



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

2nd November, 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

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) for the quarter and half year ended 30th September, 2017 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. Raising of funds through further issue of shares or convertible securities of any nature through one or more modes, including but not limited to a further public or private offerings, rights issue, qualified institutions placement, issue of american depository receipts or global depository receipts etc. subject to such approvals as may be required up to an amount not exceeding Rs.15000 million (Rupees fifteen thousand million only).
3. Convening of the Extraordinary General Meeting of the members of the company to approve such raising of funds on 29th November, September, 2017 at 11.00 a.m. at Natco House, Road No.2, Banjara Hills, Hyderabad – 500 034.
4. Board allotted 1,77,500 equity shares of Rs.2/- each under Employee Stock Option Scheme NATSOP2015 to the eligible employees of the Company keeping in view the SEBI (Share Based Employee Benefits) Regulations, 2014.
5. Equity participation not exceeding an amount of Rs.7.5 crores in M/s.OMRV Hospitals Pvt. Ltd. (PACE Hospitals), Hyderabad.

The members of the Company approved the Employee Stock Option Scheme NATSOP2017 at their Annual General Meeting held on 28th September, 2017. Accordingly the Compensation Committee in its meeting held today granted 6,00,000 options of Rs.2 each under Employee Stock Option Scheme NATSOP2017 to the eligible employees of the Company keeping in view the SEBI (Share Based Employee Benefits) Regulations, 2014.

Thanking you,

Yours faithfully,

For NATCO Pharma Limited

M. Adinarayana

Company Secretary &

V.P.(Legal & Corp. Affairs)

Encl: as above



NATCO Pharma Limited

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Phone: +91-40-2354 7532, Website : www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017

(₹ in millions except per share data)

	Quarter ended			Half year ended		Year ended
	30 Sep 2017 (Unaudited)	30 Jun 2017 (Unaudited)	30 Sep 2016 (Unaudited)	30 Sep 2017 (Unaudited)	30 Sep 2016 (Unaudited)	31 Mar 2017 (Audited)
	(Refer note 2)					
Revenue						
Revenue from operations (Refer note 4)	4,084	4,308	4,562	8,392	7,808	20,028
Other income	49	27	30	76	78	132
Total revenues	4,133	4,335	4,592	8,468	7,886	20,160
Expenses						
Cost of materials consumed	811	1,286	1,413	2,097	2,721	5,208
Excise duty (Refer note 4)	-	172	76	172	227	448
Purchases of stock-in-trade	9	187	375	196	468	687
Changes in inventories of finished goods, stock-in-trade and work-in-progress	244	(447)	(10)	(203)	(607)	(167)
Employee benefits expenses	705	603	560	1,308	1,055	2,321
Finance costs	41	38	42	79	72	175
Depreciation and amortisation expense	158	148	139	306	269	536
Other expenses	1,063	1,101	1,067	2,164	2,056	4,611
Total expenses	3,031	3,088	3,662	6,119	6,261	13,819
Profit before tax	1,102	1,247	930	2,349	1,625	6,341
Tax expense / (credit)						
Current tax	235	266	178	501	345	1,353
Deferred tax	(7)	7	57	-	57	-
Tax for earlier years	-	-	-	-	19	40
Profit after tax	874	974	695	1,848	1,204	4,948
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans	4	(8)	(8)	(4)	(16)	(50)
Net gain/(loss) on FVTOCI equity securities	(10)	6	2	(4)	4	28
Total comprehensive income	868	972	689	1,840	1,192	4,926
Paid-up equity share capital of ₹2 each	349	349	348	349	348	349
Other equity	18,274		141,288	18,274	141,288	16,648
Earnings per share (non-annualised)						
Basic (in ₹)	4.98	5.58	3.96	10.56	6.85	28.27
Diluted (in ₹)	4.97	5.56	3.95	10.54	6.84	28.24





