



NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

All amounts in Indian Rupees lakhs, except earnings per share data

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Income from operations		
	a) Net sales/income from operations (Net of excise duty)	28,199	18,617
	b) Other operating income	2,751	788
	Total income from operations (net)	30,950	19,405
2	Expenses		
	a) Cost of materials consumed	13,083	6,181
	b) Purchases of stock-in-trade	927	37
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(5,970)	(1,025)
	d) Employee benefits expense	4,764	3,480
	e) Depreciation and amortization expense	1,298	1,120
	f) Other expenses	10,081	4,693
	Total expenses	24,183	14,486
3	Profit before other income and finance costs	6,767	4,919
4	Other income	485	283
5	Profit before finance costs	7,252	5,202
6	Finance costs	302	777
7	Profit before tax	6,950	4,425
8	Tax expense	1,863	1,034
9	Net profit for the period	5,087	3,391
10	Other comprehensive income	(55)	28
11	Total comprehensive income	5,032	3,419
12	Paid-up Equity share capital (face value of Rs.2/- each)	3,483	3,323
13	Earnings per share (face value of Rs.2/- each)		
	Basic EPS (not annualised)	2.92	2.05
	Diluted EPS (not annualised)	2.91	2.05

See accompanying notes to the financial results.



NATCO PHARMA LIMITED

Notes:

- 1 The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- 2 **Reconciliation between financial results under Previous GAAP and Ind AS for the quarter ended 30 June 2015**

Particulars	Rs. in Lakhs
Net profit under previous GAAP	3,407
Actuarial gain through other comprehensive income	(16)
Total net profit for the period under Ind AS	3,391
Other comprehensive income	28
Total comprehensive income	3,419
- 3 Equity shares of the Company with face value of Rs.10 per share were sub-divided into 5 equity shares of Rs.2 each effective 30 November 2015. Consequently, the basic and diluted earnings per share of the corresponding period have been recomputed and disclosed accordingly.
- 4 NATCO Organics Limited ("NOL"), a wholly owned subsidiary of the Company, amalgamated with the Company, with effect from 1 April 2015 ("the appointed date"). The amalgamation was pursuant to a composite scheme of amalgamation sanctioned by the Honourable High Court of Judicature at Madras vide their order dated 28 April 2016. Pursuant thereto all the assets and properties, both movable and immovable, rights, title and interests, secured and unsecured debts, borrowings, and all other duties, debts, liabilities, undertakings and obligations of NOL, have been transferred to and vested in the Company retrospectively with effect from 1 April 2015. The amalgamation was given effect during the quarter ended 31 March 2016 and has been accounted for under the 'pooling of interests' method as prescribed by Ind AS 103 specified under Section 133 of the Companies Act, 2013, read with the rules made thereunder. Accordingly, the assets, liabilities and reserves of NOL have been taken over at their book values and in the same form. The results for the corresponding quarter ended 30 June 2015 are without effects of such amalgamation and to that extent, are not comparable with the quarter ended 30 June 2016.
- 5 There are no exceptional and extra-ordinary items during the quarter.
- 6 The unaudited standalone financial results for the quarter ended 30 June 2016 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 2016. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- 7 The financial results for the corresponding quarter ended 30 June 2015 are based on the information compiled by the management after making necessary adjustments in accordance with Ind AS and have not been subject to any review or audit by the auditors.
- 8 The Board of directors have recommended an interim dividend of Rs.0.75 per equity share of Rs.2 each.
- 9 Prior period figures have been reclassified wherever required to conform to the classification of the current period.

By Order of the Board

V.C. Nannapaneni
Chairman and Managing Director

Hyderabad
9 August 2016



NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

All amounts in Indian Rupees lakhs, except earnings per share data

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Income from operations		
	a) Net sales/income from operations (Net of excise duty)	29,771	21,569
	b) Other operating income	2,751	802
	Total income from operations (net)	32,522	22,371
2	Expenses		
	a) Cost of materials consumed	13,083	5,744
	b) Purchases of stock-in-trade	2,160	2,388
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	(5,974)	(1,148)
	d) Employee benefits expense	4,978	4,042
	e) Depreciation and amortization expense	1,315	1,264
	f) Other expenses	10,550	5,615
	Total expenses	26,112	17,905
3	Profit before other income and finance costs	6,410	4,466
4	Other income	516	183
5	Profit before finance costs	6,926	4,649
6	Finance costs	320	808
7	Profit before tax	6,606	3,841
8	Tax expense	1,863	1,103
9	Net profit for the period	4,743	2,738
10	Non-controlling interests	(22)	(69)
11	Net profit after non-controlling interests	4,765	2,807
12	Other comprehensive income	(55)	28
13	Total comprehensive income	4,710	2,835
14	Paid-up Equity Share Capital (face value of Rs.2/- each)	3,483	3,323
15	Earnings per share (face value of Rs.2/- each)		
	Basic EPS (not annualised)	2.74	1.70
	Diluted EPS (not annualised)	2.73	1.70

See accompanying notes to the consolidated financial results.



NATCO PHARMA LIMITED

CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER ENDED 30 JUNE 2016

(All amounts in Indian Rupees lakhs)

S. No.	Particulars	Quarter ended	
		30 June 2016 (Reviewed)	30 June 2015 (Unaudited)
1	Segment revenue (net)		
	a) Bulk chemicals	5,696	5,580
	b) Formulations	28,357	17,112
	c) Pharmacy	-	221
	d) Unallocated	1,144	326
	Total	35,197	23,239
	Less: Inter-segment revenue	2,675	868
	Net sales / income from operations	32,522	22,371
2	Segment results (Profit before tax and finance costs)		
	a) Bulk Chemicals	602	1,134
	b) Formulations	9,075	5,068
	c) Job Work	-	190
	d) Unallocated	118	243
	Total	9,795	6,635
	Less: a) Interest	320	808
	b) Other unallocable expenditure	3,385	2,169
	c) Unallocable Income	(516)	(183)
	Profit before tax	6,606	3,841
3	Capital employed		
	Assets		
	a) Bulk Chemicals	65,051	65,053
	b) Formulations	1,08,038	54,297
	c) Pharmacy	-	2,749
	d) Unallocated	35,051	2,797
	Total assets	2,08,140	1,24,896
	Liabilities		
	a) Bulk Chemicals	(14,359)	(15,890)
	b) Formulations	(41,168)	(21,092)
	c) Pharmacy	-	(486)
	d) Unallocated	(17,890)	-
	Total liabilities	(73,417)	(37,468)
	Capital employed		
	a) Bulk Chemicals	50,692	49,163
	b) Formulations	66,870	33,205
	c) Pharmacy	-	2,263
	d) Unallocated	17,161	2,797
	Total capital employed	1,34,723	87,428

Notes:

1 The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these consolidated results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Consolidated financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

2 **Reconciliation between consolidated financial results under Previous GAAP and Ind AS for the quarter ended 30 June 2015**



NATCO PHARMA LIMITED

Particulars	Rs. in Lakhs
Net profit under previous GAAP	2,823
Acturial gain through other comprehensive income	(16)
Total net profit for the period under Ind AS	2,807
Other comprehensive income	28
Total comprehensive income	2,835

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- 4 There are no exceptional and extra-ordinary items during the quarter.
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