

ANNUAL REPORT 2024-2025



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Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the managements' plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, or estimated projected. We undertake no obligation to publicly update any forward-looking statements, whether as a results of new information, future events or otherwise.

Nectar Lifesciences Limited

(Corporate Identification Number: L24232PB1995PLC016664)

Registered Office: Village Saidpura, Tehsil Derabassi,

Distt. S.A.S. Nagar (Mohali) Punjab - 140507

Email: cs@neclife.com, Website: www.neclife.com

Phone: +91-01762-534001 Fax: +91-01762- 531833

NOTICE

(Note: The business of this Meeting may be transacted through electronic voting system)

NOTICE is hereby given that the 30th Annual General Meeting ("AGM") or "Meeting" of Nectar Lifesciences Limited ("Company") will be held on Monday, September 29, 2025, at 11.00 A.M. IST through Video Conferencing ("VC") / Other Audio-Visual means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2025 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 and the Report of Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary** Resolution:

"**RESOLVED THAT** Standalone Financial Statements of the Company for the financial year ended March 31, 2025, and the Reports of the Board of Directors and Auditors thereon, circulated to members be and are hereby received, considered and adopted."

FURTHER RESOLVED THAT Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and the Report of Auditors thereon, circulated to members be and are hereby received, considered and adopted."

2. To appoint a director in place of Mr. Sanjiv Goyal (DIN – 00002841), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary** Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Mr. Sanjiv Goyal (DIN – 00002841) who retires from the board at the ensuing Annual General Meeting in accordance with the provisions of the Articles of Association, and being eligible offers himself for being re-appointed, be and is hereby re-appointed as a director of the company whose period in office will be liable to end by rotation."

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditors under section 148 of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary** Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to V. KUMAR & ASSOCIATES (Firm registration no. 100137), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, amounting to INR 2,00,000/- (Rupees Two Lacs only)

per annum plus tax(es) as applicable and re-imbusement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to reduce the above remuneration proportionately in case cost audit is to be conducted for any part of the year and/ or do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To consider and approve Appointment of Mr. Prince Chadha, proprietor of M/s. P. Chadha & Associates, Practicing Company Secretary as Secretarial Auditors and fix his remuneration, and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary** Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act"), Mr. Prince Chadha, proprietor of M/s. P. Chadha & Associates, Practicing Company Secretary (Certificate of Practice no. 12409, Membership no. 32856 and Peer Review Certificate no. 1671/2022 valid upto January 31, 2027) be and is hereby appointed as Secretarial Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of 30th Annual General Meeting ("AGM") till the conclusion of 35th AGM of the Company to be held in the year 2030 (i.e., to conduct the secretarial audit for FY 2025-26 to FY 2029-30), on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board).

FURTHER RESOLVED THAT approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

5. To consider and approve the adoption of new set of Articles of Association of the Company, and in this regard, if thought fit, to pass the following resolution as a **Special** Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment or amendment thereof for the time being in force) and/ or other rules and regulations,

the circulars, notifications etc. issued thereunder, and such other approvals, as may be required from the relevant Governmental Authorities, the approval of the members of the Company be and is hereby accorded to amend and replace the existing Articles of Association of the Company with the amended and restated Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid regulations as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment.”

By order of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Date: August 14, 2025

Place: Chandigarh

IMPORTANT NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), which sets out details relating to Special Business at the AGM, is annexed hereto. Disclosures under Securities and Exchange Board of India (“SEBI”) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and under Secretarial Standard -2 issued by Institute of Company Secretaries of India (“ICSI”) are also contained in Explanatory Statement pursuant to Section 102 of the Act. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 - The Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 read with other relevant circulars issued in this regard, the latest being General circular 09/2024 dated September 19, 2024 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 07, 2023 and October 3, 2024, has permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue.

In view of the above, it has been decided to convene the AGM of the Company through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. As the AGM is being conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
 - Members attending the AGM through VC/ OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
 - The register of members and the share transfer books of the Company will remain closed from September 23, 2025, to September 29, 2025 (both days inclusive) in accordance with the provisions of the Act and the LODR Regulations, for the purpose of AGM.
 - Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (“PAN”), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - For shares held in electronic form: to their Depository Participants (DPs);
 - For shares held in physical form: to the Company/ Registrar and Share Transfer Agent (“RTA”) of the Company KFin Technologies Limited (“KFIN”); in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular dated June 23, 2025 which are available on the RTA website: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> or the Company website: <https://www.neclife.com/about-3-15>. The Company has sent letters through speed post for furnishing the required details. Members may also refer to RTA's website or the Company's website for more information. Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>.
- Also, as per SEBI Master Circular dated June 23, 2025, there is implementation of Online Mechanism Processing of Investor Service Requests and Complaints by RTA which are available on the RTA website: <https://ris.kfintech.com/> or the Company website: <https://www.neclife.com/about-3-15>.
- Regulation 40 of LODR Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be affected only in dematerialized (“demat”) mode. Members may please note that SEBI vide its Circular dated January 25, 2022, has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the RTA's and Company's websites. It may be noted that any service request can be processed only after the folio is KYC Compliant. In view of this, Members holding shares in physical form are requested to consider converting their holdings to demat mode.
 - The documents pertaining to the items of business to be transacted at the AGM and the statutory registers required under the Act are available for inspection in electronic mode. The shareholders may write an email to cs@neclife.com by mentioning “Request for Inspection” in the subject of the email.
 - Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund (“IEPF”) Authority (Accounting Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to Beneficiary (“Demat”) Account of the IEPF Authority maintained with National Securities Depository Limited

("NSDL"). The said requirement does not apply to share in respect of which there is a specific order of Court, Tribunal or statutory Authority, restraining any transfer of the shares.

In the interest of shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/share to IEPF Authority. Notices in regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose share are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.neclife.com/about-3-12>.

9. In light of the aforesaid provisions, members are informed that the dividend amount for the year ended 2017-18 remaining unclaimed or unpaid shall become due for transfer on November 01, 2025 to the IEPF in terms of the Act. Any member, who has not claimed dividend in respect of the financial year ended 2017-18 and onwards, is requested to approach the Company/ KFIN in this respect. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/ unpaid for a period of 7 years from the dates they became first due for payment.

Further, the details of unclaimed dividends and shares transferred to IEPF Authority during FY 2024-25 are as follows:

| Financial Year | Amount of unclaimed dividend transferred (INR in lakh) | Number of shares transferred |
|----------------|--|------------------------------|
| 2016-17 | 0.43 | 35,734 |

The Members who have claim on above dividends and/or shares are requested to follow the below process:

- Submit self-attested copies of documents provided in IEPF 5 help kit, which is available on IEPF website (www.iepf.gov.in) to the Company/ RTA.
 - After verification of the aforesaid documents submitted, Company will issue an entitlement letter.
 - File from IEPF-5 on IEPF website and send self-attested copies of IEPF-5 form along with the acknowledgement (SRN), indemnity bond and entitlement letter to RTA.
 - On receipt of the physical documents mentioned above, Company will submit e-Verification report, for further processing by the IEPF Authority.
10. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM ("AGM Notice") along with the Annual Report 2024-25 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ the Depositories/ RTA. The members may note that the AGM Notice and Annual Report 2024-25 will also be available on the Company's website www.neclife.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Company's RTA at <https://evoting.kfintech.com>. For receiving all communication (including Annual Report) from the Company electronically, members are requested to update their email addresses with RTA (if holding shares in physical mode) / respective DP (if holding shares in demat mode) as stated above. In case of any queries/ difficulties in registering the e-mail address, Members may write to

cs@neclife.com or einward.ris@kfintech.com. In case you wish to get a physical copy of the Annual Report, you may send your request to cs@neclife.com mentioning your folio/DP ID and Client ID.

11. Procedure for joining the AGM through VC/ OAVM:

The Company will provide VC/OAVM facility to its Members for participating at the AGM through platform provided by KFIN.

- Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kfintech.com> by using their e-voting login credentials and follow the procedure given below:
 - Launch internet browser by typing the URL: <https://emeetings.kfintech.com>
 - Enter the login credentials (i.e., User ID and password for e-voting).
 - After logging in, click on "Video Conference" option.
 - Then click on camera icon appearing against AGM event of Nectar Lifesciences Limited, to attend the Meeting.
- Members who do not have User id and password for e-voting or have forgotten the User id and password may retrieve the same by following the procedure given in the e-voting instructions.
- Members will be allowed to attend the AGM through VC/ OAVM on first come, first served basis.
- Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- Members who need assistance before or during the AGM, can contact KFIN at emeetings@kfintech.com or call on toll free numbers 1800-425-8998/ 1800-345-4001. Kindly quote your name, DP ID- Client ID / Folio no. and E-Voting event number in all your communications.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of their respective Board Resolution/ Power of Attorney/ Authorization Letter, etc., authorizing their representative to attend the AGM through VC/ OAVM on their behalf. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to prince.chadha88@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name EVEN".
- The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFIN. On successful login, select 'Post Your Question' option. This option will be opened from September 25, 2025 11:00 AM IST to September 27, 2025 12:00 PM IST. All the

shareholders attending the AGM will have option to post their comments / queries through a dedicated Chat box that will be available below the meeting screen. Such questions by the Members shall be taken up during the meeting or replied within 7 days from AGM date by the Company suitably.

12. Procedure for remote e-Voting and e-Voting at the AGM (Insta Poll):

I. E-voting Facility:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of LODR Regulations read with circular of SEBI on e-voting facility provided by listed entities, dated December 09, 2020, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means (e-voting). Members may cast their vote(s) remotely, using an electronic voting system on the dates mentioned herein below (remote e-voting).

In terms of provisions of Section 107 of the Act, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. Further, the facility for voting through electronic voting system will also be made available at the Meeting (i.e. insta poll) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through insta poll.

The Company has engaged the services of KFIN as the agency to provide the e-voting facility.

The manner of voting, including voting remotely by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address is explained in the instructions given herein below.

The remote e-voting facility will be available during the following voting period:

| | |
|----------------------------------|---------------------------------------|
| Commencement of remote e-voting: | 9:00 a.m. (IST) on September 26, 2025 |
| End of remote e-voting: | 5:00 p.m. (IST) on September 28, 2025 |

The remote e-voting will not be allowed beyond the aforesaid date and time and shall be forthwith disabled by KFIN upon expiry of the aforesaid period. Voting rights of a Member/Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/ her/ it share in the paid-up equity share capital of the Company as on the cut-off date, i.e., September 22, 2025 (Cut-off date).

The Board of Directors of the Company has appointed Mr. Prince Chadha, Practicing Company Secretary (C.P. No. 12409) as Scrutinizer to scrutinize the remote e-voting and insta poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose. He has also confirmed that in

case of any emergency and he could not attend AGM, he shall be represented by Mr. Arun Prajapati, Chartered Accountant or any other person who shall be a qualified Company Secretary duly authorized by him, and who shall act as Scrutinizer for e-voting and insta poll on resolutions to be passed at the forthcoming AGM of the Company.

II. Information and instructions relating to e-voting are as under:

- The members who have already cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote(s) again.
- A member can opt for only a single mode of voting per EVEN, i.e., through remote e-voting or insta poll. If member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting through insta poll shall be treated as "INVALID".
- A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Cut-off date only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting at the Meeting through insta poll. Any person, who becomes member of the Company after dispatch of the Notice of the AGM and holding shares as on the Cut-off date, may obtain the User Id and password in the manner as mentioned hereinbelow. The persons, who have received this notice and e-voting details, ceased to be a member as on the Cut-off date should treat this and e-voting details Notice for information purposes only.
- The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the Cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.





III. Remote e-voting:

- Information and instructions for remote e-voting for individual shareholders holding shares of the Company in demat mode:

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by listed companies, Individual shareholders holding securities in dematerialised mode are allowed to vote through their Demat account maintained with Depositories and DPs. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in dematerialised mode Central Depository Services (India) Limited ("CDSL")/ NSDL is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Dematerialised mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are https://web.cdslindia.com/myeasitoken/Home/Login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Home/Login Alternatively, the user can directly access e-Voting page by providing Beneficiary (Demat) Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Beneficiary (Demat) Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in Dematerialised mode with NSDL | <ol style="list-style-type: none"> For OTP based login you can click on https://eservices.nsd.com/ . You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN, Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider and you will be redirected to e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| |
|--|
| <ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Beneficiary (Demat) account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p>     |
|--|

| | |
|--|--|
| Individual Shareholders (holding securities in Dematerialised mode) login through their Depository Participants | You can also login using the login credentials of your Beneficiary (Demat) account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Dematerialised mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |
| Individual Shareholders holding securities in Dematerialised mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

B. Information and instructions for 'remote e-voting' by (i) Shareholders other than individuals holding shares of the Company in demat mode and (ii) All shareholders holding shares in physical mode:

- (a) In case a Member receives an e-mail from the Company / KFIN i.e. for Members whose e-mail address is registered with the Company / Depository Participant(s):
 - i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - ii. Enter the login credentials (User ID and password provided in the e-mail). The e-voting Event Number + Folio No. or DP ID Client ID will be your User ID. If you are already registered with KFIN for e-voting, you can use the existing password for logging-in. If required, contact toll-free numbers 1800-309-4001 (from 9:00 a.m. (IST) to 5:00 p.m. (IST) on all working days) for assistance on your existing password.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$,

etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Nectar Lifesciences Limited and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "For/ Against" or alternatively, you may partially enter any number in "For" and partially "Against" but the total number in "For/ Against" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option Abstain. If the Member does not indicate either "For" or "Against" it will be treated as "Abstain" and the vote will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained
- x. You may then cast your vote(s) by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote(s).
- xii. Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of their respective Board Resolution/ Power of Attorney/ Authorization Letter, etc., authorizing their representative to attend the AGM through VC/ OAVM on their behalf and to vote through remote e-voting. The said resolution/ authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to prince.chadha88@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even."
- (b) In case of a Member whose e-mail address is not registered/ updated with the Company/ KFIN/ Depository Participant(s), please follow the following steps to generate your login credentials:

- i. Members who have not registered/ updated their e-mail address, are requested to register the same (i) with the Depository Participant (s) where they maintain their demat accounts, if the shares are held in electronic form, and (ii) Members holding shares in physical mode, who have not registered/ updated their e-mail address with the Company, are requested to register/ update their e-mail address by submitting Form ISR-1 (available on the website of the KFIN at: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>) duly filled and signed along with requisite supporting documents to: “Kfin Technologies Limited” at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India.
 - ii. After due verification, the Company/ KFIN will forward your login credentials to your registered e-mail address.
 - iii. Follow the instructions at III(B)(a) (i) to (xii) to cast your vote.
 - iv. Members can also update their mobile number and e-mail address in the “user profile details” in their e-voting login on <https://evoting.kfintech.com>.
- C. Any Member who has forgotten the User ID and Password, may obtain/ generate/ retrieve the same from KFIN in the manner as mentioned below:
- i. If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate password.
 - ii. Member may call on KFIN'S toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 5:00p.m. (IST) on all working days).
 - iii. Member may send an e-mail request to einward.ris@kfintech.com. After due verification of the request, User ID and password will be sent to the Member.
 - iv. If the Member is already registered with KFIN's e-voting platform, then he/ she/ it can use his/ her/ its existing password for logging-in.
- D. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of Kfin website for e-voting: <https://evoting.kfintech.com> or contact at the details mentioned below:

Mr. G. Vasantha Rao, Manager,
Kfin Technologies Limited

(Unit: Nectar Lifesciences Limited) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India

Phone No. 040 – 67161526, Toll free No. 1800-309-4001 (from 9 a.m. (IST) to 6 p.m. (IST) on all working days)

e-mail: einward.ris@kfintech.com or evoting@kfintech.com

IV. E-voting at AGM (Insta Poll):

Facility to vote through an insta poll will be made available on the Meeting page (after you log into the Meeting) and will be activated once the insta poll is announced at the Meeting. An icon, “Vote”, will be available at the bottom left on the Meeting Screen.

Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote(s) using remote e-voting will be able to cast their vote (s) by clicking on this icon. insta Poll will be kept open for 15 minutes after end of the AGM.

V. E-voting Results:

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (insta poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairperson or a person authorised by him in writing, who shall countersign the same. The result of e-voting will be declared within forty eight hours of the conclusion of the AGM and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company at www.neclife.com and on the website of Kfin at: <https://evoting.kfintech.com>. The results will also simultaneously be communicated to the Stock Exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, September 29, 2025.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“Act”) AND INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“LODR Regulations”) AND SECRETARIAL STANDARD – 2 (“SS-2”), ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Item No. 2

The Statement for Item No. 2 is provided, though strictly not required, as per Section 102 of the Act.

Mr. Sanjiv Goyal (DIN – 00002841), Director will retire by rotation in the forthcoming AGM and being eligible, offer himself for reappointment. His term of office shall be liable to retire by rotation. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Information about the appointees:

| Particular | Mr. Sanjiv Goyal |
|---|---|
| a) Background Details including age, qualification, experience and brief resume: | Mr. Sanjiv Goyal, aged 65 years, is a commerce and law graduate. Mr. Sanjiv Goyal established Nectar Lifesciences Limited in 1995 and had been the Managing Director ever since. The Company became fully operational in April 1997. He has total experience of 37 years. |
| c) Recognition or awards: | He was conferred with prestigious global award of "Entrepreneur of the Year" for financial year 2013-14, instituted by Asia Pacific Entrepreneurship Awards (APEA), a global NGO from Malaysia. |
| d) Job profile and his suitability and Nature of expertise and specific functional area: | He has expertise in Overall Business Management and Corporate Management, Overall familiarity about Finance, Accounting, Manufacturing, Quality Management Systems, Sales, marketing and business development and Risk Management Awareness. He is engaged in supervision & conduct of finance, business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities. |
| h) Date of first appointment on the Board | June 27, 1995 |
| i) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any; and Shareholding including beneficial ownership. | Mr. Goyal is also Chairman & Managing Director and apart from receiving managerial remuneration, he holds 55845600 Equity Share in the Company representing 24.90% of total paid up share capital of the Company. He also holds 43622400 equity share as an ultimate beneficial owner as a Karta of Sanjiv (HUF) representing 19.45% of total paid up share capital of the Company. Apart from above he does not have any Pecuniary relationship directly or indirectly with the Company, or relationship with the any other director or the key managerial personnel. |
| j) Directorships in other Companies | His other directorships are as under: Nectar Organics Private Limited Further, he has not resigned from any of the listed entity in past 3 years. |
| k) Board Meetings | During the financial year 2024-25, 4 (Four) meetings of the Board of Directors had been held and three meetings were attended by him. |
| l) Committee memberships/ Chairmanships | He is a chairperson of Corporate Social Responsibility Committee, Risk Management Committee and Management Committee and a member of the Audit Committee and Stakeholders Relationship Committee of the Company. He does not hold Committee memberships/ Chairmanships in any other company. |

Based on the rationale provided above, the Board recommends adoption of the resolution set out in Resolution No. 2 of the accompanying Notice as an Ordinary Resolution.

Except Mr. Sanjiv Goyal, none of the Directors and/ or Key Managerial Personnel (KMPs) of the Company and/ or their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 3

The Board, on the recommendation of the Audit Committee, has approved the re-appointment of V. KUMAR & ASSOCIATES (Firm registration no. 100137), Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, on the remuneration of INR Two Lacs. The Board of Directors of the Company be also authorised to reduce the above remuneration proportionately in case cost audit is to be conducted for any part of the year. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

M/s. V. Kumar & Associates, Cost Accountants, have confirmed that they are eligible for appointment as Cost Auditors, are free from any disqualifications, are working independently and maintaining arm's length relationship with the Company.

Basis the rationale and justification provided above, the Board recommends Ordinary resolution under Item No. 3 of the accompanying Notice for approval of Members.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 4

Pursuant to the provisions of Section 204 of the Act and Regulation 24A of the LODR Regulations, every listed company and other specified class of companies, are required to annex Secretarial Audit with its Board's report.

The LODR Regulation stipulates the eligibility criteria for appointment of the Secretarial Auditor that has to be peer reviewed Company Secretary in practice and is to be appointed for five consecutive years.

In view of the aforesaid, basis recommendation of the Audit Committee, the Board at its meeting held on August 14, 2025, recommended the appointment of Mr. Prince Chadha, proprietor of M/s. P. Chadha & Associates, Practicing Company Secretary (Certificate of Practice no. 12409, Membership no. 32856 and Peer Review Certificate no. 1671/2022 valid upto January 31, 2027) as Secretarial Auditors of the Company for a period of 5 consecutive

years commencing from the conclusion of 30th AGM till the conclusion of 35th AGM of the Company to be held in the year 2030 (i.e., to conduct the secretarial audit for FY 2025-26 to FY 2029-30). Mr. Prince Chadha is the existing Secretarial Auditor of the Company and is well versed with the secretarial and compliance records, the business and functioning of the Company.

Mr. Prince Chadha has vast experience in both the private and public sectors and has conducted secretarial audit of Venus Remedies Limited, Beckons Industries Limited, Best Foods Limited, Ajooni Biotech Limited etc.

Mr. Prince Chadha has given his consent to act as the Secretarial Auditor of the Company and have confirmed that he meets the eligibility criteria and that the said appointment, if made, will be in accordance with the conditions prescribed under the Act, LODR Regulations and guidelines issued by the ICSI.

The proposed remuneration to be paid to M/s. P. Chadha & Associates, for FY2025-26 is INR 1,00,000/- (Indian Rupees One Lac only) per annum (excluding applicable taxes and other out of pocket expenses). There are not any material changes in the fee payable to him from that paid for previous years. The Board of Directors shall have authority to revise the fee payable to him during his tenure. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor.

Basis the rationale and justification provided above, the Board recommends Ordinary resolution under Item No. 4 of the accompanying Notice for approval of Members.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 5

The members may please note that Isengard Direct PE LLC (formerly NSR Direct PE Mauritius, LLC) and its associates have sold/ disposed

all of their shares till December 11, 2024 and informed to the Company on December 12, 2024. Thereby, rights conferred to them in the Articles of Associations also stand rescinded and therefore, new set of Articles is proposed to be adopted.

The Board by way of Resolution passed in its meeting held on August 14, 2025 has approved the adoption of amended and restated Articles of Association of the Company, subject to the approval of the members of the Company. It is proposed to adopt the articles contained in the amended and restated Articles of Association in substitution of and to the entire exclusion of the articles contained in the existing Articles of Association of the Company. Pursuant to Section 14 and other applicable provisions, if any, of the Act, approval of the members of the Company is required for adoption of amended and restated Articles of Association.

A copy of Articles of Association of the Company with the proposed alteration is available for inspection at the Registered Office of the Company at any working day during business hours. The notice, explanatory statement, altered Articles of Association and other related materials are also uploaded on the company's website for members' easy reference.

Based on the rationale and justification provided above, the Board recommends adoption of the resolution set out in Item No. 5 of the accompanying Notice as a Special Resolution.

None of the Directors and/ or Key Managerial Personnel of the Company and/ or their relatives is concerned or interested, financially or otherwise, in the resolution.

By order of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)
Chairman & Managing Director
DIN: 00002841

Date: August 14, 2025
Place: Chandigarh

BOARD OF DIRECTORS' REPORT OF NECTAR LIFESCIENCES LIMITED

Dear members,

Your directors take pleasure in presenting the 30th Annual Report together with the audited financial statements of Nectar Lifesciences Limited ("NLL" or "Neclife" or "Nectar" or "the Company") for the Financial Year ("FY") ended March 31, 2025.

Financial results and state of affairs

INR in Million

| | 31-Mar-25 | 31-Mar-24 |
|--|-----------|-----------|
| Gross Sales (Including GST) | 19083.98 | 19258.32 |
| Other Income | 49.92 | 145.76 |
| Profit (Loss) before interest and depreciation & exceptional items | (245.66) | 1661.36 |
| Interest | 745.78 | 871.42 |
| Depreciation & Amortization | 623.89 | 607.18 |
| Profit (Loss) before exceptional items & tax | (1615.34) | 182.76 |
| Exceptional items (Net of Tax) | - | - |
| Profit (Loss) before tax | (1615.34) | 182.76 |
| Tax expenses | (478.53) | 132.74 |
| Profit (Loss) after tax | (1136.81) | 50.02 |
| Other Comprehensive income (Net of Taxes) | 5.40 | (3.42) |
| Profit (Loss) after tax available for Appropriations | (1131.41) | 46.60 |

The Company's revenue during FY 2024-25 stood at INR 19084/- million against INR 19258/- million in the previous year recording a decrease of 0.91%. The Company reported a loss before tax of INR 1615.34 million in FY 2024-25 compared to profit before tax of INR 182.76 million in FY 2023-24 with a decrease of 983.86%.

During the financial year 2020-21, based on expert's (nominated by the Lead Bank) findings, the Company has reclassified certain inventories from "Current" to "Non- Current". Notwithstanding the reports furnished by technical expert about the remaining non-current inventory, the management has, adhering to conservatism principle, decided to mark down the realizable value of inventory to INR 506.13 million from INR 1773.31 million, based on the fact that the inventory has been in stocks for a considerable period. The resultant loss has been charged to profit and loss account in 2024-25.

The detailed discussion on Company's various operations, state of Company's affairs, nature of business and changes therein are set out in **Management Discussion and Analysis Report ("MDA")**. The MDA of financial condition and result of operations of the Company for the year under review as required under Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), is given as Annexure 1 and forms part of this report. Any disclosure not given in this report and its annexures but disclosed in Annexure 1, shall be deemed to be reported in this report and *vice versa*. As the Company is not in the top 1000 companies list based on the Market Capitalisation from March 31, 2022 to December 31, 2024, the Business Responsibility and Sustainability Report ("BRSR") is not be applicable to the Company.

Board of Directors of Company in their meeting held on July 07, 2025, have approved the:

1. Sale of business of manufacture, distribution, marketing of active pharmaceutical ingredients and formulations ("Business") of the Company to Ceph Lifesciences Private Limited ("Purchaser") for INR 12,70,00,00,000/- (Indian Rupees one thousand two hundred seventy crore only) as a slump sale on a going concern basis. For this purpose, a business transfer agreement dated July 07, 2025 has been executed between the Company and the Purchaser ("BTA") and the Proposed Transaction shall take place in accordance with the terms set out in the BTA and subject to adjustments in accordance with the terms of the BTA. The members in their 2025-26/01st Extraordinary General Meeting have approved the transaction by way special resolution as well as by majority of public shareholders.
2. Sale, transfer and delivery of the assets of the Company in relation to its menthol business ("Assets") to Purchaser for INR 20,00,00,00,000/- (Indian Rupees Twenty Crores only), plus applicable GST payable on the sale of such Assets under the applicable law, on the terms and conditions as set out in the asset purchase agreement dated July 07, 2025 ("APA") executed between the Company and the Purchaser.

The object and commercial rationale for the above transactions were to utilise the sale proceeds for strategic purposes, including repayment of existing debt, investment in new projects, rewarding shareholders in the form of special dividends and / or Buyback of Equity Shares by the Company or mix of both and general corporate purposes, as deemed fit by the Board or its committee, in accordance with applicable law.

There has been no change in the nature of business of the Company. Apart from above and discussed in MDA, if any, there are no material changes and commitments affecting the financial position of the company during and after the closure of FY. The financial results of the company for the quarter ended on June 30, 2025, will be made available on the website of the company (URL: <https://www.neclife.com/about-1>).

Indian Accounting Standards ("Ind AS") and Secretarial Standards

The company has adopted Ind AS prescribed under section 133 of the Companies Act, 2013 ("Act"), read with the relevant rules issued there under and accordingly, standalone and consolidated audited financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS and the other accounting principles generally accepted in India.

The Company is in compliance of Secretarial Standards as issued by Institute of Company Secretaries of India ("ICSI").

Corporate Governance

The Company aimed to conduct its affairs in an ethical manner. A separate Report on Corporate Governance is given as Annexure 2 and forms part of this report. A certificate from the Company's Auditors regarding the Compliance of Conditions of Corporate Governance as stipulated under LODR Regulations is given in Annexure 3. Any disclosure not given in this report and its annexures but disclosed in Annexure 2, shall be deemed to be reported in this report and *vice versa*.

Share capital

The authorised capital of the Company is INR 350.00 million divided into 350 million equity shares of INR 1.00 each. The paid-up equity share capital as on March 31, 2025, was INR 224.26 million. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the FY. The Company has not issued shares with

differential voting rights, sweat equity shares, nor has it granted any stock options. Thus, nothing to report on change in share capital.

Global Depository Receipts (GDRs)

During the year all the GDRs underlying the equity shares in the Company have been stand cancelled and converted to equity shares therefore, no outstanding GDRs are pending or held by Deutsche Bank Trust Company Americas, the Depository of GDRs. Therefore, the GDRs have been delisted from Luxembourg Stock Exchange ("LuxSE") with effect from November 28, 2024.

Subsidiary Company

The Company has wholly owned subsidiary ("WOS") namely NECLIFE PT, UNIPESOAAL LDA ("NECLIFE PT"), incorporated in Portugal. There is negligible investment in NECLIFE PT, and no business activity has been carried out therein in FY 2024-25 and till date in FY 2025-26. Therefore, nothing is to report on the performance and financial position of NECLIFE PT. The contribution of WOS in the performance of the Company was/ is negligible.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate financial statements in respect of the NECLIFE PT shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting ("AGM"). Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited/ unaudited financial statements in respect of the NECLIFE PT are also available on the website of your Company at URL: https://www.neclife.com/files/ugd/6aa048_fb0ac3f9212f4778b0d7cc20f4958bf1.pdf.

The WOS is not material as per Policy for determining Material Subsidiaries of the Company and LODR Regulations. The Company does not have any associate company or joint venture company, therefore, nothing to report thereon.

Consolidated financial Statements

As required under Section 129 of the Act and LODR Regulations, consolidated financial statements for the year ended on March 31, 2025, of the Company are attached.

Dividend, Reserves and Dividend Distribution Policy

Considering the financial position of the Company, your directors have decided not to recommended a Dividend for the year ended March 31, 2025. The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

The Dividend Distribution Policy is placed on the website of the Company at https://www.neclife.com/files/ugd/6aa048_08a096eaff2643ee8944920c02642ea8.pdf and Company is in compliance of the same.

The members may please refer to notes of Notice of AGM for information on shares/dividend transferred / proposed to be transferred to IEPF Authority.

Directors and Key Managerial Persons

Mr. Sanjiv Goyal (DIN: 00002841), Director will retire by rotation in the forthcoming AGM and being eligible, offer himself for re-appointment. The Board recommends his re-appointment as a Director.

Mr. Sanjiv Goyal (DIN-00002841) has been re-appointed as a Chairman & Managing Director of the company w.e.f. May 31, 2025 for a period of 3 years by the members in their AGM held on September 21, 2024.

Mr. Puneet Sud (DIN: 09735713) has been re-appointed as a Wholetime Director designated Director (Operations) of the company for a period of six months and seven days starting from September

24, 2024 and ending on March 31, 2025 by members in their AGM held on September 21, 2024. Pursuant to the authority granted by the members in their AGM held on September 21, 2024, the Board has in their meeting held on April 01, 2025, re-appointed Mr. Puneet Sud as a Whole-time Director designated as Director (Operations) of the Company for a period of two months starting from April 1, 2025 and ending on May 31, 2025. On expiry of his term on May 31, 2025, Mr. Sud has also tendered his resignation as a Director of the Company with effect from closing hours of May 31, 2025.

Based on the recommendation of NRC, the Board of Directors vide their resolutions dated May 30, 2025, have appointed Dr. Surulichamy Senthilkumar (DIN- 11124083) as an Additional Director of the Company w.e.f. June 01, 2025 as well as Whole time Director designated as Director (R&D) of the Company for a period of three years from June 01, 2025. He has been appointed as regular director and his appointment as a Whole time Director designated as Director (R&D) approved, by the members in their Extraordinary General Meeting held on August 04, 2025.

The Company has received declarations from all the Independent Directors of the Company confirming that:

1. They meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under LODR Regulations;
2. They hold highest standards of integrity and possess requisite expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) required to fulfill their duties as Independent Directors;
3. They are in compliance of sub-rule (1), sub-rule (2) and sub-rule (4) of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014;
4. They have complied with the Code of Conduct for Directors and senior management.

Your Directors do hereby confirm that in the opinion of the board the independent directors;

- a. fulfill the conditions specified in the Act and LODR Regulations;
- b. are independent of the management; and
- c. possess integrity, expertise and experience (including the proficiency in terms of Section 150(1) of the Act).

As on the date of the end of FY, the company has right proportion of Independent Directors viz a viz Non-Independent Directors as per applicable provisions of Section 149 of the Act, and LODR Regulations.

Ms. Neha Vaishnav, Company Secretary & Compliance Officer has resigned from the Company w.e.f. February 28, 2025 and Board has in their meeting held on April 01, 2025, appointed Mr. Sanjaymohan Singh Rawat as a Company Secretary & Compliance Officer of the Company.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company as on March 31, 2025, were as under:

Mr. Sanjiv Goyal, Chairman & Managing Director

Mr. Puneet Sud, Director (Operations)

Mr. Amit Chadah, Chief Executive Officer ("CEO")

Mr. Sushil Kapoor, Chief Financial Officer ("CFO")

Number of meetings of the board

Four (4) meetings of the board were held during the year. The details of Directors' attendance and meeting held during FY 2024-25 are provided in Corporate Governance Report which forms and part of this report.

Directors' responsibility statement

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the FY and of the profit & loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Committees of the Board

The Company constituted the Committees as per the provisions of Sections 135, 177, 178 and other applicable provisions of the Act and LODR Regulations. The composition, powers and duties of the Committees, during FY 2024-25, are detailed out in the Corporate Governance Report which forms part of this report. The Board of Directors accepted all recommendations of the Audit Committee.

Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters namely Nomination, Remuneration & Evaluation Policy as provided in Section 178(3) of the Act has been uploaded on the website of the company at https://www.neclife.com/files/ugd/6aa048_17d769b4f1064d5eadb8fb8d97a4520f.pdf. The salient features of the Policy are to provide a framework and set standards for the nomination, remuneration & evaluation of the Directors, Key Managerial Personnel and officials comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management. The criteria for Appointment of Directors/KMPs/Senior Officials are as under:

For Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC has regard to:

- Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;

- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment.

The criteria for deciding the Remuneration of Directors, Key Managerial Personnel and Senior Management are as under:

- The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.
- The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any and other relevant factors including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

There could be following component of Remuneration:

- a) Base Compensation (fixed salaries): Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis;
- b) Variable salary: The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board.

There is no change in the policy during FY 2024-25.

Board evaluation

Pursuant to the provisions of the Act and LODR Regulations, the evaluation of the Board involves multiple levels:

1. Board as a whole;
2. Committees of the Board;
3. Individual Directors and Chairperson, CEO, Independent Directors, Non-independent directors, etc.

The performance of the Board and committees was evaluated by the NRC and the Board after seeking inputs from all the directors/committee members on the basis of the criteria such as the Board/committee composition and structure, effectiveness of board processes, information and functioning, etc.

The following information is provided in agenda papers for evaluation of:

- A. Board
 1. Frequency of meetings
 2. Attendance by Board members
 3. Duration and conduct of meetings
 4. Agenda and documentation
 5. Board Structure
 6. Functions of the Board
 7. Communications and Interaction
- B. Committees
 1. Size of the Committee is appropriate for the complexity & operations of the organization.
 2. Effectiveness of the Committee in performing its role and discharging its responsibilities (as mandated under the Act and the LODR Regulations).

3. The Committee oversees the terms of references assigned to it/ its statutory obligations/ role defined.
 4. The Committee review / approves matters of its terms of reference.
 5. Agenda of the Committees are being circulated at a reasonable time in advance
 6. Draft and Signed Minutes of the Committees circulated to the members of the Committee.
 7. Minutes of meeting(s) of the Committee are placed before the Board regularly.
 8. The Committee effectively performs support functions to the Board in fulfilling its responsibilities.
 9. Overall functioning of the Committee.
- C. Independent Directors, Chairman & Managing Director, Wholetime Director and CEO:
1. Consistently and actively participated in the board and committee meetings.
 2. Prepared adequately for the board/ committee meetings.
 3. Contributed to strategy and other areas impacting Company performance.
 4. Brought their experience and credibility to bear on the critical areas of performance of the company.
 5. Kept updated knowledge of their area of expertise.
 6. Communicated in open and constructive manner.
 7. Gave fair chance to other members to contribute, participates actively in the discussions and were consensus oriented.
 8. Helped to create positive image of the Company and helped the Company wherever possible.
 9. Actively contributed toward positive growth of the Company.
 10. Conducted themselves in a manner that was ethical and consistent with the laws of the land.
 11. Attitude
 12. Application to the job

The NRC and the Board have reviewed the performance of the individual directors and CEO on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role. The performance evaluation forms of each of director get filled from all directors based on Knowledge, Skills, Attitude, Application to the job, Communication, Human Behavior & Teamwork and Overall Performance.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman and CEO was evaluated on the basis of parameters as provided above.

Internal financial control systems and their adequacy

The company has adequate financial controls. The details in respect of internal financial control and their adequacy are included in the MDA, which forms part of this report.

Auditors

M/s Deepak Jindal & Co, Chartered Accountants (Firm Registration No. 023023N) have been appointed as the Statutory Auditors of the Company in the 27th AGM held on September 21, 2022, for a period of five years commencing from the conclusion of the 27th AGM till the conclusion of the 32nd AGM to be held in the year 2027.

Auditors' Report

The Report given by the M/s Deepak Jindal & Co, on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

Secretarial Auditor and Secretarial Audit Report

Secretarial Audit has been carried out by Mr. Prince Chadha of P. Chadha & Associates, Practicing Company Secretary, the Secretarial Auditor of the company for FY 2024-25. The Secretarial Audit Report is appended as Annexure 4 to this report. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

The Company has undertaken an audit for the FY 2024-25 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the FY and also available on the website of the Company at www.neclife.com.

Pursuant to amendments in LODR effective from April 01, 2025, the Board of Directors on recommendations of Audit Committee proposed the appointment of Mr. Prince Chadha of P. Chadha & Associates, Company Secretary in Practice (Firm Registration No. 12409) as the Secretarial Auditors of the Company, for a period of five years for FY 2025-26 to FY 2029-30.

Mr. Prince Chadha of P. Chadha & Associates have consented to their appointment as Secretarial Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 204 read with other applicable provisions of the Act and LODR Regulations.

Cost Records and Audit

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Act and accordingly such accounts and records are made and maintained.

The Cost Auditor has submitted the Cost Audit Report for FY 2023-24 on August 14, 2024, which has been filed on September 04, 2024, within the prescribed time.

The Cost Auditor will forward the Cost Audit Report for FY 2024-25 by September 27, 2025. The report will be filed with the Ministry of Corporate Affairs within 30 days of the date of Cost Audit Report.

The Company has re-appointed Dr. Vimal Kumar Aggarwal (Membership No. 9982) prop. of M/s V. Kumar and Associates, #G-104, Jaipuria Sunrise Green, VIP Road, Zirakpur, SAS Nagar (Mohali) Punjab-140603, Cost and Works Accountants as the Cost Auditors of the Company for FY 2025-26.

Report by Auditors under Section 143(12) of the Act

None of the Auditors have reported any fraud under sub-section (12) of section 143 of the Act to the Audit Committee or the Board.

Risk management

The development and implementation of risk management policy has been covered in the MDA, which forms part of this report.

The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Particulars of loans, guarantees and investments

The Company has not given any loan or provided guarantee or security as per Section 186 of the Act, however, the amount receivable from subsidiaries, if any, and the investments under section 186 of the Act are given in the Financial Statements forming part of the Annual Report.

Transactions with related parties

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 5 in Form AOC-2 and the same forms part of this report. Further details about these transactions are provided in Report on Corporate Governance and Financial Statements forming part of the Annual Report.

Corporate social responsibility

The information as required under Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the brief outline of the Corporate Social Responsibility ("CSR") Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 6 of this report in the format prescribed in the CSR Rules. The CSR policy is available on the website of the Company.

Annual Return and Extract of annual return

As provided under Section 92(3) of the Act, the Annual Return (MGT-7) is also available on the website of the company at https://www.neclife.com/files/ugd/6aa048_03ac85dcb08f4eac9116183dd27f8feb.pdf.

Employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 7. In terms of proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. This information is also available on the website of the Company (URL: www.neclife.com).

Deposits from Public

The Company has not accepted any deposits from public within the meaning of Sections 73 and 74 of the Act and extant Rules framed thereunder during the financial year 2024-25 and, as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of this report.

Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

Considering the slump sale of Business, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. However, some material orders passed are disclosed in the disclosures part of Corporate Governance Report of the Company.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions during the financial year under review. Therefore, it is not applicable.

Disclosure requirements

- Details of the familiarization programme of the independent directors are available on the website of the Company (URL: <https://www.neclife.com/about-3-11>).
- Policy for determining material subsidiaries of the Company is available on the website of the Company (https://www.neclife.com/files/ugd/6aa048_4d7e3d59872e4416a7a93371bc898f7c.pdf).
- Policy on dealing with related party transactions is available on the website of the Company (URL: https://www.neclife.com/files/ugd/6aa048_c454aa58de1b40dca8c41354a7d5e7b5.pdf).
- The Whistle Blower Policy to provide Vigil Mechanism for employees including directors is available on the website of the Company (URL: https://www.neclife.com/files/ugd/6aa048_cafe48f72d7144a5928e793ccdbe532d.pdf).

Committee and Policy against Sexual Harassment of women at Workplace

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act").

The Company has made the Policy for Prevention of Sexual Harassment ("POSH Policy") under POSH Act for all individuals working for the Company at all levels and grades, including senior executives, officers, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, staff, casual workers, interns. As per policy any aggrieved woman employee who feels and is being sexually harassed directly or indirectly may make a complaint of the alleged incident to any member of the Committee constituted for this purpose.

Disclosures in relation to the POSH Act:

- a. number of complaints pending as on April 01, 2024 – NIL
- b. number of complaints filed during the FY 2024-25 – NIL
- c. number of complaints disposed of during the FY 2024-25 – N.A.
- d. number of complaints pending as on March 31, 2025 – N.A.
- e. number of cases pending for more than ninety days – N.A.

Compliance of the Maternity Benefit Act 1961

The Company is fully compliance with the provisions relating to the Maternity Benefit Act 1961.

Energy, technology and foreign exchange

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure 8 to this Report.

Acknowledgement

Your Directors would like to express their sincere and grateful appreciation for the assistance and cooperation received from bankers and government authorities and also thank the shareholders for the confidence reposed by them in the Company and looking forward to their valuable support in the future plans of the Company.

Your Directors also thank its agents, the medical professionals and its customers for their continued patronage to the Company's products.

For and on behalf of the Board of Directors
of Nectar Lifesciences Limited

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh
Date: August 14, 2025

Annexure 1 of Board of Directors' Report

Management Discussion & Analysis

1. Global Economic Overview:

According to the International Monetary Fund (IMF), the global GDP is estimated to have grown at 3.2% in 2024, with projections for 3.1% in 2025. Inflation trends are cooling in advanced economies (down to 3.5%), while emerging markets continue to grapple with elevated price pressures (6.9%). Key Factors Influencing Global Growth:

- Stabilization of energy markets post Israel-Gaza and Ukraine conflicts.
- Slower monetary tightening across the US and EU.
- Improved consumer demand in North America and Southeast Asia.

However, risks persist:

- Geopolitical tensions in the South China Sea, Israel-Gaza and Eastern Europe.
- Financial tightening pressures in debt-heavy emerging markets.
- Price volatility in key raw materials like crude oil and chemical intermediates.

Sources: IMF World Economic Outlook Jan 2025, OECD Interim Report Mar 2025, World Bank Global Prospects Feb 2025

2. Indian Economic Overview:

India remained one of the world's fastest-growing large economies in FY24-25, with GDP growth estimated at 7.0%. Key drivers included robust domestic demand, a strong services sector, increased capital expenditure, and resilient rural recovery. Inflation moderated to 5.2% in FY25.

Highlights:

- PLI Schemes contributed to manufacturing revival in electronics, APIs, and pharma.
- Export performance remained stable despite global demand slowdown, aided by diversified trade partners and FTAs.
- Credit growth improved in industrial sectors, including pharmaceuticals and chemicals.

Sources: RBI Bulletin March 2025, Ministry of Finance Economic Survey 2024-25, Deloitte Insights

3. Indian Pharmaceutical Industry:

India's pharmaceutical market stood at USD 66.7 billion in March 2025, with an annual growth rate of 7.5%. The industry benefited from:

- Surge in chronic therapies, oncology, and biosimilars.
- Increasing investments in R&D, innovation in complex generics.
- Supportive regulations including updated UCPMP enforcement.

Pharma Exports: India exported over USD 27.9 billion worth of pharmaceutical products in FY25, with North America, Africa, and Southeast Asia being major markets. The industry continues to contribute 20% of global generics volume.

Challenges:

- Regulatory tightening in major markets (USFDA, EMA).
- Raw material price volatility and China dependency.

Sources: Pharmexcil, Ministry of Chemicals & Fertilizers, AIOCD March 2025, McKinsey Pharma Tracker Q1 2025

4. Cephalosporin Market Outlook:

The global cephalosporin market reached USD 19.8 billion in 2024 and is projected to grow at a CAGR of 4.3% over the next five years. India remains a key manufacturing hub due to cost efficiency and regulatory readiness.

Key Market Drivers:

- High prevalence of antibiotic-resistant infections.
- Rising demand for sterile APIs and injectable formulations.
- Supply diversification efforts by US and EU buyers.

Nectar Lifesciences Limited Overview:

Nectar Lifesciences Limited ("Nectar" or "Company") is a global pharmaceutical company specializing in Cephalosporins. The Company maintained a leadership position in the 3rd and 4th generation cephalosporins segment with global approvals in 2024-25.

Operational Highlights in 2024-25:

- Sterile injectable capacity remained fully operational with optimized throughput.
- R&D introduced 4 new cephalosporin APIs and filed 3 DMFs in regulated markets.
- Baddi formulation facility utilized at 78% capacity across tablets, capsules, and vials.

Slump Sale of Active Pharmaceutical Ingredients (API) and Formulation Business:

Although the Company successfully navigated turbulent periods including the One-Time Restructuring (OTR) of COVID-related stressed assets and maintained Earning before interest, tax, depreciation and amortization ("EBITDA") margins as per industry standards, its debt burden and high finance costs were significantly impacting the bottom line.

Therefore, the board of directors of the Company in their meeting held on July 07, 2025, have approved the Sale of business of manufacture, distribution, marketing and sale of API and formulations ("Business") of the Company to Ceph Lifesciences Private Limited ("Purchaser") for INR 12,70,00,00,000/- (Indian Rupees one thousand two hundred seventy crore only) as a slump sale on a going concern basis.

Menthol Assets:

The Board has also approved the Sale, transfer and delivery of the assets of the Company in relation to its menthol business ("Assets") to Purchaser for INR 20,00,00,000/- (Indian Rupees Twenty Crores only), plus applicable GST payable on the sale of such Assets under the applicable law.

Following the slump sale of Business and sale of Assets, the Company will become completely debt-free. The remaining proceeds will be strategically deployed to drive long-term shareholder value through investment in emerging growth areas and by rewarding shareholders.

Empty Hard Gelatine Capsules:

Nectar's EHGC manufacturing facility adheres to international standards, offering high-quality capsules for domestic and export markets. Company is endeavouring to dispose off it as well.

Financial Performance:

Specific financial metrics and changes from previous periods are detailed in the Board's Report. Continuing from there, the further highlights of financial performance are as under:

| Particulars | FY25 | FY24 |
|-------------------------------------|--------|------|
| EBITDA* Margin (%) | (1.47) | 9.87 |
| Profit (Loss) Before Tax Margin (%) | (9.67) | 1.09 |
| Profit (Loss) After Tax Margin (%) | (6.84) | 0.30 |

Details of significant changes (i.e., change of 25% or more as compared to the immediately previous FY) in key financial ratios has been provided in Note no. 61 of Standalone Financial Statements, along with detailed explanations thereof. However, the ratios not provided in the said note are provided hereunder:

| Key financial ratios | FY25 | FY24 | Change % | Numerator/ Denominator | Detailed Explanation in case change is more than 25%: |
|---|--------|------|----------|-------------------------------|--|
| (i) Interest Coverage Ratio | (1.17) | 1.21 | (196.69) | (EBIT*/ Interest) | The ratio decreased due to the high consumption of materials, including outdated or non-moving inventory lying for many years. |
| (ii) Operating Profit (Loss) Margin (%) | (5.51) | 5.39 | (202.23) | (Operating Margin / Net Sale) | |

* EBIT - Earning before interest and tax

Return on Net worth [Profit (Loss) After Tax/ Net Worth*]

| FY25 | FY24 | Detailed Explanation |
|----------|-------|---|
| (11.89%) | 0.47% | Return is negative because of losses due to higher consumption of materials |

* Net worth is calculated on average basis. Also refer to Note 61 in financial statements i.e. return on average equity.

Note: The negative figures are in brackets

Internal Control System & Adequacy:

The Company's internal financial control system complies with the requirements of the Companies Act, 2013 ("Act"), and ensures the effectiveness of internal controls over financial reporting, as outlined in Regulation 17 of the LODR Regulations, as of March 31, 2025. These controls are seamlessly integrated into automated business processes, a centralized global framework, and essential support functions. Nectar's internal controls are appropriately tailored to its operational size and nature.

The Company also employs a Standard Operating System and the Deloitte Compliance Management Tool as part of its internal control systems. These tools are used to manage business operations and administration, while also improving real-time tracking of regulatory and process deviations.

The statutory auditors of the Company have audited the financial statements and provided an attestation report on the company's internal control over financial reporting, as outlined in Section 143 of the Act. A professional has been appointed to supervise and conduct the internal audit of the Company's activities based on a plan that is reviewed and approved by the Audit Committee. The Audit Committee regularly examines audit reports from both internal and statutory auditors. Recommendations for improvement are taken into account, and the committee ensures follow-up on corrective actions. Additionally, the Company undergoes periodic audits by specialized third-party consultants and professionals to ensure compliance with business-specific requirements such as quality management, service management, and information security.

Outlook & Strategy with Opportunities and Threats

Through the slump sale and asset sale, the Company aims to invest in new projects in emerging growth sectors while also rewarding its shareholders. Additionally, the Company is considering the divestment of the EHGC unit.

Key growth drivers for the Company include global demand, emerging markets, product innovation, and industry expansion. At the same time, effectively managing threats like regulatory challenges, supply chain disruptions, and price pressures is essential for maintaining sustained performance.

Human Resource & Employee Welfare:

As part of the slump sale, most of the employees will be transferred to the Purchaser. The Company intends to adopt a refreshed approach to human resources, introducing new talent with innovative ideas and energy to revitalize the workforce and break the monotony.

The number of people employed with the Company are 1786 as on March 31, 2025.

Whistle Blower Policy/ Vigil Mechanism

The Company has implemented a Whistle Blower Policy that allows employees to report any instances of unethical behaviour, suspected fraud, or violations of the Company's code of conduct or ethics policy directly to management. According to the policy:

1. Whistle Blowers will not face any unfair treatment solely for reporting a Protected Disclosure under this Policy.
2. Whistle Blowers will be fully protected from any retaliatory actions, including threats, intimidation, termination, suspension, disciplinary measures, transfer, demotion, denial of promotion, or any misuse of authority that may hinder their ability to continue performing their duties or making further Protected Disclosures.

Risk Management:

Nectar employs a proactive risk management approach, identifying and mitigating critical risks such as competition, regulations, economic volatility, and supply chain disruptions. A dedicated Risk Management Committee (detailed provided in the Corporate Governance Report) oversees risk mitigation strategies, ensuring operational resilience and long-term stability.

Overall, Nectar Lifesciences Limited's strategic direction, market standing, regulatory adherence, financial performance, and human resource initiatives collectively enhance its competitive edge and growth potential within the pharmaceutical industry.

Post slump sale and sale of Assets, the bank loans will be paid fully to mitigate the credit risk. The Company will not have any liquidity issue as it will have enough funds to explore investment in new projects in emerging growth areas and by rewarding shareholders. The regulatory and legal risks will be mitigated to ensure the Compliance of regulatory ecosystem.

Nectar is maintaining high standards of corporate governance, public disclosure and compliance with evolving laws, regulations and standards. It helps the Company to address risks of Financial Reporting, Corporate Accounting Frauds.

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh
Date: August 14, 2025

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Annexure 2 of Board of Directors' Report

Report on Corporate Governance

Nectar Lifesciences' philosophy on Corporate Governance

Nectar Lifesciences Limited ("NLL" or "Company") is committed to maximise the wealth of its shareholders, besides catering to the interests of its customers, employees and associates, with the highest standards of professionalism, integrity, accountability, fairness, following its values, transparency at all levels, social responsiveness and business ethics.

The Company's governance practices go beyond the statutory and regulatory requirements as it tries its best endeavour to follow the spirit of good governance in addition to regulatory requirements with a mission to alleviate human suffering with excellent global quality & affordable medicines created with a spirit of innovation, entrepreneurship & sustainability to create a better tomorrow.

The vision of the Company is: **"To become India's leading Global Lifesciences Company, which creates value for all stakeholders by offering excellence in product quality standards, services and commitment."**

The Company is in compliance with corporate governance requirements specified in Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR Regulations"). Any disclosure not given in this report but disclosed in the Board's Report or its annexures, shall be deemed to be reported in this report.

The Company's compliances of Corporate Governance guidelines, as per LODR Regulations, are as under; however, this report is to be read with Board's Report and all its annexures for more clarity on corporate governance practices of the company:

I. Board of Directors

1. Composition and Responsibilities

The size and composition of the Board commensurate with the Company's future growth plans and also conforms to the requirements of the Corporate Governance Code under the LODR Regulations. The Company had total 6 Directors on the Board as on March 31, 2025, comprising two directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining three are Non-Executive & Independent Directors (including a woman independent director).

The Board of the Company has devised a policy for orderly succession for appointments to the Board and to Senior Management.

The responsibilities of the Board include charting out business plans; devising corporate strategy; brand equity; formulation of policies; new initiatives; other management matters; performance review and control and ensuring that the targeted objectives are met on a consistent basis. In all, the Board of Directors of the Company believes to ensure compliance of all the applicable laws of the land, in letter as well as in spirit.

Information as per LODR Regulations has been placed before the Board for its consideration. The Board reviews material compliances of all extant laws applicable to the Company as affirmed by the Management.

None of the Directors on the Board holds the office of:

- i) Director in more than 20 companies or
- ii) Director in more than 10 public companies including private companies which are holding or subsidiaries of public companies or
- iii) Director of more than 7 listed companies or
- iv) Independent Director of more than 7 listed companies or
- v) Independent Director of more than 3 listed companies in case of director who is Wholetime director of a listed company or
- vi) Memberships in Committees of the Board in more than 10 Audit Committees and Stakeholders Relationship Committees or
- vii) Chairmanship of more than 5 Audit Committees and Stakeholders Relationship Committees.

2. Number of meetings of the Board, attendance, other directorship and committee membership/ chairmanship

During the financial year ("FY") 2024-2025, Four meetings of the Board of Directors were held on May 15, 2024, August 14, 2024, November 14, 2024, and January 31, 2025.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the FY 2024-25 and at the last Annual General Meeting ("AGM"), and also the number of directorships, committee memberships and committee chairmanship (Audit and Stakeholders Relationship Committees) held by them in other companies are given below:

| Name and designation of Directors | Category of Director | Number of Board Meetings attended | Attendance at the last AGM | Number of outside Directorship held as on March 31, 2025 other than NLL | Number of Board Committees of other companies in which | |
|--|--------------------------------------|-----------------------------------|----------------------------|---|--|----------|
| | | | | | Member | Chairman |
| Mr. Sanjiv Goyal (Chairman & Managing Director) (DIN: 00002841) | Promoter & Executive Director | 3 | Not Present | 1 | Nil | N.A. |
| Mr. Ajay Swaroop (Director) (DIN: 02291700) – Term expired w.e.f. September 30, 2024 | Independent & Non-Executive Director | 2 | Not Present | N.A. | N.A. | N.A. |
| Ms. Meena Verma (Director) (DIN: 05283168) | Nominee Director* | 4 | Not Present | Nil | N.A. | N.A. |

| Name and designation of Directors | Category of Director | Number of Board Meetings attended | Attendance at the last AGM | Number of outside Directorship held as on March 31, 2025 | Number of Board Committees of other companies in which | |
|--|--------------------------------------|-----------------------------------|----------------------------|--|--|----------|
| | | | | | Member | Chairman |
| Dr. Rupinder Tewari (Director) (DIN: 07009485) | Independent & Non-Executive Director | 4 | Present | 1 | 1 | Nil |
| Dr. Kuldip Kumar Bhasin (Director) (DIN: 09250008) | Independent & Non-Executive Director | 4 | Present | 1 | 1 | Nil |
| Dr. Indu Pal Kaur (Director) (DIN: 09686862) | Independent & Non-executive Director | 3 | Not Present | Nil | N.A. | N.A. |
| Mr. Puneet Sud (Director (Operations)) (DIN: 09735713) | Non-Promoter & Executive Director | 4 | Present | Nil | N.A. | N.A. |

* Nominee of Export and Import Bank of India ("EXIM"), the lender of the Company.

Notes:

- The directors are not inter se related to each other.
- None of the Directors is a director in any listed company other than the NLL, except as under:

| Name of Director | Name of listed entity | Category |
|-------------------------|-----------------------|----------------------|
| Dr. Rupinder Tewari | Nureca Limited | Independent Director |
| Dr. Kuldip Kumar Bhasin | Nureca Limited | Independent Director |

- None of the Directors had resigned during the FY 2024-25.

3. Remuneration of Directors:

The Non-Executive Directors (their parent organisation in case of nominee directors) are entitled to sitting fee of INR 20,000/- per board meeting attended by them. The sitting fee of INR 5000/- is paid to them for every Committee meeting attended by them.

During the FY 2024-25, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director and Mr. Puneet Sud, Director (Operations) on the terms and conditions of their respective resolutions passed by the Board of Directors and members. The Company is not paying any sitting fee to its Executive Directors.

The details of Directors' remuneration for the FY ended March 31, 2025:

| Name and designation of Director | Sitting fee (INR) | Salaries and perquisites (INR) | Period of service | Number of shares held as on March 31, 2025 |
|--|-------------------|--------------------------------|--|--|
| Mr. Sanjiv Goyal, Chairman & Managing Director | N.A. | 2,16,10,000/- | 3 years from May 31, 2022 | 55845600 |
| Mr. Puneet Sud, Director (Operations) | N.A. | 65,55,534/- | September 24, 2024 till March 31, 2025 | Nil |
| Mr. Ajay Swaroop, Independent Director | 50,000 | N.A. | Upto September 29, 2024 | Nil |
| Ms. Meena Verma, Nominee Director | 80,000 | N.A. | No term specified | Nil |
| Dr. Rupinder Tewari, Independent Director | 1,20,000 | N.A. | 5 years from February 11, 2024 | Nil |
| Dr. Kuldip Kumar Bhasin, Independent Director | 1,25,000 | N.A. | 5 years from September 21, 2021 | Nil |

| Name and designation of Director | Sitting fee (INR) | Salaries and perquisites (INR) | Period of service | Number of shares held as on March 31, 2025 |
|---|-------------------|--------------------------------|-----------------------------|--|
| Dr. Indu Pal Kaur, Independent Director | 80,000 | N.A. | 5 years from August 2, 2022 | Nil |

Notes:

- The Company did not provide any stock option to its directors and employees.
- There are no performance linked incentives provided by the Company to its directors.
- Mr. Puneet Sud is entitled to a bonus equivalent to his one month salary in a FY, proportionately to his tenure in a year and terms and conditions of his appointment are as per HR policy of the company as applicable to other employees.
- No other director is entitled to severance fee.
- There are no convertible instruments are held by any director.

4. Non-executive directors' compensation

Apart from receiving sitting fee for attending the meetings of the Board/ committees, there were no pecuniary relationships or transactions between the Company and the Non-Executive and Independent Directors.

5. Details of the familiarization programme of the independent directors:

Details of the familiarization programme of the independent directors are available on the website of the Company (URL: <https://www.neclife.com/about-3-11>).

6. Terms and conditions of Appointment of Independent Directors:

As per regulation 46(2) of LODR Regulations, the terms and conditions of appointment of independent directors are placed on the Company's website <https://www.neclife.com/about-3-10>. The maximum tenure of independent directors is in accordance with the Companies Act, 2013 ("Act") and regulation 25(2) of the LODR Regulations.

A confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in the Act and LODR Regulations and are independent of the management has been provided in Directors Report.

7. Skills/expertise/competence identified by the board of directors:

Skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board are as under:

| Skills/expertise/competence | Availability | Directors who have such skills/ expertise/ competence |
|--|--------------|--|
| 1. All Round Leadership skills | Yes | Mr. Sanjiv Goyal Mr. Puneet Sud |
| 2. Knowledge of domain of Pharmaceuticals, Science & Research | Yes | Dr. Kuldip Kumar Bhasin, Dr. Rupinder Tewari, Dr. Indu Pal Kaur, Mr. Puneet Sud |
| 3. Overall familiarity about Finance, Accounting, Manufacturing, Quality Management Systems, Sales, marketing and business development | Yes | Ms. Meena Verma, Mr. Sanjiv Goyal, Mr. Puneet Sud, Dr. Rupinder Tewari |
| 4. Risk Management Awareness | Yes | Mr. Sanjiv Goyal, Dr. Rupinder Tewari |
| 5. Skills in regulations | Yes | Mr. Puneet Sud Dr. Indu Pal Kaur |
| 6. OH&S (Occupational health and safety) | Yes | Mr. Puneet Sud Dr. Kuldip Kumar Bhasin |

II. Code of Conduct

The Board of Directors adopted the Code of Conduct as per the provisions under LODR Regulations. The same has been posted on the Company's website www.neclife.com. All Board members and senior management personnel affirmed compliance with the Code. A declaration to this effect signed by Mr. Amit Chadah, Chief Executive Officer is attached to this Report.

III. Audit Committee

During the FY 2024-25, the Audit Committee comprised of four directors as under:

| Sr. | Name of Director | Category | Status |
|-----|-------------------------|------------------------------|-------------|
| 1. | Dr. Rupinder Tewari | Independent Director | Chairperson |
| 2. | Mr. Sanjiv Goyal | Chairman & Managing Director | Member |
| 3. | Dr. Kuldip Kumar Bhasin | Independent Director | Member |
| 4. | Dr. Indu Pal Kaur | Independent Director | Member |

Dr. Rupinder Tewari enjoys the experience of more than 41 years in academics and management. He has written 100 research publications and 5 books. Dr. Kuldip Kumar Bhasin, a fellow of National Academy of Science India, Allahabad (F.N.A.Sc.)-2010 and Fellow of Punjab Academy of Science, Patiala (F.P.A.Sc.)-2014. He has written 179 research papers and 5 books and holding 06 US Patents. Dr. Indu Pal Kaur, Post-graduated in Pharmacy & Pharmaceuticals and a Scholar Ph.D. in pharmaceuticals from Panjab University, Chandigarh. She has vast professional experience in teaching and in the field of Pharmaceuticals Research of 35 years. She has been supervising for Research assistants and Ph.D. Scholars and currently the Chairperson of University Institute of Pharmaceutical Sciences (UIPS) Panjab University, Chandigarh.

Mr. Sanjiv Goyal, a commerce and law graduate. Mr. Goyal started his career by setting up a proprietary concern in Chandigarh in 1987 and established NLL in 1995 and has been its managing director ever since. He has a career spanning 36 years in business, strategies and financial management. He fulfils the requirement that the one member of Audit Committee must have financial management expertise.

Thus, the members are well versed with financial systems and have the ability to read and understand basic financial statements.

The terms of reference to the Audit Committee are in compliance to Section 177 of the Act and LODR Regulations and other applicable laws, which, inter-alia, includes:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required being included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Valuation of undertakings or assets of the Company, wherever, it is necessary.
- (21) Reviewing management discussion and analysis of financial condition and results of operations;
- (22) Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (23) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- (24) Reviewing internal audit reports relating to internal control weaknesses;
- (25) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (26) Reviewing statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (27) Reviewing loan and investment in subsidiaries.

During the year under review, four meetings of the Audit Committee were held, the dates being May 15, 2024, August 14, 2024, November 14, 2024, and January 31, 2025.

The attendance of the members/permanent invitee at the Audit Committee meetings was as follows:

| Name | Number of meetings held during the tenure of each member | Number of meetings attended during the year |
|------------------------------------|--|---|
| Dr. Rupinder Tewari, (Chairperson) | 4 | 4 |
| Dr. Kuldeep Kumar Bhasin, (Member) | 4 | 4 |
| Dr. Indu Pal Kaur, (Member) | 4 | 3 |
| Mr. Sanjiv Goyal, (Member) | 4 | 1 |

Chief Financial Officer and Deputy General Manager (Accounts) of the Company attended the meetings of the Audit Committee as permanent invitees while Internal Auditor and representatives from Statutory Auditors of the Company, as considered appropriate, attended the meetings as invitees. The Company Secretary acts as the Secretary to the Committee.

IV. Nomination & Remuneration Committee

At the beginning of the FY 2024-25, the Nomination & Remuneration Committee ("NRC") comprised of three directors including Dr. Rupinder Tewari as its Chairperson with Mr. Ajay Swaroop and Dr. Kuldeep Kumar Bhasin as members. The Board of Directors have reconstituted the NRC and have inducted Dr. Indu Pal Kaur as a member in place of Mr. Ajay Swaroop w.e.f. August 15, 2024. During FY 2024-25, three meetings of the NRC were held on May 15, 2024, August 14, 2024 and November 13, 2024.

The attendance of the members of NRC meetings was as follows:

| Name | Category of member of Committee | Number of meetings held during the tenure of each member | Number of meetings attended during the year |
|---|--------------------------------------|--|---|
| Dr. Rupinder Tewari (Chairperson) | Independent & Non-executive Director | 3 | 2 |
| Mr. Ajay Swaroop (Member) (upto August 14, 2024) | Independent & Non-executive Director | 2 | 2 |
| Dr. Kuldeep Kumar Bhasin (Member) | Independent & Non-executive Director | 3 | 3 |
| Dr. Indu Pal Kaur (Member) (w.e.f. August 15, 2024) | Independent & Non-executive Director | 1 | 1 |

The terms of reference NRC are as under:

- i) To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, and other employees and while formulating the policy ensure that-
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- (c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- iii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iv) Devising a policy on Board diversity;
- v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.
- vi) As specified in the provisions of the Section 178 of the Act and Regulation 19 and Part D of Schedule II of LODR Regulations.

The Nomination, Remuneration & Evaluation Policy is formulated by the NRC and approved by the Board. The weblink of said Policy has been provided in Board's report.

The details of remuneration of Directors are given in disclosures part of this Report. The performance evaluation criteria for Independent Directors are disclosed in Directors' report.

V. Stakeholders' Relationship Committee

At the beginning of the FY 2024-25, the Stakeholders Relationship Committee ("SRC") comprised of three directors including Mr. Ajay Swaroop as its Chairperson and Mr. Sanjiv Goyal and Mr. Puneet Sud as its members. The Board of Directors have reconstituted the SRC and have inducted Dr. Kuldip Kumar Bhasin as a Chairperson in place of Mr. Ajay Swaroop w.e.f. August 15, 2024.

The Company Secretary acts as the Secretary of the Committee and also the Compliance officer of the Company. The Committee focuses on strengthening investor relations and performs the following functions:

- (i) Approves and monitors transfers, transmission, splitting and consolidation of securities, issue of share certificate upon rematerialisation requests and issue of duplicate share certificates;
- (ii) Looks into various issues relating to shareholders including redressal of complaints relating to transfer of shares, non-receipt of annual reports and dividends, among others;
- (iii) Ensures compliance of the Code of Conduct for prevention of insider trading formulated by the Company as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- (iv) As specified in the provisions of the Section 178 of the Act and Regulation 20 and Part D of Schedule II of LODR Regulations.

During the FY ended on March 31, 2025, one meeting of the committee was held on August 24, 2024, which was attended by all its members.

As on March 31, 2025, 99.999% of the Company's shares are held in electronic (demat) form. All the complaints received during the year were redressed fairly and expeditiously to the complete satisfaction of the respective shareholders. The detail of complaints received and redressed are as follows:

| Opening balance as on April 1, 2024 | Received during the year | Complaints resolved during the year | Closing balance as on March 31, 2025 |
|-------------------------------------|--------------------------|-------------------------------------|--------------------------------------|
| Nil | 4 | 4 | Nil |

Quarter-wise details of complaints during 2024-25:

| Quarter | Complaints pending at the beginning of the quarter | Complaints received during the quarter | Complaints resolved during the quarter | Complaints pending at the end of quarter |
|------------------|--|--|--|--|
| April-June | Nil | Nil | Nil | Nil |
| July-September | Nil | 2 | 2 | Nil |
| October-December | Nil | 1 | 1 | Nil |
| January-March | Nil | 1 | 1 | Nil |

Reconciliation of share capital Audit

The Company conducts a Reconciliation of Share Capital audit on a quarterly basis in accordance with requirements of SEBI (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/ FITTC/ Cir-16/2002 dated 31.12.2002. The Practicing Company Secretary was appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Report, which was submitted to the stock exchanges within the stipulated period, inter-alia certifies that the Company's equity shares held in the dematerialised form and in the physical form confirm with the issued and paid-up equity shares capital of the Company.

Annual Secretarial Compliance Report

As per the provisions of the LODR Regulations, the Company has obtained the Annual Secretarial Compliance Report on yearly basis from Practicing Company Secretaries as per Regulation 24A of LODR Regulations. The certificate was submitted with the stock exchanges within the prescribed time limit.

Reporting as per para-F of Schedule V of the LODR Regulations

As required under para-F of Schedule V of the LODR Regulations, the details of shares in suspense account, i.e. shares issued pursuant to the public issues or any other issue which remain unclaimed are as under:

| | | |
|--|--|-----------------------------------|
| At the beginning of the year i.e. April 1, 2024 | Aggregate number of shareholders | 2 |
| | Outstanding shares in the suspense account | 500 equity shares of Re. 1/- each |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year | | Nil |
| Number of shareholders to whom shares were transferred from suspense account during the year | | N.A. |
| Number of shares which are transferred to IEPF Authority pursuant to Sections 124(6) and 125 of the Act read with the Investor Education and Protection Fund Authority (IEPF) (Accounting, Audit, Transfer and Refund) Rules, 2016 | | N.A. |
| At the end of the year i.e., March 31, 2025 | Aggregate number of shareholders | 2 |
| | Outstanding shares in the suspense account | 500 equity shares of Re. 1/- each |

Further, the voting rights on these shares will remain frozen till the rightful owner of such shares claims the shares.

Compliances regarding insider trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading' and 'Code of Fair Disclosures', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The codes referred above are placed on the Company's website www.neclife.com. The said codes were adhered during the year under review.

VI. Other committees

A. Corporate Social Responsibility ("CSR") Committee:

During the FY 2024-25 the CSR Committee comprised of three directors as under:

| Sr. | Name of Director | Category | Status |
|-----|-------------------------|------------------------------|----------|
| 1. | Mr. Sanjiv Goyal | Chairman & Managing Director | Chairman |
| 2. | Dr. Kuldip Kumar Bhasin | Independent Director | Member |
| 3. | Mr. Puneet Sud | Executive Director | Member |

During the FY ended on March 31, 2025, one meeting of the CSR Committee were held on May 14, 2024, which was attended by all its members.

B. Risk Management Committee ("RMC") Committee:

Brief description of terms of reference of RMC are as under:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) To frame the INTERNAL POLICY GUIDELINES on forex hedging on following principles:
 - i) Basic Philosophy is not to speculate.
 - ii) Since, the company is both into exports and imports which contribute around 35-40% of the total sales and

purchases respectively and has a natural hedge covering the entire imports. The unhedged portion of exports/imports may be hedged either in full or part which would be decided by the Risk Management Committee in consultation with MD or CFO/ Vice President (Accounts).

During the FY ended on March 31, 2025, two meetings of the RMC were held on July 16, 2024, and February 11, 2025. The composition and attendance of RMC is as under:

| Name | Status | Number of meetings held during the tenure of each member | Number of meetings attended during the year |
|----------------------|----------|--|---|
| Mr. Sanjiv Goyal, | Chairman | 2 | 2 |
| Dr. Rupinder Tewari, | Member | 2 | 2 |
| Mr. Amit Chadah, | Member | 2 | 2 |

C. Management Committee:

During the FY ended on March 31, 2025, three meetings of the Management committee were held on April 08, 2024, July 01, 2024 and October 05, 2024. The composition and attendance of Management Committee is as under:

| Sr. | Name of Director | Status | Number of meetings held during the tenure of each member | Number of meetings attended during the year |
|-----|------------------|----------|--|---|
| 1. | Mr. Sanjiv Goyal | Chairman | 3 | 3 |
| 2. | Mr. Puneet Sud | Member | 3 | 3 |
| 3. | Mr. Amit Chadah | Member | 3 | 2 |

The meetings of above committees are held as and when its members think appropriate or necessary to discuss the matters within their terms of reference.

Independent Directors' meeting:

During FY 2024-25, one meeting of Independent Directors was held on May 15, 2024, which was attended by all independent Directors at that time.

In compliance with Schedule IV to the Act and regulation 25(3) of the LODR Regulations, the independent directors held their separate meeting on May 27, 2025, without the attendance of non-independent directors and members of the Management, inter alia, to discuss the following:

- Noting of the report of performance evaluation for 2024-25 from Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairperson of the Company;
- Assessment of the quality, quantity and timeliness of flow of information to the Board; and
- Review of informal meeting with Senior Management Personnel.

The independent directors present elected Dr. Rupinder Tewari as Chairman for the meeting. All independent directors were present at the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

VII. Senior management

1. Particulars of senior management as on March 31, 2025:

| Sr. | Name | Designation | Location |
|-----|--------------------|-------------------------|-------------------|
| 1 | Mr. Amit Chadah | Chief Executive Officer | Corporate Office |
| 2 | Vikas Vij | Chief Operating Officer | Derabassi, Punjab |
| 3 | Mr. H.P. Singh | President | Derabassi, Punjab |
| 4 | Mr. Sushil Kapoor | Chief Financial Officer | Corporate Office |
| 5 | Mr. Ashok Kumar | Vice President | Corporate Office |
| 6 | Mr. Parveen Sareen | Vice President | Derabassi, Punjab |

2. Changes during the year: During the FY 2024-25:

- I. A.N. Mishra, Senior General Manager at Unit-6, Baddi, H.P. and Sunil Kumar Goyal, Deputy General Manager at Unit-7, Baddi, H.P., were ceased to be part of Senior Management pursuant to amendment in the Materiality of Information Policy by the Board in their meeting held on November 14, 2024.
 - II. Mr. Vikas Vij has been appointed as Chief Operating Officer w.e.f. November 14, 2024.
 - III. Ms. Neha Vaishnav has resigned w.e.f. February 28, 2025.
3. Changes since the close of the previous financial year: Mr. Sanjay Mohan Singh Rawat has been appointed as a Company Secretary w.e.f. April 01, 2025. On expiry of his term as a Wholetime Director on May 31, 2025, Mr. Puneet Sud has also tendered his resignation as a Director of the Company. Based on the recommendation of NRC, the Board of Directors have appointed Dr. Surulichamy Senthilkumar (DIN- 11124083) as a Whole time Director designated as Director (R&D) of the Company for a period of three years from June 01, 2025.
4. The Senior Management has confirmed to the Board that they have complied with the code of conduct which barred them from entering into any material financial and commercial transactions, where they had (or were deemed to have/ had) personal interest.

VIII. General Body meetings

Details of the last three AGMs held.

1. 29th AGM: September 21, 2024, at 11.00 am at the registered office and works of the Company i.e., Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
2. 28th AGM: September 21, 2023, at 11.00 am at the registered office and works of the Company i.e., Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
3. 27th AGM: September 21, 2022, at 11.00 am at the registered office and works of the Company i.e., Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab

Detail of special resolutions at AGMs/ EGM:

1. At the 29th AGM held on September 21, 2024; the following special resolutions were passed:
 - i) Approval of Scheme of Loan to be granted to Chairman & Managing Director/ Wholetime Directors of the Company
 - ii) Approval of re-appointment of Mr. Sanjiv Goyal (DIN – 00002841) as a Chairman & Managing Director of the Company
 - iii) Approval of re-appointment of Mr. Puneet Sud (DIN – 09735713) as a Wholetime Director designated as Director (Operations) of the Company
2. At the 28th AGM held on September 21, 2023; the following special resolutions were passed:
 - i) Approval of re-appointment of Dr. Rupinder Tewari as an Independent Director for the second term of consecutive five years.
 - ii) Approval of revision in remuneration of Mr. Puneet Sud, Whole Time Director for rest of his tenure.
3. At the 27th AGM held on September 21, 2022; the following special resolutions were passed:
 - i) Approval of the Special Incentive/ Bonus to Chairman & Managing Director.
 - ii) Approval of Appointment of Dr. Indu Pal Kaur as an Independent Director of the Company and to hold office for a term of five years.
4. Details of special resolution passed through postal ballot concluded on December 20, 2022:
 - i) Approval of the appointment of Mr. Puneet Sud as a Wholetime Director designated as a Director (Operations) and to hold office for a period of two years

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. The resolutions at 27th, 28th and 29th AGMs, are passed through e-voting as per section 108 of the Act and polling at the venue of General Meeting as per Section 109 of the Act, in case of those members who have not participated by e-voting.

No resolution has been passed through postal ballot in financial year 2024-25. No special resolution to be passed through postal ballot is proposed at the ensuing AGM.

IX. Disclosures

- a) There was not any material non-compliance by the Company and no penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the FYs 2022-23, 2023-24 and 2024-25.

One matter of alleged non-compliance of Regulation 17(1A) in FY 2020-21 and 2021-22 is pending with Hon'ble Supreme Court on the appeal filed by NSE against the order of Securities Appellate Tribunal ("SAT") which has ruled in favour of the Company.
- b) The National Green Tribunal ("NGT") passed an Order dated November 21, 2024 by directing the Punjab State Pollution Control Board ("PPCB"), inter-alia, to impose an interim environmental compensation of Rs. 5 Crores upon the Company and to determine final amount of environmental compensation after collecting information from the Company after due opportunity of hearing to the Company.

The NGT order requiring payment of the environmental compensation was challenged before the Supreme Court by the Company. The Supreme Court has admitted the Civil appeal filed by the Company and stayed the impugned order passed by NGT till the next date of hearing with a condition for the Company to deposit 50% of the interim environmental compensation amount i.e. INR 2,50,00,000/- before the Registry of Supreme Court. The Company has deposited the demand draft with the Supreme Court Registry on June 18, 2025, and the stay has become operative. The next date of hearing is yet to be fixed.

c) The Company had adopted the Whistle Blower Policy/ Vigil Mechanism since 2014-15. The policy is available on https://www.neclife.com/files/ugd/6aa048_cafe48f72d7144a5928e793ccdbe532d.pdf. No employee has been denied access to the audit committee.

d) Compliance of Mandatory and Non Mandatory requirements:

- i) The company is in compliance with corporate governance requirements specified in regulation 17 to 27 and regulation 46 of LODR Regulations.
- ii) Details of compliance with mandatory requirements is given elsewhere in this Report.
- iii) The Company has also complied with the discretionary requirements as under:

A. The Board

Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable.

B. Un-Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

C. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

D. Risk Management Committee ("RMC")

The Company has constituted the RMC, though it may not be mandatory. The details and meetings of RMC has been provided above in this report.

E. Woman Independent Director

The Company has appointed Dr. Indu Pal Kaur as a woman independent director, though it may not be mandatory.

F. Directors and Officers insurance ('D & O Insurance')

The Company has taken D & O Insurance Policy though it may not be mandatory.

G. Dividend Distribution Policy

The Company has framed the Dividend Distribution Policy though it may not be mandatory.

e) **Related Party Transactions:** The details of all transactions, if any, with related parties are placed before the Audit committee and Board and, wherever necessary, approval of members has been obtained in their General Meeting.

There were no loan or advances given by the company to its wholly owned subsidiary. The Investments as on March 31, 2025, in Neclife PT, Unipessoal LDA was EURO 1000/- only. The Company does not have any associate company or joint venture company.

There were no materially significant transactions made by the Company with its promoters, Directors or the management and their subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large. However, the general related party disclosures are given in the Notes on Accounts and Form AOC-2 attached to Board's Report.

The transaction with persons or entities belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, if any, are provided in Notes to and forming part of the Financial Statements of the company.

Policy on dealing with related party transactions is available on the website of the Company (URL: https://www.neclife.com/files/ugd/6aa048_c454aa58de1b40dca8c41354a7d5e7b5.pdf).

f) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ Companies in which directors are interested by name and amount: **Nil**

Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan: **Nil**

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The Company does not have any material subsidiary. Other relevant details of the subsidiary are being provided in Form AOC-1 forming part of financial statements.

Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: https://www.neclife.com/files/ugd/6aa048_4d7e3d59872e4416a7a93371bc898f7c.pdf).

g) **Disclosure of accounting treatment:** In the preparations of financial statements, the Company followed the accounting standards issued under Companies (Indian Accounting Standards) Rules, 2015, as amended upto date, to the extent applicable.

h) **Disclosure of risk management:** The Company regularly informed the Board of Directors about the risk assessment, if any, along with recommendations to reduce the risk. The company has constituted the RMC which advised to Board about Risk Management Policy from time to time. The Board approved the Risk Management Policy as recommended by Risk Management Committee. Apart from it, Audit Committee also oversee the Risk Management framework of the company.

i) Commodity price risk or foreign exchange risk and hedging activities.

1. This activity is discussed in Management Discussion and Analysis Report under Risk Management.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the listed entity to commodities in INR:

The Value of total Inventory held by the Company for Raw Material, Work in Progress and Finished Goods (Including Stock in Trade) as on March 31, 2025, was INR 7407.72 million.

b. Exposure of the listed entity to various commodities:

| Commodity Name (Inventory as on March 31, 2025) | Exposure in INR (million) towards the particular commodity | Exposure in Quantity (MT) terms towards the particular commodity | % of such exposure hedged through commodity derivatives | | | | |
|---|---|--|---|----------|----------------------|----------|-------|
| | | | Domestic market | | International market | | Total |
| | | | OTC | Exchange | OTC | Exchange | |
| Raw Material | 835.20 | 5591.51 | Nil | Nil | Nil | Nil | Nil |
| Work in Progress | 6100.40 | 593.46 | Nil | Nil | Nil | Nil | Nil |
| Finished Goods | 337.16 | 47.35 | Nil | Nil | Nil | Nil | Nil |
| Misc. Stocks | 134.97 | - | Nil | Nil | Nil | Nil | Nil |

- c. Commodity risks were faced during the year and how have these risks been managed:
The commodity prices are determined through basic supply and demand factors in the marketplace and as a safeguard measure, Company purchases the raw material against orders in hand. The company has a strong export base to provide the required natural hedge for the raw material procurement.
- j) There is no credit rating obtained by the company or any revisions thereto during the FY 2024-25, as there are no:
- debt instruments; or
 - any fixed deposit programme; or
 - any scheme or proposal of the company involving mobilization of funds, whether in India or abroad.
- k) There are no funds raised through public issue, rights issue, preferential issue etc. and therefore, Regulation 32 (4) of LODR Regulations is not applicable to company.
There are no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of LODR Regulations.
- l) Certificate from Mr. Prince Chadha of P. Chadha & Associates., Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or Ministry of Corporate Affairs or any such statutory authority, is attached to this report.
- m) The board had accepted all recommendations or submissions of all the committees of the board which were mandatorily required for the approval of the Board, in the FY 2024-25.
- n) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and secretarial auditor and all entities in the network firm/ network entity of which the statutory auditor is a part are as Under:

The Company has paid INR 21,00,000/- (excluding GST @ 18%) towards Statutory audit fees and INR 4,00,000/- (excluding GST @ 18%) towards Tax Audit fees to statutory auditors. No other fees have been paid to statutory auditors for the Company and/ or its subsidiaries.

The Company has paid INR 60,000/- towards secretarial audit fees and INR 78,550/- towards fees for other services by secretarial auditors. No other fees have been paid to secretarial auditors for the Company and/ or its subsidiaries.

- o) Details of shareholders agreement:

As on April 01, 2024, the Company has one subsisting agreement executed on February 19, 2010 ("Investment Agreement") with respect to subscription to the equity shares of the Company with NSR Direct PE Mauritius, LLC (Currently name changed to ISENGARD DIRECT PE LLC) ("Investor"). The Investor and its associates have sold/ disposed all of their shares till December 11, 2024 and informed to the Company on December 12, 2024. Therefore, as per the terms, the Agreement stands terminated w.e.f. December 11, 2024. Pursuant to rescission of Agreement, all rights provided to Investors as per Agreement and Articles stand terminated. There is no impact of rescission of Agreement on the management or control of the Company.

- p) The securities of the Company are not suspended from trading during the FY 2024-25 and hence no explanation is required for the reason thereof.

X. Means of communication

Quarterly results

The details of quarterly results published for FY 2024-25 are as under:

| Quarter | English daily | Punjabi daily |
|------------------|---|---------------|
| April-June | <i>Business Standard</i> – All Editions | Desh Sewak |
| July-September | <i>Business Standard</i> – All Editions | Desh Sewak |
| October-December | <i>Business Standard</i> – All Editions | Desh Sewak |
| January - March | <i>Business Standard</i> – All Editions | Desh Sewak |

The results are also displayed on the Company's website at <https://www.neclife.com/about-1>. The official news' are also displayed on the Company's website. Apart from the above, we also regularly provided the information to the Stock Exchanges as per the requirements of the LODR Regulations and the desired information can be accessed from the websites of the respective Stock Exchanges. Other than the annual accounts, the quarterly and half-yearly financial results are not being sent to the household of each shareholder. The presentations made to institutional investors or analysts, if any, are also disclosed to the Stock Exchanges, from time to time and hosted on the website of the Company.

XI. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The required information of directors on their appointment/ re-appointments is given in the explanatory statement under section 102 of the Act of Notice of ensuing AGM.

XII. GENERAL SHAREHOLDER INFORMATION

| | | |
|-------|---|--|
| i. | 30 th AGM | |
| | Date | Monday, September 29, 2025 |
| | Time | 11:00 AM |
| | Venue | AGM of the Company is to be held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. |
| ii. | FY | April 1, 2024, to March 31, 2025 |
| iii. | Date of book closure | September 23, 2025 to September 29, 2025 (Both days inclusive). |
| iv. | Dividend payment date | NA |
| v. | The equity shares of Re. 1/-each of the Company are listed on | 1. NSE, Regd. Office: "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel: 91-22-26598100, 66418100 2. BSE, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India Tel: 91-22-22721233, 22721234, |
| vi. | Listing fee | The annual listing fees have been paid to the above exchanges and there is no outstanding payment towards the exchanges, as on date. |
| vii. | Equity shares' stock code / symbol | BSE Code: 532649 NSE Symbol: NECLIFE |
| viii. | ISIN of Company's equity shares: | INE023H01027 |
| ix. | Corporate Identification Number (CIN) | L24232PB1995PLC016664 |
| x. | Registrar and Transfer Agents and contact person there at | KFIN TECHNOLOGIES LIMITED Unit: Nectar Lifesciences Limited Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: (91-40) 67161527, Fax: (91-40) 23001153 Contact Person: Mr. G. Vasantha Rao, E-mail: vasantha.godavarthi@kfinitech.com |
| xi. | Address for correspondence at the Company | Nectar Lifesciences Limited SCO 38-39, Sector 9-D, Chandigarh - 160 009 Ph. No. +91-172-5047915-16 |
| xii. | Compliance Officer and contact person at the Company | Company Secretary E-mail: cs@neclife.com Website : www.neclife.com |

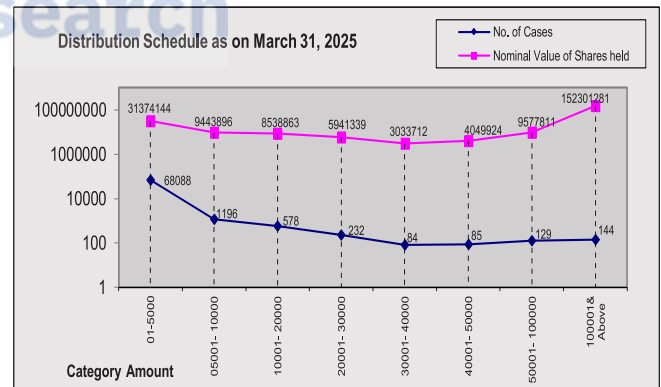
xiii. Share transfer system:

Almost 99.999% of the shares of the Company are held in dematerialised form. Transfers of these dematerialised shares are done through the depositories with no involvement of the Company. With regard to transfer of shares held in physical form, the transfer documents can be lodged with the Registrar and Share Transfer Agent of the Company. The Stakeholders' Relationship Committee approves the transfer and transmission of shares in demat form only.

xiv. Distribution of shareholding

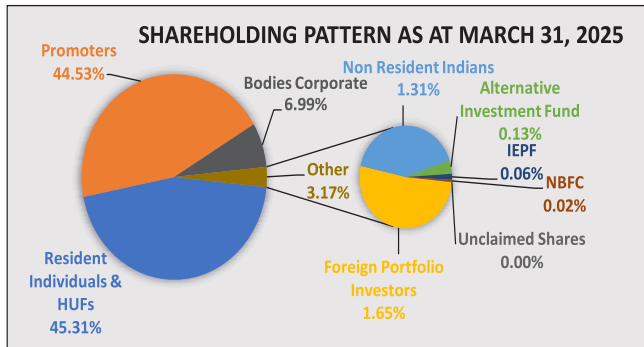
a) Class-wise distribution of equity shares as on March 31, 2025

| Category (Amount) | Total Cases | Total Cases % | Total Shares | Total Amount | Total Amount % |
|-------------------|--------------|---------------|------------------|------------------|----------------|
| 1-5000 | 68088 | 96.53 | 31374144 | 31374144 | 13.99 |
| 5001- 10000 | 1196 | 1.70 | 9443896 | 9443896 | 4.21 |
| 10001- 20000 | 578 | 0.82 | 8538863 | 8538863 | 3.81 |
| 20001- 30000 | 232 | 0.33 | 5941339 | 5941339 | 2.65 |
| 30001- 40000 | 84 | 0.12 | 3033712 | 3033712 | 1.35 |
| 40001- 50000 | 85 | 0.12 | 4049924 | 4049924 | 1.81 |
| 50001- 100000 | 129 | 0.18 | 9577811 | 9577811 | 4.27 |
| 100001& Above | 144 | 0.20 | 152301281 | 152301281 | 67.91 |
| Total | 70536 | 100.00 | 224260970 | 224260970 | 100.00 |



b) Shareholding pattern as on March 31, 2025

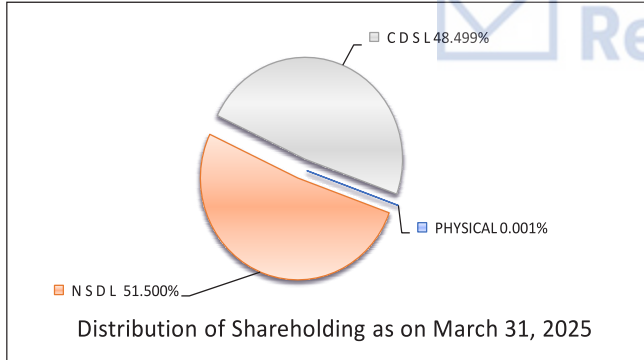
| Category | Cases | Total shares | % To Equity |
|-----------------------------|--------------|------------------|---------------|
| Resident Individuals & HUFs | 69530 | 101603824 | 45.31 |
| Promoters | 4 | 99868000 | 44.53 |
| Bodies Corporate | 329 | 15676297 | 6.99 |
| Foreign Portfolio Investors | 22 | 3690831 | 1.65 |
| Non Resident Indians | 647 | 2937855 | 1.31 |
| Alternative Investment Fund | 1 | 300000 | 0.13 |
| IEPF | 1 | 133663 | 0.06 |
| NBFC | 1 | 50000 | 0.02 |
| Unclaimed Shares | 1 | 500 | 0.00 |
| Total | 70536 | 224260970 | 100.00 |



- xv. Dematerialisation of shares and liquidity The Company's shares are compulsory traded in dematerialized form. Equity shares of the Company representing 99.999% of the Company's share capital were dematerialised as on March 31, 2025.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2025, was as under:

| Category | Cases | Total Shares | % To Equity |
|--------------|--------------|------------------|----------------|
| PHYSICAL | 4 | 1370 | 0.001 |
| N S D L | 23236 | 115495078 | 51.500 |
| C D S L | 47296 | 108764522 | 48.499 |
| Total | 70536 | 224260970 | 100.000 |



The Company's shares are regularly traded on the NSE and the BSE, in electronic form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE023H01027.

- xvi. Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity

Global Depository Receipts ("GDRs"): During the year all the GDRs underlying the equity shares in the Company have been stand cancelled and converted to equity shares therefore, no outstanding GDRs are pending or held by Deutsche Bank Trust Company Americas, the Depository of GDRs.

Therefore, the GDRs have been delisted from Luxembourg Stock Exchange ("LuxSE") with effect from November 28, 2024.

- xvii. Registered office location Nectar Lifesciences Limited
Village : Saidpura, Tehsil Derabassi,
Distt. S.A.S. Nagar (Mohali) Punjab
- xviii. Plant locations
1. Nectar Lifesciences Limited, Unit I
Village : Saidpura, Tehsil Derabassi,
Distt. S.A.S. Nagar (Mohali) Punjab
 2. Nectar Lifesciences Limited, Unit II
Village : Saidpura, Tehsil Derabassi,
Distt. S.A.S. Nagar (Mohali) Punjab
 3. Empty Hard Gelatin Capsule Unit
Village Bhatoli Kalan, Pargana
Dharpur, Tehsil Nalagarh District
Solana, (Himachal Pradesh)
 4. Formulation Unit
Village Bhatoli Kalan, Pargana
Dharpur, Tehsil Nalagarh District
Solana, (Himachal Pradesh)
 5. Narbada Industries
Plot No. 2, Lane No. 4, Phase II, SIDCO
INDUSTRIAL COMPLEX Bari
Brahmana, Jammu (J & K)

- xix. The shareholders / investors may please refer to Notes to Notice of AGM for information pertaining to Unpaid/ Unclaimed Dividend and share transferred to IEPF.

XIII. CEO / CFO certification

As required under LODR Regulations the certificates duly signed by the Chief Executive Officer and the Chief Financial Officer, were placed at the meeting of the Board of Directors held on July 07, 2025.

XIV. Report on corporate governance

This report, read together with the information given in the Board's Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during the FY 2024-25. The Company is regularly submitting the quarterly compliance report to the stock exchanges, as required under regulation 27 of the LODR Regulations, 2015 and placing it before the meeting of the Board for their information and noting.

XV. Auditor's certificate on compliance of conditions of Corporate Governance

Certificate from the auditors on compliance of conditions on Corporate Governance is enclosed along with the Directors' Report.

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)

Chairman & Managing Director

Place: Chandigarh

Date: August 14, 2025

DIN: 00002841

**Declaration to the Compliance with code of conduct as per Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Amit Chadah, Chief Executive Officer of Nectar Lifesciences Limited having its registered office at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab do hereby certify that the Board of Directors has formulated the code of conduct as per the provisions of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** for the Directors and Senior Management Personnel, which has been posted on the website of the company.

Further, it is hereby confirmed that all the Directors and the Senior Management Personnel have complied with the code of conduct and a confirmation to this effect has been obtained from them for the financial year 2024-25.

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

Place: Chandigarh
Date: 02-05-2025

Sd/-
(Amit Chadah)
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,
The Members of
Nectar Lifesciences Limited
CIN – L24232PB1995PLC016664
Village : Saidpura, Tehsil Derabassi,
Distt. S.A.S. Nagar (Mohali) Punjab

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nectar Lifesciences Limited** [CIN: L24232PB1995PLC016664] and having registered office at **Village: Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab** (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2025 as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sr. | DIN | Name | Date of Appointment* |
|-----|----------|---------------------|----------------------|
| 1 | 09250008 | Kuldip Kumar Bhasin | September 21, 2021 |
| 2 | 09686862 | Indu Pal Kaur | August 02, 2022 |
| 3 | 09735713 | Puneet Sud | September 24, 2022 |
| 4 | 00002841 | Sanjiv Goyal | June 27, 1995 |
| 5 | 05283168 | Meena Virbhan Verma | February 11, 2019 |
| 6 | 07009485 | Rupinder Tewari | February 11, 2019 |

*the date of appointment is as per the MCA Portal

Ensuring the eligibility of/ for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. Chadha & Associates
Company Secretaries

Sd/-
Prince Chadha
(Prop.)

M. No.: 32856
C.P. No.: 12409

Place: Chandigarh
Date: 06-05-2025

Peer Review Certificate No.: 1671/2022
UDIN: A032856G000281225

Independent Auditors' Report on compliance with the conditions of Corporate Governance

To
The members of
Nectar Lifesciences Limited

1. The Corporate Governance Report prepared by Nectar Lifesciences Limited (hereinafter 'the company') contains details as specified in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Requirements") ("applicable criterial") with respect to Corporate Governance for the year ended March 31, 2025. This report is required by the company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design implementation and maintenance of Internal Control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report.
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and Non-Executive Directors has been met throughout the reporting period.
 - iii. Obtained and read the Register of Directors as on March 31, 2025, and verified that at least one Independent Woman Director was on the Board of Directors throughout the year.
 - iv. Obtained and read the minutes of the following Committee meetings/other meetings held from April 01, 2024, to March 31, 2025:
 - a. Board of Directors.
 - b. Audit Committee.
 - c. Annual General Meeting (AGM).
 - d. Nomination and Remuneration Committee.
 - e. Stakeholders Relationship Committee.
 - f. Corporate Social Responsibility Committee.
 - g. Risk Management Committee.
 - h. Independent Directors
 - v. Obtained necessary declarations from the Directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the Schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the Audit Committee meeting wherein such related party transactions have been pre-approved prior by the Audit Committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 and 8 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended 31 March 2025, referred to in paragraph 1 above.

Other Matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Deepak Jindal & Co.
Chartered Accountants
(Firm's Registration No. 023023N)

Sd/-

(Onkar Singh)

Partner

(Membership No. 514746)
UDIN: 25514746BMITV8065

Place: Chandigarh
Date: 7th July 2025

SECRETARIAL AUDIT REPORT
Form no. MR-3

For the Financial Year ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

To,

The Members,

Nectar Lifesciences Limited

Registered office: Village Saidpura,

Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali)

Punjab – 140507

I/ We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Nectar Lifesciences Limited (hereinafter called "the company" or "the listed entity") having Corporate Identification Number ("CIN") L24232PB1995PLC016664 and registered office at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

I. Based on our verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/ We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with statutory provisions listed hereunder and also that company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) I/ We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended March 31, 2025, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made there under;
2. The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made there under;
3. The Depositories Act, 1996 and Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended upto date;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended upto date;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients as amended upto date; and
 - d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended upto date and to the extent applicable to the company.

During the period under review, the provision of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- a. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - e. Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021.
6. I/ We have also examined, on test check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company and the Company has materially complied with the provisions as reported by Management of the company:
- (i) Drugs and Cosmetics Act, 1940;
 - (ii) Drugs (Prices Control) Order, 2013; and
 - (iii) Food Safety and Standards Act, 2006

Please also refer to point no. V for other applicable laws to the company.

(B) I/ We have also examined compliance with the applicable clauses/ provisions of the following:

- (i) Secretarial standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the institute of company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations, 2015; and
- (iii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines and Standards etc. except in respect of matters specified below:

| Sr. No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|----------------|--|------------|---|
| Not Applicable | | | |

Note: 1. The Company has made some disclosures in prescribed format for details of Litigation and/ or orders passed by any regulatory authority or judicial body on April 17, 2024 pertains to the dates of March 12, 2024, February 22, 2024 and March 14, 2024 as per para A and B of Part A of Schedule III and Regulation 30 of the LODR Regulations, 2015 read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023. In my opinion, these disclosures should have been made within 24 hours of the respective event dates. In this regard, the Company has responded to me as under:

"The first matter reported in Annexure 1 of letter dated April 17, 2024 is the appeal filed by Commissioner of Central Excise and Service Tax, Chandigarh II in the Hon'ble High Court of Punjab and Haryana against the order of Customs Excise and Service Tax Appellate Tribunal passed in favour of the Company in August 2018. The appeal may have been a time barred, thereby the Company was in discussions with lawyers to get it dismissed at the initial stage.

Regarding the second and third matters reported in Annexure 1 of letter dated April 17, 2024, the company, on receipt of intimation of the orders passed, had taken requisite steps enquiring & understand about the legal position of the order. The company immediately approached legal practitioners for filing the appeal, as the company strongly disputes the orders passed against the company and firmly believes to get relief in the appeal.

The time period for filing the appeals are 90 days from the date of the order. The company has appointed Advocates in the regard and is in the process of filing the appeals within the period without any delay.

Since, the judicial process in the above stated matters did not attain the finality, the requisite disclosures were made by the Company citing the proposed action that will be taken by the company, so as to provide a true and fair disclosures in letter and spirit to its stakeholders at an appropriate time."

Since, compliance has been made good and the disclosures have already been made and Management has responded to me adequately, therefore, I am referring my observation in this note and not by way non-compliance in Para 1(a) above. My opinion is not modified in this matter.

Note: 2. The listed entity has received summons dated September 02, 2024 from SEBI for furnishing information in respect of Show Cause Notice ("SCN") dated July 01, 2022 from the Goods and Services Tax ("GST") department and matter related thereto. The listed entity has fully furnished the all documents, information and explanations as required by the SEBI on September 13, 2024. The Management confirmed that no further communication has been received from the SEBI since then and till date and it has been deemed that the SEBI has satisfied with the information and explanations provided by the listed entity.

The SCN was adjudicated by GST Department on 21.02.2024 which has been challenged by the listed entity in appeal with Commissioner of Central Tax (Appeals), Ludhiana, the disclosures of which are already in public domain as per LODR Regulations.

- II. I/ We further report that the board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the relevant act.
- III. I/ We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. In case shorter notice of following Committees Meetings, consents of directors/ independent director(s) have been obtained:

| Sr. | Name of Meetings | Date of Meeting |
|-----|--|-------------------|
| 1. | Nomination & Remuneration Committee Meetings | November 13, 2024 |
| 2. | Corporate Social Responsibility Committee Meetings | May 14, 2024 |
| 3. | Stakeholders Relationship Committee Meeting | August 24, 2024 |

- IV. I/ We further report that majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.
- V. As per the representation given by the Management of the Company, I/ We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above and the following acts and rules prescribed thereunder to the extent applicable to the company:
 - i. The Environment (Protection) Act, 1986
 - ii. Air (Prevention and Control of Pollution) Act, 1981
 - iii. The Water (Prevention and Control of Pollution) Act, 1974
 - iv. Solvent and Petroleum Products storage under Petroleum Act, 1934
 - v. Electricity Act, 2003 and Rules and Regulations thereof.

-
- vi. Factories Act, 1948
 - vii. Indian Boilers Act, 1923
 - viii. Standards of Weights & Measure Act ,1976
 - ix. Hazardous waste and other Wastes (Management, Handling & Transboundary Movement) Rules-2016
 - x. Petroleum Act, 1934
 - xi. Food Safety and Standards Act, 2006
 - xii. Employee's Provident Funds and Miscellaneous Provision Act, 1952
 - xiii. The Employee's State Insurance Act, 1948
 - xiv. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 & Rules
 - xv. Industrial Employment (Standing Order) Act, 1946
 - xvi. The Maternity Benefit Act, 1961
 - xvii. Punjab Welfare Fund Act, 1965
 - xviii. Equal Remuneration Act, 1976
 - xix. The Workmen's Compensation Act, 1923
 - xx. The Minimum Wages Act, 1948
 - xxi. The Payment of Wages Act, 1936
 - xxii. The Payment of Gratuity Act, 1972
 - xxiii. The Payment of Bonus Act, 1965
 - xxiv. The Contract Labour (Regulation & Abolition) Act, 1970 & Rules
 - xxv. Punjab Industrial Establishment (National & Festival, Holidays, Sick & Casual Leave) Rules, 1966.
 - xxvi. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - xxvii. The Narcotic Drugs and Psychotropic Substances Act, 1985;
 - xxviii. Applicable laws of state of Punjab and Himachal Pradesh

However, the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed by me since the same have been subject to review by statutory auditors and other professionals.

- VI. I/ We further report that during the audit period no specific events/ actions has taken place which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

**For P. Chadha & Associates
Practising Company Secretaries**

**Sd/-
(Prince Chadha)
ACS 32856,
CP 12409**

**Peer Review Certificate No.: 1671/2022
UDIN: A032856G000723997**

**Date: 07.07.2025
Place: Chandigarh**

To,
The Members,
NECTAR LIFESCIENCES LIMITED
Registered office: Village Saidpura,
Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali)
Punjab – 140507

Our Secretarial Audit Report (Form MR-3) of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I/ We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I/ We believe that the processes and practices, I/ We followed provide a reasonable basis for our opinion.
3. I/ We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I/ We have obtained the Management representation about the compliance of law, rules, regulations and happening of event etc.
5. The compliance of provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit reports is neither an assurances as to the future viability neither of Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For P. Chadha & Associates
Practising Company Secretaries**



Sd/-
(Prince Chadha)
ACS 32856,
CP 12409

Peer Review Certificate No.: 1671/2022
UDIN: A032856G000723997

Date: 07.07.2025
Place: Chandigarh

Annexure 5 of Board of Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contract or arrangement or transaction with its related parties which is at arm's length during financial year ("FY") 2024-25. However, the details of non-material contract or arrangement or transaction with its related parties which are at arm's length during FY 2024-25, has been given in the notes to the Financial Statements forming part of the Annual Report.

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

Place: Chandigarh
Date: August 14, 2025

(Sanjiv Goyal)
Chairman & Managing Director
DIN: 00002841

Annexure 6 of Board of Directors' Report

REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's Corporate Social Responsibility ("CSR") Policy of the Company:**

Nectar Lifesciences Limited ("Company") believes that the actions of the organization and its community are highly inter-dependent. Through constant and collaborative interactions with its external stakeholders, the Company strives to become an asset in the communities. As per its CSR, the Company actively implement Projects and initiatives for the betterment of society, communities and the environment. The objective of this policy is to do continuously and consistently:

- Initiate projects that benefit communities;
- Encourage an increased commitment from employees towards CSR activities and volunteering; and
- Generate goodwill in communities where the Company operates or are likely to operate.

