

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on **Saturday, the 28th day of September, 2013 , at 10.30 a.m** at Daspalla Hotel, Road No.37, Jubilee Hills, Hyderabad 500 033 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss account for the year ended 31st March, 2013 and the Balance sheet as at 31st March, 2013 and the Report of the Directors and Auditors thereon.
2. To confirm the already paid Interim Dividend as Final Dividend on equity shares for the year 2012-2013.
"RESOLVED THAT the Interim Dividend of Rs.4(Rupees four only) per share declared by the Board of Directors of the Company at their meeting held on 13th February, 2013 on 3,13,73,074 Equity shares of Rs.10/- each absolving a sum of Rs.12,54,92,296/-(Rupees Twelve Crores Fifty Four Lakhs Ninety Two Thousand Two Hundred And Ninety Six Only) be and is hereby approved as the Final Dividend for the year ended 31st March, 2013."
3. To appoint a Director in place of Mr. Rajeev Nannapaneni
"RESOLVED THAT Mr. Rajeev Nannapaneni, be and is hereby re-appointed as a Director of the Company, who shall be liable for retirement by rotation."
4. To appoint a Director in place of Dr.P.Bhaskara Narayana
"RESOLVED THAT Dr.P. Bhaskara Narayana, be and is hereby re-appointed as a Director of the Company, who shall be liable for retirement by rotation."
5. To appoint a Director in place of Dr. A K S Bhujanga Rao
"RESOLVED THAT Dr. A K S Bhujanga Rao, be and is hereby re-appointed as a Director of the Company, who shall be liable for retirement by rotation."
6. To appoint Auditors for the financial year 2013-2014 and fix their remuneration.
"RESOLVED THAT M/s. Walker, Chandio & Co., Chartered Accountants, (Firm Registration No.001076N), Hyderabad, the Statutory Auditors of the Company, who retires at the conclusion of this meeting, being eligible, be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that the Board of Directors be and are hereby authorised to fix their remuneration."

SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

Reclassification and Increase of Authorised Capital

"RESOLVED THAT pursuant to the provisions of Section 16, 31 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby reclassified into equity shares only and be increased to 4,00,00,000 (Four crores only) equity shares of Rs.10/-(Rupees ten only) each and to amend the Clause V (a) of the Memorandum of Association and Article 7(a) of the Articles of Association of the Company."

FURTHER RESOLVED THAT the Memorandum and Articles of association of the company be suitably altered as follows:

A. Substitution of Clause V(a) of Memorandum of Association

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the existing Clause V(a) of the Memorandum of Association of the Company be and is hereby substituted with the following Clause:



V(a) The Authorised Share Capital of the Company is Rs.40,00,00,000/- (Rupees Forty crores only) divided into 4,00,00,000 (Four crores only) equity shares of Rs.10/-(Rupees ten only) each of the Company.

B. Substitution of Article 7(a) of Articles of Association

"**RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 Article 7(a) of Articles of Association of the Company be substituted with the following Article:

7(a) The Authorised Share Capital of the Company is Rs.40,00,00,000/- (Rupees Forty crores only) divided into 4,00,00,000 (Four crores only) equity shares of Rs.10/-(Rupees ten only) each of the Company.

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

Issue of further shares/ securities

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and any other laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of such statutory, Government and/or regulatory authorities / agencies, including the Stock Exchanges either in India or abroad, SEBI, RBI, etc. and subject to such conditions and modifications, if any, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the 'Board' which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) and pursuant to various provisions of SEBI including but not limited to Qualified Institutions Placement ("QIP") provisions mentioned in Chapter VIII of the SEBI (Issue of Capital & Disclosure requirements) Regulations 2009, the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot in one or more placements/tranches to QIB's or otherwise as defined in the regulations, equity shares and/or fully convertible debentures and/or partly convertible debentures and/or non-convertible debentures with warrants, and/or any securities (other than warrants), Foreign Currency Convertible Bonds (FCCBs), which are convertible into or exchangeable with equity shares at a later date not exceeding 50,00,000 (fifty lakh equity shares) equity shares of face value of Rs.10/- each at such time or times as the Board may hereafter decide and at a price to be determined by the Board in accordance with the relevant Regulations, provided however that it is in compliance with the requirement of minimum public shareholding specified in the listing agreement.

RESOLVED FURTHER THAT a minimum of 10% of the Securities issued pursuant to said guidelines shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIB(s) or otherwise;

RESOLVED FURTHER THAT the "relevant date" for pricing of the Securities, under the Regulations of the SEBI, in case of allotment of equity shares, will be the date of board meeting in which the Board decides to open the proposed issue and in case of issue of convertible securities it will be the date of board meeting in which it decides to open the proposed issue of such convertible Securities.

