



12th November, 2020

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

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

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

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 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 for your information.

2. Declaration of second interim dividend of Rs.3 (Rupees three only) per equity share of Rs.2/- each for the financial year 2020-21. 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 25th November, 2020.**

Payment of the said interim dividend will start from 2nd December, 2020.

3. Dr. Mrs. Leela Digumarti, Independent Director of the Company has been appointed as member of Corporate Social Responsibility Committee and Compensation Committee.

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

Meeting commenced at 12.00 noon and concluded at 13.35 p.m.

Please find enclosed press release for your information.

Thanking you,

Yours faithfully,
For NATCO Pharma Limited


M. Adinarayana

Company Secretary &
V.P.(Legal & Corp. Affairs)

Encl: a.a.

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit - 3
Sy No. 83/1, Plot No. 2, Raidurg
Hyderabad - 500 081, India.

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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 30 September 2020 and year to date results for the period 01 April 2020 to 30 September 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

Registered Office:

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 assets of ₹ 4,551 million as at 30 September 2020 and total revenues of ₹ 3,324 million and ₹ 3,971 million, total net profit after tax of ₹ 1,297 million and ₹ 1,244 million and total comprehensive income of ₹ 1,289 million and ₹ 1,230 million, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and cash flows (net) of ₹ 1,792 million for the period from 1 April 2020 to 30 September 2020, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed 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 matter 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

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Vikash Somani

Partner

Membership Number: 061272

UDIN: 20061272AAAACW6113

Place: Hyderabad

Date: 12 November 2020



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 HALF YEAR ENDED 30 SEPTEMBER 2020

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations (refer note 6)	8,022	5,634	4,857	13,656	9,780	19,150
2	Other income	257	187	332	444	542	1,074
3	Total income (1+2)	8,279	5,821	5,189	14,100	10,322	20,224
	Expenses						
4	Cost of materials consumed	866	1,214	787	2,080	1,455	3,290
	Purchases of stock-in-trade	1,082	432	315	1,514	395	1,278
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	1	143	90	144	102	(752)
	Employee benefits expense	1,237	952	1,024	2,189	1,956	3,750
	Finance costs	27	37	62	64	127	215
	Depreciation and amortisation expense	287	280	219	567	439	998
	Other expenses	2,072	1,182	1,298	3,254	2,616	5,758
	Total expenses	5,572	4,240	3,795	9,812	7,090	14,537
5	Profit before exceptional items and tax (3-4)	2,707	1,581	1,394	4,288	3,232	5,687
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	2,707	1,581	1,394	4,288	3,232	5,687
8	Tax expense						
	(i) Current tax	718	425	328	1,143	738	1,271
	(ii) Income-tax for earlier years	-	-	-	-	-	40
	(iii) Deferred tax charge /(credit)	(50)	(65)	(111)	(115)	(111)	(205)
	Total tax expense	668	360	217	1,028	627	1,106
9	Profit for the period/year (7-8)	2,039	1,221	1,177	3,260	2,605	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	(19)	(20)	3	(39)	(46)	(79)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	91	19	6	110	(2)	(20)
	Income-tax relating to items that will not be reclassified to profit or loss	(11)	(1)	(4)	(12)	8	34
		61	(2)	5	59	(40)	(65)
	B. Items that will be reclassified subsequently to profit or loss:						
	Exchange differences on translation of foreign operations	(106)	23	4	(83)	66	(80)
		(106)	23	4	(83)	66	(80)
	Total other comprehensive income (net of tax) (A+B)	(45)	21	9	(24)	26	(145)
11	Total comprehensive income for the period/ year (9+10)	1,994	1,242	1,186	3,236	2,631	4,436
12	Profit for the period/year attributable to:						
	Owners of the Company	2,024	1,228	1,190	3,252	2,622	4,608
	Non-controlling interests	15	(7)	(13)	8	(17)	(27)
13	Other comprehensive income attributable to:						
	Owners of the Company	(45)	21	9	(24)	26	(145)
	Non-controlling interests	-	-	-	-	-	-
14	Total comprehensive income attributable to:						
	Owners of the Company	1,979	1,249	1,199	3,228	2,648	4,463
	Non-controlling interests	15	(7)	(13)	8	(17)	(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 ₹)	11.12	6.74	6.55	17.86	14.41	25.33
	Diluted (in ₹)	11.09	6.73	6.53	17.81	14.37	25.26
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the financial results.



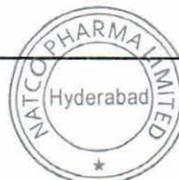


NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
I Assets		
(1) Non-current assets		
(a) Property, plant and equipment	16,756	15,756
(b) Capital work-in-progress	4,536	5,180
(c) Intangible assets	95	88
(d) Financial assets		
(i) Investments	1,790	836
(ii) Loans	163	161
(iii) Other financial assets	43	42
(e) Other non-current assets	554	559
Total non-current assets	23,937	22,622
(2) Current assets		
(a) Inventories	6,713	5,580
(b) Financial assets		
(i) Investments	1,221	287
(ii) Trade receivables	6,431	5,513
(iii) Cash and cash equivalents	2,062	198
(iv) Bank balances other than (iii) above	2,575	462
(v) Loans	74	84
(vi) Other financial assets	5,138	8,588
(c) Other current assets	2,908	2,544
Total current assets	27,122	23,256
Total assets	51,059	45,878
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	364	364
(b) Other equity	40,293	37,371
Equity attributable to owners of the Company	40,657	37,735
(c) Non-controlling interest	135	112
Total equity	40,792	37,847
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9	9
(ii) Other financial liabilities	9	8
(b) Provisions	1,051	902
(c) Deferred tax liabilities, net	328	259
Total non-current liabilities	1,397	1,178
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,328	3,150
(ii) Trade payables		
- Dues of micro and small enterprises	21	21
- Dues of creditors other than micro and small enterprises	2,911	2,533
(iii) Other financial liabilities	833	825
(b) Other current liabilities	158	134
(c) Provisions	118	105
(d) Current tax liabilities, net	501	85
Total current liabilities	8,870	6,853
Total liabilities	10,267	8,031
Total equity and liabilities	51,059	45,878





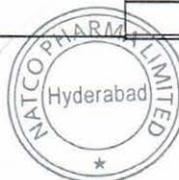
NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Half Year ended	
	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)
Cash flows from operating activities:		
Profit before tax	4,288	3,232
Adjustments for:		
Depreciation and amortisation expense	567	439
Finance cost	64	127
Share based payment expense	110	90
Interest income	(296)	(427)
Allowance for credit loss	65	-
Bad debts written off	-	21
Liabilities written back	-	(29)
Profit on sale of property, plant and equipment, net	(125)	-
Unrealised foreign exchange gain, net	(15)	(124)
Operating profit before working capital changes	4,658	3,329
Changes in working capital:		
Changes in inventories	(1,134)	134
Changes in trade receivables	(917)	(430)
Changes in loans, financial and other assets	(360)	(520)
Changes in trade payables	376	(613)
Changes in provisions, financial and other liabilities	191	832
Cash generated from operating activities	2,814	2,732
Income taxes paid, net	(555)	(766)
Net cash generated from operating activities	2,259	1,966
Cash flows from investing activities:		
Purchase of property, plant and equipment	(979)	(1,667)
Proceeds from sale of property, plant and equipment	173	-
Acquisition of intangible assets	(29)	(15)
Purchase of investments	(1,825)	(7)
Proceeds from sale of investments	44	1,200
Movement in other bank balances, net	(2,113)	1,260
Interest received	535	602
Deposits with financial institutions	3,212	(1,956)
Net cash used in investing activities	(982)	(583)
Cash flows from financing activities		
Proceeds from issue of shares*	0	0
Buy-back of equity shares, including transaction costs	-	(538)
Contribution from shareholders	-	474
Proceeds from non-controlling interest	15	3
Net proceeds from short-term borrowings	1,135	(849)
Payment of lease liability including interest	(5)	-
Dividends paid including dividend distribution tax	(411)	(546)
Interest paid	(64)	(131)
Net cash from/ (used in) financing activities	670	(1,587)
Net increase / (decrease) in cash and cash equivalents	1,947	(204)
Cash and cash equivalents at beginning of the year	198	283
Effect of currency translation adjustment	(83)	69
Cash and cash equivalents at the end of the year	2,062	148
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	3,142	3,863
Proceeds from/ (repayment of) borrowings, net	1,135	(849)
Non-cash items (Foreign exchange changes)	48	-
	4,325	3,014
Lease liabilities:		
Opening balance	17	-
Payment of lease liabilities	(5)	-
Interest accrued on lease liabilities*	0	-
	12	-

*The numbers are rounded off to nearest million.





NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
	a. Pharmaceuticals	8,021	5,634	4,857	13,655	9,780	19,150
	b. Agro chemicals	-	-	-	-	-	-
		8,022	5,634	4,857	13,656	9,780	19,150
	Add: Unallocated	-	-	-	-	-	-
	Total revenue from operations	8,022	5,634	4,857	13,656	9,780	19,150
2	Segment results						
	a. Pharmaceuticals	2,738	1,618	1,456	4,356	3,359	5,902
	b. Agro chemicals	(4)	-	-	(4)	-	-
	Total segment result	2,734	1,618	1,456	4,352	3,359	5,902
	Less:						
	a. Finance cost	(27)	(37)	(62)	(64)	(127)	(215)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	Total profit before tax	2,707	1,581	1,394	4,288	3,232	5,687
3	Segment assets						
	a. Pharmaceuticals	46,291	44,871	43,401	46,291	43,401	43,404
	b. Agro chemicals	1,757	1,610	729	1,757	729	1,351
	Total segment assets	48,048	46,481	44,130	48,048	44,130	44,755
	Add:						
	a. Unallocated	3,011	1,305	490	3,011	490	1,123
	Total assets	51,059	47,786	44,620	51,059	44,620	45,878
4	Segment liabilities						
	a. Pharmaceuticals	5,041	4,653	3,438	5,041	3,438	4,467
	b. Agro chemicals	60	83	38	60	38	61
	Total segment liabilities	5,101	4,736	3,476	5,101	3,476	4,528
	Add:						
	a. Unallocated	5,166	3,885	3,222	5,166	3,222	3,503
	Total liabilities	10,267	8,621	6,698	10,267	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 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 period. 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 and half year ended 30 September 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 November 2020.
- 3) The results of the Group for the quarter and half year ended 30 September 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 half year ended 30 September 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 quarter and half year ended 30 September 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 half year ended 30 September 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			Half Year ended		Year ended
	30 Sep 2020	30 June 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019	31 March 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	4,789	5,322	4,577	10,111	9,224	17,902
Profit before tax	865	1,616	1,436	2,481	3,319	5,831
Net profit for the period/ year	709	1,267	1,222	1,976	2,699	4,745
Total comprehensive income	770	1,272	1,225	2,042	2,654	4,681

- 8) The Board of Directors in their meeting held on 12 November 2020 have recommended an interim dividend of ₹3 per equity share of ₹ 2 each for the quarter ended 30 September 2020.
- 9) During the quarter ended 30 September 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 Nannapanem
Chairman and Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 12 November 2020

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
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Sy No. 83/1, Plot No. 2, Raidurg
Hyderabad - 500 081, India.

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Limited review report on unaudited standalone financial results for the quarter and year to date 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 ('the Company') for the quarter ended 30 September 2020 and year to date results for the period from 01 April 2020 to 30 September 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 the 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

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VIKASH SOMANI
Date: 2020.11.12
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Vikash Somani

Partner

Membership No.: 061272

UDIN: 20061272AAAACV7714

Place: Hyderabad

Date: 12 November 2020



NATCO Pharma Limited

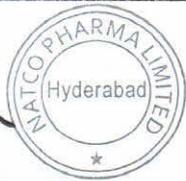
Regd. Office: Natco House, Road No. 2, Banjara Hills, Hyderabad, Telangana - 500 034
Phone: +91-40-2354 7532, Website : www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	4,789	5,322	4,577	10,111	9,224	17,902
2	Other income	272	199	339	471	543	1,238
3	Total income (1+2)	5,061	5,521	4,916	10,582	9,767	19,140
4	Expenses						
	Cost of materials consumed	866	1,214	787	2,080	1,455	3,290
	Purchases of stock-in-trade	1,068	433	284	1,501	288	1,239
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	0*	97	110	97	152	(559)
	Employee benefits expense	1,048	900	979	1,948	1,859	3,561
	Finance costs	27	33	57	60	119	206
	Depreciation and amortisation expense	284	276	216	560	432	981
	Other expenses	903	952	1,047	1,855	2,143	4,591
	Total expenses	4,196	3,905	3,480	8,101	6,448	13,309
5	Profit before exceptional items and tax (3-4)	865	1,616	1,436	2,481	3,319	5,831
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	865	1,616	1,436	2,481	3,319	5,831
8	Tax expense						
	(i) Current tax	206	414	325	620	731	1,251
	(ii) Income-tax for earlier years	-	-	-	-	-	40
	(ii) Deferred tax charge /(credit)	(50)	(65)	(111)	(115)	(111)	(205)
	Total tax expense	156	349	214	505	620	1,086
9	Profit for the period/ year (7-8)	709	1,267	1,222	1,976	2,699	4,745
10	Other comprehensive income (net of tax)						
	Items that will not be reclassified to profit or loss:						
	Remeasurement of defined benefit plans	(19)	(20)	3	(39)	(46)	(79)
	Net gains / (losses) from investments in equity instruments designated at FVTOCI	91	28	3	119	(9)	(19)
	Income-tax relating to items that will not be reclassified to profit or loss	(11)	(3)	(3)	(14)	10	34
	Total other comprehensive income (net of tax)	61	5	3	66	(45)	(64)
11	Total comprehensive income for the period/ year (9+10)	770	1,272	1,225	2,042	2,654	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 ₹)	3.89	6.96	6.72	10.85	14.84	26.08
	Diluted (in ₹)	3.88	6.94	6.70	10.82	14.79	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

Standalone Balance Sheet:

(₹ in millions)

	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
I. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	16,666	15,657
(b) Capital work-in-progress	4,503	5,178
(c) Intangible assets	95	88
(d) Investment in subsidiaries	1,387	1,025
(e) Financial assets		
(i) Investments	1,420	836
(ii) Loans	397	684
(iii) Other financial assets	43	41
(f) Other non-current assets	554	559
Total non-current assets	25,065	24,068
(2) Current assets		
(a) Inventories	6,434	5,244
(b) Financial assets		
(i) Investments	122	50
(ii) Trade receivables	6,504	5,367
(iii) Cash and cash equivalents	151	79
(iv) Bank balances other than (iii) above	2,575	462
(v) Loans	71	81
(vi) Other financial assets	5,163	8,612
(c) Other current assets	2,872	2,504
Total current assets	23,892	22,399
Total assets	48,957	46,467
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	364	364
(b) Other equity	40,072	38,331
Total of equity	40,436	38,695
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9	9
(ii) Other financial liabilities	9	8
(b) Provisions	1,051	902
(c) Deferred tax liabilities, (net)	328	256
Total non-current liabilities	1,397	1,175
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,312	3,131
(ii) Trade payables		
- Dues of micro and small enterprises	21	21
- Dues of creditors other than micro and small enterprises	1,719	2,321
(iii) Other financial liabilities	799	812
(b) Other current liabilities	155	122
(c) Provisions	118	105
(d) Current tax liabilities, (net)	-	85
Total current liabilities	7,124	6,597
Total liabilities	8,521	7,772
Total equity and liabilities	48,957	46,467





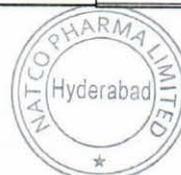
NATCO Pharma Limited

Standalone Statement of Cash Flows:

(₹ in millions)

	Half Year ended	
	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)
Cash flows from operating activities:		
Profit before tax	2,481	3,319
Adjustments for:		
Depreciation and amortisation expense	560	432
Finance costs	60	119
Share based payment expense	110	90
Interest income	(302)	(439)
Allowance for credit losses	65	-
Bad debts written off	-	21
Liabilities written back	-	(29)
Profit on sale of property, plant and equipment, (net)	(125)	-
Unrealised foreign exchange loss/(gain), (net)	(15)	(124)
Operating profit before working capital changes	2,834	3,389
Changes in working capital:		
Changes in inventories	(1,191)	174
Changes in trade receivables	(1,135)	(415)
Changes in loans, financial and other assets	(360)	(544)
Changes in trade payables	(602)	(518)
Changes in provisions, financial and other liabilities	180	819
Cash (used in)/ generated from operating activities	(274)	2,905
Income taxes paid, (net)	(532)	(755)
Net cash (used in)/ generated from operating activities	(806)	2,150
Cash flows from investing activities:		
Purchase of property, plant and equipment	(951)	(1,696)
Proceeds from sale of property, plant and equipment	173	-
Acquisition of intangible assets	(29)	(15)
Investments in subsidiaries	(73)	(25)
Loans given to subsidiary companies	-	(7)
Proceeds from sale of investments	44	1,200
Purchase of investments	(583)	(4)
Movement in other bank balances, (net)	(2,113)	1,260
Interest received	539	614
Deposits with financial institutions	3,212	(1,956)
Net cash from/ (used in) investing activities	219	(629)
Cash flows from financing activities:		
Proceeds from issue of shares*	0	0
Buy-back of equity shares, including transaction costs	-	(538)
Contribution from shareholders	-	474
Net proceeds from short-term borrowings	1,135	(850)
Dividends paid including dividend distribution tax	(411)	(546)
Interest paid	(60)	(121)
Payment of lease liability including interest	(5)	-
Net cash from/ (used in) financing activities	659	(1,581)
Net increase / (decrease) in cash and cash equivalents	72	(60)
Cash and cash equivalents at the beginning of the year	79	115
Cash and cash equivalents at the end of the year	151	55
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	3,123	3,845
Proceeds from/ (repayment of) borrowings, net	1,135	(850)
Non-cash items (Foreign exchange changes)	51	-
	4,309	2,995
Lease liabilities:		
Opening balance	17	-
Payment of lease liabilities	(5)	-
Interest accrued on lease liabilities*	0	-
	12	-

*The numbers are rounded off to nearest million.





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 half year ended 30 September 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 November 2020.
- 3) The results of the Company for the quarter and half year ended 30 September 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 quarter ended 30 September 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 12 November 2020 have recommended an interim dividend of ₹3 per equity share of ₹2 each for the quarter and half year ended 30 September 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: 12 November 2020



Natco Pharma Limited

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PR/10/2020-2021

Press Release

NATCO records INR 827.90 Crore consolidated revenue and INR 203.90 Crore of profit, after tax, for the Second Quarter, FY2020-21

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated total revenue of INR 827.90 Crore for the Second quarter ended on 30th September, 2020, as against INR 518.90 Crore for the same period last year, reflecting 59.5% growth. The net profit for the period, on a consolidated basis, was INR 203.90 Crores as against INR 117.7 Crore same period last year, showing a growth of 73.2%.

Segmental Revenue Split (approx.), as below (All Figures in INR Crore)-

Segment	Revenue, Q2 FY21
API	199.7
Formulations, Domestic	108.3
Formulations, Exports (incl. Profit Share & Foreign Subs)	482.0
Other Operating income	10.7
Other Income	27.2

The Board of Directors has recommended a second interim dividend of INR 3.0 per equity share of INR 2.0 each, for FY 2020-21.

Forwarded for favour of publication
For NATCO Pharma Limited

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