



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

14th February, 2017

Corporate Relationship Department
The BSE Ltd.
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 and
Nine Months ended December 31, 2016**

We would like to inform you that the Board of Directors of the Company at their meeting held 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 nine months ended 31st December, 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 along with Press Release.
2. Declared second interim dividend of Rs.6/- (Rupees six only) on each equity share of Rs.2/- (Rupees two only) each for the year 2016-17. The date for taking on record of its shareholders eligible for the purpose of payment of interim dividend i.e. **Record date** is fixed on Monday, the **27th day of February, 2017**. The said interim dividend will be paid from Friday the **3rd day of March, 2017** onwards.

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/18/2016-17

Press Release

Hyderabad, 14th February, 2017

NATCO records INR 685.13 Crore total consolidated revenue and INR 194.76 Crore of profit, after tax, for the Third Quarter, FY 2017

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated total revenue of INR 685.13 Crore for the quarter ended on 31st December, 2016, as against INR 293.45 Crore during the same quarter last year, reflecting an increase of about 134%.

The net profit for the period, on a consolidated basis, was INR 194.76 Crore, as against INR 37.04 Crore same quarter last year, showing a growth of 425%. The revenue and profit growth for the company during the quarter was driven predominantly by the sales of Oseltamivir product in the USA market and includes profit sharing from our marketing partner.

Forwarded for favour of publication
For NATCO Pharma Limited

M. Adinarayana

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



NATCO PHARMA LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS
ENDED 31 DECEMBER 2016

(Rupees in lakhs, except per share data)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2016 (Unaudited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)
1	Income from operations					
	a) Net sales/income from operations (inclusive of excise duty)	64,286	41,521	27,517	138,342	72,702
	b) Other operating income	3,615	5,265	1,292	10,376	3,307
	Total income from operations (inclusive of excise duty)	67,901	46,786	28,809	148,718	76,009
2	Expenses					
	a) Cost of materials consumed	14,766	14,127	7,649	41,976	19,633
	b) Purchases of stock-in-trade	2,728	4,267	2,340	9,155	7,043
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	3,048	(18)	(774)	(2,944)	(3,741)
	d) Employee benefits expense	5,600	5,535	4,717	16,113	13,091
	e) Depreciation and amortization expense	1,369	1,410	1,332	4,094	3,864
	f) Other expenses	15,740	12,394	8,772	40,193	22,327
	Total expenses	43,251	37,715	24,036	108,587	62,217
3	Profit before other income and finance costs	24,650	9,071	4,773	40,131	13,792
4	Other income	612	318	536	1,446	926
5	Profit before finance costs	25,262	9,389	5,309	41,577	14,718
6	Finance costs	464	420	358	1,204	1,932
7	Profit before tax	24,798	8,969	4,951	40,373	12,786
8	Tax expense	5,314	2,347	1,306	9,524	3,513
9	Net profit for the period	19,484	6,622	3,645	30,849	9,273
10	Non-controlling interests	24	33	48	79	156
11	Net profit after non-controlling interests	19,508	6,655	3,693	30,928	9,429
12	Other comprehensive income	(32)	(58)	11	(145)	138
13	Total comprehensive income	19,476	6,597	3,704	30,783	9,567
14	Paid-up Equity share capital (face value of Rs.2/- each)	3,486	3,483	3,483	3,486	3,483
15	Earnings per share (face value of Rs.2/- each)					
	Basic EPS (not annualised)	11.18	3.79	2.13	17.67	5.61
	Diluted EPS (not annualised)	11.16	3.78	2.13	17.64	5.61

See accompanying notes to the financial results.



