



## 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

12<sup>th</sup> August, 2015

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

The Manager - Listing  
National Stock Exchange of India Ltd.  
Bandra – Kurla Complex  
Bandra (E),  
Mumbai 400 051.

Scrip Code: 524816

Scrip Code: NATCOPHARM

Dear Sir,

Outcome of the Board Meeting held on 12<sup>th</sup> August, 2015

We wish to inform you that the Board of Directors at their meeting held today, among others, considered the following items of business:

1. Unaudited Financial Results (Standalone and Consolidated) and Report of Segment wise Revenue, Results and Capital employed for the Quarter ended 30<sup>th</sup> June, 2015 along with Review Report by the Statutory Auditors. Please find enclosed a copy of the same along with press note for your information.
2. Termination of earlier Natco Employee Stock Option Plan, 2010 (NATSOP2010).
3. Board had discussed the item of raising of funds for one of the subsidiaries Timecap Overseas Ltd., Mauritius and authorised Vice Chairman & CEO to explore various options for the same.
4. The date of Annual General Meeting is on 26<sup>th</sup> September, 2015 and Board had authorised Mr.V.C.Nannapaneni, Chairman & Managing Director for finalizing the time and venue for 32<sup>nd</sup> Annual General Meeting for the financial year 2014-15.
5. Board granted 1,50,000 (one lakh fifty thousand) options to eligible employees under NATSOP2015 keeping in view the SEBI (Share Based Employee Benefits) Regulations, 2014.

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

1. Sub-division of face value of equity shares of the Company from Rs.10/-(rupees ten only) each to that of Rs.2/-(rupees two only) each.
2. Increase of remuneration of Working Directors
3. Enhancement of Limits of Borrowing Powers
4. Creation of Security / Charge on the properties of the Company

This is for your information and records.

Thanking you,

Yours faithfully,  
For NATCO Pharma Limited

M Adinarayana  
Company Secretary &  
V.P. (Legal & Corporate Affairs)

