



NATCO Pharma Limited

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Phone: +91-40-2354 7532, Website: www.natcopharma.co.in, CIN: L24230TG1981PLC003201

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations	4,321	8,846	3,772	13,167	7,875	19,448
2	Other income	205	343	380	548	550	990
3	<b>Total income (1+2)</b>	<b>4,526</b>	<b>9,189</b>	<b>4,152</b>	<b>13,715</b>	<b>8,425</b>	<b>20,438</b>
4	<b>Expenses</b>						
	Cost of materials consumed	1,013	949	1,156	1,962	2,255	5,192
	Purchases of stock-in-trade	467	307	127	774	204	585
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(422)	221	(358)	(201)	(743)	(168)
	Employee benefits expense (refer note 9)	1,103	1,519	1,092	2,622	2,173	4,448
	Finance costs	38	42	40	80	60	177
	Depreciation and amortisation expense	417	396	347	813	685	1,426
	Other expenses	1,207	1,897	1,050	3,104	2,183	6,756
	<b>Total expenses</b>	<b>3,823</b>	<b>5,331</b>	<b>3,454</b>	<b>9,154</b>	<b>6,817</b>	<b>18,416</b>
5	<b>Profit before tax (3-4)</b>	<b>703</b>	<b>3,858</b>	<b>698</b>	<b>4,561</b>	<b>1,608</b>	<b>2,022</b>
6	<b>Tax expense</b>						
	(i) Current tax	141	721	161	862	317	478
	(ii) Deferred tax	(6)	(67)	(114)	(73)	(110)	(156)
	<b>Total tax expense</b>	<b>135</b>	<b>654</b>	<b>47</b>	<b>789</b>	<b>207</b>	<b>322</b>
7	<b>Profit for the period/year (5-6)</b>	<b>568</b>	<b>3,204</b>	<b>651</b>	<b>3,772</b>	<b>1,401</b>	<b>1,700</b>
8	<b>Other comprehensive income (net of tax)</b>						
	<b>A. Items that will not be reclassified subsequently to profit or loss:</b>						
	Remeasurement of defined benefit plans	-	-	(2)	-	(4)	6
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(5)	(121)	(24)	(126)	76	442
	Income-tax relating to items that will not be reclassified to profit or loss	1	14	3	15	(7)	(44)
		(4)	(107)	(23)	(111)	65	404
	<b>B. Items that will be reclassified subsequently to profit or loss:</b>						
	Exchange differences on translation of foreign operations	(31)	87	(45)	56	(65)	93
		(31)	87	(45)	56	(65)	93
	<b>Total other comprehensive income (net of tax) (A+B)</b>	<b>(35)</b>	<b>(20)</b>	<b>(68)</b>	<b>(55)</b>	<b>-</b>	<b>497</b>
9	<b>Total comprehensive income for the period/ year (7+8)</b>	<b>533</b>	<b>3,184</b>	<b>583</b>	<b>3,717</b>	<b>1,401</b>	<b>2,197</b>
10	<b>Profit for the period/year attributable to:</b>						
	Owners of the Company	568	3,204	651	3,772	1,401	1,700
	Non-controlling interests*	0	0	-	-	-	0
11	<b>Other comprehensive income attributable to:</b>						
	Owners of the Company	(35)	(20)	(68)	(55)	-	497
	Non-controlling interests	-	-	-	-	-	-
12	<b>Total comprehensive income attributable to:</b>						
	Owners of the Company	533	3,184	583	3,717	1,401	2,197
	Non-controlling interests*	0	0	-	-	-	0
13	<b>Paid-up equity share capital (face value of ₹2 each)</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>
14	<b>Other equity</b>						<b>42,271</b>
15	<b>Earnings per share (not annualised for the quarters) (face value ₹2 each)</b>						
	Basic (in ₹)	3.11	17.55	3.57	20.66	7.68	9.32
	Diluted (in ₹)	3.11	17.55	3.57	20.66	7.67	9.32

\*The numbers are rounded off to nearest million.

See accompanying notes to the consolidated financial results.



