SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Investor Update on R&D Pipeline

August 4, 2016

Investor Update on R&D Pipeline

BSE:532872 • NSE: SPARC • BLOOMBERG: SPADV@IN • REUTERS: SPRC.BO • CIN:L24230GJ1993PLC019050

Disclaimer

This presentation and its contents are confidential and should not be distributed, published or reproduced, in whole or part, or disclosed by recipients directly or indirectly to any other person. Any failure to comply with these restrictions may constitute a violation of applicable laws. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions.

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. This presentation should not be relied upon as a recommendation or forecast by Sun Pharma Advanced Research Company Limited (“Company"). Please note that the past performance of the Company is not, and should not be considered as, indicative of future results. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The Company does not undertake to revise 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.

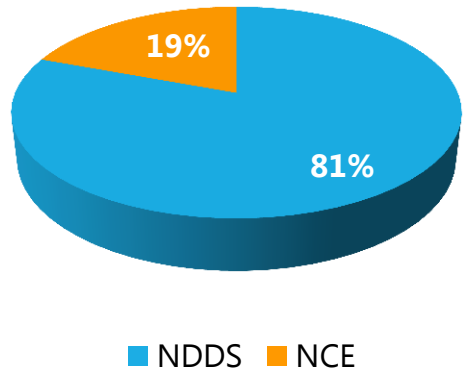
The information contained in these materials has not been independently verified. None of the Company, its Directors, Promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this document or its contents or otherwise in connection with this document, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The information and opinions contained in this presentation are current, and if not stated otherwise, as of the date of this presentation. The Company undertakes no obligation to update or revise any information or the opinions expressed in this presentation as a result of new information, future events or otherwise. Any opinions or information expressed in this presentation are subject to change without notice.

This presentation does not constitute or form part of 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, 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 contract or commitment therefor. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

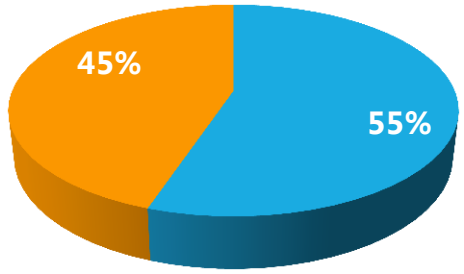
SPARC Portfolio – An Overview

- **Growing Clinical Portfolio**
  - 2 NDAs submitted
  - 3 Late stage clinical programs
  - 5 programs under early clinical development
  - Multiple opportunities for revenue growth
- **Robust early stage discovery pipeline**
  - Transitioning from predominantly NDDS focus to balanced portfolio of NCE & NDDS programs
  - Several new programs initiated on NCE and NDDS platforms
- **Portfolio Rationalization**
  - Deprioritized DICN

Development Pipeline 2014



Development Pipeline 2016



NDA = New Drug Application. NCE = New Chemical Entity, NDDS = Novel Drug Delivery System

Delivering on Commitments

Licensing & Commercialization of Elepsia™ XR	Signed licensing deal with Sun Pharma
Xelpros™ approval by USFDA	Awaiting approval, pending site clearance by USFDA
PICN launch in India	Bevetex® launched
Initiation of pivotal clinical trial for PICN	Approval strategy with BE study being implemented
Filing of 4 INDs	Filed 4 INDs

Clinical development on track for Baclofen GRS, Sal-Flu DPI and SUN-K706

IND= Investigational New Drug

Strategic Roadmap for Sustainable Growth

Smart Portfolio Growth	• Oncology – Next generation agents targeting treatment resistance • Ophthalmology – Solving complex delivery challenges • CNS – New pathways in Neuro-degeneration, Abuse Deterrence • Beyond Small Molecules – New treatment modalities
Driving Functional Excellence	• Accelerate product development • Strategic portfolio review & optimization
Augmenting Internal Capabilities & Infrastructure	• Scaling up clinical, regulatory & program management capabilities • Computer Aided Drug Design (CADD) • In-vivo infrastructure improvement
External Partnerships	• Sourcing new science • Collaborations for bridging competency & expertise • Clinical partnerships with thought leaders

CNS= Central Nervous System

Financial Summary

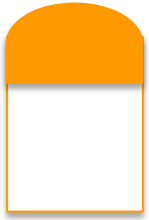
	FY16	FY15	FY14	FY13
Total Income	1,613	1,557	1,670	873
Total Expenses	2,321	1,981	1,371	1,074
Net Profit / (Loss)	(700)	(395)	303	(225)

INR Mn

- **Raised INR 2500 Mn. through Rights Issue**
- **Cash and equivalents INR 2120 Mn. as on June '16**
- **Development costs expected to increase significantly in the short term**
  - Increased clinical trial spend as pipeline transitions to late stage clinical trials
  - External partnerships to access to early translational research work
  - Employee cost escalation in select, strategic areas

Values rounded off whole no.

Upcoming Key Events



Elepsia™ XR and Xelpros™

USFDA Approval & Commercialization

Baclofen GRS

Completion of patient recruitment in Pivotal Phase III study

Salmeterol – Fluticasone DPI

Completion of Pivotal studies

SUN – K706

Establish Recommended Phase 2 Dose

PICN

Completion of Pivotal BE study

Brimonidine OD

Completion of PoC efficacy study

Regulatory Filings

4 INDs in USA

PoC = Proof of Concept

Licensing and Commercialization Update

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

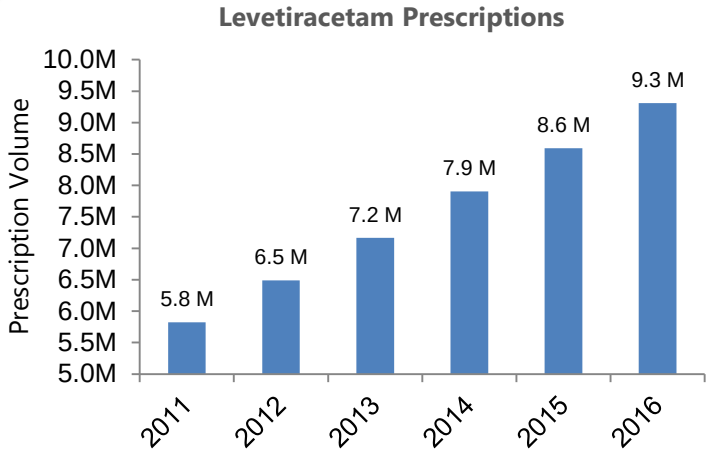
Elepsia™ XR

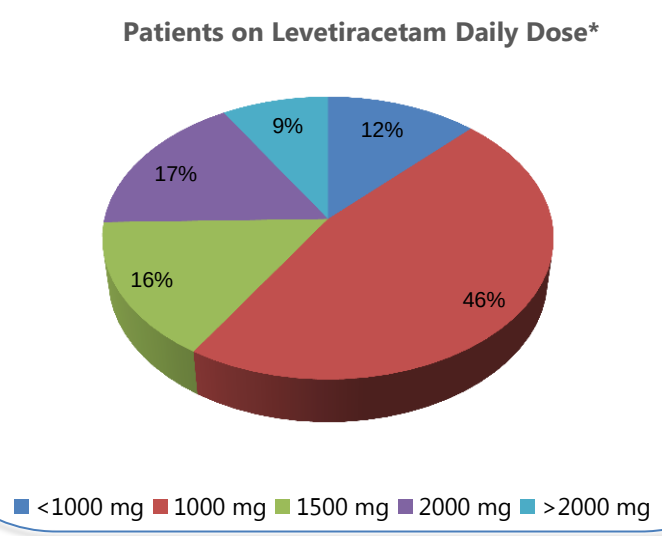
- Licensed Elepsia™ XR to a subsidiary of Sun Pharma for the US market
- Up-front payment of US$10 million, additional milestones and sales based royalties
- Sun Pharma to create a dedicated CNS sales team to commercialize Elepsia™ XR in US

Xelpros™

- Licensed Xelpros™ in 2015 to a subsidiary of Sun Pharma for the US market
- Sun Pharma launched a new specialty division, Sun Ophthalmics, to commercialize branded ophthalmic products in US including Xelpros™

