



## 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

14<sup>th</sup> November, 2023

Corporate Relationship Department  
M/s. BSE Ltd.  
Dalal Street, Fort  
**Mumbai – 400 001.**  
Scrip Code: **524816**

The Manager – Listing  
M/s. National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla Complex  
Bandra(E), **MUMBAI – 400 051.**  
Scrip Code: **NATCOPHARM**

Dear Sir/Madam,

### **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 and half year ended 30<sup>th</sup> September 2023 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 as amended from time to time ("Listing Regulations") along with Limited Review Report of the Statutory Auditors. Please find enclosed herewith a copy of the same for your information.
2. Declared second interim dividend of Rs.1.25 (Rupees one and twenty five paise only) (62.50 %) each per equity share of Rs.2/- (Rupees two only) each for the financial year 2023-24. The date for taking on record of its shareholders eligible for the purpose of payment of second interim dividend i.e., record date is fixed as Friday, the 24<sup>th</sup> day of November 2023. The payment of said interim dividend will start from 1<sup>st</sup> December 2023.

Meeting commenced at 12.05 p.m. and concluded at 13.50 p.m.

Thanking you

Yours faithfully,  
For NATCO Pharma Limited

Ch. Venkat Ramesh  
Company Secretary &  
Compliance Officer

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 AND HALF YEAR ENDED 30 SEPTEMBER 2023

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations	10,314	11,405	4,321	21,719	13,167	27,071
2	Other income	294	197	205	491	548	1,046
3	<b>Total income (1+2)</b>	<b>10,608</b>	<b>11,602</b>	<b>4,526</b>	<b>22,210</b>	<b>13,715</b>	<b>28,117</b>
	<b>Expenses</b>						
	Cost of materials consumed	1,665	1,362	1,013	3,027	1,962	4,753
	Purchases of stock-in-trade	410	426	467	836	774	1,757
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	83	172	(422)	255	(201)	(237)
	Employee benefits expense (refer note 7)	1,224	1,382	1,103	2,606	2,622	4,867
	Finance costs	42	42	38	84	80	145
	Depreciation and amortisation expense	436	435	417	871	813	1,638
	Other expenses (refer note 10)	2,352	2,783	1,207	5,135	3,104	6,575
	<b>Total expenses</b>	<b>6,212</b>	<b>6,602</b>	<b>3,823</b>	<b>12,814</b>	<b>9,154</b>	<b>19,498</b>
5	<b>Profit before tax for the period/ year (3-4)</b>	<b>4,396</b>	<b>5,000</b>	<b>703</b>	<b>9,396</b>	<b>4,561</b>	<b>8,619</b>
6	<b>Tax expense</b>						
	(i) Current tax	819	921	141	1,740	862	1,627
	(ii) Deferred tax	(113)	(124)	(6)	(237)	(73)	(161)
	<b>Total tax expense</b>	<b>706</b>	<b>797</b>	<b>135</b>	<b>1,503</b>	<b>789</b>	<b>1,466</b>
7	<b>Profit for the period/ year (5-6)</b>	<b>3,690</b>	<b>4,203</b>	<b>568</b>	<b>7,893</b>	<b>3,772</b>	<b>7,153</b>
8	<b>Other comprehensive (loss)/ income (net of tax)</b>						
	<b>(i). Items that will not be reclassified to profit or loss:</b>						
	Remeasurement of defined benefit plans	-	-	-	-	-	26
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	25	51	(5)	76	(126)	(236)
	Income tax relating to items that will not be reclassified to profit or loss	(3)	(4)	1	(7)	15	16
		<b>22</b>	<b>47</b>	<b>(4)</b>	<b>69</b>	<b>(111)</b>	<b>(194)</b>
	<b>(ii). Items that will be reclassified to profit or loss:</b>						
	Exchange differences on translating financial statements of foreign operations	(70)	96	(31)	26	56	221
		<b>(70)</b>	<b>96</b>	<b>(31)</b>	<b>26</b>	<b>56</b>	<b>221</b>
	<b>Other comprehensive (loss)/ income for the period/ year, net of tax</b>	<b>(48)</b>	<b>143</b>	<b>(35)</b>	<b>95</b>	<b>(55)</b>	<b>27</b>
9	<b>Total comprehensive income for the period/ year (7+8)</b>	<b>3,642</b>	<b>4,346</b>	<b>533</b>	<b>7,988</b>	<b>3,717</b>	<b>7,180</b>
10	<b>Profit for the period/year attributable to:</b>						
	Owners of the Company	3,690	4,203	568	7,893	3,772	7,153
	Non-controlling interests	-	-	-	-	-	-
11	<b>Other comprehensive income for the period/ year attributable to:</b>						
	Owners of the Company	(48)	143	(35)	95	(55)	27
	Non-controlling interests	-	-	-	-	-	-
12	<b>Total comprehensive income for the period/ year attributable to:</b>						
	Owners of the Company	3,642	4,346	533	7,988	3,717	7,180
	Non-controlling interests	-	-	-	-	-	-
13	<b>Paid-up equity share capital (Face value of ₹2 each)</b>	<b>358</b>	<b>358</b>	<b>365</b>	<b>358</b>	<b>365</b>	<b>365</b>
14	<b>Other equity</b>						<b>48,373</b>
15	<b>Earnings per share (not annualised for the quarters) (Face value of ₹2 each)</b>						
	Basic (in ₹)	20.60	23.26	3.11	43.88	20.66	39.18
	Diluted (in ₹)	20.60	23.26	3.11	43.88	20.66	39.18