RESOLVED FURTHER THAT the tenure of the conversion/ exchange of such eligible securities shall occur not later than 60 (sixty) months from date of allotment of the Securities;

RESOLVED FURTHER THAT the Board be and is hereby authorized as mentioned in the first para of this Resolution to appoint and enter into and execute all such arrangements/ agreements, as the case may be, with any Investment /Merchant Banker/ Advisor(s)/ Registrars, and all such agencies/ intermediaries as may be required including payment to such agencies/intermediaries of commission, brokerage, fees, remuneration for their services and expenses etc. incurred in relation to the issue of Securities and to finalise the Placement Document and also to seek listing of such Securities on the Stock Exchanges either in India or abroad;

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue of Securities under the QIP or otherwise and all equity shares allotted under or arising from such QIP or otherwise will rank pari passu in all respects with the existing equity shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters, things and execute, documents, instruments and writings as it may in its absolute discretion deems fit and necessary thereto with a power to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s), Company Secretary and/or other officer (s) of the company to give effect to the aforesaid resolution."

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or any other Officer(s) of the Company for obtaining necessary permissions and approvals, if any, in this connection."

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

Increase of Remuneration to Dr.P.Bhaskara Narayana, Director & Chief Financial Officer

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 and, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions, approvals and other necessary permissions as may be necessary from the Government of India, approval of the Company be and is hereby accorded for increasing the remuneration payable to Dr. P. Bhaskara Narayana Director & Chief Financial Officer (CFO) in the wholetime employment of the Company for a period of 2 years from 1st April, 2013 to 31st March, 2015 as detailed below:

- a. Salary not exceeding Rs.36,00,000/- (Rupees Thirty six lakhs only) per annum including dearness and other allowances.
- b. Perquisites:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
 - iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the remuneration as may be agreed to by the Board of Directors and Dr. P. Bhaskara Narayana .

RESOLVED FURTHER THAT notwithstanding as above where in any financial year closing on and after 31st March 2014, if the Company has no profits or its profits are inadequate, the Company shall pay to Dr. P. Bhaskara Narayana the remuneration by way of salary, allowances and perks not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or any other Officer(s) of the Company for obtaining necessary permissions and approvals, if any, in this connection."

10. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

Increase of Remuneration to Dr.AKS Bhujanga Rao, President (R & D and Technical)



"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 and, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such sanctions, approvals and other necessary permissions as may be necessary from the Government of India, approval of the Company be and is hereby accorded for increasing the remuneration payable to Dr. A.K.S. Bhujanga Rao President (R&D and Technical) in the wholetime employment of the Company for a period of 2 years from 1st April, 2013 to 31st March, 2015 as detailed below:

- a. Salary not exceeding Rs.36,00,000/- (Rupees Thirty six lakhs only) per annum including dearness and other allowances.
- b. Perquisites:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
 - iii. Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the remuneration as may be agreed to by the Board of Directors and Dr. A.K.S . Bhujanga Rao.

RESOLVED FURTHER THAT notwithstanding as above where in any financial year closing on and after 31st March 2014, if the Company has no profits or its profits are inadequate, the Company shall pay to Dr. A.K.S . Bhujanga Rao. the remuneration by way of salary, allowances and perks not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or any other Officer(s) of the Company for obtaining necessary permissions and approvals, if any, in this connection.

By order of the Board
For **NATCO Pharma Limited**

M. Adinarayana

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

Place : Hyderabad

Date : 14th August, 2013

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself on a poll and a proxy need not be a member of the Company. The instrument of proxy in order to be valid must be deposited at the Registered Office of the Company duly completed and signed, at least 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising the representatives to attend and vote on their behalf at the Meeting.
3. In terms of Section 256 of the Companies Act 1956, Mr. Rajeev Nannapaneni, Dr.P.Bhaskara Narayana and Dr. A K S Bhujanga Rao, Directors, retire by rotation at the ensuing Meeting and being eligible offer themselves for re-appointment. The Board of Directors of the Company commends their respective reappointments. Brief resumes of the retiring Directors is provided at the end of this Notice.
4. Members holding shares in physical form are requested to notify any change in their address immediately to the Registered Office of the Company, Hyderabad and in case of Members holding shares in electronic form are requested to notify any change in their mailing address to their respective Depository Participants.
5. The Members / Proxies are requested to bring the copy of the Annual Report to the Annual General Meeting and hand over the attendance slip at the entrance of the meeting venue along with their Registered Folio No./Client ID and DP ID Numbers for easy identification.
6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
7. Nomination facility is available as per the guidelines. Share transfers and related matters will be undertaken at the Company's Transfer Agents M/s. Venture Capital and Corporate Investments Limited. Members as per their convenience can correspond with the Share Transfer Agents of the Company or the Legal & Secretarial Department of the Company at the Registered Office of the Company.
8. The Register of Members and Share Transfer Books will remain closed for 4 days i.e. from 25th September, 2013 to 28th September, 2013 (both days inclusive).
9. Members holding shares in electronic form may note that the Bank Particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the Company.
10. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Legal & Secretarial Department at the Company's registered office or the Company's Registrars and Share Transfer Agents (Venture Capital and Corporate Investments Private Limited). Members are requested to note that dividends not encashed or claimed with in seven years and 30 days from the date of declaration of the Dividend, will, as per Section 205 A(5) read with Section 205 C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund of Government of India. In view of this, members are advised to send all the un-encashed dividend warrants to the Company or our Registrars for revalidation and encash them before the due dates.