NATCO Pharma Limited

Consolidated Balance Sheet:

(₹ in millions)

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
<b>I Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	21,882	21,789
(b) Capital work-in-progress	1,444	1,295
(c) Goodwill	507	507
(d) Intangible assets	1,404	822
(e) Financial assets		
(i) Investments	1,196	1,044
(ii) Other financial assets	199	193
(f) Other non-current assets	120	469
<b>Total non-current assets</b>	<b>26,752</b>	<b>26,119</b>
<b>(2) Current assets</b>		
(a) Inventories	7,493	7,620
(b) Financial assets		
(i) Investments	2,579	2,037
(ii) Trade receivables	3,711	6,206
(iii) Cash and cash equivalents	1,081	1,111
(iv) Bank balances other than (iii) above	3,255	950
(v) Loans	103	104
(vi) Other financial assets	3,131	3,901
(c) Other current assets	2,674	3,043
<b>Total current assets</b>	<b>24,027</b>	<b>24,972</b>
<b>Total assets</b>	<b>50,779</b>	<b>51,091</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	365	365
(b) Other equity	45,348	42,271
<b>Equity attributable to owners of the Company</b>	<b>45,713</b>	<b>42,636</b>
(c) Non-controlling interest	-	-
<b>Total equity</b>	<b>45,713</b>	<b>42,636</b>
<b>(2) Liabilities</b>		
<b>(A) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	9	80
(ii) Other financial liabilities	14	13
(b) Provisions	820	957
(c) Deferred tax liabilities, (net)	216	301
<b>Total non-current liabilities</b>	<b>1,059</b>	<b>1,351</b>
<b>(B) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	832	4,040
(ii) Lease liabilities	15	35
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	61	132
Total outstanding dues of creditors other than micro and small enterprises	1,372	1,486
(iii) Other financial liabilities	959	833
(b) Other current liabilities	578	399
(c) Provisions	170	170
(d) Current tax liabilities, (net)	20	9
<b>Total current liabilities</b>	<b>4,007</b>	<b>7,104</b>
<b>Total liabilities</b>	<b>5,066</b>	<b>8,455</b>
<b>Total equity and liabilities</b>	<b>50,779</b>	<b>51,091</b>

  




NATCO Pharma Limited

Consolidated Statement of Cash Flows:

(₹ in millions)

	Half year ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before tax	4,561	1,608
<b>Adjustments for:</b>		
Depreciation and amortisation expense	813	685
Finance costs	80	60
Share based payment expense	-	21
Interest income	(194)	(209)
Allowance for credit loss	-	84
Bad debts written off	-	46
Profit on sale of property, plant and equipment, net	(169)	(295)
Unrealised foreign exchange gain, net	(27)	(18)
<b>Operating profit before working capital changes</b>	<b>5,064</b>	<b>1,982</b>
<b>Changes in working capital:</b>		
Changes in inventories	127	(1,159)
Changes in trade receivables	2,539	(643)
Changes in loans, financial and other assets	405	(1,056)
Changes in trade payables	(188)	67
Changes in provisions, financial and other liabilities	239	414
<b>Cash generated from/ (used in) operating activities</b>	<b>8,186</b>	<b>(395)</b>
Income-taxes paid, net of refund	(848)	(104)
<b>Net cash generated from/(used in) operating activities</b>	<b>7,338</b>	<b>(499)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(957)	(1,134)
Proceeds from sale of property, plant and equipment	204	318
Acquisition of intangible assets	(515)	(38)
Purchase of investments	(954)	(815)
Proceeds from sale of investments	133	18
Deposits with banks	(3,220)	1,626
Redemption of deposits with banks	913	-
Interest received	332	419
Redemption of deposits with other than banks	3,538	123
Deposits with other than banks	(2,946)	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(3,472)</b>	<b>517</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares*	0	-
Purchase of non-controlling interest	-	(18)
Net proceeds from/ (repayment of) short-term borrowings	(3,222)	939
Payment of lease liability	(13)	(11)
Dividends paid	(639)	(364)
Interest paid	(78)	(60)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(3,952)</b>	<b>486</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(86)</b>	<b>504</b>
Cash and cash equivalents at beginning of the period	1,111	258
Effect of currency translation adjustment	56	(64)
<b>Cash and cash equivalents at the end of the period</b>	<b>1,081</b>	<b>698</b>
<b>Debt reconciliation statement in accordance with Ind AS 7:-</b>		
<b>Current borrowings:</b>		
Opening balance	4,040	2,658
Proceeds from/ (repayment of) borrowings, net	(3,222)	939
Non-cash items	(14)	(3)
	<b>804</b>	<b>3,594</b>
<b>Lease liabilities:</b>		
Opening balance	115	12
Cash flow changes	(13)	(11)
Non-cash changes	(78)	116
	<b>24</b>	<b>117</b>

\*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 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment revenue</b>						
	a. Pharmaceuticals	4,291	8,836	3,738	13,127	7,835	19,399
	b. Agro chemicals	30	10	34	40	40	49
		<b>4,321</b>	<b>8,846</b>	<b>3,772</b>	<b>13,167</b>	<b>7,875</b>	<b>19,448</b>
	Add: Unallocated	-	-	-	-	-	-
	<b>Total revenue from operations</b>	<b>4,321</b>	<b>8,846</b>	<b>3,772</b>	<b>13,167</b>	<b>7,875</b>	<b>19,448</b>
2	<b>Segment results</b>						
	a. Pharmaceuticals	754	3,964	811	4,718	1,760	2,480
	b. Agro chemicals	(13)	(64)	(73)	(77)	(92)	(281)
	<b>Total segment result</b>	<b>741</b>	<b>3,900</b>	<b>738</b>	<b>4,641</b>	<b>1,668</b>	<b>2,199</b>
	Less:						
	a. Finance cost	(38)	(42)	(40)	(80)	(60)	(177)
	b. Net unallocated (income)/expenditure	-	-	-	-	-	-
	<b>Total profit before tax</b>	<b>703</b>	<b>3,858</b>	<b>698</b>	<b>4,561</b>	<b>1,608</b>	<b>2,022</b>
3	<b>Segment assets</b>						
	a. Pharmaceuticals	43,607	46,098	43,392	43,607	43,392	44,609
	b. Agro chemicals	3,368	3,379	3,162	3,368	3,162	3,372
	<b>Total segment assets</b>	<b>46,975</b>	<b>49,477</b>	<b>46,554</b>	<b>46,975</b>	<b>46,554</b>	<b>47,981</b>
	Add:						
	a. Unallocated	3,804	2,848	3,963	3,804	3,963	3,110
	<b>Total assets</b>	<b>50,779</b>	<b>52,325</b>	<b>50,517</b>	<b>50,779</b>	<b>50,517</b>	<b>51,091</b>
4	<b>Segment liabilities</b>						
	a. Pharmaceuticals	3,994	3,553	4,005	3,994	4,005	4,065
	b. Agro chemicals	4	61	95	4	95	40
	<b>Total segment liabilities</b>	<b>3,998</b>	<b>3,614</b>	<b>4,100</b>	<b>3,998</b>	<b>4,100</b>	<b>4,105</b>
	Add:						
	a. Unallocated	1,068	2,892	4,130	1,068	4,130	4,350
	<b>Total liabilities</b>	<b>5,066</b>	<b>6,506</b>	<b>8,230</b>	<b>5,066</b>	<b>8,230</b>	<b>8,455</b>

  




NATCO Pharma Limited

Notes to the 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 2022 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 10 November 2022.
- 3) The results of the Group for the quarter and half year ended 30 September 2022, have been reviewed by the statutory auditors and they have issued an unmodified review report on the same. The review report of the statutory auditors is being filed with the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and is also available on the Company's website.
- 4) The consolidated financial results for the quarter and half year ended 30 September 2022 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	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

- 5) During the quarter ended 30 June 2022, 37,000 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.07 million and securities premium account of ₹ 35.31 million.
- 6) During the year ended 31 March 2022, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, had acquired 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.
- 7) 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.
- 8) 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.
- 9) Employee benefits expense includes compensation amounting to INR 291 million paid under voluntary retirement scheme during the quarter ended 30 June 2022 and half year ended 30 September 2022.
- 10) The unaudited standalone financial results, for the quarter and half year ended 30 September 2022 can be viewed on the website of the Company, NSE and BSE at [www.natcopharma.co.in](http://www.natcopharma.co.in), [www.nseindia.com](http://www.nseindia.com), and [www.bseindia.com](http://www.bseindia.com) respectively. Information of unaudited standalone financial results of the Company in terms of Regulation 47(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Particulars	Quarter ended			Half Year ended		Year ended
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total revenue from operations	3,511	8,057	3,304	11,568	7,242	17,678
Profit before tax	463	3,730	523	4,193	1,433	1,559
Net profit for the period/ year	377	3,080	536	3,457	1,288	1,391
Total comprehensive income	373	2,973	513	3,346	1,352	1,795

(₹ in millions)

- 11) The Board of Directors at their meeting held on 10 November 2022 have approved an interim dividend of ₹ 0.75 per equity share for the quarter ended 30 September 2022 and at their meeting held on 09 August 2022 had approved an interim dividend of ₹ 3.50 per equity share of ₹ 2 each for the quarter ended 30 June 2022.

By order of the Board  
For NATCO Pharma Limited



V C Nannapaneni  
Managing Director  
(DIN: 00183315)

Place: Hyderabad  
Date: 10 November 2022

# B S R & Associates LLP

Chartered Accountants

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## Limited Review Report on unaudited consolidated financial results of NATCO Pharma Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### To the Board of Directors of NATCO Pharma Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of NATCO Pharma Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Name of the entity	Relationship
NATCO Pharma Limited	Parent
NATCO Pharma Inc., Unites States of America ('USA')	Subsidiary
Dash Pharmaceuticals LLC, USA (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

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

## B S R & Associates LLP

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial information of eight subsidiaries/ step down subsidiaries included in the Statement, whose interim financial information reflect total assets of INR 7,126.07 million as at 30 September 2022 and total revenues of INR 2,235.66 million and INR 1,179.92 million, total net profit after tax of INR 265.39 million and INR 135.57 million and total comprehensive income of INR 265.39 million and INR 135.57 million, for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively, and cash outflows (net) of INR 70.74 million for the period from 01 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

7. 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 interim 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 is not modified in respect of this matter.

