



NATCO Pharma Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Year ended
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		Unaudited	Audited (refer note 4)	Unaudited	Audited
	<b>Income</b>				
1	Revenue from operations	5,634	4,548	4,923	19,150
2	Other income	187	224	210	1,074
3	<b>Total income (1+2)</b>	<b>5,821</b>	<b>4,772</b>	<b>5,133</b>	<b>20,224</b>
	<b>Expenses</b>				
	Cost of materials consumed	1,214	1,078	668	3,290
	Purchases of stock-in-trade	432	539	80	1,278
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	143	(668)	12	(752)
	Employee benefits expense	952	816	932	3,750
	Finance costs	37	35	65	215
	Depreciation and amortisation expense	280	305	220	998
	Other expenses	1,182	1,500	1,318	5,758
	<b>Total expenses</b>	<b>4,240</b>	<b>3,605</b>	<b>3,295</b>	<b>14,537</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>1,581</b>	<b>1,167</b>	<b>1,838</b>	<b>5,687</b>
6	Exceptional items	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>1,581</b>	<b>1,167</b>	<b>1,838</b>	<b>5,687</b>
	<b>Tax expense</b>				
	(i) Current tax	425	222	410	1,271
	(ii) Income-tax for earlier years	-	40	-	40
	(iii) Deferred tax charge /(credit)	(65)	(27)	-	(205)
	<b>Total tax expense</b>	<b>360</b>	<b>235</b>	<b>410</b>	<b>1,106</b>
9	<b>Profit for the period/year (7-8)</b>	<b>1,221</b>	<b>932</b>	<b>1,428</b>	<b>4,581</b>
10	<b>Other comprehensive income (net of tax)</b>				
	<b>A. Items that will not be reclassified subsequently to profit or loss:</b>				
	Remeasurement of defined benefit plans	(20)	(10)	(49)	(79)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	19	(15)	(7)	(20)
	Income-tax relating to items that will not be reclassified to profit or loss	(1)	20	11	34
		(2)	(5)	(45)	(65)
	<b>B. Items that will be reclassified subsequently to profit or loss:</b>				
	Exchange differences on translation of foreign operations	23	(172)	62	(80)
		23	(172)	62	(80)
	<b>Total other comprehensive income (net of tax) (A+B)</b>	<b>21</b>	<b>(177)</b>	<b>17</b>	<b>(145)</b>
11	<b>Total comprehensive income for the period/ year (9+10)</b>	<b>1,242</b>	<b>755</b>	<b>1,445</b>	<b>4,436</b>
12	<b>Profit for the period/year attributable to:</b>				
	Owners of the Company	1,228	941	1,432	4,608
	Non-controlling interests	(7)	(9)	(4)	(27)
13	<b>Other comprehensive income attributable to:</b>				
	Owners of the Company	21	(177)	17	(145)
	Non-controlling interests	-	-	-	-
14	<b>Total comprehensive income attributable to:</b>				
	Owners of the Company	1,249	764	1,449	4,463
	Non-controlling interests	(7)	(9)	(4)	(27)
15	<b>Paid-up equity share capital (face value of ₹2 each)</b>	<b>364</b>	<b>364</b>	<b>364</b>	<b>364</b>
16	<b>Other equity</b>				<b>37,371</b>
17	<b>Earnings per share (face value ₹2 each)</b>				
	Basic (in ₹)	6.74	5.17	7.87	25.33
	Diluted (in ₹)	6.73	5.16	7.85	25.26
		(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the financial results.



NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		Unaudited	Audited	Unaudited	Audited
<b>1</b>	<b>Segment revenue</b>				
	a. Pharmaceuticals	5,634	4,548	4,923	19,150
	b. Agro chemicals	-	-	-	-
		<b>5,634</b>	<b>4,548</b>	<b>4,923</b>	<b>19,150</b>
	Add: Unallocated	-	-	-	-
	<b>Total revenue from operations</b>	<b>5,634</b>	<b>4,548</b>	<b>4,923</b>	<b>19,150</b>
<b>2</b>	<b>Segment results</b>				
	a. Pharmaceuticals	1,618	1,202	1,903	5,902
	b. Agro chemicals	-	-	-	-
	<b>Total segment result</b>	<b>1,618</b>	<b>1,202</b>	<b>1,903</b>	<b>5,902</b>
	Less:				
	a. Finance cost	(37)	(35)	(65)	(215)
	b. Net unallocated (income)/expenditure	-	-	-	-
	<b>Total profit before tax</b>	<b>1,581</b>	<b>1,167</b>	<b>1,838</b>	<b>5,687</b>
<b>3</b>	<b>Segment assets</b>				
	a. Pharmaceuticals	44,871	43,404	41,454	43,404
	b. Agro chemicals	1,610	1,351	439	1,351
	<b>Total segment assets</b>	<b>46,481</b>	<b>44,755</b>	<b>41,893</b>	<b>44,755</b>
	Add:				
	a. Unallocated	1,305	1,123	1,480	1,123
	<b>Total assets</b>	<b>47,786</b>	<b>45,878</b>	<b>43,373</b>	<b>45,878</b>
<b>4</b>	<b>Segment liabilities</b>				
	a. Pharmaceuticals	4,653	4,467	3,908	4,467
	b. Agro chemicals	83	61	4	61
	<b>Total segment liabilities</b>	<b>4,736</b>	<b>4,528</b>	<b>3,912</b>	<b>4,528</b>
	Add:				
	a. Unallocated	3,885	3,503	3,085	3,503
	<b>Total liabilities</b>	<b>8,621</b>	<b>8,031</b>	<b>6,997</b>	<b>8,031</b>

Until the previous year, the operating segment of the Group was identified to be "Pharmaceuticals", as the Chief Operating Decision Maker ('CODM') reviewed the business performance accordingly. The Group has commenced the Agri Chemicals division and the management expects completion of substantial portion of construction activity in the current financial year followed by commencement of commercial operations in near future. The CODM has started reviewing the Agri Chemicals segment from the current quarter. Hence, the Group has disclosed Agri Chemicals as a separate reportable segment and has restated previously reported information to conform to current period presentation.



**NATCO Pharma Limited**

**Notes to unaudited consolidated financial results:**

- 1) The unaudited consolidated financial results of NATCO Pharma Limited ("the Company") and its subsidiaries (together referred as "the Group") 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 in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The unaudited consolidated financial results for the quarter ended 30 June 2020 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 August 2020.
- 3) The results of the Group for the quarter ended 30 June 2020, have been reviewed by the Statutory auditors and they have issued an unqualified review report on the same. 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.
- 4) The figures for the quarter ended 31 March 2020 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
- 5) The consolidated financial results for the quarter ended 30 June 2020 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

- 6) The Group has considered internal and external information while assessing the recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.
- 7) The unaudited standalone financial results, for the quarter ended 30 June 2020 can be viewed on the website of the Company, NSE and BSE at [www.natcopharma.co.in](http://www.natcopharma.co.in), [www.nseindia.com](http://www.nseindia.com), and [www.bseindia.com](http://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			Year ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
	Unaudited	Audited	Unaudited	Audited
Total revenue from operations	5,322	4,201	4,647	17,902
Profit before tax	1,616	1,239	1,883	5,831
Net profit for the period/ year	1,267	1,010	1,477	4,745
Total comprehensive income	1,272	1,012	1,429	4,681

- 8) The Board of Directors in their meeting held on 12 August 2020 have recommended an interim dividend of ₹ 1.25 per equity share of ₹ 2 each for the quarter ended 30 June 2020.
- 9) 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**

Place: Hyderabad  
Date: 12 August 2020

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



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		Unaudited	Audited (refer note 4)	Unaudited	Audited
	<b>Income</b>				
1	Revenue from operations	5,322	4,201	4,647	17,902
2	Other income	199	386	204	1,238
3	<b>Total income (1+2)</b>	<b>5,521</b>	<b>4,587</b>	<b>4,851</b>	<b>19,140</b>
	<b>4 Expenses</b>				
	Cost of materials consumed	1,214	1,078	668	3,290
	Purchases of stock-in-trade	433	601	4	1,239
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	97	(542)	42	(559)
	Employee benefits expense	900	768	880	3,561
	Finance costs	33	35	62	206
	Depreciation and amortisation expense	276	298	216	981
	Other expenses	952	1,110	1,096	4,591
	<b>Total expenses</b>	<b>3,905</b>	<b>3,348</b>	<b>2,968</b>	<b>13,309</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>1,616</b>	<b>1,239</b>	<b>1,883</b>	<b>5,831</b>
6	Exceptional items	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>1,616</b>	<b>1,239</b>	<b>1,883</b>	<b>5,831</b>
	<b>8 Tax expense</b>				
	(i) Current tax	414	216	406	1,251
	(ii) Income-tax for earlier years	-	40	-	40
	(ii) Deferred tax charge /(credit)	(65)	(27)	-	(205)
	<b>Total tax expense</b>	<b>349</b>	<b>229</b>	<b>406</b>	<b>1,086</b>
9	<b>Profit for the period/ year (7-8)</b>	<b>1,267</b>	<b>1,010</b>	<b>1,477</b>	<b>4,745</b>
	<b>10 Other comprehensive income (net of tax)</b>				
	<b>Items that will not be reclassified to profit or loss:</b>				
	Remeasurement of defined benefit plans	(20)	(10)	(49)	(79)
	Net gains / (losses) from investments in equity instruments designated at FVTOCI	28	(8)	(12)	(19)
	Income-tax relating to items that will not be reclassified to profit or loss	(3)	20	13	34
	<b>Total other comprehensive income (net of tax)</b>	<b>5</b>	<b>2</b>	<b>(48)</b>	<b>(64)</b>
11	<b>Total comprehensive income for the period/ year (9+10)</b>	<b>1,272</b>	<b>1,012</b>	<b>1,429</b>	<b>4,681</b>
12	<b>Paid-up equity share capital (face value of ₹2 each)</b>	364	364	364	364
13	<b>Other equity</b>				38,331
	<b>14 Earnings per share (face value ₹2 each)</b>				
	Basic (in ₹)	6.96	5.55	8.11	26.08
	Diluted (in ₹)	6.94	5.54	8.09	26.01
		(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the financial results.



**NATCO Pharma Limited**

**Notes to the unaudited standalone financial results:**

- 1) The unaudited standalone financial results of NATCO Pharma Limited ("the Company") 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 in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The unaudited standalone financial results for the quarter ended 30 June 2020 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 August 2020.
- 3) The results of the Company for the quarter ended 30 June 2020, have been reviewed by the Statutory auditors and they have issued an unqualified review report on the same. 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.
- 4) The figures for the quarter ended 31 March 2020 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
- 5) Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
- 6) The Company has considered internal and external information while assessing the recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 7) The Board of Directors at their meeting held on 12 August 2020 have recommended an interim dividend of ₹ 1.25 per equity share of ₹2 each for the quarter ended 30 June 2020.
- 8) Figures for the previous periods/ year have been regrouped, wherever necessary, to correspond with the figures of the current period.

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For NATCO Pharma Limited**

Place: Hyderabad  
Date: 12 August 2020

**V C Nannapaneni**  
*Chairman and Managing Director*  
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