



NATCO Pharma Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations (refer note 6)	3,552	8,022	4,822	17,208	14,602	19,150
2	Other income	308	257	308	752	850	1,074
3	Total income (1+2)	3,860	8,279	5,130	17,960	15,452	20,224
	Expenses						
	Cost of materials consumed	756	866	757	2,836	2,212	3,290
	Purchases of stock-in-trade	322	1,082	344	1,836	739	1,278
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(247)	1	(186)	(103)	(84)	(752)
	Employee benefits expense	1,014	1,237	978	3,203	2,934	3,750
	Finance costs	34	27	53	98	180	215
	Depreciation and amortisation expense	298	287	254	865	693	998
	Other expenses	882	2,072	1,642	4,136	4,258	5,758
	Total expenses	3,059	5,572	3,842	12,871	10,932	14,537
5	Profit before exceptional items and tax (3-4)	801	2,707	1,288	5,089	4,520	5,687
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	801	2,707	1,288	5,089	4,520	5,687
8	Tax expense						
	(i) Current tax	77	718	311	1,220	1,049	1,271
	(ii) Income-tax for earlier years	-	-	(67)	-	-	40
	(iii) Deferred tax charge /(credit)	90	(50)	-	(25)	(178)	(205)
	Total tax expense	167	668	244	1,195	871	1,106
9	Profit for the period/year (7-8)	634	2,039	1,044	3,894	3,649	4,581
10	Other comprehensive income (net of tax)						
	A. Items that will not be reclassified subsequently to profit or loss:						
	Remeasurement of defined benefit plans	(20)	(19)	(22)	(59)	(68)	(79)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	26	91	(2)	136	(4)	(20)
	Income-tax relating to items that will not be reclassified to profit or loss	(1)	(11)	4	(13)	12	34
		5	61	(20)	64	(60)	(65)
	B. Items that will be reclassified subsequently to profit or loss:						
	Exchange differences on translation of foreign operations	36	(106)	26	(47)	92	(80)
		36	(106)	26	(47)	92	(80)
	Total other comprehensive income (net of tax) (A+B)	41	(45)	6	17	32	(145)
11	Total comprehensive income for the period/ year (9+10)	675	1,994	1,050	3,911	3,681	4,436
12	Profit for the period/year attributable to:						
	Owners of the Company	627	2,024	1,045	3,879	3,667	4,608
	Non-controlling interests	7	15	(1)	15	(18)	(27)
13	Other comprehensive income attributable to:						
	Owners of the Company	41	(45)	6	17	32	(145)
	Non-controlling interests	-	-	-	-	-	-
14	Total comprehensive income attributable to:						
	Owners of the Company	668	1,979	1,051	3,896	3,699	4,463
	Non-controlling interests	7	15	(1)	15	(18)	(27)
15	Paid-up equity share capital (face value of ₹2 each)	364	364	364	364	364	364
16	Other equity						37,371
17	Earnings per share (face value ₹2 each)						
	Basic (in ₹)	3.44	11.12	5.75	21.30	20.16	25.33
	Diluted (in ₹)	3.43	11.09	5.73	21.25	20.11	25.26
		(Non-annualised)	(Non-annualised)	(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			Nine months ended		Year ended
		31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
	a. Pharmaceuticals	3,545	8,021	4,822	17,200	14,602	19,150
	b. Agro chemicals	7	1	-	8	-	-
		3,552	8,022	4,822	17,208	14,602	19,150
	Add: Unallocated	-	-	-	-	-	-
	Total revenue from operations	3,552	8,022	4,822	17,208	14,602	19,150
2	Segment results						
	a. Pharmaceuticals	833	2,738	1,341	5,189	4,700	5,902
	b. Agro chemicals	2	(4)	-	(2)	-	-
	Total segment result	835	2,734	1,341	5,187	4,700	5,902
	Less:						
	a. Finance cost	(34)	(27)	(53)	(98)	(180)	(215)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	Total profit before tax	801	2,707	1,288	5,089	4,520	5,687
3	Segment assets						
	a. Pharmaceuticals	43,513	46,291	42,520	43,513	42,520	43,404
	b. Agro chemicals	2,179	1,757	1,223	2,179	1,223	1,351
	Total segment assets	45,692	48,048	43,743	45,692	43,743	44,755
	Add:						
	a. Unallocated	2,639	3,011	877	2,639	877	1,123
	Total assets	48,331	51,059	44,620	48,331	44,620	45,878
4	Segment liabilities						
	a. Pharmaceuticals	3,799	5,041	3,576	3,799	3,576	4,467
	b. Agro chemicals	77	60	87	77	87	61
	Total segment liabilities	3,876	5,101	3,663	3,876	3,663	4,528
	Add:						
	a. Unallocated	3,639	5,166	3,035	3,639	3,035	3,503
	Total liabilities	7,515	10,267	6,698	7,515	6,698	8,031

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 Agro 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 Agro Chemicals segment from the current period. Hence, the Group has disclosed Agro 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 and nine months ended 31 December 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 11 February 2021.
- 3) The results of the Group for the quarter and nine months ended 31 December 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 unaudited consolidated financial results for the quarter and nine months ended 31 December 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