NATCO Pharma Limited

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	30 September 2017 (Unaudited)	31 March 2017 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	8,954	8,234
(b) Capital work-in-progress	4,041	3,362
(c) Other intangible assets	53	56
(d) Financial assets		
Investments	918	859
Loans	32	-
Other financial assets	137	131
(e) Other non-current assets	661	478
	14,796	13,120
Current assets		
(a) Inventories	3,755	3,369
(b) Financial Assets		
Investments	285	89
Trade receivables	3,264	4,689
Cash and cash equivalents	45	128
Other bank balances	122	123
Loans	38	66
Other financial assets	683	734
(c) Current tax assets (net)	-	-
(d) Other current assets	1,142	1,153
	9,334	10,351
Total assets	24,130	23,471
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	349	349
(b) Other equity	18,274	16,648
Total of equity	18,623	16,997
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	255	219
(c) Deferred tax liabilities (net)	148	150
	411	377
Current liabilities		
(a) Financial liabilities		
Borrowings	1,941	2,206
Trade payables	2,125	2,514
Other financial liabilities	732	974
(b) Other current liabilities	216	254
(c) Provision for employee benefits	25	18
(d) Current tax liabilities (net)	57	131
	5,096	6,097
Total equity and liabilities	24,130	23,471





NATCO Pharma Limited

Notes to the standalone results:

1. The Company adopted Indian Accounting Standard ("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.
2. The standalone financial results for the quarter and half year ended 30 September 2017 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 2 November 2017. These results were subjected to a limited review by the Statutory Auditors of the Company.
3. The Company operates in one reportable segment which is "Pharmaceuticals".
4. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto all reporting periods ending 30 June 2017. Post implementation of Goods and Services Tax (GST) from quarter ended 30 September 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.

By Order of the Board

A handwritten signature in black ink, appearing to read "V.C. Nannapaneni".

**V.C. Nannapaneni
Chairman and Managing Director**

**Hyderabad
2 November 2017**



Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
7th Floor, Block III, White House
Kundan Bagh, Begumpet
Hyderabad 500016
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Independent Auditor's Review Report on Quarterly Standalone Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the Securities Exchange Board of India (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 for the quarter and half year ended 30 September 2017 ('the Statement') of NATCO Pharma Limited ('the Company'), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"). 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 Chandiook & 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 Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and 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 accordance with the requirements of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



per **Adi P. Sethna**

Partner

Membership No.: 108840



Place: Hyderabad

Date: 2 November 2017



NATCO Pharma Limited

Regd. Office: Natco House, Road No. 2, Banjara Hills, Hyderabad, Telangana - 500 034.
Phone: +91-40-2354 7532, Website : www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2017

(₹ in millions except per share data)

	Quarter ended			Half year ended		Year ended
	30 Sep 2017 (Unaudited)	30 Jun 2017 (Unaudited)	30 Sep 2016 (Unaudited)	30 Sep 2017 (Unaudited)	30 Sep 2016 (Unaudited)	31 Mar 2017 (Audited)
	(Refer note 2)					
Revenue						
Revenue from operations (Refer note 4)	4,267	4,453	4,679	8,720	8,082	20,650
Other income	55	34	32	89	84	139
Total revenues	4,322	4,487	4,711	8,809	8,166	20,789
Expenses						
Cost of materials consumed	811	1,286	1,413	2,097	2,721	5,208
Excise duty (Refer note 4)	-	172	76	172	227	448
Purchases of stock-in-trade	79	256	427	335	643	971
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	239	(448)	(2)	(209)	(599)	(188)
Employee benefits expense	736	631	585	1,367	1,102	2,432
Finance costs	42	39	42	81	74	185
Depreciation and amortisation expense	160	150	141	310	272	544
Other expenses	1,183	1,189	1,132	2,372	2,168	4,945
Total expenses	3,250	3,275	3,814	6,525	6,608	14,545
Profit before tax	1,072	1,212	897	2,284	1,558	6,244
Tax expense / (credit)						
Current tax	235	266	196	501	363	1,354
Deferred tax	(7)	9	39	2	39	1
Tax for earlier years	-	-	-	-	19	40
Profit after tax	844	937	662	1,781	1,137	4,849
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans	2	(8)	(8)	(6)	(16)	(50)
Net (loss)/gain on FVTOCI equity securities	(12)	7	2	(5)	4	28
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	7	38	-	45	-	(12)
Total comprehensive income	841	974	656	1,815	1,125	4,815
Profit attributable to:						
Owners of the parent	848	940	665	1,788	1,142	4,860
Non-controlling interests	(4)	(3)	(3)	(7)	(5)	(11)
Total comprehensive income attributable to:						
Owners of the parent	845	977	659	1,822	1,130	4,826
Non-controlling interests	(4)	(3)	(3)	(7)	(5)	(11)
Paid-up equity share capital of ₹2 each	349	349	348	349	348	349
Other equity	17,755		13,661	17,755	13,661	16,144
Earnings per share (non-annualised)						
Basic (in ₹)	4.82	5.59	3.79	10.41	6.49	27.78
Diluted (in ₹)	4.82	5.58	3.78	10.40	6.48	27.75