See accompanying notes to the unaudited consolidated financial results.

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NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
<b>I Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	22,695	22,391
(b) Capital work-in-progress	836	643
(c) Goodwill	558	552
(d) Other intangible assets	1,426	1,326
(e) Financial assets		
(i) Investments	878	873
(ii) Other financial assets	1,672	170
(f) Deferred tax assets, net	152	-
(g) Non-current tax assets	345	345
(h) Other non-current assets	481	271
<b>Total non-current assets</b>	<b>29,043</b>	<b>26,571</b>
<b>(2) Current assets</b>		
(a) Inventories	7,098	7,429
(b) Financial assets		
(i) Investments	2,995	3,050
(ii) Trade receivables	11,198	8,561
(iii) Cash and cash equivalents	1,040	1,319
(iv) Bank balances other than (iii) above	6,155	4,144
(v) Loans	89	102
(vi) Other financial assets	1,966	3,108
(c) Other current assets	2,956	2,290
<b>Total current assets</b>	<b>33,497</b>	<b>30,003</b>
<b>Total assets</b>	<b>62,540</b>	<b>56,574</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	358	365
(b) Other equity	52,577	48,373
<b>Equity attributable to owners of the Company</b>	<b>52,935</b>	<b>48,738</b>
(c) Non-controlling interest	-	-
<b>Total equity</b>	<b>52,935</b>	<b>48,738</b>
<b>(2) Liabilities</b>		
<b>(A) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	62	11
(ii) Other financial liabilities	33	17
(b) Provisions	681	853
(c) Deferred tax liabilities (net)	46	124
<b>Total non-current liabilities</b>	<b>822</b>	<b>1,005</b>
<b>(B) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,388	1,650
(ii) Lease liabilities	25	6
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	57	54
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,604	2,584
(iii) Other financial liabilities	814	859
(b) Other current liabilities	739	1,408
(c) Provisions	483	169
(d) Current tax liabilities (net)	673	101
<b>Total current liabilities</b>	<b>8,783</b>	<b>6,831</b>
<b>Total liabilities</b>	<b>9,605</b>	<b>7,836</b>
<b>Total equity and liabilities</b>	<b>62,540</b>	<b>56,574</b>



