



## Natco Pharma Limited

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CIN : L24230TG1981PLC003201, www.natcopharma.co.in

22<sup>nd</sup> November, 2016

Corporate Relationship Department  
The Bombay Stock Exchange Limited  
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:- Submission of Presentation made to analysts/investors**

We are enclosing herewith a copy of the presentation made to analysts/investors for the Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2016.

Pease take the same on your records.

Yours faithfully,

For **NATCO Pharma Limited**

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

Encl: As above.

**NATCO Pharma Limited**

# **Expanding Horizons**



**Investor Presentation  
November 2016**



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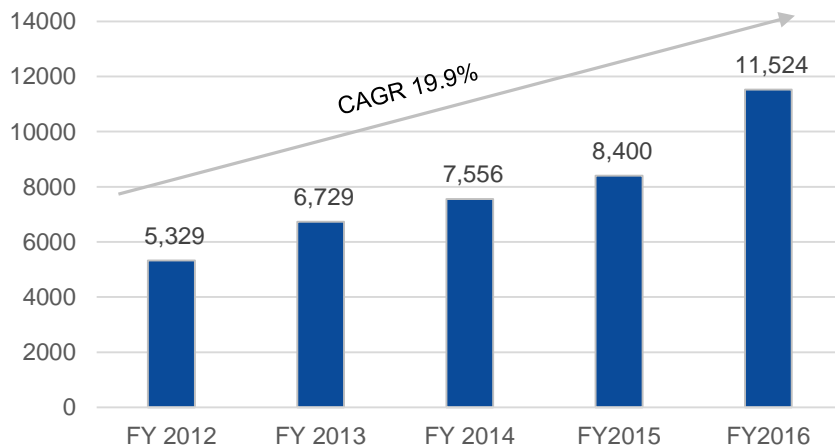
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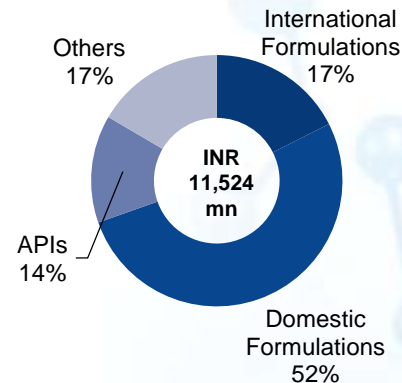
# NATCO Pharma at a Glance

- **Vertically integrated** pharmaceutical company with focus on **niche therapeutic areas and complex products** in Finished Dosage Formulations (“FDF”) and Active Pharmaceutical Ingredients (“APIs”)
- Diversified business model with presence across segments including Domestic & International formulations, API manufacturing and drug discovery
  - Products marketed in over 40 countries
  - Portfolio of **38 niche ANDA filings** in the US including **16 Para IV filings** and **33 USDMFs filings** (as of 31-Mar-2016)
  - Target to file 10+ ANDA’s in the US during the next 2 fiscal years.
- **Strong position in domestic oncology and gastro hepatology segments**
- **Portfolio of 27 products** (as of 31-Mar-2016) catering to various oncology diseases including breast, brain, bone, lung and ovarian cancer
  - **Launched the generic version of Gilead’s Sovaldi (Sofosbuvir) and its combinations under its brands HEPCINAT and HEPCINAT LP** for the treatment of Hepatitis C
- **Strong R&D capabilities** supported by two well equipped research centres and seven approved manufacturing facilities (five formulations and two APIs)
- Incorporated in 1981 and headquartered in Hyderabad currently employs over 3,500 employees across all locations