Encl: as above



NATCO PHARMA LIMITED

Statement of stand-alone Financial Results for the quarter ended 30th June 2015

Rs. lakhs

| PART I : STATEMENT OF STAND-ALONE FINANCIAL RESULTS                                                |                                            |               |               |                         |
|----------------------------------------------------------------------------------------------------|--------------------------------------------|---------------|---------------|-------------------------|
| PARTICULARS                                                                                        | THREE MONTHS ENDED<br>(REVIEWED/UNAUDITED) |               |               | YEAR ENDED<br>(AUDITED) |
|                                                                                                    | 30 June 2015                               | 31 March 2015 | 30 June 2014  | 31 March 2015           |
| 01. Gross Sales/Income from Operations                                                             | 19,699                                     | 17,444        | 17,074        | 69,164                  |
| Less: Excise Duty                                                                                  | 530                                        | 426           | 466           | 1,143                   |
| Less: Sales Tax                                                                                    | 552                                        | 456           | 408           | 1,571                   |
| <b>Net Sales/Income from Operations</b>                                                            | <b>18,617</b>                              | <b>16,562</b> | <b>16,200</b> | <b>66,450</b>           |
| 02. Other Operating Income                                                                         | 788                                        | 1,023         | 1,948         | 5,107                   |
| <b>03. TOTAL INCOME FROM OPERATIONS</b>                                                            | <b>19,405</b>                              | <b>17,585</b> | <b>18,148</b> | <b>71,557</b>           |
| <b>04. EXPENDITURE</b>                                                                             |                                            |               |               |                         |
| a) Cost of materials consumed                                                                      | 6,181                                      | 5,265         | 3,892         | 17,858                  |
| b) Purchases of stock-in-trade                                                                     | 37                                         | 88            | -             | 88                      |
| c) Changes in inventories of finished goods, work-in progress and stock-in-trade                   | (1,025)                                    | (1,880)       | 477           | (876)                   |
| d) Employee benefits expense                                                                       | 3,464                                      | 3,202         | 2,715         | 11,619                  |
| e) Depreciation and amortization expense                                                           | 1,120                                      | 1,129         | 1,019         | 4,246                   |
| f) Other Expenses                                                                                  | 4,693                                      | 4,985         | 5,008         | 20,010                  |
| <b>TOTAL EXPENSES</b>                                                                              | <b>14,470</b>                              | <b>12,789</b> | <b>13,111</b> | <b>52,945</b>           |
| <b>05. Profit/(Loss) from Operations before other income, finance costs and exceptional items</b>  | <b>4,935</b>                               | <b>4,796</b>  | <b>5,037</b>  | <b>18,612</b>           |
| 06. Other Income                                                                                   | 283                                        | 255           | 88            | 1,355                   |
| <b>07. Profit/(Loss) from ordinary activities before finance Cost and exceptional items</b>        | <b>5,218</b>                               | <b>5,051</b>  | <b>5,125</b>  | <b>19,967</b>           |
| 08. Finance costs                                                                                  | 777                                        | 867           | 636           | 3,013                   |
| <b>09. Profit/(Loss) from ordinary activities after finance Costs but before exceptional items</b> | <b>4,441</b>                               | <b>4,184</b>  | <b>4,489</b>  | <b>16,954</b>           |
| 10. Exceptional Item                                                                               | -                                          | -             | -             | 1,513                   |
| <b>11. Profit/(Loss) from ordinary activities before tax</b>                                       | <b>4,441</b>                               | <b>4,184</b>  | <b>4,489</b>  | <b>15,441</b>           |
| 12. Current Tax expense                                                                            | 948                                        | 777           | 941           | 3,252                   |
| 13. Deferred Tax expense /(reversal)                                                               | 86                                         | (3,103)       | (93)          | (3,103)                 |
| <b>14. Net Profit/(Loss) from ordinary activities after tax</b>                                    | <b>3,407</b>                               | <b>6,510</b>  | <b>3,641</b>  | <b>15,292</b>           |
| 15. Extraordinary items (net of tax expenses)                                                      | -                                          | -             | -             | -                       |
| <b>16. Net Profit/(Loss) for the period</b>                                                        | <b>3,407</b>                               | <b>6,510</b>  | <b>3,641</b>  | <b>15,292</b>           |
| 17. Paid-up Equity Share Capital (each share of Rs.10/-face value)                                 | 3,323                                      | 3,323         | 3,307         | 3,323                   |
| 18. Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year       | -                                          | -             | -             | 84,576                  |
| <b>19. Earnings per share</b>                                                                      |                                            |               |               |                         |
| Basic and diluted EPS before and after extraordinary item (Rs.) – non-annualized                   | 10.25                                      | 19.63         | 11.01         | 46.17                   |
|                                                                                                    | 10.25                                      | 19.63         | 11.01         | 46.17                   |
| <b>PART II : SELECT INFORMATION</b>                                                                |                                            |               |               |                         |
| 20. Public Share holding :                                                                         |                                            |               |               |                         |
| a) Number of Shares                                                                                | 1,53,68,985                                | 1,53,73,985   | 1,53,73,943   | 1,53,73,985             |
| b) Percentage of Share holding                                                                     | 46.24                                      | 46.26         | 46.48         | 46.26                   |
| 21. Promoters and Promoter Group Shareholding                                                      |                                            |               |               |                         |
| a) Pledged/Encumbered – No. of shares                                                              | -                                          | -             | -             | -                       |
| b) Non-encumbered–No. of shares                                                                    | 1,78,65,864                                | 1,78,60,864   | 1,76,99,131   | 1,78,60,864             |
| Percentage (as a % of the total share holding of promoter and promoter group)                      | 100.00                                     | 100.00        | 100.00        | 100.00                  |
| Percentage (as a % of the total share capital of the company)                                      | 53.76                                      | 53.74         | 53.52         | 53.74                   |

Dated at Hyderabad, this, the 12th day of August, 2015.  
for and on behalf of the Board of Directors,  
NATCO Pharma Limited

R. Nannapaneni  
Vice Chairman & CEO

| Status of Investor Complaints as at 30th June, 2015 |     |
|-----------------------------------------------------|-----|
| Pending as on 01-04-2015                            | -   |
| Received during the quarter                         | 115 |
| Resolved during the quarter                         | 115 |
| Pending as on 30-06-2015                            | -   |



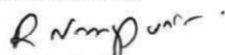
**Statement of consolidated Financial Results for the quarter ended 30th June 2015**