Financial year	Date of Declaration of Dividend	Unclaimed Amount as on 31-03-2012 in ₹	Due date / Date of transfer to Investor Education and Protection Fund
2005 - 2006	24-10-2005	5,83,442.00	22-11-2012
2006 - 2007	26-10-2006	5,53,555.00	25-11-2013
2007 - 2008	25-10-2007	4,64,090.25	24-11-2014
2008 - 2009	25-05-2009	6,12,511.75	24-06-2016
2009 - 2010	27-01-2010	9,65,276.00	25-02-2017
2010 - 2011	14-02-2011	9,22,758.00	16-02-2018
2011 - 2012	09-02-2012	12,69,537.00	10-03-2019
2012-2013	13-02-2013	35,16,180.00	15-03-2020



12. Information relating to the Directors seeking re-appointment in Annual General Meeting scheduled to be held on 28th September, 2013.

Name of Director	Sri Rajeev Nannapaneni	Dr. P. Bhaskara Narayana	Dr AKS Bhujanga Rao
Date of Birth	22nd June, 1977	12th February, 1955	12th July, 1952
Date of Appointment	30th November, 2005	30th November, 2005	30th July, 2009
Relationship with other Director	Yes, he is the Son of Shri V.C. Nannapaneni, the Chairman & Managing Director of the Company	None	None
Experience	He Worked in Merill Lynch and Natco Systems LL.C in USA. Joined the Company in 2000. Got experience and exposure in General Management, New Business / New Product Development in international markets	He is having rich and varied experience in Finance, Secretarial disciplines spanning over more than three decades.	He worked with IDPL, IDL, Reckitt and Colmen and Vera Laboratories Ltd., before joining with NATCO. He has got good knowledge in Bulk pharmaceuticals especially on Anti Asthmatic / Drugs, Beta Blockers and Cox-inhibitors and he has well acquaintance with Technology Transfer to commercial scale, quality control and regulatory affairs and also looking after the Patent related issues of the Company. He has 30 publications to his credit and applied for 40 international patents. He is a visiting faculty and also approved Research Investigator and Supervisor for Ph.D. Students to many universities.
Qualification	B.A. in Quantitative Economics & B.A. in History from Tufts University, USA	Fellow Member of ICWAI and ICSI, Gold Medalist in Law, Masters in Commerce and Business Administration, CMA - Member of Institute of Certified Management Accountants of the Institute of Management Accountants, USA. He was awarded a Doctorate in Business Management from Kakatiya University in the year 2010.	M.Sc. Chemistry with specialization in Organic Chemistry, Andhra University, Visakhapatnam, India Ph.D. Synthetic Organic Chemistry, Chemistry of 4- and 5 - Nitroimidazoles from the Indian Institute of Science (IISc), Bangalore, India.
Board membership of other Companies	1. Natsoft Information Systems Pvt. Ltd. 2. Natco Organics Ltd. 3. Natco Aqua Ltd.	1. Natco Organics Ltd. 2. Natco Pharma Inc., USA 3. Time Cap Overseas Limited, Mauritius 4. Natco Farma Do Brasil, Brazil. 5. Natco Pharma (Canada) Inc.	
Chairman/ Member of the Committee of Directors of other Companies	Nil	Nil	Nil

EXPLANATORY STATEMENT

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO 7

The present authorised share capital of the Company is Rs.35,00,00,000/- (Rupees Thirty five Crores) divided into 3,20,00,000 (Three Crore twenty Lakhs only) Equity shares of Rs.10/- (Rupees Ten only) each and 30,00,000 (Thirty lakhs only) preference shares of Rs.10/- (Rupees Ten only) each as per clause V(a) of Memorandum of Association and Article 7(a) of the Articles of Association, with the power to the Board to convert the unissued Preference shares into equity shares and vice versa.

Board recommends to re-classify the Authorised Capital to consist of only equity shares and also to increase the Authorised capital of the Company from 3,50,00,000 equity shares of Rs.10/ each to into 4,00,00,000 (Four crores only) equity shares of Rs.10/-(Rupees ten only) each.

