



NATCO Pharma Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2021

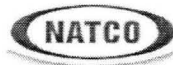
(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations (refer note 5)	5,605	3,772	3,552	13,480	17,208	20,521
2	Other income	302	380	308	852	752	1,036
3	<b>Total income (1+2)</b>	<b>5,907</b>	<b>4,152</b>	<b>3,860</b>	<b>14,332</b>	<b>17,960</b>	<b>21,557</b>
	<b>Expenses</b>						
4	Cost of materials consumed	1,006	1,156	756	3,261	2,836	3,729
	Purchases of stock-in-trade	56	127	322	260	1,836	1,866
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(132)	(358)	(247)	(875)	(103)	(481)
	Employee benefits expense	1,182	1,092	1,014	3,355	3,203	4,149
	Finance costs	50	40	34	110	98	133
	Depreciation and amortisation expense	360	347	298	1,045	865	1,169
	Other expenses	2,475	1,050	882	4,658	4,136	5,196
	<b>Total expenses</b>	<b>4,997</b>	<b>3,454</b>	<b>3,059</b>	<b>11,814</b>	<b>12,871</b>	<b>15,761</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>910</b>	<b>698</b>	<b>801</b>	<b>2,518</b>	<b>5,089</b>	<b>5,796</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>910</b>	<b>698</b>	<b>801</b>	<b>2,518</b>	<b>5,089</b>	<b>5,796</b>
8	<b>Tax expense</b>						
	(i) Current tax	167	161	77	484	1,220	1,408
	(ii) Income-tax for earlier years	-	-	-	-	-	70
	(iii) Deferred tax (credit)/ charge (refer note 6)	(61)	(114)	90	(171)	(25)	(106)
	<b>Total tax expense</b>	<b>106</b>	<b>47</b>	<b>167</b>	<b>313</b>	<b>1,195</b>	<b>1,372</b>
9	<b>Profit for the period/year (7-8)</b>	<b>804</b>	<b>651</b>	<b>634</b>	<b>2,205</b>	<b>3,894</b>	<b>4,424</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	(2)	(2)	(20)	(6)	(59)	(8)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	335	(24)	26	411	136	143
	Income-tax relating to items that will not be reclassified to profit or loss	(29)	3	(1)	(36)	(13)	(10)
		<b>304</b>	<b>(23)</b>	<b>5</b>	<b>369</b>	<b>64</b>	<b>125</b>
	<b>B. Items that will be reclassified subsequently to profit or loss:</b>						
	Exchange differences on translation of foreign operations	(26)	(45)	36	(91)	(47)	(38)
		<b>(26)</b>	<b>(45)</b>	<b>36</b>	<b>(91)</b>	<b>(47)</b>	<b>(38)</b>
	<b>Total other comprehensive income (net of tax) (A+B)</b>	<b>278</b>	<b>(68)</b>	<b>41</b>	<b>278</b>	<b>17</b>	<b>87</b>
11	<b>Total comprehensive income for the period/ year (9+10)</b>	<b>1,082</b>	<b>583</b>	<b>675</b>	<b>2,483</b>	<b>3,911</b>	<b>4,511</b>
12	<b>Profit for the period/year attributable to:</b>						
	Owners of the Company	804	651	627	2,205	3,879	4,409
	Non-controlling interests	-	-	7	-	15	15
13	<b>Other comprehensive income attributable to:</b>						
	Owners of the Company	278	(68)	41	278	17	87
	Non-controlling interests	-	-	-	-	-	-
14	<b>Total comprehensive income attributable to:</b>						
	Owners of the Company	1,082	583	668	2,483	3,896	4,496
	Non-controlling interests	-	-	7	-	15	15
15	<b>Paid-up equity share capital (face value of ₹2 each)</b>	<b>365</b>	<b>365</b>	<b>364</b>	<b>365</b>	<b>364</b>	<b>365</b>
16	<b>Other equity</b>						<b>40,851</b>
17	<b>Earnings per share (face value ₹2 each)</b>						
	Basic (in ₹)	4.41	3.57	3.44	12.09	21.30	24.20
	Diluted (in ₹)	4.40	3.57	3.43	12.08	21.25	24.16
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the consolidated financial results.



