



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

11th November, 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 September 30, 2016 and half year
ended September 30, 2016

Further to our letter dated 1st November 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 Consolidated Segment Information for the quarter and half year ended 30th September, 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 Review Report of the Statutory Auditors. Please find enclosed a copy of the same for your information.
2. Board allotted 1,33,555 (one lakh thirty three thousand five hundred fifty five) equity shares of Rs.2/- each under Employee Stock option Scheme **NATSOP2015** to the eligible employees of the Company.

Compensation Committee in its meeting held today granted 1,74,330 (One lakh seventy four thousand three hundred and thirty) options under Employee Stock option Scheme **NATSOP2016** to the eligible employees of the Company keeping in view the SEBI (Share Based Employee Benefits) Regulations, 2014. The Members of the Company approved the Employee Stock option Scheme **NATSOP2016** at their Annual General Meeting held on 30th September, 2016

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

Yours faithfully,

For **NATCO Pharma Limited**

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

Encl: as above.

Walker Chandiok & Co LLP

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(Formerly Walker, Chandiok & Co)
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Review Report on Quarterly and Year to Date 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 (collectively referred to as "the Group"), for the quarter ended 30 September 2016 and year to date results for the period 1 April 2016 to 30 September 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2015 and the year to date result for the period 1 April 2015 to 30 September 2015, including the reconciliation of net profit under Ind AS of the aforementioned periods with net profit reported under previous GAAP, as included in the Statement have not been subject 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.



Walker Chandiok & Co LLP

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 amended) 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.
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
 - c. NATCO Farma Do Brazil (step down subsidiary of Timecap Overseas Limited)
 - 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 ₹121,072,206 and ₹286,514,165 for the quarter and six month period ended 30 September 2016 respectively, net loss after tax and prior period items (after eliminating intra-group transactions) of ₹24,334,043 and ₹59,685,636 for the quarter and the six month period ended 30 September 2016 respectively. 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

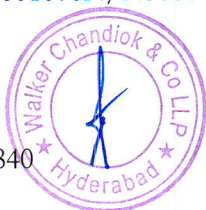
Chartered Accountants

Firm Registration No: 001076N/N500013

per *Adi P. Sethna*

Partner

Membership No.: 108840



Place: Hyderabad

Date : 11 November 2016



NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

(Rupees in lakhs, except per share data)

Sl. No.	Particulars	Quarter ended			Half year ended	
		30 September 2016 (Reviewed)	30 June 2016 (Reviewed)	30 September 2015 (Unaudited)	30 September 2016 (Reviewed)	30 September 2015 (Unaudited)
1	Income from operations			23,650	74,056	46,019
	a) Net sales/income from operations (inclusive of excise duty)	41,521	32,535	652	6,761	1,185
	b) Other operating income	5,265	1,496		80,817	47,204
	Total income from operations (inclusive of excise duty)	46,786	34,031	24,302		
2	Expenses	14,127	13,083	6,240	27,210	11,984
	a) Cost of materials consumed	4,267	2,160	2,315	6,427	4,703
	b) Purchases of stock-in-trade			(1,819)	(5,992)	(2,967)
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(18)	(5,974)			
	d) Employee benefits expense	5,535	4,978	4,332	10,513	8,374
	e) Depreciation and amortization expense	1,410	1,315	1,268	2,725	2,532
	f) Other expenses	12,394	12,059	7,413	24,453	13,559
	Total expenses	37,715	27,621	19,749	65,336	38,185
3	Profit before other income and finance costs	9,071	6,410	4,553	15,481	9,019
4	Other income	318	516	207	834	390
5	Profit before finance costs	9,389	6,926	4,760	16,315	9,409
6	Finance costs	420	320	766	740	1,574
7	Profit before tax	8,969	6,606	3,994	15,575	7,835
8	Tax expense	2,347	1,863	1,104	4,210	2,207
9	Net profit for the period	6,622	4,743	2,890	11,365	5,628
10	Non-controlling interests	33	22	39	55	108
11	Net profit after non-controlling interests	6,655	4,765	2,929	11,420	5,736
12	Other comprehensive income	(58)	(55)	99	(113)	127
13	Total comprehensive income	6,597	4,710	3,028	11,307	5,863
14	Paid-up equity share capital (face value of Rs.2/- each)	3,483	3,483	3,483	3,483	3,483
15	Earnings per share (face value of Rs.2/- each)			1.81	6.49	3.52
	Basic EPS (not annualised)	3.79	2.74	1.81	6.48	3.52
	Diluted EPS (not annualised)	3.78	2.73			

See accompanying notes to the consolidated financial results.





NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2016

(Rupees in lakhs)

Particulars	As at 30 September 2016 (Reviewed)
ASSETS	
Non-current assets	
a) Property, plant and equipment	73,967
b) Capital work-in-progress	24,632
c) Other intangible assets	542
d) Financial assets	
Investments	7
Loans	691
Other financial assets	763
e) Other non-current assets	8,954
Total non-current assets	109,556
Current assets	
a) Inventories	42,335
b) Financial assets	
Investments	3,626
Trade receivables	30,980
Cash and cash equivalents	2,381
Other bank balances	121
Other financial assets	7,722
c) Other current assets	10,329
Total current assets	97,494
TOTAL- ASSETS	207,050
EQUITY AND LIABILITIES	
Equity	
a) Equity share capital	3,483
b) Other equity	136,608
Total equity	140,091
Non-controlling interests	457
Non-current liabilities	
a) Other financial liabilities	82
b) Provisions	1,862
c) Deferred tax liabilities, net	2,020
Total non-current liabilities	3,964
Current liabilities	
a) Financial liabilities	
Borrowings	16,030
Trade payables	35,023
Other financial liabilities	6,607
b) Other current liabilities	4,733
c) Provisions	145
Total current liabilities	62,538
TOTAL- EQUITY AND LIABILITIES	207,050

See accompanying notes to the financial results.





NATCO PHARMA LIMITED

CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

S. No.	Particulars	Quarter ended			Half year ended	
		30 September 2016 (Reviewed)	30 June 2016 (Reviewed)	30 September 2015 (Unaudited)	30 September 2016 (Reviewed)	30 September 2015 (Unaudited)
1	Segment revenue (net)					
	a) Bulk chemicals	7,611	5,747	5,240	13,358	10,848
	b) Formulations	37,013	29,815	19,964	66,828	37,578
	c) Job Work	355	-	127	355	348
	d) Unallocated	4,314	1,144	33	5,458	360
	Total	49,293	36,706	25,364	85,999	49,134
	Less: Inter-segment revenue	2,507	2,675	1,062	5,182	1,930
	Net sales / income from operations	46,786	34,031	24,302	80,817	47,204
2	Segment results					
	Profit before tax and finance costs					
	a) Bulk Chemicals	126	602	495	728	1,629
	b) Formulations	14,116	9,075	6,380	23,191	11,623
	c) Job Work	333	-	108	333	298
	d) Unallocated	522	118	77	640	320
	Total	15,097	9,795	7,060	24,892	13,870
	Less: a) Interest	420	320	766	740	1,574
	b) Other unallocable expenditure	6,026	3,385	2,507	9,411	4,851
	c) Unallocable Income	(318)	(516)	(207)	(834)	(390)
	Profit before tax	8,969	6,606	3,994	15,575	7,835
3	Capital employed					
	a) Bulk Chemicals	73,215	50,692	47,598	73,215	47,598
	b) Formulations	58,069	66,870	42,784	58,069	42,784
	c) Pharmacy	870	-	41	870	41
	d) Unallocated	7,937	17,161	33,408	7,937	33,408
	Total capital employed	140,091	134,723	123,831	140,091	123,831





NATCO PHARMA LIMITED

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. The format for the unaudited quarterly financial results as prescribed in SEBI circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI circular dated 5 July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 which are applicable to companies that are required to comply with Ind AS.

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

(Rupees in lakhs)		
Particulars	Quarter ended 30 September 2015	Half year ended 30 September 2015
Net profit under previous GAAP	2,957	5,780
Actuarial gain through other comprehensive income	(28)	(44)
Total net profit for the period under Ind AS	2,929	5,736
Other comprehensive income	99	127
Total comprehensive income	3,028	5,863

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 half year ended 30 September 2016.

5 The unaudited consolidated financial results for the quarter and half year ended 30 September 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 11 November 2016. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.

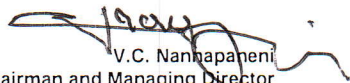
6 As at 30 September 2016, other current financial assets include deposits with financial institutions amounting to Rs.6,425 lakhs.

7 The consolidated financial results for the corresponding quarter and half year ended 30 September 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 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

Hyderabad
11 November 2016


V.C. Nannapaneni
Chairman and Managing Director



Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
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Review Report on Quarterly and Year to Date Standalone 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 September 2016 and the year to date results for the period 1 April 2016 to 30 September 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2015 and the year to date results for the period 1 April 2015 to 30 September 2015, including the reconciliation of net profit under Ind AS of the aforementioned periods with net profit reported under previous GAAP, as included in the Statement have not been subject 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.



Walker Chandiok & Co LLP

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 amended) 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
For Walker Chandiok & Co LLP

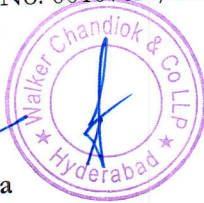
Chartered Accountants

Firm Registration No: 001076N/N500013

Adi P. Sethna
per **Adi P. Sethna**

Partner

Membership No.: 108840



Place: Hyderabad

Date : 11 November 2016



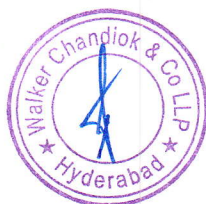
NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016

(Rupees in lakhs, except per share data)

