



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

May 29, 2023

BSE Limited

Department of Corporate Services
Listing Department,
PJ Tower, Dalal Street,
Mumbai 400001, India
Scrip Code: **524816**

National Stock Exchange of India Ltd

Listing Department,
'Exchange Plaza', C-1, Block-G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India
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:

Sl. No.	Particulars
1	<p>Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 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 ("Listing Regulations") along with Auditor's Report(s) of the Statutory Auditors.</p> <p>Please find enclosed a copy of the same for your information and declaration regarding Audit Reports with unmodified opinion.</p>
2	<p>Incorporate a Subsidiary Company in Colombia with an investment up to an amount not exceeding US\$ 1,00,000 (United State Dollar One Lakh only).</p> <p>The disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the aforesaid acquisition is enclosed as Annexure – I.</p>
3	<p>To acquire M/s. Zista Pharma Limited, United Kingdom i.e., 100% on acquisition and will become a Wholly Owned Subsidiary Company to NATCO Pharma Limited subject to due diligence and compliance with regulatory requirements.</p> <p>The disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the aforesaid acquisition is enclosed as Annexure – II.</p>

This is for your information and records.

Meeting commenced at 12.30 p.m. and concluded at 2.10 p.m.

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

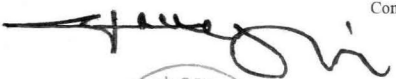

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
	Income					
1	Revenue from operations	8,979	4,925	5,968	27,071	19,448
2	Other income	290	208	138	1,046	990
3	Total income (1+2)	9,269	5,133	6,106	28,117	20,438
	Expenses					
	Cost of materials consumed	1,463	1,328	1,931	4,753	5,192
	Purchases of stock-in-trade	513	470	325	1,757	585
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	608	(644)	707	(237)	(168)
	Employee benefits expense (refer note 10)	1,189	1,056	1,093	4,867	4,448
	Finance costs	27	38	67	145	177
	Depreciation and amortisation expense	410	415	381	1,638	1,426
	Other expenses	1,815	1,656	2,098	6,575	6,756
	Total expenses	6,025	4,319	6,602	19,498	18,416
5	Profit/ (loss) before tax for the period/ year (3-4)	3,244	814	(496)	8,619	2,022
6	Tax expense					
	(i) Current tax	583	182	(6)	1,627	478
	(ii) Deferred tax	(97)	9	15	(161)	(156)
	Total tax expense	486	191	9	1,466	322
7	Profit/ (loss) for the period/year (5-6)	2,758	623	(505)	7,153	1,700
8	Other comprehensive (loss)/ income (net of tax)					
	(i). Items that will not be reclassified to profit or loss:					
	Remeasurement of defined benefit plans	26	-	12	26	6
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(70)	(40)	31	(236)	442
	Income tax relating to items that will not be reclassified to profit or loss	(3)	4	(8)	16	(44)
		(47)	(36)	35	(194)	404
	(ii). Items that will be reclassified to profit or loss:					
	Exchange differences on translating financial statements of foreign operations	45	120	184	221	93
		45	120	184	221	93
	Other comprehensive (loss)/ income for the period/ year, net of tax	(2)	84	219	27	497
9	Total comprehensive income/ (loss) for the period/ year (7+8)	2,756	707	(286)	7,180	2,197
10	Profit for the period/year attributable to:					
	Owners of the Company	2,758	623	(505)	7,153	1,700
	Non-controlling interests	-	-	-	-	-
11	Other comprehensive income for the period/ year attributable to:					
	Owners of the Company	(2)	84	219	27	497
	Non-controlling interests	-	-	-	-	-
12	Total comprehensive income for the period/ year attributable to:					
	Owners of the Company	2,756	707	(286)	7,180	2,197
	Non-controlling interests	-	-	-	-	-
13	Paid-up equity share capital (Face value of ₹2 each)	365	365	365	365	365
14	Other equity				48,373	42,271
15	Earnings per share (not annualised for the quarters) (Face value of ₹2 each)					
	Basic (in ₹)	15.11	3.41	(2.77)	39.18	9.32
	Diluted (in ₹)	15.11	3.41	(2.77)	39.18	9.32

See accompanying notes to the consolidated financial results.