The company is planning to augment more funds by issuing further equity shares. Infusion of capital from time to time is required for business growth as well as from prudence point of view. It ensures that healthy Capital Adequacy and Debt Equity Ratio is maintained and enhances the borrowing capacity.

For this purpose it is required to amend the Clause V (a) of the Memorandum of Association and Article 7(a) of the Articles of Association of the Company.

So your Board recommends the special resolution to increase the authorised capital to 4,00,00,000 (four crores) of Rs. 10/- each aggregated to Rs.40,00,00,000/- (Rupees Forty Crores only).

None of the Directors of the Company is in any way, concerned or interested in the said Resolution.

Item no. 8:

The Company, in order to enhance its global competitiveness and increase the ability to compete with peer groups in domestic and international markets need to strengthen its financial position by augmenting long-term resources at optimal costs. The Company may need to issue securities in domestic and international markets as contemplated in the resolution and as may be decided by the Board and found to be expedient and in the best interest of the Company. The Company may raise funds by issue of Shares / eligible securities, which shall be converted into equity shares at a later date, not exceeding 50,00,000 equity shares of face value of Rs.10 each by one or more sources, in one or more tranches, including, Qualified Institutional Placements, public issues and offering of securities in domestic / international markets . Foreign Currency Convertible Bonds (FCCBs), and/or fully convertible debentures and/or partly convertible debentures and/or non-convertible debentures with warrants, and/or any securities, which FCCB holders are convertible into or exchangeable with equity shares at a later date to Qualified Institutional Buyers/ FCCB holders or others as specified in the SEBI (Issue of Capital & Disclosure requirements) Regulations 2009.

Approval of the shareholders should be obtained under section 81(1A) of the Companies Act, 1956 for issuing securities to persons other than shareholders of the company. The Board, in consultation with its Investment / Merchant Banker(s) and other advisor(s) will decide on the price and timing of the proposed issue and finalise the placement document which inter alia shall be placed on the website of Bombay Stock Exchange Limited and National Stock Exchange of India Limited in accordance with the SEBI (Issue of Capital & Disclosure requirements) Regulations, 2009. The Company should ensure that the requirement of minimum public shareholding as specified as per the listing agreement is adhered to even after the issue of QIPs or otherwise.

Allotment shall be completed within a period of twelve months from the date of passing of the Special Resolution.

For reasons aforesaid, an enabling resolution is proposed to be passed to give adequate flexibility and discretion to the Board to finalise the timing, pricing and terms and conditions of the issue.

The Board of Directors accordingly recommends the Special Resolution for approval of the Members.

None of the Directors is, in anyway concerned or interested in this resolution except as a member of the Company.



Item no.9:

Dr. P. Bhaskara Narayana, Director & CFO is associated with the Company for over a decade is taking care of the functional operations of the Company including but not limited to Finance, Accounts and Secretarial.

In view of the manifold increase in his job responsibilities and taking into industry standards, the Remuneration Committee recommended to the Board for increasing the remuneration of Dr. P. Bhaskara Narayana subject to the approval of members from Rs. 32,00,000/- (Rupees thirty two lakhs only) to Rs.36,00,000/- (Rupees thirty six lakhs only) per annum for a period of 2 years from 1st April, 2013 to 31st March, 2015.

Except Dr.P. Bhaskara Narayana, no other director, is deemed to be interested or concerned in the re-appointment and remuneration payable to Dr. P. Bhaskara Narayana as a Director & CFO in whole-time employment.

The Board accordingly recommends the resolution as set out in Item 9 of the Notice for approval of the members.

Item no. 10:

Dr.AKS Bhujanga Rao, President (R&D and Technical) is associated with the Company for over a decade is taking care of the technical and also looking after the Patent related issues of the Company.

In view of the manifold increase in his job responsibilities and taking into industry standards, the Remuneration Committee recommended to the Board for increasing the remuneration of Dr.AKS Bhujanga Rao subject to the approval of members from Rs.32,00,000/- (Rupees thirty two lakhs only) to Rs.36,00,000/- (Rupees thirty six lakhs only) per annum for a period of 2 years from 1st April, 2013 to 31st March, 2015.

Except Dr.A.K.S. Bhujanga Rao, no other director, is deemed to be interested or concerned in the re-appointment and remuneration payable to Dr.AKS Bhujanga Rao as a President (R&D and Technical) in whole-time employment.

The Board accordingly recommends the resolution as set out in Item 10 of the Notice for approval of the members.

By order of the Board
For **NATCO Pharma Limited**

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

Place : Hyderabad
Date : 14th August, 2013

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail addresses to the Company / Registrars and Transfer Agents M/s. Venture Capital & Corporate Investments Limited.