any change in the size or structure of the rated bank facility.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authorities is exceeded

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

RAJESHWAR BURLA

Rajeshwar Burla

Vice President

rajeshwar.burla@icraindia.com

Annexure

Details of the bank limits rated by ICRA (Rated on long term scale)

Facilities	Rs. Crores	Rating	Assigned On
Fund Based Limits	(Amount)		
Indian Bank	100.00	[ICRA]AA (Stable)	April 21, 2022
State Bank of India	100.00		
Punjab National Bank	15.00		
Union Bank of India	6.50		
Citibank N.A.	100.00		
Axis Bank Limited	40.00		
IndusInd Bank Limited	115.00		
ICICI Bank Limited	80.00		
RBL Bank Limited	40.00		
HDFC Bank Limited	120.00		
MUFG Bank Limited	100.00		
Federal Bank Limited	50.00		
Total	866.50		

Details of the bank limits rated by ICRA (Rated on short term scale)

Facilities	Rs. Crores	Rating	Assigned On
Non-Fund Based Limits	(Amount)		
Indian Bank	30.00	[ICRA]A1+	April 21, 2022
State Bank of India	20.00		
Punjab National Bank	5.00		
Citibank N.A.	20.00		
Axis Bank Limited	10.00		
Total	85.00		

Details of the bank limits rated by ICRA (Rated on Long-Term Scale/ Short-Term Scale) *

Facilities	Rs. Crores	Rating	Assigned On
Fund based/Non-Fund Based Interchangeable Limits	(Amount)		
YES Bank Limited	14.00	[ICRA]AA (Stable)/ [ICRA]A1+	April 21, 2022
Kotak Mahindra Bank Limited	141.00		
Unallocated limits	43.50		
Total	198.50		

*LT or ST rating will apply depending on the tenure of the facility availed



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Chief Financial Officer
Natco Pharma Limited
Road No:2, Banjara Hills
Hyderabad - 500 0331

Dear Sir,

Re: Surveillance of ICRA-assigned Credit Rating for Rs. 400.00 crore Commercial Paper (CP) of Natco Pharma Limited

Please refer to the Rating Agreement executed between ICRA Limited ("ICRA") and your company whereby ICRA is required to assign/review the ratings on your company's debt on an annual basis, or as and when the circumstances warrant.

The Rating Committee of ICRA, after due consideration, has **reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus)** ("Rating") for Commercial Paper (CP) programme of Rs. 400.00 crore.

In any of your publicity material or other document wherever you are using the above Rating, it should be stated as **[ICRA]A1+**.

The Rating(s) are specific to the terms and conditions of the CP as indicated to us by you, and any change in the terms or size of the same would require a review of the ratings by us. In case there is any change in the terms and conditions or the size of the rated CP, the same must be brought to our notice before the CP is used by you. In the event such changes occur after the Ratings have been assigned by us and their use has been confirmed by you, the Ratings would be subject to our review, following which there could be a change in the Ratings previously assigned.

Additionally, we wish to highlight the following with respect to the rating:

(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;

(b) Subject to Clause (c) below, our rating is valid from the date of this letter till **April 30, 2023** ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Commercial Paper shall not be after the end of the Validity Period. The CP will have a maximum maturity of twelve months.

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(c) Notwithstanding anything contain in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the CP/CD/STD issued by you.

The rating is restricted to your CP Programme size of Rs. 400 crore only. In case, you propose to enhance the size of CP/CD/STD Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of CP/STD.

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

RAJESHWAR BURLA

Rajeshwar Burla

Vice President

rajeshwar.burla@icraindia.com

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