



**NATCO PHARMA LIMITED**  
**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS**  
**ENDED 31 DECEMBER 2016**

*(Rupees in lakhs, except per share data)*

S. No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2016 (Unaudited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)
1	Income from operations					
	a) Net sales/income from operations (inclusive of excise duty)	64,286	41,521	27,517	1,38,342	72,702
	b) Other operating income	3,615	5,265	1,292	10,376	3,307
	<b>Total income from operations (inclusive of excise duty)</b>	<b>67,901</b>	<b>46,786</b>	<b>28,809</b>	<b>1,48,718</b>	<b>76,009</b>
2	Expenses					
	a) Cost of materials consumed	14,766	14,127	7,649	41,976	19,633
	b) Purchases of stock-in-trade	2,728	4,267	2,340	9,155	7,043
	c) Changes in inventories of finished goods, work-in progress and stock-in-trade	3,048	(18)	(774)	(2,944)	(3,741)
	d) Employee benefits expense	5,600	5,535	4,717	16,113	13,091
	e) Depreciation and amortization expense	1,369	1,410	1,332	4,094	3,864
	f) Other expenses	15,740	12,394	8,772	40,193	22,327
	<b>Total expenses</b>	<b>43,251</b>	<b>37,715</b>	<b>24,036</b>	<b>1,08,587</b>	<b>62,217</b>
3	<b>Profit before other income and finance costs</b>	<b>24,650</b>	<b>9,071</b>	<b>4,773</b>	<b>40,131</b>	<b>13,792</b>
4	Other income	612	318	536	1,446	926
5	<b>Profit before finance costs</b>	<b>25,262</b>	<b>9,389</b>	<b>5,309</b>	<b>41,577</b>	<b>14,718</b>
6	Finance costs	464	420	358	1,204	1,932
7	<b>Profit before tax</b>	<b>24,798</b>	<b>8,969</b>	<b>4,951</b>	<b>40,373</b>	<b>12,786</b>
8	Tax expense	5,314	2,347	1,306	9,524	3,513
9	<b>Net profit for the period</b>	<b>19,484</b>	<b>6,622</b>	<b>3,645</b>	<b>30,849</b>	<b>9,273</b>
10	Non-controlling interests	24	33	48	79	156
11	<b>Net profit after non-controlling interests</b>	<b>19,508</b>	<b>6,655</b>	<b>3,693</b>	<b>30,928</b>	<b>9,429</b>
12	Other comprehensive income	(32)	(58)	11	(145)	138
13	<b>Total comprehensive income</b>	<b>19,476</b>	<b>6,597</b>	<b>3,704</b>	<b>30,783</b>	<b>9,567</b>
14	Paid-up Equity share capital (face value of Rs.2/- each)	3,486	3,483	3,483	3,486	3,483
15	Earnings per share (face value of Rs.2/- each)					
	Basic EPS (not annualised)	11.18	3.79	2.13	17.67	5.61
	Diluted EPS (not annualised)	11.16	3.78	2.13	17.64	5.61

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 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. The format for the unaudited quarterly financial results as prescribed in SEBI circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI circular dated 5 July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 to the extent applicable to companies that are required to comply with Ind AS.
- 2 Reconciliation between consolidated financial results under Previous Generally Accepted Accounting Principles (GAAP) and Ind AS for the quarter and Nine months period ended 31 December 2015.

