

Date: 28.05.2023

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 Audited Standalone & Consolidated Financial Results for quarter & Financial year ended 31st March, 2023.

Request you to please take note of the same.

Thanking You

Yours Faithfully,

For Natural Capsules Limited

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Date: 2023.05.28
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Shilpa Burman
Company Secretary & Compliance Officer



NATURAL CAPSULES LIMITED REPORTS Q4FY23 RESULTS

Bangalore, May 28th, 2023: Natural Capsules Limited, one of India's leading manufacturer of hard capsules shell has announced its financial results for the fourth quarter ended March 31st, 2023.

FINANCIAL HIGHLIGHTS FOR QUARTER ENDED MARCH 31ST, 2023

REVENUES	37.62 cr	EBITDA	6.64 cr	EBITDA MARGINS	17.65%
⬇️ -17.32%	⬇️ -9.46%	⬇️ -31.26%	⬇️ -18.43%	⬇️ -358 BPS	⬇️ -194 BPS
PAT	2.66 cr	EPS	₹2.80	Key	
⬇️ -49.33%	⬇️ -48.05%	⬇️ -50.70%	⬇️ -60.11%	⬆️ Q-o-Q	⬆️ Y-o-Y

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

"I am delighted to provide you with an update on Natural Capsules Limited's performance in Q4FY23. Despite the challenging operating environment in the domestic pharmaceutical industry, we have managed to maintain our volumes without experiencing any declines. We believe that the period of declining realisations is behind us, as evidenced by a gradual rebound in realisations in Q1 and our anticipation of further increases throughout the year.

In terms of positive developments, we recently signed an exclusive distribution agreement with a multi-billion-dollar corporation for our capsules in the Mexico market. This presents a significant opportunity for us, considering Mexico's high import of capsules. Sales recognition from this contract is expected to commence in Q2 of the current financial year. Additionally, we are making progress in setting up HPMC lines, with the integration process of the first line currently underway. We anticipate the remaining two lines to be operational in Q2 and Q3 of FY24, respectively.

On the API front, we are pleased to announce that we expect to start selling small commercial batches from Q2, gradually increasing production from Q3. However, this necessitates a revision of our earlier guidance of achieving 50% capacity utilisation in the first year, as commercial sales will only commence from Q2FY24 and gradually ramp up from Q3FY24.

With respect to the Production Linked Incentive (PLI) program, we have received government approvals and have decided to opt for the PLI incentive from FY25. This strategic decision is based on the PLI being determined by sales quantity. We are reasonably confident that our volumes in FY25 will significantly surpass those of FY24, ensuring higher incentives. Additionally, the removal of the condition mandating a minimum 90% capacity utilisation for eligibility to receive the incentives is a positive development. Now, the incentives will apply to any quantity manufactured and sold.

Looking ahead to the upcoming financial year, we remain excited about our growth trajectory in both our business verticals. The commencement of the HPMC lines is expected to drive top-line growth and improve the margin profile of our capsules business. For our API business, our focus will be on rapidly ramping up operations."

UPDATES ON CAPEX

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
CAPSULES	• Added 1 line for gelatin capsules added in June	• 1 line for gelatin capsules added in September			• 1 lines for HPMC capsules to be added in Q1FY24	• 1 lines for HPMC capsules to be added in Q2FY24	• 1 lines for HPMC capsules to be added in Q3FY24
API						• Start of Commercial production in small 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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Abhishek Mehra
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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.