- 5) 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.
- 6) Revenue from operations for the nine months ended 31 December 2020 includes an income from settlement of claims received by Natco Pharma (Canada) Inc., Canada, a subsidiary of Natco Pharma Limited under a confidential settlement agreement entered with a party for a product in Canada.
- 7) The unaudited standalone financial results, for the quarter and nine month ended 31 December 2020 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			Nine Months ended		Year ended
	31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 March 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	3,309	4,789	4,477	13,420	13,701	17,902
Profit before tax	707	865	1,273	3,188	4,592	5,831
Net profit for the period/ year	547	709	1,036	2,523	3,735	4,745
Total comprehensive income	551	770	1,015	2,593	3,669	4,681

- 8) The Board of Directors in their meeting held on 11 February 2021 have recommended an interim dividend of ₹1 per equity share of ₹ 2 each for the quarter ended 31 December 2020.
- 9) During the nine months ended 31 December 2020, 118,360 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 ₹ 0.24 million and securities premium account of ₹ 57.73 million.
- 10) 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: 11 February 2021

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 consolidated financial results of NATCO Pharma Limited (“the Company”) for the quarter and year-to-date under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’)

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 31 December 2020 and year to date results for the period 01 April 2020 to 31 December 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the 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.	Subsidiary
Time Cap Overseas Limited	Subsidiary
NATCO Farma Do Brasil Ltda. (subsidiary of Time Cap Overseas Limited)	Step-down subsidiary
NATCO Pharma (Canada) Inc.	Subsidiary
NATCO Pharma Asia Pte. Ltd.	Subsidiary
NATCO Pharma Australia PTY Ltd.	Subsidiary
NATCO Lifesciences Philippines Inc.	Subsidiary



B S R & Associates LLP

Limited review report on unaudited consolidated financial results of NATCO Pharma Limited (“the Company”) for the quarter and year-to-date under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘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 (before consolidation adjustments) total revenues of ₹ 387 million and ₹ 4,359 million, total net profit after tax of ₹ 118 million and ₹ 1,362 million and total comprehensive income of ₹ 126 million and ₹ 1,356 million, for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively, as considered in the unaudited consolidated 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.

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 Parent’s Management has converted the financial information 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 Parent’s Management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Parent and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

Vikash Somani

Vikash Somani
Partner
Membership Number: 061272
UDIN: 21061272AAAAAI2516

Place: Hyderabad
Date: 11 February 2021



NATCO Pharma Limited

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Nine Months ended		Year ended
		31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	3,309	4,789	4,477	13,420	13,701	17,902
2	Other income	249	272	309	720	852	1,238
3	Total income (1+2)	3,558	5,061	4,786	14,140	14,553	19,140
4	Expenses						
	Cost of materials consumed	756	866	757	2,836	2,212	3,290
	Purchases of stock-in-trade	220	1,068	350	1,721	638	1,239
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(202)	0*	(169)	(105)	(17)	(559)
	Employee benefits expense	958	1,048	934	2,906	2,793	3,561
	Finance costs	30	27	52	90	171	206
	Depreciation and amortisation expense	294	284	251	854	683	981
	Other expenses	795	903	1,338	2,650	3,481	4,591
	Total expenses	2,851	4,196	3,513	10,952	9,961	13,309
5	Profit before exceptional items and tax (3-4)	707	865	1,273	3,188	4,592	5,831
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	707	865	1,273	3,188	4,592	5,831
8	Tax expense						
	(i) Current tax	70	206	304	690	1,035	1,251
	(ii) Income-tax for earlier years	-	-	-	-	-	40
	(ii) Deferred tax charge /(credit)	90	(50)	(67)	(25)	(178)	(205)
	Total tax expense	160	156	237	665	857	1,086
9	Profit for the period/ year (7-8)	547	709	1,036	2,523	3,735	4,745
10	Other comprehensive income (net of tax)						
	Items that will not be reclassified to profit or loss:						
	Remeasurement of defined benefit plans	(20)	(19)	(23)	(59)	(69)	(79)
	Net gains / (losses) from investments in equity instruments designated at FVTOCI	25	91	(2)	144	(11)	(19)
	Income-tax relating to items that will not be reclassified to profit or loss	(1)	(11)	4	(15)	14	34
	Total other comprehensive income (net of tax)	4	61	(21)	70	(66)	(64)
11	Total comprehensive income for the period/ year (9+10)	551	770	1,015	2,593	3,669	4,681
12	Paid-up equity share capital (face value of ₹2 each)	364	364	364	364	364	364
13	Other equity						38,331
14	Earnings per share (face value ₹2 each)						
	Basic (in ₹)	3.00	3.89	5.70	13.85	20.53	26.08
	Diluted (in ₹)	3.00	3.88	5.68	13.82	20.48	26.01
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

*The numbers are rounded off to nearest million.
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 and nine months ended 31 December 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 11 February 2021.
- 3) The results of the Company for the quarter and nine months ended 31 December 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) 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) During the nine months ended 31 December 2020, 118,360 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 ₹ 0.24 million and securities premium account of ₹ 57.73 million.
- 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 11 February 2021 have recommended an interim dividend of ₹1 per equity share of ₹2 each for the quarter and nine months ended 31 December 2020.
- 8) 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: 11 February 2021

B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited standalone financial results for the quarter and year-to-date results under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations')

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 for the quarter ended 31 December 2020 and year to date results for the period from 01 April 2020 to 31 December 2020 ('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 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 Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP

Chartered Accountants

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

Vikash Somani
Vikash Somani

Partner

Membership No.: 061272

UDIN: 21061272AAAAAJ6124

Place: Hyderabad

Date: 11 February 2021

Registered Office: