



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

June 17, 2020

Corporate Relationship Department
The BSE Ltd.
Dalal Street, Fort
Mumbai 400 001.
Scrip Code: 524816

Manager – Listing
National Stock Exchange of India Ltd
“Exchange Plaza”, Bandra – Kurla Complex
Bandra (E) Mumbai 400 051.
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 considered and approved the following along with other items of business:

Sl. No.	Particulars
1	Audited Financial Results (Standalone and Consolidated) for the year ended 31 st March, 2020 and financial results for the quarter ended 31 st March, 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 Auditor’s Report(s) of the Statutory Auditors. Please find enclosed a copy of the same for your information and a declaration as required under Listing Regulations.
2	Declaration of fourth (4 th) interim dividend of Rs.1/- per equity share of Rs.2/- each for the financial year 2019-20. The date for taking a record of its shareholders eligible for the purpose of payment of fourth (4 th) interim dividend i.e. Record date is fixed for June 29, 2020. The said interim dividend will be paid on or before July 5, 2020.
3	Reappointed the following working Directors of the Company for a period of one year from 1st April, 2020 to 31 st March, 2021 subject to the approve: l of the members of the Company at the ensuing Annual General Meeting to be held in the calendar year 2020 and brief profiles of them are enclosed as Annexure 1 herewith. (i) Sri V.C. Nannapaneni, DIN: 00183315, Chairman & Managing Director (ii) Sri Rajeev Nannapaneni, DIN: 00183872, Vice Chairman & CEO (iii) Sri P.S.R.K. Prasad, DIN: 07101140, Director & Executive Vice President (CES) and (iv) Dr. D. Linga Rao, DIN: 07088404, Director & President (Technical Affairs) We hereby confirm that all the above mentioned reappointed Directors are not debarred from holding the office of Director by virtue of any Securities and Exchange Board of India (SEBI) order or any other such authority.
4	Notice of 37 th Annual General Meeting (AGM) was approved and Board had authorised Sri V C Nannapaneni, Chairman and Managing Director for finalizing the date, time, venue, Book Closure dates and mode of conducting of Annual General Meeting for the financial year 2019-20
5	The Board of Directors have approved the investment and authorized Sri V.C. Nannapaneni, Chairman and Managing Director and Mr. Rajeev Nannapaneni, Vice Chairman and Chief Executive Officer to finalise the terms and conditions of the proposed investments not exceeding US \$ 7.50 Lakhs (Seven Lakhs fifty thousand dollars) in AACT, Inc., USA. The disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the aforesaid investments is enclosed as Annexure II

M. Anandarama



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

Please find enclosed a disclosure as per Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, declaration in respect of Audit Reports with unmodified opinion for the Financial year ended March 31, 2020.

Meeting commenced at 12.20 p.m. and concluded at 1.25 p.m.

This is for your information and records.

Thanking you,

Yours faithfully,

For NATCO Pharma Limited

M Adinarayana

M Adinarayana

Company Secretary &

Vice President (Legal & Corp. Affairs)

FCS: 3808

Encl: as above.