The Company did not require to spend CSR expenditure during FY 2024-25 as it was incurring losses. However, as a responsible Corporate Citizen, the Company has incurred the CSR expenditure to sustain the activities of Nectar Polytechnic for Women in Derabassi, Punjab.

A brief overview of company's CSR projects and programs is as under:

Nectar Lifesciences Charitable Foundation is engaged in promoting education and employment enhancing vocational skills among women to help them in earning their livelihood. It manages an institute under the name of Nectar Polytechnic for Women in Derabassi, Punjab by which it provided opportunity to the underprivileged girls. The company's indirect aim is also to bring about an improvement in sex ratio in Punjab. The program focuses on enrolling girls belonging to underprivileged section of society, other backward classes, migrant laborers and the ones below poverty line.

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act.

2. **The composition of the CSR Committee.**

| Sr. No. | Name of Director | Designation in the Committee | Nature of Directorship | Number of Meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------|------------------------------|------------------------------|--|--|
| 1. | Mr. Sanjiv Goyal | Chairman | Chairman & Managing Director | 1 | 1 |
| 2. | Dr. Kuldip Kumar Bhasin | Member | Independent Director | 1 | 1 |
| 3. | Mr. Puneet Sud | Member | Wholetime Director | 1 | 1 |

3. **Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.**

Company's CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR policy may be accessed on the Company's website at the link: https://www.neclife.com/files/ugd/6aa048_e0f388e184e24277a4c7ebfc42c716b9.pdf .

The Composition of CSR committee of the Company may be accessed on the Company's website at the link: <https://www.neclife.com/about-3-6>.

CSR Projects approved by the board may be accessed on the Company's website at the link: <https://www.neclife.com/csr>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable ("NA")**

| | | |
|----|--|----------|
| 5. | (a) Average net profit (loss) of the company for last three FYs: INR in million | (127.22) |
| | (b) Two percent of average net profit of the company as per section 135(5): INR in million | (2.54) |
| | (c) Surplus arising out of the CSR projects or programs or activities of the previous FYs. | Nil |
| | (d) Amount required to be set off for the FY, if any: INR in million | 6.50 |
| | (e) Total CSR obligation for the FY [(b)+(c)-(d)]. | Nil |

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 2.45 million**
 (b) Amount spent in Administrative Overheads: **Nil**
 (c) Amount spent on Impact Assessment, if applicable: **NA**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 2.45 million**
 (e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (INR in million) | Amount Unspent (in INR) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 2.45 | NA | NA | NA | NA | NA |

(f) Excess amount for set off, if any

| Sr. No. | Particular | Amount (INR in million) |
|---------|---|--|
| (1) | (2) | (3) |
| (i) | Two percent of average net profit (loss) of the company as per section 135(5) | (2.54) million and taken as Nil as figure is in negative |
| (ii) | Total amount spent for the FY with addition of carry forward* | 6.79 |
| (iii) | Excess amount spent for the FY [(ii)-(i)] | 6.79 |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous FYs, if any | Nil |
| (v) | Amount available for set off in succeeding FYs [(iii)-(iv)] | 6.79 |

* Calculations of amount spent and carry forward are as under:

| Sr. No. | Particular | INR in million |
|---------|---|----------------|
| (i) | Total Amount carried forward from previous year available for adjustment | 6.50 |
| (ii) | Total amount spent for the Financial Year | 2.45 |
| (iii) | Total amount of Carry forward, is being expired in FY 2024-25 | 2.16 |
| (iv) | Excess amount spent for the financial year [(i)+(ii)-(iii)] and to be carried forward | 6.79 |

7. Details of Unspent CSR amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---------|-----------------------------|---|---|---|--|------------------|---|--------------------|
| Sr. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in INR) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR) | Amount Spent in the Financial Year (in INR) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in INR) | Deficiency, if any |
| | | | | | Amount (in INR) | Date of Transfer | | |
| 1 | FY-1 | NA | NA | NA | NA | NA | NA | NA |
| 2 | FY-2 | NA | NA | NA | NA | NA | NA | NA |
| 3 | FY-3 | NA | NA | NA | NA | NA | NA | NA |

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: **Yes/ No**

If Yes, enter the number of Capital assets created/ acquired: **NA**

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | NA | NA | NA | NA | CSR Registration Number, if applicable | Name | Registered address |
| | NA | NA | NA | NA | NA | NA | NA |

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): **NA**

For Nectar Lifesciences Limited

(Amit Chadah)
Chief Executive Officer

(Sanjiv Goyal)
Chairman & Managing Director
(Chairman CSR Committee)
DIN: 00002841

Place: Chandigarh
Date: August 14, 2025

Place: Chandigarh
Date: August 14, 2025

Annexure 7 of Board of Directors' Report

Statement of **Disclosure of Remuneration under Section 197 of Companies Act, 2013** and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Managing/ Wholetime Director to the median remuneration of the Employees of the Company for the Financial Year ("FY") 2024-25, the percentage increase in remuneration of Chairman & Managing Director ("CMD"), Wholetime Director ("WTD"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Company Secretary ("CS"):

| Sr. | Name of the Director/ KMP | Designation | Ratio of Remuneration of each Director to median remuneration of Employees | Percentage increase in Remuneration |
|-----|---------------------------|-------------|--|-------------------------------------|
| 1. | Sanjiv Goyal | CMD | 65:1 | (4.65) |
| 2. | Puneet Sud | WTD | 20:1 | 1.45 |
| 3. | Amit Chadah | CEO | Not Applicable ("NA") | (0.18) |
| 4. | Sushil Kapoor | CFO | NA | 27.84 |
| 5. | Neha Vaishnav | CS | NA | Note c |

Note:

- a) The Non- Executive Directors of the Company are entitled for sitting fee only as per the statutory provisions. The details of sitting fee of Non- Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non- Executive Directors Remuneration is therefore not considered for the purpose above.
- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination & Remuneration Committee of the Company during FY 2024-25.
- c) In FY 2024-25, Ms. Neha Vaishnav has resigned w.e.f. February 28, 2025, therefore, her yearly remuneration is not comparable.
2. The percentage increase in the median remuneration of Employees for FY 2024-25 was 7.69%.
3. The Company has 1786 permanent Employees on the rolls of Company as on March 31, 2025.
4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last FY and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- Average percentage increase made in the salaries of Employees other than the managerial personnel in the FY was 6.31% whereas the increase (decrease) in the managerial remuneration was approximately (3.25%). The average increases every year is an outcome of Company's market competitiveness as well as prevailing market scenario. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
5. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh
Date: August 14, 2025

Annexure 8 of Board of Directors' Report

Statement of particulars as prescribed under Rule 8 (3) of the Companies (Account) Rules, 2014

A) Conservation of energy

(i) Steps taken or impact on Conservation of energy

The following steps taken by the Company in FY 2024-25:

1. The RO plant has improved the discharged water quality thereby saving of water and power which otherwise would have been used to run the ETP to treat such water;
2. The 4285008Kcal steam was saved by supplying to production facilities through the mild steel pipe line wrapped with glass wool pad from captive power plant;
3. The lighter weight fiber blade CT fan used for construction of cooling tower fan resulting saving of 24768 kw power to run the fan;
4. The Company has installed Condensate Heat Recovery Unit in Unit-II situated at Derabassi, thereby saving of fuel approx. INR 2.4 million in a year.
5. Solar Power Station generated 148720 kw under the Energy Conservation;

(ii) Steps taken by the Company for utilising alternate sources of energy

The Company has two 6 MW Co-Generation Power Plants using bio mass fuel and cater the 85% power demand of production plants at Unit II, Derabassi.

(iii) The capital investment on energy conservation equipment

Capital expenditure incurred on energy conservation equipment: INR 7.09 million

B) Technology Absorption

(i) Efforts made towards technology absorption

In the pharmaceutical world, the development of technology is a continuous activity, implemented without altering the quality of the drugs for the human. In its continuous endeavor for technology, the Company has continuous focus on process development internally apart from collaboration with academic institutions for future progress and utilizes an industry-academia platform to upgrade the existing technologies and develop advanced or new technologies.

The Company has also developed process development Research & Development ("R&D") programme, wherein technology is successfully scaled up at a commercial level. Company also works on optimizing solvent recovery to have advantage in production.

(ii) The benefits derived like product improvement, cost reduction, product development and import substitution

R&D helps provide knowledge to develop, design, and enhance its product basket, technologies and/or processes and therefore, an integral part of the Company's operations.

In a research-based organization, a paradigm shift from exploration to exploitation wherein technology is developed and transferred for commercialization expands the Company's overall performance along with its product portfolio. The incessantly improving technology can drive existing/new products by maintaining sustainable growth and ensuring profitability.

(iii) Information in case of imported technology (imports during last three years)

Not applicable

(iv) Expenditure on R & D

Total expenditure incurred on Research and Development: INR 162.23 million

C) Foreign exchange earnings and outgo

(i) During the year 2024-25, the Company has exported its pharmaceutical products to 66 countries.

| | | | |
|------|----|--|---------------------|
| (ii) | a) | Foreign exchange earned in terms of actual inflow during the financial year ended on March 31, 2025: | INR 6311.77 million |
| | b) | Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2025: | INR 6051.35 million |

For and on behalf of the Board of Directors
of **Nectar Lifesciences Limited**

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh
Date: August 14, 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NECTAR LIFESCIENCES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

Attention is drawn to para 34 of the notes to accounts to the financial statements, where the management has decided to mark down the realizable value of non-current inventory based on assumptions based on ageing and realizable values. The realizable value after such mark down is as per managements estimates and we have relied on the same. Our opinion is not modified in respect of this.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. In our opinion, there is no Key Audit Matter to be reported.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, 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

Standalone Financial Statements

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 financial 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 on whether the Company has adequate internal financial controls system 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 made by the management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or proposed to be declared during the year. Accordingly, the clause is not applicable.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which has the feature of recording the audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software systems. Further, during the course of our audit we didn't come across instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deepak Jindal & Co.
Chartered Accountants
(Firm's Registration No. 023023N)

(Onkar Singh)
Partner

Place : Chandigarh
Date : 7th July 2025

(Membership No. 514746)
UDIN: 25514746BMITPY6109

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NECTAR LIFESCIENCES Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **NECTAR LIFESCIENCES LIMITED** (the "Company") as of March 31, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on

Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of

Standalone Financial Statements

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deepak Jindal & Co.
Chartered Accountants
(Firm's Registration No. 023023N)

(Onkar Singh)
Partner

Place : Chandigarh
Date : 7th July 2025

(Membership No. 514746)
UDIN: 25514746BMITPY6109

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NECTAR LIFESCIENCES Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued during the year any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets.
- e. According to the information and explanation given to us, no proceedings have been initiated or are pending against the Company as at March 31, 2025 for holding

any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- ii)
 - (a) The inventory has been physically verified at regular intervals during the year as explained to us. In our opinion, the frequency of such verification is reasonable. No material discrepancy was noticed on such physical verification. Further, physical verification of inventory was verified/valued by the internal auditor at the Year end.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and external reports, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are prima facie in agreement with the books of account of the Company and there is no material discrepancy noted as per our professional Judgement.
- iii) The Company has not made any investment and not granted any unsecured loan or advances in the nature of loans or stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other entity during the year. Hence the clauses are not applicable to the company.
- iv) There are no guarantees or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Further, investments made in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the company.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the cost records maintained by the Company, pursuant to the rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not,

Standalone Financial Statements

however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, duty of Custom, and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

(₹ in Million)

| Statute | Nature of the Dues | Amount* | Period to which the amount relates | Forum where dispute is pending |
|----------------------------------|--------------------|---------|------------------------------------|---|
| Income Tax Act, 1961 | Income Tax | -** | Assessment Year 15-16 | Commissioner of Income Tax Appeal |
| | Income Tax | -** | Assessment Year 16-17 | Income Tax Appellate Tribunal, Chandigarh |
| | Income Tax | -** | Assessment Year 17-18 | Income Tax Appellate Tribunal, Chandigarh |
| | Income Tax | -** | Assessment Year 18-19 | Income Tax Appellate Tribunal, Chandigarh |
| | Income Tax | -** | Assessment Year 19-20 | Income Tax Appellate Tribunal, Chandigarh |
| | Income Tax | -** | Assessment Year 20-21 | Income Tax Appellate Tribunal, Chandigarh |
| | Income Tax | 9.97 | Assessment Year 21-22 | Income Tax Appellate Tribunal, Chandigarh |
| Central Excise Act, 1944 | Excise Duty | 1.05 | Financial Year 07-09 | Joint Secretary, Ministry of Finance, Delhi |
| | Excise Duty | 5.58 | Financial Year 05-06 | CESTAT, Chandigarh |
| | Excise Duty | 7.55 | Financial Year 07-08 | Commissioner, Ludhiana |
| | Excise Duty | 33.38 | June 2009 to Feb 2010 | CESTAT, Chandigarh |
| | Excise Duty | 21.59 | Financial Year 14-17 | CESTAT, Chandigarh |
| | Excise Duty | 212.04 | Financial Year 07-10 | Punjab & Haryana High Court |
| | Excise Duty | 6.82 | Financial Year 2005 to 2009 | CESTAT, Chandigarh |
| Goods and Services Tax Act, 2017 | GST | 53.29# | Sept 2017 to June 2019 | Punjab & Haryana High Court |
| | GST | 10.19 | FY 2021-22 | Comm. (Appeals) Ludhiana |
| Service Tax, 1994 | Service Tax | 5.78# | Financial Year 09-10 | CESTAT, Chandigarh |
| | Service Tax | 0.84 | Financial Year 2011-12 | CESTAT, Chandigarh |
| | Service Tax | 0.08 | Financial Year 2011-2012 | CESTAT, Chandigarh |
| The Custom Act, 1962 | Custom Duty | 6.82 | Financial Year 2005 to 2009 | CESTAT, Chandigarh |

* Net of amounts deposited under protest.

** In case of adverse judgment, MAT credit entitlement would be reduced by ₹ 580.98 million, and ₹ 299.00 million will be adjusted against the MAT credit entitlement already lapsed in the books of accounts.

In case demand is confirmed, penalty up to equivalent amount may be imposed.

viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) a. According to the information available and explanations given to us and after considering resolution plan implemented by the lenders on 21st June 2021, the company has not defaulted in repayment of dues including any interest thereof, to any financial institution or Bank or Debenture Holders as at Balance sheet date.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The terms loans were applied for the purpose for which it was obtained.

d. On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised any loans on the pledge of securities held in its subsidiaries, Joint ventures or associates during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

Standalone Financial Statements

- x) a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- d. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash losses of ₹ 991.45 million during the financial year covered by our audit. However, it didn't incur any cash losses in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, this clause of the order is not applicable.
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Deepak Jindal & Co.
Chartered Accountants
(Firm's Registration No. 023023N)

(Onkar Singh)
Partner

Place : Chandigarh
Date : 7th July 2025

(Membership No. 514746)
UDIN: 25514746BMIPTY6109

Standalone Financial Statements

Nectar Lifesciences Limited
Balance Sheet as at 31st March 2025

(₹ in Million)

| Particulars | NOTE | As At March 31, 2025 | As At March 31, 2024 |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 5,766.05 | 5,903.12 |
| Capital work-in-progress | 30 | 567.28 | 657.50 |
| Intangible assets | 3 | 565.04 | 523.93 |
| Inventory | 4 | 506.13 | 1,779.42 |
| Financial assets | | | |
| Investments | 5 | 2.43 | 2.43 |
| Trade receivables | 6 | 84.87 | 81.54 |
| Other financial assets | 7 | 32.51 | 28.43 |
| Deferred tax assets (net) | 8 | 550.42 | 74.78 |
| Other non-current assets | 9 | 21.74 | 21.18 |
| Total Non Current Assets | | 8,096.46 | 9,072.32 |
| Current Assets | | | |
| Inventory | 4 | 6,901.60 | 7,091.51 |
| Financial assets | | | |
| Investments | 5 | 5.30 | 4.95 |
| Trade receivables | 6 | 3,454.85 | 3,791.94 |
| Cash and cash equivalents | 10 | 192.20 | 198.04 |
| Loans | 11 | 8.57 | 9.24 |
| Other financial assets | 7 | 75.12 | 92.20 |
| Other current assets | 12 | 1,738.22 | 1,650.43 |
| Total Current Assets | | 12,375.85 | 12,838.31 |
| Total Assets | | 20,472.31 | 21,910.63 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 224.26 | 224.26 |
| Other equity | 14 | 9,336.87 | 10,468.28 |
| Total Equity | | 9,561.13 | 10,692.54 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 601.27 | 1,403.09 |
| Lease liabilities | | - | - |
| Other financial liabilities | 16 | - | - |
| Provisions | 17 | 87.28 | 79.37 |
| Other Non-Current Liabilities | 18 | 7.21 | 7.46 |
| Total Non-Current Liabilities | | 695.77 | 1,489.91 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 5,218.95 | 4,952.28 |
| Lease liabilities | | - | - |
| Trade payables | 19 | | |
| <i>Total outstanding dues of micro enterprises and small enterprises</i> | | 87.55 | 108.62 |
| <i>Total outstanding dues of creditors other than micro and small enterprises</i> | | 4,293.61 | 4,087.99 |
| Other financial liabilities | 16 | 497.73 | 387.30 |
| Other current liabilities | 20 | 88.35 | 169.76 |
| Provisions | 17 | 29.22 | 22.21 |
| Total Current Liabilities | | 10,215.41 | 9,728.17 |
| Total Equity and Liabilities | | 20,472.31 | 21,910.63 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

Nectar Lifesciences Limited
Statement of Profit and Loss Account for the year ended 31st March 2025

(₹ in Million)

| Particulars | NOTE | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|-------|------------------------------|------------------------------|
| Continuing Operations | | | |
| Revenue from Operations (Gross) | 21 | 19,083.98 | 19,258.32 |
| Less: GST Recovered | | 2,384.25 | 2,417.46 |
| Revenue from Operations (Net of GST) | | 16,699.74 | 16,840.86 |
| Other Income (Net) | 22 | 49.92 | 145.76 |
| | | 16,749.65 | 16,986.61 |
| Expenses | | | |
| Raw Material Consumed | 23 | 12,507.23 | 12,424.50 |
| Purchase of Stock in Trade (Traded Goods) | | - | - |
| (Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade | 24 | 1,172.87 | (402.08) |
| Employees Benefits Expense | 25 | 964.75 | 846.71 |
| Finance Cost | 26 | 745.78 | 871.42 |
| Depreciation & Amortization | 2 & 3 | 623.89 | 607.18 |
| Other Expenses | 27 | 2,350.47 | 2,456.13 |
| | | 18,364.99 | 16,803.85 |
| Profit/ (Loss) before exceptional items & tax | | (1,615.34) | 182.76 |
| Exceptional items | | - | - |
| Profit/(Loss) before tax | | (1,615.34) | 182.76 |
| Tax Expenses | 38 | (478.53) | 132.74 |
| Profit/ (Loss) for the period | | (1,136.81) | 50.02 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of the net defined benefit liability/asset (Net of Tax) | | 5.40 | (3.42) |
| Total Comprehensive income for the period | | (1,131.41) | 46.60 |
| Earnings per equity share (Equity Shares of ₹ 1/- each fully paid up) | 53 | | |
| Basic (₹) Before Exceptional Item | | (5.07) | 0.22 |
| Basic (₹) After Exceptional Item | | (5.07) | 0.22 |
| Diluted (₹) Before Exceptional Item | | (5.07) | 0.22 |
| Diluted (₹) After Exceptional Item | | (5.07) | 0.22 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

(Onkar Singh)
Partner
M. No. 514746

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

Nectar Lifesciences Limited
Statement of Changes in Equity for the year ended 31st March 2025

(₹ in Million)

| Particulars | Reserve and Surplus | | | Total | |
|--|----------------------|------------------|------------------|-------------------|-------------------|
| | Equity Share Capital | Security Premium | General Reserves | | |
| Balance as at March 31, 2023 | 224.26 | 3,287.98 | 141.02 | 6,992.68 | 10,645.95 |
| Profit/(Loss) for the year | - | - | - | 50.02 | 50.02 |
| Other comprehensive income for the year | - | - | - | (3.42) | (3.42) |
| Total comprehensive income for the year | - | - | - | 46.60 | 46.60 |
| Payment of dividend | - | - | - | - | - |
| Balance as at March 31, 2024 | 224.26 | 3,287.98 | 141.02 | 7,039.28 | 10,692.54 |
| Profit/(Loss) for the year | - | - | - | (1,136.81) | (1,136.81) |
| Other comprehensive income for the year | - | - | - | 5.40 | 5.40 |
| Total comprehensive income for the year | - | - | - | (1,131.41) | (1,131.41) |
| Payment of dividend | - | - | - | - | - |
| Balance as at March 31, 2025 | 224.26 | 3,287.98 | 141.02 | 5,907.87 | 9,561.13 |

The accompanying notes form an integral part of the standalone financial statements.



As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

(Onkar Singh)
Partner
M. No. 514746

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

Standalone Financial Statements

Nectar Lifesciences Limited
Cash Flow Statement for the year ended 31st March 2025

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before Tax & Extra Ordinary Items | (1,615.34) | 182.76 |
| Adjustments For : | | |
| Depreciation & Amortization | 623.89 | 607.18 |
| Other Comprehensive Income (Net of tax) | 5.40 | (3.42) |
| Tax on Other Comprehensive Income | 2.90 | (1.84) |
| Provision for Doubtful debts/ Insurance Claims | 16.08 | 9.33 |
| Provision for Employees Retirement Benefits | 14.92 | 18.52 |
| Loss/ (Profit) on Sale of Fixed Assets | 0.14 | - |
| Profit on Sale / Restatement of Investment | (0.35) | (1.80) |
| Interest on Borrowings | 745.78 | 871.42 |
| Other Non-Operating Income | (18.56) | (123.90) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (225.13) | 1,558.26 |
| Adjustments For : | | |
| (Increase)/Decrease in Current Assets | 439.88 | (502.43) |
| Increase/(Decrease) in Current Liabilities | 213.56 | 1,136.58 |
| Increase/(Decrease) in Non-Current Other Financial Liabilities | - | - |
| Increase/ (Decrease) in Other Non-Current Liabilities | (0.25) | (0.25) |
| (Increase)/ Decrease in Non Current Assets | 1,266.32 | 54.77 |
| CASH GENERATED FROM OPERATIONS | 1,694.38 | 2,246.92 |
| Direct Taxes Paid | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 1,694.38 | 2,246.92 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (437.95) | (294.15) |
| Sale of Fixed Assets | 0.08 | - |
| Interest Received | 14.89 | 123.90 |
| Dividend Received | 0.00 | 0.00 |
| Maturity of insurance policies | 3.67 | - |
| Sale/(Purchase) of Investments | 0.00 | - |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (419.30) | (170.25) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) from Term Loans from Banks | (812.78) | (720.11) |
| Proceeds/(Repayment) from Working Capital Limits from Banks | 279.97 | (466.94) |
| Proceeds from Directors/Relatives/Entities in which directors have significant influence | - | - |
| Proceeds/(Repayment) from Vehicle Loans | (2.33) | 4.12 |
| Interest Paid | (745.78) | (871.42) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES (C) | (1,280.92) | (2,054.35) |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (5.84) | 22.32 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 198.04 | 175.72 |
| CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR | 192.20 | 198.04 |

(Also refer Note - 28)

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

1. Overview

1.1 Company Overview

Nectar Lifesciences Limited, CIN: L24232PB1995PLC016664, (the company) is a public limited Company incorporated under the provision of the Companies Act, 1956 on 27th June 1995. The Company is an integrated pharmaceutical organization, having its corporate office in Chandigarh and works in the states of Punjab, Himachal Pradesh, and Jammu & Kashmir.

The Company has sustainable production systems to manufacture APIs and Formulations. With an expertise in R&D, the Company has been experiencing growth in this segment. The Company is also in the Menthol business and succeeded in both domestic and international markets.

The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited. The financial statements were approved by the company's Board of Directors and authorized for issue on 7th July 2025.

1.2 Basis of Preparation of Financial Statements

I. Statement of Compliance

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS) under the historical cost convention on going concern basis and on accrual basis except certain items which have been measured at fair value. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policies information used in preparation of audited consolidated financial statements have been discussed in the respective notes.

II. Use of Estimates & Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates can change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed in Note – 2 below.