Elepsia™ XR
US Commercial Opportunity

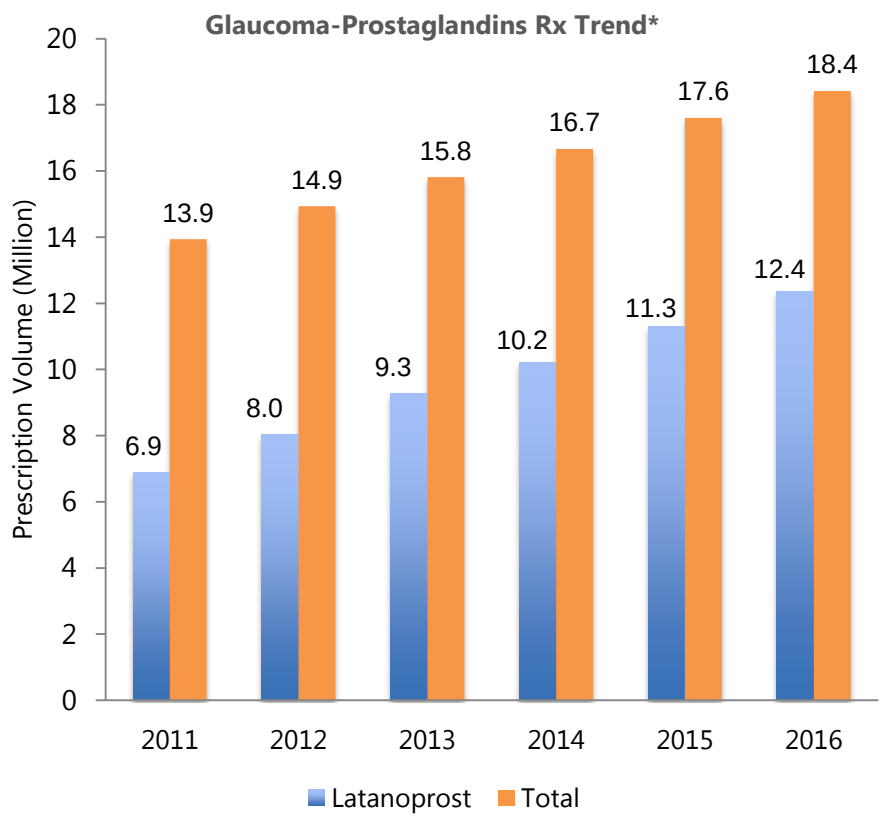




- Healthy Rx growth despite no promotion
- For the majority of Epilepsy patients, pill burden remains high
  - Over 50% patients need >6 pills per day
- >80% patients on Levetiracetam require dose exceeding 1000 mg/day
- Extended Release, once daily dosing and reducing the pill burden seen as major advantages by neurologists#
- Elepsia™ XR peak sales potential US$ 50 Mn.

Primary Market Research conducted through 3rd Party. Rx = Prescription. *IMS MAT Jun 2016

Commercial Opportunity for BAK-free Latanoprost



- Prostaglandin analogues for Glaucoma is US$ 1.4 Bn. market in US*
- Latanoprost is the most widely prescribed Prostaglandin for Glaucoma with ~67% share of prescriptions
- 10% - 16% patients on Xalatan® and other BAK containing products develop Ocular Surface Disease (OSD) symptoms#
- Ophthalmologists showed preference for BAK-free Latanoprost formulation #
- Xelpros™ peak sales potential US$ 50 Mn.

Primary Market Research conducted through 3rd Party. *IMS MAT Jun'16

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

CNS

Baclofen GRS

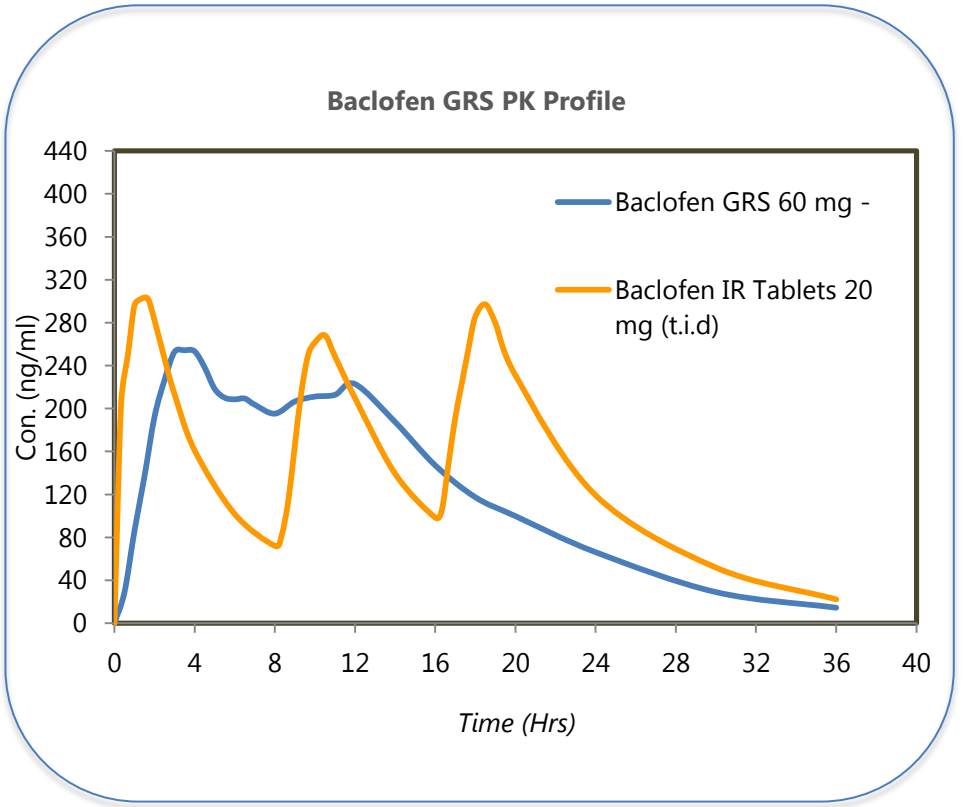
Baclofen GRS

Designed to improve compliance in patients with Spasticity

- Once-a-Day Baclofen with Proprietary Gastro Retentive Innovative Device (GRID™) technology

- Combination of mechanisms leads to successful "once -a- day" formulation
  - Flotation
  - Size expansion
  - Muco-adhesion

- Patent portfolio comprising of formulation , once a day therapy and indication patents with last patent expiring in 2027



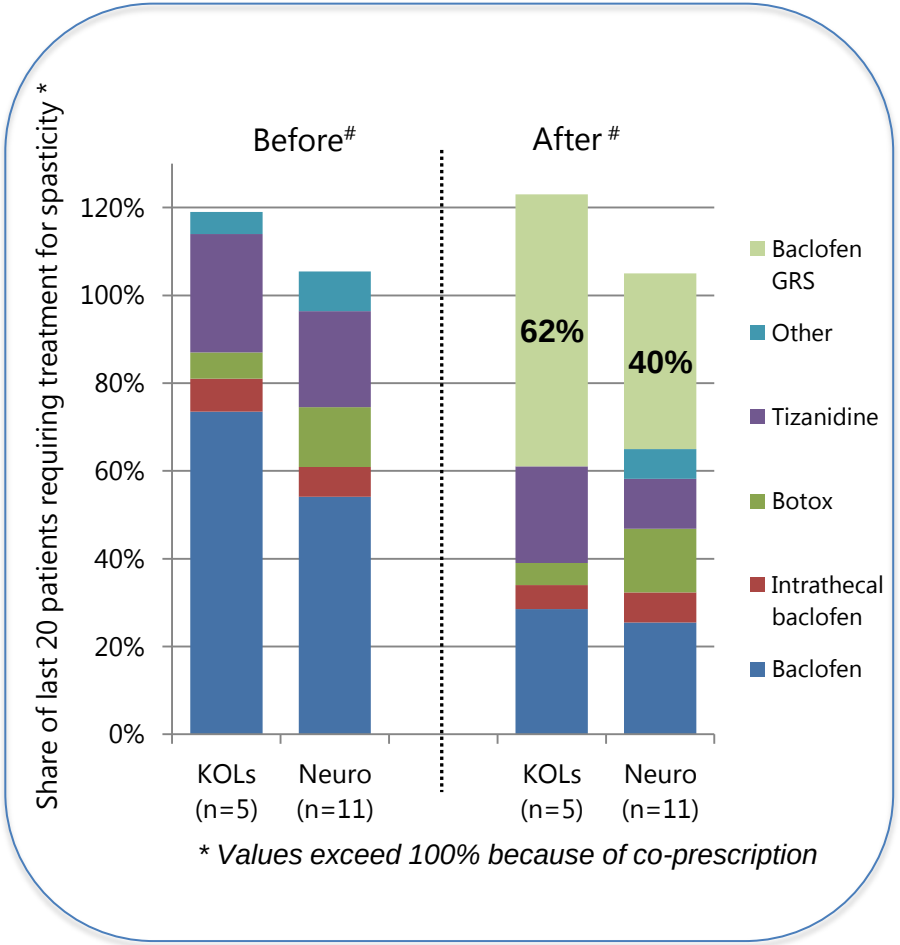
Baclofen GRS

Physicians favorably respond to the distinct product attributes

- In primary research, the majority of physicians responded that steady blood levels and once-a-day dosing are key benefits over IR Baclofen

- Based on physicians survey Baclofen GRS would take significant share of spasticity patients^
  - 40% - 60% if Tier 2 formulary position
  - 20% - 30% if Tier 3 formulary position

- **Market Opportunity****
  - Baclofen volume in US (630 million units) is growing at 5%
  - 34% prescriptions for spasticity related to neurological indications



^ Market Research conducted by 3rd party, Qualitative data, sample size not adequate for forecasting. **IMS MAT April 2016.
#Before and After depicted in the chart represents potential prescription share change after availability of Baclofen GRS

Baclofen GRS
Development Status Update

- **Clinical studies under SPA* with FDA**
- **Phase 3 efficacy study**
  - 45 active sites, opened new sites in Europe
  - 161/214 patients completed study
- **Open label safety study**
  - 200 subject enrolment completed
- **Duration of action study**
  - 84/93 patients completed
- **Targeted NDA filing by Q4FY18**