*(Rupees in lakhs)*

Particulars	Quarter ended 31 Dec 2015	Nine months ended 31 Dec 2015
<b>Net profit under previous GAAP</b>	<b>3,715</b>	<b>9,495</b>
Actuarial gain through other comprehensive income	(22)	(66)
<b>Total net profit for the period under Ind AS</b>	<b>3,693</b>	<b>9,429</b>
Other comprehensive income	11	138
<b>Total comprehensive income</b>	<b>3,704</b>	<b>9,567</b>

- 3 Other expenses for quarter and nine months period ended 31 December 2016 includes cost of Rs.2,378 lakhs towards write-off of entire balance receivable from a customer in Venezuela after adjusting the related commission payable of Rs.1,362 lakhs.
- 4 The unaudited consolidated financial results for the quarter and Nine months period ended 31 December 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 14 February 2017. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- 5 The Board of Directors have recommended a second interim dividend of Rs.6/- per equity share of Rs. 2 each for the current financial year. This is in addition to first interim dividend of Rs.0.75 per equity share of Rs. 2 each declared by the Board of Directors in its meeting held on 9 August 2016.
- 6 The consolidated financial results for the corresponding quarter ended 31 December 2015 and year to date result for the period 1 April 2015 to 31 December 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.
- 7 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**  
14 February 2017



NATCO PHARMA LIMITED

**CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS PERIOD  
ENDED 31 DECEMBER 2016**

(Rupees in lakhs)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2016 (Unaudited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)
1	<b>Segment revenue (net)</b>					
	a) Bulk chemicals	6,900	7,611	7,344	20,258	19,323
	b) Formulations	59,889	37,013	23,942	1,26,717	60,385
	c) Job Work	146	355	150	501	497
	d) Unallocated	2,669	4,314	162	8,127	523
	<b>Total</b>	<b>69,604</b>	<b>49,293</b>	<b>31,598</b>	<b>1,55,603</b>	<b>80,728</b>
	Less: Inter-segment revenue	1,703	2,507	2,789	6,885	4,719
	<b>Net sales / income from operations</b>	<b>67,901</b>	<b>46,786</b>	<b>28,809</b>	<b>1,48,718</b>	<b>76,009</b>
2	<b>Segment results</b>					
	<b>Profit before tax and finance costs</b>					
	a) Bulk Chemicals	339	126	377	1,067	2,085
	b) Formulations	28,868	14,116	7,781	52,059	20,360
	c) Job Work	45	333	137	378	412
	d) Unallocated	299	522	130	939	691
	<b>Total</b>	<b>29,551</b>	<b>15,097</b>	<b>8,425</b>	<b>54,443</b>	<b>23,548</b>
	Less: a) Interest	464	420	358	1,204	1,932
	b) Other unallocable expenditure	4,901	6,026	3,652	14,312	9,756
	c) Unallocable Income	(612)	(318)	(536)	(1,446)	(926)
	<b>Profit before tax</b>	<b>24,798</b>	<b>8,969</b>	<b>4,951</b>	<b>40,373</b>	<b>12,786</b>
3	<b>Capital employed</b>					
	a) Bulk Chemicals	61,777	73,215	45,065	61,777	45,065
	b) Formulations	86,452	58,069	46,895	86,452	46,895
	c) Job Work	388	870	2,719	388	2,719
	d) Unallocated	11,464	7,937	48,413	11,464	48,413
	<b>Total capital employed</b>	<b>1,60,081</b>	<b>1,40,091</b>	<b>1,43,092</b>	<b>1,60,081</b>	<b>1,43,092</b>



NATCO PHARMA LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED  
31 DECEMBER 2016

(Rupees in lakhs, except per share data)

S. No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2016 (Unaudited)	30 Sep 2016 (Unaudited)	31 Dec 2015 (Unaudited)	31 Dec 2016 (Unaudited)	31 Dec 2015 (Unaudited)
1	Income from operations					
	a) Net sales/income from operations (inclusive of excise duty)	63,047	40,360	24,607	1,34,370	63,554
	b) Other operating income	3,615	5,265	1,124	10,376	3,125
	<b>Total income from operations (inclusive of excise duty)</b>	<b>66,662</b>	<b>45,625</b>	<b>25,731</b>	<b>1,44,746</b>	<b>66,679</b>
2	Expenses					
	a) Cost of materials consumed	14,766	14,127	7,912	41,976	20,469
	b) Purchases of stock-in-trade	2,117	3,755	-	6,799	37
	c) Changes in inventories of finished goods, work- in progress and stock-in-trade	3,344	(103)	(852)	(2,729)	(3,715)
	d) Employee benefits expense	5,341	5,290	4,184	15,395	11,243
	e) Depreciation and amortization expense	1,349	1,389	1,170	4,036	3,414
	f) Other expenses	14,898	11,746	7,993	38,234	20,062
	<b>Total expenses</b>	<b>41,815</b>	<b>36,204</b>	<b>20,407</b>	<b>1,03,711</b>	<b>51,510</b>
3	<b>Profit before other income and finance costs</b>	<b>24,847</b>	<b>9,421</b>	<b>5,324</b>	<b>41,035</b>	<b>15,169</b>
4	Other income	614	297	640	1,396	1,231
5	<b>Profit before finance costs</b>	<b>25,461</b>	<b>9,718</b>	<b>5,964</b>	<b>42,431</b>	<b>16,400</b>
6	Finance costs	440	416	332	1,158	1,863
7	<b>Profit before tax</b>	<b>25,021</b>	<b>9,302</b>	<b>5,632</b>	<b>41,273</b>	<b>14,537</b>
8	Tax expense	5,314	2,347	1,300	9,524	3,382
9	<b>Net profit for the period</b>	<b>19,707</b>	<b>6,955</b>	<b>4,332</b>	<b>31,749</b>	<b>11,155</b>
10	Other comprehensive income	(32)	(58)	11	(145)	138
11	<b>Total comprehensive income</b>	<b>19,675</b>	<b>6,897</b>	<b>4,343</b>	<b>31,604</b>	<b>11,293</b>
12	Paid-up Equity share capital (face value of Rs.2/- each)	3,486	3,483	3,483	3,486	3,483
13	Earnings per share (face value of Rs.2/- each)					
	Basic EPS (not annualised)	11.29	3.96	2.50	18.14	6.63
	Diluted EPS (not annualised)	11.28	3.96	2.49	18.12	6.62

See accompanying notes to the financial results.



## NATCO PHARMA LIMITED

### Notes:

- 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. The format for unaudited quarterly financial results as prescribed in SEBI circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with the requirements of SEBI circular dated 5 July 2016, Ind AS and Schedule III to the Companies Act, 2013 to the extent applicable to companies that are required to comply with Ind AS.
- Reconciliation between standalone financial results under Previous Generally Accepted Accounting Principles (GAAP) and Ind AS for the quarter and Nine months period ended 31 December 2015

(Rupees in lakhs)

Particulars	Quarter ended	Nine Months Ended
	31 December 2015	31 December 2015
<b>Net profit under previous GAAP</b>	<b>4,354</b>	<b>11,221</b>
Actuarial gain through other comprehensive income	(22)	(66)
<b>Total net profit for the period under Ind AS</b>	<b>4,332</b>	<b>11,155</b>
Other comprehensive income	11	138
<b>Total comprehensive income</b>	<b>4,343</b>	<b>11,293</b>

- 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 31 December 2015 and year to date result for the period 1 April 2015 to 31 December 2015 are without effects of such amalgamation and to that extent, are not comparable with the quarter ended 31 December 2016 and year to date result for the period 1 April 2016 to 31 December 2016.
- Other expenses for quarter and nine months period ended 31 December 2016 includes cost of Rs.2,378 lakhs towards write-off of entire balance receivable from a customer in Venezuela after adjusting the related commission payable of Rs.1,362 lakhs.
- The unaudited standalone financial results for the quarter ended 31 December 2016 and year to date result for the period 1 April 2016 to 31 December 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 14 February 2017. These results have been subjected to a "Limited review" by the Statutory auditors of the Company.
- The Board of Directors have recommended a second interim dividend of Rs.6/- per equity share of Rs. 2 each for the current financial year. This is in addition to first interim dividend of Rs.0.75 per equity share of Rs. 2 each declared by the Board of Directors in its meeting held on 9 August 2016.
- 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  
14 February 2017