



Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

9th August, 2016

Corporate Relationship Department
The Bombay Stock Exchange Limited
Dalal Street, Fort
Mumbai 400 001.

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

Scrip Code: 524816

Scrip Code: NATCOPHARM

Dear Sir,

Sub:- Outcome of Board Meeting –
Unaudited Financial Results for the Quarter ended June, 30, 2016

Further to our letter dated 30th July, 2016, we would like to inform you that the Board of Directors of the Company at their meeting held on today have approved the following along with other items of business:

1. Unaudited Financial Results (Standalone and Consolidated) and Report of Segment wise Revenue, Results and Capital employed for the quarter ended 30th June, 2016 prepared under Indian Accounting Standards (IND-AS) and as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015-along with Limited Review Report of the Statutory Auditors. Please find enclosed a copy of the same along with press note for your information.
2. Recommended payment of an interim dividend of Rs.0.75 ps. on each equity share of Rs.2/- each for the year 2016-17. The date for taking a record of its shareholders eligible for the purpose of payment of interim dividend i.e. **Record date is fixed for 22nd August, 2016.** The said interim dividend **pay-by-date is 31st August, 2016.**
3. The date of Annual General Meeting is on 30th September, 2016 and Board had authorised Mr.V.C.Nannapaneni, Chairman and Managing Director for finalizing the time and venue for 33rd Annual General Meeting for the financial year 2015-16.

Contd.2....



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Board of Directors also approved the following items and recommended to the members for their approval in the ensuing Annual General Meeting:

1. Granting of 1,75,000 Employee Stock options (NATSOP2016) to the eligible employees of the Company.
2. Increase of remuneration to Working Directors

We are also updating the financial results on the website of the Company. This is for your information and records.

Thanking you,

Yours faithfully,

For **NATCO Pharma Limited**

M. Adinarayana
Company Secretary &
Vice President(Legal & Corp. Affairs)

Encl: as above.



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Ref:PR/005/2016

Press Release

Hyderabad, 9th August, 2016

NATCO records INR 325.22 crore operating revenue for the First Quarter, ended June 2016

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated net operating revenues of INR 325.22 Crore for the quarter ended on 30th June, 2016, as against INR 223.71 Crore during the same quarter last year, reflecting an increase of about 45.4%.

The net profit for the period, after tax and minority interest, on a consolidated basis, was INR 47.65 Crore, as against INR 28.07 Crore same quarter last year, showing a growth of 69.8%. The growth for the company was predominantly driven by increased sales of its oncology and hepatitis C products in India.

Forwarded for favour of publication

For NATCO Pharma Limited

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

M. Adinarayana
Company Secretary &
Vice President (Legal and Corp Affairs)



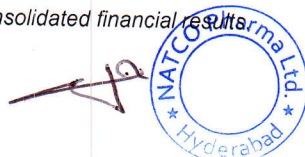
NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

All amounts in Indian Rupees lakhs, except earnings per share data

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Income from operations		
	a) Net sales/income from operations (Net of excise duty)	29,771	21,569
	b) Other operating income	2,751	802
	Total income from operations (net)	32,522	22,371
2	Expenses		
	a) Cost of materials consumed	13,083	5,744
	b) Purchases of stock-in-trade	2,160	2,388
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(5,974)	(1,148)
	d) Employee benefits expense	4,978	4,042
	e) Depreciation and amortization expense	1,315	1,264
	f) Other expenses	10,550	5,615
	Total expenses	26,112	17,905
3	Profit before other income and finance costs	6,410	4,466
4	Other income	516	183
5	Profit before finance costs	6,926	4,649
6	Finance costs	320	808
7	Profit before tax	6,606	3,841
8	Tax expense	1,863	1,103
9	Net profit for the period	4,743	2,738
10	Non-controlling interests	(22)	(69)
11	Net profit after non-controlling interests	4,765	2,807
12	Other comprehensive income	(55)	28
13	Total comprehensive income	4,710	2,835
14	Paid-up Equity Share Capital (face value of Rs.2/- each)	3,483	3,323
15	Earnings per share (face value of Rs.2/- each)		
	Basic EPS (not annualised)	2.74	1.70
	Diluted EPS (not annualised)	2.73	1.70

See accompanying notes to the consolidated financial results





NATCO PHARMA LIMITED

CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER ENDED 30 JUNE 2016

(All amounts in Indian Rupees lakhs)

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Segment revenue (net)		
	a) Bulk chemicals	5,696	5,580
	b) Formulations	28,357	17,112
	c) Pharmacy	-	221
	d) Unallocated	1,144	326
	Total	35,197	23,239
	Less: Inter-segment revenue	2,675	868
	Net sales / income from operations	32,522	22,371
2	Segment results (Profit before tax and finance costs)		
	a) Bulk Chemicals	602	1,134
	b) Formulations	9,075	5,068
	c) Job Work	-	190
	d) Unallocated	118	243
	Total	9,795	6,635
	Less: a) Interest	320	808
	b) Other unallocable expenditure	3,385	2,169
	c) Unallocable Income	(516)	(183)
	Profit before tax	6,606	3,841
3	Capital employed		
	Assets		
	a) Bulk Chemicals	65,051	65,053
	b) Formulations	108,038	54,297
	c) Pharmacy	-	2,749
	d) Unallocated	35,051	2,797
	Total assets	208,140	124,896
	Liabilities		
	a) Bulk Chemicals	(14,359)	(15,890)
	b) Formulations	(41,168)	(21,092)
	c) Pharmacy	-	(486)
	d) Unallocated	(17,890)	-
	Total liabilities	(73,417)	(37,468)
	Capital employed		
	a) Bulk Chemicals	50,692	49,163
	b) Formulations	66,870	33,205
	c) Pharmacy	-	2,263
	d) Unallocated	17,161	2,797
	Total capital employed	134,723	87,428

Notes:

- 1 The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these consolidated results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Consolidated financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.





NATCO PHARMA LIMITED

2 Reconciliation between consolidated financial results under Previous GAAP and Ind AS for the quarter ended 30 June 2015

Particulars	Rs. in Lakhs
Net profit under previous GAAP	2,823
Actuarial gain through other comprehensive income	(16)
Total net profit for the period under Ind AS	2,807
Other comprehensive income	28
Total comprehensive income	2,835

- 3 Equity shares of the Company with face value of Rs.10 per share were sub-divided into 5 equity shares of Rs.2 each effective 30 November 2015. Consequently, the basic and diluted earnings per share of the corresponding period have been recomputed and disclosed accordingly.
- 4 There are no exceptional and extra-ordinary items during the quarter.
- 5 The unaudited consolidated financial results for the quarter ended 30 June 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 9 August 2016. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- 6 The consolidated financial results for the corresponding quarter ended 30 June 2015 are based on the information compiled by the management after making necessary adjustments in accordance with Ind AS and have not been subject to any review or audit by the auditors.
- 7 The Board of directors have recommended an interim dividend of Rs.0.75 per equity share of Rs.2 each.
- 8 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

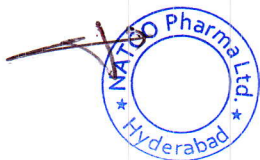
Hyderabad
9 August 2016




V.C. Nannapaneri
Chairman and Managing Director

**NATCO PHARMA LIMITED****STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016***All amounts in Indian Rupees lakhs, except earnings per share data*

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Income from operations		
	a) Net sales/income from operations (Net of excise duty)	28,199	18,617
	b) Other operating income	2,751	788
	Total income from operations (net)	30,950	19,405
2	Expenses		
	a) Cost of materials consumed	13,083	6,181
	b) Purchases of stock-in-trade	927	37
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(5,970)	(1,025)
	d) Employee benefits expense	4,764	3,480
	e) Depreciation and amortization expense	1,298	1,120
	f) Other expenses	10,081	4,693
	Total expenses	24,183	14,486
3	Profit before other income and finance costs	6,767	4,919
4	Other income	485	283
5	Profit before finance costs	7,252	5,202
6	Finance costs	302	777
7	Profit before tax	6,950	4,425
8	Tax expense	1,863	1,034
9	Net profit for the period	5,087	3,391
10	Other comprehensive income	(55)	28
11	Total comprehensive income	5,032	3,419
12	Paid-up Equity share capital (face value of Rs.2/- each)	3,483	3,323
13	Earnings per share (face value of Rs.2/- each)		
	Basic EPS (not annualised)	2.92	2.05
	Diluted EPS (not annualised)	2.91	2.05

See accompanying notes to the financial results.