*SPA = Special Protocol Assessment

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Oncology

PICN

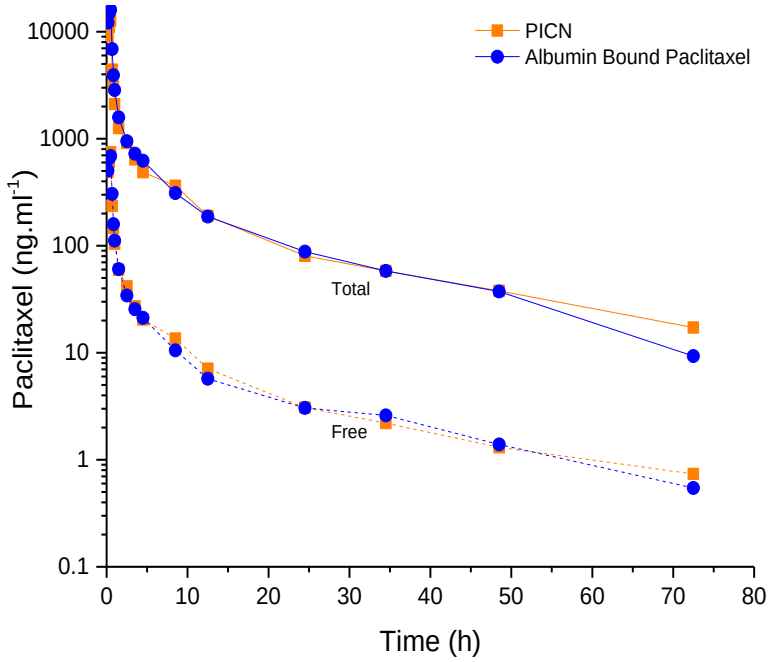
Paclitaxel Injection Concentrate for Nanodispersion (Taclantis™)

- **Novel formulation of paclitaxel using SPARC's proprietary Nanotecton™ platform technology**
  - Cremophor® and albumin free formulation
  - Short infusion time
  - No standard paclitaxel pre-medications required
  - Allows higher dose than Taxol®
  - Launched in India as Bevetex®

Taclantis™ is conditionally approved by USFDA as trade name for US market.

Pursuing PK strategy to compare Taclantis™ with albumin bound Paclitaxel

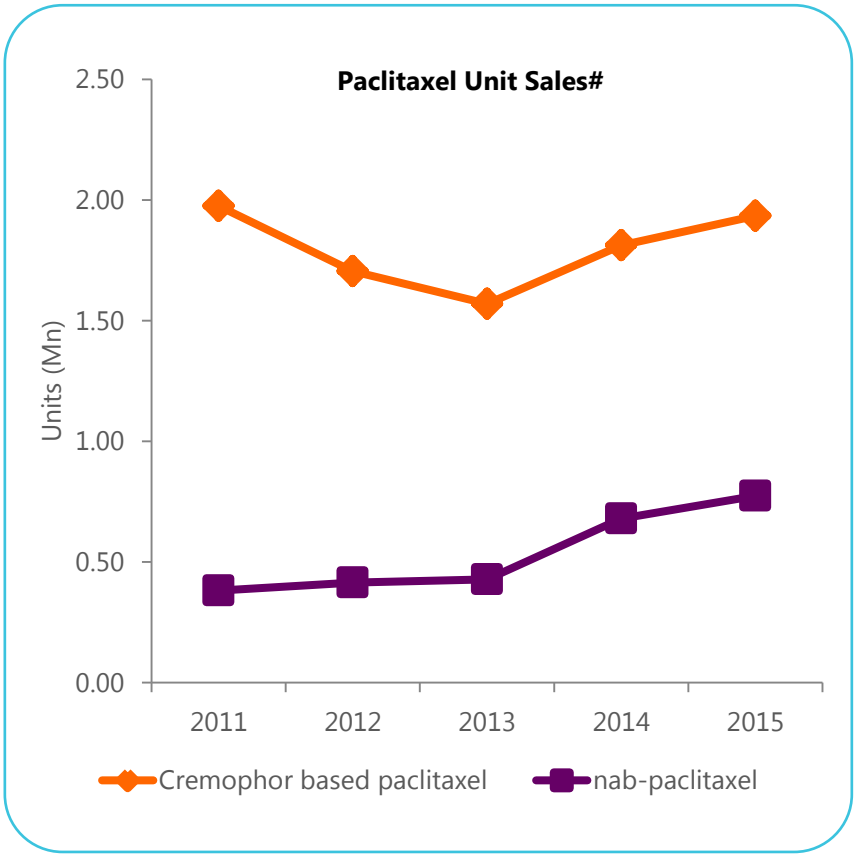
- Completed pilot BA/BE study with additional patients
- SPARC is evaluating PK data for optimizing study design in consultation with USFDA
- To initiate pivotal BE study by Q4FY17
- Planned NDA filing by Q4FY18



Taclantis™

Significant opportunity for Cremophor® free paclitaxel formulations

- Albumin bound paclitaxel generated sales of ~ US$ 668 Mn in the US^^
- Over 70% marketed units are Cremophor® based paclitaxel formulations^^
- ~150,000 patients being treated with Cremophor® based paclitaxel^
- Over 60% of Physicians view risk of hypersensitivity and ease of administration as important factors influencing choice of therapy*
- Taclantis™ has the opportunity to acquire a meaningful patient share from Cremophor® based paclitaxel formulations



Units Equivalent to 100mg paclitaxel based on IMS MAT Apr 2016. ^Patient nos. estimated based on IMS unit sales* Primary research conducted through 3rd party
^^ IMS MAT June 2016

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Respiratory DPI

Dry Powder Inhaler

SPARC's DPI is a pre-metered, 60 dose, breath activated device for administration of combination of inhaled steroids and bronchodilator drugs

- High efficiency device, delivers more to the lung
- Comparable PK profile to Seretide® Accuhaler® at half the dose
- Uniform dose delivery independent of inspiratory flow rate
- On most of the device characteristics physicians rated SPARC DPI better than Seretide® Accuhaler®*

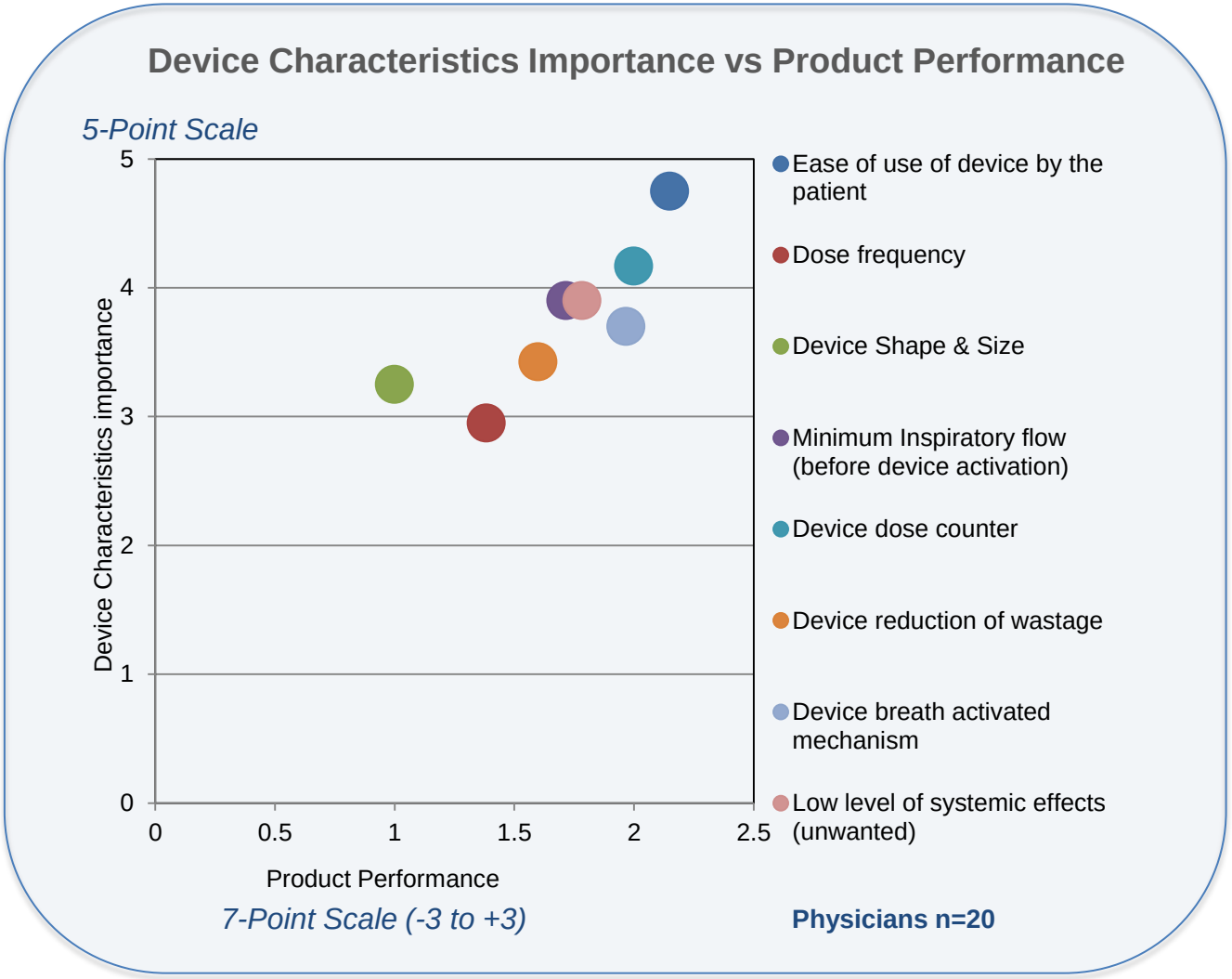
*Primary research conducted through 3rd party in EU

