



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

6th February, 2018

Corporate Relationship Department
M/s. 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, 2017**

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) for the quarter and nine months ended 31st December, 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. Declared second interim dividend of Rs.7/- (Rupees seven only) on each equity share of Rs.2/- (Rupees two only) each for the year 2017-18 (which is 350% on the nominal value of the share). The date for taking on record of its shareholders eligible for the purpose of payment of said interim dividend i.e. record date is fixed as Saturday, the 17th day of February, 2018. The payment of said interim dividend will start from 22nd day of February, 2018.

We are also updating the financial results on the website of the Company. This is for our 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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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

(₹ in millions except per share data)

	Quarter ended			Nine months ended		Year ended
	31 Dec 2017 (Unaudited)	30 Sep 2017 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2017 (Unaudited)	31 Dec 2016 (Unaudited)	31 Mar 2017 (Audited)
	(Refer note 2)					
Revenue						
Revenue from operations (Refer note 4)	5,622	4,267	6,790	14,342	14,872	20,650
Other income	114	55	61	203	145	139
Total revenues	5,736	4,322	6,851	14,545	15,017	20,789
Expenses						
Cost of materials consumed	733	811	1,477	2,830	4,198	5,208
Excise duty (Refer note 4)	-	-	91	172	317	448
Purchases of stock-in-trade	89	79	273	424	916	971
Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	(164)	239	305	(373)	(294)	(188)
Employee benefits expense	788	736	626	2,155	1,729	2,432
Finance costs	43	42	46	124	120	185
Depreciation and amortisation expense	172	160	137	482	409	544
Other expenses	1,311	1,183	1,416	3,683	3,585	4,945
Total expenses	2,972	3,250	4,371	9,497	10,980	14,545
Profit before tax	2,764	1,072	2,480	5,048	4,037	6,244
Tax expense / (credit)						
Current tax	590	235	512	1,091	875	1,354
Deferred tax	-	(7)	19	2	58	1
Tax for earlier years	-	-	-	-	19	40
Profit after tax	2,174	844	1,949	3,955	3,085	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	(1)	2	(8)	(7)	(24)	(50)
Net (loss)/gain on FVTOCI equity securities	5	(12)	5	0	9	28
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(11)	7	-	34	-	(12)
Total comprehensive income	2,167	841	1,946	3,982	3,070	4,815
Profit attributable to:						
Owners of the parent	2,175	848	1,951	3,963	3,093	4,860
Non-controlling interests	(1)	(4)	(2)	(8)	(8)	(11)
Total comprehensive income attributable to:						
Owners of the parent	2,168	845	1,948	3,990	3,078	4,826
Non-controlling interests	(1)	(4)	(2)	(8)	(8)	(11)
Paid-up equity share capital of ₹2 each	369	349	349	369	349	349
Other equity		17,755				16,144
Earnings per share (non-annualised)						
Basic (in ₹)	12.29	4.82	11.18	22.76	17.67	27.78
Diluted (in ₹)	12.25	4.82	11.16	22.71	17.64	27.75



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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 nine months ended 31 December 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 6 February 2018. 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.
5. During the quarter, the Company has allotted 177,500 equity shares of ₹2 each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Options scheme.
6. In accordance with provisions of Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and pursuant to the approval accorded by the shareholders in the Extra-Ordinary General Meeting on 29 November 2017, the Company has raised a sum of ₹9,150 million during the current quarter by allotment of 10,000,000 equity shares of ₹2 each at a premium of ₹913 per share through Qualified Institutional Placement.
7. The Board of Directors have recommended a second interim dividend of ₹7 per equity share of ₹2 each for the current financial year.

Hyderabad
6 February 2018



By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director





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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

(₹ in millions except per share data)

	Quarter ended			Nine months ended		Year ended
	31 Dec 2017 (Unaudited)	30 Sep 2017 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2017 (Unaudited)	31 Dec 2016 (Unaudited)	31 Mar 2017 (Audited)
	(Refer note 2)					
Revenue						
Revenue from operations (Refer note 4)	5,403	4,084	6,666	13,795	14,475	20,028
Other income	112	49	61	188	140	132
Total revenues	5,515	4,133	6,727	13,983	14,615	20,160
Expenses						
Cost of materials consumed	733	811	1,477	2,830	4,198	5,208
Excise duty (Refer note 4)	-	-	91	172	317	448
Purchases of stock-in-trade	10	9	212	206	680	687
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(136)	244	334	(339)	(273)	(167)
Employee benefits expenses	754	705	600	2,062	1,657	2,321
Finance costs	41	41	44	120	116	175
Depreciation and amortisation expense	171	158	135	477	404	536
Other expenses	1,179	1,063	1,332	3,343	3,389	4,611
Total expenses	2,752	3,031	4,225	8,871	10,488	13,819
Profit before tax	2,763	1,102	2,502	5,112	4,127	6,341
Tax expense / (credit)						
Current tax	590	235	530	1,091	876	1,353
Deferred tax	-	(7)	1	-	58	-
Tax for earlier years	-	-	-	-	18	40
Profit after tax	2,173	874	1,971	4,021	3,175	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	(3)	4	(8)	(7)	(24)	(50)
Net gain/(loss) on FVTOCI equity securities	4	(10)	5	0	9	28
Total comprehensive income	2,174	868	1,968	4,014	3,160	4,926
Paid-up equity share capital of ₹2 each	369	349	349	369	349	349
Other equity		18,274				16,648
Earnings per share (non-annualised)						
Basic (in ₹)	12.33	4.98	11.29	22.94	18.14	28.27
Diluted (in ₹)	12.29	4.97	11.28	22.89	18.12	28.24





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 nine months ended 31 December 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 6 February 2018. 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.
5. During the quarter, the Company has allotted 177,500 equity shares of ₹2 each, fully paid up on exercise of options by employees in accordance with the Company's Employee Stock Options scheme.
6. In accordance with provisions of Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and pursuant to the approval accorded by the shareholders in the Extra-Ordinary General Meeting on 29 November 2017, the Company has raised a sum of ₹9,150 million during the current quarter by allotment of 10,000,000 equity shares of ₹2 each at a premium of ₹913 per share through Qualified Institutional Placement.
7. The Board of Directors have recommended a second interim dividend of ₹7 per equity share of ₹2 each for the current financial year.

Hyderabad
6 February 2018



By Order of the Board


J.C. Nannapaneni
Chairman and Managing Director



Walker Chandiook & Co LLP

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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 nine month period ended 31 December 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

Adi P. Sethna

per **Adi P. Sethna**

Partner

Membership No.: 108840



Place: Mumbai

Date: 6 February 2018