



**NATURAL
CAPSULES
LIMITED**

Regd. Office :
102, 'SHRESHTA BHUMI', 1st Floor,
No. 87, K.R. ROAD, BANGALORE - 560 004.
Tel : 080-26671573, 26671571, 26671581,
Fax : 080-26671562
Email - info@naturalcapsules.com
URL - http://www.naturalcapsules.com
CIN No. : L85110KA1993PLC014742



29th Jan 2018
Bengaluru

M/s. Bombay Stock Exchange Limited
Corporate Services,
25th Floor, P.J.Towers,
Mumbai - 400 001.
India.

Security Code: 524654

Dear Sir,

Sub: Outcome of Board Meeting held at 29th Jan 2018:

Board of directors of the company at its meeting held on Monday, 29th Jan 2018, inter alia has transacted the following:

1. Approval of Unaudited Standalone Financial results and report on limited review of Interim financial information for quarter ended Dec 31st, 2017. A copy of which is attached along with this letter .The same will be made available on company's website: www.naturalcapsules.com
2. Reviewed ongoing project for expansion of existing EHGC capsule manufacturing capacity from 6.1 Billion capsules to 8.36 capsules, by modification of existing machines for operating at a higher speed, and / or addition of capsule making machines. Company has achieved manufacturing capacity of 7.2 Billion capsules under this project during last 18 months. It was further decided to enhance capacity from current 7.2 Billion capsules to about 12.2 Billion Capsules at an estimated capital cost of Rs. 15.6 crores to be spent over the next 36 months. This expansion will be funded from the internal accruals and existing reserves.
3. Diversification into Active Pharmaceuticals ingredients (API). This project would involve an investment into a Greenfield API manufacturing facility to be established in Tumkur District, Karnataka. The facility will be constructed over three phases over the next five years. Phase 1 will be for manufacture of steroids, phase 2 for hormones and phase 3 for oncology products. Phase 1 is estimated to cost Rs 23.5 cr. and will be fully commissioned by March-2019.
4. This project will be part funded by internal accruals and term loans from bank. The installed capacity for phase 1 will be 15 KL, and on completion of phase 1, this project can generate a business of Rs.105 crores at a capacity utilization of 80 % in year 3 of full commercial



5. production. Phase 2 and phase 3 will be implemented post the successful commissioning of phase 1. Further, The Company has been allotted a land ad-measuring 5 acres by KIADB on a 99 year lease basis for this project.

Thanking You,
For Natural Capsules Limited



Skandan.P.Jain
Company Secretary



NATURAL CAPSULES LIMITED

NO.102, SHRESHTA BHUMI, NO.87, K.R.ROAD, BANGALORE-560 004

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UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2017

(Rs.in Lakhs)

Sl. No.	PARTICULARS	Quarter ended			Nine Months ended		YEAR ENDED
		31st December, 2017	30th September, 2017	31st December, 2016	31st December, 2017	31st December, 2016	31st March, 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	1,421.47	1,472.68	1,467.68	4,284.09	3,795.21	5,136.66
2	Other Income	29.29	10.55	26.54	69.18	220.99	308.90
3	Total Income (1+2)	1,450.76	1,483.23	1,494.22	4,353.27	4,016.20	5,445.56
4	Expenses						
	a) Cost of Material consumed	609.31	645.57	720.25	1,748.00	1,964.91	2,530.30
	b) Purchase of stock-in-trade	-	-	-	-	-	-
	c) (Increase) / Decrease in stock in trade	(31.49)	87.98	(31.82)	3.18	(118.97)	(107.87)
	d) Employees benefits expense	155.33	134.62	152.81	423.21	472.5	596.64
	f) Finance cost	4.96	5.57	12.48	19.30	45.9	58.30
	g) Depreciation	99.88	99.89	105.8	299.65	332.15	431.76
	h) Other Expenses	517.00	473.86	470.71	1,822.23	1,258.69	1,846.44
	Total Expenses	1,355.00	1,447.49	1,430.23	4,315.58	3,955.18	5,355.57
	Profit Profit from ordinary activities after finance costs but before exceptional items(3 - 4)	95.76	35.74	63.99	37.69	61.02	89.99
5	Exceptional Items (Income) / Expenses	-	-	-	-	-	58.42
6	Profit Profit from ordinary activities before tax	95.76	35.74	63.99	37.69	61.02	31.57
7	Tax Expense	32.41	7.00	10.95	4.41	0.85	(31.21)
8	- Current Tax	12.00	7.00	5.53	19.00	20.9	-
	-Income tax (Prior year)	-	0	-	-	0.42	0.43
	-Deferred Tax	20.41	-	5.42	(14.59)	(20.47)	(31.64)
9	Net Profit (+) / Loss (-) from ordinary activities after tax (5 - 6)	63.35	28.74	53.04	33.28	60.17	62.78
10	Other Comprehensive income (OCI)						
	a) Items that will not be reclassified to profit or loss (net of tax)	-	-	-	-	-	-
	b) Items that will be reclassified to profit or loss (net of tax)	-	-	-	-	-	-
11	Total Comprehensive Income (OCI)	-	-	-	-	-	-
12	Paid-Up Equity Share Capital (face value per share Rs.10/-)	623.27	623.27	623.27	623.27	623.27	623.27
13	Earnings Per Share of (before & after extraordinary items) Rs. 10/-						
	(a) Basic	1.02	(0.26)	0.09	0.53	0.10	0.01
	(b) Diluted	1.02	(0.26)	0.08	0.53	0.10	0.01
The reconciliation of profit after tax as previously reported on account of transition from previous India GAAP to Ind AS for the quarter ended 31st December, 2017 are as under:							
(Rs.in Lakhs)							
Particulars		For the Quarter ended 31st December, 2017	For Nine months ended 31st December, 2017				
Profit After Tax as reported under previous GAAP		88.35	108.28				
Fair Value changes of Forward Contracts		-	-				
Others		(25.00)	(75.00)				
Deferred tax impact on above adjustment		-	-				
Net Profit for the period under Ind - AS		63.35	33.28				
Actual Gain / Loss on defined benefit plan recognized in OCI (net of Deferred tax)		-	-				
Total Comprehensive income for the period under Ind-AS		-	-				

[Signature]



Note:

- 1 The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2017 (transition date being April 1, 2016) and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles laid down in the IND AS 34 Interim Financial reporting as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The Statement has been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder with a transition date of 1st April, 2016 and in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as modified by Circular No. CIR/CFD/CMD/15/2015 dated 5th July, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India in respect of disclosure requirements of financial results for the previous year ended 31st March, 2017 and the balance sheet on that date. The results for the quarter and nine months ended 31st December, 2017 have been recasted to be in AS compliant.
- 3 These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013.
- 4 The above financial results reviewed by the audit committee, have been approved and taken on record by the Board of Directors at their meeting held on 29th January, 2018.
- 5 In accordance with requirements of Ind AS and consequent to the implementation of Goods and Service Tax ("GST") regulations effective 1st July, 2017, the revenue from operations for the quarter ended September 2017 and December 2017, are reported net of GST. Accordingly the revenue from operations for the quarter ended December 2017 are not comparable with the amounts reported in the immediately preceding quarter and the corresponding previous periods/annual results.
- 6 The statutory auditors of the company have carried out limited review of financial results for the quarter ended 31-12-2017
- 7 Previous quarter figures have been regrouped wherever necessary.

Position of investor complaints for the quarter ended 31st December, 2017	
Particulars	No. of complaints
Pending as on 01-10-2017	0
Received during the quarter	2
Resolved during the quarter	2
Pending as on 31-12-2017	0

Place : Bangalore
Date : 29th Jan, 2018



Sd/-
Sunil L. Mundra
Managing Director
DIN : 00214304

M/s. P. CHANDRASEKAR LLP

Chartered Accountants

Limited Review Report on Unaudited Quarterly Financial Results of Natural Capsules Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,

The Board of Directors,
Natural Capsules Limited
Bangalore

1. We have reviewed the unaudited financial results of Natural Capsules Limited (“the Company”) for the quarter and Nine months ended 31st December, 2017 which are included in the accompanying “Statement of Unaudited Results for the quarter and nine months ended 31st December, 2017 (“the Statement”)”. The Statement has been prepared by the Company pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the “Listing Regulations, 2015”) and SEBI Circular dated 5th July, 2016, which has been initialled by us for identification purposes.

The Statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Further the Management is also responsible to ensure that the accounting policies used in preparation of this statement are consistent with those used in the preparation of the Company’s opening unaudited Balance Sheet as at 1st April, 2017 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ins AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (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 required that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. 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.



Bangalore * Chennai

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M/s. P. Chandrasekar (Partnership Firm) is converted into M/s P Chandrasekar LLP (a Limited Liability Partnership with LLP Identity No LLPIN AAJ-5668) with effect from 31.05.2017

M/s. P. CHANDRASEKAR LLP

Chartered Accountants

Limited Review Report on Unaudited Quarterly Financial Results of Natural Capsules Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.(Continued)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with IND AS and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P Chandrasekar LLP
Chartered Accountants




P.Chandrasekaran
Partner
M.No.: 026037
FRN.: 000580S/S200066

Place: Bangalore
Date: 29th January, 2018