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NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
I Assets		
(1) Non-current assets		
(a) Property, plant and equipment	22,391	21,789
(b) Capital work-in-progress	643	1,295
(c) Goodwill	552	507
(d) Other intangible assets	1,326	822
(e) Financial assets		
(i) Investments	873	1,044
(ii) Other financial assets	170	193
(f) Non-current tax assets	345	105
(g) Other non-current assets	271	469
Total non-current assets	26,571	26,224
(2) Current assets		
(a) Inventories	7,429	7,620
(b) Financial assets		
(i) Investments	3,050	2,037
(ii) Trade receivables	8,561	6,206
(iii) Cash and cash equivalents	1,319	1,111
(iv) Bank balances other than (iii) above	4,144	950
(v) Loans	102	104
(vi) Other financial assets	3,108	3,901
(c) Other current assets	2,290	2,938
Total current assets	30,003	24,867
Total assets	56,574	51,091
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	48,373	42,271
Equity attributable to owners of the Company	48,738	42,636
(c) Non-controlling interest	-	-
Total equity	48,738	42,636
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	11	80
(ii) Other financial liabilities	17	13
(b) Provisions	853	957
(c) Deferred tax liabilities (net)	124	301
Total non-current liabilities	1,005	1,351
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,650	4,040
(ii) Trade payables	6	35
total outstanding dues of micro enterprises and small enterprises; and	54	132
total outstanding dues of creditors other than micro enterprises and	2,584	1,486
small enterprises		
(iii) Other financial liabilities	859	833
(b) Other current liabilities	1,408	399
(c) Provisions	169	170
(d) Current tax liabilities (net)	101	9
Total current liabilities	6,831	7,104
Total liabilities	7,836	8,455
Total equity and liabilities	56,574	51,091

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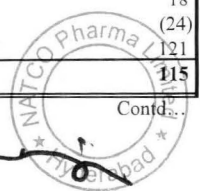


NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Year ended	
	31 March 2023 (Audited)	31 March 2022 (Audited)
Cash flows from operating activities:		
Profit before tax for the year	8,619	2,022
Adjustments for:		
Depreciation and amortisation expense	1,638	1,426
Finance costs	145	177
Equity settled share based payments	-	22
Interest income	(512)	(390)
Provision for impairment of receivables and advances, net	(239)	271
Bad debts written off	108	199
Assets written off	23	-
Liabilities written back	(16)	(16)
Net gain on sale of property, plant and equipment	(178)	(427)
Dividend income on equity investment at fair value through other comprehensive income	(1)	(2)
Change in Fair value of financial assets measured at fair value through profit and loss	52	(12)
Unrealised foreign exchange loss/(gain), net	(0)	(9)
Operating profit before working capital changes	9,639	3,261
Changes in working capital:		
Decrease in inventories	191	564
(Increase) in trade receivables	(2,223)	(2,389)
Decrease in loans	2	37
Decrease/ (Increase) in other financial assets	40	(56)
Decrease/ (increase) in other assets	649	(387)
Increase in trade payables	1,020	74
(Decrease)/ increase in provisions	(79)	9
Increase in other financial liabilities	6	31
Increase/ (decrease) in other liabilities	1,021	(197)
Cash generated from operating activities	10,266	947
Income-taxes paid, net of refund	(1,775)	(482)
Net cash generated from operating activities (A)	8,491	465
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,463)	(2,328)
Proceeds from sale of property, plant and equipment	305	538
Acquisition of intangible assets	(593)	(99)
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(1,031)
Repayment of loans by others	-	4
Proceeds from sale of investments	151	706
Purchase of investments	(1,256)	(294)
Deposits with banks	(4,107)	(913)
Redemption of bank deposits	937	2,540
Interest received	488	498
Dividend received	1	2
Redemption of deposits other than with banks	3,538	3,861
Deposits other than with banks	(2,772)	(3,537)
Net cash used in investing activities (B)	(4,771)	(53)
Cash flows from financing activities		
Proceeds from issue of share capital	0	0
Purchase from non-controlling interest	-	(18)
Payment on buy-back of shares, including transaction costs and taxes on buy-back	(74)	-
Net (repayment of) / proceeds from short-term borrowings (refer note below)	(2,390)	1,382
Dividends paid	(1,004)	(822)
Finance cost paid	(142)	(170)
Principal and interest payment of lease liabilities (refer note below)	(20)	(24)
Net cash (used in)/ generated from financing activities (C)	(3,630)	348
Net increase in cash and cash equivalents (A+B+C)	90	760
Cash and cash equivalents as at the beginning of the year	1,111	258
Effect of currency translation adjustment	118	93
Cash and cash equivalents as at the end of the year	1,319	1,111
Note: Movement in borrowings and lease liabilities in accordance with Ind AS 7:		
Current borrowings:		
Opening balance	4,040	2,658
Proceeds from/ (repayment of) borrowings, net	(2,390)	1,382
Non-cash items (foreign exchange changes)	0	0
	1,650	4,040
Lease liabilities:		
Opening balance	115	18
Cash flow changes	(20)	(24)
Non-cash changes	(78)	121
	17	115



