



## Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.  
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243  
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

February 12, 2019

Corporate Relationship Department  
The BSE Ltd.  
Dalal Street, Fort  
**Mumbai 400 001.**

Manager – Listing  
M/s. National Stock Exchange of India Ltd  
“Exchange Plaza”, Bandra – Kurla Complex  
**Bandra (E) Mumbai 400 051.**

Scrip Code: 524816

Scrip Code: NATCOPHARM

Dear Sir,

**Sub:- Outcome of Board Meeting**

Further to our intimation dated 2<sup>nd</sup> February, 2019, we would like to inform you that the Board of Directors of the Company at their meeting held today have considered the following along with other items of business:

1. Approved Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended 31<sup>st</sup> December, 2018 prepared under Indian Accounting Standards (IND-AS) and as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with Review Report of the Statutory Auditors. Please find enclosed a copy of the same for your information.
2. Declared second interim dividend of Rs.3.50 ps. (Rupees three and paise fifty only) on each equity share of face value Rs.2/- (Rupees two only) each for the financial year 2018-2019. The date for taking on record of the its shareholders of the company eligible for the purpose of payment of second interim dividend i.e. **Record Date** is fixed as **Friday, the 22<sup>nd</sup> day of February, 2019**. The said interim dividend will be paid from Tuesday, the 26<sup>th</sup> day of February, 2019.

We are also updating the financial results on the website of the Company [www.natcopharma.co.in](http://www.natcopharma.co.in).

A copy of the Press Release also enclosed for your information

This is for your information and records.

Thanking you,

Yours faithfully,  
For NATCO Pharma Limited

M Adinarayana  
Company Secretary &  
Vice President (Legal & Corp. Affairs)

Encl: as above



## 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)
<b>Revenue</b>						
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
<b>Total revenues</b>	<b>5,800</b>	<b>5,835</b>	<b>5,736</b>	<b>17,380</b>	<b>14,545</b>	<b>22,424</b>
<b>Expenses</b>						
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
<b>Total expenses</b>	<b>3,753</b>	<b>3,482</b>	<b>2,972</b>	<b>10,657</b>	<b>9,497</b>	<b>13,552</b>
<b>Profit before tax</b>	<b>2,047</b>	<b>2,353</b>	<b>2,764</b>	<b>6,723</b>	<b>5,048</b>	<b>8,872</b>
<b>Tax expense / (credit)</b>						
Current tax	515	550	590	1,713	1,091	2,199
Deferred tax	(61)	(13)	-	(210)	2	(279)
<b>Profit after tax</b>	<b>1,593</b>	<b>1,816</b>	<b>2,174</b>	<b>5,220</b>	<b>3,955</b>	<b>6,952</b>
<b>Other comprehensive income (net of taxes)</b>						
<b>Items that will not be reclassified to profit or loss</b>						
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)
<b>Items that will be reclassified to profit or loss</b>						
Exchange differences on translation of foreign operations	(30)	6	(11)	(2)	34	(8)
<b>Total comprehensive income</b>	<b>1,543</b>	<b>1,811</b>	<b>2,167</b>	<b>5,178</b>	<b>3,982</b>	<b>6,900</b>
<b>Profit attributable to:</b>						
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)
<b>Total comprehensive income attributable to:</b>						
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)
<b>Paid-up equity share capital of ₹2 each</b>	<b>368</b>	<b>369</b>	<b>369</b>	<b>368</b>	<b>369</b>	<b>369</b>
<b>Other equity (Revaluation reserve ₹Nil)</b>						<b>30,353</b>
<b>Earnings per share (non-annualised) (face value of ₹2 each)</b>						
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

Walker Chandrasekhar & Co LLP  
Hyderabad



## NATCO Pharma Limited

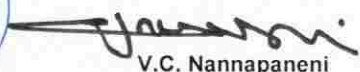
### Notes to the consolidated financial results:

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 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**

7th Floor, Block III,  
White House, Kundan Bagh,  
Begumpet,  
Hyderabad - 500 016  
India

T +91 40 6630 8200

F +91 40 6630 8230

**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.

---

Walker Chandniok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

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.







## 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 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>						
<b>Revenue</b>						
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
<b>Total revenues</b>	<b>5,556</b>	<b>5,621</b>	<b>5,515</b>	<b>16,691</b>	<b>13,983</b>	<b>21,479</b>
<b>Expenses</b>						
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
<b>Total expenses</b>	<b>3,492</b>	<b>3,153</b>	<b>2,752</b>	<b>9,761</b>	<b>8,871</b>	<b>12,603</b>
<b>Profit before tax</b>	<b>2,064</b>	<b>2,468</b>	<b>2,763</b>	<b>6,930</b>	<b>5,112</b>	<b>8,876</b>
<b>Tax expense / (credit)</b>						
Current tax	505	550	590	1,703	1,091	2,173
Deferred tax	(61)	(13)	-	(210)	-	(279)
<b>Profit after tax</b>	<b>1,620</b>	<b>1,931</b>	<b>2,173</b>	<b>5,437</b>	<b>4,021</b>	<b>6,982</b>
<b>Other comprehensive income (net of taxes)</b>						
<b>Items that will not be reclassified to profit or loss</b>						
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)
<b>Total comprehensive income</b>	<b>1,601</b>	<b>1,917</b>	<b>2,174</b>	<b>5,394</b>	<b>4,014</b>	<b>6,935</b>
<b>Paid-up equity share capital of ₹2 each</b>	<b>368</b>	<b>369</b>	<b>369</b>	<b>368</b>	<b>369</b>	<b>369</b>
<b>Other equity (Revaluation reserve ₹Nil)</b>						<b>30,885</b>
<b>Earnings per share (non-annualised) (face value ₹2 each)</b>						
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




## NATCO Pharma Limited

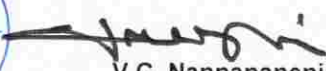
### Notes to the standalone financial results:

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 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.
4. The Company operates in one reportable segment which is "Pharmaceuticals".
5. 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.
6. 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.
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 Chandiook & Co LLP**  
7th Floor, Block III,  
White House, Kundan Bagh,  
Begumpet,  
Hyderabad - 500 016  
India

T +91 40 6630 8200  
F +91 40 6630 8230

**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.



---

**Chartered Accountants**

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

---

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiok & Co LLP

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

  
**Adi P. Sethna**  
Partner  
Membership No. 108840



Place: Hyderabad  
Date: 12 February 2019



## Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.  
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243  
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

**Ref:PR/12/2019**

**Press Release**

**Hyderabad, 12<sup>th</sup> February, 2019**

**NATCO records INR 580.0 Crore revenue and INR 159.3 Crore of Profit,  
after tax, for the Third Quarter, FY 2018-19**

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated total revenues of INR 580.0 Crore for the quarter ended on 31<sup>st</sup> December, 2018, as against INR 573.6 Crore during the same quarter last year.

The net profit for the period, on a consolidated basis, was INR 159.3 Crore, as against INR 217.4 Crore same quarter last year. The decline in profits during the quarter compared to last year was predominantly due to margin reduction of Oseltamivir in the USA market.

Revenue Split (approx.) for Quarter 3, FY2019-

API	-	INR 99 Cr
Formulations, Domestic	-	INR 164 Cr
Formulations, Exports (incl Profit Share)	-	INR 257 Cr
Foreign Subsidiaries	-	INR 25 Cr
Other Operating & Other Income	-	INR 35 Cr

The Board of Directors has recommended an interim dividend of INR 3.50 per equity share of INR 2/-each.

---

Forwarded for favour of publication  
For NATCO Pharma Limited

*M. Adinarayana*

M. Adinarayana  
Company Secretary &  
Vice President (Legal and Corp Affairs)