**Total Net Revenue, Consolidated Basis (INR mn)**

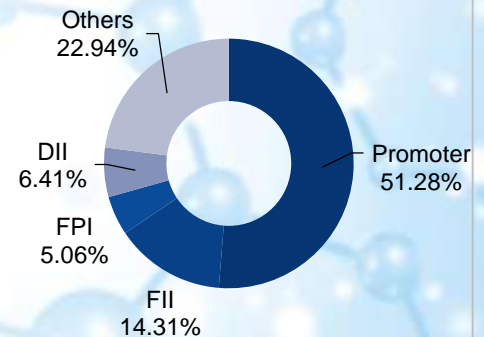


**FY2016 Revenue Segmentation**

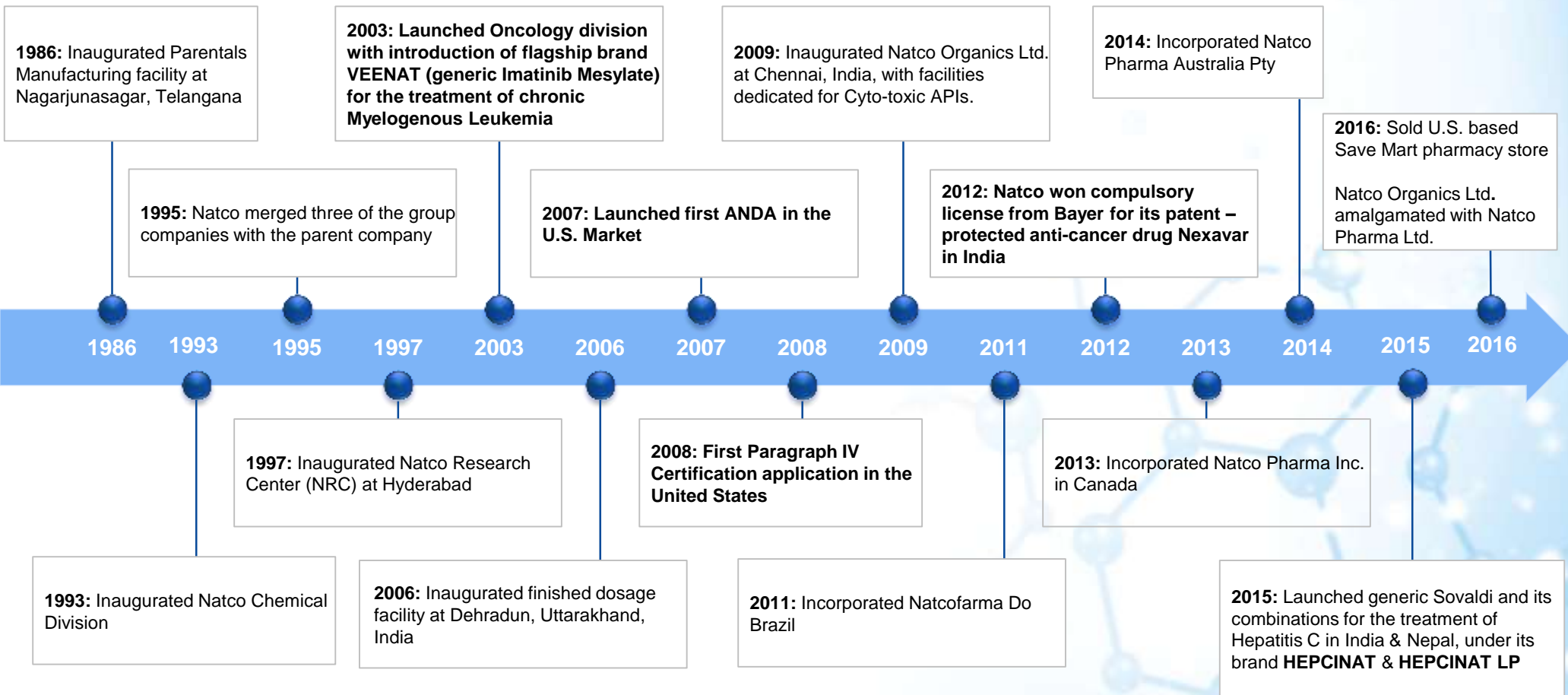


**Shareholding Pattern**

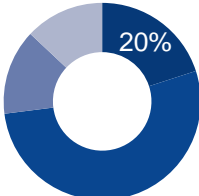
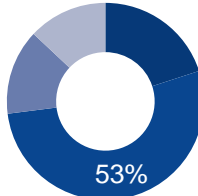
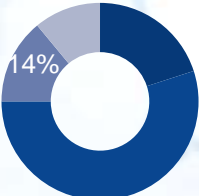
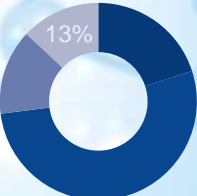
(as of 30-September-2016)



# Company Evolution



# Key Business Segments

	Formulations		API (Domestic & Exports)	Others
	International	Domestic		
Overview	<ul style="list-style-type: none"> <li>Portfolio of niche and complex products for US</li> <li>38 niche ANDA filings in the US                             <ul style="list-style-type: none"> <li>16 product approvals (including 3 tentative approvals)</li> <li>21 products under review</li> </ul> </li> <li>Emerging presence in Canada, Brazil, Europe, Asia, Australia and RoW markets</li> </ul>	<ul style="list-style-type: none"> <li>Leading Player<sup>1</sup> in India's generic oncology space led by flagship brands like Gefitinat, Erlonat, Veenat, Sorafenat and Bortinat</li> <li>Specialist sales force of 200+ personnel and over 490 distributors</li> <li>Heralds a new beginning in the gastro-hepatology therapy segment with the launch of Hepcinat</li> </ul>	<ul style="list-style-type: none"> <li>Filed 33 DMFs in US with over 16 products under development</li> <li>Vertically integrated for most of its FDF products</li> <li>Exports focused on the US, Europe and Brazil</li> </ul>	<ul style="list-style-type: none"> <li>Operates one pharmacy store in US (Sold on April 7, 2016)</li> <li>Operates in Brazil, Canada, Singapore and Australia through following subsidiaries:                             <ul style="list-style-type: none"> <li>Natco Farma Do Brazil</li> <li>Natco Pharma (Canada) Inc.</li> <li>Natco Asia Pte Ltd., Singapore</li> <li>Natco Pharma Australia Pty</li> </ul> </li> <li>Selective contract manufacturing business and other operating income</li> </ul>
FY16 Revenue (INRmn)	INR 2311.20 mn *	INR 6341.96 mn #	INR 1627.08 mn #	INR 1580.10 mn
FY16 Revenue Contribution				

\* Including Profit Sharing from marketing partners

(1) Source: Report On Pharmaceutical Industry by CARE Ratings, 2015

# Gross Revenue

All data as of March 31, 2016.



# Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products

- Pipeline of **niche and complex generics** products in US
- **38 ANDA filings including 16 Para IV** filings with USFDA (as on March 31, 2016) targeting a combined market of over **US\$16.3 bn<sup>^</sup>**
- **16 approved** ANDAs (including 3 tentative approvals)
- Adopts **partnering strategy to develop and market products** for the US with globally renowned pharmaceutical companies

## Overview of US Portfolio (As on 31-Mar-2016)

ANDAs Filed

38<sup>#</sup>

~ US\$16.3 bn

ANDAs Under Review

21

~ US\$15.4 bn

Approved ANDAs

16<sup>\*</sup>

~US\$1bn

Portfolio of 38 ANDAs including 16 Para IV filings some of which are believed to be First-to-file (FTF)

Addressable Market<sup>^</sup>



\* Includes 3 tentative approvals; ^ Source: IMS; Based on annual sales of products for 12-month period Jan-2015 to Dec-2015; # One ANDA filing withdrawn

# Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products (Cont'd)

Overview of Key Filings						
Key Brand	Molecule	Therapeutic Segment / Indication	Dosage Form	Para IV	Para III	Market Size (US\$mn)#
Copaxone 20&40mg	Glatiramer 20&40mg	Multiple Sclerosis	PFS	✓		4,349.60
Gleevac	Imatinib	Cancer - CML	Tablets	✓		2,375.38
Gilenya	Fingolimod	Multiple Sclerosis	Capsules	✓		1,765.16
Treanda	Bendamustine	Leukemia	Injection	✓		709.70
Nuvugil	Armodafinil	Antidepressants	Tablets	✓		482.11
Tamiflu	Oseltamivir Capsules	Influenza Infection	Capsules	✓		402.98
Entocort	Budesonide	Crohn's Disease	Capsules		✓	370.53
Vidaza	Azacitidine	Myelodysplastic syndrome	Injection		✓	238.63
Doxil	Doxorubicin	Cancer, Ovarian	Injection (liposomal)		✓	202.94
Jevtana	Cabazitaxel	Prostate Cancer	Injection	✓		137.28
Fosrenol	Lanthanum Carbonate	End stage renal disease	Tablets	✓		118.56
Tykerb	Lapatinib Ditosylate	Breast Cancer	Tablets	✓		73.89
Revlimid*	Lenalidomide	Multiple Myeloma	Capsules	✓		3,534.90
Nexavar*	Sorafenib	Liver, Kidney Cancer	Tablets	✓		300.00
Tracleer*	Bosentan	Hypertension	Tablets		✓	487.50

- US FDF product portfolio is predominantly focused on high-barrier-to-entry products that are difficult to formulate, difficult to manufacture or may face complex legal and regulatory challenges
- 16 Para IV filings with combined market size of US\$14.0bn<sup>1</sup>

# Source: IMS; Based on annual sales of products for 12-month period Jan 2015 to Dec 2015 \* Represents REMS product, Market size estimated from respective Innovator's Annual Report



# De-risked Business Model through Partnership with Global Pharmaceutical Players

## Mitigation Strategy

US Market reach and Regulatory Challenges

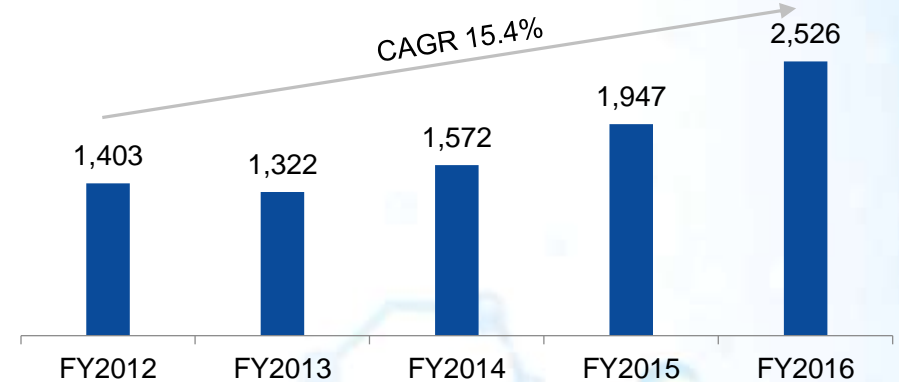
- Adopted and successfully implemented partnership strategy for international formulations product
  - Has product specific partnerships with global generic players at different stages of a potential ANDA filing
  - Entered into de-risked arrangements with marketing partner whereas the partner undertakes the responsibility of lengthy and complex litigation and regulatory issues and securing the ANDA approval
  - Global generic pharmaceutical companies have significant insight into global legal procedures and protocols enabling us to draw on their experience to successfully obtain the necessary regulatory approvals and effectively commercialize our products.



# Leading Position in Domestic Oncology Segment

- **Focus on oncology segment in domestic market** and hold leading market share in operated portfolio of product
- Entered the segment with launch of **Veenat (Imatinib generic version)** in 2003
- Progressively widened its oncology product range from **6** in 2003-04 to **27** as on 31-Mar-2016
  - Portfolio catering to Breast, Brain, Bone, Lung, and Ovarian Cancers
- Sales and marketing of the product is supported by strategically located **logistics network of 200+ marketing personnel & over 490 distributors**

Oncology Revenue - Gross (INRmn)



## Oncology Portfolio

Hematology

11

Solid Tumors

16

## No. of Active Brands\*

## INR100mn+ Brands (FY16)



- ✓ Substantial reduction in the **treatment cost of Chronic Myeloid Leukemia** via launch of generic Imatinib
- ✓ Granted a compulsory license to launch Bayer's patent – protected anti-cancer drug Nexavar in India

\*As on 31-Mar-2016

# Leading Position In Domestic Oncology Segment (Cont'd)

Key brands listed:



**Glioma**  
Temonat  
(Temozolomide)



**Lymphoma**  
Bendit  
(Bendamustine)



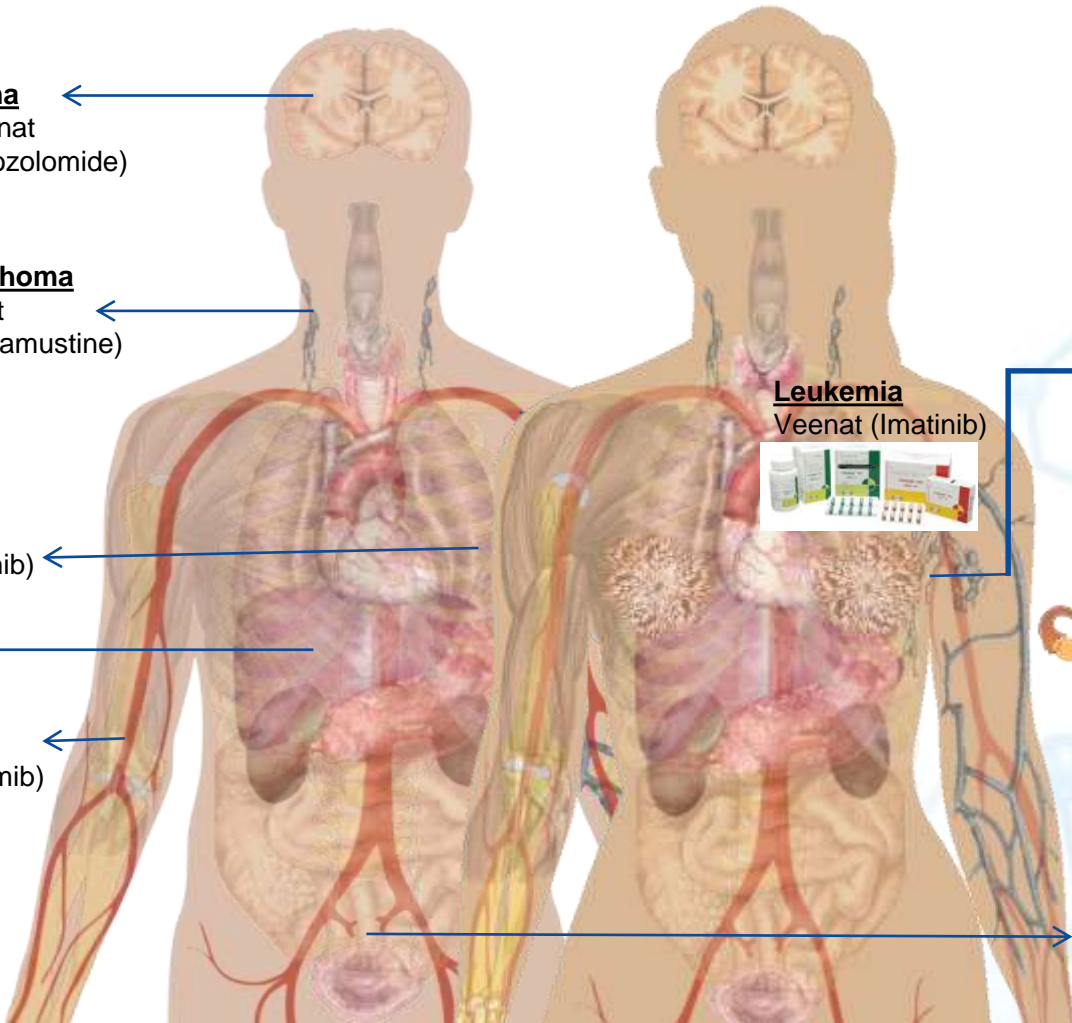
**Lung Cancer**  
Gefinat (Gefitinib)



**HCC/RCC/DTC**  
Sorafenat  
(Sorafenib)



**Myeloma**  
Bortenat (Bortezomib)



**Leukemia**  
Veenat (Imatinib)



**Supportive Care**  
Zoldonat  
(Zoledronic Acid)



**Breast Cancer**  
Fulvenat (Fulvestrant)



Xtane (Exemestane)

Letronat (Letrozole)



**Ovarian Cancer**  
Natdox-LP



**Colorectal Cancer**  
Capnat (Capecitabine)



# Expanding Presence in Domestic Specialty Pharma Segment

## Domestic Specialty Pharma




- Portfolio of 13 products catering primarily to Gastroenterology, Orthopaedics and Critical Care/CNS
- Currently products in oral and injectables dosage forms
- Select contract manufacturing assignments



## Sovaldi Opportunity

- Launched generic Sofosbuvir and its combinations for the treatment of Hepatitis C in India & Nepal under its brand **HEPCINAT & HEPCINAT LP**
  - Medicine used for chronic hepatitis C infection and sold globally by Gilead Sciences, Inc., under its brand Sovaldi
- Non-exclusive licensing agreement with Gilead Sciences for 101 countries including India reaching a target population of 103 million people
- Launched generic Daclatasvir in India under its brand **Natdac**
- Non-exclusive, royalty free licensing agreement with Medicines Patent Pool (MPP) and Bristol-MyersSquibb to manufacture and sell generic versions of Daclatasvir.
- Is one among the generic manufacturers who are first to launch Sofosbuvir, the combination drug Sofosbuvir+Ledipasvir, and Daclatasvir in India, thus is amongst the market share leaders in India

## Overview of Key Non-Hepcinat Products

Products	Active Ingredient	Dosage Form	Therapeutic Area
 <b>Natzold</b>	<b>Zoledronic Acid</b>	<b>Infusion Solution</b>	<b>Orthopaedics, Supportive Care</b>
 <b>Glatimer</b>	<b>Glatiramer Acetate</b>	<b>Injection</b>	<b>Multiple Sclerosis</b>
 <b>Teravir</b>	<b>Tenofovir</b>	<b>Tablets</b>	<b>Hepatitis-B</b>

# Expanding Europe & RoW Presence

RoW formulation growth to be driven by launches in EU, scale up in Latin America and Canada and phased launch of generic Sovaldi

## Europe

- Sell our products in Eastern Europe, UK and Germany
- 4 approvals
- Distribution arrangements with our business partner

## Venezuela

- Sell our FDF products (oncology) to third parties

## Other Geographies

- Indian sub-continent
- Middle East



### Canada

- Received Drug Establishment Licence in 2015
- Filed 10 products with 8 approvals
- Submitted applications to 4 provincial formularies



### Brazil

- Commenced operations in 2011
- Filed 9 products with ANVISA



### Asia Pacific (Including Australia)

Products filed-

Singapore: 9 (2 approvals)