1.3 Critical Accounting Estimates and Judgments

i) Revenue Recognition

Revenue is recognized when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product. Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company.

a) Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is measured at the transaction price which is the consideration received or receivable, net of returns, taxes and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Revenue is also recognized for goods sold but not dispatched, where the property in such goods is transferred from the seller to the buyers and where dispatches could not be made on account of practical difficulties at the buyers' end.

b) Export Benefits:

Export and other benefits are accounted for on an accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

ii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in the change in depreciation and amortization expense in future periods.

iii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on a fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurements that are based on significant unobservable inputs (Level 3) require estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

iv) Defined Benefits and other long-term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the

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determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increases rate considers inflation, seniority, promotion, and other relevant factors on long-term basis.

v) **Income Taxes**

Income tax expense comprises current tax, MAT credit entitlement lapsed and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based

on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/ derecognized only to the extent that there is reasonable/ virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

vi) **Leases**

The Company has elected not to recognize right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

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Note - 2 "Property, Plant And Equipment"

(₹ in Million)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------------------|--------------------|---------------|-------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | As At 01-Apr-24 | Additions | Sale/ Deletion | As At 31-Mar-25 | Up To 31-Mar-24 | During the Year | Deletion/ Adjustments | Up To 31-Mar-25 | As At 31-Mar-25 | As At 31-Mar-24 |
| Freehold Land & Site Development | 189.08 | - | - | 189.08 | - | - | - | - | 189.08 | 189.08 |
| Leasehold Land | 3.27 | - | - | 3.27 | 0.65 | 0.04 | - | 0.69 | 2.58 | 2.62 |
| Buildings | 1,803.17 | 14.88 | - | 1,818.05 | 748.80 | 56.04 | - | 804.85 | 1,013.21 | 1,054.37 |
| Tube Well | 28.25 | - | - | 28.25 | 25.70 | 0.57 | - | 26.27 | 1.98 | 2.55 |
| Plant & Machinery | 9,701.18 | 257.27 | - | 9,958.45 | 5,703.36 | 353.63 | - | 6,056.99 | 3,901.46 | 3,997.82 |
| Boiler | 170.70 | - | - | 170.70 | 145.58 | 8.83 | - | 154.41 | 16.29 | 25.12 |
| Pollution Control Equipment | 75.25 | - | - | 75.25 | 71.47 | 0.01 | - | 71.48 | 3.77 | 3.77 |
| Laboratory | 119.64 | 5.99 | - | 125.62 | 102.68 | 3.15 | - | 105.83 | 19.79 | 16.95 |
| Miscellaneous Fixed Assets | 1,699.95 | 78.85 | - | 1,778.80 | 1,126.98 | 71.75 | - | 1,198.73 | 580.07 | 572.98 |
| Furniture & Fixture | 103.71 | 1.62 | - | 105.34 | 93.81 | 1.78 | - | 95.59 | 9.75 | 9.91 |
| Motor Vehicles | 79.86 | 3.63 | 0.60 | 82.90 | 59.44 | 4.30 | 0.37 | 63.37 | 19.53 | 20.42 |
| Computer | 55.14 | 3.69 | - | 58.83 | 47.62 | 2.67 | - | 50.29 | 8.54 | 7.52 |
| GRAND TOTAL | 14,029.22 | 365.93 | 0.60 | 14,394.56 | 8,126.10 | 502.78 | 0.37 | 8,628.51 | 5,766.05 | 5,903.12 |
| Previous Year | 13,758.29 | 270.93 | - | 14,029.22 | 7,631.84 | 494.26 | - | 8,126.10 | 5,903.12 | 6,126.45 |

(Also refer Note - 29)

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| Note - 3 “Intangible Assets” | | |
| Opening Gross Block | 1,964.89 | 1,821.32 |
| Additions during the year | 162.23 | 143.56 |
| Closing Gross Block | 2,127.12 | 1,964.89 |
| Opening Accumulated amortization | 1,440.96 | 1,328.04 |
| Amortization during the year | 121.11 | 112.92 |
| Closing Accumulated amortization | 1,562.07 | 1,440.96 |
| Net Intangible Assets | 565.04 | 523.93 |

(Also refer Note - 31)

NOTE - 4 “Inventory”

(As Certified by The Management)

Non Current

| | | |
|----------------------------|---------------|-----------------|
| Raw Material | 14.88 | 14.88 |
| Work In Progress | 383.50 | 1,462.26 |
| Finished Goods | 107.74 | 302.25 |
| Other Miscellaneous Stocks | - | 0.03 |
| | 506.13 | 1,779.42 |

Current

| | | |
|----------------------------|-----------------|-----------------|
| Raw Material | 820.32 | 1,103.20 |
| Work In Progress | 5,716.90 | 5,387.44 |
| Finished Goods | 229.41 | 458.48 |
| Other Miscellaneous Stocks | 134.97 | 142.39 |
| | 6,901.60 | 7,091.51 |

(Also refer Note - 34)

NOTE - 5 “Investments”

Non Current Investments - carried at cost

Investment in Equity Instruments

UNQUOTED

In Subsidiary Companies

| | | |
|--|------|------|
| In Neclife PT, Unipessoal LDA - Portugal 1,000 Equity Share of 1 Euro Fully Paid Up | 0.08 | 0.08 |
|--|------|------|

In Others

| | | |
|--|------|------|
| In Mohali Green Environment Private Limited 1,85,000 Equity Shares of ₹ 10/- each Fully paid up | 1.85 | 1.85 |
| In Nimbua Greenfield (Punjab) Ltd. 50,000 Equity Shares of ₹ 10/- each fully paid up | 0.50 | 0.50 |
| In The Thane Janta Sahakari Bank Ltd. 20 Equity Shares of ₹ 50/- each (Absolute amount ₹ 1,000) | 0.00 | 0.00 |

Total - “A”

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| NOTE - 5 "Investments" contd... | | |
| Current Investments - at FVTPL | | |
| Investment in Equity Instruments | | |
| a. QUOTED | | |
| In Aurobindo Pharma Ltd. 5 Equity Shares (Face value ₹ 1/- each) Fully Paid Up {Absolute amount ₹ 5,803 (Previous Year ₹ 5,444)} | 0.01 | 0.01 |
| In Parsvanath Developers Ltd. 4,700 Equity Shares (Face value ₹ 5/- each) Fully Paid Up | 0.10 | 0.07 |
| SBI PSU Fund | 2.99 | 2.82 |
| PRINCIPAL BALANCED FUND | 2.17 | 2.02 |
| Net Quoted Current Investments "B" | 5.27 | 4.92 |
| b. UNQUOTED | | |
| In Saraswat Co-operative Bank Ltd. 2,500 Equity Shares of ₹ 10/- each, Fully Paid Up | 0.03 | 0.03 |
| Net Unquoted Current Investments "C" | 0.03 | 0.03 |
| Total Current Investments "D" = "B" + "C" | 5.30 | 4.95 |
| Total Investment "A" + "D" | 7.73 | 7.38 |

(Also refer Note - 35)



NOTE - 6 "Trade Receivables"

| | | |
|---|-----------------|-----------------|
| Non Current | | |
| Trade Receivables - considered good - unsecured | 166.46 | 164.13 |
| Less: Allowances for expected credit loss | 81.59 | 82.59 |
| Total - "A" | 84.87 | 81.54 |
| Current | | |
| Trade Receivables - considered good - unsecured | 3,454.85 | 3,791.94 |
| Less: Allowances for expected credit loss | - | - |
| Total - "B" | 3,454.85 | 3,791.94 |
| Total Trade Receivables ("A" + "B") | 3,539.72 | 3,873.48 |

(Also refer Note - 37)

NOTE - 7 "Other Financial Assets"

| | | |
|---|---------------|---------------|
| Non Current | | |
| Security Deposits | 32.51 | 28.43 |
| Total - "A" | 32.51 | 28.43 |
| Current | | |
| Insurance Claim Receivable | 92.20 | 92.20 |
| Less: Provision for doubtful insurance claim | (17.08) | - |
| Total - "B" | 75.12 | 92.20 |
| Total Other Financial Assets ("A" + "B") | 107.63 | 120.63 |

(Also refer Note - 35)

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| NOTE - 8 “Deferred Tax Assets (net)” | | |
| Deferred Tax Liability | | |
| Tax Impact on Deferred Tax Liability arising on account of: | | |
| Property, plant & equipments and Intangible assets | 1,290.17 | 1,307.96 |
| Total - “A” | 1,290.17 | 1,307.96 |
| Tax Impact on Deferred Tax Assets arising on account of: | | |
| Provision for Employee Retirement Benefits | 40.71 | 35.50 |
| Unabsorbed Depreciation | 455.26 | 311.69 |
| Carry forward of losses as per Income Tax Act | 593.82 | 208.43 |
| Provision on Trade Receivables & Insurance Claim | 34.48 | 28.86 |
| Total - “B” | 1,124.28 | 584.48 |
| Net Deferred Tax Liability (“A” - “B”) | 165.89 | 723.47 |
| Tax Impact of Other Comprehensive Income | 24.40 | 21.50 |
| Net Deferred Tax Liability | 190.29 | 744.98 |
| MAT Credit Entitlement | 740.71 | 819.76 |
| Net Deferred Tax Assets | 550.42 | 74.78 |
| (Also refer Note - 38) | | |
| NOTE - 9 “Other Non-Current Assets” | | |
| Balances Recoverable from Revenue Authorities | 16.73 | 16.18 |
| Others | 5.00 | 5.00 |
| | 21.74 | 21.18 |
| NOTE - 10 “Cash & Cash Equivalents” | | |
| Balance with Banks | 0.34 | 0.34 |
| FDRs with Banks (including interest accrued) | 166.22 | 175.19 |
| Balances in Dividend Accounts | 0.13 | 0.17 |
| Cash In Hand (Incl Staff Imprest) | 25.51 | 22.34 |
| | 192.20 | 198.04 |
| (Also refer Note - 39) | | |
| NOTE - 11 “Loans” | | |
| Loans & Advances to Staff | 8.57 | 9.24 |
| | 8.57 | 9.24 |



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Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| NOTE - 12 “Other Current Assets” | | |
| Export and Other Incentives Accrued | 358.26 | 297.53 |
| Balances with Revenue Authorities | 792.27 | 597.89 |
| Other Recoverables | 26.35 | 33.38 |
| Advances other than capital advances | | |
| Payment to vendors for supply of goods | 521.35 | 673.76 |
| Others | 39.99 | 47.87 |
| | <u>1,738.22</u> | <u>1,650.43</u> |
| NOTE - 13 “SHARE CAPITAL” | | |
| Authorised Share Capital | | |
| 35,00,00,000 Equity Shares of ₹ 1/- Each. | 350.00 | 350.00 |
| Issued, Subscribed & Paid up Capital | | |
| 22,42,60,970 Equity Shares of ₹ 1/- Each Fully Paid up | 224.26 | 224.26 |
| (Also refer Note - 40) | <u>224.26</u> | <u>224.26</u> |
| NOTE - 14 “OTHER EQUITY” | | |
| A) Reserves & Surplus | | |
| Security Premium | 3,287.98 | 3,287.98 |
| General Reserves | 141.02 | 141.02 |
| Retained Earnings | 5,907.87 | 7,039.28 |
| | <u>9,336.87</u> | <u>10,468.28</u> |
| NOTE - 15 “Borrowings” | | |
| Non Current | | |
| Secured | | |
| Term Loans | | |
| From Banks | 466.95 | 1,266.76 |
| Vehicle Loans | | |
| From Banks | 4.32 | 6.33 |
| Unsecured | | |
| From Directors/Relatives/Entities in which directors have significant influence | 130.00 | 130.00 |
| | <u>601.27</u> | <u>1,403.09</u> |
| Current | | |
| Secured | | |
| Working Capital Limits | | |
| From Banks | 4,402.15 | 4,122.18 |
| Current Maturities of Long Term Debts | 814.80 | 827.76 |
| Current Maturities of Vehicle Loans | 2.00 | 2.33 |
| | <u>5,218.95</u> | <u>4,952.28</u> |
| Total Borrowings | <u>5,820.23</u> | <u>6,355.36</u> |
| (Also refer Note - 41) | | |



Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| NOTE - 16 “Other Financial Liabilities” | | |
| Non Current | | |
| Other Capital Advances | - | - |
| Current | | |
| Interest Accrued but not due on Borrowings | 19.71 | 28.39 |
| Unpaid Dividends (Refer Note 42) | 0.13 | 0.17 |
| Accrued Compensation to Employees | 72.03 | 56.47 |
| Creditors against capital goods and expenses | 405.86 | 302.27 |
| | 497.73 | 387.30 |
| Total Other Financial Liabilities | 497.73 | 387.30 |
| NOTE - 17 “Provisions” | | |
| Non Current | | |
| Provision for Employees Retirement Benefits | 87.28 | 79.37 |
| | 87.28 | 79.37 |
| Current | | |
| Provision for Employee Retirement Benefits | 29.22 | 22.21 |
| | 29.22 | 22.21 |
| Total Provisions | 116.50 | 101.58 |
| (Also refer Note - 43) | | |
| NOTE - 18 “Other Non Current Liabilities” | | |
| Non Current | | |
| Deferred Income | 7.21 | 7.46 |
| | 7.21 | 7.46 |
| (Also refer Note - 44) | | |
| NOTE - 19 “Trade Payables” | | |
| Total outstanding dues of micro enterprises and small enterprises | 87.55 | 108.62 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,293.61 | 4,087.99 |
| | 4,381.16 | 4,196.61 |
| (Also refer Note - 45) | | |
| NOTE - 20 “Other Current Liabilities” | | |
| Advances From Customers | 57.96 | 123.33 |
| Statutory dues payable | 17.47 | 17.59 |
| Accrued Expenses | 12.92 | 28.84 |
| | 88.35 | 169.76 |

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| NOTE - 21 “Revenue from Operations” | | |
| Sale of Manufactured Products | | |
| Export | 7,344.90 | 7,794.80 |
| Domestic | 11,739.08 | 11,463.52 |
| Trading Sale | | |
| Export | - | - |
| Domestic | - | - |
| | 19,083.98 | 19,258.32 |

NOTE - 22 “Other Income”

| | | |
|---|--------------|---------------|
| Operating Income | | |
| Other Operating Income | 30.76 | 15.21 |
| Deferred Income - Govt. Grants (Also refer Note - 44) | 0.25 | 0.25 |
| Other Income | | |
| Interest Income | 14.89 | 123.90 |
| Dividend From Investments | 0.00 | 0.00 |
| [Absolute amount ₹ 5 (Previous year ₹ 40)] | | |
| Gain on Restatement of Investment | 0.35 | 1.80 |
| Maturity of Insurance Policies | 3.67 | 4.60 |
| | 49.92 | 145.76 |

NOTE - 23 “Raw Material Consumed”

| | | |
|--------------------------------|------------------|------------------|
| Opening Stock | 1,118.08 | 1,218.00 |
| Add:- Purchase of Raw Material | 12,224.34 | 12,324.58 |
| | 13,342.43 | 13,542.58 |
| Less :- Closing Stock | 835.20 | 1,118.08 |
| | 12,507.23 | 12,424.50 |

NOTE - 24 “(Increase)/ Decrease in Inventories of Finished Goods, Stocks in Process & Stock in Trade”

| | | |
|------------------------------------|-----------------|-----------------|
| Inventory (At Commencement) | | |
| Finished Goods | 760.73 | 513.09 |
| Stock in Process | 6,849.70 | 6,695.25 |
| Stock in Trade | - | - |
| | 7,610.42 | 7,208.34 |
| Inventory (At Close) | | |
| Finished Goods | 337.16 | 760.73 |
| Stock in Process | 6,100.40 | 6,849.70 |
| Stock in Trade | - | - |
| | 6,437.55 | 7,610.42 |
| | 1,172.87 | (402.08) |

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| NOTE - 25 “Employee Benefit Expenses” | | |
| Salaries & Wages | 835.50 | 728.79 |
| Remuneration To Directors | 28.62 | 29.59 |
| Contribution to Provident and Other Funds (Also refer Note - 43) | 42.92 | 38.08 |
| Staff Welfare | 57.71 | 50.25 |
| | 964.75 | 846.71 |
| NOTE - 26 “Financial Expenses” | | |
| Interest Expenses | 770.54 | 896.23 |
| Other Borrowing Costs & Foreign Exchange Fluctuation (Net) (Also refer Note - 48) | (24.75) | (24.81) |
| | 745.78 | 871.42 |
| NOTE - 27 “Other Expenses” | | |
| Manufacturing Expenses | | |
| Consumable Stores, Spares & Packing Expenses | 286.86 | 298.75 |
| Power, Fuel & Steam Expenses | 1,039.70 | 1,293.35 |
| Chemical Testing Expenses | 85.51 | 67.06 |
| Repairs & Maintenance | | |
| Electricals | 15.56 | 14.27 |
| Machinery | 181.81 | 162.03 |
| Building | 22.75 | 10.92 |
| Total - “A” | 1,632.18 | 1,846.38 |
| Administrative Expenses | | |
| Travelling & Conveyance | 18.89 | 18.79 |
| Advertisement & Subscription | 1.13 | 1.13 |
| Books & Periodicals | 0.20 | 0.16 |
| Business Promotion | 3.55 | 0.70 |
| Insurance | 43.59 | 57.79 |
| Electricity Expenses (Office) | 1.91 | 1.82 |
| Postage, Telephone, Telegram | 6.25 | 6.31 |
| Printing & Stationery | 11.55 | 8.15 |
| Professional Fees | 61.12 | 47.84 |
| Rate, Fees & Taxes | 29.87 | 11.57 |
| Vehicle Running & Maintenance | 7.98 | 8.21 |
| Rent (Also refer Note - 49) | 20.31 | 18.89 |
| Audit Fees (Also refer Note - 50) | 2.50 | 2.50 |
| Office Expenses | 11.93 | 10.40 |
| Diwali & Pooja Expenses | 3.01 | 3.70 |
| Donation & CSR Expenses (Also refer Note - 51) | 17.05 | 13.86 |
| Contribution to Political Party (Also refer Note - 52) | - | 0.50 |
| Loss on sale of fixed assets | 0.14 | - |
| Total - “B” | 240.98 | 212.34 |
| Selling & Distribution Expenses | | |
| Discount & Samples | 56.27 | 25.30 |
| Freight & Cartage Outward | 318.11 | 261.10 |
| Sales Commission | 86.85 | 101.68 |
| Provision for Doubtful Debts/ Insurance claim | 16.08 | 9.33 |
| Total - “C” | 477.31 | 397.41 |
| Grand Total (“A” + “B” + “C”) | 2,350.47 | 2,456.13 |

28. Cash Flow Statement

Accounting Policies

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

29. Property Plant & Equipment

Accounting Policies

a) Recognition and measurement

Property, Plant & Equipment have been stated at cost, net of GST Input tax credit, but inclusive of import duties and other non-refundable taxes or levies, freight, and any directly attributable costs of bringing the assets to their working condition for their intended use and estimated cost of dismantling and restoring onsite less depreciation and impairment loss, if any; any trade discounts and rebates are deducted in arriving at the purchase price.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The costs of repairs and maintenance are charged to the statement of profit and loss account during the reporting period in which they are incurred.

b) Subsequent Expenditure

Subsequent expenditure is recognized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c) Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss upon disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the statement of profits and loss account.

d) Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) Depreciation

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014, of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below:-

| Asset Class | Management's estimate of useful life (years) | Useful life as per Schedule II to the Companies Act, 2013 (years) |
|------------------------|--|---|
| Leasehold Land* | Over lease period | - |
| Building | 30 years | 30 years to 60 years |
| Tubewell | 5 years | 5 years |
| Plant and machinery | 15 years to 40 years (as the case may be) | 15 years to 40 years |
| Lab Equipment | 10 years | 5 years to 10 years |
| Furniture and fittings | 10 years | 10 years |
| Vehicles | 8 years | 8 years to 10 years |
| Computers | 3 years | 3 years to 6 years |
| Office equipment | 5 years | 5 years |

* Only leasehold cost

Based on technical parameters/assessments, the management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of Property, plant, and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Depreciation on additions/(disposals) is provided on a pro-rata basis i.e., from/up to the date on which asset is ready or use/disposed off.

Depreciation on leasehold land is provided over the lease period and only on leasehold cost paid by the Company. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same. Leasehold improvements are depreciated over a period of the lease agreement or the useful life, whichever is shorter.

30. Capital Work in Progress

Ageing schedule for the year ended March 31, 2025:

(₹ in Million)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---------------------------------|--------------------------------|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Projects in Process | 2.42 | 0.88 | 0.96 | 1.35 | 5.61 |
| Projects temporarily suspended* | - | - | - | 561.67 | 561.67 |

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Ageing schedule for the year ended March 31, 2024:

(₹ in Million)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---------------------------------|--------------------------------|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Projects in Process | 0.88 | 0.96 | 1.35 | - | 3.19 |
| Projects temporarily suspended* | - | - | - | 654.31 | 654.31 |

* Completion time of projects is not ascertainable because the projects have been temporarily suspended.

Accounting Policies

Cost of property, plant, and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

31. Intangible Assets

During the year, the Company incurred an amount of ₹ 162.23 million (Previous Year ₹ 143.56 million) on product development, product approval and such other related development expenses, recognized as Intangible Assets in the books of accounts and the same is amortized on straight line basis over a period of next seven years.

Ageing schedule for amortized value of intangible assets the year ended March 31, 2025

(₹ in Million)

| Particulars | Amount in Intangible assets for a period of | | | | Total |
|-------------------|---|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Intangible Assets | 162.23 | 123.05 | 109.41 | 170.35 | 565.04 |

Accounting Policies

a) Recognition and measurement

Intangible assets that are acquired are recognized only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and impairment losses, if any.

The research costs are expensed as incurred. Development expenditure including regulatory cost and professional expenses leading to product registration/ market authorization relating to the new and/or improved product and/or process development is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The development costs capitalized include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use.

b) Subsequent Expenditure

Subsequent costs are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognized in the Statement of Profit and Loss account, as incurred.

c) Amortization

Amortization is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives and is generally recognized in depreciation and amortization expense in the Statement of Profit and Loss account. Intangible assets are amortized on straight line basis over a period of next seven years.

The estimated useful life of an identifiable asset is based on several factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

d) Derecognition

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognized.

32. Current and non-current classification

Accounting Policies

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realized or intended to be sold or consumed in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting period.
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

33. Foreign currency translation

Accounting Policies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognized in the Statement of Profit and loss Account in the period.

Initial recognition

Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year-end rates.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise and as per Ind AS 21, exchange differences arising on account of consolidation with foreign operation, are recognized in Other Comprehensive Income. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

34. Inventories

During the financial year 2020-21, the company engaged an independent technical expert – nominated by the Lead Bank under the Agency for Special Monitoring to perform a comprehensive quality assessment of certain raw materials and work in progress batches. Based on expert's findings, the Company reclassified inventory totaling ₹ 2,510.87 million from "inventories" (current) to "Non- Current Assets".

Notwithstanding the reports furnished by technical expert about the remaining non-current inventory, the management has, adhering to conservatism principle, decided to mark down the realizable value of inventory to ₹ 506.13 million from ₹ 1,773.31 million, based on the fact that the inventory has been in stocks for a considerable period. The resultant loss has been charged to profit and loss account in the fourth quarter. The management is confident that the value remaining after mark down is realizable.

The classification and measurement of net realizable value reflect significant management judgements and estimates concerning market demand, processing yields and future selling prices. These estimates are inherently uncertain and actual outcome may differ. Accordingly, the company periodically reviews and adjusts carrying amounts as warranted by changing conditions.

Accounting Policies

Raw materials, Stores and Spares and Packing material.

Goods are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost of inventory comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished Goods and work in process.

Finished goods and work in process are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost includes direct material, labour and proportionate manufacturing overheads.

Traded goods

Traded goods are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The Company uses the first in first out (FIFO) method to determine costs for all categories of inventories.

35. Financial Instruments

a) Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|---------------------|---------------------|
| Financial assets measured at fair value: | | |
| Investments | 5.27 | 4.92 |
| Financial assets measured at amortized cost: | | |
| Investments | 2.46 | 2.46 |
| Trade receivables | 3,539.72 | 3,873.48 |
| Cash and cash equivalents | 192.20 | 198.04 |
| Loans | 8.57 | 9.24 |
| Other financial assets | 107.63 | 120.63 |
| Total financial assets | 3,855.85 | 4,208.77 |
| Financial liabilities measured at amortized cost: | | |
| Long term borrowings | 1,418.07 | 2,233.18 |
| Short term borrowings | 4,402.15 | 4,122.18 |
| Trade payables | 4,381.16 | 4,196.61 |
| Other financial liabilities | 497.73 | 387.30 |
| Total financial liabilities | 10,699.11 | 10,939.27 |

b) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the

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highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at 31.03.2025:

(₹ in million)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investments | | | | |
| Investments in Equity shares and mutual funds | 5.27 | - | - | 5.27 |

Financial assets and liabilities measured at fair value as at 31.03.2024:

(₹ in million)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investments | | | | |
| Investments in Equity shares and mutual funds | 4.92 | - | - | 4.92 |

c) Financial Risk Management

The Company is exposed to various types of financial risks in conduct of its business activities. The main risks to which it is exposed includes market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company maintains a core focus on the strategic management of financial risks to mitigate their potential detrimental impact on its fiscal performance. These risks are systematically governed by an approved policy, ensuring a comprehensive and robust approach to risk mitigation within the organization.

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit exposure.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| Investments (excluding subsidiary companies) | 7.65 | 7.30 |
| Trade receivables | 3,539.72 | 3,873.48 |
| Cash and cash equivalents | 192.20 | 198.04 |
| Loans | 8.57 | 9.24 |
| Other financial assets | 107.63 | 120.63 |
| Total | 3,855.77 | 4,208.69 |

Expected credit losses for financial assets other than trade receivables:

Investments in equity shares and mutual funds are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.

Company maintains its cash & cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with cash & cash equivalent and bank deposits is relatively low.

Loans comprise loans given to employees & director, which would be adjusted against salary and retirement benefits of the employees and hence credit risk associated with such amount is also relatively low.

Security deposits given for operational activities of the Company which will be returned to the Company as per the contracts with respective parties. The Company monitors the credit ratings of the counterparties on regular basis. These security deposits carry very minimal credit risk based on the Company's historical experience of dealing with the parties.

Credit risk in insurance claim receivables refers to the uncertainty surrounding the timely and full payment of claims by the insurance company. The company has filed insurance claims with the reputable insurers with strong financial ratings and track records of prompt claims settlement.

Expected credit losses for trade receivables:

Credit risks related to receivables is managed by Company's management by implementing policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trends of defaults. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables (other than those where defaults criteria are met).

The Company evaluates the concentration of risk with respect to trade receivables low since its customers are mainly reputed manufacturer and operate in independent markets. These receivables are written off when there is no reasonable expectation of recovery. There are no receivables which are in default as at period end, but the management allows for the impairment of trade receivables based on its historical experience of collection from its customers.

Movement in the allowance for impairment in respect of trade receivables:

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| a. Balance at the beginning of the period | 82.59 | 73.26 |
| b. Additional provision during the period | - | 9.33 |
| c. Deductions on account of recovery/write offs | 1.00 | - |
| Balance at the end of the period | 81.59 | 82.59 |

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ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Million)

| Particulars | Carrying Value | Contractual cash flows | | | Total |
|-----------------------------|------------------|------------------------|-----------------------|-----------------------|------------------|
| | | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | |
| As at 31.03.2025 | | | | | |
| Long term borrowings | 1,418.07 | 816.80 | 468.75 | 132.52 | 1,418.07 |
| Short term borrowings | 4,402.15 | 4,402.15 | - | - | 4,402.15 |
| Trade payables | 4,381.16 | 4,381.16 | - | - | 4,381.16 |
| Other financial liabilities | 497.73 | 497.73 | - | - | 497.73 |
| Total | 10,699.11 | 10,097.84 | 468.75 | 132.52 | 10,699.11 |
| As at 31.03.2024 | | | | | |
| Long term borrowings | 2,233.18 | 830.09 | 816.80 | 586.29 | 2,233.18 |
| Short term borrowings | 4,122.18 | 4,122.18 | - | - | 4,122.18 |
| Trade payables | 4,196.61 | 4,196.61 | - | - | 4,196.61 |
| Other financial liabilities | 387.30 | 387.30 | - | - | 387.30 |
| Total | 10,939.27 | 9,536.18 | 816.80 | 586.29 | 10,939.27 |

iii. Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

• Foreign Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows:

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| • Financial Assets | 1,182.77 | 972.21 |
| • Financial Liabilities | 3,317.87 | 2,959.22 |
| Net exposure to foreign currency risk liabilities | 2,135.10 | 1,987.01 |

Sensitivity

A reasonably possible strengthening (weakening) of the US dollar against ₹ at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

The sensitivity of profit/(loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| USD sensitivity (Impact on profit before tax) | | |
| ₹ /USD increase by 200 bps* | (42.70) | (39.74) |
| ₹ /USD decrease by 200 bps* | 42.70 | 39.74 |
| USD sensitivity (Impact on equity post tax) | | |
| ₹ /USD increase by 200 bps* | (27.78) | (25.85) |
| ₹ /USD decrease by 200 bps* | 27.78 | 25.85 |

*Holding all other variables constant

• Interest Rate Risk

The Company's interest rate risk arises from debt borrowings. Company's borrowings are issued at variable rates that expose the Company to cash flow interest rate risk.

Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---------------------------------|------------------|------------------|
| Variable rate borrowings | | |
| Long term borrowings | 1,418.07 | 2,233.18 |
| Short term borrowings | 4,402.15 | 4,122.18 |
| Total Borrowings | 5,820.22 | 6,355.36 |

Fair value sensitivity analysis of interest rate

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points (bps) in variable interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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| (₹ in million) | | |
|--|---------------------|---------------------|
| Particulars | As at 31.03.2025 | As at 31.03.2024 |
| Interest rate sensitivity (Impact on profit before tax) | | |
| Interest rates increase by 50 bps* | (29.10) | (31.78) |
| Interest rates decrease by 50 bps* | 29.10 | 31.78 |
| Interest rate sensitivity (Impact on equity post tax) | | |
| Interest rates increase by 50 bps* | (18.93) | (20.67) |
| Interest rates decrease by 50 bps* | 18.93 | 20.67 |

*Holding all other variables constant

Accounting Policies

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

i. Initial recognition

The Company recognizes all financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the Statement of Profit and Loss Account. The losses arising from impairment are recognized in the Statement of Profit and Loss Account. This category generally applies to trade and other receivables.

• Debt instruments at fair value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as at the fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified to the Statement of Profit and Loss Account. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

• Debt instrument, Derivatives and Equity instruments at fair value through profit or loss FVTPL:

Fair value through Profit & Loss (FVTPL) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as fair value through other comprehensive income, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL (Refer Note 5). However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss Account. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss Account. Dividend income from investments is recognized in the Statement of profit and loss account on the date that the right to receive payment is established.

• Equity instrument at fair value through Other comprehensive income FVTOCI:

If the Company decides to classify an equity instrument as at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss Account, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

iii. Impairment of Financial Assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for financial assets which are not fairly valued through profit or loss account. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss Account.

iv. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flow from the asset have expired, or
- The company has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to the third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risk and rewards of the assets,

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or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but transferred control of the assets.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Write off of financial assets the gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Investments are classified into Current and Non-current Investments. Non-Current Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at market rate at the year end.

b) **Financial Liabilities**

i. **Initial recognition and measurement**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit or Loss Account and financial liabilities at amortized cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost, they are measured net of directly attributable transaction cost. In the case of Financial Liabilities measured at fair value through Profit or Loss, transactions costs directly attributable to the acquisition of financial liabilities are recognized immediately in the statement of Profit or Loss Account.

The company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

ii. **Subsequent Measurement**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit or Loss Account and financial liabilities at amortized cost, as appropriate.

• **Financial Liabilities at Fair Value through Profit or Loss:**

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss Account. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss Account.

• **Financial Liabilities at Amortized Cost:**

Financial Liabilities that are not held for trading and are not designated as at fair value through profit & loss (FVTPL) are

measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss Account when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss Account.

iii. **Derecognition of Financial Liabilities**

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss Account.

c) **Off-setting of Financial Instruments**

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

36. **Current Assets, Loans & Advances**

In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

37. **Trade Receivables**

Ageing schedule of Trade Receivables for the year ended March 31, 2025

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|-----------|----------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Non-Current | | | | | | |
| Undisputed Trade Receivables - which have significant increase in credit risk | - | - | 18.05 | 5.11 | 143.30 | 166.46 |
| Current | | | | | | |
| Undisputed Trade Receivables – considered good | 3,418.92 | 35.93 | - | - | - | 3,454.85 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |

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(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|--------------|-----------------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Expected credit loss allowances | - | - | 4.52 | 2.55 | 74.52 | 81.59 |
| Total | 3,418.92 | 35.93 | 13.53 | 2.56 | 68.78 | 3,539.72 |

Ageing schedule of Trade Receivables for the year ended March 31, 2024

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|-----------|-----------------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Non-Current | | | | | | |
| Undisputed Trade Receivables - which have significant increase in credit risk | - | - | 17.02 | 142.18 | 4.93 | 164.13 |
| Current | | | | | | |
| Undisputed Trade Receivables – considered good | 3,776.95 | 14.99 | - | - | - | 3,791.94 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Expected credit loss allowances | - | - | 4.25 | 73.41 | 4.93 | 82.59 |
| Total | 3,776.95 | 14.99 | 12.77 | 68.77 | - | 3,873.48 |

38. Income Tax

Tax Expense Comprises of:

(₹ in million)

| Particulars | FY 2024-25 | FY 2023-24 |
|------------------------------------|-----------------|---------------|
| Current Tax | - | - |
| Deferred Tax Liability/ (Asset) | (557.58) | 68.59 |
| Mat Credit of earlier years lapsed | 79.05 | 64.15 |
| Total | (478.53) | 132.74 |

Current Tax

Provision for Current Income Tax has been made as per Income Tax Act, 1961, based on legal opinion obtained by the Company from its income tax consultant and the statutory auditors have relied upon the said legal opinion for the purpose of current income tax.

Deferred Tax

In compliance with Indian Accounting Standard (Ind AS 12) relating to "Income Tax" issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date, the Company has provided Deferred Tax Asset during the year aggregating to ₹ 557.58 million (Previous Year deferred tax reversal of ₹ 68.59 million) and it has been recognized in the Statement of Profit & Loss Account. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

Reconciliation of effective tax rate

(₹ in million)

| Particulars | Year ended 31.03.2025 | | Year ended 31.03.2024 | |
|--|-----------------------|-----------------|-----------------------|--------------|
| Profit/ (Loss) before tax | (1,615.34) | | 182.76 | |
| Tax using the domestic tax rate | 34.94% | (564.46) | 34.94% | 63.86 |
| Tax effect of | | | | |
| Tax on account of Permanent Difference | 0.43% | 6.99 | 2.93% | 5.35 |
| Adjustment of income not taxable or deductible | (0.01%) | (0.11) | (0.34%) | (0.62) |
| Total income tax expense | 34.52% | (557.58) | 37.53% | 68.59 |

39. Cash and Cash Equivalents

FDRs with Banks reflects amount on account of FDRs held as Margin Money.

Accounting Policies

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For cash flow statement, cash and cash equivalent includes cash in hand, in banks, and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

40. Share Capital

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the

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remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company doesn't have any holding company.

a) Shareholders holding more than 5% of the shares:

| Particulars | As at 31 st March, 2025 | | As at 31 st March, 2024 | |
|---|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | Number of shares held | Percentage of shares held | Number of shares held | Percentage of shares held |
| Mr. Sanjiv Goyal | 55,845,600 | 24.90% | 55,845,600 | 24.90% |
| Depository of GDRs | - | - | 46,000,000 | 20.51% |
| Sanjiv (HUF) | 43,622,400 | 19.45% | 43,622,400 | 19.45% |
| NSR Direct PE Mauritius, LLC (Name changed to Isengard Direct PE LLC) | - | - | 26,000,000 | 11.59% |

Note:

Since, in previous year, the equity shares underlying GDRs were held by Deutsche Bank Trust Company Americas, being depository of GDRs, hence disclosed per se.

All the equity shares held by the promoter group i.e., Mr. Sanjiv Goyal and Sanjiv (HUF) are pledged with bankers (except vehicle loan providers) of the company.

b) Reconciliation of the number of shares outstanding:

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| Equity shares at the beginning of the year | 224,260,970 | 224,260,970 |
| Add: Shares issued during the year | Nil | Nil |
| Equity shares at the end of the year | 224,260,970 | 224,260,970 |

There is no equity share movement during the 5 years preceding March 31, 2025.

c) Shareholding of Promoters*

| Shares held by promoters at the end of the period | | | |
|---|---------------|----------------------------|-----------------------------------|
| Promoter's Name | No. of Shares | Percentage of total shares | Percentage change during the year |
| Mr. Sanjiv Goyal | 55,845,600 | 24.90% | Nil |
| Sanjiv (HUF) | 43,622,400 | 19.45% | Nil |
| Mrs. Raman Goyal | 400,000 | 0.18% | 0.18% |

*Promoters as per Shareholding pattern filed with BSE.

41. Borrowings

a) Secured Loans

Long Term Loans from various banks are secured by way of First Pari Passu Charge on all the fixed assets of the Company (both present & future) and further secured by way of Second Pari Passu Charge on all the current assets of the Company, personal guarantee of Sh. Sanjiv Goyal, Chairman & Managing Director & Sanjiv HUF (HUF of Sh. Sanjiv Goyal) and pledging of their 100% shares.

Repayment Schedule of Term Loans:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | 814.80 |
| 2-5 | 466.95 |
| >5 | - |

b) Unsecured Loans

Unsecured Loans comprise of Vehicle Loans which are secured against hypothecation of respective vehicles and loan from promoter group as per the conditions of Resolution Plan implemented by the majority of the lenders on 21st June 2021.

Repayment Schedule of Vehicle Loans:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | 1.80 |
| 2-5 | 2.52 |
| >5 | - |

Repayment Schedule of loan from promoter group:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | - |
| 2-5 | 130.00 |
| >5 | - |

c) Working Capital Limits are secured by way of First Pari Passu Charge on all the current assets of the Company and further secured by way of Second Pari Passu Charge on all the fixed assets of the Company, personal guarantee of Sh. Sanjiv Goyal, Chairman & Managing Director & Sanjeev and Sons HUF (HUF of Sh. Sanjiv Goyal) and pledging of their 100% shares.

42. Investor Education and Protection Fund

Other financial liabilities include ₹ 0.13 million (Previous year ₹ 0.17 million) which relates to unpaid/ unclaimed dividend. During the year ₹ 0.04 million (Previous year ₹ 0.10 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

43. Employee Retirement Benefits

a) Defined Benefit Plans (Unfunded)

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year. The liabilities are unfunded.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows: -

| Particulars | 2024-25 | 2023-24 |
|----------------------------------|---|---|
| Discount rate | 6.60% p.a. | 7.00% p.a. |
| Salary Escalation | 5.00% p.a. | 5.00% p.a. |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. |
| Retirement Age | 58 Years | 58 Years |
| Average Remaining Future Service | 23.70 Years | 23.14 Years |
| Mortality Rates (Table A) | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. |

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Table A

| Age | Mortality Rates | Age | Mortality Rates |
|-----|-----------------|-----|-----------------|
| 20 | 0.000924 | 70 | 0.024058 |
| 30 | 0.000977 | 80 | 0.061985 |
| 40 | 0.001680 | 90 | 0.163507 |
| 50 | 0.004436 | 100 | 0.039773 |
| 60 | 0.011162 | 110 | 0.784383 |

Expenses recognized in the Statement of Profit & Loss in respect of this defined benefit plan are as follows: -

| (₹ in million) | | |
|---|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Current service cost | 9.80 | 8.41 |
| Past service cost | - | - |
| Interest on Defined Benefit Obligation (DBO) | 5.65 | 5.10 |
| Expected return on plan asset | - | - |
| Curtailment & Settlement cost/(credit) | - | - |
| Expenses recognized in the Statement of Profit & Loss | 15.45 | 13.51 |

Expenses recognized in Other Comprehensive Income in respect of this defined benefit plan are as follows: -

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 1.72 | 1.03 |
| Actuarial loss due to experience adjustments | (2.17) | 4.13 |
| Expense recognized as other comprehensive income | (0.45) | 5.16 |

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: -

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Present value of Defined Benefit Obligation as at 31 st March | 80.93 | 70.92 |
| Fair value of plan assets as at 31 st March | - | - |
| Funded Status | 80.93 | 70.92 |
| Unrecognized actuarial (gains)/losses | - | - |
| Net liability recognized in the balance sheet | 80.93 | 70.92 |

Changes in Present Value of Defined Benefit Obligations (DBO)

| (₹ in million) | | |
|---|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Present Value of Defined Benefit Obligation as at 1 st April | 70.92 | 58.62 |
| Interest on Defined Benefit Obligation | 5.65 | 5.10 |
| Current Service Cost | 9.80 | 8.41 |
| Benefits paid | (4.99) | (6.37) |
| Remeasurement of Define Benefit Obligation | (0.45) | 5.16 |
| Present Value of Define Benefit Obligation as at 31 st March | 80.93 | 70.92 |

Changes in the Fair Value of Plan Assets

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Fair Value of Plan Assets as at 1 st April | - | - |
| Acquisition Adjustments | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(loss) on Plan Assets | - | - |
| Fair Value of Plan Assets as at 31 st March | - | - |

Remeasurement of Defined Benefit Obligation

| (₹ in million) | | |
|--|---------------|-------------|
| Particulars | 2024-25 | 2023-24 |
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 1.72 | 1.03 |
| Actuarial loss due to experience adjustments | (2.17) | 4.13 |
| Total | (0.45) | 5.16 |

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below has been calculated by varying one assumption at a time and re-calculating the present value of the obligation. All assumptions, other than the one being varied, were left unchanged from their base values.

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | (0.01) | (0.01) |
| Impact due to decrease of 1.00% | 0.01 | 0.01 |
| Impact of the change in future salary growth rate | | |
| Impact due to increase of 1.00% | 0.01 | 0.01 |
| Impact due to decrease of 1.00% | (0.01) | (0.01) |
| Impact of the change in attrition rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |

b) Compensated absences (Unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognized in the statement of profit and loss account.

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The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows: -

| Particulars | 2024-25 | 2023-24 |
|----------------------------------|---|---|
| Discount rate | 6.60% p.a. | 7.20% p.a. |
| Salary Escalation | 5.00% p.a. | 5.00% p.a. |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. |
| Retirement Age | 58 Years | 58 Years |
| Average Remaining Future Service | 23.70 Years | 22.62 Years |
| Mortality Rates (Table A) | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. |

Table A

| Age | Mortality Rates | Age | Mortality Rates |
|-----|-----------------|-----|-----------------|
| 20 | 0.000924 | 70 | 0.024058 |
| 30 | 0.000977 | 80 | 0.061985 |
| 40 | 0.001680 | 90 | 0.163507 |
| 50 | 0.004436 | 100 | 0.039773 |
| 60 | 0.011162 | 110 | 0.784383 |

Expenses recognized in the Statement of Profit & Loss in respect of this defined benefit plan are as follows: -

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| Current service cost | 14.71 | 8.40 |
| Past service cost | - | - |
| Interest on Defined Benefit Obligation (DBO) | 3.91 | 2.96 |
| Expected return on plan asset | - | - |
| Curtailement & Settlement cost/(credit) | - | - |
| Expenses recognized in the Statement of Profit & Loss | 18.62 | 11.36 |

Expenses recognized in Other Comprehensive Income in respect of this defined benefit plan are as follows: -

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 0.53 | 0.29 |
| Actuarial loss due to experience adjustments | (8.39) | (0.19) |
| Expense recognized as other comprehensive income | (7.86) | 0.10 |

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: -

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Present value of Defined Benefit Obligation as at 31 st March | 35.57 | 30.67 |
| Fair value of plan assets as at 31 st March | - | - |
| Funded Status | 35.57 | 30.67 |
| Unrecognized actuarial (gains)/losses | - | - |
| Net liability recognized in the balance sheet | 35.57 | 30.67 |

Changes in Present Value of Defined Benefit Obligations (DBO)

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| Present Value of Defined Benefit Obligation as at 1 st April | 30.67 | 24.44 |
| Interest on Defined Benefit Obligation | 3.91 | 2.96 |
| Current Service Cost | 14.71 | 8.40 |
| Benefits paid | (5.86) | (5.23) |
| Remeasurement of Define Benefit Obligation | (7.86) | 0.10 |
| Present Value of Define Benefit Obligation as at 31 st March | 35.57 | 30.67 |

Changes in the Fair Value of Plan Assets

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Fair Value of Plan Assets as at 1 st April | - | - |
| Acquisition Adjustments | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(loss) on Plan Assets | - | - |
| Fair Value of Plan Assets as at 31 st March | - | - |

Remeasurement of Defined Benefit Obligation

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------------|-------------|
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 0.53 | 0.29 |
| Actuarial loss due to experience adjustments | (8.39) | (0.19) |
| Total | (7.86) | 0.10 |

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below has been calculated by varying one assumption at a time and re-calculating the present value of the obligation. All assumptions, other than the one being varied, were left unchanged from their base values.

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |
| Impact of the change in future salary growth rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |
| Impact of the change in attrition rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |

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c) **Defined Contribution Plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss account as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the period aggregated to ₹ 42.92 million (Previous year ₹ 38.08 million).

Accounting Policies

Liabilities in respect of employee benefits to employees are provided for as follows:

a) **Current Employee Benefits:**

- i) Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.
- ii) Contribution to the Provident Fund & Employee's State Insurance (ESI), which is a defined contribution scheme, is recognized as an expense in the statement of profit and loss account in the period in which the contribution is due.
- iii) The Company has adopted a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- iv) Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

b) **Long Term Employee Benefits**

i) **Post-Employment Benefits (Defined Benefit Plans)**

Gratuity liability accounted for based on actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit and Loss Account.

Actuarial gain / loss pertaining to gratuity, post separation benefits and PF trust are accounted for as Other Comprehensive Income. All remaining components of costs are accounted for in the statement of profit and loss account.

ii) **Post-Employment Benefits (Defined Contribution Plans)**

A defined contribution plan is a post-employment benefit plan where the Company legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards the Government administered provident fund scheme.

Contribution to the Provident Fund is made in accordance with the provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of Profit and Loss account in the period in which the contribution is due.

44. **Deferred Income**

Deferred income from government grants pertains to capital subsidy of ₹ 10.00 million received from the Government of India towards installation of power plant to be written off through Statement of profit and loss account over the period of life of power plant i.e., ₹ 0.25 million over a period of 40 years.

Accounting Policies

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that underlying conditions will be complied with. Government grants are recognized in the Statement of Profit and Loss Account on a systematic basis over the years in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognized and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss Account on a systematic and rational basis over the useful lives of the related assets.

45. **Trade Payable**

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on information available with the Company.

The principal amount remaining unpaid as at 31st March 2025 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are ₹ 87.55 million (Previous year ₹ 108.62 million). The interest amount computed based on the provisions under Section 16 of the MSMED Act of ₹ 2.20 million (Previous year ₹ 0.96 million) remains unpaid as at 31st March 2025. The principal amount that remained unpaid as at 31st March 2024 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company based on information available with the Company and has been relied upon by the auditors.

i) **Ageing schedule for the year ended March 31, 2025**

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---|-----------------|-----------------|-----------|----------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| MSME | 87.55 | - | - | - | 87.55 |
| Others | 4,292.27 | 1.18 | 0.16 | - | 4,293.61 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

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ii) Ageing schedule for the year ended March 31, 2024

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|--------------|--------------|-----------|----------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| MSME | 108.62 | - | - | - | 108.62 |
| Others | 4,075.26 | 2.14 | 10.59 | - | 4,087.99 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

46. Provisions

Accounting Policies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

47. Segment Reporting

i) Primary Segment (Business Segment)

The Company operates only in the business segment of "Pharmaceuticals Products", and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and rewards. As such the activities are identified as single segment in accordance with the Indian Accounting Standard (Ind AS 108) issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date.

ii) Secondary Segment (By Geographical Segment)

(₹ in million)

| S. No. | Particulars | FY 2024-25 | FY 2023-24 |
|--------|---------------------------------------|------------------|------------------|
| a. | India | 11,715.75 | 11,463.52 |
| b. | Outside India | 7,368.24 | 7,794.80 |
| | Total Sales (inclusive of GST) | 19,083.98 | 19,258.32 |

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

iii) Revenue from Major Customers

Revenue from one customer of the company pharmaceutical segment represented approximately ₹ 1,262.72 million (Previous year ₹ 2,274.08 million) of the company's total revenue.

48. Other Borrowing Costs

Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to ₹ 85.27 million (Previous Year ₹ 97.50 million).

Accounting Policies

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

49. Leases

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases. Lease payments recognized in the Statement of Profit and Loss Account are ₹ 20.31 million (Previous Year ₹ 18.89 million).

50. Payment to Auditors

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---|---------|---------|
| a. | Statutory Audit and Limited Review Fees | 2.10 | 2.10 |
| b. | Tax Audit Fee | 0.40 | 0.40 |
| c. | GST | 0.45 | 0.45 |

51. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---|---------------|---------------|
| a. | Gross amount required to be spent by the Company during the period based on 2% of average net profits | - | - |
| b. | Reversal of last year excess expenditure | 2.24 | - |
| c. | Amount spent during the period on: • Education | 2.45 | 2.24 |
| d. | (Excess) / Shortfall a - b - c | (4.69) | (2.24) |

Standalone Financial Statements

The Company has an excess CSR spent of ₹ 4.69 million (Previous year ₹ 2.24 million) which it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet. In respect to section 135(5) of Companies Act, 2013

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|-------------|-------------|
| a. | Opening balance of CSR Spent | 2.24 | - |
| b. | CSR required to be spent during the year | - | - |
| c. | CSR spent during the year | 2.45 | 2.24 |
| d. | Closing balance of CSR Spent | 4.69 | 2.24 |

52. Contribution to Political Party

Contribution to political party is amounting to "Nil" (Previous year ₹ 0.50 Million paid to "Bhartiya Janta Party").

53. Earnings Per Share (EPS)

| Particulars | Unit | FY 2024-25 | FY 2023-24 |
|---|--------------|-------------|-------------|
| Profit after Tax, before other comprehensive income | ₹ in million | (1,136.81) | 50.01 |
| No of Shares Outstanding | Nos. | 224,260,970 | 224,260,970 |
| No of Weighted Average equity shares | Nos. | 224,260,970 | 224,260,970 |
| Diluted | Nos. | 224,260,970 | 224,260,970 |
| Nominal value of equity shares | ₹ | 1.00 | 1.00 |
| Earnings per Share | | | |
| -Basic | ₹ | (5.07) | 0.22 |
| -Diluted | ₹ | (5.07) | 0.22 |

Accounting Policies

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity-shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity-shares outstanding during the year after adjusted for the effects of all dilutive potential equity shares.

54. Related Party Disclosures

Related party disclosures as required under Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" issued under Companies (Indian Accounting Standards) Rule 2016, as amended up to date, are given below: -

a) Relationship

i) Subsidiary Companies

- Neclife PT, Unipessoal LDA – Portugal (Inoperative during the year)

ii) Key Management Personnel

- Mr. Sanjiv Goyal, Chairman & Managing Director
- Mr. Puneet Sud, Whole-time Director
- Mr. Amit Chadah, Chief Executive Officer
- Mr. Sushil Kapoor, Chief Financial Officer
- Ms. Neha, Company Secretary (upto 28.02.2025)
- Mr. Sanjaymohan Singh Rawat, Company Secretary (w.e.f. 01.04.2025)

iii) Joint Ventures and Associates

- None

iv) Relatives of the Key Management Personnel*

- Mrs. Raman Goyal

v) Entities over which key management personnel/their relatives are able to exercise significant influence*

- Nectar Lifesciences Charitable Foundation (CSR vehicle of the company)

* With whom the Company had transactions during the year.

b) Transactions with related parties during the year

i) Subsidiary Companies

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--------------------------------------|---------|---------|
| a. | Sales during the year | - | - |
| b. | Investments realized during the year | - | - |

ii) Key Management Personnel (KMP) and their relatives

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|---------|---------|
| a. | Director Remuneration & Perquisites* | 28.62 | 29.59 |
| b. | Salary & Perquisites* | 16.67 | 15.99 |
| c. | Rent (Excluding GST) | 8.40 | 8.40 |
| d. | Loan given to KMP | - | 7.50 |
| e. | Interest income on above loan to KMP | 0.68 | 0.05 |
| f. | Repayment of loan & advance by KMP | 0.86 | 2.20 |
| g. | Security received from KMP towards motor vehicle as a condition of service applicable to all the employees | - | 0.35 |

*Includes Taxable value of Perquisites as per Income Tax Act 1961 and including sitting fees paid to non-executive directors

iii) Entities over which key management personnel/their relatives are able to exercise significant influence:

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|-------------------------------------|---------|---------|
| a. | CSR expenditure through CSR vehicle | 2.45 | 2.24 |

c) Balances at the year end

i) Subsidiary Companies

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--------------------------------------|---------|---------|
| a. | Receivable/(Payable) at the year end | - | - |
| b. | Investment at the year end | 0.08 | 0.08 |

ii) Key Management Personnel and their relatives

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|---------|---------|
| a. | Director Remuneration & Perquisites* | 10.51 | 0.41 |
| b. | Salary & Perquisites* | 0.63 | 0.21 |
| c. | Rent (Excluding GST) | - | - |
| d. | Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress' | 130.00 | 130.00 |
| e. | Loan & advance to KMP | 7.55 | 8.41 |
| f. | Security received from KMP towards motor vehicle as a condition of service applicable to all the employees | 0.35 | 0.35 |

Standalone Financial Statements

iii) Entities over which key management personnel/their relatives are able to exercise significant influence:

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---------------------|---------|---------|
| a. | Balance at year end | - | - |

55. Contingent Liabilities and Commitments

(₹ in million)

| S. No. | Particulars | 31.03.2025 | 31.03.2024 |
|-----------|---|------------|------------|
| a) | Contingent Liabilities | | |
| i) | Claims not acknowledged as debts: - * | | |
| | • Income Tax matters** | 889.95 | 889.95 |
| | • Excise & GST matters @ | 377.11 | 1,049.74 |
| | • Service Tax matters # | 7.22 | 7.22 |
| | • VAT & CST matters § | - | 13.76 |
| ii) | Bank Guarantees | 7.23 | 9.24 |
| iii) | Bills Discounted | 17.28 | 47.64 |
| iv) | Letter of Credit (Foreign / Inland) | 45.80 | 123.86 |
| v) | Others' | - | - |
| b) | Commitments | | |
| i) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) | 17.90 | 20.45 |

* The matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings for cases, when ultimately concluded, will not have a material effect on the results of operation or financial position of the company.

** MAT credit entitlement would be reduced by ₹ 580.98 million, in case of adverse judgment and ₹ 299.00 million will be adjusted against the MAT credit entitlement already lapsed in the books of accounts.

@Amount deposited under protest ₹ 25.62 million.

Amount deposited under protest ₹ 0.52 million.

In case demand is confirmed, penalty up to equivalent amount may be imposed.

§ Amount deposited under protest "Nil" (Previous year ₹ 3.44 million).

Interest and claims by customers, suppliers, lenders, and employees may be payable as and when the outcome of the related matters is finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Company in respect of these matters.