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NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
1	Segment revenue					
	a. Pharmaceuticals	8,709	4,826	5,962	26,662	19,399
	b. Agro chemicals	270	99	6	409	49
		8,979	4,925	5,968	27,071	19,448
	Add: Unallocated	-	-	-	-	-
	Total revenue from operations	8,979	4,925	5,968	27,071	19,448
2	Segment results					
	a. Pharmaceuticals	3,272	894	(340)	8,884	2,480
	b. Agro chemicals	(1)	(42)	(89)	(120)	(281)
	Total segment result	3,271	852	(429)	8,764	2,199
	Less:					
	a. Finance cost	(27)	(38)	(67)	(145)	(177)
	b. Net unallocated (income)/expenditure	-	-	-	-	-
	Total profit before tax	3,244	814	(496)	8,619	2,022
3	Segment assets					
	a. Pharmaceuticals	48,662	45,234	44,609	48,662	44,609
	b. Agro chemicals	3,966	3,500	3,372	3,966	3,372
	Total segment assets	52,628	48,734	47,981	52,628	47,981
	Add:					
	a. Unallocated	3,946	3,572	3,110	3,946	3,110
	Total assets	56,574	52,306	51,091	56,574	51,091
4	Segment liabilities					
	a. Pharmaceuticals	5,947	4,740	4,065	5,947	4,065
	b. Agro chemicals	14	7	40	14	40
	Total segment liabilities	5,961	4,747	4,105	5,961	4,105
	Add:					
	a. Unallocated	1,875	1,277	4,350	1,875	4,350
	Total liabilities	7,836	6,024	8,455	7,836	8,455

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NATCO Pharma Limited

Notes to the audited 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 in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The consolidated financial results for the quarter and year ended 31 March 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 29 May 2023.
- 3) The results of the Group for the quarter and year ended 31 March 2023, have been audited by the statutory auditors and they have issued an unmodified 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 figures for the quarter ended 31 March 2023 and 31 March 2022 as reported in these audited consolidated financial results are the balancing figures between consolidated audited figures in respect of the full financial years and the published unaudited year to date consolidated figures upto the third quarter of the respective financial years. The figures up to the end of the third quarter were only reviewed and not subjected to audit.
- 5) The consolidated financial results for the quarter and year ended 31 March 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

- 6) During the year ended 31 March 2023, 37,000 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2017 Scheme resulting in an increase in the paid-up share capital by ₹ 0.07 million and securities premium account by ₹ 34 million.
- 7) During the year ended 31 March 2022, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, had acquired NATCO Pharma USA LLC, (Formerly known as Dash Pharmaceuticals LLC) ("Dash"), a New Jersey based entity for a consideration of USD 18 million (₹ 1,341 million). Pursuant to this, Dash became a 100% wholly owned subsidiary of NATCO Pharma Inc. and a step-down subsidiary of NATCO Pharma Limited with effect from 1 January 2022.
- 8) 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.
- 9) The Group has considered internal and external sources of information while assessing the recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of its assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.
- 10) Employee benefits expense includes compensation amounting to ₹ 291 million (31 March 2022: Nil) paid under voluntary retirement scheme during the year ended 31 March 2023.
- 11) The audited standalone financial results, for the quarter and year ended 31 March 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 audited 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:

(₹ in millions)

Particulars	Quarter ended			Year ended	
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
	Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
Total Income	7,987	4,316	5,245	24,365	18,624
Profit/ (loss) before tax	3,064	450	(671)	7,707	1,559
Net profit/ (loss) for the period/ year	2,541	373	(613)	6,371	1,391
Total comprehensive income/ (loss) for the period/ year	2,494	337	(577)	6,177	1,795

- 12) The Board of Directors at their meeting held on 09 February 2023 had approved an interim dividend of ₹1.25 per equity share for the quarter ended 31 December 2022. An interim dividend of ₹0.75 per equity share for the quarter ended 30 September 2022 and an interim dividend of ₹3.50 per equity share for the quarter ended 30 June 2022 was approved by the Board of Directors at their meetings held on 10 November 2022 and 09 August 2022 respectively. The total dividend for the financial year ended 31 March 2023 works out to ₹ 5.50 per equity share on equity shares of ₹2 each.
- 13) 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 INR 700 per equity share (Maximum Buy-back Price), payable in cash for an aggregate amount not exceeding ₹ 2,100 (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 ('Buy-back Regulations').

At the Maximum Buy-back Price and the Maximum Buy-back Size, the indicative maximum number of equity shares to be bought back was 3,000,000 equity shares, representing approximately 5.13% and 5.04% of the aggregate of the total paid-up capital and free reserves of the Company respectively based on the audited standalone and consolidated financial statements of the Company as at 31 March 2022 respectively, which is not more than 10% of the total paid-up capital and free reserves of the Company in accordance with the proviso to the Regulation 5(i)(b) of the Buy-back Regulations.

The Buy-back commenced on 21 March 2023 and as of 31 March 2023, the scheme of Buyback was open. The Company bought back 87,050 equity shares as of the balance sheet date, resulting in total cash consideration of ₹ 47 (excluding ₹ 27 towards transaction cost and tax on Buy-back). These equity shares were extinguished as at 31 March 2023 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 47 has been utilised from securities premium account for the buyback. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 27 million has been debited directly to the retained earnings. Further, capital redemption reserve of ₹ 0.17 representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

- 14) During the year ended 31 March 2022, revenue from operations includes an income from settlement of claims received by NATCO Pharma (Canada) Inc. Canada a subsidiary of NATCO Pharma Limited under a settlement agreement entered by the subsidiary.



By order of the Board
For NATCO Pharma Limited

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
Tel: +91 407 182 2000
Fax: +91 407 182 2399

Independent Auditor's 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 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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	Parent
Natco Pharma Inc., United States of America ('USA')	Subsidiary
NATCO Pharma USA LLC, USA (Formerly known as Dash Pharmaceuticals LLC, name changed w.e.f. 12 April 2023) (Subsidiary of NATCO Pharma Inc.)	Step-down subsidiary
Time Cap Overseas Limited, Mauritius ('TCOL')	Subsidiary
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

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

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



Independent Auditor's Report (Continued)

NATCO Pharma Limited

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 2023.

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 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.

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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the 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 is 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:



Independent Auditor's Report (Continued)

NATCO Pharma Limited

- 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.
- 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 sub paragraph (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company, 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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the audited financial results of eight subsidiaries/step down subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of INR 8,103 million as at 31 March 2023, total revenue (before consolidation adjustments) of INR 5,559 million and total net profit after tax (before consolidation adjustments) of INR 724 million and net cash inflows (before consolidation adjustments) of INR 198 million for the year ended on that date, as considered in the consolidated annual financial results, which have been

Independent Auditor's Report (Continued)

NATCO Pharma Limited

audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

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 reports of such auditors and the procedures performed by us are as stated in paragraph above.

These subsidiaries/ step down subsidiaries are located outside India whose financial statements 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/ step down 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/ step down subsidiaries located outside India is based on the reports 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 matters 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 2023 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.

For **B S R & Associates LLP**

Chartered Accountants

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

Vikash Somani

Vikash Somani

Partner

Hyderabad

29 May 2023

Membership No.: 061272

UDIN:23061272BGYRVR3893



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

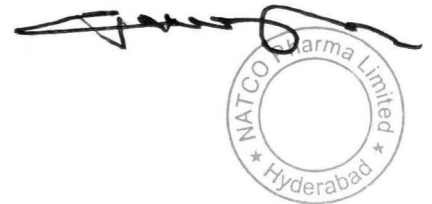
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
	Income					
1	Revenue from operations	7,812	4,130	5,141	23,510	17,678
2	Other income	175	186	104	855	946
3	Total income (1+2)	7,987	4,316	5,245	24,365	18,624
	Expenses					
	Cost of materials consumed	1,463	1,328	1,931	4,753	5,192
	Purchases of stock-in-trade	55	37	43	198	209
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	534	(188)	737	346	(55)
	Employee benefits expense (refer note 9)	973	919	986	4,257	4,101
	Finance costs	12	30	42	86	133
	Depreciation and amortisation expense	376	381	356	1,509	1,384
	Other expenses	1,510	1,359	1,821	5,509	6,101
	Total expenses	4,923	3,866	5,916	16,658	17,065
5	Profit/ (loss) before tax for the period/ year (3-4)	3,064	450	(671)	7,707	1,559
	Tax expense					
	(i) Current tax	499	80	(72)	1,331	325
	(ii) Deferred tax	24	(3)	14	5	(157)
	Total tax expense	523	77	(58)	1,336	168
7	Profit/ (loss) for the period/ year (5-6)	2,541	373	(613)	6,371	1,391
	Other comprehensive (loss)/ income (net of tax)					
	Items that will not be reclassified to profit or loss:					
	Remeasurement of defined benefit plans	26	-	12	26	6
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVOCI)	(70)	(40)	31	(236)	442
	Income tax relating to items that will not be reclassified to profit or loss	(3)	4	(7)	16	(44)
	Other comprehensive (loss)/ income for the period/ year, net of tax	(47)	(36)	36	(194)	404
9	Total comprehensive income/ (loss) for the period/ year (7+8)	2,494	337	(577)	6,177	1,795
10	Paid-up equity share capital (Face value of ₹2 each)	365	365	365	365	365
11	Other equity				46,655	41,554
	Earnings per share (not annualised for the quarters) (Face value of ₹2 each)					
	Basic (in ₹)	13.92	2.04	(3.36)	34.90	7.63
	Diluted (in ₹)	13.92	2.04	(3.36)	34.90	7.63

See accompanying notes to the standalone financial results.

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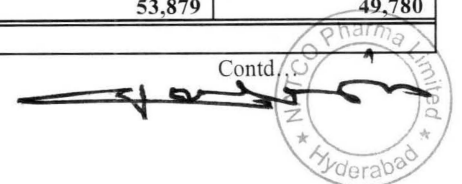
NATCO Pharma Limited

Standalone Balance Sheet:

(₹ in millions)

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
I. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	22,182	21,581
(b) Capital work-in-progress	628	1,287
(c) Other intangible assets	156	161
(d) Investment in subsidiaries	4,303	3,441
(e) Financial assets		
(i) Investments	873	863
(ii) Loans	5	5
(iii) Other financial assets	169	191
(f) Non-current tax assets	345	105
(g) Other non-current assets	271	469
Total non-current assets	28,932	28,103
(2) Current assets		
(a) Inventories	6,160	6,977
(b) Financial assets		
(i) Investments	1,399	1,196
(ii) Trade receivables	7,931	5,756
(iii) Cash and cash equivalents	69	59
(iv) Bank balances other than (iii) above	4,051	950
(v) Loans	102	104
(vi) Other financial assets	3,072	3,818
(c) Other current assets	2,163	2,817
Total current assets	24,947	21,677
Total assets	53,879	49,780
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	46,655	41,554
Total equity	47,020	41,919
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	10	79
(ii) Other financial liabilities	17	13
(b) Provisions	853	957
(c) Deferred tax liabilities (net)	289	300
Total non-current liabilities	1,169	1,349
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,599	3,890
(ii) Lease liabilities	2	26
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	54	132
Total outstanding dues of creditors other than micro enterprises and	1,770	1,280
small enterprises		
(iii) Other financial liabilities	821	810
(b) Other current liabilities	1,191	204
(c) Provisions	169	170
(d) Current tax liabilities (net)	84	-
Total current liabilities	5,690	6,512
Total liabilities	6,859	7,861
Total equity and liabilities	53,879	49,780

Contd.



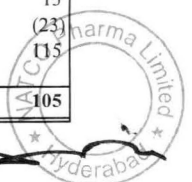


NATCO Pharma Limited

Standalone Statement of Cash Flows:

(₹ in millions)

	Year ended	
	31 March 2023 (Audited)	31 March 2022 (Audited)
Cash flows from operating activities:		
Profit before tax for the year	7,707	1,559
Adjustments for:		
Depreciation and amortisation expense	1,509	1,384
Finance costs	86	133
Equity settled share based payments	-	22
Interest income	(430)	(377)
Provision for impairment of receivables and advances, net	(239)	271
Bad debts written off	108	199
Assets written off	23	-
Liabilities written back	(16)	-
Net gain on sale of property, plant and equipment	(178)	(427)
Guarantee income	(8)	(9)
Dividend income on equity investment at fair value through other comprehensive income	(1)	(2)
Unrealised foreign exchange loss/(gain), net	(0)	(9)
Operating profit before working capital changes	8,561	2,744
Changes in working capital:		
Decrease in inventories	817	715
(Increase) in trade receivables	(2,043)	(2,216)
Decrease in loans	2	34
(Increase)/ decrease in other financial assets	(8)	15
Decrease/ (increase) in other assets	655	(376)
Increase in trade payables	411	17
(Decrease)/ increase in provisions	(79)	9
Increase in other financial liabilities	6	56
Increase/ (decrease) in other liabilities	1,006	(96)
Cash generated from operating activities	9,328	902
Income-taxes paid, net of refund	(1,484)	(325)
Net cash generated from operating activities (A)	7,844	577
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,425)	(2,255)
Proceeds from sale of property, plant and equipment	305	538
Acquisition of intangible assets	(41)	(99)
Investments in subsidiaries	(862)	(1,608)
Loans given to subsidiary companies	-	(4)
Repayment of loans by subsidiary companies	-	114
Repayment of loans by others	-	4
Proceeds from sale of investments	151	118
Purchase of investments	(600)	(180)
Deposits with banks	(4,014)	(913)
Redemption of bank deposits	947	2,540
Interest received	406	495
Dividend received	1	2
Redemption of deposits other than with banks	3,538	3,861
Deposits other than with banks	(2,772)	(3,538)
Net cash used in investing activities (B)	(4,366)	(925)
Cash flows from financing activities:		
Proceeds from issue of share capital	0	0
Payment on buy-back of shares, including transaction costs and taxes on buy-back	(74)	-
Net (repayment of) / proceeds from short-term borrowings (refer note below)	(2,292)	1,339
Dividends paid	(1,004)	(821)
Finance cost paid	(82)	(139)
Principal and interest payment of lease liabilities (refer note below)	(16)	(23)
Net cash (used in)/ generated from financing activities (C)	(3,468)	356
Net increase in cash and cash equivalents (A+B+C)	10	8
Cash and cash equivalents as at the beginning of the year	59	51
Cash and cash equivalents as at the end of the year	69	59
Note: Movement in borrowings and lease liabilities in accordance with Ind AS 7:		
Current borrowings:		
Opening balance	3,890	2,551
Net (repayment of) / proceeds from short-term borrowings	(2,292)	1,339
Non-cash items (Foreign exchange changes)	1	-
	1,599	3,890
Lease liabilities:		
Opening balance	105	13
Cash flow changes	(16)	(23)
Non-cash changes	(77)	115
	12	105





NATCO Pharma Limited

Notes to the Audited 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 in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The standalone financial results for the quarter and year ended 31 March 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 29 May 2023.
- 3) The results of the Company for the year ended 31 March 2023, have been audited by the statutory auditors and they have issued an unmodified 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 standalone figures for the quarter ended 31 March 2023 and 31 March 2022 as reported in these audited standalone financial results are the balancing figures between standalone audited figures in respect of the full financial years and the published unaudited year to date standalone figures upto the third quarter of the respective financial years. The figures up to the end of the third quarter were only reviewed and not subjected to audit.
- 5) 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 consolidated financial results.
- 6) During the year ended 31 March 2023, 37,000 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2017 Scheme resulting in an increase in the paid-up share capital by ₹ 0.07 million and securities premium account by ₹ 34 million.
- 7) 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.
- 8) The Company has considered internal and external sources of information while assessing the recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of its assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 9) Employee benefits expense includes compensation amounting to INR 291 million (31 March 2022: Nil) paid under voluntary retirement scheme during the year ended 31 March 2023.
- 10) The Board of Directors at their meeting held on 09 February 2023 had approved an interim dividend of ₹1.25 per equity share for the quarter ended 31 December 2022. An interim dividend of ₹0.75 per equity share for the quarter ended 30 September 2022 and an interim dividend of ₹3.50 per equity share for the quarter ended 30 June 2022 was approved by the Board of Directors at their meetings held on 10 November 2022 and 09 August 2022 respectively. The total dividend for the financial year ended 31 March 2023 works out to ₹ 5.50 per equity share on equity shares of ₹2 each.

Contd...





NATCO Pharma Limited

Notes to the Audited standalone financial results:

- 11) During the year ended 31 March 2022, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, had acquired NATCO Pharma USA LLC, (Formerly known as Dash Pharmaceuticals LLC) ("Dash"), a New Jersey based entity for a consideration of USD 18 million (₹ 1,341 million). Pursuant to this, Dash became a 100% wholly owned subsidiary of NATCO Pharma Inc. and a step-down subsidiary of NATCO Pharma Limited with effect from 1 January 2022.
- 12) 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 INR 700 per equity share (Maximum Buy-back Price), payable in cash for an aggregate amount not exceeding ₹ 2,100 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 ('Buy-back Regulations').

At the Maximum Buy-back Price and the Maximum Buy-back Size, the indicative maximum number of equity shares to be bought back was 3,000,000 equity shares, representing approximately 5.13% and 5.04% of the aggregate of the total paid-up capital and free reserves of the Company respectively based on the audited standalone and consolidated financial statements of the Company as at 31 March 2022 respectively, which is not more than 10% of the total paid-up capital and free reserves of the Company in accordance with the proviso to the Regulation 5(i)(b) of the Buy-back Regulations.

The Buy-back commenced on 21 March 2023 and as of 31 March 2023, the scheme of Buyback was open. The Company bought back 87,050 equity shares as of the balance sheet date, resulting in total cash consideration of ₹ 47 million (excluding ₹ 27 million towards transaction cost and tax on Buy-back). These equity shares were extinguished as at 31 March 2023 as per the records of the depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 47 million has been utilised from securities premium account for the buyback. Balance expense towards transaction cost and the tax on buy-back amounting to ₹ 27 million has been debited directly to the retained earnings. Further, capital redemption reserve of ₹ 0.17 million representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

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



V C Nannapaneni
Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 29 May 2023

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
Tel: +91 407 182 2000
Fax: +91 407 182 2399

Independent Auditor's 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 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (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 2023.

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 obtained by us, 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

Independent Auditor's Report (Continued)

NATCO Pharma Limited

of the Listing Regulations. 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 are 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.
- 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



Independent Auditor's Report (Continued)
NATCO Pharma Limited

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 Matter

The standalone annual financial results include the results for the quarter ended 31 March 2023 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.

For **B S R & Associates LLP**

Chartered Accountants

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

Vikash Somani

Vikash Somani

Partner

Membership No.: 061272

UDIN:23061272BGYRVQ8752

Hyderabad

29 May 2023



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

29th May 2023

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

Dear Sir/Madam,

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, 2023

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 Audit Reports with unmodified Opinion on audited Financial
Results (Standalone & Consolidated) for the year ended March 31, 2023.

We request you to take this document on your record.

Thanking you,

Yours faithfully,
For NATCO Pharma Limited

S V V N Appa Rao
Chief Financial Officer



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

1) NATCO PHARMA COLOMBIA SAS

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 NATCO PHARMA COLOMBIA SAS (“NATCO-COLOMBIA”) <i>(yet to be incorporated)</i> 2. Details in brief such as size, turnover etc. NATCO-COLOMBIA will be engaged in selling and registering of pharmaceuticals in Colombia.
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)	Objective is to enter new geographies for growth and increased profitability
E	Brief details of any governmental or regulatory approvals required for the acquisition	ODI under FEMA Regulations
F	Indicative time period for completion of the acquisition;	March 31, 2024
G	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
H	Cost of acquisition or the price at which the shares are acquired	US\$ 100,000
I	Percentage of shareholding / control acquired and / or number of shares acquired	100%
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)	1. Brief background: NATCO-COLOMBIA will be engaged in selling of pharmaceuticals in Colombia. 2. Line of business: Pharmaceuticals 3. Date of incorporation: Yet to be incorporated 4. Turnover of last 3 years ending December 31 (in US\$ million): Not Applicable 2022: - , 2021: -. 2020: - 5. Country in which the acquired entity will have presence: Colombia



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

2) Zista Pharma Limited

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 Zista Pharma Limited (“Zista”) 2. Details in brief such as size, turnover etc. Zista will be engaged in selling of pharmaceuticals in United Kingdom (“UK”). Zista did a turnover of US\$ 0.82 million in CY 2022.
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)	Objective is to enter new geographies for growth and increased profitability
E	Brief details of any governmental or regulatory approvals required for the acquisition	ODI under FEMA Regulations
F	Indicative time period for completion of the acquisition;	December 31, 2023
G	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
H	Cost of acquisition or the price at which the shares are acquired	US\$ 2 - 3million subject to successful outcome of due diligence and compliance with regulatory requirements
I	Percentage of shareholding / control acquired and / or number of shares acquired	100%
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)	1. Brief background: Zista will be engaged in selling of pharmaceuticals in UK. 2. Line of business: Pharmaceuticals 3. Date of incorporation: December 11, 2015 4. Turnover of last 3 years ending December 31 (in US\$ million): 2022: 0.82, 2021: 1.03, 2020: 1.05 5. Country in which the acquired entity will have presence: United Kingdom