Rs. lakhs

| <b>PART I : STATEMENT OF CONSOLIDATED RESULTS</b>                                                  |                                              |               |               |                         |
|----------------------------------------------------------------------------------------------------|----------------------------------------------|---------------|---------------|-------------------------|
| PARTICULARS                                                                                        | THREE MONTHS ENDED<br>(UNREVIEWED/UNAUDITED) |               |               | YEAR ENDED<br>(AUDITED) |
|                                                                                                    | 30 June 2015                                 | 31 March 2015 | 30 June 2014  | 31 March 2015           |
| 01. Gross Sales/Income from Operations                                                             | 22,745                                       | 19,979        | 19,922        | 80,306                  |
| Less: Excise Duty                                                                                  | 531                                          | 466           | 466           | 1,295                   |
| Less: Sales Tax                                                                                    | 645                                          | 456           | 408           | 1,591                   |
| <b>Net Sales/Income from Operations</b>                                                            | <b>21,569</b>                                | <b>19,057</b> | <b>19,048</b> | <b>77,420</b>           |
| 02. Other Operating Income                                                                         | 802                                          | 1,023         | 1,948         | 5,107                   |
| <b>03. TOTAL INCOME FROM OPERATIONS</b>                                                            | <b>22,371</b>                                | <b>20,080</b> | <b>20,996</b> | <b>82,527</b>           |
| <b>04. EXPENDITURE</b>                                                                             |                                              |               |               |                         |
| a) Cost of materials consumed                                                                      | 5,744                                        | 6,872         | 6,088         | 16,726                  |
| b) Purchases of stock-in-trade                                                                     | 2,388                                        | -             | -             | 8,428                   |
| c) Changes in inventories of finished goods, work-in progress and stock-in-trade                   | (1,148)                                      | (1,921)       | 477           | (917)                   |
| d) Employee benefits expense                                                                       | 4,026                                        | 3,838         | 3,183         | 13,692                  |
| e) Depreciation and amortization expense                                                           | 1,264                                        | 1,280         | 1,114         | 4,726                   |
| f) Other Expenses                                                                                  | 5,615                                        | 6,345         | 5,531         | 23,261                  |
| <b>TOTAL EXPENSES</b>                                                                              | <b>17,889</b>                                | <b>16,414</b> | <b>16,393</b> | <b>65,916</b>           |
| <b>05. Profit/(Loss) from Operations before other income, finance costs and exceptional items</b>  | <b>4,482</b>                                 | <b>3,666</b>  | <b>4,603</b>  | <b>16,611</b>           |
| 06. Other Income                                                                                   | 183                                          | 320           | 152           | 1,491                   |
| <b>07. Profit/(Loss) from ordinary activities before finance Cost and exceptional items</b>        | <b>4,665</b>                                 | <b>3,986</b>  | <b>4,755</b>  | <b>18,102</b>           |
| 08. Finance costs                                                                                  | 808                                          | 937           | 656           | 3,168                   |
| <b>09. Profit/(Loss) from ordinary activities after finance Costs but before exceptional items</b> | <b>3,857</b>                                 | <b>3,049</b>  | <b>4,099</b>  | <b>14,934</b>           |
| 10. Exceptional Item                                                                               | -                                            | -             | -             | 1,513                   |
| <b>11. Profit/(Loss) from ordinary activities before tax</b>                                       | <b>3,857</b>                                 | <b>3,049</b>  | <b>4,099</b>  | <b>13,421</b>           |
| 12. Current Tax expense                                                                            | 1,017                                        | 851           | 971           | 3,512                   |
| 13. Deferred Tax expense /(Reversal)                                                               | 86                                           | (3,117)       | (93)          | (3,117)                 |
| <b>14. Net Profit/(Loss) from ordinary activities after tax</b>                                    | <b>2,754</b>                                 | <b>5,315</b>  | <b>3,221</b>  | <b>13,026</b>           |
| 15. Minority Interest                                                                              | (69)                                         | (129)         | (125)         | (435)                   |
| <b>16. Net Profit/(Loss) for the period</b>                                                        | <b>2,823</b>                                 | <b>5,444</b>  | <b>3,346</b>  | <b>13,461</b>           |
| 17. Paid-up Equity Share Capital(each share of Rs.10/-face value)                                  | 3,323                                        | 3,323         | 3,307         | 3,323                   |
| 18. Reserves excluding revaluation reserves as per Balance Sheet of previous accounting year       | -                                            | -             | -             | 81,282                  |
| <b>19. Earnings per share</b>                                                                      |                                              |               |               |                         |
| Basic and diluted EPS before and after extraordinary item (Rs.) – non-annualized                   | 8.50                                         | 16.41         | 10.12         | 40.64                   |
|                                                                                                    | 8.50                                         | 16.41         | 10.12         | 40.64                   |
| <b>PART II : SELECT INFORMATION</b>                                                                |                                              |               |               |                         |
| 20. Public Share holding :                                                                         |                                              |               |               |                         |
| a) Number of Shares                                                                                | 1,53,68,985                                  | 1,53,73,985   | 1,53,73,943   | 1,53,73,985             |
| b) Percentage of Share holding                                                                     | 46.24                                        | 46.26         | 46.48         | 46.26                   |
| 21. Promoters and Promoter Group Shareholding                                                      |                                              |               |               |                         |
| a) Pledged/Encumbered – No. of shares                                                              | -                                            | -             | -             | -                       |
| b) Non-encumbered–No. of shares                                                                    | 1,78,65,864                                  | 1,78,60,864   | 1,76,99,131   | 1,78,60,864             |
| Percentage (as a % of the total share holding of promoter and promoter group)                      | 100.00                                       | 100.00        | 100.00        | 100.00                  |
| Percentage (as a % of the total share capital of the company)                                      | 53.76                                        | 53.74         | 53.52         | 53.74                   |

The above un-audited financial results were reviewed by the Audit Committee, and approved by the Board of Directors at a meeting held at Hyderabad, on Wednesday, the 12th August, 2015. There are no exceptional and extraordinary items to be reported for the period under review. The stand alone result are available on the company website [www.natcopharma.co.in](http://www.natcopharma.co.in).

Dated at Hyderabad, this, the 12th day of August, 2015.  
for and on behalf of the Board of Directors,  
NATCO Pharma Limited

  
**Rajeev Nannapaneni**  
Vice Chairman & CEO

| Status of Investor Complaints as at 30th June, 2015 |     |
|-----------------------------------------------------|-----|
| Pending as on 01-04-2015                            | -   |
| Received during the quarter                         | 115 |
| Resolved during the quarter                         | 115 |
| Pending as on 30-06-2015                            | -   |



**NATCO PHARMA LIMITED**

**Report of segment wise revenue, Results and Capital Employed (Un-audited) under Clause 41 of the Listing Agreement, for the quarter ended on 30th June, 2015**

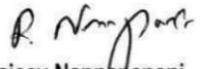
Rs. In lakhs

| PARTICULARS                                                           | THREE MONTHS ENDED |               |               | PREVIOUS ACCOUNTING YEAR ENDED (UN-AUDITED) |
|-----------------------------------------------------------------------|--------------------|---------------|---------------|---------------------------------------------|
|                                                                       | 30-Jun-15          | 31-Mar-15     | 30-Jun-14     | 31-Mar-15                                   |
| <b>01. Segment Revenue(Net)</b>                                       |                    |               |               |                                             |
| a) Bulk Chemicals                                                     | 5,580              | 7,171         | 8,527         | 29,468                                      |
| b) Formulations                                                       | 14,146             | 11,943        | 8,966         | 42,524                                      |
| c) Job Work                                                           | 221                | 218           | 230           | 830                                         |
| d) Unallocated                                                        | 326                | 504           | 970           | 2,502                                       |
| <b>Total</b>                                                          | <b>20,273</b>      | <b>19,836</b> | <b>18,693</b> | <b>75,324</b>                               |
| Less: Inter-Segment Revenue                                           | 868                | 2,251         | 545           | 3,767                                       |
| <b>Net Sales/Income from Operations</b>                               | <b>19,405</b>      | <b>17,585</b> | <b>18,148</b> | <b>71,557</b>                               |
| <b>02. Segment Results: Profit(+)/Loss(-) before tax and interest</b> |                    |               |               |                                             |
| a) Bulk Chemicals                                                     | 1,134              | 2,593         | 3,957         | 8,043                                       |
| b) Formulations                                                       | 5,712              | 4,159         | 3,068         | 17,784                                      |
| c) Job Work                                                           | 190                | 179           | 183           | 684                                         |
| d) Unallocated                                                        | 243                | 673           | 53            | 1,354                                       |
| <b>Total</b>                                                          | <b>7,279</b>       | <b>7,604</b>  | <b>7,261</b>  | <b>27,865</b>                               |
| Less: a) Interest                                                     | 777                | 867           | 636           | 3,013                                       |
| b) Other unallocable expenditure                                      | 2,344              | 2,808         | 2,224         | 10,766                                      |
| c) Unallocable Income                                                 | (283)              | (255)         | (88)          | (1,355)                                     |
| <b>Total Profit Before Tax</b>                                        | <b>4,441</b>       | <b>4,184</b>  | <b>4,489</b>  | <b>15,441</b>                               |
| <b>03. Capital Employed (Segment Assets- Segment Liabilities)</b>     |                    |               |               |                                             |
| a) Bulk Chemicals                                                     | 46,963             | 44,091        | 45,748        | 44,091                                      |
| b) Formulations                                                       | 45,123             | 44,740        | 30,176        | 44,740                                      |
| c) Job Work                                                           | 101                | 227           | 212           | 227                                         |
| d) Unallocated (Others)                                               | (881)              | (1,159)       | 173           | (1,159)                                     |
| <b>Total</b>                                                          | <b>91,306</b>      | <b>87,899</b> | <b>76,309</b> | <b>87,899</b>                               |

