



9th August, 2019

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

Manager – Listing
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

We would like to inform you that the Board of Directors of the Company at their meeting held today have considered and approved the following along with other items of business:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2019 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 (“Listing Regulations”) along with Limited Review Report of the Statutory Auditors. Please find enclosed a copy of the same along with Press Release.
2. Declaration of interim dividend of Rs.1.25 ps. per equity share of Rs.2/- each for the financial year 2019-20. The date for taking a record of its shareholders eligible for the purpose of payment of interim dividend **i.e. Record date is fixed for 23rd August, 2019.** The said interim dividend pay-by-date is **on or before 29th August, 2019.**
3. The Board of Directors have approved to make the following investments and authorized Mr. V.C. Nannapaneni, Chairman and Managing Director and Mr. Rajeev Nannapaneni, Vice Chairman and Chief Executive Officer to finalise the terms and conditions of the proposed investments not exceeding:
 - a) Rs.5,00,00,000/- (Rupees Five Crores only) in OMRV Hospitals Private Limited.
 - b) US\$ 2,50,000/- (US Dollars Two Lakhs Fifty Thousand only) in AACT, Inc., USA

The disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the aforesaid investments will be given to the Stock Exchanges at the time of making investment by the Company.

We are also updating the financial results on the website of the Company.

Meeting commenced at 10.30 a.m. and concluded at 2.00 p.m.

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



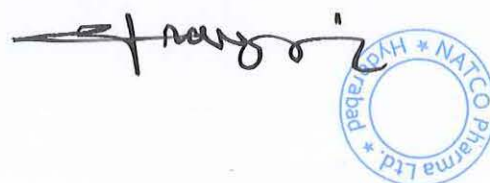
NATCO Pharma Limited

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 ENDED 30 JUNE 2019

(₹ in millions except share data)

	Quarter ended			Year ended
	30 June 2019 (Unaudited)	31 March 2019 (Refer note 4)	30 June 2018 (Unaudited)	31 March 2019 (Audited)
Revenue				
Revenue from operations	4,923	4,557	5,386	20,945
Other income	210	310	359	1,302
Total revenues	5,133	4,867	5,745	22,247
Expenses				
Cost of materials consumed	668	791	888	3,331
Purchases of stock-in-trade	80	75	111	550
Changes in inventories of finished goods, stock-in-trade and work-in-progress	12	(196)	(126)	(339)
Employee benefits expense	932	813	887	3,559
Finance costs	65	52	28	193
Depreciation and amortisation expense	220	217	184	810
Other expenses	1,318	1,591	1,450	5,896
Total expenses	3,295	3,343	3,422	14,000
Profit before tax	1,838	1,524	2,323	8,247
Tax expense / (credit)				
Current tax	410	170	648	1,883
Deferred tax	-	150	(136)	(60)
Profit after tax	1,428	1,204	1,811	6,424
Other comprehensive income (net of taxes)				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	(39)	(53)	(11)	(85)
Net (loss)/gain on FVTOCI equity securities	(6)	8	2	0
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	62	11	22	9
Total comprehensive income	1,445	1,170	1,824	6,348
Profit attributable to:				
Owners of the parent	1,432	1,208	1,816	6,444
Non-controlling interests	(4)	(4)	(5)	(20)
Total comprehensive income attributable to:				
Owners of the parent	1,449	1,174	1,829	6,368
Non-controlling interests	(4)	(4)	(5)	(20)
Paid-up equity share capital of ₹2 each	364	365	369	365
Other equity (Revaluation reserve ₹Nil)				34,525
Earnings per share (non-annualised for the quarter) (face value of ₹2 each)				
Basic (in ₹)	7.87	6.59	9.84	34.98
Diluted (in ₹)	7.85	6.58	9.82	34.87





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 ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India.
2. The consolidated financial results for the quarter ended 30 June 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 9 August 2019.
3. The Group operates in one reportable segment which is "Pharmaceuticals".
4. The figures of the quarter ended 31 March 2019 are balancing figures between audited figures in respect of the full financial year ended 31 March 2019 and the published year to date figures upto the quarter ended 31 December 2018, which were subjected to limited review by the statutory auditors.
5. 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. Upto the quarter ended 30 June 2019, the buyback was concluded with a cumulative quantity of 3,000,000 equity shares bought back for an aggregate amount of ₹1,864 million, excluding transactions costs.
6. 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.
7. The Board of Directors at their meeting held on 9 August 2019 have recommended an interim dividend of ₹1.25 per equity share of ₹2 each.

By Order of the Board

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



Hyderabad
9 August 2019

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of NATCO Pharma Limited ('the Holding Company') and its subsidiaries (the Holding 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 30 June 2019 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company'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 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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 the Standards on Auditing specified under section 143(10) of the Act, 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 SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



NATCO Pharma Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circular and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results of 7 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹341 million, total net loss after tax of ₹38 million, total comprehensive loss of ₹34 million, for the quarter ended on 30 June 2019. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, all of these subsidiaries, are located outside India, whose interim 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 review standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries 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 Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion 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

UDIN No:19108840AAAABO2332

Place: Mumbai
Date: 9 August 2019

NATCO Pharma Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities 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.



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NATCO Pharma Limited

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Phone: +91-40-2354 7532, Website : www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

(₹ in millions except share data)

	Quarter ended			Year ended
	30 June 2019 (Unaudited)	31 March 2019 (Refer note 4)	30 June 2018 (Unaudited)	31 March 2019 (Audited)
Revenue				
Revenue from operations	4,647	4,163	5,157	19,863
Other income	204	307	357	1,298
Total revenues	4,851	4,470	5,514	21,161
Expenses				
Cost of materials consumed	668	791	888	3,331
Purchases of stock-in-trade	4	9	3	315
Changes in inventories of finished goods, stock-in-trade and work-in-progress	42	(192)	(90)	(255)
Employee benefits expense	880	769	852	3,402
Finance costs	62	52	27	188
Depreciation and amortisation expense	216	213	183	801
Other expenses	1,096	1,284	1,253	4,905
Total expenses	2,968	2,926	3,116	12,687
Profit before tax	1,883	1,544	2,398	8,474
Tax expense / (credit)				
Current tax	406	160	648	1,863
Deferred tax	-	150	(136)	(60)
Profit after tax	1,477	1,234	1,886	6,671
Other comprehensive income (net of taxes)				
Items that will not be reclassified to profit or loss				
Re-measurement gains/(losses) on defined benefit plans	(39)	(53)	(11)	(85)
Net gain/(loss) on FVTOCI equity securities	(9)	5	1	(6)
Total comprehensive income	1,429	1,186	1,876	6,580
Paid-up equity share capital of ₹2 each	364	365	369	365
Other equity (Revaluation reserve ₹Nil)				35,267
Earnings per share (non-annualised for the quarter) (face value ₹2 each)				
Basic (in ₹)	8.11	6.73	10.22	36.22
Diluted (in ₹)	8.09	6.72	10.19	36.10





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 ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India.
2. The standalone financial results for the quarter ended 30 June 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 9 August 2019.
3. The Company operates in one reportable segment which is "Pharmaceuticals".
4. The figures of the quarter ended 31 March 2019 are balancing figures between audited figures in respect of the full financial year ended 31 March 2019 and the published year to date figures upto the quarter ended 31 December 2018, which were subjected to limited review by the statutory auditors.
5. 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. Upto the quarter ended 30 June 2019, the buyback was concluded with a cumulative quantity of 3,000,000 equity shares bought back for an aggregate amount of ₹1,864 million, excluding transactions costs.
6. 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.
7. The Board of Directors at their meeting held on 9 August 2019 have recommended an interim dividend of ₹1.25 per equity share of ₹2 each.

By Order of the Board


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



Hyderabad
9 August 2019



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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of NATCO Pharma Limited ('the Company') for the quarter ended 30 June 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company'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 ('the Act'), SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. 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 the Standards on Auditing specified under section 143(10) of the Act, 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.



NATCO Pharma Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, the SEBI Circulars, and other accounting principles generally accepted in India, 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 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013



Adi P. Sethna
Partner
Membership No. 108840

UDIN No:19108840AAAABN6251

Place: Mumbai
Date: 9 August 2019



Natco Pharma Limited

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CIN : L24230TG1981PLC003201, www.natcopharma.co.in

Ref: PR/ 9 /2019-2020

Press Release

Hyderabad, 9th August, 2019

NATCO records INR 513.3 Crore consolidated revenue and INR 142.8 Crore of profit, after tax, for the First Quarter, FY2019-20

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated total revenue of INR 513.3 Crore for the first quarter ended on 30th June, 2019, as against INR 574.5 Crore for the same period last year, reflecting a decline of about 10.6%. The net profit for the period, on a consolidated basis, was INR 142.8 Crores as against INR 181.1 Crore same period last year, showing a decline of about 21%. Despite this periodic decline in profitability, the company remains confident on its outlook for the year and beyond.

However, the amount of INR 47.40 Crores (USD 6.83 million) received as upside sharing incentive from investor CX Securities is recognized as an increase in equity and not considered as income in Profit & Loss, as per applicable accounting framework.

Segmental Revenue Split (approx.), for the Quarter 1, FY2019-20, as below-

Segment	Revenue (INR crore), Q1 FY20
API	72
Formulations, Domestic	164
Formulations, Exports (incl. Profit Share)	213
Foreign Subsidiaries	28
Other Operating income	16
Other Income	20

The Board of Directors has recommended an interim dividend of INR 1.25 per equity share of INR 2.0 each, for the financial year FY2019-20.

Forwarded for favour of publication

For NATCO Pharma Limited

M Adinarayana

Company Secretary &
Vice President (Legal & Corp Affairs)