NATCO

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

30th May, 2022

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

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

Dear Sir/Madam,

Sub: Outcome of Board Meeting

We would like to inform you that the Board of Directors of the Company at their meeting held today have considered and approved the following along with other items of business:

Sl. No.	**Particulars**
1	Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2022 prepared under Indian Accounting Standards (IND-AS) and as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") along with Auditor's Report(s) of the Statutory Auditors. Please find enclosed a copy of the same for your information and a declaration as required under Listing Regulations.
2	Notice of 39th Annual General Meeting (AGM) was approved and Board had authorised Sri V.C. Nannapaneni, Managing Director for finalizing the date, time, venue, book closure dates and mode of conducting of Annual General Meeting for the financial year 2021-22.

A Copy of the Press Release is also enclosed.

This is for your information and records.

Meeting commenced at 12.45 p.m. and concluded at 14.35 p.m.

Thanking you,
Yours faithfully,
For NATCO Pharma Limited

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer

Encl: as above

NATCO Pharma Limited

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

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2022

(₹ in millions except per share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
	Income					
1	Revenue from operations (refer note 6)	5,968	5,605	3,313	19,448	20,521
2	Other income	138	302	284	990	1,036
3	**Total income (1+2)**	**6,106**	**5,907**	**3,597**	**20,438**	**21,557**
4	**Expenses**					
	Cost of materials consumed	1,931	1,006	893	5,192	3,729
	Purchases of stock-in-trade	325	56	30	585	1,866
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	707	(132)	(378)	(168)	(481)
	Employee benefits expense	1,093	1,182	946	4,448	4,149
	Finance costs	67	50	35	177	133
	Depreciation and amortisation expense	381	360	304	1,426	1,169
	Other expenses	2,098	2,475	1,060	6,756	5,196
	Total expenses	**6,602**	**4,997**	**2,890**	**18,416**	**15,761**
5	**(Loss)/ profit before exceptional items and tax (3-4)**	**(496)**	**910**	**707**	**2,022**	**5,796**
6	Exceptional items	-	-	-	-	-
7	**(Loss)/ profit before tax (5-6)**	**(496)**	**910**	**707**	**2,022**	**5,796**
8	**Tax expense**					
	(i) Current tax	(6)	167	258	478	1,478
	(ii) Deferred tax charge/ (credit)	15	(61)	(81)	(156)	(106)
	Total tax expense	**9**	**106**	**177**	**322**	**1,372**
9	**(Loss)/ profit for the period/year (7-8)**	**(505)**	**804**	**530**	**1,700**	**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	12	(2)	51	6	(8)
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	31	335	7	442	143
	Income-tax relating to items that will not be reclassified to profit or loss	(8)	(29)	3	(44)	(10)
		35	**304**	**61**	**404**	**125**
	B. Items that will be reclassified subsequently to profit or loss:					
	Exchange differences on translation of foreign operations	184	(26)	9	93	(38)
		184	**(26)**	**9**	**93**	**(38)**
	Total other comprehensive income (net of tax) (A+B)	**219**	**278**	**70**	**497**	**87**
11	**Total comprehensive income for the period/ year (9+10)**	**(286)**	**1,082**	**600**	**2,197**	**4,511**
12	**(Loss)/ profit for the period/year attributable to:**					
	Owners of the Company	(505)	804	530	1,700	4,409
	Non-controlling interests*	-	-	0	-	15
13	**Other comprehensive income attributable to:**					
	Owners of the Company	219	278	70	497	87
	Non-controlling interests	-	-	-	-	-
14	**Total comprehensive income attributable to:**					
	Owners of the Company	(286)	1,082	600	2,197	4,496
	Non-controlling interests*	-	-	0	-	15
15	**Paid-up equity share capital (face value of ₹2 each)**	**365**	365	**365**	**365**	**365**
16	**Other equity**				**42,271**	**40,851**
17	**Earnings per share (face value ₹2 each)**					
	Basic (in ₹)	(2.77)	4.41	2.91	9.32	24.20
	Diluted (in ₹)	(2.77)	4.40	2.90	9.32	24.16
		(Non-annualised)	(Non-annualised)	(Non-annualised)		