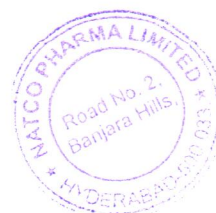


NATCO PHARMA LIMITED

CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2016

(Rupees in lakhs)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 December 2016 (Unaudited)	30 September 2016 (Unaudited)	31 December 2015 (Unaudited)	31 December 2016 (Unaudited)	31 December 2015 (Unaudited)
1	Segment revenue (net)					
	a) Bulk chemicals	6,900	7,611	7,344	20,258	19,323
	b) Formulations	59,889	37,013	23,942	126,717	60,385
	c) Job Work	146	355	150	501	497
	d) Unallocated	2,669	4,314	162	8,127	522
	Total	69,604	49,293	31,598	155,603	80,728
	Less: Inter-segment revenue	1,703	2,507	2,789	6,885	4,719
	Net sales / income from operations	67,901	46,786	28,809	148,718	76,009
2	Segment results					
	Profit before tax and finance costs					
	a) Bulk Chemicals	339	126	377	1,067	2,085
	b) Formulations	28,869	14,116	7,781	52,059	20,360
	c) Job Work	45	333	137	378	412
	d) Unallocated	299	522	129	939	691
	Total	29,552	15,097	8,425	54,443	23,548
	Less: a) Interest	464	420	358	1,204	1,932
	b) Other unallocable expenditure	4,902	6,026	3,652	14,313	9,756
	c) Unallocable Income	(612)	(318)	(536)	(1,446)	(926)
	Profit before tax	24,798	8,969	4,951	40,373	12,786
3	Capital employed					
	a) Bulk Chemicals	61,778	73,215	45,065	61,778	45,065
	b) Formulations	86,452	58,069	46,895	86,452	46,895
	c) Job Work	388	870	2,719	388	2,719
	d) Unallocated	11,463	7,937	48,413	11,463	48,413
	Total capital employed	160,081	140,091	143,092	160,081	143,092





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 to the extent applicable to companies that are required to comply with Ind AS.
- 2 Reconciliation between consolidated financial results under Previous Generally Accepted Accounting Principles (GAAP) and Ind AS for the quarter and Nine months period ended 31 December 2015.

(Rupees in lakhs)

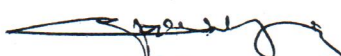
Particulars	Quarter ended 31 Dec 2015	Nine months ended 31 Dec 2015
Net profit under previous GAAP	3,715	9,495
Actuarial gain through other comprehensive income	(22)	(66)
Total net profit for the period under Ind AS	3,693	9,429
Other comprehensive income	11	138
Total comprehensive income	3,704	9,567

- 3 Other expenses for quarter and nine months period ended 31 December 2016 includes cost of Rs.2,378 lakhs towards write-off of entire balance receivable from a customer in Venezuela after adjusting the related commission payable of Rs.1,362 lakhs.
- 4 The unaudited consolidated financial results for the quarter and Nine months period ended 31 December 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 14 February 2017. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- 5 The Board of Directors have recommended a second interim dividend of Rs.6/- per equity share of Rs. 2 each for the current financial year. This is in addition to first interim dividend of Rs.0.75 per equity share of Rs. 2 each declared by the Board of Directors in its meeting held on 9 August 2016.
- 6 The consolidated financial results for the corresponding quarter ended 31 December 2015 and year to date result for the period 1 April 2015 to 31 December 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 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

Hyderabad
14 February 2017




V.C. Nannapaneni
Chairman and Managing Director

NATCO

NATCO PHARMA LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED
31 DECEMBER 2016

(Rupees in lakhs, except per share data)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2016 (Unaudited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)
1	Income from operations					
	a) Net sales/income from operations (inclusive of excise duty)	63,047	40,360	24,607	134,370	63,554
	b) Other operating income	3,615	5,265	1,124	10,376	3,125
	Total income from operations (inclusive of excise duty)	66,662	45,625	25,731	144,746	66,679
2	Expenses					
	a) Cost of materials consumed	14,766	14,127	7,912	41,976	20,469
	b) Purchases of stock-in-trade	2,117	3,755	-	6,799	37
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	3,344	(103)	(852)	(2,729)	(3,715)
	d) Employee benefits expense	5,341	5,290	4,184	15,395	11,243
	e) Depreciation and amortization expense	1,349	1,389	1,170	4,036	3,414
	f) Other expenses	14,898	11,746	7,993	38,234	20,062
	Total expenses	41,815	36,204	20,407	103,711	51,510
3	Profit before other income and finance costs	24,847	9,421	5,324	41,035	15,169
4	Other income	614	297	640	1,396	1,231
5	Profit before finance costs	25,461	9,718	5,964	42,431	16,400
6	Finance costs	440	416	332	1,158	1,863
7	Profit before tax	25,021	9,302	5,632	41,273	14,537
8	Tax expense	5,314	2,347	1,300	9,524	3,382
9	Net profit for the period	19,707	6,955	4,332	31,749	11,155
10	Other comprehensive income	(32)	(58)	11	(145)	138
11	Total comprehensive income	19,675	6,897	4,343	31,604	11,293
12	Paid-up Equity share capital (face value of Rs.2/- each)	3,486	3,483	3,483	3,486	3,483
13	Earnings per share (face value of Rs.2/- each)					
	Basic EPS (not annualised)	11.29	3.96	2.50	18.14	6.63
	Diluted EPS (not annualised)	11.28	3.96	2.49	18.12	6.62

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 to the extent applicable to companies that are required to comply with Ind AS.
- Reconciliation between standalone financial results under Previous Generally Accepted Accounting Principles (GAAP) and Ind AS for the quarter and Nine months period ended 31 December 2015

(Rupees in lakhs)

Particulars	Quarter ended	Nine Months Ended
	31 December 2015	31 December 2015
Net profit under previous GAAP	4,354	11,221
Actuarial gain through other comprehensive income	(22)	(66)
Total net profit for the period under Ind AS	4,332	11,155
Other comprehensive income	11	138
Total comprehensive income	4,343	11,293

- 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 31 December 2015 and year to date result for the period 1 April 2015 to 31 December 2015 are without effects of such amalgamation and to that extent, are not comparable with the quarter ended 31 December 2016 and year to date result for the period 1 April 2016 to 31 December 2016.
- Other expenses for quarter and nine months period ended 31 December 2016 includes cost of Rs.2,378 lakhs towards write-off of entire balance receivable from a customer in Venezuela after adjusting the related commission payable of Rs.1,362 lakhs.
- The unaudited standalone financial results for the quarter ended 31 December 2016 and year to date result for the period 1 April 2016 to 31 December 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 14 February 2017. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- The Board of Directors have recommended a second interim dividend of Rs.6/- per equity share of Rs. 2 each for the current financial year. This is in addition to first interim dividend of Rs.0.75 per equity share of Rs. 2 each declared by the Board of Directors in its meeting held on 9 August 2016.
- Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

Hyderabad
14 February 2017



V.C. Nannapaneni
Chairman and Managing Director

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 31 December 2016 and year to date results for the period 1 April 2016 to 31 December 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 31 December 2015 and the corresponding year to date from 1 April 2015 to 31 December 2015, including the reconciliation of profit under Ind AS of the corresponding quarter and year to date with profit reported under previous GAAP, as reported in these financial results have been approved by the Company's Board of Directors but have not been subjected to review. 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 Brasil LTDA (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 ₹1,608 lakhs and ₹4,473 lakhs for the quarter and nine month period ended 31 December 2016 respectively, net loss after tax and prior period items (after eliminating intra-group transactions) of ₹426 lakhs and ₹1,023 lakhs for the quarter and the six month period ended 31 December 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

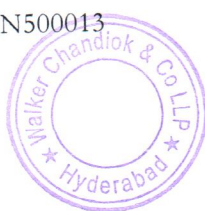
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Adi P. Sethna

per **Adi P. Sethna**

Partner

Membership No.: 108840



Place: Hyderabad

Date : 14 February 2017

Walker Chandiok & Co LLP

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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 31 December 2016 and the year to date results for the period 1 April 2016 to 31 December 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. 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 : 14 February 2017