NATCO Pharma Limited

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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		Audited (Refer note 6)	Unaudited	Audited (Refer note 6)	Audited	Audited
	Income					
1	Revenue from operations	4,548	4,822	4,557	19,150	20,945
2	Other income	224	308	310	1,074	1,302
3	Total income (1+2)	4,772	5,130	4,867	20,224	22,247
4	Expenses					
	Cost of materials consumed	1,078	757	791	3,290	3,331
	Purchases of stock-in-trade	539	344	75	1,278	550
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(668)	(186)	(196)	(752)	(339)
	Employee benefits expense	816	978	813	3,750	3,559
	Finance costs	35	53	52	215	193
	Depreciation and amortisation expense	305	254	217	998	810
	Other expenses	1,500	1,642	1,591	5,758	5,896
	Total expenses	3,605	3,842	3,343	14,537	14,000
5	Profit before exceptional items and tax (3-4)	1,167	1,288	1,524	5,687	8,247
6	Exceptional items	-	-	-	-	-
7	Profit before tax (5-6)	1,167	1,288	1,524	5,687	8,247
8	Tax expense					
	(i) Current tax	222	311	170	1,271	1,883
	(ii) Income-tax for earlier years	40	-	-	40	-
	(iii) Deferred tax charge/(credit)	(27)	(67)	150	(205)	(60)
	Total tax expense	235	244	320	1,106	1,823
9	Profit for the period/year (7-8)	932	1,044	1,204	4,581	6,424
10	Other comprehensive income (net of tax)					
	A. Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of defined benefit plans	(10)	(23)	(64)	(79)	(108)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(15)	(1)	9	(20)	(1)
	Income-tax relating to items that will not be reclassified to profit or loss	20	4	10	34	24
		(5)	(20)	(45)	(65)	(85)
	B. Items that will be reclassified subsequently to profit or loss					
	Exchange differences on translation of foreign operations	(172)	26	11	(80)	9
		(172)	26	11	(80)	9
	Total other comprehensive income (net of tax)(A+B)	(177)	6	(34)	(145)	(76)
11	Total comprehensive income for the period/ year (9+10)	755	1,050	1,170	4,436	6,348
12	Profit for the period/year attributable to:					
	Owners of the Company	941	1,045	1,208	4,608	6,444
	Non-controlling interests	(9)	(1)	(4)	(27)	(20)
13	Other comprehensive income attributable to:					
	Owners of the Company	(177)	6	(34)	(145)	(76)
	Non-controlling interests	-	-	-	-	-
14	Total comprehensive income attributable to:					
	Owners of the Company	764	1,051	1,174	4,463	6,368
	Non-controlling interests	(9)	(1)	(4)	(27)	(20)
15	Paid-up equity share capital (face value of ₹2 each)	364	364	365	364	365
16	Other equity				37,371	34,525
17	Earnings per share (non-annualised) (face value ₹2 each)					
	Basic (in ₹)	5.17	5.75	6.59	25.33	34.98
	Diluted (in ₹)	5.16	5.73	6.58	25.26	34.87

See accompanying notes to the financial results.





NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
I Assets		
(1) Non-current assets		
(a) Property, plant and equipment	15,756	12,185
(b) Capital work-in-progress	5,180	6,376
(c) Intangible assets	88	87
(d) Financial assets		-
(i) Investments	836	199
(ii) Loans	161	119
(iii) Other financial assets	42	66
(e) Other non-current assets	559	527
Total non-current assets	22,622	19,559
(2) Current assets		
(a) Inventories	5,580	5,290
(b) Financial assets		
(i) Investments	287	1,487
(ii) Trade receivables	5,513	5,062
(iii) Cash and cash equivalents	198	283
(iv) Bank balances other than (iii) above	462	2,512
(v) Loans	84	71
(vi) Other financial assets	8,588	6,947
(c) Other current assets	2,544	1,820
Total current assets	23,256	23,472
Total assets	45,878	43,031
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	364	365
(b) Other equity	37,371	34,525
Equity attributable to owners of the Company	37,735	34,890
(c) Non-controlling interest	112	20
Total equity	37,847	34,910
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9	-
(ii) Other financial liabilities	8	8
(b) Provisions	902	710
(c) Deferred tax liabilities, net	259	116
Total non-current liabilities	1,178	834
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,150	3,863
(ii) Trade payables		
- Dues of micro and small enterprises	21	79
- Dues of creditors other than micro and small enterprises	2,533	2,091
(iii) Other financial liabilities	825	782
(b) Other current liabilities	134	316
(c) Provisions	105	90
(d) Current tax liabilities, net	85	66
Total current liabilities	6,853	7,287
Total liabilities	8,031	8,121
Total equity and liabilities	45,878	43,031





NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Year ended	
	31 March 2020 (Audited)	31 March 2019 (Audited)
Cash flows from operating activities:		
Profit before tax	5,687	8,247
Adjustments for:		
Depreciation and amortisation expense	998	810
Finance cost	215	193
Share based payment expense	144	255
Interest income	(791)	(898)
Allowance for credit loss	175	-
Bad debts written off	55	20
Liabilities written back	(29)	-
Profit on sale of property, plant and equipment, net	(163)	(135)
Unrealised foreign exchange gain, net	(64)	(102)
Operating profit before working capital changes	6,227	8,390
Changes in working capital:		
Changes in inventories	(289)	(906)
Changes in trade receivables	(538)	1,388
Changes in loans, financial and other assets	(685)	(76)
Changes in trade payables	417	(512)
Changes in provisions, financial and other liabilities	119	192
Cash generated from operating activities	5,251	8,476
Income taxes paid, net	(1,078)	(1,788)
Net cash generated from operating activities	4,173	6,688
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,558)	(4,566)
Proceeds from sale of property, plant and equipment	222	178
Acquisition of intangible assets	(29)	(51)
Purchase of investments	(673)	(1,121)
Proceeds from sale of investments	1,203	200
Movement in other bank balances, net	2,087	(892)
Loans given to others	-	(20)
Interest received	874	524
Deposits with financial institutions	(1,796)	(374)
Net cash used in investing activities	(1,670)	(6,122)
Cash flows from financing activities		
Proceeds from issue of shares*	1	0
Buy-back of equity shares, including transaction costs	(536)	(1,347)
Contribution from shareholders	474	-
Proceeds from non-controlling interest	119	2
Net proceeds from short-term borrowings	(801)	2,131
Payment of lease liability including interest	(8)	-
Dividends paid including dividend distribution tax	(1,536)	(1,108)
Interest paid	(221)	(187)
Net cash used in financing activities	(2,508)	(509)
Net increase / (decrease) in cash and cash equivalents	(5)	57
Cash and cash equivalents at beginning of the year	283	217
Effect of currency translation adjustment	(80)	9
Cash and cash equivalents at the end of the year	198	283

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

	As at 1 April 2019	Cash flow changes	Non-cash changes	As at 31 March 2020
Short-term borrowings from banks	3,863	(801)	80	3,142
Lease liabilities	20	(8)	5	17

*The numbers are rounded off to nearest million.





NATCO Pharma Limited

Notes to consolidated financial results:

- 1) The 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 other accounting principles generally accepted in India ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India ('SEBI').
- 2) The consolidated financial results for the quarter and year ended 31 March 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 17 June 2020.
- 3) The results of the Group for the year ended 31 March 2020, have been audited by the Statutory auditors and they have issued an unqualified audit report on the same. The audit 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 consolidated financial results for the quarter and year ended 31 March 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 operating segment of the Group is identified to be "Pharmaceuticals", as the Chief Operating Decision Maker reviews business performance at an overall Group level as one segment. Therefore, the disclosure as per Regulation 33(1)(e) read with Clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Group.
- 6) The results for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited consolidated figures in respect of the full financial years and the published unaudited year to date consolidated figures upto third quarter of the respective financial years. Also, the consolidated figures upto the end of the third quarter were only reviewed and not subjected to audit.
- 7) The Board of Directors of the Company at its meeting held on 5 November 2018 had approved a proposal for buyback of equity shares for an aggregate amount not exceeding ₹2,500 million, at a price not exceeding ₹1,000 per equity share. On conclusion of the buyback by 16 May 2019, the Company has bought a cumulative quantity of 3,000,000 equity shares for an aggregate amount of ₹1,865 million, excluding transaction costs.
- 8) During the year ended 31 March 2020, 305,840 equity shares of ₹ 2 each, fully paid-up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2015, ESOP 2016 and ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.61 million and securities premium of ₹ 217 million.
- 9) During the year ended 31 March 2020, pursuant to the Upside Sharing Agreement dated 16 May 2019 entered with CX Securities Limited ("the Investor"), the Group has received a voluntary amount of USD 6.83 million (₹474 million) from an equity participant. In accordance with the Applicable Accounting Framework, the aforementioned gain, received from the equity participant, is recognised as an increase in equity, net of tax.
- 10) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered internal and external information while finalising various estimates and recoverability of assets in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. Considering the Group is in the business of manufacturing and supplying of pharmaceutical products which is categorised under essential goods, there has been a minimal disruption with respect to operations including production and distribution activities. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to the future economic conditions.
- 11) The Group has adopted Ind AS 116, "Leases" effective 01 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019, using modified retrospective method. Accordingly, the Group has not restated comparative information. There is no material impact on transition to Ind AS 116 on retained earnings as at 01 April 2019 and the financial results for the year ended 31 March 2020.
- 12) The audited standalone financial results, for the quarter and year ended 31 March 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 standalone audited 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			Year ended	
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
	Audited	Unaudited	Audited	Audited	Audited
Total revenue from operations	4,201	4,477	4,163	17,902	19,863
Profit before tax	1,239	1,273	1,544	5,831	8,474
Net profit for the period/ year	1,010	1,036	1,234	4,745	6,671
Total comprehensive income	1,012	1,015	1,186	4,681	6,580






NATCO Pharma Limited

Notes to consolidated financial results: (continued)

- 13) The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to a domestic company to pay income-tax at reduced rate of 22% plus applicable surcharge and cess subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until the utilisation of accumulated minimum alternative tax (MAT) credit.
- 14) The Board of Directors in their meeting held on 17 June 2020 have recommended an interim dividend of ₹ 1 per equity share of ₹ 2 each for the financial year ended 31 March 2020.
- 15) 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: 17 June 2020

B S R & Associates LLP

Chartered Accountants

Salarjuna Knowledge City
Orwell, B Wing, 6th Floor, Unit - 3
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NATCO Pharma Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of NATCO Pharma Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:

Name of the entity	Relationship
NATCO Pharma Limited	Holding Company
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

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.



B S R & Associates LLP

**Independent Auditors' Report of Consolidated Annual Financial Results of NATCO Pharma Limited
(continued)**

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**Independent Auditors' Report of Consolidated Annual Financial Results of NATCO Pharma Limited
(continued)**

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial results of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.



B S R & Associates LLP

**Independent Auditors' Report of Consolidated Annual Financial Results of NATCO Pharma Limited
(continued)**

Other Matters

- (a) The consolidated annual financial results include the audited financial results of seven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,839 million as at 31 March 2020, total revenue (before consolidation adjustments) of ₹ 1,699 million, total net loss after tax (before consolidation adjustments) of ₹ 254 million and net cash outflows of ₹ 49 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated annual financial results 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.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion on the consolidated annual financial results is not modified in respect of this matter.
- (c) Attention is drawn to the fact that the corresponding figures for the quarter and for the year ended 31 March 2019 are based on the previously issued consolidated annual financial results and consolidated financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated annual financial results and consolidated financial statements on 27 May 2019. Our opinion on the consolidated annual financial results is not modified in respect of this matter.

for B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani

Vikash Somani

Partner

Membership Number: 061272

UDIN: 20061272AAAABB1190

Place: Hyderabad

Date: 17 June 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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		Audited (Refer note 5)	Unaudited	Audited (Refer note 5)	Audited	Audited
	Income					
1	Revenue from operations	4,201	4,477	4,163	17,902	19,863
2	Other income	386	309	307	1,238	1,298
3	Total income (1+2)	4,587	4,786	4,470	19,140	21,161
4	Expenses					
	Cost of materials consumed	1,078	757	791	3,290	3,331
	Purchases of stock-in-trade	601	350	9	1,239	315
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(542)	(169)	(192)	(559)	(255)
	Employee benefits expense	768	934	769	3,561	3,402
	Finance costs	35	52	52	206	188
	Depreciation and amortisation expense	298	251	213	981	801
	Other expenses	1,110	1,338	1,284	4,591	4,905
	Total expenses	3,348	3,513	2,926	13,309	12,687
5	Profit before exceptional items and tax (3-4)	1,239	1,273	1,544	5,831	8,474
6	Exceptional items	-	-	-	-	-
7	Profit before tax (5-6)	1,239	1,273	1,544	5,831	8,474
8	Tax expense					
	(i) Current tax	216	304	160	1,251	1,863
	(ii) Income-tax for earlier years	40	-	-	40	-
	(ii) Deferred tax charge /(credit)	(27)	(67)	150	(205)	(60)
	Total tax expense	229	237	310	1,086	1,803
9	Profit for the period/ year (7-8)	1,010	1,036	1,234	4,745	6,671
10	Other comprehensive income (net of tax)					
	Items that will not be reclassified subsequently to profit or loss					
	Remeasurement of defined benefit plans	(10)	(23)	(64)	(79)	(108)
	Net gains / (losses) from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(8)	(2)	6	(19)	(7)
	Income-tax relating to items that will not be reclassified to profit or loss	20	4	10	34	24
	Total other comprehensive income (net of tax)	2	(21)	(48)	(64)	(91)
11	Total comprehensive income for the period/ year (9+10)	1,012	1,015	1,186	4,681	6,580
12	Paid-up equity share capital (face value of ₹2 each)	364	364	365	364	365
13	Other equity				38,331	35,267
14	Earnings per share (non-annualised) (face value ₹2 each)					
	Basic (in ₹)	5.55	5.70	6.73	26.08	36.22
	Diluted (in ₹)	5.54	5.68	6.72	26.01	36.10

See accompanying notes to the financial results





NATCO Pharma Limited

Standalone Balance Sheet:

(₹ in millions)

	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
I. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	15,657	12,067
(b) Capital work-in-progress	5,178	6,375
(c) Intangible assets	88	82
(d) Investment in subsidiaries	1,025	977
(e) Financial assets		
(i) Investments	836	199
(ii) Loans	684	595
(iii) Other financial assets	41	65
(f) Other non-current assets	559	527
Total non-current assets	24,068	20,887
(2) Current assets		
(a) Inventories	5,244	5,084
(b) Financial assets		
(i) Investments	50	1,268
(ii) Trade receivables	5,367	4,916
(iii) Cash and cash equivalents	79	115
(iv) Bank balances other than (iii) above	462	2,512
(v) Loans	81	70
(vi) Other financial assets	8,612	6,959
(c) Other current assets	2,504	1,750
Total current assets	22,399	22,674
Total assets	46,467	43,561
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	364	365
(b) Other equity	38,331	35,267
Total of equity	38,695	35,632
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	9	-
(ii) Other financial liabilities	8	8
(b) Provisions	902	710
(c) Deferred tax liabilities, net	256	113
Total non-current liabilities	1,175	831
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,131	3,845
(ii) Trade payables		
- Dues of micro and small enterprises	21	79
- Dues of creditors other than micro and small enterprises	2,321	1,939
(iii) Other financial liabilities	812	771
(b) Other current liabilities	122	314
(c) Provisions	105	90
(d) Current tax liabilities, net	85	60
Total current liabilities	6,597	7,098
Total liabilities	7,772	7,929
Total equity and liabilities	46,467	43,561



NATCO Pharma Limited

Standalone Statement of Cash Flows:

(₹ in millions)

	Year ended			
	31 March 2020 (Audited)	31 March 2019 (Audited)		
Cash flows from operating activities:				
Profit before tax	5,831	8,474		
Adjustments for:				
Depreciation and amortisation expense	981	801		
Finance costs	206	188		
Share based payment expense	144	253		
Interest income	(816)	(911)		
Allowance for credit losses	175	-		
Bad debts written off	55	20		
Liabilities written back	(29)	-		
Profit on sale of property, plant and equipment, net	(163)	(135)		
Unrealised foreign exchange gain, net	(101)	(95)		
Operating profit before working capital changes	6,283	8,595		
Changes in working capital:				
Changes in inventories	(160)	(825)		
Changes in trade receivables	(538)	1,212		
Changes in loans, financial and other assets	(711)	(13)		
Changes in trade payables	352	(429)		
Changes in provisions, financial and other liabilities	50	197		
Cash generated from operating activities	5,276	8,737		
Income taxes paid, net	(1,051)	(1,749)		
Net cash generated from operating activities	4,225	6,988		
Cash flows from investing activities:				
Purchase of property, plant and equipment	(3,524)	(4,470)		
Proceeds from sale of property, plant and equipment	222	178		
Acquisition of intangible assets	(29)	(48)		
Investments in subsidiaries	(47)	(45)		
Loans given to subsidiary companies	(11)	(398)		
Loans given to others	-	(20)		
Proceeds from sale of investments	1,203	200		
Purchase of investments	(642)	(1,108)		
Movement in other bank balances, net	2,086	(892)		
Interest received	888	525		
Deposits with financial institutions	(1,796)	(374)		
Net cash used in investing activities	(1,650)	(6,452)		
Cash flows from financing activities:				
Proceeds from issue of shares*	1	0		
Buy-back of equity shares, including transaction costs	(536)	(1,347)		
Contribution from shareholders	474	-		
Net proceeds from short-term borrowings	(801)	2,115		
Dividends paid including dividend distribution tax	(1,536)	(1,108)		
Interest paid	(205)	(182)		
Payment of lease liability including interest	(8)	-		
Net cash used in financing activities	(2,611)	(522)		
Net increase / (decrease) in cash and cash equivalents	(36)	14		
Cash and cash equivalents at beginning of the year	115	101		
Cash and cash equivalents at the end of the year	79	115		
Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:				
	As at 1 April 2019	Cash flow changes	Non-cash changes	As at 31 March 2020
Short-term borrowings from banks	3,845	(801)	79	3,123
Lease liabilities	20	(8)	5	17

*The numbers are rounded off to nearest million.





NATCO Pharma Limited

Notes to the standalone financial results:

- 1) The 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 other accounting principles generally accepted in India ("Applicable Accounting Framework") and guidelines issued by the Securities and Exchange Board of India ('SEBI').
- 2) The standalone financial results for the quarter and year ended 31 March 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 17 June 2020.
- 3) The operating segment of the Company is identified to be "Pharmaceuticals", as the Chief Operating Decision Maker reviews business performance at an overall Company level as one segment. Therefore, the disclosure as per Regulation 33(1)(e) read with Clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.
- 4) The results of the Company for the year ended 31 March 2020, have been audited by the Statutory auditors and they have issued an unqualified audit report on the same. The audit 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.
- 5) The results for the quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited standalone figures in respect of the full financial years and the published unaudited year to date standalone figures upto third quarter of the respective financial years. Also, the standalone figures upto the end of the third quarter were only reviewed and not subjected to audit.
- 6) The Board of Directors of the Company at its meeting held on 5 November 2018 had approved a proposal for buyback of equity shares for an aggregate amount not exceeding ₹2,500 million, at a price not exceeding ₹1,000 per equity share. On conclusion of the buyback by 16 May 2019, the Company has bought a cumulative quantity of 3,000,000 equity shares for an aggregate amount of ₹1,865 million, excluding transaction costs.
- 7) During the year ended 31 March 2020, 305,840 equity shares of ₹ 2 each, fully paid-up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2015, ESOP 2016 and ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.61 million and securities premium of ₹ 217 million.
- 8) During the year ended 31 March 2020, pursuant to the Upside Sharing Agreement dated 16 May 2019 entered with CX Securities Limited ("the Investor"), the Company has received a voluntary amount of USD 6.83 million (₹474 million) from the equity participant. In accordance with the Applicable Accounting Framework, the aforementioned gain, received from the equity participant, is recognised as an increase in equity, net of tax.
- 9) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalising various estimates and recoverability of assets in relation to its financial statement captions up to the date of approval of the financial statements by the Board of Directors. Considering the Company is in the business of manufacturing and supplying of pharmaceutical products which is categorised under essential goods, there has been a minimal disruption with respect to operations including production and distribution activities. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to the future economic conditions.
- 10) The Company has adopted Ind AS 116, "Leases" effective 01 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019, using modified retrospective method. Accordingly, the Company has not restated comparative information. There is no material impact on transition to Ind AS 116 on retained earnings as at 01 April 2019 and the financial results for the year ended 31 March 2020.
- 11) The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated by the President of India on 20 September 2019. The Ordinance has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to a domestic company to pay income-tax at reduced rate of 22% plus applicable surcharge and cess subject to certain conditions. The Company has made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax (MAT) credit.
- 12) The Board of Directors at their meeting held on 17 June 2020 have recommended an interim dividend of ₹ 1 per equity share of ₹2 each for the year ended 31 March 2020.
- 13) 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)

B S R & Associates LLP

Chartered Accountants

Salarpura Knowledge City
Orwell, B Wing, 6th Floor, Unit - 3
Sy No. 83/1, Plot No. 2, Raidurg
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of NATCO Pharma Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of NATCO Pharma Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



**Independent Auditors' Report of Standalone Annual Financial Results of NATCO Pharma Limited
(continued)**

**Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results
(continued)**

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.



B S R & Associates LLP

**Independent Auditors' Report of Standalone Annual Financial Results of NATCO Pharma Limited
(continued)**

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (continued)

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- a) The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- b) Attention is drawn to the fact that the corresponding figures for the quarter and for the year ended 31 March 2019 are based on the previously issued standalone annual financial results and standalone financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those standalone annual financial results and standalone financial statements on 27 May 2019.

Our opinion on the standalone annual financial results is not modified in respect of the above matters.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani

Vikash Somani

Partner

Membership Number: 061272

UDIN: 20061272AAAABA4536

Place: Hyderabad

Date: 17 June 2020



Natco Pharma Limited

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Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

June 17, 2020

Corporate Relationship Department
The BSE Ltd.
Dalal Street, Fort
Mumbai 400 001.

Manager – Listing
National Stock Exchange of India Ltd
“Exchange Plaza”, Bandra – Kurla Complex
Bandra (E) Mumbai 400 051.

Scrip Code: 524816

Scrip Code: NATCOPHARM

Sub:- Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation,
2015 – Declaration in respect of Audit Reports with unmodified opinion for the Financial
year ended March 31, 2020

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, we hereby declare that the
Statutory Auditors of the Company, M/s B S R & Associates LLP (ICAI FRN: 116231W/W-100024) Chartered
Accountants have issued the Auditor Reports with unmodified Opinion on audited Financial Results
(Standalone & Consolidated) for the year ended March 31, 2020.

We request you to take this document on your record.

Thanking you,

Yours faithfully,
For NATCO Pharma Limited

V C Nannapaneni
Chairman & Managing Director
DIN: 00183315

Annexure -I

Particulars	Sri V.C.Nannapaneni	Sri Rajeev Nannapaneni	Sri P.S.R.K.Prasad	Dr.D.Linga Rao
Reasons for change	Reappointment	Reappointment	Reappointment	Reappointment
Date of Appointment & Term of Appointment	The Board of Directors at their meeting held on 17 th June, 2020 upon recommendation of Nomination and Remuneration committee subject to approval of members at the ensuing Annual General Meeting. Term of Appointment: Period: 01 st April, 2020 to 31 st March, 2021.	The Board of Directors at their meeting held on 17 th June, 2020 upon recommendation of Nomination and Remuneration committee subject to approval of members at the ensuing Annual General Meeting. Term of Appointment: Period: 01 st April, 2020 to 31 st March, 2021.	The Board of Directors at their meeting held on 17 th June, 2020 upon recommendation of Nomination and Remuneration committee subject to approval of members at the ensuing Annual General Meeting. Term of Appointment: Period: 01 st April, 2020 to 31 st March, 2021.	The Board of Directors at their meeting held on 17 th June, 2020 upon recommendation of Nomination and Remuneration committee subject to approval of members at the ensuing Annual General Meeting. Term of Appointment: Period: 01 st April, 2020 to 31 st March, 2021.
Brief profile of the Directors	Sri V.C. Nannapaneni is associated with the Company as founder/promoter and driving the Company towards higher growths.	Sri Rajeev Nannapaneni is associated with the Company for the past 19 years and he is taking care of all the functional operations of the Company including but not limited to Production, Finance, Legal & Secretarial, new drug launches, Domestic and International Marketing, etc.	Sri P.S.R.K. Prasad, Director and Executive Vice President (Corporate Engineering Services) is associated with the Company for the past 24 years. He has got vast and good knowledge in procuring right equipment(s) and machinery for production processes and to provide all utility services and to utilize the resources like manpower, material in an optimum way and to ensure safety of life and property.	Dr. D. Linga Rao, Director and President (Technical Affairs) has more than 40 years of experience in pharmaceutical industry and has been working with the Company for over 25 years. He has vast experience in various departments like R&D, Quality Control, Quality Assurance and Regulatory affairs.
Disclosure of relationships between Directors (In case of appointment of Directors)	Father of Rajeev Nannapaneni	Son of Sri V.C.Nannapaneni	-----Nil-----	----- Nil-----



M. Anil Kumar

Annexure II

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1) AACT, Inc. (AACT)

Sl. No.	Particulars	Details of Investment
A	Name of the target entity, details in brief such as size, turnover etc.	1) Name of the target entity AACT, Inc. (AACT) 2) Details in brief such as size, turnover etc. AACT has identified certain proprietary biotechnology including certain pre-clinical pharmaceutical compound(s) useful for the treatment of acute myeloid leukemia (AML) and chronic myeloid leukemia (CML) and wishes to conduct the pre-clinical development of these drugs.
B	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	No
C	Industry to which the entity being acquired belongs	Pharmaceuticals
D	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	To support R&D and development of oncological products
E	Brief details of any governmental or regulatory approvals required for the acquisition	Reserve Bank of India
F	Indicative time period for completion of the acquisition;	December 31, 2020
G	Nature of consideration - whether cash consideration or share swap and details of the same	Around 750 Common stock of \$0.001
H	Cost of acquisition or the price at which the shares are acquired	An amount around US\$ 750,000 (US Dollars Seven hundred Fifty Thousand only)

M. Anandaram



Sl. No.	Particulars	Details of Investment
I	Percentage of shareholding / control acquired and / or number of shares acquired	Around 18.25% of the shares on a fully diluted basis of AACT, Inc.
J	brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>1. Brief background:</p> <p>AACT has identified certain proprietary biotechnology including certain pre-clinical pharmaceutical compound(s) useful for the treatment of acute myeloid leukemia (AML) and chronic myeloid leukemia (CML) and wishes to conduct the pre-clinical development of these drugs.</p> <p>2. Line of business:</p> <p>Pharmaceuticals</p> <p>3. Date of incorporation:</p> <p>November 8, 2018</p> <p>4. Turnover of last 3 years:</p> <p>-</p> <p>5. Country in which the acquired entity has presence:</p> <p>USA</p>



M. Arora