*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 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
I Assets		
(1) Non-current assets		
(a) Property, plant and equipment	21,789	20,138
(b) Capital work-in-progress	1,295	2,234
(c) Goodwill	507	-
(d) Intangible assets	822	94
(e) Financial assets		
(i) Investments	1,044	1,519
(ii) Loans	-	14
(iii) Other financial assets	193	187
(f) Other non-current assets	469	285
Total non-current assets	**26,119**	**24,471**
(2) Current assets		
(a) Inventories	7,620	7,982
(b) Financial assets		
(i) Investments	2,037	1,518
(ii) Trade receivables	6,206	4,129
(iii) Cash and cash equivalents	1,111	258
(iv) Bank balances other than (iii) above	950	2,577
(v) Loans	104	131
(vi) Other financial assets	3,901	4,270
(c) Other current assets	3,043	2,583
Total current assets	**24,972**	**23,448**
Total assets	**51,091**	**47,919**
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	42,271	40,851
Equity attributable to owners of the Company	**42,636**	**41,216**
(c) Non-controlling interest	-	18
Total equity	**42,636**	**41,234**
(2) **Liabilities**		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	80	9
(ii) Other financial liabilities	13	11
(b) Provisions	957	996
(c) Deferred tax liabilities, (net)	301	413
Total non-current liabilities	**1,351**	**1,429**
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,040	2,658
(ii) Lease liabilities	35	9
(iii) Trade payables		
- Dues of micro and small enterprises	132	75
- Dues of creditors other than micro and small enterprises	1,486	1,387
(iv) Other financial liabilities	833	864
(b) Other current liabilities	399	122
(c) Provisions	170	128
(d) Current tax liabilities, (net)	9	13
Total current liabilities	**7,104**	**5,256**
Total liabilities	**8,455**	**6,685**
Total equity and liabilities	**51,091**	**47,919**

NATCO Pharma Limited

Consolidated Statement of Cash Flows: *(₹ in millions)*

	Year ended	
	31 March 2022 (Audited)	**31 March 2021 (Audited)**
Cash flows from operating activities:		
Profit before tax	2,022	5,796
Adjustments for:		
Depreciation and amortisation expense	1,426	1,169
Finance costs	177	133
Share based payment expense	22	126
Interest income	(390)	(566)
Allowance for credit loss	271	(24)
Bad debts written off	199	117
Liabilities written back	(16)	-
Profit on sale of property, plant and equipment, net	(427)	(320)
Dividend income	(2)	0
Fair value gain on Financial assets measured at FVTPL	(12)	-
Unrealised foreign exchange gain, net	(9)	(14)
Operating profit before working capital changes	**3,261**	**6,417**
Changes in working capital:		
Changes in inventories	564	(2,402)
Changes in trade receivables	(2,389)	1,306
Changes in loans, financial and other assets	(406)	(129)
Changes in trade payables	74	(1,095)
Changes in provisions, financial and other liabilities	(157)	191
Cash generated from operating activities	**947**	**4,288**
Income-taxes paid, net of refund	(482)	(1,300)
Net cash generated from operating activities	**465**	**2,988**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,327)	(2,546)
Proceeds from sale of property, plant and equipment	538	451
Acquisition of intangible assets	(99)	23
Acquisition of subsidiary, net of cash and cash equivalents acquired	(1,031)	-
Purchase of investments	294	(1,846)
Proceeds from sale of investments	118	73
Deposits with banks	(913)	(2,544)
Redemption of deposits with banks	2,540	428
Interest received	498	671
Dividend received	2	(0)
Repayment of loans by others	4	6
Redemption of deposits with other than banks	3,861	8,112
Deposits with other than banks	(3,538)	(3,861)
Net cash used in investing activities	**(53)**	**(1,033)**
Cash flows from financing activities		
Proceeds from issue of shares*	0	1
Contribution from non-controlling interest	(18)	(95)
Net proceeds from/ (repayment of) short-term borrowings	1,382	(484)
Payment of lease liability	(24)	(12)
Dividends paid	(822)	(1,139)
Interest paid	(170)	(128)
Net cash generated from/ (used in) financing activities	**348**	**(1,857)**
Net increase in cash and cash equivalents	**760**	**98**
Cash and cash equivalents at beginning of the year	258	198
Effect of currency translation adjustment	93	(38)
Cash and cash equivalents at the end of the year	**1,111**	**258**
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	2,658	3,142
Proceeds from/ (repayment of) borrowings, net	1,382	(484)
Non-cash items (Foreign exchange changes)*	0	(0)
	4,040	**2,658**
Lease liabilities:		
Opening balance	18	17
Cash flow changes	(24)	(12)
Non-cash changes	121	13
	115	**18**

*The numbers are rounded off to nearest million.