The above un-audited financial results were reviewed by the Audit Committee, Statutory Auditors and approved by the Board of Directors at a meeting held at Hyderabad, on Wednesday, the 12th August, 2015. Figures for the previous period(s) have been re-arranged / re-grouped wherever necessary.

Exceptional item for the year ended 31 March 2015, represents amount paid and accounted against settlement of pending legal dispute Rs.1513/- lakhs. On the basis of management's assessment of its future business plan and the impact thereof on the future taxable income, the management believes that the Company would continue to pay tax on income under the Minimum Alternate Tax (MAT) provisions of the Income Tax Act, 1961 over the next several years. Thus, deferred tax liabilities (net) aggregating to Rs.3103/- lakhs recognized in the earlier years on the timing differences which is expected to be reversed during the MAT period is de-recognized during the quarter ended 31 March 2015 in accordance with the provisions of Accounting Standard 22 – 'Accounting for Taxes on Income'.

Dated at Hyderabad, this, the 12th day of August, 2015.  
for and on behalf of the Board of Directors,  
NATCO Pharma Limited

  
**Rajeev Nannapaneni**  
Vice Chairman & CEO

# Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

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F +91 40 6630 8230

## Review Report

### To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of NATCO Pharma Limited ("the Company") for the quarter ended 30 June 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 Engagements (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 (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiok & Co LLP

4. We have neither performed a review nor performed an audit of the figures/notes for the consolidated results for the quarter ended 30 June 2015, 31 March 2015 and 30 June 2014 as reported in the statement and accordingly do not express any opinion thereon.

*Walker Chandiok & Co LLP*  
For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner

Membership No. 207660

Place: Hyderabad

Date: 12 August 2015





## 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

**Ref:PR/03/2015-16**

### **Press Release**

*Hyderabad, 12th August, 2015*

### **NATCO Stock Split - Records Rs.225.54 crores revenue for the First Quarter, ended June 2015**

Board of Directors of Hyderabad based NATCO Pharma Limited approved and recommended to the members of the company a Sub-division of face value of its equity shares from Rs.10/-(rupees ten only) each to that of Rs.2/-(rupees two only) each. It also announced an aggregate consolidated net revenues of Rs.225.54 Crores for the quarter ended on 30<sup>th</sup> June, 2015, as against Rs.211.48 Crores during the same quarter last year thus recording an increase of about 6.6%.

The net profit, after tax, on a consolidated basis, was Rs.28.23 Crores, as against Rs.33.46 Crores for the same quarter last year. Although this is a decrease of about 15.6% compared to the same quarter last year, the company expects strong sales growth with high-margin products, in the ensuing quarters of FY2016.

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Forwarded for favor of publication  
For **NATCO Pharma Limited**

*M Adinarayana*

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