Salmeterol – Fluticasone DPI

Development status update – Europe

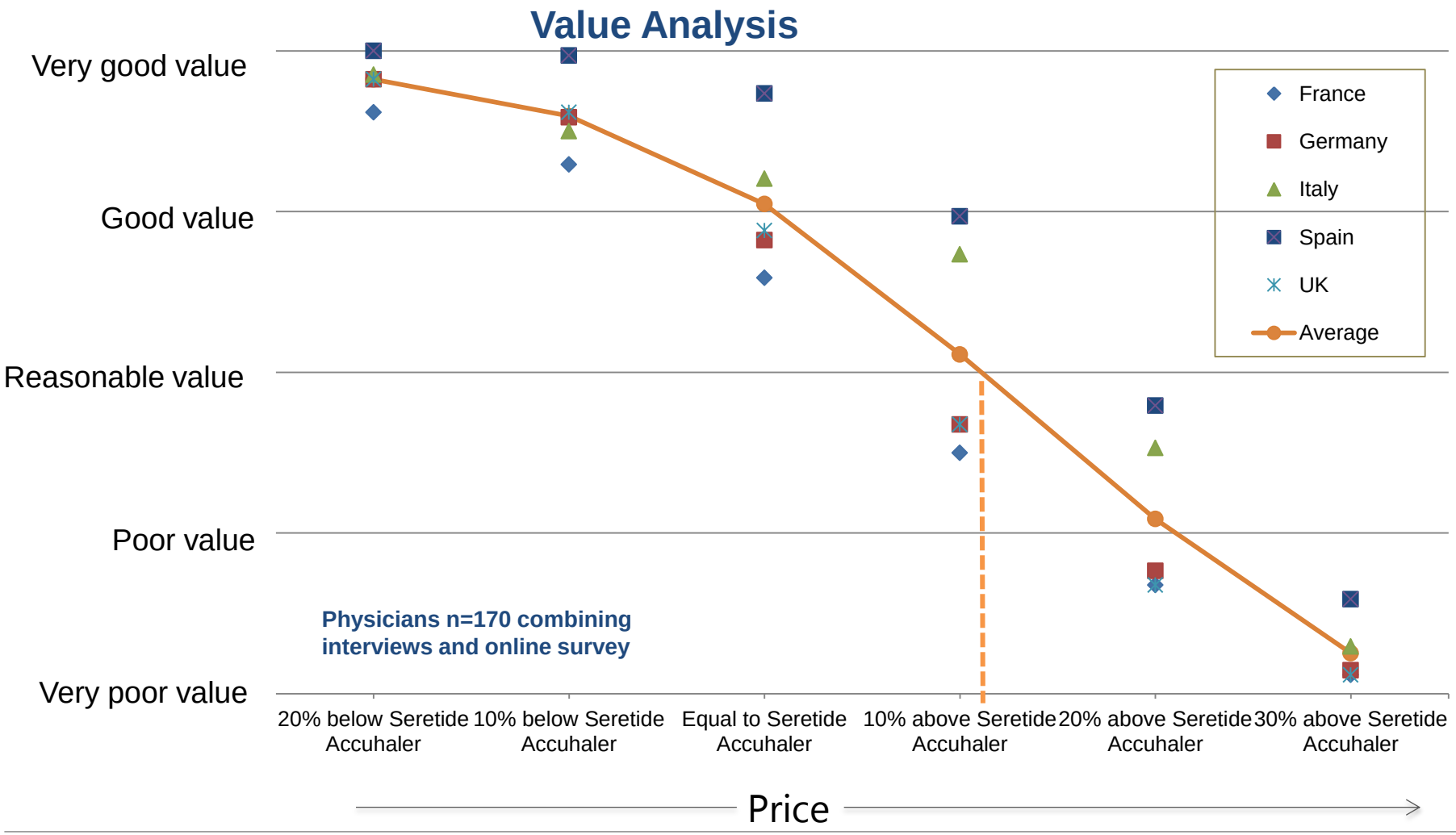
- **120 subject Peak Inspiratory Flow rate study initiated in Europe**
  - 20 subjects completed
  - Additional 20 subjects enrolled
- **Low dose PK study awaiting Regulatory Approval in Europe**
  - Plan to initiate study by Q2FY17
- **High dose PK study**
  - Plan to initiate study by Q4FY17
- **Plan to file for marketing authorization by Q4FY18**

Physicians responded favourably to SPARC DPI's device characteristics*



*Primary research conducted through 3rd party in EU

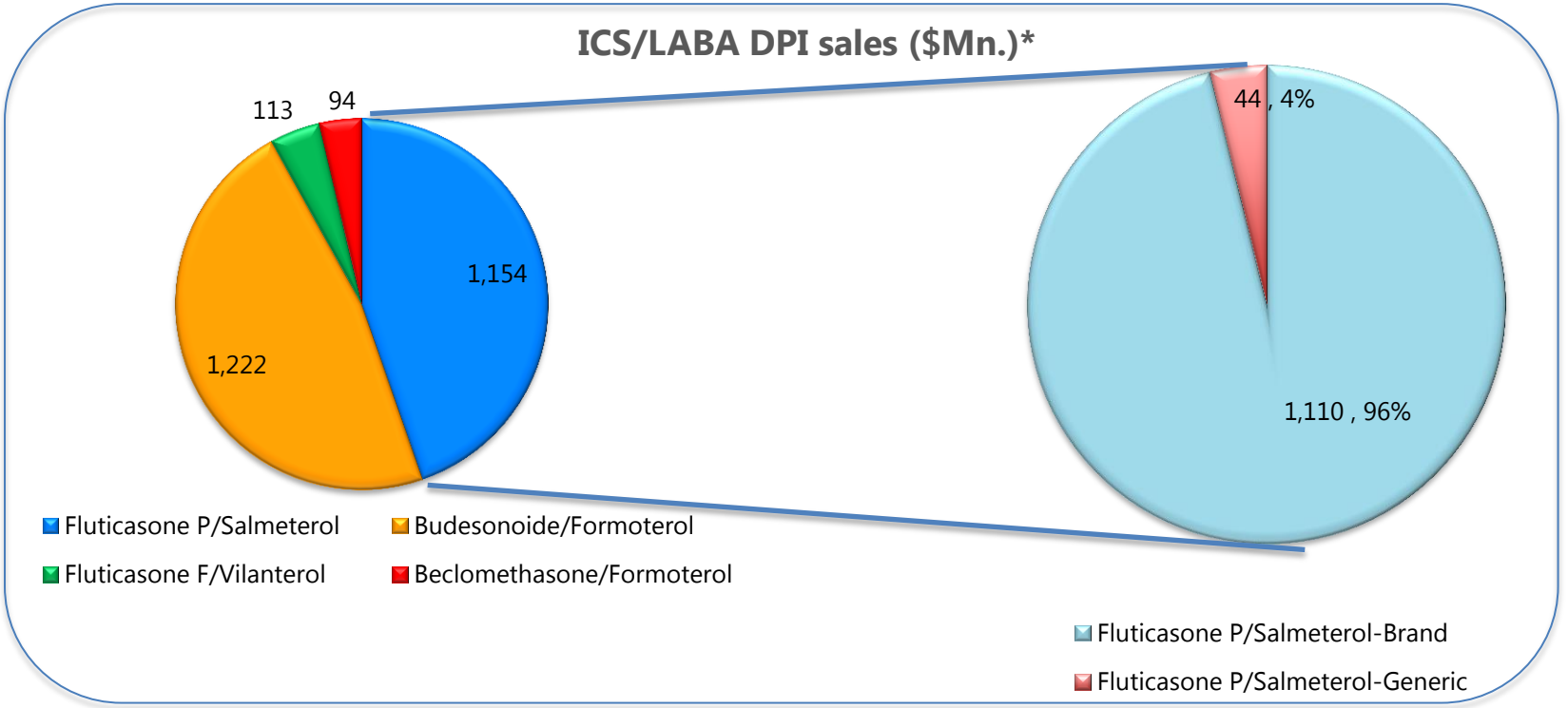
Physicians across Europe value SPARC device better than Seretide® Accuhaler®*



*Primary research conducted through 3rd party in EU

Salmeterol – Fluticasone DPI

ICS/LABA DPI market dynamics in Europe



- Total ICS/LABA Dry Powder Inhaler market in Europe is estimated to be ~ US$ 2.6 Bn.*
- Seretide® Accuhaler® has market share of 45% in ICS/LABA market with sales of ~US$ 1 Bn.*
- Seretide® Accuhaler® generics have so far achieved limited penetration*
- Market may see additional generics, however, the market would still offer opportunities for differentiated products like SPARC DPI

* IMS MAT Dec 2015. ICS = Inhaled Corticosteroids. LABA = Long- Acting Beta2-Agonists

