



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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

(₹ in millions except share data)

	Quarter ended			Half Year ended		Year ended
	30 Sep 2019 (Unaudited)	30 June 2019 (Unaudited)	30 Sep 2018 (Unaudited)	30 Sep 2019 (Unaudited)	30 Sep 2018 (Unaudited)	31 Mar 2019 (Audited)
Income						
Revenue from operations	4,577	4,647	5,224	9,224	10,381	19,863
Other income	339	204	397	543	754	1,298
Total income	4,916	4,851	5,621	9,767	11,135	21,161
Expenses						
Cost of materials consumed	787	668	823	1,455	1,711	3,331
Purchases of stock-in-trade	284	4	4	288	7	315
Changes in inventories of finished goods, stock-in-trade and work-in-progress	110	42	70	152	(20)	(255)
Employee benefits expense	979	880	891	1,859	1,743	3,402
Finance costs	57	62	37	119	64	188
Depreciation and amortisation expense	216	216	200	432	383	801
Other expenses	1,047	1,096	1,128	2,143	2,381	4,905
Total expenses	3,480	2,968	3,153	6,448	6,269	12,687
Profit before tax	1,436	1,883	2,468	3,319	4,866	8,474
Tax expense / (credit)						
Current tax	325	406	550	731	1,198	1,863
Deferred tax	(111)	-	(13)	(111)	(149)	(60)
Net profit for the period/ year	1,222	1,477	1,931	2,699	3,817	6,671
Other comprehensive income						
Items that will not be reclassified to profit or loss (net of taxes)	3	(48)	(14)	(45)	(24)	(91)
Total comprehensive income	1,225	1,429	1,917	2,654	3,793	6,580
Paid-up equity share capital (face value of ₹2 each)	364	364	369	364	369	365
Other equity						35,267
Earnings per share (non-annualised) (face value ₹2 each)						
Basic (in ₹)	6.72	8.11	10.47	14.84	20.69	36.22
Diluted (in ₹)	6.70	8.09	10.43	14.79	20.62	36.10

See accompanying notes to the financial results.



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NATCO Pharma Limited

Notes to the standalone financial results:

1) Standalone balance sheet:

(₹ in millions)

	As at 30 Sep 2019 (Unaudited)	As at 31 Mar 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	13,107	12,067
(b) Capital work-in-progress	6,644	6,375
(c) Intangible assets	86	82
(d) Investment in subsidiaries	1,003	977
(e) Financial assets		
Investments	201	199
Loans	504	496
Other financial assets	143	164
(f) Other non-current assets	679	527
Total non-current assets	22,367	20,887
Current assets		
(a) Inventories	4,909	5,084
(b) Financial assets		
Investments	59	1,268
Trade receivables	5,433	4,916
Cash and cash equivalents	55	115
Bank balances other than cash and cash equivalents	1,252	2,512
Loans	78	70
Other financial assets	8,671	6,959
(c) Other current assets	2,396	1,750
Total current assets	22,853	22,674
Total assets	45,220	43,561
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	364	365
(b) Other equity	37,236	35,267
Total equity	37,600	35,632
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	916	710
(c) Deferred tax liabilities (net)	104	113
Total non-current liabilities	1,028	831
Current liabilities		
(a) Financial liabilities		
Borrowings	2,995	3,845
Trade payables		
- total outstanding dues of micro and small enterprises	11	79
- total outstanding dues of creditors other than micro and small enterprises	1,460	1,939
Other financial liabilities	1,092	771
(b) Other current liabilities	854	314
(c) Provision for employee benefits	90	90
(d) Current tax liabilities (net)	90	60
Total current liabilities	6,592	7,098
Total equity and liabilities	45,220	43,561



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NATCO Pharma Limited

Notes to the standalone financial results: (continued)

2) Standalone statement of cash flows:

(₹ in millions)

	Half Year ended	
	30 Sep 2019 (Unaudited)	30 Sep 2018 (Unaudited)
Cash flows from operating activities:		
Profit before tax	3,319	4,866
Adjustments for:		
Depreciation and amortisation expense	432	383
Finance costs	119	64
Employee stock compensation expenses	90	137
Interest income	(439)	(448)
Bad debts written off	21	20
(Gain) / loss on sale of property, plant and equipment	-	(1)
Unrealised foreign exchange loss / (gain), net	(124)	116
Liabilities no longer required, written back	(29)	-
Operating profit before working capital changes	3,389	5,137
Changes in working capital:		
Changes in trade payables	(518)	(93)
Changes in employee benefit obligations	160	166
Changes in other financial liabilities	118	(16)
Changes in other liabilities	540	1,887
Changes in other financial assets	91	(3)
Changes in loans	(7)	(5)
Changes in other assets	(628)	(70)
Changes in inventories	174	(386)
Changes in trade receivables	(415)	1,483
Cash generated from operating activities	2,904	8,100
Income taxes paid (net)	(755)	(839)
Net cash generated from operating activities	2,149	7,261
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,696)	(2,550)
Proceeds from sale of property, plant and equipment	-	3
Purchase of intangible assets	(15)	(23)
Investments in subsidiaries	(25)	(36)
Loans given to subsidiary companies	(8)	(158)
Redemption/(Purchase) of other investments, net	1,198	(902)
Movement in other bank balances (net)	1,260	(91)
Interest received	614	156
Deposits with financial institutions	(1,956)	(3,774)
Net cash used in investing activities	(628)	(7,375)
Cash flows from financing activities:		
Proceeds from issue of shares*	0	0
Contribution from shareholders	474	-
Buy-back of equity shares, including transaction costs	(538)	-
Proceeds from/ (repayment of) short-term borrowings, net	(850)	479
Dividends paid including dividend distribution tax	(546)	(332)
Interest paid	(121)	(59)
Net cash (used in) / from financing activities	(1,581)	88
Net increase / (decrease) in cash and cash equivalents	(60)	(26)
Cash and cash equivalents as at the beginning of the period	115	100
Cash and cash equivalents as at the end of the reporting period	55	74
Debt reconciliation statement in accordance with Ind AS 7:		
Current borrowings		
Opening balance	3,845	1,730
Proceeds from/ (repayment of) borrowings, net	(850)	479
Closing balance	2,995	2,209

*The numbers are rounded off to nearest million.



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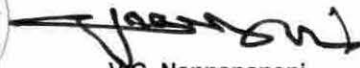
NATCO Pharma Limited

Notes to the standalone financial results: (continued)

- 3) These 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 ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India ('SEBI').
- 4) The standalone financial results for the quarter and half year ended 30 September 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 12 November 2019.
- 5) The operating segment of the Company is identified to be "Pharmaceuticals", as the Chief Operating Decision Maker reviews business performance at an overall Company level as one segment. Therefore, the disclosure as per Regulation 33(1)(e) read with Clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.
- 6) The Statutory auditors of the Company have carried out a limited review of the above unaudited standalone financial results for the quarter and half year ended 30 September 2019 and have issued an unqualified Review Report. The Review Report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.
- 7) The Board of Directors of the Company at its meeting held on 5 November 2018 had approved a proposal for buyback of equity shares for an aggregate amount not exceeding ₹2,500 million, at a price not exceeding ₹1,000 per equity share. During the quarter ended 30 June 2019, on conclusion of the buyback, the Company has bought a cumulative quantity of 3,000,000 equity shares for an aggregate amount of ₹1,864 million, excluding transactions costs.
- 8) During the quarter ended 30 September 2019, 125,215 equity shares of ₹ 2 each, fully paid-up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2015 scheme, resulting in an increase in the paid-up share capital of ₹ 0.25 million and securities premium account of ₹ 60.72 million.
- 9) During the quarter ended 30 June 2019, pursuant to the Upside Sharing Agreement dated 16 May 2019 entered with CX Securities Limited ("the Investor"), the Company has received a voluntary amount of USD 6.83 million (₹474 million) from the Investor. In accordance with the Applicable Accounting Framework, the aforementioned gain, being received from an equity participant, is recognised as an increase in equity and not through the Statement of Profit and Loss.
- 10) The Board of Directors at their meeting held on 12 November 2019 have recommended an interim dividend of ₹ 1 per equity share of ₹2 each.
- 11) Figures for the previous periods/ year have been regrouped, wherever necessary, to correspond with the figures of the current period.

By order of the Board
For NATCO Pharma Limited




V.C. Nannapaneni
Chairman and Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 12 November 2019

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B S R & Associates LLP

Chartered Accountants

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Orwell, B Wing, 6th Floor, Unit-3
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Limited review report on unaudited quarterly standalone financial results and standalone year-to-date results under 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 of NATCO Pharma Limited ("the Company") for the quarter ended and year to date results for the period from 1 April 2019 to 30 September 2019 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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.
4. 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 accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms 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.
5. Attention is drawn to the fact that the corresponding figures for the quarter and six months period ended 30 September 2018, for the year ended 31 March 2019, and for the quarter ended 30 June 2019 are based on the previously issued unaudited standalone financial results, audited standalone financial statements and unaudited standalone financial results of the Company that were reviewed/ audited by the predecessor auditor, who expressed an unmodified opinion on such unaudited standalone financial results/ audited standalone financial statements on 5 November 2018, 27 May 2019 and 9 August 2019 respectively. Our opinion on the Statement is not modified in respect of this matter.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Vikash Somani

Partner

Membership No.: 061272

ICAI UDIN:19061272AAAABL2296

Place: Hyderabad

Date: 12 November 2019



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2019

(₹ in millions except per share data)

	Quarter ended			Half Year ended		Year ended
	30 Sep 2019 (Unaudited)	30 June 2019 (Unaudited)	30 Sep 2018 (Unaudited)	30 Sep 2019 (Unaudited)	30 Sep 2018 (Unaudited)	31 Mar 2019 (Audited)
Income						
Revenue from operations	4,857	4,923	5,435	9,780	10,821	20,945
Other income	332	210	400	542	759	1,302
Total income	5,189	5,133	5,835	10,322	11,580	22,247
Expenses						
Cost of materials consumed	787	668	823	1,455	1,711	3,331
Purchases of stock-in-trade	315	80	20	395	131	550
Changes in inventories of finished goods, stock-in-trade and work-in-progress	90	12	106	102	(20)	(339)
Employee benefits expense	1,024	932	926	1,956	1,813	3,559
Finance costs	62	65	50	127	78	193
Depreciation and amortisation expense	219	220	202	439	386	810
Other expenses	1,298	1,318	1,355	2,616	2,805	5,896
Total expenses	3,795	3,295	3,482	7,090	6,904	14,000
Profit before tax	1,394	1,838	2,353	3,232	4,676	8,247
Tax expense / (credit)						
Current tax	328	410	550	738	1,198	1,883
Deferred tax	(111)	-	(13)	(111)	(149)	(60)
Net profit for the period/ year	1,177	1,428	1,816	2,605	3,627	6,424
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss	5	(45)	(11)	(40)	(20)	(85)
Items that will be reclassified to profit or loss	4	62	6	66	28	9
Total comprehensive income	1,186	1,445	1,811	2,631	3,635	6,348
Profit attributable to:						
Owners of the Company	1,190	1,432	1,825	2,622	3,641	6,444
Non-controlling interests	(13)	(4)	(9)	(17)	(14)	(20)
Total comprehensive income attributable to:						
Owners of the Company	1,199	1,449	1,820	2,648	3,649	6,368
Non-controlling interests	(13)	(4)	(9)	(17)	(14)	(20)
Paid-up equity share capital (face value of ₹2 each)	364	364	369	364	369	365
Other equity						34,525
Earnings per share (non-annualised) (face value of ₹2 each)						
Basic (in ₹)	6.55	7.87	9.89	14.41	19.74	34.98
Diluted (in ₹)	6.53	7.85	9.86	14.37	19.67	34.87

See accompanying notes to the financial results.



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NATCO Pharma Limited

Notes to the consolidated financial results:

1) Consolidated balance sheet:

(₹ in millions)

	As at 30 Sep 2019 (Unaudited)	As at 31 Mar 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	13,228	12,185
(b) Capital work-in-progress	6,644	6,376
(c) Intangible assets	86	87
(d) Financial assets		
Investments	201	199
Loans	20	20
Other financial assets	143	165
(e) Other non-current assets	679	527
Total non-current assets	21,001	19,559
Current assets		
(a) Inventories	5,157	5,290
(b) Financial assets		
Investments	289	1,487
Trade receivables	5,594	5,062
Cash and cash equivalents	148	283
Bank balances other than cash and cash equivalents	1,252	2,512
Loans	78	71
Other financial assets	8,658	6,947
(c) Other current assets	2,443	1,820
Total current assets	23,619	23,472
Total assets	44,620	43,031
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	364	365
(b) Other equity	36,486	34,525
Equity attributable to owners of the Company	36,850	34,890
Non-controlling interest	40	20
Total equity	36,890	34,910
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	8	8
(b) Provision for employee benefits	916	710
(c) Deferred tax liabilities (net)	108	116
Total non-current liabilities	1,032	834
Current liabilities		
(a) Financial liabilities		
Borrowings	3,014	3,863
Trade payables		
- total outstanding dues of micro and small enterprises	11	79
- total outstanding dues of creditors other than micro and small enterprises	1,516	2,091
Other financial liabilities	1,118	782
(b) Other current liabilities	857	316
(c) Provision for employee benefits	90	90
(d) Current tax liabilities (net)	92	66
Total current liabilities	6,698	7,287
Total equity and liabilities	44,620	43,031



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NATCO Pharma Limited

Notes to the consolidated financial results: (continued)

2) Consolidated statement of cash flows

(₹ in millions)

	Half Year ended	
	30 Sep 2019 (Unaudited)	30 Sep 2018 (Unaudited)
Cash flows from operating activities:		
Profit before tax	3,232	4,676
Adjustments for:		
Depreciation and amortisation expense	439	386
Finance cost	127	77
Employee stock compensation expenses	90	137
Interest income	(427)	(448)
Bad debts written off	21	20
(Gain) / loss on sale of property, plant and equipment	-	(1)
Unrealised foreign exchange loss / (gain), net	(124)	116
Liabilities no longer required, written back	(29)	-
Operating profit before working capital changes	3,329	4,963
Changes in working capital:		
Changes in trade payables	(613)	(61)
Changes in employee benefit obligations	160	166
Changes in other financial liabilities	132	(16)
Changes in other liabilities	540	1,887
Changes in other financial assets	91	(0)
Changes in loans	(7)	(5)
Changes in other assets	(604)	(164)
Changes in inventories	134	(390)
Changes in trade receivables	(430)	1,535
Cash generated from operating activities	2,732	7,915
Income taxes paid (net)	(766)	(861)
Net cash generated from operating activities	1,966	7,054
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,667)	(2,468)
Proceeds from sale of property, plant and equipment	-	3
Purchase of intangible assets	(15)	(31)
Redemption/ (Purchase) of other investments, net	1,193	(924)
Movement in other bank balances (net)	1,260	(91)
Interest received	602	156
Deposits with financial institutions	(1,956)	(3,774)
Net cash used in investing activities	(583)	(7,129)
Cash flows from financing activities		
Proceeds from issue of shares*	0	0
Contribution from shareholders	474	-
Buy-back of equity shares, including transaction costs	(538)	-
Proceeds from non-controlling interest	3	6
Proceeds from/ (repayment of) short-term borrowings, net	(849)	478
Dividends paid including dividend distribution tax	(546)	(331)
Interest paid	(131)	(72)
Net cash (used in) / from financing activities	(1,587)	81
Net increase / (decrease) in cash and cash equivalents	(204)	6
Cash and cash equivalents as at the beginning of the period	283	217
Effect of currency translation adjustment	69	19
Cash and cash equivalents as at the end of the reporting period	148	242
Debt reconciliation statement in accordance with Ind AS 7:		
Current borrowings		
Opening balance	3,863	1,732
Proceeds from/ (repayment of) borrowings, net	(849)	478
Closing balance	3,014	2,210

*The numbers are rounded off to nearest million.



FOR IDENTIFICATION ONLY





NATCO Pharma Limited

Notes to the consolidated financial results: (continued)

- 3) These 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 ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India ('SEBI').
- 4) The consolidated financial results for the quarter and half year ended 30 September 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 12 November 2019.
- 5) The Statutory auditors of the Company have carried out a limited review of the above unaudited consolidated financial results for the quarter and half year ended 30 September 2019 and have issued an unqualified Review Report. The Review Report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.
- 6) The consolidated financial results for the quarter and half year ended 30 September 2019 include financial results of the following subsidiaries:

Sr. No	Name of the Entity
1	NATCO Pharma Inc., United States of America
2	Time Cap Overseas Limited, Mauritius
3	NATCO Farma Do Brasil LTDA, Brazil (subsidiary of Time Cap Overseas Limited)
4	NATCO Pharma (Canada) Inc., Canada
5	NATCO Pharma Asia Pte. Ltd., Singapore
6	NATCO Pharma Australia PTY Ltd., Australia
7	NATCO Lifesciences Philippines Inc., Philippines

- 7) The operating segment of the Group is identified to be "Pharmaceuticals", as the Chief Operating Decision Maker reviews business performance at an overall Group level as one segment. Therefore, the disclosure as per Regulation 33(1)(e) read with Clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Group.
- 8) The Board of Directors of the Company at its meeting held on 5 November 2018 had approved a proposal for buyback of equity shares for an aggregate amount not exceeding ₹2,500 million, at a price not exceeding ₹1,000 per equity share. During the quarter ended 30 June 2019, on conclusion of the buyback, the Company has bought a cumulative quantity of 3,000,000 equity shares for an aggregate amount of ₹1,864 million, excluding transactions costs.
- 9) During the quarter ended 30 September 2019, 125,215 equity shares of ₹ 2 each, fully paid-up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2015 scheme, resulting in an increase in the paid-up share capital of ₹ 0.25 million and securities premium account of ₹ 60.72 million.
- 10) During the quarter ended 30 June 2019, pursuant to the Upside Sharing Agreement dated 16 May 2019 entered with CX Securities Limited ("the Investor"), the Company has received a voluntary amount of USD 6.83 million (₹474 million) from the Investor. In accordance with the Applicable Accounting Framework, the aforementioned gain, being received from an equity participant, is recognised as an increase in equity and not through the Statement of Profit and Loss.
- 11) The unaudited standalone financial results, for the quarter and half year ended 30 September 2019 can be viewed on the website of the Company, NSE and BSE at www.natcopharma.co.in, www.nseindia.com, and www.bseindia.com respectively, information of unaudited standalone financial results of the Company in terms of Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ in millions)

Particulars	Quarter ended			Half Year ended		Year ended
	30 Sep 2019 (Unaudited)	30 June 2019 (Unaudited)	30 Sep 2018 (Unaudited)	30 Sep 2019 (Unaudited)	30 Sep 2018 (Unaudited)	31 Mar 2019 (Audited)
Total revenue from operations	4,577	4,647	5,224	9,224	10,381	19,863
Profit before tax	1,436	1,883	2,468	3,319	4,866	8,474
Net profit for the period/ year	1,222	1,477	1,931	2,699	3,817	6,671
Total comprehensive income	1,225	1,429	1,917	2,654	3,793	6,580

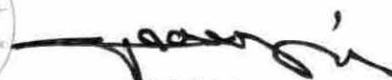
- 12) The Board of Directors at their meeting held on 12 November 2019 have recommended an interim dividend of ₹ 1 per equity share of ₹2 each.
- 13) Figures for the previous periods/ year have been regrouped, wherever necessary, to correspond with the figures of the current period.



Place: Hyderabad
Date: 12 November 2019



By order of the Board
For NATCO Pharma Limited


V.C. Nannapaneni
Chairman and Managing Director
(DIN: 00183315)

FOR IDENTIFICATION ONLY

B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results under 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 of NATCO Pharma Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended and year to date results for the period from 1 April 2019 to 30 September 2019 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
NATCO Pharma Limited	Parent
NATCO Pharma, Inc.	Wholly owned subsidiary
Time Cap Overseas Limited	Subsidiary
NATCO Farma Do Brasil LTDA (subsidiary of Time Cap Overseas Limited)	Step-down subsidiary
NATCO Pharma (Canada) Inc.	Wholly owned subsidiary
NATCO Pharma Asia Pte. Ltd.	Wholly owned subsidiary
NATCO Pharma Australia PTY Ltd.	Wholly owned subsidiary
NATCO Lifesciences Philippines Inc.	Wholly owned subsidiary

Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results under Regulation 33 of the Listing Regulations (continued)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of seven subsidiaries included in the Statement, whose interim financial information reflect total assets of Rs. 2,669 million as at 30 September 2019 and total revenues of Rs. 375 million and Rs. 700 million, total net loss after tax of Rs. 42 million and Rs. 81 million and total comprehensive loss of Rs. 41 million and Rs. 76 million, for the quarter ended 30 September 2019 and for the period from 1 April 2019 to 30 September 2019, respectively, and cash outflows (net) of Rs.76 million for the period from 1 April 2019 to 30 September 2019, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed/ audited by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

These subsidiaries are located outside India whose interim financial information 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 opinion in so far as it relates to the balances and affairs 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.

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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results under Regulation 33 of the Listing Regulations (continued)

7. Attention is drawn to the fact that the corresponding figures for the quarter and six months period ended 30 September 2018, for the year ended 31 March 2019, and for the quarter ended 30 June 2019 are based on the previously issued unaudited consolidated financial results, audited consolidated financial statements and unaudited consolidated financial results of the Company that were reviewed/ audited by the predecessor auditor, who expressed an unmodified opinion on such unaudited consolidated financial results/ audited consolidated financial statements on 5 November 2018, 27 May 2019 and 9 August 2019, respectively. Our opinion on the Statement is not modified in respect of this matter.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 116231W/ W-100024

Vikash Somani

Vikash Somani
Partner
Membership Number: 061272
UDIN: 19061272AAAABM1204

Place: Hyderabad
Date: 12 November 2019