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NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment revenue</b>						
	a. Pharmaceuticals	5,602	3,738	3,545	13,437	17,200	20,500
	b. Agro chemicals	3	34	7	43	8	21
		5,605	3,772	3,552	13,480	17,208	20,521
	Add: Unallocated	-	-	-	-	-	-
	<b>Total revenue from operations</b>	<b>5,605</b>	<b>3,772</b>	<b>3,552</b>	<b>13,480</b>	<b>17,208</b>	<b>20,521</b>
2	<b>Segment results</b>						
	a. Pharmaceuticals	1,060	811	833	2,820	5,189	5,941
	b. Agro chemicals	(100)	(73)	2	(192)	(2)	(12)
	<b>Total segment result</b>	<b>960</b>	<b>738</b>	<b>835</b>	<b>2,628</b>	<b>5,187</b>	<b>5,929</b>
	Less:						
	a. Finance cost	(50)	(40)	(34)	(110)	(98)	(133)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	<b>Total profit before tax</b>	<b>910</b>	<b>698</b>	<b>801</b>	<b>2,518</b>	<b>5,089</b>	<b>5,796</b>
3	<b>Segment assets</b>						
	a. Pharmaceuticals	44,808	43,392	43,513	44,808	43,513	42,452
	b. Agro chemicals	3,321	3,162	2,179	3,321	2,179	2,393
	<b>Total segment assets</b>	<b>48,129</b>	<b>46,554</b>	<b>45,692</b>	<b>48,129</b>	<b>45,692</b>	<b>44,845</b>
	Add:						
	a. Unallocated	3,187	3,963	2,639	3,187	2,639	3,074
	<b>Total assets</b>	<b>51,316</b>	<b>50,517</b>	<b>48,331</b>	<b>51,316</b>	<b>48,331</b>	<b>47,919</b>
4	<b>Segment liabilities</b>						
	a. Pharmaceuticals	4,171	4,005	3,799	4,171	3,799	3,499
	b. Agro chemicals	42	95	77	42	77	84
	<b>Total segment liabilities</b>	<b>4,213</b>	<b>4,100</b>	<b>3,876</b>	<b>4,213</b>	<b>3,876</b>	<b>3,583</b>
	Add:						
	a. Unallocated	3,821	4,130	3,639	3,821	3,639	3,102
	<b>Total liabilities</b>	<b>8,034</b>	<b>8,230</b>	<b>7,515</b>	<b>8,034</b>	<b>7,515</b>	<b>6,685</b>





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 and nine months ended 31 December 2021 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 14 February 2022.
- 3) The results of the Group for the quarter and nine months ended 31 December 2021, 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 consolidated financial results for the quarter and nine months ended 31 December 2021 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

- 5) Revenue from operations includes an income from settlement of claims received by NATCO Pharma (Canada) Inc., Canada a subsidiary of NATCO Pharma Limited under a settlement agreement entered by the subsidiary.
- 6) Based on the most recent forecasts as prepared by the Management, it is expected that the unrecognised MAT credit as at 31 March 2021 will be completely utilised over next five years. Accordingly, effective tax rate of the Group is expected to be comparatively lower in the current year.
- 7) During the nine months ended 31 December 2021, 27,340 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2016 scheme resulting in an increase in the paid-up share capital of ₹ 0.05 million and securities premium account of ₹ 16.71 million.
- 8) Subsequent to 31 December 2021, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, has acquired Dash Pharmaceuticals LLC ("Dash"), a New Jersey based entity for a consideration of USD 18 million. Pursuant to this, Dash has become a 100% wholly owned subsidiary of NATCO Pharma Inc. and a step-down subsidiary of NATCO Pharma Limited.
- 9) The Group has considered internal and external sources of 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 Company will continue to closely monitor any material changes to future economic conditions.
- 10) The unaudited standalone financial results, for the quarter and nine months ended 31 December 2021 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 audited 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			Nine Months ended		Year ended
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	5,295	3,304	3,309	12,537	13,420	16,535
Profit before tax	797	523	707	2,230	3,188	3,922
Net profit for the period/ year	716	536	547	2,004	2,523	3,095
Total comprehensive income	1,020	513	551	2,372	2,593	3,228

- 11) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 12) The Board of Directors in their meeting held on 14 February 2022 have recommended an interim dividend of ₹ 2 per equity share of ₹ 2 each for the quarter and nine months ended 31 December 2021.

By order of the Board  
For NATCO Pharma Limited



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

Place: Hyderabad  
Date: 14 February 2022



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 NINE MONTHS ENDED 31 DECEMBER 2021

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations	5,295	3,304	3,309	12,537	13,420	16,535
2	Other income	316	403	249	842	720	1,011
3	<b>Total income (1+2)</b>	<b>5,611</b>	<b>3,707</b>	<b>3,558</b>	<b>13,379</b>	<b>14,140</b>	<b>17,546</b>
4	<b>Expenses</b>						
	Cost of materials consumed	1,006	1,156	756	3,261	2,836	3,729
	Purchases of stock-in-trade	44	64	220	166	1,721	1,740
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(109)	(331)	(202)	(792)	(105)	(469)
	Employee benefits expense	1,116	1,028	958	3,115	2,906	3,800
	Finance costs	41	32	30	91	90	113
	Depreciation and amortisation expense	355	342	294	1,028	854	1,152
	Other expenses	2,361	893	795	4,280	2,650	3,559
	<b>Total expenses</b>	<b>4,814</b>	<b>3,184</b>	<b>2,851</b>	<b>11,149</b>	<b>10,952</b>	<b>13,624</b>
5	<b>Profit before exceptional items and tax (3-4)</b>	<b>797</b>	<b>523</b>	<b>707</b>	<b>2,230</b>	<b>3,188</b>	<b>3,922</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit before tax (5-6)</b>	<b>797</b>	<b>523</b>	<b>707</b>	<b>2,230</b>	<b>3,188</b>	<b>3,922</b>
8	<b>Tax expense</b>						
	(i) Current tax	142	100	70	397	690	863
	(ii) Income-tax for earlier years	-	-	-	-	-	70
	(ii) Deferred tax (credit)/ charge (refer note 5)	(61)	(113)	90	(171)	(25)	(106)
	<b>Total tax expense</b>	<b>81</b>	<b>(13)</b>	<b>160</b>	<b>226</b>	<b>665</b>	<b>827</b>
9	<b>Profit for the period/ year (7-8)</b>	<b>716</b>	<b>536</b>	<b>547</b>	<b>2,004</b>	<b>2,523</b>	<b>3,095</b>
10	<b>Other comprehensive income (net of tax)</b>						
	<b>Items that will not be reclassified to profit or loss:</b>						
	Remeasurement of defined benefit plans	(2)	(2)	(20)	(6)	(59)	(8)
	Net gains/ (losses) from investments in equity instruments designated at FVTOCI	335	(24)	25	411	144	153
	Income-tax relating to items that will not be reclassified to profit or loss	(29)	3	(1)	(37)	(15)	(12)
	<b>Total other comprehensive income (net of tax)</b>	<b>304</b>	<b>(23)</b>	<b>4</b>	<b>368</b>	<b>70</b>	<b>133</b>
11	<b>Total comprehensive income for the period/ year (9+10)</b>	<b>1,020</b>	<b>513</b>	<b>551</b>	<b>2,372</b>	<b>2,593</b>	<b>3,228</b>
12	<b>Paid-up equity share capital (face value of ₹2 each)</b>	<b>365</b>	<b>365</b>	<b>364</b>	<b>365</b>	<b>364</b>	<b>365</b>
13	<b>Other equity</b>						<b>40,546</b>
14	<b>Earnings per share (face value ₹2 each)</b>						
	Basic (in ₹)	3.93	2.94	3.00	10.99	13.85	16.99
	Diluted (in ₹)	3.92	2.94	3.00	10.98	13.82	16.96
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the standalone financial results.





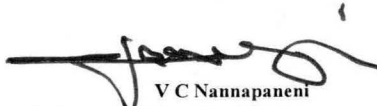
**NATCO Pharma Limited**

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

- 1) The 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 standalone financial results for the quarter and nine months ended 31 December 2021 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 14 February 2022.
- 3) The results of the Company for the quarter and nine months ended 31 December 2021, 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) 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.
- 5) Based on the most recent forecasts as prepared by the Management, it is expected that the unrecognised MAT credit as at 31 March 2021 will be completely utilised over next five years. Accordingly, effective tax rate of the Company is expected to be comparatively lower in the current year.
- 6) During the nine months ended 31 December 2021, 27,340 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2016 scheme resulting in an increase in the paid-up share capital of ₹ 0.05 million and securities premium account of ₹ 16.71 million.
- 7) Subsequent to 31 December 2021, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, has acquired Dash Pharmaceuticals LLC ("Dash"), a New Jersey based entity for a consideration of USD 18 million. Pursuant to this, Dash has become a 100% wholly owned subsidiary of NATCO Pharma Inc. and a step-down subsidiary of NATCO Pharma Limited.
- 8) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 9) The Company has considered internal and external sources of 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.
- 10) The Board of Directors at their meeting held on 14 February 2022 have recommended an interim dividend of ₹ 2 per equity share of ₹ 2 each for the quarter and nine months ended 31 December 2021.

**By order of the Board  
For NATCO Pharma Limited**



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

Place: Hyderabad  
Date: 14 February 2022