



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 NINE MONTHS ENDED 31 DECEMBER 2018

(₹ in millions except per share data)

	Quarter ended			Nine months ended		Year ended
	31 Dec 2018 (Unaudited)	30 Sep 2018 (Unaudited)	31 Dec 2017 (Unaudited)	31 Dec 2018 (Unaudited)	31 Dec 2017 (Unaudited)	31 Mar 2018 (Audited)
Revenue						
Revenue from operations (Refer note 4)	5,567	5,435	5,622	16,388	14,342	22,020
Other income	233	400	114	992	203	404
Total revenues	5,800	5,835	5,736	17,380	14,545	22,424
Expenses						
Cost of materials consumed	829	823	733	2,540	2,830	3,905
Excise duty (Refer note 4)	-	-	-	-	172	172
Purchases of stock-in-trade	344	20	89	475	424	459
Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	(123)	106	(164)	(143)	(373)	(253)
Employee benefits expense	933	926	788	2,746	2,155	3,256
Finance costs	63	50	43	141	124	154
Depreciation and amortisation expense	207	202	172	593	482	662
Other expenses	1,500	1,355	1,311	4,305	3,683	5,197
Total expenses	3,753	3,482	2,972	10,657	9,497	13,552
Profit before tax	2,047	2,353	2,764	6,723	5,048	8,872
Tax expense / (credit)						
Current tax	515	550	590	1,713	1,091	2,199
Deferred tax	(61)	(13)	-	(210)	2	(279)
Profit after tax	1,593	1,816	2,174	5,220	3,955	6,952
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans	(11)	(10)	(1)	(32)	(7)	(42)
Net (loss)/gain on FVTOCI equity securities	(9)	(1)	5	(8)	-	(2)
Items that will be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(30)	6	(11)	(2)	34	(8)
Total comprehensive income	1,543	1,811	2,167	5,178	3,982	6,900
Profit attributable to:						
Owners of the parent	1,595	1,825	2,175	5,236	3,963	6,962
Non-controlling interests	(2)	(9)	(1)	(16)	(8)	(10)
Total comprehensive income attributable to:						
Owners of the parent	1,545	1,820	2,168	5,194	3,990	6,910
Non-controlling interests	(2)	(9)	(1)	(16)	(8)	(10)
Paid-up equity share capital of ₹2 each	368	369	369	368	369	369
Other equity (Revaluation reserve ₹Nil)						30,353
Earnings per share (non-annualised) (face value of ₹2 each)						
Basic (in ₹)	8.65	9.89	12.29	28.38	22.76	39.26
Diluted (in ₹)	8.63	9.86	12.25	28.29	22.71	39.13

NATCO Pharma Ltd.
Hyderabad

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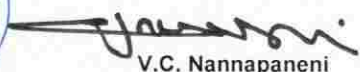
Notes to the consolidated financial results:

1. The consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.
2. The consolidated financial results for the quarter and nine months ended 31 December 2018 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 12 February 2019.
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 beginning of the 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 ended 31 December 2018, the Company has allotted 127,770 equity shares of ₹2 each fully paid-up on exercise of stock options by employees, in accordance with the Company's stock option schemes.
6. On the basis of management's assessment of its future business plans and the impact thereof on the future taxable income including the difficulty to estimate amount of revenue from profit share arrangements, the management, at present, believes that the Company would continue to pay tax on income under the Minimum Alternate Tax (MAT) provisions of the Income Tax Act, 1961 from financial year 2019-20 and accordingly, MAT credit is recognized only to the extent of expected utilization.
7. During the quarter ended 31 December 2018, the Company bought back 858,215 equity shares of ₹2 each for an aggregate purchase value of ₹609 Million, excluding transaction costs. Out of the total shares bought back, 799,915 equity shares of ₹2 each were extinguished before 31 December 2018 and balance 58,300 equity shares were extinguished on 11 January 2019.
8. The Board of Directors at their meeting held on 12 February 2019 have recommended an interim dividend of ₹3.50 per equity share of ₹2 each.

Hyderabad
12 February 2019



By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director

Walker Chandniok & Co LLP

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White House, Kundan Bagh,
Begumpet,
Hyderabad - 500 016
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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date 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 (the Company and its subsidiaries together referred to as 'the Group'), (Refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 31 December 2018 and the consolidated year to date results for the period 1 April 2018 to 31 December 2018, being submitted by the Company pursuant to the requirements 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.
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 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.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune.

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4. We did not review the financial results of seven subsidiaries included in the Statement whose financial results reflect total revenues of ₹410 millions and ₹875 millions for the quarter and period ended 31 December 2018 respectively, net loss (including other comprehensive income) of ₹15 million and ₹176 million for the quarter and period ended 31 December 2018 respectively. 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 these 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 located 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 this matter.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Adi P. Sethna
Partner
Membership No. 108840



Place: Hyderabad
Date: 12 February 2019

Annexure 1

List of Subsidiaries 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.
- (g) NATCO Lifesciences Philippines Inc.






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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

	Quarter ended			Nine months ended		Year ended
	31 Dec 2018 (Unaudited)	30 Sep 2018 (Unaudited)	31 Dec 2017 (Unaudited)	31 Dec 2018 (Unaudited)	31 Dec 2017 (Unaudited)	31 Mar 2018 (Audited)
<i>(₹ in millions except per share data)</i>						
Revenue						
Revenue from operations (Refer note 3)	5,319	5,224	5,403	15,700	13,795	21,085
Other income	237	397	112	991	188	394
Total revenues	5,556	5,621	5,515	16,691	13,983	21,479
Expenses						
Cost of materials consumed	829	823	733	2,540	2,830	3,905
Excise duty (Refer note 3)	-	-	-	-	172	172
Purchases of stock-in-trade	299	4	10	306	206	227
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(43)	70	(136)	(63)	(339)	(247)
Employee benefits expense	890	891	754	2,633	2,062	3,122
Finance costs	72	37	41	136	120	147
Depreciation and amortisation expense	205	200	171	588	477	655
Other expenses	1,240	1,128	1,179	3,621	3,343	4,622
Total expenses	3,492	3,153	2,752	9,761	8,871	12,603
Profit before tax	2,064	2,468	2,763	6,930	5,112	8,876
Tax expense / (credit)						
Current tax	505	550	590	1,703	1,091	2,173
Deferred tax	(61)	(13)	-	(210)	-	(279)
Profit after tax	1,620	1,931	2,173	5,437	4,021	6,982
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss						
Re-measurement gains/(losses) on defined benefit plans	(11)	(10)	(3)	(32)	(7)	(42)
Net gain/(loss) on FVTOCI equity securities	(8)	(4)	4	(11)	0	(5)
Total comprehensive income	1,601	1,917	2,174	5,394	4,014	6,935
Paid-up equity share capital of ₹2 each	368	369	369	368	369	369
Other equity (Revaluation reserve ₹Nil)						30,885
Earnings per share (non-annualised) (face value ₹2 each)						
Basic (in ₹)	8.78	10.47	12.33	29.47	22.94	39.38
Diluted (in ₹)	8.76	10.43	12.29	29.38	22.89	39.24


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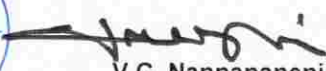
Notes to the standalone financial results:

1. The standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.
2. The standalone financial results for the quarter and nine months ended 31 December 2018 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 12 February 2019.
3. 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 beginning of the quarter ended 30 September 2017, revenue from operations is reported net of GST and hence to that extent is not comparable.
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Hyderabad
12 February 2019



By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date 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 2018 and the year to date results for the period 1 April 2018 to 31 December 2018, being submitted by the Company pursuant to the requirements 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.



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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 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.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013


Adi P. Sethna
Partner
Membership No. 108840



Place: Hyderabad
Date: 12 February 2019