NATCO Pharma Ltd. NATCO Hyderabad

NATCO Pharma Limited

Segment reporting:

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
1	**Segment revenue**					
	a. Pharmaceuticals	5,962	5,602	3,300	19,399	20,500
	b. Agro chemicals	6	3	13	49	21
		5,968	**5,605**	**3,313**	**19,448**	**20,521**
	Add: Unallocated	-	-	-	-	-
	Total revenue from operations	**5,968**	**5,605**	**3,313**	**19,448**	**20,521**
2	**Segment results**					
	a. Pharmaceuticals	(340)	1,060	752	2,480	5,941
	b. Agro chemicals	(89)	(100)	(10)	(281)	(12)
	Total segment result	**(429)**	**960**	**742**	**2,199**	**5,929**
	Less:					
	a. Finance cost	(67)	(50)	(35)	(177)	(133)
	b. Net unallocated (income)/expenditure	-	-	-	-	-
	Total profit before tax	**(496)**	**910**	**707**	**2,022**	**5,796**
3	**Segment assets**					
	a. Pharmaceuticals	44,609	44,808	42,452	44,609	42,452
	b. Agro chemicals	3,373	3,321	2,393	3,373	2,393
	Total segment assets	**47,982**	**48,129**	**44,845**	**47,982**	**44,845**
	Add:					
	a. Unallocated	3,110	3,187	3,074	3,110	3,074
	Total assets	**51,092**	**51,316**	**47,919**	**51,092**	**47,919**
4	**Segment liabilities**					
	a. Pharmaceuticals	4,065	4,171	3,499	4,065	3,499
	b. Agro chemicals	41	42	84	41	84
	Total segment liabilities	**4,106**	**4,213**	**3,583**	**4,106**	**3,583**
	Add:					
	a. Unallocated	4,350	3,821	3,102	4,350	3,102
	Total liabilities	**8,456**	**8,034**	**6,685**	**8,456**	**6,685**

NATCO Pharma Ltd. Hyderabad

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 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 30 May 2022.

3) The results of the Group for the year ended 31 March 2022, have been audited by the statutory auditors and they have issued an unqualified audit report on the same. The audit report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.

4) The consolidated figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited consolidated figures in respect of the full financial years and the published unaudited year to date consolidated figures upto the third quarter of the respective financial years. Also, the consolidated figures upto the end of the third quarter were only reviewed and not subjected to audit.

5) The consolidated financial results for the quarter and year ended 31 March 2022 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	NatcoFarma 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
8	Dash Pharmaceuticals LLC, United States of America (subsidiary of NATCO Pharma Inc.)

6) Revenue from operations includes in both current and previous years, 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.

7) During the year ended 31 March 2022, 182,340 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2016 and ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.36 million and securities premium account of ₹ 162.55 million.

8) During the quarter ended 31 March 2022, NATCO Pharma Limited through its wholly owned subsidiary, NATCO Pharma Inc. USA, has acquired Dash Pharmaceuticals LLC ("Dash"), a New Jersey based entity for a consideration of USD 18 million (₹ 1,341 million). Pursuant to this, Dash has become a 100% wholly owned subsidiary of NATCO Pharma Inc. and a step-down subsidiary of NATCO Pharma Limited with effect from 1 January 2022.

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 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.

10) The standalone financial results, for the quarter and year ended 31 March 2022 can be viewed on the website of the Company, NSE and BSE at www.natcopharma.co.in www.nseindia.com, and www.bseindia.com respectively. Information of standalone 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 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
	Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
Total revenue from operations	5,141	5,295	3,115	17,678	16,535
(Loss)/ profit before tax	(671)	797	734	1,559	3,922
(Net loss)/ net profit for the period/ year	(613)	716	572	1,391	3,095
Total comprehensive income	(577)	1,020	635	1,795	3,228

11) The Ministry of Corporate Affairs (MCA) vide notification dated 24 March 2021 has ammended 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
Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 30 May 2022