For **B S R & Associates LLP**

*Chartered Accountants*

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

*Vikash Somani*

**Vikash Somani**

*Partner*

Hyderabad

10 November 2022

Membership No.: 061272

UDIN:22061272BCRTOL4250



NATCO Pharma Limited

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from operations	3,511	8,057	3,304	11,568	7,242	17,678
2	Other income	162	332	403	494	526	946
3	<b>Total income (1+2)</b>	<b>3,673</b>	<b>8,389</b>	<b>3,707</b>	<b>12,062</b>	<b>7,768</b>	<b>18,624</b>
	<b>Expenses</b>						
	Cost of materials consumed	1,013	949	1,156	1,962	2,255	5,192
	Purchases of stock-in-trade	64	42	64	106	122	209
	Changes in inventories of finished goods, work-in-progress and stock-in-trade*	(260)	260	(331)	0	(683)	(55)
	Employee benefits expense (refer note 8)	982	1,383	1,028	2,365	1,999	4,101
	Finance costs	17	27	32	44	50	133
	Depreciation and amortisation expense	383	369	342	752	673	1,384
	Other expenses	1,011	1,629	893	2,640	1,919	6,101
	<b>Total expenses</b>	<b>3,210</b>	<b>4,659</b>	<b>3,184</b>	<b>7,869</b>	<b>6,335</b>	<b>17,065</b>
5	<b>Profit before tax (3-4)</b>	<b>463</b>	<b>3,730</b>	<b>523</b>	<b>4,193</b>	<b>1,433</b>	<b>1,559</b>
	<b>Tax expense</b>						
	(i) Current tax	92	660	100	752	255	325
	(ii) Deferred tax	(6)	(10)	(113)	(16)	(110)	(157)
	<b>Total tax expense</b>	<b>86</b>	<b>650</b>	<b>(13)</b>	<b>736</b>	<b>145</b>	<b>168</b>
7	<b>Profit for the period/ year (5-6)</b>	<b>377</b>	<b>3,080</b>	<b>536</b>	<b>3,457</b>	<b>1,288</b>	<b>1,391</b>
	<b>Other comprehensive income (net of tax)</b>						
	<b>Items that will not be subsequently reclassified to profit or loss:</b>						
	Remeasurement of defined benefit plans	-	-	(2)	-	(4)	6
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	(5)	(121)	(24)	(126)	76	442
	Income-tax relating to items that will not be reclassified to profit or loss	1	14	3	15	(8)	(44)
	<b>Total other comprehensive income (net of tax)</b>	<b>(4)</b>	<b>(107)</b>	<b>(23)</b>	<b>(111)</b>	<b>64</b>	<b>404</b>
9	<b>Total comprehensive income for the period/ year (7+8)</b>	<b>373</b>	<b>2,973</b>	<b>513</b>	<b>3,346</b>	<b>1,352</b>	<b>1,795</b>
10	<b>Paid-up equity share capital (face value of ₹2 each)</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>365</b>
11	<b>Other equity</b>						<b>41,554</b>
	<b>Earnings per share (not annualised for the quarters) (face value ₹2 each)</b>						
	Basic (in ₹)	2.07	16.87	2.94	18.94	7.06	7.63
	Diluted (in ₹)	2.07	16.87	2.94	18.94	7.05	7.63

\*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 2022 (Unaudited)	As at 31 March 2022 (Audited)
<b>I. Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	21,684	21,581
(b) Capital work-in-progress	1,435	1,287
(c) Intangible assets	151	161
(d) Investment in subsidiaries	3,973	3,441
(e) Financial assets		
(i) Investments	1,196	863
(ii) Loans	5	5
(iii) Other financial assets	198	191
(f) Other non-current assets	120	469
<b>Total non-current assets</b>	<b>28,762</b>	<b>27,998</b>
<b>(2) Current assets</b>		
(a) Inventories	6,657	6,977
(b) Financial assets		
(i) Investments	1,021	1,196
(ii) Trade receivables	3,274	5,756
(iii) Cash and cash equivalents	100	59
(iv) Bank balances other than (iii) above	3,255	950
(v) Loans	103	104
(vi) Other financial assets	3,067	3,818
(c) Other current assets	2,517	2,922
<b>Total current assets</b>	<b>19,994</b>	<b>21,782</b>
<b>Total assets</b>	<b>48,756</b>	<b>49,780</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	365	365
(b) Other equity	44,261	41,554
<b>Total equity</b>	<b>44,626</b>	<b>41,919</b>
<b>(2) Liabilities</b>		
<b>(A) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	9	79
(ii) Other financial liabilities	14	13
(b) Provisions	820	957
(c) Deferred tax liabilities, (net)	273	300
<b>Total non-current liabilities</b>	<b>1,116</b>	<b>1,349</b>
<b>(B) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	760	3,890
(ia) Lease liabilities	9	26
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	61	132
Total outstanding dues of creditors other than micro and small enterprises	968	1,280
(iii) Other financial liabilities	894	810
(b) Other current liabilities	152	204
(c) Provisions	170	170
<b>Total current liabilities</b>	<b>3,014</b>	<b>6,512</b>
<b>Total liabilities</b>	<b>4,130</b>	<b>7,861</b>
<b>Total equity and liabilities</b>	<b>48,756</b>	<b>49,780</b>





NATCO Pharma Limited

Standalone Statement of Cash Flows:

(₹ in millions)

	Half year ended	
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before tax	4,193	1,433
<b>Adjustments for:</b>		
Depreciation and amortisation expense	752	673
Finance costs	44	50
Share based payment expense	-	20
Interest income	(167)	(200)
Allowance for credit losses	-	84
Bad debts written off	-	46
Profit on sale of property, plant and equipment, net	(169)	(295)
Guarantee income	(3)	(3)
Unrealised foreign exchange gain, net	(27)	(18)
<b>Operating profit before working capital changes</b>	<b>4,623</b>	<b>1,790</b>
<b>Changes in working capital:</b>		
Changes in inventories	320	(1,093)
Changes in trade receivables	2,526	(679)
Changes in loans, financial and other assets	423	(1,051)
Changes in trade payables	(386)	20
Changes in provisions, financial and other liabilities	(31)	254
<b>Cash generated from/ (used in) operating activities</b>	<b>7,475</b>	<b>(759)</b>
Income-taxes paid, net of refund	(748)	(72)
<b>Net cash generated from/ (used in) operating activities</b>	<b>6,727</b>	<b>(831)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(818)	(1,114)
Proceeds from sale of property, plant and equipment	204	318
Acquisition of intangible assets	(10)	(38)
Investments in subsidiaries	(532)	(178)
Loans given to subsidiary companies	-	(4)
Proceeds from sale of investments	133	18
Purchase of investments	(417)	(816)
Deposits with banks	(3,218)	1,626
Redemption of deposits with banks	911	-
Interest received	305	406
Redemption of deposits with other than banks	3,538	123
Deposits with other than banks	(2,946)	-
<b>Net cash (used in)/ generated from investing activities</b>	<b>(2,850)</b>	<b>341</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of shares*	0	-
Net proceeds from/(repayment of) short-term borrowings	(3,144)	921
Dividends paid	(639)	(365)
Interest paid	(44)	(50)
Payment of lease liability	(9)	(10)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(3,836)</b>	<b>496</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>41</b>	<b>6</b>
Cash and cash equivalents at the beginning of the period	59	51
<b>Cash and cash equivalents at the end of the period</b>	<b>100</b>	<b>57</b>
<b>Debt reconciliation statement in accordance with Ind AS 7:-</b>		
<b>Current borrowings:</b>		
Opening balance	3,890	2,551
Proceeds from/ (repayment of) borrowings, net	(3,144)	921
Non-cash items	14	(3)
	<b>760</b>	<b>3,469</b>
<b>Lease liabilities:</b>		
Opening balance	105	17
Cash flow changes	(9)	(10)
Non-cash changes	(78)	105
	<b>18</b>	<b>112</b>

\*The numbers are rounded off to nearest million.



**NATCO Pharma Limited**

**Notes to the standalone financial results:**

- 1) The unaudited standalone financial results of NATCO Pharma Limited ("the Company") have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The unaudited standalone financial results for the quarter and half year ended 30 September 2022 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 10 November 2022.
- 3) The results of the Company for the quarter and half year ended 30 September 2022, have been reviewed by the statutory auditors and they have issued an unmodified review report on the same. The review report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.
- 4) Where financial results contain both consolidated and standalone financial results of the parent, segment information is required to be presented only in the consolidated financial results. Accordingly, segment information has been presented in the consolidated financial results.
- 5) During the quarter ended 30 June 2022, 37,000 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.07 million and securities premium account of ₹ 35.31 million.
- 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) Employee benefits expense includes compensation amounting to INR 291 million paid under voluntary retirement scheme during the quarter ended 30 June 2022 and half year ended 30 September 2022.
- 9) The Board of Directors at their meeting held on 10 November 2022 have approved an interim dividend of ₹ 0.75 per equity share for the quarter ended 30 September 2022 and at their meeting held on 09 August 2022 had approved an interim dividend of ₹3.50 per equity share of ₹2 each for the quarter ended 30 June 2022.

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



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

Place: Hyderabad

Date: 10 November 2022

# B S R & Associates LLP

Chartered Accountants

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## Limited Review Report on unaudited standalone financial results of NATCO Pharma Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### 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 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed,

**B S R & Associates LLP**

or that it contains any material misstatement.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No.: 116231WW-100024

*Vikash Somani*

**Vikash Somani**

*Partner*

Membership No.: 061272

UDIN: 22061272BCRTEQ5873

Hyderabad

10 November 2022