Australia: 2 filed

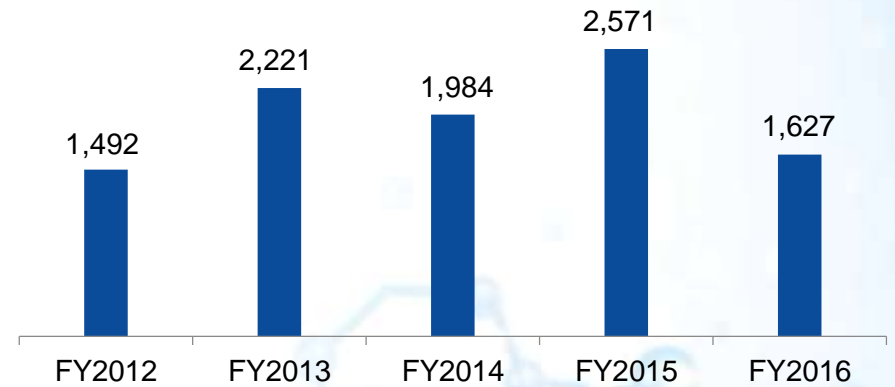


All data as of March 31, 2016.

# Strong In-House API Development with Vertical Integration for Key Formulation Products

- Strategically important business – develops APIs primarily for **captive consumption** of its FDF portfolio as well as third party sales
- Portfolio of **33 USDMFs** with over **16 products** under development
- Focuses on **complex molecules** in **oncology** and **CNS** segments
  - Other therapeutic areas of focus includes Anti-asthmatic, Anti-depressant, Anti-migraine, Anti-osteoporosis and G I Disorders
- Exports are focused on the US, EU, Canada, Latin America and South-East Asia
- Vertical integration for several APIs** a key competitive advantage

Gross API Revenue (INR mn)

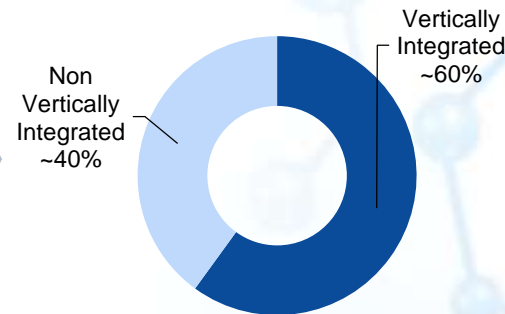


## Strategic Advantage with Backward Integration in Critical APIs

### API Strengths

- ✓ Complex multi-step synthesis & scale-up
- ✓ Semi-synthetic fusion technologies
  - Fermentation / Biotech / Synthetic / Separation technologies
- ✓ Containment / High potency APIs
- ✓ Peptide (Solid phase) pharmaceuticals

### Vertically Integrated ANDAs



### Total Addressable Market (US\$ mn)<sup>1</sup>

~US\$10.6bn

(1) Source: IMS. Denotes size of FDF markets of vertically integrated ANDAs

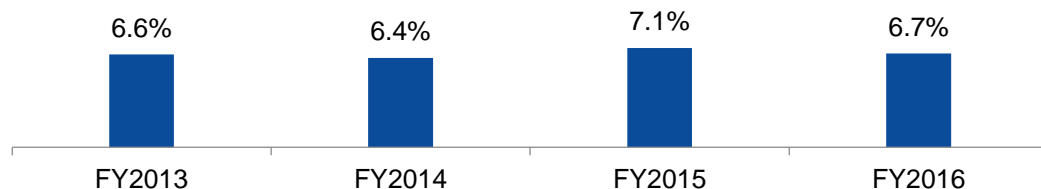
All data as of March 31, 2016.

# Strong Research & Development Capabilities

Strong R&D capabilities demonstrated by its complex and niche product filings in formulations and API segments

- Two well equipped research facilities with capabilities across synthetic chemistry, biotech & fermentation, nano pharmaceuticals, new drug discovery & cell biology
  - Currently engaged in discovery and development of two key molecules which are in clinical phase studies - NRC-AN-019 (brain tumour, pancreatic cancer and CML) and NRC-2694 (Breast Cancer); NRC-019 has received orphan drug status in USA

R&D as % of Standalone Revenue



Function	No. of Labs	No. of Scientists
Process Research	10	80
Discovery - NCEs (Anti-cancer segment)	2	10
Analytical Development	5	45
Therapeutic Peptides	3	15
New formulation / Cell Biology / Animal house Toxicology / Molecular modeling & RDD	5	40
Biotechnology & Fermentation	3	15
Containment labs for high potency products	2	10
Bio-Analytical lab	2	10
NDDS & nano-pharmaceuticals	2	15
Development & Quality Assurance	1	10

**16 ANDAs Approved**  
(including 3 tentative approvals)

**16 Para IV Filings**

**33 US DMFs Filed**

**Over 16 API products Under Development**



**181 International Patents Filed**  
**114 International Patents Granted**

**177 Indian Patents Filed**  
**81 Indian Patents Granted**

All data as of March 31, 2016.

# Commitment to Manufacturing Excellence with a Culture of Quality and Compliance

## Formulations Manufacturing Facilities

### Kothur Facility



- Capability: Tablets, Capsules, Pellets, Injectables
- Key Regulatory Approvals: GMP, USFDA, German Health Authority, ANVISA
- USFDA audit: Last approval – August 2016

### Nagarjuna Sagar Facility



- Capability: Ampoules, Vials, Lyophilized vials, Parenterals, Sterile Dry Powders
- Key Regulatory Approvals: GMP

### Dehradun Unit 6 Facility



- Capability: Tablets, Capsules, Injectables
- Key Regulatory Approvals: GMP

### Dehradun Unit 7 Facility



- Capability: Tablets, Capsules
- Key Regulatory Approvals: GMP, Public Health Service of the Netherlands (EU GMP)

### Guwahati Facility



- GMP Compliant Facility
- Capability: Tablets, Capsules

### Formulations Facility Under Progress

#### Vishakapatnam Facility



- Located in a Special Economic Zone (SEZ)
- Capability: Cytotoxic & other Oral Solid Dosages
- Targeted towards US & other International regulated markets

## API Manufacturing Facilities

### Mekaguda Facility



- Key Regulatory Approvals: GMP, USFDA, German Health Authority, PMDA (Japan), Cofepris (Mexico)
- USFDA audit: Last approval - January 2015

### Chennai Facility



- Key Regulatory Approvals: GMP
- USFDA audit: Last approval – August 2016



# Experienced Management



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

- Holds Masters degree in Pharmaceutical Administration from the Long Island University, US
- Over 42 years of experience in the Pharmaceutical Industry



**Mr. Rajeev Nannapaneni**  
*Vice Chairman & CEO*

- Holds bachelors degree in Quantitative Economics and History from Tufts University, Boston, USA
- Holds wide experience and exposure in General Management and Product Development



**Dr. A.K.S Bhujanga Rao**  
*President (R&D and Technical)*

- Awarded Ph.D.in Synthetic Organic Chemistry from the Indian Institute of Science (IISc), Bangalore
- Wide expertise in technology transfer to commercial scale, quality control regulatory affairs and Patents



**Dr. Linga Rao**  
*President (Technical Affairs)*

- Holds Masters degree in Science (Applied Chemistry) & Ph.D in Chemistry from JNTU, Hyderabad
- Over 35 years of experience in the pharmaceutical industry and has been working with Natco for over 21 years



**Mr. P.S.R.K Prasad**  
*Executive Vice President*

- Holds B.E. Mech. Engg. from Andhra University, Visakhapatnam
- Responsible for looking after the general administration, engineering, regulatory, training, environmental matters, safety, health, production and maintenance activities of the Company



**M. Adinarayana**  
*Company Secretary & VP-Legal & Corporate Affairs*

- Bachelors in Commerce and Bachelors in Law from Andhra University, Fellow Member of Institute of Company Secretaries of India
- 22+ years of experience within the Company in legal, secretarial and patent litigation areas



**Mr. S.V.V.N.Appa Rao**  
*CFO*

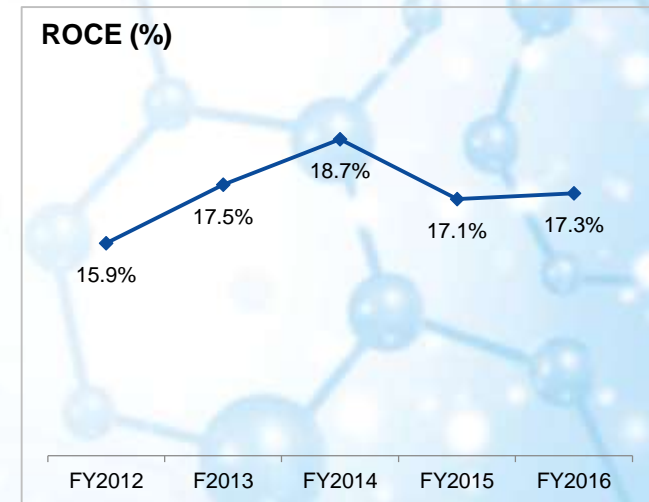
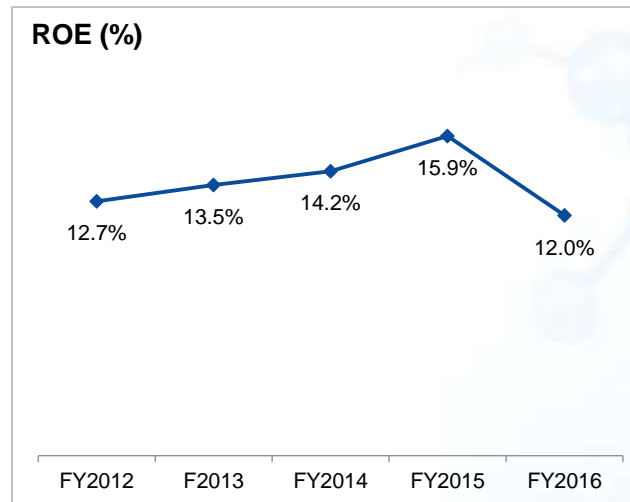
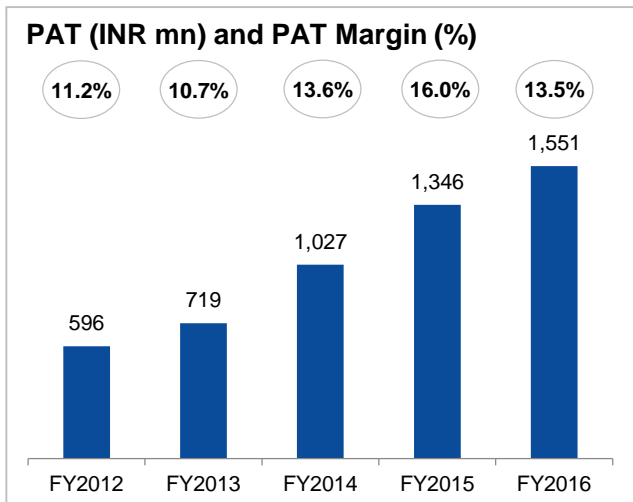
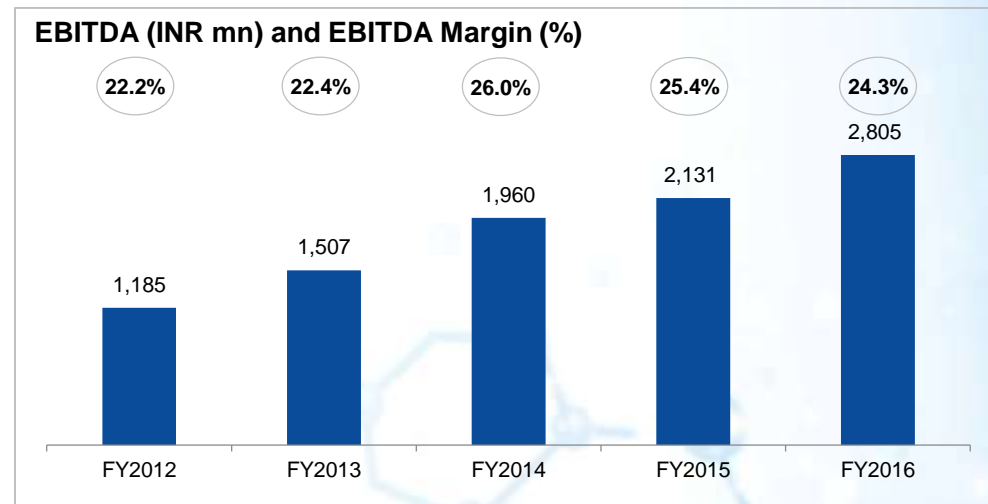
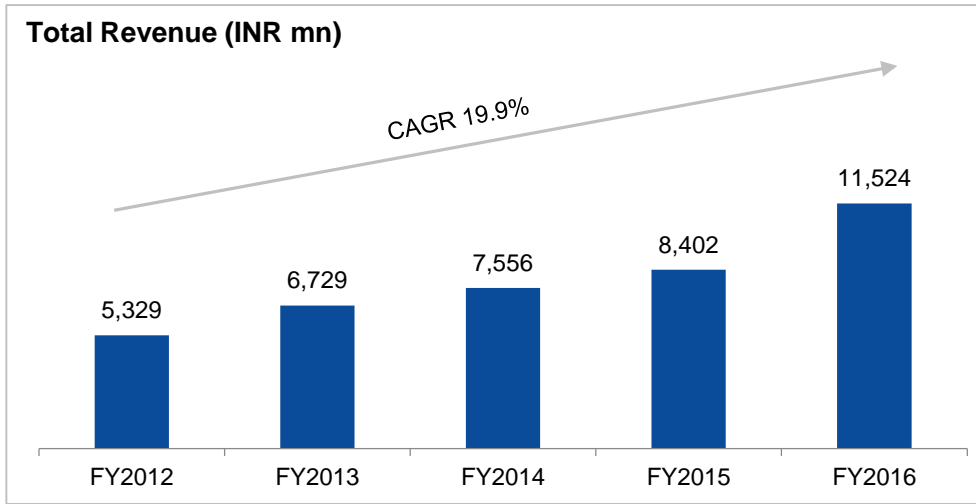
- Over 25 years of experience including 20 years within the Company covering areas of accounting, financial controller, treasury
- Responsible for finance and treasury functions at the Company



**Mr. Rajesh Chebiam**  
*Vice President - Business Development & Corp Support*

- Holds MBA from Babson College (USA) and Masters degree in Chemical Engineering from University of Rhode Island
- 20+ years of experience across supply chain, operations, business development, sales and strategy

# Demonstrated Track Record of Topline and Earnings Growth



# Historical Financials

## Consolidated Profit & Loss Statement (INR Mn)

Particulars	31-Mar-16	31-Mar-15	31-Mar-14
Revenue from operations (gross)	11794	8,382	7,447
Less : Excise duty	378	129	58
Revenue from operations (net)	11,416	8,253	7,389
Other income	108	149	167
<b>Total revenue</b>	<b>11524</b>	<b>8,402</b>	<b>7,556</b>
<b>Expenses</b>			
Cost of material consumed	3,037	1,673	1,601
Purchase of stock in trade	905	843	889
Change in Inventory	(530)	(92)	(158)
Employee benefits	1,867	1,369	1,128
Finance costs	229	317	366
Depreciation	510	473	304
Other expenses	3,441	2,326	2,135
Prior period expenses	0	1	0
<b>Total expenses</b>	<b>9,458</b>	<b>6,908</b>	<b>6,266</b>
<b>Profit before exceptional items and tax</b>	<b>2,066</b>	<b>1,493</b>	<b>1,290</b>
Exceptional item	-	151	-
<b>Profit before tax</b>	<b>2,066</b>	<b>1,342</b>	<b>1,290</b>
Current Tax	448	325	323
Deferred Tax Benefit	31	(310)	(14)
<b>PAT (Before Minority interest)</b>	<b>1,538</b>	<b>1,303</b>	<b>981</b>
Minority Interest	(13)	(43)	(46)
<b>PAT (After Minority interest)</b>	<b>1,552</b>	<b>1,346</b>	<b>1,027</b>

## Consolidated Balance Sheet (INR Mn)

Particulars	31-Mar-16	31-Mar-15	31-Mar-14
Share Capital	348	332	331
Reserves and Surplus	12,635	8,128	6,928
<b>Net Worth</b>	<b>12,983</b>	<b>8,461</b>	<b>7,259</b>
Minority Interest	49	50	69
Long-term borrowings	-	970	955
Deferred Tax Liabilities	144	119	431
Other Non-Current Liabilities	8	8	10
Long-term Provisions	125	95	111
<b>Current Liabilities</b>			
Short-term borrowings	984	1,685	986
Trade Payables	2,755	1,253	1,098
Other current liabilities	1,142	1,186	1,022
Provisions	49	13	17
<b>Current Liabilities</b>	<b>4,929</b>	<b>4,137</b>	<b>3,123</b>
<b>Total Liabilities</b>	<b>18,238</b>	<b>13,840</b>	<b>11,957</b>
Tangible Assets	7,046	6,640	6,127
Intangible Assets	89	459	320
CWIP	2,118	1,290	1,238
Non-current Investments	1	16	16
Long Term Loans & Advances	619	570	542
Other Non-Current Assets	42	35	32
<b>Non Current Assets</b>	<b>9,915</b>	<b>9,011</b>	<b>8,276</b>
Current Investments	210	1	3
Inventories	3,573	2,200	1,811
Sundry Debtors	2,616	1,924	1,188
Cash and Bank Balances	451	134	110
Loans and Advances	1,038	551	543
Other Current Assets	435	19	25
<b>Current Assets</b>	<b>8,323</b>	<b>4,830</b>	<b>3,681</b>
<b>Total Assets</b>	<b>18,238</b>	<b>13,840</b>	<b>11,957</b>

## Consolidated Cash Flow Statement (INR Mn)

	31-Mar-16	31-Mar-15	31-Mar-14
Profit Before Tax	2,066	1,342	1,290
Add: Depreciation and Amortization	510	473	304
Less: Change in Working Capital	(1500)	(860)	(161)
Others (inc Tax & Other Adjustments)	(52)	(29)	7
<b>Cash flow from operations</b>	<b>1,024</b>	<b>927</b>	<b>1,440</b>
Net Capex	(1,393)	(1,192)	(1,104)
Others	(362)	45	14
<b>Cash Flow from Investing</b>	<b>(1,755)</b>	<b>(1,148)</b>	<b>(1,089)</b>
Proceeds from Equity	3,344	-	1,085
Net Borrowings	(1,993)	714	(911)
Dividend Paid	(261)	(199)	(193)
Finance Cost Paid	(246)	(299)	(343)
Movement in minority interest	12	75	10
<b>Cash Flow from Financing</b>	<b>856</b>	<b>291</b>	<b>(353)</b>
Effect of currency adjustments	(8)	(48)	4
<b>Net Increase/Decrease in Cash</b>	<b>117</b>	<b>22</b>	<b>3</b>
Opening Balance	124	102	100
<b>Closing Balance</b>	<b>242</b>	<b>124</b>	<b>102</b>

# Historical Financials (contd.)

## Segmental Breakdown (INR Mn)

Revenue Division	Q2 – FY17	Q1 – FY17	Q2 - FY16
API, Domestic	146.2	82.3	70.1
API, Exports	330.0	212.3	317.5
<b>API Gross Revenue</b>	<b>476.1</b>	<b>294.6</b>	<b>387.5</b>
Formulations, Exports	1354.4	386.1	252.3
Formulations Onco	773.7	731.7	609.5
Formulations, Brand Pharma Non Onco	1124.4	1343.7	454.5
Formulations, 3rd party, & miscel	268.4	209.2	276.2
<b>Formulations Gross Revenue</b>	<b>3521.0</b>	<b>2670.8</b>	<b>1592.5</b>
<b>Total Net Revenue (including service income minus excise duty)</b>	<b>3922.8</b>	<b>2819.9</b>	<b>1899.1</b>
Profit sharing Income	37.1	125.5	56.9
Other Operating & Non-Operating Income	556.4	198.0	95.0
<b>Stand-Alone Total Net Revenue</b>	<b>4516.3</b>	<b>3143.5</b>	<b>2051.2</b>
Total Revenue, all subsidiaries	118.2	160.3	318.5
<b>Consolidated Total Net Revenue</b>	<b>4634.5</b>	<b>3303.8</b>	<b>2369.7</b>
<b>TOTAL Gross Revenue</b>	<b>4710.4</b>	<b>3454.7</b>	<b>2450.9</b>

## Consolidated Financial Results (INR Mn)

	Q2 - FY17	Q1 - FY17	Q2 - FY16
<b>Total Revenues</b>	<b>4710.4</b>	<b>3454.7</b>	<b>2450.9</b>
<b>EBITDA</b>	<b>1079.9</b>	<b>824.1</b>	<b>602.8</b>
EBITDA Margin (%)	22.9%	23.9%	24.6%
<b>PAT, comprehensive income</b>	<b>659.7</b>	<b>471.0</b>	<b>302.8</b>
PAT Margin (%)	14.0%	13.6%	12.4%

The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and prior period figures have been reclassified wherever required to conform to the classification of the current period.

# Q2 – FY17 Highlights

(July – September 2016)

## Key Highlights

- Received Establishment Inspection Report (EIR) in August 2016 from the U.S. Food and Drug Administration (FDA) for both its drug manufacturing facility in Kothur, India & at its Chemical Division, Chennai, India, for the inspections conducted during the period February – March, 2016
- NATCO's marketing partner Mylan Invalidated Three of Teva's Copaxone® 40 mg/mL Patents Via U.S. Patent and Trademark Office's Inter Partes Review Proceeding during August and September, 2016

## Financial Highlights

### Oncology

Continual growth of oncology segment in the quarter clocking INR 774 million, reflecting over 20% growth against Q2 FY16.

### Branded Pharma

Branded pharma formulations revenue at INR 1120 million showed good volume growth against headwinds of pricing pressure.

### Exports

Multifold jump in export formulations to INR 1354.4 million was triggered by inventory build-up of generic Oseltamivir at our marketing partner for an undisclosed launch date prior to February 23<sup>rd</sup>, 2017 in the U.S. market.

Other operating income jumped up to INR 526.5 million predominantly driven by trading income of API associated with inventory build-up of generic Oseltamivir at our marketing partner for an undisclosed launch date prior to February 23<sup>rd</sup>, 2017 in the U.S. market.