

Date: 10.11.2023

To
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Subject: Press Release

Dear Sir/ Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of press release made to analysts and investors in connection with Unaudited Standalone & Consolidated Financial Results for quarter & half year ended 30th September,2023.

Request you to please take note of the same.

Thanking You

Yours Faithfully,

For Natural Capsules Limited

Shilpa Burman
Company Secretary & Compliance Officer



NATURAL CAPSULES LIMITED REPORTS Q2FY24 RESULTS

Bangalore, November 9th, 2023: Natural Capsules Limited, one of India's leading manufacturer of hard capsules shell has announced its financial results for the second quarter ended September 30th, 2023.

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED SEPTEMBER 30TH, 2023

REVENUES	37.52 cr	EBITDA	5.12 cr	EBITDA MARGINS	13.65%
⬇️ -0.48%	⬇️ -16.73%	⬇️ -14.09%	⬇️ -46.83%	⬇️ -216 BPS	⬇️ -772 BPS
PAT	1.56 cr	EPS	₹ 1.67	Key	
⬇️ -14.29%	⬇️ -70.73%	⬇️ -14.80%	⬇️ -75.62%	⬆️ Q-o-Q	⬆️ Y-o-Y

COMMENTING ON THE PERFORMANCE, MR. SUNIL MUNDRA, EXECUTIVE DIRECTOR, SAID,

In Q2 FY24, we encountered challenges similar to previous quarters, resulting in a flat quarterly top-line performance and a year-on-year decline of approximately 17%. Domestically, demand has remained strong, and we've seen a small increase in realisations of about 3-4%. However, our exports have been hampered by currency availability issues in Kenya, Ghana, and Nigeria, which impacted our pricing and performance. Year-on-year volume has remained consistent with Q2 FY23, but the decline in top-line is due to the decline in realisations over the year.

After facing some difficulties with raw material availability last quarter, we are now seeing a positive turn with the stabilisation of gelatine prices. There's also a potential for domestic price reductions in the near future due to softening international prices.

The HPMC first line's installation, completed in August, was undergoing modifications, and we plan to begin commercial production in 2nd half of November 2023. Once we ensure the first line is operating smoothly, we'll proceed with the installation of the second and third lines, which are ready with the vendor and have been partially paid for.

In September, we inaugurated our kilo lab for small volume production batch. We anticipated receiving the drug department license by the end of September, but there have been delays. This license requires a joint inspection by the central and state drug departments, and we are also awaiting final clearance from the pollution control board, which will allow us to commence operations.

Once we have clearance from the pollution control board, we can begin manufacturing intermediates. However, API production will start after the receipt of drug licence. The capitalisation of CAPEX will be done in phases as we ramp up our capacity.

Despite challenges with realisations, delays in CAPEX, cost overruns, and demand issues in the capsule segment, we have maintained our capital expenditure plans. We are confident that we can scale our investments profitably as conditions normalise.

UPDATES ON CAPEX

	Q1FY23	Q2FY23	Q2FY24	Q4FY24	Q1FY25
CAPSULES	<ul style="list-style-type: none"> Added 1 line for gelatin capsules added in June 	<ul style="list-style-type: none"> 1 line for gelatin capsules added in September 	<ul style="list-style-type: none"> Completed installation for 1st line of HPMC capsules 	<ul style="list-style-type: none"> 1 lines for HPMC capsules to be added in Q4FY24 	<ul style="list-style-type: none"> 1 lines for HPMC capsules to be added in Q1FY25
API			<ul style="list-style-type: none"> Successful Inauguration of Kilo Lab 	<ul style="list-style-type: none"> Start of Commercial production in small volume batches 	<ul style="list-style-type: none"> Start of Commercial production in large volume batches

ABOUT NATURAL CAPSULE LIMITED (NCL)

Natural Capsules Limited (NCL) is a hard capsule shell manufacturer, who pioneered manufacturing of vegetarian capsules in India and is the second largest Indian manufacturer for gelatin capsules. The company was incorporated as a Public Limited Company in 1993 at Bangalore, and it further expanded its operations to Pondicherry in 2003. The company is now foraying into API manufacturing with complex high-end patented technology developed in-house, under its subsidiary company Natural Biogenex Private Limited.

For further details please get in touch with

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Certain statements in this document that are not historical facts are forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward- looking statements. Natural Capsules Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.