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NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Half year ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before tax for the period	9,396	4,561
<b>Adjustments for:</b>		
Depreciation and amortisation expense	871	813
Finance costs	84	80
Interest income	(378)	(194)
Provision for impairment of receivables and advances, net	48	-
Bad debts written off	42	-
Net gain on sale of property, plant and equipment	(29)	(169)
Net gain on Sale of investments	(3)	-
Dividend income on equity investment at fair value through other comprehensive income	(2)	(1)
Unrealised foreign exchange gain, net	(11)	(27)
<b>Operating profit before working capital changes</b>	<b>10,018</b>	<b>5,063</b>
<b>Changes in working capital:</b>		
Decrease in inventories	331	127
(Increase)/ Decrease in trade receivables	(2,719)	2,539
Decrease in loans	-	1
Decrease in other financial assets	18	34
(Increase)/ Decrease in other assets	(666)	370
Increase/ (Decrease) in trade payables	1,023	(188)
Increase/ (Decrease) in provisions	142	(137)
Increase in other financial liabilities	13	197
(Decrease)/ Increase in other liabilities	(669)	179
<b>Cash generated from operating activities</b>	<b>7,491</b>	<b>8,185</b>
Income-taxes paid, net of refund	(1,168)	(848)
<b>Net cash generated from operating activities (A)</b>	<b>6,323</b>	<b>7,337</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(1,483)	(957)
Proceeds from sale of property, plant and equipment	52	204
Acquisition of intangible assets	(180)	(515)
Repayment of loans by others	13	-
Proceeds from sale of investments	1,023	133
Purchase of investments	(886)	(954)
Deposits with banks	(5,229)	(3,220)
Redemption of bank deposits	3,218	913
Interest received	462	332
Dividend received	2	1
Redemption of deposits other than with banks	2,628	3,538
Deposits other than with banks	(3,098)	(2,946)
<b>Net cash used in investing activities (B)</b>	<b>(3,478)</b>	<b>(3,471)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital*	-	0
Payment on buy-back of shares, including transaction costs and taxes on buy-back	(2,537)	-
Net proceeds/ (repayment of) from short-term borrowings (refer note below)	741	(3,222)
Dividends paid	(1,255)	(639)
Finance cost paid	(82)	(78)
Principal and interest payment of lease liabilities (refer note below)	(11)	(13)
<b>Net cash used in financing activities (C)</b>	<b>(3,144)</b>	<b>(3,952)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(299)</b>	<b>(86)</b>
Cash and cash equivalents as at the beginning of the period	1,319	1,111
Effect of currency translation adjustment	20	56
<b>Cash and cash equivalents as at the beginning of the period</b>	<b>1,040</b>	<b>1,081</b>
<b>Note: Movement in borrowings and lease liabilities in accordance with Ind AS 7:</b>		
<b>Current borrowings:</b>		
Opening balance	1,650	4,040
Proceeds from/ (repayment of) borrowings, net	741	(3,222)
Non-cash items (foreign exchange changes)	(3)	(14)
	<b>2,388</b>	<b>804</b>
<b>Lease liabilities:</b>		
Opening balance	17	115
Cash flow changes	(11)	(13)
Non-cash changes	81	(78)
	<b>87</b>	<b>24</b>

\*The numbers are rounded off to nearest million.



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NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1</b>	<b>Segment revenue</b>						
	a. Pharmaceuticals	9,796	10,918	4,291	20,714	13,127	26,662
	b. Agro chemicals	518	487	30	1,005	40	409
		<b>10,314</b>	<b>11,405</b>	<b>4,321</b>	<b>21,719</b>	<b>13,167</b>	<b>27,071</b>
	Add: Unallocated	-	-	-	-	-	-
	<b>Total revenue from operations</b>	<b>10,314</b>	<b>11,405</b>	<b>4,321</b>	<b>21,719</b>	<b>13,167</b>	<b>27,071</b>
<b>2</b>	<b>Segment results</b>						
	a. Pharmaceuticals	4,397	4,999	754	9,396	4,718	8,884
	b. Agro chemicals	41	43	(13)	84	(77)	(120)
	<b>Total segment result</b>	<b>4,438</b>	<b>5,042</b>	<b>741</b>	<b>9,480</b>	<b>4,641</b>	<b>8,764</b>
	Less:						
	a. Finance cost	(42)	(42)	(38)	(84)	(80)	(145)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	<b>Total profit before tax</b>	<b>4,396</b>	<b>5,000</b>	<b>703</b>	<b>9,396</b>	<b>4,561</b>	<b>8,619</b>
<b>3</b>	<b>Segment assets</b>						
	a. Pharmaceuticals	53,731	49,844	43,607	53,731	43,607	48,662
	b. Agro chemicals	4,439	4,225	3,368	4,439	3,368	3,966
	<b>Total segment assets</b>	<b>58,170</b>	<b>54,069</b>	<b>46,975</b>	<b>58,170</b>	<b>46,975</b>	<b>52,628</b>
	Add:						
	a. Unallocated	4,370	4,489	3,804	4,370	3,804	3,946
	<b>Total assets</b>	<b>62,540</b>	<b>58,558</b>	<b>50,779</b>	<b>62,540</b>	<b>50,779</b>	<b>56,574</b>
<b>4</b>	<b>Segment liabilities</b>						
	a. Pharmaceuticals	6,369	6,217	3,994	6,369	3,994	5,947
	b. Agro chemicals	129	92	4	129	4	14
	<b>Total segment liabilities</b>	<b>6,498</b>	<b>6,309</b>	<b>3,998</b>	<b>6,498</b>	<b>3,998</b>	<b>5,961</b>
	Add:						
	a. Unallocated	3,107	1,703	1,068	3,107	1,068	1,875
	<b>Total liabilities</b>	<b>9,605</b>	<b>8,012</b>	<b>5,066</b>	<b>9,605</b>	<b>5,066</b>	<b>7,836</b>

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A handwritten signature in black ink is written across the bottom right of the page. Below the signature is a circular stamp with the text "NATCO Pharma Ltd." around the top edge, "NATCO" in the center, and "Hyderabad" around the bottom edge, flanked by two stars.



NATCO Pharma Limited

Notes to the 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 2023 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meetings held on 14 November 2023.
- 3) The unaudited consolidated financial results of the Group for the quarter and half year ended 30 September 2023, have been reviewed by the statutory auditors and they have issued an unmodified 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 2023 includes financial results of the following subsidiaries/step-down subsidiaries:

Sr. No	Name of the Entity
1	NATCO Pharma Inc., United States of America
2	NATCO Pharma USA LLC (Formerly known as Dash Pharmaceuticals LLC), United States of America (subsidiary of NATCO Pharma Inc.)
3	Time Cap Overseas Limited, Mauritius
4	NatcoFarma do Brasil Ltda, Brazil (subsidiary of Time Cap Overseas Limited)
5	NATCO Pharma (Canada) Inc., Canada
6	NATCO Pharma Asia Pte. Ltd., Singapore
7	NATCO Pharma Australia PTY Ltd., Australia
8	NATCO Lifesciences Philippines Inc., Philippines
9	NATCO Pharma UK Limited., United Kingdom (refer note 5)
10	PT. NATCO Lotus Farma., Indonesia (refer note 5)

- 5) During the quarter ended 30 September 2023, the Company has incorporated a wholly owned subsidiary NATCO Pharma UK Limited in United Kingdom on 04 September 2023 and a subsidiary PT.NATCO Lotus Farma in Indonesia on 28 August 2023.
- 6) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions towards provident fund and gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and related rules to determine the financial impact are published.
- 7) Employee benefits expense includes compensation amounting to ₹ 291 million paid under voluntary retirement scheme during the half year ended 30 September 2022 and year ended 31 March 2023.
- 8) The unaudited standalone financial results, for the quarter and half year ended 30 September 2023 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:

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Income	9,552	10,629	3,673	20,181	12,062	24,365
Profit before tax	4,240	4,752	463	8,992	4,193	7,707
Net profit for the period/ year	3,602	4,053	377	7,655	3,457	6,371
Total comprehensive income for the period/ year	3,624	4,100	373	7,724	3,346	6,177

- 9) The Board of Directors at its meeting held on 08 March 2023 had approved the buy-back of fully paid up equity shares of face value of ₹ 2 each from the eligible equity shareholders of the Company other than the Promoters, the Promoter group and Persons who are in control of the Company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback Price), payable in cash for an aggregate amount not exceeding ₹ 2100 million (Maximum Buy-back Size, excluding transaction costs and taxes thereon), from the Open Market route through the stock exchange mechanism under the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ('Buyback Regulations').  
The Buy-back commenced on 21 March 2023 and was concluded on 12 May 2023. In this regard, the Company bought back 3,447,295 equity shares, at an average price of ₹ 609.1712 per equity share resulting in total cash consideration of ₹ 2100 million (excluding ₹ 508 towards transaction cost and tax on Buy-back). These equity shares were extinguished as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 2100 million has been utilised from securities premium account for the buyback. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 508 million has been debited directly to the retained earnings. Further, capital redemption reserve of ₹ 6.89 million representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.
- 10) The Company is contesting certain patent infringement cases in India, filed against it by the innovators in the ordinary course of business. A few of these cases pertain to products already launched by the Company in the market. These cases are pending before different authorities/ courts and most of the claims involve complex issues. As of 30 September 2023, without any admission of any liability, solely with a view to avoid the uncertainties and protracted litigations, the Company carries a provision based on its best estimate for an amount of ₹ 263 million towards litigation and settlement related expenses, as and when they occur. The actual expenses may vary based on any final settlement agreement(s), as agreements for settlement are yet to be reached. This provisioning is not an admission or either liability for infringement or of validity of any such patents. During the quarter ended 30 September 2023, a matter relating to such infringement case has been settled with the innovator resulting in no additional liability to the Company.
- 11) The Board of Directors at their meeting held on 14 November 2023 have approved an interim dividend of ₹ 1.25/- per equity share for the quarter ended 30 September 2023 and at their meeting held on 09 August 2023 had approved interim dividend of ₹ 7/- per equity share of ₹2 each for the quarter ended 30 June 2023.

By order of the Board  
For NATCO Pharma Limited



*(Signature)*

V C Nannapaneni  
Managing Director  
(DIN: 00183315)

# B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City, Orwell  
B Wing, 6th Floor, Unit-3, Sy No. 83/1  
Plot No. 02, Raidurg  
Hyderabad – 500 081, India  
Telephone + 91 407 182 2000  
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## Limited Review Report on unaudited consolidated financial results of NATCO Pharma Limited for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (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 of NATCO Pharma Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("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 Securities and Exchange Board of India 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., United States of America ('USA')	Subsidiary
NATCO Pharma USA LLC, USA (Formerly known as Dash Pharmaceuticals LLC, USA - name changed w.e.f. 12 April 2023) (Subsidiary of NATCO Pharma Inc.)	Step-down Subsidiary
Time Cap Overseas Limited, Mauritius ('TCOL')	Subsidiary

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Limited Review Report (*Continued*)

## NATCO Pharma Limited

NatcoFarma do Brasil Ltda., Brazil (Subsidiary of TCOL)	Step-down Subsidiary
NATCO Pharma (Canada) Inc., Canada	Subsidiary
NATCO Pharma Asia Pte. Ltd., Singapore	Subsidiary
NATCO Pharma Australia Pty Ltd., Australia	Subsidiary
NATCO Lifesciences Philippines Inc., Philippines	Subsidiary
NATCO Pharma UK Limited., United Kingdom (incorporated on 04 September 2023)	Subsidiary
PT. NATCO Lotus Farma., Indonesia (incorporated on 28 August 2023)	Subsidiary

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 the 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 eight subsidiaries/ step down subsidiaries included in the Statement, whose interim financial information reflect total assets (before consolidated adjustments) of INR 8,991 million as at 30 September 2023 and total revenues (before consolidation adjustments) of INR 1,323 million and INR 2,552 million, total net profit after tax (before consolidation adjustments) of INR 93 million and INR 248 million and total comprehensive income (before consolidation adjustments) of INR 93 million and INR 248 million, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively, and cash outflows (net) (before consolidation adjustments) of INR 279 million for the period from 01 April 2023 to 30 September 2023, as considered in the Statement. These interim financial information has been reviewed by other auditors whose reports have been furnished to us by the Parent's 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/ step down 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 interim financial information of such subsidiaries/ step down 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/ step down 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 is not modified in respect of this matter.



**Limited Review Report (Continued)**

**NATCO Pharma Limited**

7. The Statement includes the interim financial information of two subsidiaries which have not been reviewed, whose interim financial information reflects total assets (before consolidation adjustments) of INR Nil as at 30 September 2023 and total revenues (before consolidation adjustments) of INR Nil and INR Nil, total net profit after tax (before consolidation adjustments) of INR Nil and INR Nil and total comprehensive income (before consolidation adjustments) of INR Nil and INR Nil, for the quarter ended 30 September 2023 and for the period from 01 April 2023 to 30 September 2023 respectively, and cash flows (net) (before consolidation adjustments) of INR Nil for the period from 01 April 2023 to 30 September 2023, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.:116231WW-100024



**Amit Kumar Bajaj**

*Partner*

Hyderabad

14 November 2023

Membership No.: 218685

UDIN:23218685BGXHKA9707



NATCO Pharma Limited

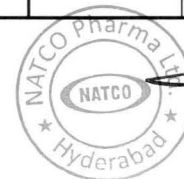
Regd. Office: Natco House, Road No. 2, Banjara Hills, Hyderabad, Telangana - 500 034  
Phone: +91-40-2354 7532, Website : www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations	9,305	10,483	3,511	19,788	11,568	23,510
2	Other income	247	146	162	393	494	855
3	<b>Total income (1+2)</b>	<b>9,552</b>	<b>10,629</b>	<b>3,673</b>	<b>20,181</b>	<b>12,062</b>	<b>24,365</b>
	<b>Expenses</b>						
	Cost of materials consumed	1,666	1,361	1,013	3,027	1,962	4,753
	Purchases of stock-in-trade	68	89	64	157	106	198
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	75	320	(260)	395	0	346
	Employee benefits expense (refer note 6)	1,068	1,192	982	2,260	2,365	4,257
	Finance costs	30	32	17	62	44	86
	Depreciation and amortisation expense	400	399	383	799	752	1,509
	Other expenses (refer note 8)	2,005	2,484	1,011	4,489	2,640	5,509
	<b>Total expenses</b>	<b>5,312</b>	<b>5,877</b>	<b>3,210</b>	<b>11,189</b>	<b>7,869</b>	<b>16,658</b>
5	<b>Profit before tax for the period/ year (3-4)</b>	<b>4,240</b>	<b>4,752</b>	<b>463</b>	<b>8,992</b>	<b>4,193</b>	<b>7,707</b>
	<b>Tax expense</b>						
	(i) Current tax	753	838	92	1,591	752	1,331
	(ii) Deferred tax	(115)	(139)	(6)	(254)	(16)	5
	<b>Total tax expense</b>	<b>638</b>	<b>699</b>	<b>86</b>	<b>1,337</b>	<b>736</b>	<b>1,336</b>
7	<b>Profit for the period/ year (5-6)</b>	<b>3,602</b>	<b>4,053</b>	<b>377</b>	<b>7,655</b>	<b>3,457</b>	<b>6,371</b>
	<b>Other comprehensive income/ (loss) (net of tax)</b>						
	<b>Items that will not be reclassified to profit or loss:</b>						
	Remeasurement of defined benefit plans	-	-	-	-	-	26
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVOCI)	25	51	(5)	76	(126)	(236)
	Income tax relating to items that will not be reclassified to profit or loss	(3)	(4)	1	(7)	15	16
	<b>Other comprehensive income/ (loss) for the period/ year, net of tax</b>	<b>22</b>	<b>47</b>	<b>(4)</b>	<b>69</b>	<b>(111)</b>	<b>(194)</b>
9	<b>Total comprehensive income for the period/ year (7+8)</b>	<b>3,624</b>	<b>4,100</b>	<b>373</b>	<b>7,724</b>	<b>3,346</b>	<b>6,177</b>
10	<b>Paid-up equity share capital (Face value of ₹2 each)</b>	<b>358</b>	<b>358</b>	<b>365</b>	<b>358</b>	<b>365</b>	<b>365</b>
11	<b>Other equity</b>						<b>46,655</b>
	<b>Earnings per share (not annualised for the quarters) (Face value of ₹2 each)</b>						
	Basic (in ₹)	20.11	22.43	2.07	42.56	18.94	34.90
	Diluted (in ₹)	20.11	22.43	2.07	42.56	18.94	34.90

See accompanying notes to the unaudited standalone financial results.



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NATCO Pharma Limited

Standalone Balance Sheet:

(₹ in millions)

	As at 30 September 2023 (Unaudited)	As at 31 March 2023 (Audited)
<b>I. Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	22,435	22,182
(b) Capital work-in-progress	827	628
(c) Other intangible assets	135	156
(d) Investment in subsidiaries	4,650	4,303
(e) Financial assets		
(i) Investments	877	873
(ii) Loans	5	5
(iii) Other financial assets	1,667	169
(f) Non-current tax assets	345	345
(g) Other non-current assets	481	271
<b>Total non-current assets</b>	<b>31,422</b>	<b>28,932</b>
<b>(2) Current assets</b>		
(a) Inventories	5,675	6,160
(b) Financial assets		
(i) Investments	633	1,399
(ii) Trade receivables	10,322	7,931
(iii) Cash and cash equivalents	68	69
(iv) Bank balances other than (iii) above	6,064	4,051
(v) Loans	89	102
(vi) Other financial assets	1,917	3,072
(c) Other current assets	2,740	2,163
<b>Total current assets</b>	<b>27,508</b>	<b>24,947</b>
<b>Total assets</b>	<b>58,930</b>	<b>53,879</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	358	365
(b) Other equity	50,594	46,655
<b>Total equity</b>	<b>50,952</b>	<b>47,020</b>
<b>(2) Liabilities</b>		
<b>(A) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	16	10
(ii) Other financial liabilities	33	17
(b) Provisions	681	853
(c) Deferred tax liabilities (net)	42	289
<b>Total non-current liabilities</b>	<b>772</b>	<b>1,169</b>
<b>(B) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,388	1,599
(ii) Lease liabilities	16	2
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	57	54
Total outstanding dues of creditors other than micro enterprises and	2,498	1,770
small enterprises		
(iii) Other financial liabilities	779	821
(b) Other current liabilities	316	1,191
(c) Provisions	483	169
(d) Current tax liabilities (net)	669	84
<b>Total current liabilities</b>	<b>7,206</b>	<b>5,690</b>
<b>Total liabilities</b>	<b>7,978</b>	<b>6,859</b>
<b>Total equity and liabilities</b>	<b>58,930</b>	<b>53,879</b>

NATCO Pharma Ltd  
Hyderabad

Contd...



NATCO Pharma Limited

Standalone Statement of Cash Flows:

(₹ in millions)

	Half year ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before tax for the period	8,992	4,193
<b>Adjustments for:</b>		
Depreciation and amortisation expense	799	752
Finance costs	62	44
Interest income	(309)	(167)
Provision for impairment of receivables and advances, net	48	-
Bad debts written off	42	-
Net gain on sale of property, plant and equipment	(29)	(169)
Loss on Sale of investments	11	-
Guarantee income	(1)	(3)
Dividend income on equity investment at fair value through other comprehensive income	(2)	-
Unrealised foreign exchange gain, net	(11)	(27)
<b>Operating profit before working capital changes</b>	<b>9,602</b>	<b>4,623</b>
<b>Changes in working capital:</b>		
Decrease in inventories	485	320
(Increase)/ Decrease in trade receivables	(2,473)	2,526
Decrease in loans	-	1
Decrease in other financial assets	6	16
(Increase)/ Decrease in other assets	(577)	406
Increase/ (Decrease) in trade payables	731	(386)
Increase/ (Decrease) in provisions	142	(137)
Increase in other financial liabilities	16	158
Decrease in other liabilities	(874)	(52)
<b>Cash generated from operating activities</b>	<b>7,058</b>	<b>7,475</b>
Income-taxes paid, net of refund	(1,006)	(748)
<b>Net cash generated from operating activities (A)</b>	<b>6,052</b>	<b>6,727</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(1,476)	(818)
Proceeds from sale of property, plant and equipment	52	204
Acquisition of intangible assets	(2)	(10)
Investments in subsidiaries	(347)	(532)
Repayment of loans by others	13	-
Proceeds from sale of investments	1,022	133
Purchase of investments	(188)	(417)
Deposits with banks	(5,231)	(3,218)
Redemption of bank deposits	3,218	911
Interest received	423	305
Dividend received	2	-
Redemption of deposits other than with banks	2,627	3,538
Deposits other than with banks	(3,098)	(2,946)
<b>Net cash used in investing activities (B)</b>	<b>(2,985)</b>	<b>(2,850)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of share capital*	-	0
Payment on buy-back of shares, including transaction costs and taxes on buy-back	(2,537)	-
Net proceeds/ (repayment of) short-term borrowings (refer note below)	792	(3,144)
Dividends paid	(1,255)	(639)
Finance cost paid	(60)	(44)
Principal and interest payment of lease liabilities (refer note below)	(8)	(9)
<b>Net cash used in financing activities (C)</b>	<b>(3,068)</b>	<b>(3,836)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(1)</b>	<b>41</b>
Cash and cash equivalents as at the beginning of the period	69	59
<b>Cash and cash equivalents as at the end of the period</b>	<b>68</b>	<b>100</b>
<b>Note: Movement in borrowings and lease liabilities in accordance with Ind AS 7:</b>		
<b>Current borrowings:</b>		
Opening balance	1,599	3,890
Net proceeds/ (repayment of) from short-term borrowings	792	(3,144)
Non-cash items (Foreign exchange changes)	(3)	14
	<b>2,388</b>	<b>760</b>
<b>Lease liabilities:</b>		
Opening balance	12	105
Cash flow changes	(8)	(9)
Non-cash changes	28	(78)
	<b>32</b>	<b>18</b>

\*The numbers are rounded off to nearest million.



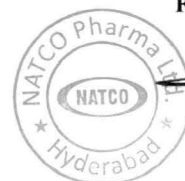


**NATCO Pharma Limited**

**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 2023 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meetings held on 14 November 2023.
- 3) The unaudited standalone financial results of the Company for the quarter and half year ended 30 September 2023, have been reviewed by the statutory auditors and they have issued an unmodified 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 unaudited consolidated financial results.
- 5) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions towards provident fund and gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and related rules to determine the financial impact are published.
- 6) Employee benefits expense includes compensation amounting to ₹ 291 million paid under voluntary retirement scheme during the half year ended 30 September 2022 and year ended 31 March 2023.
- 7) The Board of Directors at its meeting held on 08 March 2023 had approved the buy-back of fully paid up equity shares of face value of ₹ 2 each from the eligible equity shareholders of the Company other than the Promoters, the Promoter group and Persons who are in control of the Company, at a price not exceeding ₹ 700 per equity share (Maximum Buyback Price), payable in cash for an aggregate amount not exceeding ₹ 2100 million (Maximum Buy-back Size, excluding transaction costs and taxes thereon), from the Open Market route through the stock exchange mechanism under the Companies Act, 2013 and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ('Buyback Regulations').  
The Buy-back commenced on 21 March 2023 and was concluded on 12 May 2023. In this regard, the Company bought back 3,447,295 equity shares, at an average price of ₹ 609.1712 per equity share resulting in total cash consideration of ₹ 2100 million (excluding ₹ 508 million towards transaction cost and tax on Buy-back). These equity shares were extinguished as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 2100 million has been utilised from securities premium account for the buyback. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 508 million has been debited directly to the retained earnings. Further, capital redemption reserve of ₹ 6.89 million representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.
- 8) The Company is contesting certain patent infringement cases in India, filed against it by the innovators in the ordinary course of business. A few of these cases pertain to products already launched by the Company in the market. These cases are pending before different authorities/courts and most of the claims involve complex issues. As of 30 September 2023, without any admission of any liability, solely with a view to avoid the uncertainties and protracted litigations, the Company carries a provision based on its best estimate for an amount of ₹ 263 million towards litigation and settlement related expenses, as and when they occur. The actual expenses may vary based on any final settlement agreement(s), as agreements for settlement are yet to be reached. This provisioning is not an admission or either liability for infringement or of validity of any such patents. During the quarter ended 30 September 2023, a matter relating to such infringement case has been settled with the innovator resulting in no additional liability to the Company.
- 9) During the quarter ended 30 September 2023, the Company has incorporated a wholly owned subsidiary NATCO Pharma UK Limited in United Kingdom on 04 September 2023 and a subsidiary PT.NATCO Lotus Farma in Indonesia on 28 August 2023.
- 10) The Board of Directors at their meeting held on 14 November 2023 have approved an interim dividend of ₹ 1.25/- per equity share for the quarter ended 30 September 2023 and at their meeting held on 09 August 2023 had approved interim dividend of ₹ 7/- per equity share of ₹2 each for the quarter ended 30 June 2023.

**By order of the Board  
For NATCO Pharma Limited**



**V C Nannapaneni**  
Managing Director  
(DIN: 00183315)

Place: Hyderabad  
Date: 14 November 2023

# B S R & Associates LLP

Chartered Accountants

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B Wing, 6th Floor, Unit-3, Sy No. 83/1  
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Telephone + 91 407 182 2000  
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## Limited Review Report on unaudited standalone financial results of NATCO Pharma Limited for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (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 standalone financial results of NATCO Pharma Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2023 and year to date results for the period from 01 April 2023 to 30 September 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("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. 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.
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 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.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024



**Amit Kumar Bajaj**

Partner

Hyderabad

14 November 2023

Membership No.: 218685

UDIN:23218685BGXHKB3655

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

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