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

Telephone +91 40 7182 2000
Fax +91 40 7182 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 2022, 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	Holding Company
NATCO Pharma Inc.	Subsidary
Dash Pharmaceuticals LLC (subsidiary of NATCO Pharma Inc.)	Step-down subsidary
Time Cap Overseas Limited	Subsidary
NatcoFarma do Brasil Ltda. (subsidiary of Time Cap Overseas Limited)	Step-down subsidary
NATCO Pharma (Canada) Inc.	Subsidary
NATCO Pharma Asia Pte Ltd.	Subsidary
NATCO Pharma Australia Pty Ltd.	Subsidary
NATCO Lifesciences Phillipines Inc.	Subsidary

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

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:

- 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 no. (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, whose financial statements reflect total assets (before consolidation adjustments) of INR 5,672 million as at 31 March 2022, total revenue (before consolidation adjustments) of INR 2,594 million and total net profit after tax (before consolidation adjustments) of INR 350 million and net cash inflows (before consolidation adjustments) of INR 533 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's report 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 subsidaries 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 located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the 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 and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. The consolidated annual financial results include the results for the quarter ended 31 March 2022 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:22061272AJVYZR9416

HYDERABAD

30 May 2022

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 2022

(₹ in millions except share data)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2022	31 December 2021	31 March 2021	31 March 2022	31 March 2021
		Audited (Refer note 4)	Unaudited	Audited (Refer note 4)	Audited	Audited
	Income					
1	Revenue from operations	5,141	5,295	3,115	17,678	16,535
2	Other income	104	316	291	946	1,011
3	**Total income (1+2)**	**5,245**	**5,611**	**3,406**	**18,624**	**17,546**
4	**Expenses**					
	Cost of materials consumed	1,931	1,006	893	5,192	3,729
	Purchases of stock-in-trade	43	44	19	209	1,740
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	737	(109)	(364)	(55)	(469)
	Employee benefits expense	986	1,116	894	4,101	3,800
	Finance costs	42	41	23	133	113
	Depreciation and amortisation expense	356	355	298	1,384	1,152
	Other expenses	1,821	2,361	909	6,101	3,559
	Total expenses	**5,916**	**4,814**	**2,672**	**17,065**	**13,624**
5	**(Loss)/ profit before exceptional items and tax (3-4)**	**(671)**	**797**	**734**	**1,559**	**3,922**
6	Exceptional items	-	-	-	-	-
7	**(Loss)/ profit before tax (5-6)**	**(671)**	**797**	**734**	**1,559**	**3,922**
8	**Tax expense**					
	(i) Current tax	(72)	142	243	325	933
	(ii) Deferred tax charge/ (credit)	14	(61)	(81)	(157)	(106)
	Total tax expense	**(58)**	**81**	**162**	**168**	**827**
9	**(Loss)/ profit for the period/ year (7-8)**	**(613)**	**716**	**572**	**1,391**	**3,095**
10	**Other comprehensive income (net of tax)**					
	Items that will not be subsequently reclassified to profit or loss:					
	Remeasurement of defined benefit plans	12	(2)	51	6	(8)
	Net gains from investments in equity instruments designated at Fair value through other comprehensive income (FVTOCI)	31	335	9	442	153
	Income-tax relating to items that will not be reclassified to profit or loss	(7)	(29)	3	(44)	(12)
	Total other comprehensive income (net of tax)	**36**	**304**	**63**	**404**	**133**
11	**Total comprehensive income for the period/ year (9+10)**	**(577)**	**1,020**	**635**	**1,795**	**3,228**
12	**Paid-up equity share capital (face value of ₹2 each)**	365	365	365	365	365
13	**Other equity**				41,554	40,546
14	**Earnings per share (face value ₹2 each)**					
	Basic (in ₹)	(3.36)	3.93	3.14	7.63	16.99
	Diluted (in ₹)	(3.36)	3.92	3.13	7.63	16.96
		(Non-annualised)	(Non-annualised)	(Non-annualised)		

See accompanying notes to the standalone financial results.

NATCO Pharma Ltd. Hyderabad

NATCO Pharma Limited

Standalone Balance Sheet: *(₹ in millions)*

	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
I. Assets		
(1) Non-current assets		
(a) Property, plant and equipment	21,581	19,965
(b) Capital work-in-progress	1,287	2,234
(c) Intangible assets	161	94
(d) Investment in subsidiaries	3,441	1,830
(e) Financial assets		
(i) Investments	863	1,119
(ii) Loans	5	128
(iii) Other financial assets	191	185
(f) Other non-current assets	469	285
Total non-current assets	**27,998**	**25,840**
(2) Current assets		
(a) Inventories	6,977	7,692
(b) Financial assets		
(i) Investments	1,196	421
(ii) Trade receivables	5,756	3,998
(iii) Cash and cash equivalents	59	51
(iv) Bank balances other than (iii) above	950	2,577
(v) Loans	104	129
(vi) Other financial assets	3,818	4,280
(c) Other current assets	2,922	2,537
Total current assets	**21,782**	**21,685**
Total assets	**49,780**	**47,525**
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	365	365
(b) Other equity	41,554	40,546
Total of equity	**41,919**	**40,911**
(2) Liabilities		
(A) Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	79	9
(ii) Other financial liabilities	13	11
(b) Provisions	957	996
(c) Deferred tax liabilities, (net)	300	413
Total non-current liabilities	**1,349**	**1,429**
(B) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,890	2,551
(ii) Lease liabilities	26	4
(iii) Trade payables		
- Dues of micro and small enterprises	132	75
- Dues of creditors other than micro and small enterprises	1,280	1,320
(iv) Other financial liabilities	810	807
(b) Other current liabilities	204	300
(c) Provisions	170	128
Total current liabilities	**6,512**	**5,185**
Total liabilities	**7,861**	**6,614**
Total equity and liabilities	**49,780**	**47,525**

NATCO Pharma Limited

Standalone Statement of Cash Flows: *(₹ in millions)*

	Year ended	
	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
Cash flows from operating activities:		
Profit before tax	1,559	3,922
Adjustments for:		
Depreciation and amortisation expense	1,384	1,152
Finance costs	133	113
Share based payment expense	22	126
Interest income	(377)	(562)
Allowance for credit losses	271	(24)
Bad debts written off	199	117
Profit on sale of property, plant and equipment, net	(427)	(320)
Guarantee income	(9)	(5)
Dividend income	(2)	(0)
Unrealised foreign exchange gain, net	(9)	(13)
Operating profit before working capital changes	**2,744**	**4,506**
Changes in working capital:		
Changes in inventories	715	(2,447)
Changes in trade receivables	(2,216)	1,292
Changes in loans, financial and other assets	(327)	(124)
Changes in trade payables	17	(947)
Changes in provisions, financial and other liabilities	(31)	324
Cash generated from operating activities	**902**	**2,604**
Income-taxes paid, net of refund	(325)	(769)
Net cash generated from operating activities	**577**	**1,835**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,255)	(2,399)
Proceeds from sale of property, plant and equipment	538	451
Acquisition of intangible assets	(99)	(29)
Investments in subsidiaries	(1,608)	(787)
Loans given to subsidiary companies	(4)	-
Repayment of loans by subsidiary companies	114	410
Repayment of loans by others	4	6
Proceeds from sale of investments	118	73
Purchase of investments	(180)	(578)
Deposits with banks	(913)	(3,060)
Redemption of deposits with banks	2,540	950
Interest received	495	680
Dividend received	2	0
Redemption of deposits with other than banks	3,861	8,112
Deposits with other than banks	(3,538)	(3,861)
Net cash from used in investing activities	**(925)**	**(32)**
Cash flows from financing activities:		
Proceeds from issue of shares*	0	1
Net proceeds from/(repayment of) short-term borrowings	1,339	(572)
Dividends paid	(821)	(1,140)
Interest paid	(139)	(112)
Payment of lease liability	(23)	(8)
Net cash generated from/ (used in) financing activities	**356**	**(1,831)**
Net increase/ (decrease) in cash and cash equivalents	**8**	**(28)**
Cash and cash equivalents at the beginning of the year	51	79
Cash and cash equivalents at the end of the year	**59**	**51**
Debt reconciliation statement in accordance with Ind AS 7:-		
Current borrowings:		
Opening balance	2,551	3,123
Proceeds from/ (repayment of) borrowings, net	1,339	(572)
Non-cash items (Foreign exchange changes)*	0	(0)
	3,890	**2,551**
Lease liabilities:		
Opening balance	13	17
Cash flow changes	(23)	(8)
Non-cash changes	115	4
	105	**13**

*The numbers are rounded off to nearest million.

NATCO Pharma Ltd. Hyderabad

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 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 30 May 2022.

3) The results of the Company for the year ended 31 March 2022, have been audited by the statutory auditors and they have issued an unqualified audit report on the same. The audit report of the statutory auditors is being filed with the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') and is also available on the Company's website.

4) The standalone figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited standalone figures in respect of the full financial years and the published unaudited year to date standalone figures upto the third quarter of the respective financial years. Also, the standalone figures upto the end of the third quarter were only reviewed and not subjected to audit.

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 2022, 182,340 equity shares of ₹ 2 each, fully-paid up, were allotted upon exercise of the vested stock options pursuant to the ESOP 2016 and ESOP 2017 schemes resulting in an increase in the paid-up share capital of ₹ 0.36 million and securities premium account of ₹ 162.55 million.

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 Ministry of Corporate Affairs (MCA) vide notification dated 24 March 2021 has ammended 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

NATCO Pharma Ltd. Hyderabad

V C Nannapaneni
Managing Director
(DIN: 00183315)

Place: Hyderabad
Date: 30 May 2022

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

Telephone: +91 40 7182 2000
Fax: +91 40 7182 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 2022, 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 2022.

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 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 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(s)

a. The standalone annual financial results include the results for the quarter ended 31 March 2022 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.: 0612712

UDIN:22061272AJVYSK5658

HYDERABAD

30 May 2022

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

30th May, 2022

Corporate Relationship Department	Manager – Listing
The BSE Ltd.	National Stock Exchange of India Ltd
Dalal Street, Fort	"Exchange Plaza", Bandra – Kurla Complex
Mumbai 400 001.	**Bandra (E) Mumbai 400 051.**
Scrip Code: **524816**	**Scrip Code: NATCOPHARM**

Sub:- Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 – Declaration in respect of Audit Reports with unmodified opinion for the Financial year ended March 31, 2022

Pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, we hereby declare that the Statutory Auditors of the Company, M/s B S R & Associates LLP (ICAI FRN: 116231W/W-100024) Chartered Accountants have issued the Auditor Reports with unmodified Opinion on audited Financial Results (Standalone & Consolidated) for the year ended March 31, 2022.

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

NATCO

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

Ref: PR/ 3 /2022-23 **Press Release**

NATCO records INR 2043.8 Crore consolidated revenue and INR 170.0 Crore of profit, after tax, for the year ended March 31st, 2022

Hyderabad, India, May 30th, 2022

Hyderabad based NATCO Pharma Limited (NSE: NATCOPHARM; BSE: 524816) has recorded consolidated total revenue of INR 2043.8 Crore for the year ended on 31st March, 2022, as against INR 2155.7 Crore for the last year. The net profit for the period, on a consolidated basis, was INR 170.0 Crore, as against INR 442.4 Crore last year.

The reduction in the profit was primarily due to inventory value write-off and provision of receivables related to Covid products, with inventory value write-off of INR 232.0 Crore and provision of INR 46.0 Crore towards estimated credit loss. Export business performed well during the quarter driven by Lenalidomide sales and profit.

For the fourth quarter (Q4) ended March 31st, 2022, the company recorded a net revenue of INR 610.6 Crore, on a consolidated basis, as against INR 359.7 Crore during Q4, FY 2021. There was a loss for the fourth quarter period, on a consolidated basis, of INR 50.5 Crore, primarily due to inventory value write-off and provision of estimated credit losses, as against a profit of INR 53.0 Crore same quarter last year.

The company is confident of strong business growth during FY2022-23 lead by export business of Lenalidomide and growth in other business segments.

Segmental Revenue Split (All Figures in INR Crore)-

Segment	**Revenue, Q4 FY22**	**Revenue, Full Year FY22**
API	48.6	248.2
Formulations, Domestic	76.3	477.1
Formulations, Exports (incl. Profit Share & Foreign Subs)	465.1	1184.1
Other Operating income & non-operating income	20.0	129.5
Crop Health Sciences (CHS)	0.6	4.9

Forwarded for favor of publication

For NATCO Pharma Limited

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer