



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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(₹ in millions except share data)

	Quarter ended			Year ended	
	31 Mar 2019 (Refer note 4)	31 Dec 2018 (Unaudited)	31 Mar 2018 (Refer note 4)	31 Mar 2019 (Audited)	31 Mar 2018 (Audited)
Revenue					
Revenue from operations (Refer note 3)	4,557	5,567	7,678	20,945	22,020
Other income	310	233	201	1,302	404
Total revenues	4,867	5,800	7,879	22,247	22,424
Expenses					
Cost of materials consumed	791	829	1,075	3,331	3,905
Excise duty (Refer note 3)	-	-	-	-	172
Purchases of stock-in-trade	75	344	35	550	459
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(196)	(123)	120	(339)	(253)
Employee benefits expense	813	933	1,101	3,559	3,256
Finance costs	52	63	30	193	154
Depreciation and amortisation expense	217	207	180	810	662
Other expenses	1,591	1,500	1,514	5,896	5,197
Total expenses	3,343	3,753	4,055	14,000	13,552
Profit before tax	1,524	2,047	3,824	8,247	8,872
Tax expense / (credit)					
Current tax	170	515	1,108	1,883	2,199
Deferred tax	150	(61)	(281)	(60)	(279)
Profit after tax	1,204	1,593	2,997	6,424	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	(53)	(11)	(35)	(85)	(42)
Net (loss)/gain on FVTOCI equity securities	8	(9)	(2)	-	(2)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations	11	(30)	(42)	9	(8)
Total comprehensive income	1,170	1,543	2,918	6,348	6,900
Profit attributable to:					
Owners of the parent	1,208	1,595	2,999	6,444	6,962
Non-controlling interests	(4)	(2)	(2)	(20)	(10)
Total comprehensive income attributable to:					
Owners of the parent	1,174	1,545	2,920	6,368	6,910
Non-controlling interests	(4)	(2)	(2)	(20)	(10)
Paid-up equity share capital of ₹2 each	365	368	369	365	369
Other equity (Revaluation reserve ₹Nil)				34,525	30,353
Earnings per share (non-annualised for the quarters) (face value of ₹2 each)					
Basic (in ₹)	6.59	8.65	16.26	34.98	39.26
Diluted (in ₹)	6.58	8.63	16.21	34.87	39.13

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NATCO Pharma Limited

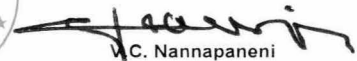
Notes to the consolidated financial results:

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 year ended 31 March 2019 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 27 May 2019.
3. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto 30 June 2017. Post implementation of Goods and Services Tax ("GST") with effect from 1 July 2017, excise duty has been subsumed into GST and revenues are disclosed net of GST. Accordingly, revenues for the year ended 31 March 2019 are not comparable with those for the year ended 31 March 2018, to that extent.
4. The figures of the quarter ended 31 March 2019 and 31 March 2018 are balancing figures between audited figures in respect of the full financial year ended 31 March 2019 and 31 March 2018 and the published year to date figures upto the quarter ended 31 December 2018 and 31 December 2017 respectively, which were subjected to limited review by the statutory auditors.
5. The Group operates in one reportable segment which is "Pharmaceuticals".
6. During the year ended 31 March 2019, the Company bought back 2,015,656 equity shares of ₹2 each for an aggregate purchase value of ₹1,329 million, excluding transaction costs. Out of the total shares bought back, 1,877,640 equity shares of ₹2 each were extinguished before 31 March 2019 and the balance 138,016 equity shares were extinguished in two tranches on 5 April 2019 and 22 April 2019.
7. The Board of Directors at their meeting held on 27 May 2019 have recommended an interim dividend of ₹1.25 per equity share of ₹2 each.

Hyderabad
27 May 2019



By Order of the Board


W.C. Nannapaneni
Chairman and Managing Director





NATCO Pharma Limited

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	31 March 2019 (Audited)	31 March 2018 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	12,185	10,127
(b) Capital work-in-progress	6,376	4,800
(c) Intangible assets	87	59
(d) Financial assets		
Investments	199	81
Loans	20	-
Other financial assets	165	150
(e) Current-tax assets (net)	-	18
(f) Other non-current assets	527	609
	19,559	15,844
Current assets		
(a) Inventories	5,290	4,384
(b) Financial assets		
Investments	1,487	684
Trade receivables	5,062	6,375
Cash and cash equivalents	283	217
Bank balances other than cash and cash equivalents	2,512	1,620
Loans	71	45
Other financial assets	6,947	6,142
(c) Other current assets	1,820	1,840
	23,472	21,307
Total assets	43,031	37,151
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	365	369
(b) Other equity	34,525	30,353
Equity attributable to owners	34,890	30,722
Non-controlling interest	20	38
Total equity	34,910	30,760
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	710	324
(c) Deferred tax liabilities (net)	116	139
	834	471
Current liabilities		
(a) Financial liabilities		
Borrowings	3,863	1,732
Trade payables		
- total outstanding dues of micro and small enterprises	79	41
- total outstanding dues of creditors other than micro and small enterprises	2,091	2,650
Other financial liabilities	782	1,024
(b) Other current liabilities	316	310
(c) Provision for employee benefits	90	137
(d) Current tax liabilities (net)	66	26
	7,287	5,920
Total liabilities	8,121	6,391
Total equity and liabilities	43,031	37,151



Walker Chandiook & Co LLP

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Independent Auditor's Report on Consolidated Financial 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 audited the consolidated financial results of NATCO Pharma Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2019, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the consolidated financial results which states that the figures for the quarter ended 31 March 2019 as reported in these consolidated financial results, are the balancing figures between audited consolidated figures in respect of the full financial year and the published consolidated year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These consolidated financial results are based on the consolidated financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published consolidated year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the consolidated financial statements for the year ended 31 March 2019 and our review of consolidated financial results for the nine-months period ended 31 December 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial results of the subsidiaries, the consolidated financial results:
- (i) include the financial results for the year ended 31 March 2019, of the following entities:
 - NATCO Pharma Inc.
 - Time Cap Overseas Limited
 - NATCO Pharma (Canada), Inc.
 - NATCO Pharma Asia Pte. Ltd.
 - NATCO Pharma Australia PTY Ltd.
 - NATCO Farma Do Brasil LTDA (Subsidiary of Time Cap Overseas Limited)
 - NATCO Lifesciences Philippines Inc.
 - (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and
 - (iii) give a true and fair view of the consolidated net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.
4. We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of ₹1,599 million and net assets of ₹512 million as at 31 March 2019, and total revenues of ₹1,317 million for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports has been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of such other auditors.

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

Our opinion on the consolidated financial results is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Adi P. Sethna

Partner

Membership No. 108840



Place: Hyderabad

Date: 27 May 2019



NATCO Pharma Limited

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(₹ in millions except share data)

	Quarter ended			Year ended	
	31 Mar 2019 (Refer note 4)	31 Dec 2018 (Unaudited)	31 Mar 2018 (Refer note 4)	31 Mar 2019 (Audited)	31 Mar 2018 (Audited)
Revenue					
Revenue from operations (Refer note 3)	4,163	5,319	7,290	19,863	21,085
Other income	307	237	206	1,298	394
Total revenues	4,470	5,556	7,496	21,161	21,479
Expenses					
Cost of materials consumed	791	829	1,075	3,331	3,905
Excise duty (Refer note 3)	-	-	-	-	172
Purchases of stock-in-trade	9	299	21	315	227
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(192)	(43)	92	(255)	(247)
Employee benefits expense	769	890	1,060	3,402	3,122
Finance costs	52	72	27	188	147
Depreciation and amortisation expense	213	205	178	801	655
Other expenses	1,284	1,240	1,279	4,905	4,622
Total expenses	2,926	3,492	3,732	12,687	12,603
Profit before tax	1,544	2,064	3,764	8,474	8,876
Tax expense / (credit)					
Current tax	160	505	1,082	1,863	2,173
Deferred tax	150	(61)	(279)	(60)	(279)
Profit after tax	1,234	1,620	2,961	6,671	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	(53)	(11)	(35)	(85)	(42)
Net gain/(loss) on FVTOCI equity securities	5	(8)	(5)	(6)	(5)
Total comprehensive income	1,186	1,601	2,921	6,580	6,935
Paid-up equity share capital of ₹2 each	365	368	369	365	369
Other equity (Revaluation reserve ₹Nil)				35,267	30,885
Earnings per share (non-annualised for the quarters) (face value ₹2 each)					
Basic (in ₹)	6.73	8.78	16.05	36.22	39.38
Diluted (in ₹)	6.72	8.76	16.01	36.10	39.24





NATCO Pharma Limited

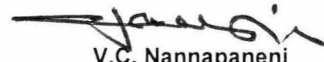
Notes to the standalone financial results:

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 year ended 31 March 2019 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 27 May 2019.
3. Excise duty on sales was included under Revenue from operations and disclosed separately under Expenses upto 30 June 2017. Post implementation of Goods and Services Tax ("GST") with effect from 1 July 2017, excise duty has been subsumed into GST and revenues are disclosed net of GST. Accordingly, revenues for the year ended 31 March 2019 are not comparable with those for the year ended 31 March 2018, to that extent.
4. The figures of the quarter ended 31 March 2019 and 31 March 2018 are balancing figures between audited figures in respect of the full financial year ended 31 March 2019 and 31 March 2018 and the published year to date figures upto the quarter ended 31 December 2018 and 31 December 2017 respectively, which were subjected to limited review by the statutory auditors.
5. The Company operates in one reportable segment which is "Pharmaceuticals".
6. During the year ended 31 March 2019, the Company bought back 2,015,656 equity shares of ₹2 each for an aggregate purchase value of ₹1,329 million, excluding transaction costs. Out of the total shares bought back, 1,877,640 equity shares of ₹2 each were extinguished before 31 March 2019 and the balance 138,016 equity shares were extinguished in two tranches on 5 April 2019 and 22 April 2019.
7. The Board of Directors at their meeting held on 27 May 2019 have recommended an interim dividend of ₹1.25 per equity share of ₹2 each.

Hyderabad
27 May 2019



By Order of the Board


V.C. Nannapaneni
Chairman and Managing Director





NATCO Pharma Limited

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	31 March 2019 (Audited)	31 March 2018 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	12,067	10,096
(b) Capital work-in-progress	6,375	4,800
(c) Intangible assets	82	57
(d) Investments in subsidiaries	977	932
(e) Financial assets		
Investments	199	81
Loans	496	78
Other financial assets	164	149
(f) Current-tax assets (net)	-	18
(g) Other non-current assets	527	609
	20,887	16,820
Current assets		
(a) Inventories	5,084	4,258
(b) Financial assets		
Investments	1,268	483
Trade receivables	4,916	6,060
Cash and cash equivalents	115	101
Bank balances other than cash and cash equivalents	2,512	1,620
Loans	70	46
Other financial assets	6,959	6,140
(c) Other current assets	1,750	1,834
	22,674	20,542
Total assets	43,561	37,362
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	365	369
(b) Other equity	35,267	30,885
Total equity	35,632	31,254
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	710	324
(c) Deferred tax liabilities (net)	113	138
	831	470
Current liabilities		
(a) Financial liabilities		
Borrowings	3,845	1,730
Trade payables		
- total outstanding dues of micro and small enterprises	79	41
- total outstanding dues of creditors other than micro and small enterprises	1,939	2,413
Other financial liabilities	771	1,009
(b) Other current liabilities	314	308
(c) Provision for employee benefits	90	137
(d) Current tax liabilities (net)	60	-
	7,098	5,638
Total liabilities	7,929	6,108
Total equity and liabilities	43,561	37,362

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Independent Auditor's Report on Standalone Financial 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 audited the standalone financial results of NATCO Pharma Limited ('the Company') for the year ended 31 March 2019, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 4 to the standalone financial results which states that the figures for the quarter ended 31 March 2019 as reported in these standalone financial results, are the balancing figures between audited standalone figures in respect of the full financial year and the published standalone year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These standalone financial results are based on the standalone financial statements for the year ended 31 March 2019 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published standalone year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone financial results based on our audit of the standalone financial statements for the year ended 31 March 2019 and our review of standalone financial results for the nine-month period ended 31 December 2018.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Walker Chandiok & Co LLP

3. In our opinion and to the best of our information and according to the explanations given to us, the standalone financial results:
- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, in this regard; and
 - (ii) give a true and fair view of the standalone net profit (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2019.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013



Adi P. Sethna
Partner
Membership No. 108840



Place: Hyderabad
Date: 27 May 2019