



NATCO Pharma Limited

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations (refer note 4)	3,772	4,103	8,022	7,875	13,656	20,521
2	Other income	380	170	257	550	444	1,036
3	Total income (1+2)	4,152	4,273	8,279	8,425	14,100	21,557
	Expenses						
	Cost of materials consumed	1,156	1,099	866	2,255	2,080	3,729
	Purchases of stock-in-trade	127	77	1,082	204	1,514	1,866
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(358)	(385)	1	(743)	144	(481)
	Employee benefits expense	1,092	1,081	1,237	2,173	2,189	4,149
	Finance costs	40	20	27	60	64	133
	Depreciation and amortisation expense	347	338	287	685	567	1,169
	Other expenses	1,050	1,133	2,072	2,183	3,254	5,196
	Total expenses	3,454	3,363	5,572	6,817	9,812	15,761
5	Profit before exceptional items and tax (3-4)	698	910	2,707	1,608	4,288	5,796
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	698	910	2,707	1,608	4,288	5,796
8	Tax expense						
	(i) Current tax	161	156	718	317	1,143	1,408
	(ii) Income-tax for earlier years	-	-	-	-	-	70
	(iii) Deferred tax (credit)/ charge (refer note 5)	(114)	4	(50)	(110)	(115)	(106)
	Total tax expense	47	160	668	207	1,028	1,372
9	Profit for the period/year (7-8)	651	750	2,039	1,401	3,260	4,424
10	Other comprehensive income (net of tax)						
	A. Items that will not be reclassified subsequently to profit or loss:						
	Remeasurement of defined benefit plans	(2)	(2)	(19)	(4)	(39)	(8)
	Net (losses) / gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(24)	100	91	76	110	143
	Income-tax relating to items that will not be reclassified to profit or loss	3	(10)	(11)	(7)	(12)	(10)
		(23)	88	61	65	59	125
	B. Items that will be reclassified subsequently to profit or loss:						
	Exchange differences on translation of foreign operations	(45)	(20)	(106)	(65)	(83)	(38)
		(45)	(20)	(106)	(65)	(83)	(38)
	Total other comprehensive income (net of tax) (A+B)	(68)	68	(45)	-	(24)	87
11	Total comprehensive income for the period/ year (9+10)	583	818	1,994	1,401	3,236	4,511
12	Profit for the period/year attributable to:						
	Owners of the Company	651	750	2,024	1,401	3,252	4,409
	Non-controlling interests	-	-	15	-	8	15
13	Other comprehensive income attributable to:						
	Owners of the Company	(68)	68	(45)	-	(24)	87
	Non-controlling interests	-	-	-	-	-	-
14	Total comprehensive income attributable to:						
	Owners of the Company	583	818	1,979	1,401	3,228	4,496
	Non-controlling interests	-	-	15	-	8	15
15	Paid-up equity share capital (face value of ₹2 each)	365	365	364	365	364	365
16	Other equity						40,851
17	Earnings per share (face value ₹2 each)						
	Basic (in ₹)	3.57	4.11	11.12	7.68	17.86	24.20
	Diluted (in ₹)	3.57	4.11	11.09	7.67	17.81	24.16
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

See accompanying notes to the consolidated financial results.





NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
I Assets		
(1) Non-current assets		
(a) Property, plant and equipment	20,446	20,138
(b) Capital work-in-progress	2,266	2,234
(c) Intangible assets	117	94
(d) Financial assets		
(i) Investments	1,834	1,594
(ii) Loans	14	14
(iii) Other financial assets	186	187
(e) Other non-current assets	408	285
Total non-current assets	25,271	24,546
(2) Current assets		
(a) Inventories	9,141	7,982
(b) Financial assets		
(i) Investments	2,090	1,443
(ii) Trade receivables	4,658	4,129
(iii) Cash and cash equivalents	698	258
(iv) Bank balances other than (iii) above	951	2,577
(v) Loans	102	131
(vi) Other financial assets	3,993	4,270
(c) Other current assets	3,613	2,583
Total current assets	25,246	23,373
Total assets	50,517	47,919
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	41,922	40,851
Equity attributable to owners of the Company	42,287	41,216
(c) Non-controlling interest	-	18
Total equity	42,287	41,234
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Lease liabilities	94	9
(iii) Other financial liabilities	13	11
(b) Provisions	1,046	995
(c) Deferred tax liabilities, net	494	413
Total non-current liabilities	1,647	1,428
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,594	2,658
(ii) Lease liabilities	23	9
(iii) Trade payables		
- Dues of micro and small enterprises	89	76
- Dues of creditors other than micro and small enterprises	1,442	1,387
(iv) Other financial liabilities	1,049	864
(b) Other current liabilities	216	122
(c) Provisions	128	128
(d) Current tax liabilities, net	42	13
Total current liabilities	6,583	5,257
Total liabilities	8,230	6,685
Total equity and liabilities	50,517	47,919





NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Half year ended	
	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Cash flows from operating activities:		
Profit before tax	1,608	4,288
Adjustments for:		
Depreciation and amortisation expense	685	567
Finance cost	60	64
Share based payment expense	21	110
Interest income	(209)	(296)
Allowance for credit loss	84	65
Bad debts written off	46	-
Profit on sale of property, plant and equipment, net	(295)	(125)
Unrealised foreign exchange gain, net	(18)	(15)
Operating profit before working capital changes	1,982	4,658
Changes in working capital:		
Changes in inventories	(1,159)	(1,134)
Changes in trade receivables	(643)	(917)
Changes in loans, financial and other assets	(1,056)	(360)
Changes in trade payables	67	376
Changes in provisions, financial and other liabilities	414	191
Cash (used in)/ generated from operating activities	(395)	2,814
Income taxes paid, net	(104)	(555)
Net cash (used in)/ generated from operating activities	(499)	2,259
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,134)	(979)
Proceeds from sale of property, plant and equipment	318	173
Acquisition of intangible assets	(38)	(29)
Purchase of investments	(815)	(1,825)
Proceeds from sale of investments	18	44
Movement in other bank balances, net	1,626	(2,113)
Interest received	419	535
Increase in deposits with financial institutions	123	3,212
Net cash from/ (used in) investing activities	517	(982)
Cash flows from financing activities		
Proceeds from issue of shares*	-	0
Proceeds from non-controlling interest	(18)	15
Net proceeds from short-term borrowings	939	1,135
Dividends paid including dividend distribution tax	(364)	(411)
Interest paid	(60)	(64)
Payment of lease liability	(11)	(5)
Net cash from financing activities	486	670
Net increase in cash and cash equivalents	504	1,947
Cash and cash equivalents at beginning of the year	258	198
Effect of currency translation adjustment	(64)	(83)
Cash and cash equivalents at the end of the year	698	2,062
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	2,658	3,142
Proceeds from borrowings, net	939	1,135
Non-cash items (Foreign exchange changes)*	(3)	48
	3,594	4,325

*The numbers are rounded off to nearest million.





NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
	a. Pharmaceuticals	3,738	4,097	8,021	7,835	13,655	20,500
	b. Agro chemicals	34	6	1	40	1	21
		3,772	4,103	8,022	7,875	13,656	20,521
	Add: Unallocated	-	-	-	-	-	-
	Total revenue from operations	3,772	4,103	8,022	7,875	13,656	20,521
2	Segment results						
	a. Pharmaceuticals	811	949	2,738	1,760	4,356	5,941
	b. Agro chemicals	(73)	(19)	(4)	(92)	(4)	(12)
	Total segment result	738	930	2,734	1,668	4,352	5,929
	Less:						
	a. Finance cost	(40)	(20)	(27)	(60)	(64)	(133)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	Total profit before tax	698	910	2,707	1,608	4,288	5,796
3	Segment assets						
	a. Pharmaceuticals	43,392	41,586	46,291	43,392	46,291	42,452
	b. Agro chemicals	3,162	3,008	1,757	3,162	1,757	2,393
	Total segment assets	46,554	44,594	48,048	46,554	48,048	44,845
	Add:						
	a. Unallocated	3,963	4,016	3,011	3,963	3,011	3,074
	Total assets	50,517	48,610	51,059	50,517	51,059	47,919
4	Segment liabilities						
	a. Pharmaceuticals	4,005	4,059	5,041	4,005	5,041	3,499
	b. Agro chemicals	95	178	60	95	60	84
	Total segment liabilities	4,100	4,237	5,101	4,100	5,101	3,583
	Add:						
	a. Unallocated	4,130	2,317	5,166	4,130	5,166	3,102
	Total liabilities	8,230	6,554	10,267	8,230	10,267	6,685





NATCO Pharma Limited

Notes to unaudited consolidated financial results:

- 1) The unaudited consolidated financial results of NATCO Pharma Limited ("the Company") and its subsidiaries (together referred as "the Group") have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The unaudited consolidated financial results for the quarter and half year ended 30 September 2021 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 11 November 2021.
- 3) The results of the Group for the quarter and half year ended 30 September 2021, have been reviewed by the statutory auditors and they have issued an unqualified review report on the same. The review report of the statutory auditors is being filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and is also available on the Company's website.
- 4) 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.
- 5) Based on the most recent forecasts as prepared by the Management, it is expected that the unrecognised MAT credit as at 31 March 2021 will be completely utilised over next five years. Accordingly effective tax rate of the Group is expected to be comparatively lower in the current year.
- 6) The consolidated financial results for the quarter and half year ended 30 September 2021 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

- 7) 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 these 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.
- 8) The unaudited standalone financial results for the quarter and half year ended 30 September 2021 can be viewed on the website of the Company, NSE and BSE at www.natcopharma.co.in, www.nseindia.com, and www.bseindia.com respectively. Information of unaudited standalone financial results of the Company in terms of Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ in millions)

Particulars	Quarter ended			Half Year ended		Year ended
	30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	3,304	3,938	4,789	7,242	10,111	16,535
Profit before tax	523	910	865	1,433	2,481	3,922
Net profit for the period/ year	536	752	709	1,288	1,976	3,095
Total comprehensive income	513	839	770	1,352	2,042	3,228

- 9) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10) The Board of Directors in their meeting held on 11 November 2021 have recommended an interim dividend of ₹ 0.50 per equity share of ₹ 2 each for the quarter and half year ended 30 September 2021.
- 11) The Ministry of Corporate Affairs (MCA) vide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 01 April 2021. The Group has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.

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



V C Nannapaneni
Chairman and Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 11 November 2021

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, B Wing, 6th Floor, Unit - 3
Sy No. 83/1, Plot No. 2, Raidurg
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Limited review report on unaudited quarterly and year-to-date consolidated financial results of NATCO Pharma Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations')

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of NATCO Pharma Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 September 2021 and year to date results for the period from 01 April 2021 to 30 September 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Listing Regulations.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the entity	Relationship
NATCO Pharma Limited	Parent
NATCO Pharma, Inc.	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 S R & Associates LLP

Limited review report on unaudited quarterly and year-to-date consolidated financial results of NATCO Pharma Limited under Listing Regulations (continued)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of seven subsidiaries included in the Statement, whose interim financial information reflect (before consolidation adjustments) total assets of INR 3,528.08 million as at 30 September 2021 and total revenues of INR 577.67 million and INR 970.71 million, total net profit after tax of INR 116.12 million and INR 116.48 million and total comprehensive income of INR 116.13 million and INR 117.34 million, for the quarter ended 30 September 2021 and for the period from 01 April 2021 to 30 September 2021, respectively, and cash flows (net) of INR 433.52 million for the period from 01 April 2021 to 30 September 2021, as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

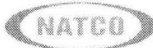
Our conclusion on the Statement is not modified in respect of the above matters.

for B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231W/ W-100024

Vikash Somani

Vikash Somani
Partner
Membership Number: 061272
UDIN: 21061272AAAADV3757

Place: Hyderabad
Date: 11 November 2021



NATCO Pharma Limited

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income						
1	Revenue from operations	3,304	3,938	4,789	7,242	10,111	16,535
2	Other income	403	123	272	526	471	1,011
3	Total income (1+2)	3,707	4,061	5,061	7,768	10,582	17,546
	Expenses						
	Cost of materials consumed	1,156	1,099	866	2,255	2,080	3,729
	Purchases of stock-in-trade	64	58	1,068	122	1,501	1,740
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(331)	(352)	0*	(683)	97	(469)
	Employee benefits expense	1,028	971	1,048	1,999	1,948	3,800
	Finance costs	32	18	27	50	60	113
	Depreciation and amortisation expense	342	331	284	673	560	1,152
	Other expenses	893	1,026	903	1,919	1,855	3,559
	Total expenses	3,184	3,151	4,196	6,335	8,101	13,624
5	Profit before exceptional items and tax (3-4)	523	910	865	1,433	2,481	3,922
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	523	910	865	1,433	2,481	3,922
8	Tax expense						
	(i) Current tax	100	155	206	255	620	863
	(ii) Income-tax for earlier years	-	-	-	-	-	70
	(ii) Deferred tax (credit)/ charge (refer note 5)	(113)	3	(50)	(110)	(115)	(106)
	Total tax expense	(13)	158	156	145	505	827
9	Profit for the period/ year (7-8)	536	752	709	1,288	1,976	3,095
10	Other comprehensive income (net of tax)						
	Items that will not be reclassified to profit or loss:						
	Remeasurement of defined benefit plans	(2)	(2)	(19)	(4)	(39)	(8)
	Net (losses) / gains from investments in equity instruments designated at FVTOCI	(24)	100	91	76	119	153
	Income-tax relating to items that will not be reclassified to profit or loss	3	(11)	(11)	(8)	(14)	(12)
	Total other comprehensive income (net of tax)	(23)	87	61	64	66	133
11	Total comprehensive income for the period/ year (9+10)	513	839	770	1,352	2,042	3,228
12	Paid-up equity share capital (face value of ₹2 each)	365	365	364	365	364	365
13	Other equity						40,546
14	Earnings per share (face value ₹2 each)						
	Basic (in ₹)	2.94	4.12	3.89	7.06	10.85	16.99
	Diluted (in ₹)	2.94	4.12	3.88	7.05	10.82	16.96
		(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	(Non-annualised)	

*The numbers are rounded off to nearest million.

See accompanying notes to the standalone financial results.



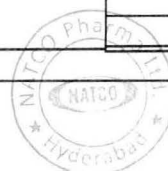


NATCO Pharma Limited

Standalone Balance Sheet:

(₹ in millions)

	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
I. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	20,271	19,965
(b) Capital work-in-progress	2,260	2,234
(c) Intangible assets	117	94
(d) Investment in subsidiaries	2,011	1,830
(e) Financial assets		
(i) Investments	1,816	1,194
(ii) Loans	133	128
(iii) Other financial assets	184	185
(f) Other non-current assets	408	285
Total non-current assets	27,200	25,915
(2) Current assets		
(a) Inventories	8,785	7,692
(b) Financial assets		
(i) Investments	613	346
(ii) Trade receivables	4,563	3,998
(iii) Cash and cash equivalents	57	51
(iv) Bank balances other than (iii) above	951	2,577
(v) Loans	101	129
(vi) Other financial assets	4,007	4,280
(c) Other current assets	3,560	2,537
Total current assets	22,637	21,610
Total assets	49,837	47,525
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	41,567	40,546
Total of equity	41,932	40,911
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Lease liabilities	94	9
(iii) Other financial liabilities	13	11
(b) Provisions	1,046	996
(c) Deferred tax liabilities, (net)	494	413
Total non-current liabilities	1,647	1,429
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,469	2,551
(ii) Lease liabilities	18	4
(iii) Trade payables		
- Dues of micro and small enterprises	89	75
- Dues of creditors other than micro and small enterprises	1,328	1,320
(iv) Other financial liabilities	1,015	821
(b) Other current liabilities	211	286
(c) Provisions	128	128
(d) Current tax liabilities, (net)	-	-
Total current liabilities	6,258	5,185
Total liabilities	7,905	6,614
Total equity and liabilities	49,837	47,525





Standalone Statement of Cash Flows:

(₹ in millions)

	Half Year ended	
	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Cash flows from operating activities:		
Profit before tax	1,433	2,481
Adjustments for:		
Depreciation and amortisation expense	673	560
Finance costs	50	60
Share based payment expense	20	110
Interest income	(200)	(302)
Allowance for credit losses	84	65
Bad debts written off	46	-
Profit on sale of property, plant and equipment, (net)	(295)	(125)
Guarantee income	(3)	-
Unrealised foreign exchange gain, (net)	(18)	(15)
Operating profit before working capital changes	1,790	2,834
Changes in working capital:		
Changes in inventories	(1,093)	(1,191)
Changes in trade receivables	(679)	(1,135)
Changes in loans, financial and other assets	(1,051)	(360)
Changes in trade payables	20	(602)
Changes in provisions, financial and other liabilities	254	180
Cash used in operating activities	(759)	(274)
Income taxes paid, (net)	(72)	(532)
Net cash used in operating activities	(831)	(806)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,114)	(951)
Proceeds from sale of property, plant and equipment	318	173
Acquisition of intangible assets	(38)	(29)
Investments in subsidiaries	(178)	(73)
Loans given to subsidiary companies	(4)	-
Proceeds from sale of investments	18	44
Purchase of investments	(816)	(583)
Movement in other bank balances, (net)	1,626	(2,113)
Interest received	406	539
Decrease in deposits with financial institutions	123	3,212
Net cash from investing activities	341	219
Cash flows from financing activities:		
Proceeds from issue of shares*	-	0
Net proceeds from short-term borrowings	921	1,135
Dividends paid including dividend distribution tax	(365)	(411)
Interest paid	(50)	(60)
Payment of lease liability	(10)	(5)
Net cash from financing activities	496	659
Net increase in cash and cash equivalents	6	72
Cash and cash equivalents at the beginning of the year	51	79
Cash and cash equivalents at the end of the year	57	151
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	2,551	3,123
Proceeds from borrowings, net	921	1,135
Non-cash items (Foreign exchange changes)	(3)	51
	3,469	4,309

*The numbers are rounded off to nearest million.





NATCO Pharma Limited

Notes to the unaudited 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 half year ended 30 September 2021 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 11 November 2021.
- 3) The results of the Company for the quarter and half year ended 30 September 2021, have been reviewed by the statutory auditors and they have issued an unqualified review report on the same. The review report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.
- 4) Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
- 5) Based on the most recent forecasts as prepared by the Management, it is expected that the unrecognised MAT credit as at 31 March 2021 will be completely utilised over next five years. Accordingly effective tax rate of the Company is expected to be comparatively lower in the current year.
- 6) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7) 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 these 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.
- 8) The Board of Directors at their meeting held on 11 November 2021 have recommended an interim dividend of ₹ 0.50 per equity share of ₹2 each for the quarter and half year ended 30 September 2021.
- 9) The Ministry of Corporate Affairs (MCA) vide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 01 April 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.

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



V C Nannapaneni
Chairman and Managing Director
(DIN: 00183315)

Place: Hyderabad

Date: 11 November 2021

B S R & Associates LLP

Chartered Accountants

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Limited review report on unaudited quarterly and year-to-date standalone financial results of NATCO Pharma Limited ('the Company') under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended ('Listing Regulations')

To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of NATCO Pharma Limited ('the Company') for the quarter ended 30 September 2021 and year to date results for the period from 01 April 2021 to 30 September 2021 ('the Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP

Chartered Accountants

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

Vikash Somani
Vikash Somani

Partner

Membership No.: 061272

UDIN: 21061272AAAADU1519

Place: Hyderabad

Date: 11 November 2021