NATCO Pharma Limited

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	30 September 2017 (Unaudited)	31 March 2017 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	8,989	8,272
(b) Capital work-in-progress	4,041	3,363
(c) Other intangible assets	55	58
(d) Financial assets		
Investments	4	1
Other financial assets	157	131
(e) Other non-current assets	661	478
	13,907	12,303
Current assets		
(a) Inventories	3,861	3,489
(b) Financial Assets		
Investments	495	321
Trade receivables	3,389	4,752
Cash and cash equivalents	113	235
Other bank balances	123	123
Loans	38	35
Other financial assets	666	752
(c) Current tax assets (net)	-	-
(d) Other current assets	1,149	1,166
	9,834	10,873
Total assets	23,741	23,176
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	349	349
(b) Other equity	17,755	16,144
Equity attributable to owners	18,104	16,493
Non-controlling interest	8	41
Total of Equity	18,112	16,534
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	255	219
(c) Deferred tax liabilities (net)	152	150
	415	377
Current liabilities		
(a) Financial liabilities		
Borrowings	1,947	2,216
Trade payables	2,220	2,627
Other financial liabilities	747	1,014
(b) Other current liabilities	218	257
(c) Provision for employee benefits	25	18
(d) Current tax liabilities (net)	57	133
	5,214	6,265
Total equity and liabilities	23,741	23,176





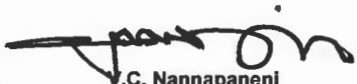
NATCO Pharma Limited

Notes to the consolidated results:

1. The Company adopted Indian Accounting Standard ("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.
2. The consolidated financial results for the quarter and half year ended 30 September 2017 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 2 November 2017. These results were subjected to a limited review by the Statutory Auditors of the Company.
3. The Group operates in one reportable segment which is "Pharmaceuticals".
4. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto all reporting periods ending 30 June 2017. Post implementation of Goods and Services Tax (GST) from quarter ended 30 September 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.

Hyderabad
2 November 2017

By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director



Walker Chandiook & Co LLP

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(Formerly Walker, Chandiook & Co)
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Independent Auditor's Review Report on Quarterly Consolidated Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the Securities Exchange Board of India (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 for the quarter and half year ended 30 June 2017 ('the Statement') of NATCO Pharma Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries included in the Statement), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"). This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and 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 accordance with the requirements of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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4. We did not review the financial results of six subsidiaries included in the Statement whose financial results reflect total revenues of ₹186 million and ₹341 million for the quarter and half year ended 30 September 2017 respectively, net loss of ₹31 million and ₹68 million for the quarter ended and half year ended 30 September 2017 respectively, total assets of ₹778 million and net assets of ₹473 million as at 30 September 2017. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

Further, all of the above mentioned six subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial results of such subsidiaries outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our review report is not modified in respect of these matters.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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

Partner

Membership No.: 108840



Place: Hyderabad

Date: 2 November 2017

Annexure 1

List of entities included in the Statement

- (a) NATCO Pharma, Inc.
- (b) Time Cap Overseas Limited
- (c) NATCO Farma Do Brasil LTDA (subsidiary of Time Cap Overseas Limited)
- (d) NATCO Pharma (Canada) Inc.
- (e) NATCO Pharma Asia Pte. Ltd.
- (f) NATCO Pharma Australia PTY Ltd.