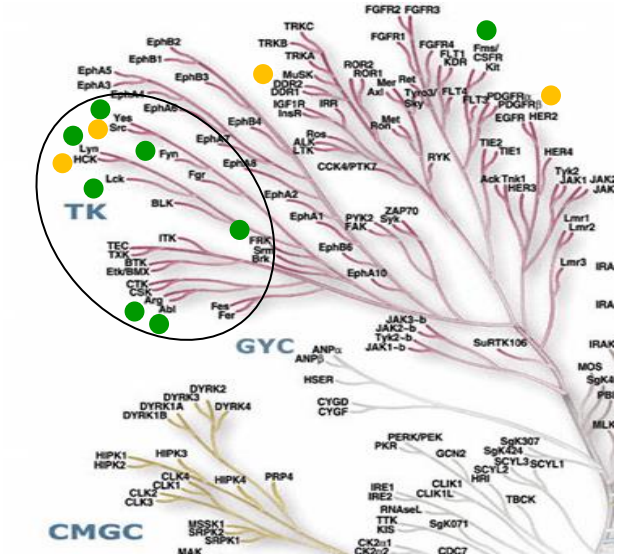
SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Oncology
CML Program

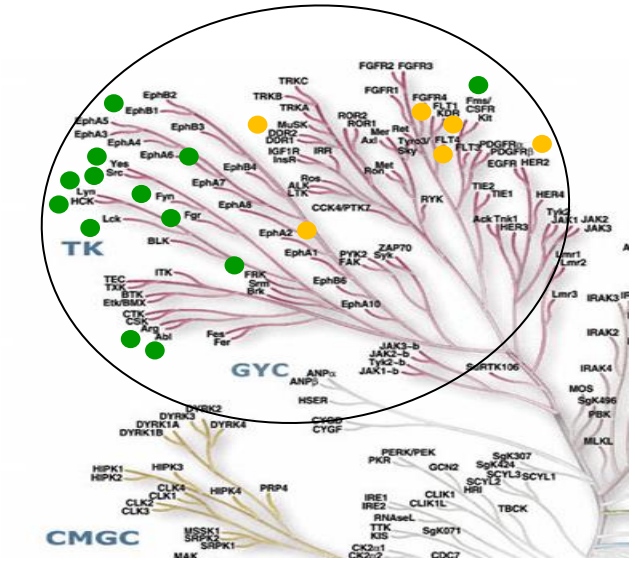
SPARC program targets treatment-resistant CML

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

SUN-K706 Kinome Analysis



SUN-K954 Kinome Analysis

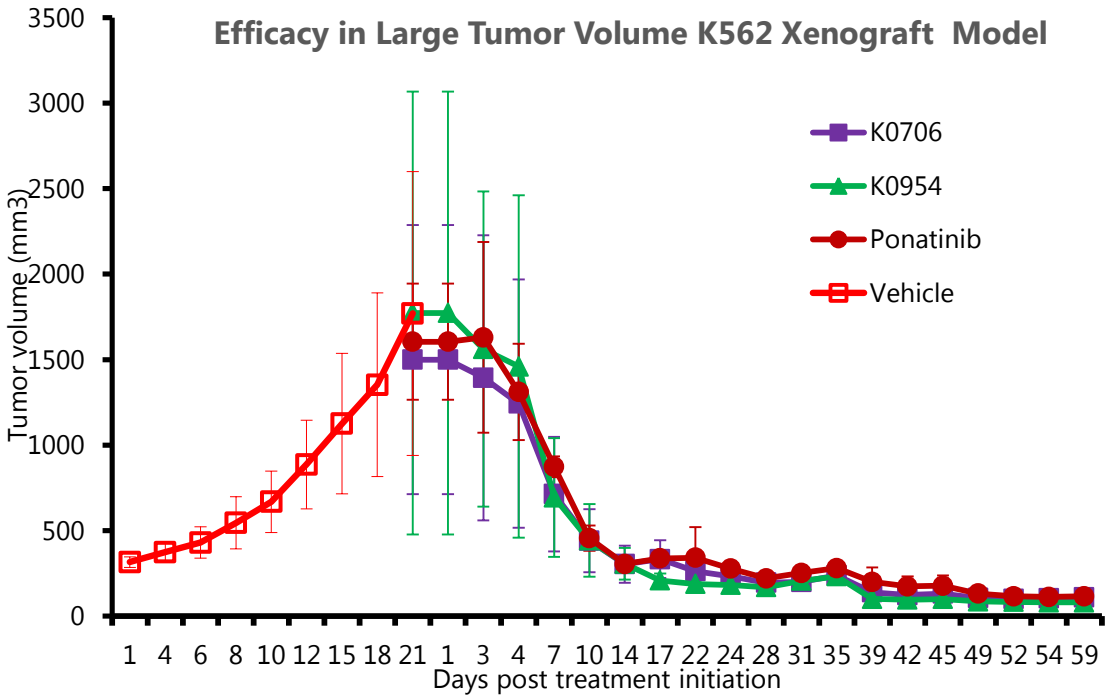


- IC_{50} < 10 nM
- IC_{50} 10-50 nM

○ SUN-K706 and SUN-K954

- Potent, orally available and BCR-ABL Tyrosine Kinase Inhibitors (TKIs)
- Effective against BCR-ABL and most of its mutants including the difficult to treat T315I mutation

SUN-K706 and SUN-K954 demonstrated efficacy in Imatinib resistant CML



- **In pre-clinical studies both SUN-K706 and SUN-K954**
  - Cause tumor regressions in an imatinib resistant xenograft model
  - Better therapeutic index compared to Ponatinib

CML Program
Development Status Update

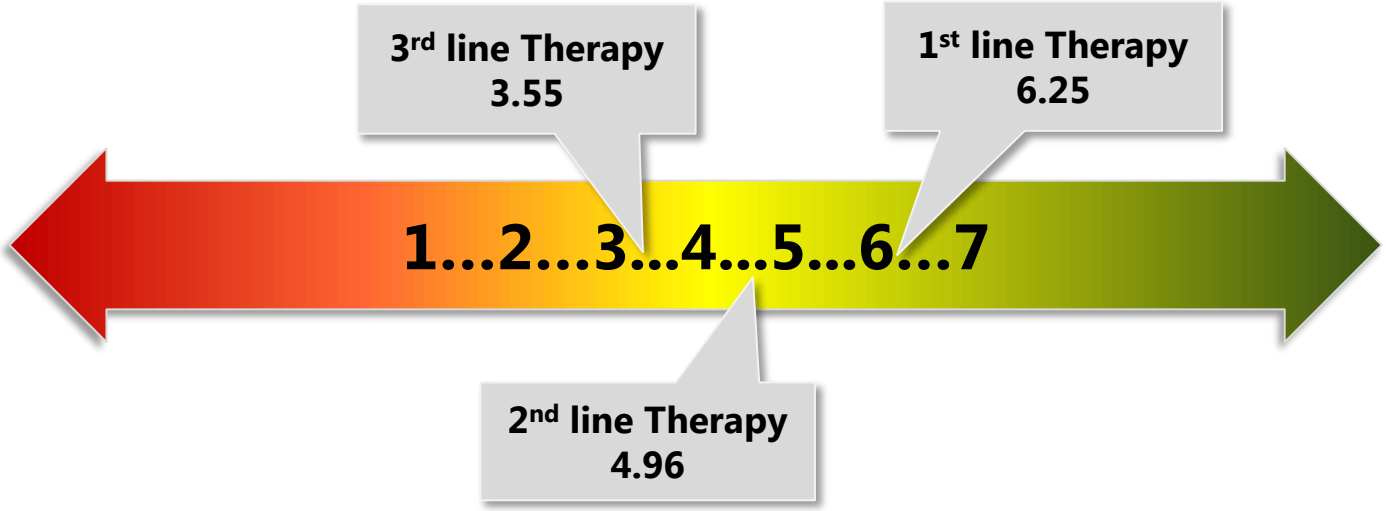
- **SUN-K706**
  - US IND opened
  - Phase I dose escalation study ongoing in USA
  - Expecting indicative efficacy data by Q4FY17

- **SUN-K954**
  - IND enabling toxicology studies ongoing
  - Plan to file IND by Q4FY17

CML Treatment

Physicians believe available treatments are inadequate for 3rd line of CML treatment*

- Physician satisfaction score decreases for treatment choices when proceeding from 1st to 3rd line treatment options*
- KOLs acknowledged the need for an agent with a reasonable toxicity profile for T315I mutation disease*