NATCO PHARMA LIMITED

Notes:

- 1 The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

2 Reconciliation between financial results under Previous GAAP and Ind AS for the quarter ended 30 June 2015

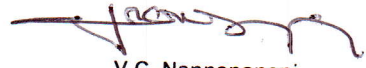
Particulars	Rs. in Lakhs
Net profit under previous GAAP	3,407
Actuarial gain through other comprehensive income	(16)
Total net profit for the period under Ind AS	3,391
Other comprehensive income	28
Total comprehensive income	3,419

- 3 Equity shares of the Company with face value of Rs.10 per share were sub-divided into 5 equity shares of Rs.2 each effective 30 November 2015. Consequently, the basic and diluted earnings per share of the corresponding period have been recomputed and disclosed accordingly.
- 4 NATCO Organics Limited ("NOL"), a wholly owned subsidiary of the Company, amalgamated with the Company, with effect from 1 April 2015 ("the appointed date"). The amalgamation was pursuant to a composite scheme of amalgamation sanctioned by the Honourable High Court of Judicature at Madras vide their order dated 28 April 2016. Pursuant thereto all the assets and properties, both movable and immovable, rights, title and interests, secured and unsecured debts, borrowings, and all other duties, debts, liabilities, undertakings and obligations of NOL, have been transferred to and vested in the Company retrospectively with effect from 1 April 2015. The amalgamation was given effect during the quarter ended 31 March 2016 and has been accounted for under the 'pooling of interests' method as prescribed by Ind AS 103 specified under Section 133 of the Companies Act, 2013, read with the rules made thereunder. Accordingly, the assets, liabilities and reserves of NOL have been taken over at their book values and in the same form. The results for the corresponding quarter ended 30 June 2015 are without effects of such amalgamation and to that extent, are not comparable with the quarter ended 30 June 2016.
- 5 There are no exceptional and extra-ordinary items during the quarter.
- 6 The unaudited standalone financial results for the quarter ended 30 June 2016 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 9 August 2016. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- 7 The financial results for the corresponding quarter ended 30 June 2015 are based on the information compiled by the management after making necessary adjustments in accordance with Ind AS and have not been subject to any review or audit by the auditors.
- 8 The Board of directors have recommended an interim dividend of Rs.0.75 per equity share of Rs.2 each.
- 9 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

Hyderabad
9 August 2016




V.C. Nannapaneni
Chairman and Managing Director

Walker Chandiok & Co LLP

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(Formerly Walker, Chandiok & Co)
7th Floor, Block III, White House
Kundan Bagh, Begumpet
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Review Report on Quarterly Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of NATCO Pharma Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), for the quarter ended 30 June 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2015, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have not been subjected to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that, the accompanying Statement, prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiok & Co LLP

4. This Statement includes the results of the following entities which are subsidiaries of the Company:
- a. NATCO Pharma, Inc.
 - b. Time Cap Overseas Limited ("TCOL")
 - c. NATCO Farma Do Brazil (Step down subsidiary of TCOL)
 - d. NATCO Pharma (Canada), Inc.
 - e. NATCO Pharma Asia Pte. Ltd
 - f. NATCO Pharma Australia PTY Ltd
5. We did not review the interim financial results of six subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of ₹165,441,959 for the quarter ended 30 June 2016 and net loss after tax (after eliminating intra-group transactions) of ₹35,351,593 for the quarter ended 30 June 2016. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Adi P. Sethna

per **Adi P. Sethna**

Partner

Membership No.: 108840



Place: Hyderabad

Date : 9 August 2016

Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
7th Floor, Block III, White House
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Review Report on Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of NATCO Pharma Limited ("the Company") for the quarter ended 30 June 2016. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 June 2015, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have not been subjected to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that, the accompanying Statement, prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Adi P. Sethna
per **Adi P. Sethna**
Partner
Membership No.: 108840

Place: Hyderabad
Date : 9 August 2016