S. No.	Particulars	Quarter ended			Half Year ended	
		30 September 2016 (Reviewed)	30 June 2016 (Reviewed)	30 September 2015 (Unaudited)	30 September 2016 (Reviewed)	30 September 2015 (Unaudited)
1	Income from operations			20,361	71,323	39,777
	a) Net sales/income from operations (inclusive of excise duty)	40,360	30,963	652	6,761	1,171
	b) Other operating income	5,265	1,496	21,013	78,084	40,948
	Total income from operations (inclusive of excise duty)	45,625	32,459			
2	Expenses	14,127	13,083	6,376	27,210	12,557
	a) Cost of materials consumed	3,755	927	-	4,682	37
	b) Purchases of stock-in-trade	(103)	(5,970)	(1,838)	(6,073)	(2,863)
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	5,290	4,764	3,579	10,054	7,059
	d) Employee benefits expense	1,389	1,298	1,124	2,687	2,244
	e) Depreciation and amortization expense	11,746	11,590	6,846	23,336	12,069
	f) Other expenses	36,204	25,692	16,087	61,896	31,103
	Total expenses	9,421	6,767	4,926	16,188	9,845
3	Profit before other income and finance costs	297	485	308	782	591
4	Other income	9,718	7,252	5,234	16,970	10,436
5	Profit before finance costs	416	302	754	718	1,531
6	Finance costs	9,302	6,950	4,480	16,252	8,905
7	Profit before tax	2,347	1,863	1,048	4,210	2,082
8	Tax expense	6,955	5,087	3,432	12,042	6,823
9	Net profit for the period	(58)	(55)	99	(113)	127
10	Other comprehensive income	6,897	5,032	3,531	11,929	6,950
11	Total comprehensive income	3,483	3,483	3,483	3,483	3,483
12	Paid-up Equity share capital (face value of Rs.2/- each)				6.85	4.17
13	Earnings per share (face value of Rs.2/- each)	3.96	2.92	2.11	6.84	4.17
	Basic EPS (not annualised)	3.95	2.91	2.11		
	Diluted EPS (not annualised)					

See accompanying notes to the financial results.





NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED STAND-ALONE ASSETS AND LIABILITIES

(Rupees in lakhs)

Particulars	As at 30 September 2016 (Reviewed)
ASSETS	
Non-current assets	
a) Property, plant and equipment	73,554
b) Capital Work-in-progress	24,632
c) Other intangible assets	541
d) Financial assets	
Investments	8,023
Loans	685
Other financial assets	760
e) Other non-current assets	8,954
Total non-current assets	117,149
Current assets	
a) Inventories	41,518
b) Financial assets	
Investments	2,266
Trade receivables	29,974
Cash and cash equivalents	1,782
Other bank balances	121
Other financial assets	6,820
c) Other current assets	10,302
Total current assets	92,783
TOTAL- ASSETS	209,932
EQUITY AND LIABILITIES	
Equity	
a) Equity share capital	3,483
b) Other equity	141,288
Total equity	144,771
Non-current liabilities	
a) Other financial liabilities	82
b) Provisions	1,862
c) Deferred tax liabilities, net	2,020
Total non-current liabilities	3,964
Current Liabilities	
a) Financial liabilities	
Borrowings	15,893
Trade payables	34,311
Other financial liabilities	6,117
b) Other current liabilities	4,731
d) Provisions	145
Total current liabilities	61,197
TOTAL- EQUITY AND LIABILITIES	209,932

See accompanying notes to the financial results.





NATCO PHARMA LIMITED

Notes:

- 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. The format for unaudited quarterly financial results as prescribed in SEBI circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI circular dated 5 July 2016, Ind AS and Schedule III to the Companies Act, 2013 which are applicable to companies that are required to comply with Ind AS.

- Reconciliation between standalone financial results under Previous GAAP and Ind AS for the quarter and half year ended 30 September 2015

(Rupees in lakhs)

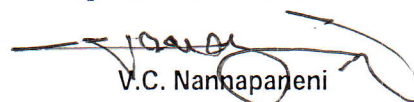
Particulars	Quarter ended	Half year ended
	30 September 2015	30 September 2015
Net profit under previous GAAP	3,460	6,867
Actuarial gain through other comprehensive income	(28)	(44)
Total net profit for the period under Ind AS	3,432	6,823
Other comprehensive income	99	127
Total comprehensive income	3,531	6,950

- 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.
- 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 September 2015 and year to date result for the period 1 April 2015 to 30 September 2015 are without effects of such amalgamation and to that extent, are not comparable with the quarter ended 30 September 2016 and year to date result for the period 1 April 2016 to 30 September 2016.
- As at 30 September 2016, other current financial assets include deposits with financial institutions amounting to Rs.6,425 lakhs.
- There are no exceptional and extra-ordinary items during the quarter and year to date.
- The unaudited standalone financial results for the quarter ended 30 September 2016 and year to date result for the period 1 April 2016 to 30 September 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 11 November 2016. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.



- 8 The financial results for the corresponding quarter ended 30 September 2015 and year to date result for the period 1 April 2015 to 30 September 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.
- 9 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director

Hyderabad
11 November 2016