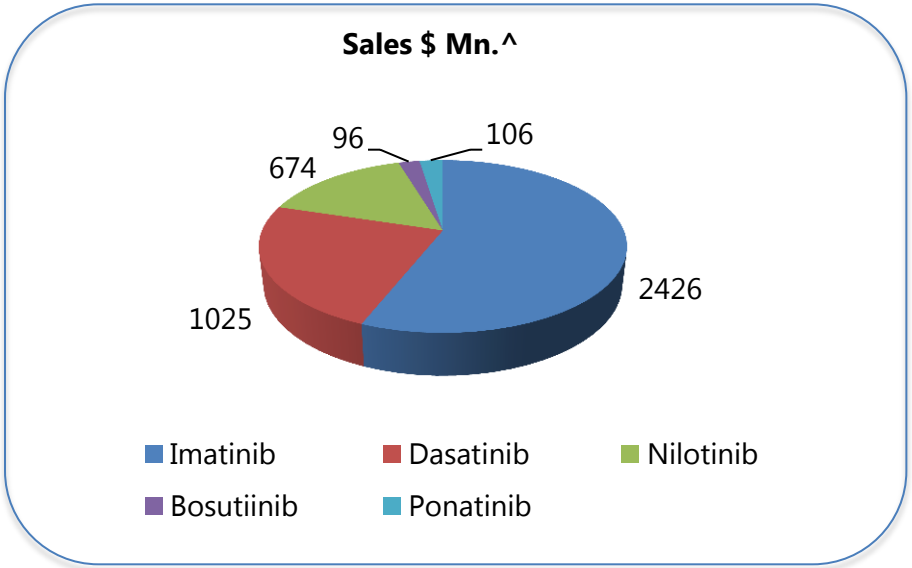


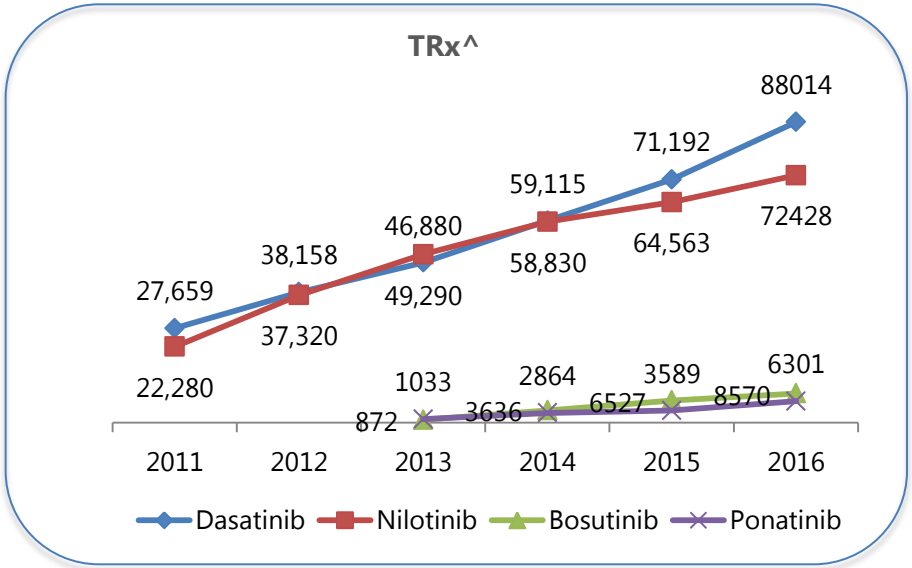
How satisfied are you with the current treatment options and outcomes in 1st, 2nd- and 3rd-line CML patients? Please rate on a scale of 1 to 7 (1 = extremely unsatisfied, 7 = extremely satisfied

*Primary research conducted through 3rd party

SPARC CML Program

Treatment resistant CML – Niche market, yet commercially attractive





- ~50,000 CML patients are currently treated with TKIs in USA*
- Continued uptake of second and third-generation TKIs, particularly in later lines of therapy^
- Estimated target patient population for SPARC CML program ~6,000

^ IMS MAT Apr 2016, *GlobalData Chronic Myeloid Leukemia-Global Forecast 2012-2022

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Dermatology

SUN-597 Topical

SUN-597 Topical

A novel topically active steroid with low systemic bio-availability

- Prolonged continuous use of topical steroids often results in systemic side-effects as well as cutaneous adverse effects like skin atrophy#

- SUN-597 is a novel steroid designed for topical use with an improved safety profile
  - Low systemic bioavailability
  - Low HPA axis suppression
  - Low potential for induction of skin atrophy

- Demonstrated better efficacy compared to mid potency steroids such as Triamcinolone in pre-clinical models

Exp Dermatol 2006:15: 406–420; J Am Acad Dermatol 2014:71(1):116-32. HPA = Hypothalamus Pituatory Axis

SUN-597 Topical
Development Status Update

- IND opened in US
- Phase 1 vasoconstrictor assay study completed
- Phase 1 healthy volunteer safety/tolerability study is planned in Q4FY17
- Phase 1 study to evaluate SUN-597 potency in Psoriasis patients is planned in Q1FY18
- Outcome from the above studies will guide further clinical development

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

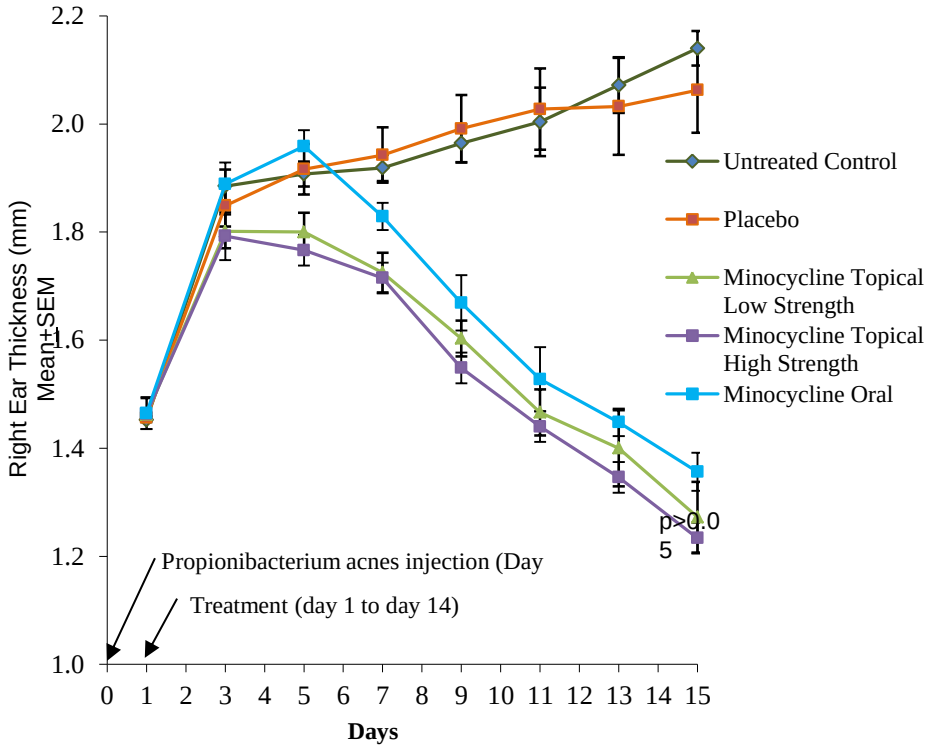
Dermatology

Minocycline Topical

Minocycline Topical

Pre-clinical PoC established in Acne model

- Minocycline is a commonly prescribed antibiotic for inflammatory lesions of moderate to severe Acne
- Currently, minocycline has to be administered orally potentially resulting in undesirable systemic side-effects
- SPARC's novel formulation delivers minocycline topically to skin
  - Avoids systemic exposure
  - Potentially active in both inflammatory and non-inflammatory Acne lesions
- Product is undergoing formulation optimization based on pre-clinical study results



SUN PHARMA ADVANCED RESEARCH COMPANY LTD.

Ophthalmology

Brimonidine OD

Brimonidine OD

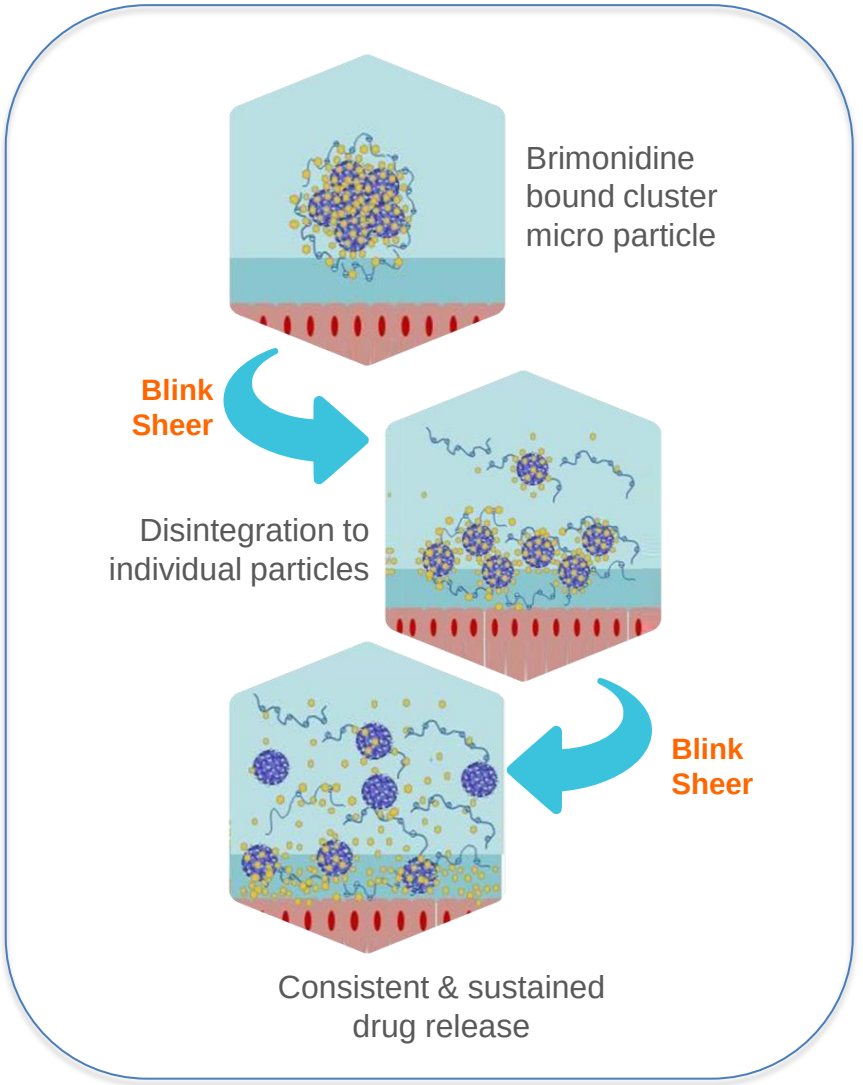
Novel Once daily formulation with TearAct™ Technology

Key Features

- Fine resin particles act as a template on which the drug particle is adsorbed
- Drug-resin clusters disintegrate into individual drug bound resin particles due to eye blink shear
- Drug-resin complex suspension provides a slow, consistent, and sustained exposure

Key Benefits

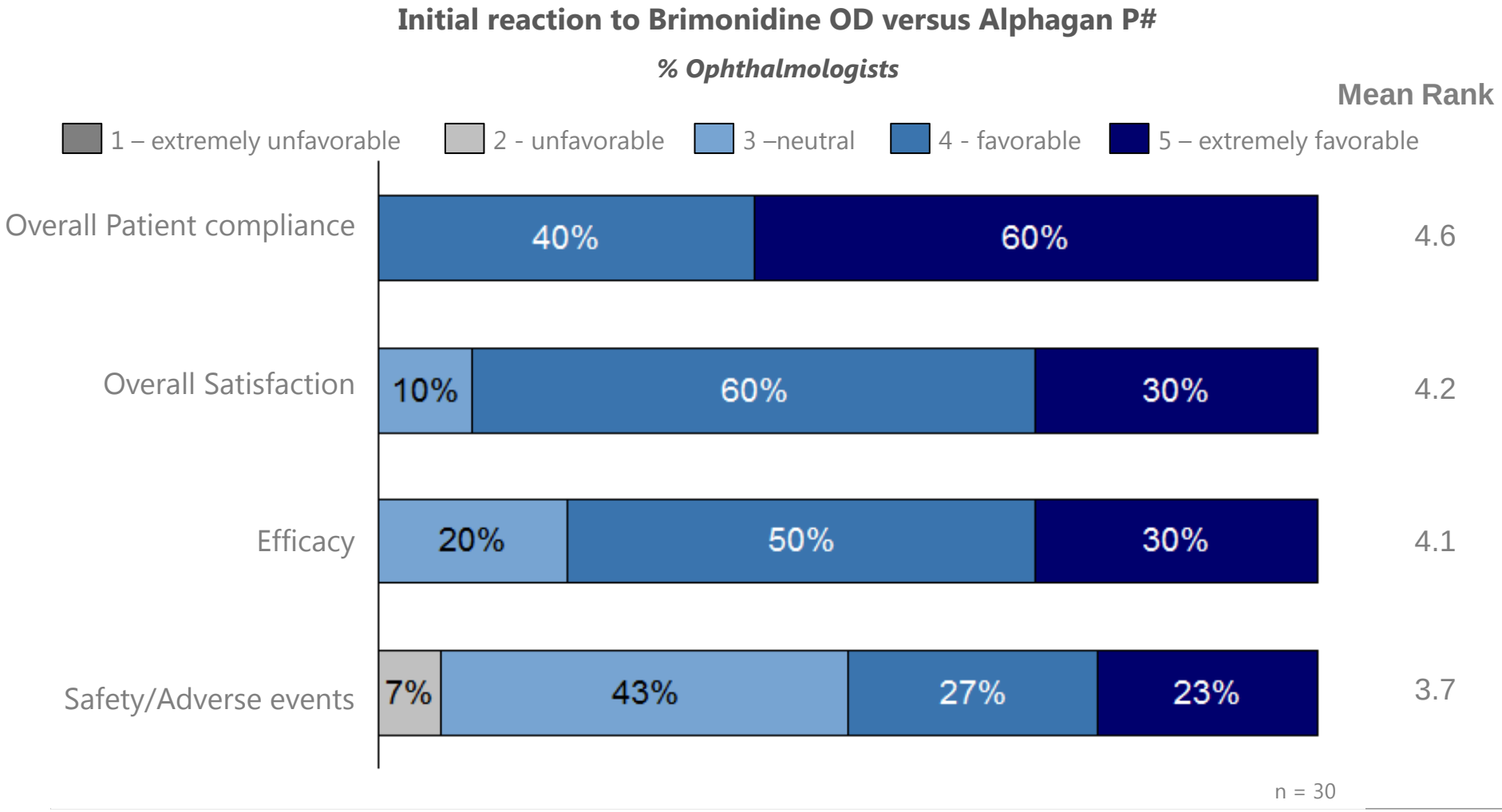
- Controlled and maximal availability of drug to ocular surface
- Reduces immediate exposure of drug
- Free of gel forming polymers



NTC Ocular Technology is renamed as TearAct™

Brimonidine OD

Once daily dosing to significantly help improve overall patient compliance



#Primary market research conducted in US through 3rd party

Brimonidine OD
Regulatory Update

- IND enabling toxicology studies completed
- CTA approved
- Phase 2 Proof-of-Concept study initiated

SUN PHARMA
ADVANCED RESEARCH
COMPANY LTD.

Abuse Deterrent Formulations

SDN-021

Prescription opioid drug abuse
A growing epidemic in USA

19,000 deaths occurred in 2014 due to prescription opioid overdose[1]

46/day people die due to prescription opioid overdose[2]

~1.9 million people abused prescription opioid in 2013[3]

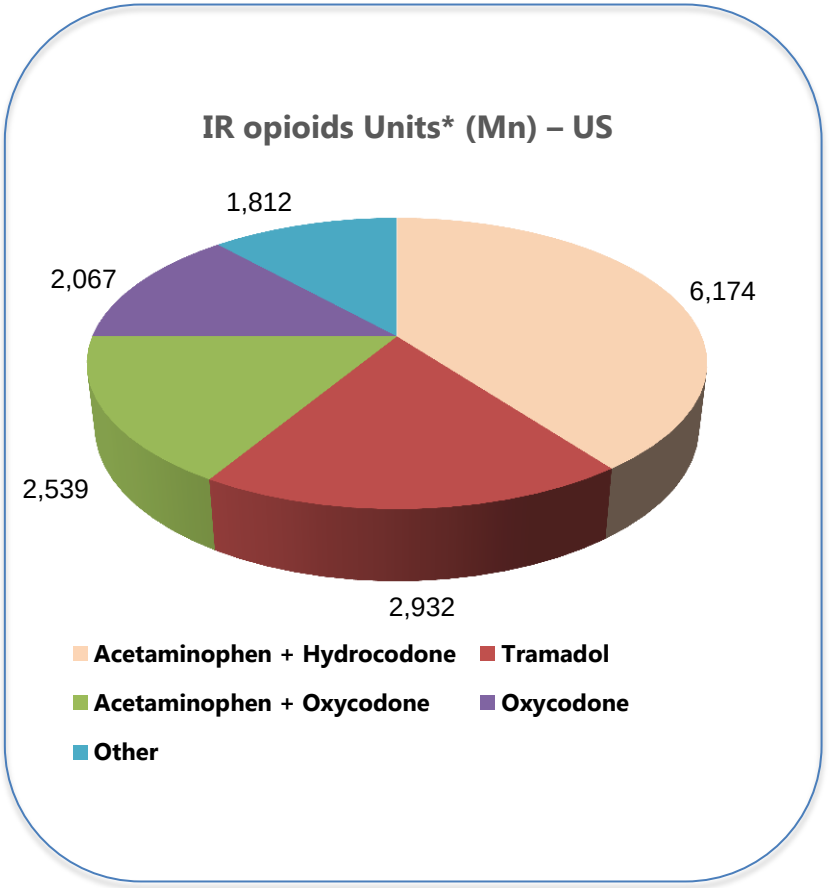
>420,000 ED visits involved abuse or misuse of prescription opioids in 2011[4]

1. CDC/NCHS, National Vital Statistics System, Mortality File 2015. 2 www.CDC.gov/vital signs July 2014. 3. Results from the 2013 National Survey on Drug Use and Health: US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. 4. Highlights of the 2011 Drug Abuse Warning Network (DAWN) findings on drug-related emergency department visits

Prescription opioid drug abuse

IR formulations are most vulnerable

- 221 million prescriptions were written for IR opioid analgesics in 2015-16*
- 66% of abusers prefer IR opioid formulations^
- Currently no approved IR opioid with abuse-deterrent labelling
- Oral ingestion of multiple pills is the most common form of abuse
- No FDA approved opioid which can deter oral multi-pill abuse



* IMS MAT APRIL 2016

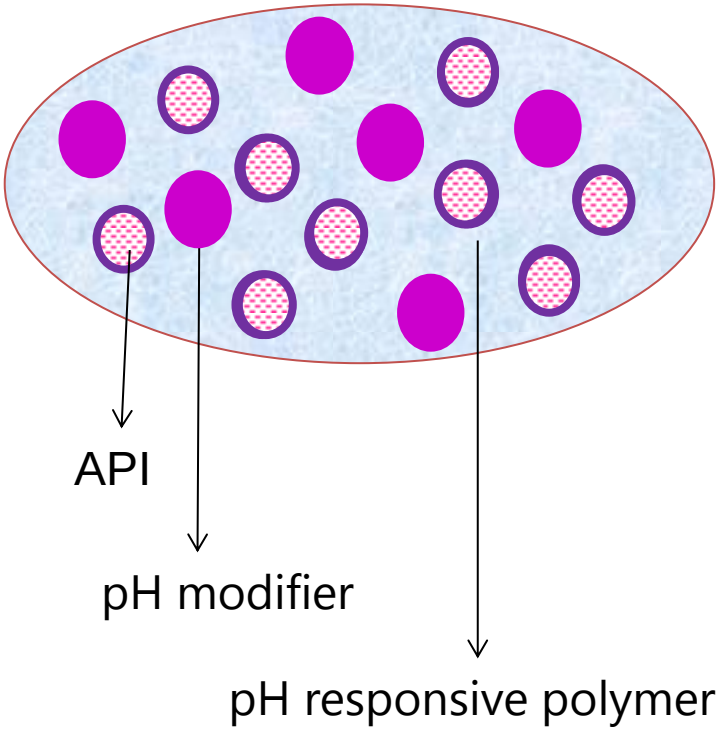
^ Researched Abuse, Diversion and Addiction-Related Surveillance System technical report Q3 2015

Abuse deterrent technology platform

Designed to deter multi-pill abuse

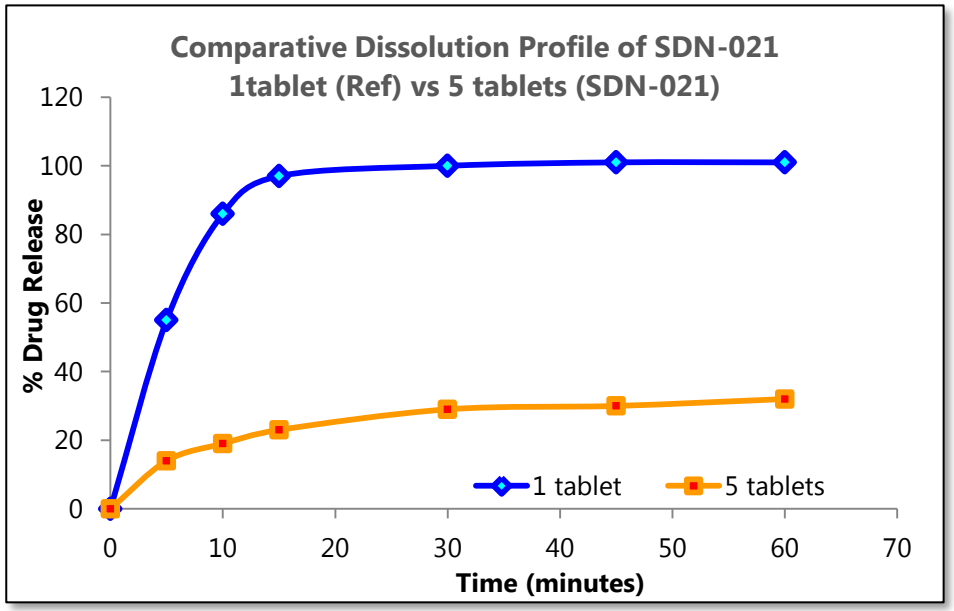
- Designed to deliver clinically effective dose at prescribed dose
- Upon ingestion of multiple pills the technology reduces and delays the release of drug
- Formulation could be modified to modulate the rate and / or extent of release
- Number of pills beyond which release inhibition is desired, can be tailored
- Can also deter drug abuse by snorting or injecting
- Can prevent the drug extraction by common solvents

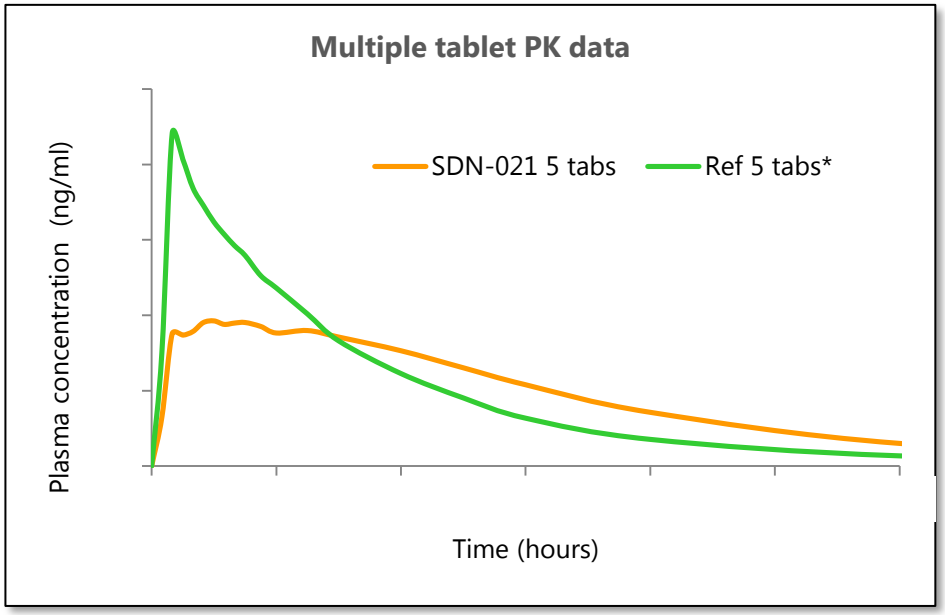
Schematic presentation of Technology



SDN-021

Proof of concept established for oral multi-pill abuse





- Escalating doses result in less than proportional escalations in plasma exposures
- Delayed Tmax may prevent the abuser from getting the desired "high"

*Dose corrected from one tablet

SDN-021
Development Status Update

- IND filed in Q3FY16, PoC completed
- Product optimization underway
- Additional PK studies planned in FY17

SUN PHARMA
ADVANCED RESEARCH
COMPANY LTD.

CNS

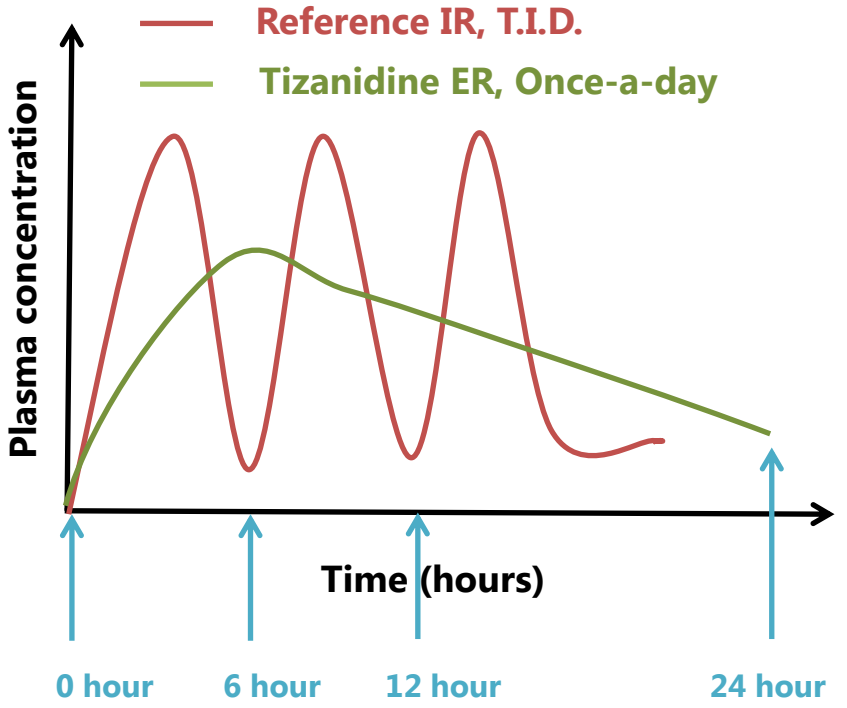
Tizanidine

Tizanidine ER for Musculoskeletal Pain

Optimizing PK to improve safety profile

- Tizanidine market in USA is estimated at 725 million tablets growing at 11%*
- About 60% Tizanidine usage is in musculo-skeletal pain*
- Tizanidine use is limited due to side effects like orthostatic hypotension, somnolence, cognitive function impairment
- Currently, no "once a day" Tizanidine formulation in market
- SPARC is developing a novel extended release formulation to target
  - Patient convenience and better compliance
  - An improved side effect profile

Schematic Representation of Comparative mean Plasma Tizanidine Concentration - Time Profiles



*IMS MAT April 2016,

Tizanidine ER

Development Status Update

- Simulated driving study initiated in Q1FY17
- Topline results expected in Q2FY17
- IND filing planned in Q2FY17

SPARC R&D Pipeline

For updates and specific queries, please visit www.sunpharma.in or contact

Narendra Lakkad
Tel : +91 22 6645 5645, Ext 5607
Tel Direct : +91 22 66455607
Mobile : +91 9821510498
narendra.lakkad@sparcmail.com

SUN PHARMA ADVANCED RESEARCH COMPANY LTD.