Accounting Policies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

56. Derivatives

Currency derivatives

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts and currency options is governed by the Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

57. Disclosure of Transactions with Struck off Companies:

As per the information available with the company, the Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

58. Capital Management:

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings except through leasing. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

59. Credit Rating

The following table presents an analysis of the credit quality of debt securities issued by the Parent Company and its subsidiary. Rating has been obtained from credit rating agency CARE Ratings Ltd (Previous year from Brickwork Ratings India Private Ltd). The details of which are as below:

| Nature of facility | FY 2024-25 | FY 2023-24 |
|------------------------------------|-----------------|-----------------|
| Long term fund-based facility | 5,725.60 BB | 6,369.70 BB- |
| Short Term Non-Fund Based Facility | 3,574.40 A4+ | 3,574.40 A4 |

Standalone Financial Statements

60. Additional Regulatory Disclosure Requirements

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- | | |
|---|--|
| <ul style="list-style-type: none"> a. Crypto Currency or Virtual Currency b. Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder c. Registration of charges or satisfaction with Registrar of Companies d. Compliance with number of layers of companies e. Relating to borrowed funds: | <ul style="list-style-type: none"> i. Willful defaulter ii. Utilization of borrowed funds & share premium iii. Borrowings obtained on the basis of security of current assets iv. Discrepancy in utilization of borrowings v. Current maturity of long-term borrowings f. Title deeds of immoveable properties not held in name of company. g. Relationship with Struck off Companies. h. Revaluation of property, Plant and equipment as no such revaluation taken place during the year. |
|---|--|

61. Accounting Ratios

| S. No. | Particulars | Numerator | Denominator | 31.03.25 | 31.03.24 | Variance |
|--------|--|-------------------------------------|-----------------------------------|----------|----------|----------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.21 | 1.32 | 8.33% |
| 2 | Debt-Equity Ratio | Total Debt | Shareholder's equity | 0.61 | 0.59 | 3.39% |
| 3 | Debt Service Coverage Ratio ¹ | Earnings available for debt service | Debt Service | -0.14 | 1.04 | 113.46% |
| 4 | Return on Equity (ROE) ¹ | Net Profit after taxes | Average Shareholder's Equity | -11.23% | 0.47% | 2489.36% |
| 5 | Inventory turnover ratio | Gross Sales | Average Inventory | 2.34 | 2.21 | 6.27% |
| 6 | Trade receivables turnover ratio | Revenue (Gross) | Average Trade Receivables | 5.15 | 5.71 | 9.86% |
| 7 | Trade payable turnover ratio | Net Purchases | Average Trade Payables | 2.85 | 3.34 | 14.67% |
| 8 | Net capital turnover ratio ² | Revenue (Net of GST) | Working Capital | 7.73 | 5.41 | 42.88% |
| 9 | Net profit ratio ¹ | Net Profit | Revenue (Net of GST) | -6.81% | 0.30% | 2370.00% |
| 10 | Return on capital employed (ROCE) ¹ | Earnings before interest and taxes | Capital Employed | -6.10% | 6.41% | 195.16% |
| 11 | Return on Investments (ROI) | | | | | |
| | 11.a Unquoted | Income generated from investments | Time weighted average investments | - | - | - |
| | 11.b Quoted | Income generated from investments | Time weighted average investments | - | - | - |

Comments for variations above 25%, if any:

1. The company has incurred losses during FY 2024-25 whereas the company earned profits during FY 2023-24 leading to decline in ratio of debt service coverage ratio, Return on Equity (ROE), Net profit ratio and Return on capital employed (ROCE).
2. During FY 2024-25, sales of the company (net of GST) have declined to ₹ 16,699.74 million as compared to ₹ 16,840.86 million in FY 2023-24 and the working capital of the company have been declined to ₹ 2,160.44 Million in FY 2024-25 as compared to ₹ 3,110.14 million in FY 2023-24. Both these factors have resulted in an improvement of Net capital turnover ratio.

62. The Company has re-grouped the previous year's figures to confirm the current year's classification.

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Place: Chandigarh
Date: 07.07.2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **NECTAR LIFESCIENCES LIMITED** (the "Company") and its subsidiary namely Neclife PT, Unipessoal LDA-Portugal (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

Attention is drawn to para 34 of the notes to accounts to the financial statements, where the management has decided to mark down the realizable value of non-current inventory based on assumptions based on ageing and realizable values. The realizable value after such mark down is as per managements estimates and we have relied on the same. Our opinion is not modified in respect of this.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In our opinion, there is no Key Audit Matter to be reported.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the

information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 the assets of the Group 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 financial 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 on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system 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 made by the management.
- Conclude on the appropriateness of management's 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 ability of the Group to continue as a going concern.
- 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We have not carried out the audit of the subsidiary Company namely Neclife PT, Unipessoal LDA-Portugal. We have relied on the unaudited financial statements of this subsidiary for the Year ended March 31, 2025, which have been incorporated in the consolidated financial statements. The annual financial statements of subsidiary reflect total assets of ₹ 0.02 million as at March 31, 2025 (Previous year ₹ 0.02 million), total revenues of "Nil" (Previous year "Nil") and net cash outflows amounting "Nil" for the year ended on that date (Previous year outflow of ₹ 0.06 million). These annual financial statements, as approved by the Board of Directors of the subsidiary companies, have been furnished to us by the management, and our report, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on such approved financial statements. However, the size of the subsidiaries is insignificant.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

Consolidated Financial Statements

- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or proposed during the year. Accordingly, the clause is not applicable.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025 which has the feature of recording the audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software systems. Further, during the course of our audit we didn't come across instance of the audit trail feature being tempered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, the clause is not applicable as no Domestic Subsidiaries are there.

For Deepak Jindal & Co.
Chartered Accountants
(Firm's Registration No. 023023N)

(Onkar Singh)

Partner

(Membership No. 514746)

UDIN: 25514746BMIP7438

Place : Chandigarh

Date : 7th July 2025

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of NECTAR LIFESCIENCES Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of NECTAR LIFESCIENCES Limited (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deepak Jindal & Co.
Chartered Accountants
(Firm’s Registration No. 023023N)

(Onkar Singh)
Partner

Place : Chandigarh
Date : 7th July 2025

(Membership No. 514746)
UDIN: 25514746BMITZ7438

Consolidated Financial Statements

Nectar Lifesciences Limited
Consolidated Balance Sheet as at 31st March 2025

(₹ in Million)

| Particulars | NOTE | As At March 31, 2025 | As At March 31, 2024 |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 5,766.05 | 5,903.12 |
| Capital work-in-progress | 30 | 567.28 | 657.50 |
| Intangible assets | 3 | 565.04 | 523.93 |
| Inventory | 4 | 506.13 | 1,779.42 |
| Financial assets | | | |
| Investments | 5 | 2.35 | 2.35 |
| Trade receivables | 6 | 84.87 | 81.54 |
| Other financial assets | 7 | 32.51 | 28.43 |
| Deferred tax assets (net) | 8 | 550.41 | 74.78 |
| Other non-current assets | 9 | 21.74 | 21.18 |
| Total Non Current Assets | | 8,096.38 | 9,072.23 |
| Current Assets | | | |
| Inventory | 4 | 6,901.60 | 7,091.51 |
| Financial assets | | | |
| Investments | 5 | 5.30 | 4.95 |
| Trade receivables | 6 | 3,454.85 | 3,791.94 |
| Cash and cash equivalents | 10 | 192.22 | 198.06 |
| Loans | 11 | 8.57 | 9.24 |
| Other financial assets | 7 | 75.12 | 92.20 |
| Other current assets | 12 | 1,738.22 | 1,650.43 |
| Total Current Assets | | 12,375.87 | 12,838.33 |
| Total Assets | | 20,472.25 | 21,910.56 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 224.26 | 224.26 |
| Other equity | 14 | 9,336.81 | 10,468.22 |
| Total Equity | | 9,561.07 | 10,692.48 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 601.27 | 1,403.09 |
| Lease liabilities | - | - | - |
| Other financial liabilities | 16 | - | - |
| Provisions | 17 | 87.28 | 79.37 |
| Other Non-Current Liabilities | 18 | 7.21 | 7.46 |
| Total Non-Current Liabilities | | 695.77 | 1,489.91 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 5,218.95 | 4,952.28 |
| Lease liabilities | - | - | - |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 19 | 87.55 | 108.62 |
| Total outstanding dues of creditors other than micro and small enterprises | | 4,293.61 | 4,087.99 |
| Other financial liabilities | 16 | 497.73 | 387.30 |
| Other current liabilities | 20 | 88.35 | 169.76 |
| Provisions | 17 | 29.22 | 22.21 |
| Total Current Liabilities | | 10,215.41 | 9,728.17 |
| Total Equity and Liabilities | | 20,472.25 | 21,910.56 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

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Consolidated Financial Statements

Nectar Lifesciences Limited

Consolidated Statement of Profit and Loss Account for the year ended 31st March 2025

(₹ in Million)

| Particulars | NOTE | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|---|-------|------------------------------|------------------------------|
| Continuing Operations | | | |
| Revenue from Operations (Gross) | 21 | 19,083.98 | 19,258.32 |
| Less: GST Recovered | | 2,384.25 | 2,417.46 |
| Revenue from Operations (Net of GST) | | 16,699.74 | 16,840.86 |
| Other Income (Net) | 22 | 49.92 | 145.76 |
| | | 16,749.65 | 16,986.61 |
| Expenses | | | |
| Raw Material Consumed | 23 | 12,507.23 | 12,424.50 |
| Purchase of Stock in Trade (Traded Goods) | | - | - |
| (Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade | 24 | 1,172.87 | (402.08) |
| Employees Benefits Expense | 25 | 964.75 | 846.71 |
| Finance Cost | 26 | 745.78 | 871.42 |
| Depreciation & Amortization | 2 & 3 | 623.89 | 607.18 |
| Other Expenses | 27 | 2,350.47 | 2,456.20 |
| | | 18,364.99 | 16,803.92 |
| Profit/ (Loss) before exceptional items & tax | | (1,615.34) | 182.69 |
| Exceptional items | | - | - |
| Profit/(Loss) before tax | | (1,615.34) | 182.69 |
| Tax Expenses | 38 | (478.53) | 132.74 |
| Profit/ (Loss) for the period | | (1,136.81) | 49.95 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of the net defined benefit liability/asset (Net of Tax) | | 5.40 | (3.42) |
| Items that will be reclassified subsequently to profit or loss | | | |
| Foreign Exchange Translation Reserve (Net of Tax) | | 0.00 | 0.01 |
| Total Comprehensive income for the period | | (1,131.41) | 46.53 |
| Earnings per equity share (Equity Shares of ₹ 1/- each fully paid up) | 53 | | |
| Basic (₹) Before Exceptional Item | | (5.07) | 0.22 |
| Basic (₹) After Exceptional Item | | (5.07) | 0.22 |
| Diluted (₹) Before Exceptional Item | | (5.07) | 0.22 |
| Diluted (₹) After Exceptional Item | | (5.07) | 0.22 |

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

Nectar Lifesciences Limited
Consolidated Statement of Changes in Equity for the year ended 31st March 2025

(₹ in Million)

| Particulars | Reserve and Surplus | | | | Total |
|--|----------------------|------------------|------------------|-------------------|-------------------|
| | Equity Share Capital | Security Premium | General Reserves | Retained Earnings | |
| Balance as at March 31, 2023 | 224.26 | 3,287.98 | 141.02 | 6,992.68 | 10,645.95 |
| Profit/(Loss) for the year | - | - | - | 49.95 | 49.95 |
| Other comprehensive income for the year | - | - | - | (3.41) | (3.41) |
| Total comprehensive income for the year | - | - | - | 46.53 | 46.53 |
| Payment of dividend | - | - | - | - | - |
| Balance as at March 31, 2024 | 224.26 | 3,287.98 | 141.02 | 7,039.21 | 10,692.48 |
| Profit/(Loss) for the year | - | - | - | (1,136.81) | (1,136.81) |
| Other comprehensive income for the year | - | - | - | 5.40 | 5.40 |
| Total comprehensive income for the year | - | - | - | (1,131.41) | (1,131.41) |
| Payment of dividend | - | - | - | - | - |
| Balance as at March 31, 2025 | 224.26 | 3,287.98 | 141.02 | 5,907.80 | 9,561.07 |

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Sushil Kapoor
Chief Financial Officer

Place: Chandigarh
Date: 07.07.2025

Amit Chadah
Chief Executive Officer

Sanjaymohan Singh Rawat
Company Secretary

As per our report of even date

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Consolidated Financial Statements

Nectar Lifesciences Limited
CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31st March 2025

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before Tax & Extra Ordinary Items | (1,615.34) | 182.69 |
| Adjustments For : | | |
| Depreciation & Amortization | 623.89 | 607.18 |
| Other Comprehensive Income (Net of tax) | 5.40 | (3.41) |
| Tax on Other Comprehensive Income | 2.90 | (1.83) |
| Provision for Doubtful debts/ Insurance Claims | 16.08 | 9.33 |
| Provision for Employees Retirement Benefits | 14.92 | 18.52 |
| Loss/ (Profit) on Sale of Fixed Assets | 0.14 | - |
| Profit on Sale / Restatement of Investment | (0.35) | (1.80) |
| Interest on Borrowings | 745.78 | 871.42 |
| Other Non-Operating Income | (18.56) | (123.90) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (225.13) | 1,558.20 |
| Adjustments For : | | |
| (Increase)/Decrease in Current Assets | 439.88 | (502.43) |
| Increase/(Decrease) in Current Liabilities | 213.56 | 1,136.58 |
| Increase/(Decrease) in Non-Current Other Financial Liabilities | - | - |
| Increase/ (Decrease) in Other Non-Current Liabilities | (0.25) | (0.25) |
| (Increase)/ Decrease in Non Current Assets | 1,266.32 | 54.77 |
| CASH GENERATED FROM OPERATIONS | 1,694.38 | 2,246.86 |
| Direct Taxes Paid | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 1,694.38 | 2,246.86 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (437.95) | (294.15) |
| Sale of Fixed Assets | 0.08 | - |
| Interest Received | 14.89 | 123.90 |
| Dividend Received | 0.00 | 0.00 |
| Maturity of insurance policies | 3.67 | - |
| Sale/(Purchase) of Investments | - | - |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (419.30) | (170.25) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) from Term Loans from Banks | (812.78) | (720.11) |
| Proceeds/(Repayment) from Working Capital Limits from Banks | 279.97 | (466.94) |
| Proceeds from Directors/Relatives/Entities in which directors have significant influence | - | - |
| Proceeds/(Repayment) from Vehicle Loans | (2.33) | 4.12 |
| Interest Paid | (745.78) | (871.42) |
| NET CASH GENERATED FROM FINANCING ACTIVITIES (C) | (1,280.92) | (2,054.35) |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | (5.84) | 22.26 |
| CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 198.06 | 175.80 |
| CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR | 192.22 | 198.06 |

(Also refer Note - 28)

The accompanying notes form an integral part of the standalone financial statements.

For and on behalf of the Board of Directors of Nectar Lifesciences Limited

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

As per our report of even date

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

1. Overview

1.1 Company Overview

Nectar Lifesciences Limited, CIN: L24232PB1995PLC016664, (the company) is a public limited Company incorporated under the provision of the Companies Act, 1956 on 27th June 1995. The Company is an integrated pharmaceutical organization, having its corporate office in Chandigarh and works in the states of Punjab, Himachal Pradesh, and Jammu & Kashmir.

The Company has sustainable production systems to manufacture APIs and Formulations. With an expertise in R&D, the Company has been experiencing growth in this segment. The Company is also in the Menthol business and succeeded in both domestic and international markets.

The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited. The financial statements were approved by the company's Board of Directors and authorized for issue on 7th July 2025.

1.2 Basis of Preparation of Financial Statements

I. Statement of Compliance

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS) under the historical cost convention on going concern basis and on accrual basis except certain items which have been measured at fair value. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The material accounting policies information used in preparation of audited consolidated financial statements have been discussed in the respective notes.

II. Use of Estimates & Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

Accounting estimates can change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed in Note – 2 below.

1.3 Critical Accounting Estimates and Judgments

i) Revenue Recognition

Revenue is recognized when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product. Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company.

a) Sale of Goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is measured at the transaction price which is the consideration received or receivable, net of returns, taxes and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Revenue is also recognized for goods sold but not dispatched, where the property in such goods is transferred from the seller to the buyers and where dispatches could not be made on account of practical difficulties at the buyers' end.

b) Export Benefits:

Export and other benefits are accounted for on an accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

ii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in the change in depreciation and amortization expense in future periods.

iii) Fair value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on a fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurements that are based on significant unobservable inputs (Level 3) require estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

iv) Defined Benefits and other long-term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the

Consolidated Financial Statements

determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increases rate considers inflation, seniority, promotion, and other relevant factors on long-term basis.

v) **Income Taxes**

Income tax expense comprises current tax, MAT credit entitlement lapsed and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based

on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/ derecognized only to the extent that there is reasonable/ virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

vi) **Leases**

The Company has elected not to recognize right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Nectar Lifesciences Limited

Note - 2 "Property, Plant And Equipment"

(₹ in Million)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|----------------------------------|--------------------|---------------|-------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
| | As At 01-Apr-24 | Additions | Sale/ Deletion | As At 31-Mar-25 | Up To 31-Mar-24 | During the Year | Deletion/ Adjustments | Up To 31-Mar-25 | As At 31-Mar-25 | As At 31-Mar-24 |
| Freehold Land & Site Development | 189.08 | - | - | 189.08 | - | - | - | - | 189.08 | 189.08 |
| Leasehold Land | 3.27 | - | - | 3.27 | 0.65 | 0.04 | - | 0.69 | 2.58 | 2.62 |
| Buildings | 1,803.17 | 14.88 | - | 1,818.05 | 748.80 | 56.04 | - | 804.85 | 1,013.21 | 1,054.37 |
| Tube Well | 28.25 | - | - | 28.25 | 25.70 | 0.57 | - | 26.27 | 1.98 | 2.55 |
| Plant & Machinery | 9,701.18 | 257.27 | - | 9,958.45 | 5,703.36 | 353.63 | - | 6,056.99 | 3,901.46 | 3,997.82 |
| Boiler | 170.70 | - | - | 170.70 | 145.58 | 8.83 | - | 154.41 | 16.29 | 25.12 |
| Pollution Control Equipment | 75.25 | - | - | 75.25 | 71.47 | 0.01 | - | 71.48 | 3.77 | 3.77 |
| Laboratory | 119.64 | 5.99 | - | 125.62 | 102.68 | 3.15 | - | 105.83 | 19.79 | 16.95 |
| Miscellaneous Fixed Assets | 1,699.95 | 78.85 | - | 1,778.80 | 1,126.98 | 71.75 | - | 1,198.73 | 580.07 | 572.98 |
| Furniture & Fixture | 103.71 | 1.62 | - | 105.34 | 93.81 | 1.78 | - | 95.59 | 9.75 | 9.91 |
| Motor Vehicles | 79.86 | 3.63 | 0.60 | 82.90 | 59.45 | 4.30 | 0.37 | 63.38 | 19.52 | 20.42 |
| Computer | 55.14 | 3.69 | - | 58.83 | 47.62 | 2.67 | - | 50.29 | 8.54 | 7.52 |
| GRAND TOTAL | 14,029.22 | 365.93 | 0.60 | 14,394.56 | 8,126.10 | 502.78 | 0.37 | 8,628.51 | 5,766.05 | 5,903.12 |
| Previous Year | 13,758.29 | 270.93 | - | 14,029.22 | 7,631.84 | 494.26 | - | 8,126.10 | 5,903.12 | 6,126.45 |

(Also refer Note - 29)

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| Note - 3 "Intangible Assets" | | |
| Opening Gross Block | 1,964.89 | 1,821.32 |
| Additions during the year | 162.23 | 143.56 |
| Closing Gross Block | 2,127.12 | 1,964.89 |
| Opening Accumulated amortization | 1,440.96 | 1,328.04 |
| Amortization during the year | 121.11 | 112.92 |
| Closing Accumulated amortization | 1,562.07 | 1,440.96 |
| Net Intangible Assets | 565.04 | 523.93 |

(Also refer Note - 31)

Note - 4 "Inventory"

(As Certified by The Management)

Non Current

| | | |
|----------------------------|---------------|-----------------|
| Raw Material | 14.88 | 14.88 |
| Work In Progress | 383.50 | 1,462.26 |
| Finished Goods | 107.74 | 302.25 |
| Other Miscellaneous Stocks | - | 0.03 |
| | 506.13 | 1,779.42 |

Current

| | | |
|----------------------------|-----------------|-----------------|
| Raw Material | 820.32 | 1,103.20 |
| Work In Progress | 5,716.90 | 5,387.44 |
| Finished Goods | 229.41 | 458.48 |
| Other Miscellaneous Stocks | 134.97 | 142.39 |
| | 6,901.60 | 7,091.51 |

(Also refer Note - 34)

Note - 5 "Investments"

Non Current Investments - carried at cost

Investment in Equity Instruments

UNQUOTED

| | | |
|--|-------------|-------------|
| In Mohali Green Environment Private Limited 1,85,000 Equity Shares of ₹ 10/- each Fully paid up | 1.85 | 1.85 |
| In Nimbua Greenfield (Punjab) Ltd. 50,000 Equity Shares of ₹ 10/- each fully paid up | 0.50 | 0.50 |
| In The Thane Janta Sahakari Bank Ltd. 20 Equity Shares of ₹ 50/- each (Absolute amount ₹ 1,000) | 0.00 | 0.00 |
| Total - "A" | 2.35 | 2.35 |

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| NOTE - 5 "Investments" contd... | | |
| Current Investments - at FVTPL | | |
| Investment in Equity Instruments | | |
| a. QUOTED | | |
| In Aurobindo Pharma Ltd. 5 Equity Shares of ₹ 1/- each, Fully Paid Up (Absolute amount ₹ 314) | 0.01 | 0.01 |
| In Parsvanath Developers Ltd. 4,700 Equity Shares of ₹ 5/- each, Fully Paid Up | 0.10 | 0.07 |
| SBI PSU Fund | 2.99 | 2.82 |
| PRINCIPAL BALANCED FUND | 2.17 | 2.02 |
| Net Quoted Current Investments "B" | 5.27 | 4.92 |
| b. UNQUOTED | | |
| In Saraswat Co-operative Bank Ltd. 2,500 Equity Shares of ₹ 10/- each, Fully Paid Up | 0.03 | 0.03 |
| Net Unquoted Current Investments "C" | 0.03 | 0.03 |
| Total Current Investments "D" = "B" + "C" | 5.30 | 4.95 |
| Total Investment "A" + "D" | 7.65 | 7.30 |

(Also refer Note - 35)



Note - 6 "Trade Receivables"

| | | |
|---|-----------------|-----------------|
| Non Current | | |
| Trade Receivables - considered good - unsecured | 166.46 | 164.13 |
| Less: Allowances for expected credit loss | 81.59 | 82.59 |
| Total - "A" | 84.87 | 81.54 |
| Current | | |
| Trade Receivables - considered good - unsecured | 3,454.85 | 3,791.94 |
| Less: Allowances for expected credit loss | - | - |
| Total - "B" | 3,454.85 | 3,791.94 |
| Total Trade Receivables ("A" + "B") | 3,539.72 | 3,873.48 |

(Also refer Note - 37)

Note - 7 "Other Financial Assets"

| | | |
|---|---------------|---------------|
| Non Current | | |
| Security Deposits | 32.51 | 28.43 |
| Total - "A" | 32.51 | 28.43 |
| Current | | |
| Insurance Claim Receivable | 92.20 | 92.20 |
| Less: Provision for doubtful insurance claim | (17.08) | - |
| Others | - | - |
| Total - "B" | 75.12 | 92.20 |
| Total Other Financial Assets ("A" + "B") | 107.63 | 120.63 |

(Also refer Note - 35)

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| Note - 8 “Deferred Tax Assets (net)” | | |
| Deferred Tax Liability | | |
| Tax Impact on Deferred Tax Liability arising on account of: | | |
| Property, plant & equipments and Intangible assets | 1,290.17 | 1,307.96 |
| Total - “A” | 1,290.17 | 1,307.96 |
| Tax Impact on Deferred Tax Assets arising on account of: | | |
| Provision for Employee Retirement Benefits | 40.71 | 35.50 |
| Unabsorbed Depreciation | 455.26 | 311.69 |
| Carry forward of losses as per Income Tax Act | 593.82 | 208.43 |
| Provision on Trade Receivables | 34.48 | 28.86 |
| Total - “B” | 1,124.28 | 584.48 |
| Net Deferred Tax Liability (“A” - “B”) | 165.89 | 723.47 |
| Tax Impact of Other Comprehensive Income | 24.40 | 21.50 |
| Tax Impact of Foreign Exchange Translation Reserve | 0.00 | 0.00 |
| Net Deferred Tax Liability | 190.30 | 744.98 |
| MAT Credit Entitlement | 740.71 | 819.76 |
| Net Deferred Tax Assets | 550.41 | 74.78 |
| (Also refer Note - 38) | | |
| Note - 9 “Other Non-Current Assets” | | |
| Balances Recoverable from Revenue Authorities | 16.73 | 16.18 |
| Others | 5.00 | 5.00 |
| | 21.74 | 21.18 |
| Note - 10 “Cash & Cash Equivalents” | | |
| Balance with Banks | 0.34 | 0.34 |
| FDRs with Banks (including interest accrued) | 166.22 | 175.19 |
| Balances in Dividend Accounts | 0.13 | 0.17 |
| Cash In Hand (Incl Staff Imprest) | 25.53 | 22.36 |
| | 192.22 | 198.06 |
| (Also refer Note - 39) | | |
| Note - 11 “Loans” | | |
| Loans & Advances to Staff | 8.57 | 9.24 |
| | 8.57 | 9.24 |



Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|---|-------------------------|-------------------------|
| Note - 12 “Other Current Assets” | | |
| Export and Other Incentives Accrued | 358.26 | 297.53 |
| Balances with Revenue Authorities | 792.27 | 597.89 |
| Other Recoverables | 26.35 | 33.38 |
| Advances other than capital advances | | |
| Payment to vendors for supply of goods | 521.35 | 673.76 |
| Others | 39.99 | 47.87 |
| | 1,738.22 | 1,650.43 |
| Note - 13 “SHARE CAPITAL” | | |
| Authorised Share Capital | | |
| 35,00,00,000 Equity Shares of ₹ 1/- Each. | 350.00 | 350.00 |
| Issued, Subscribed & Paid up Capital | | |
| 22,42,60,970 Equity Shares of ₹ 1/- Each Fully Paid up | 224.26 | 224.26 |
| (Also refer Note - 40) | 224.26 | 224.26 |
| Note - 14 “OTHER EQUITY” | | |
| A) Reserves & Surplus | | |
| Security Premium | 3,287.98 | 3,287.98 |
| General Reserves | 141.02 | 141.02 |
| Retained Earnings | 5,907.80 | 7,039.21 |
| | 9,336.81 | 10,468.22 |
| Note - 15 “Borrowings” | | |
| Non Current | | |
| Secured | | |
| Term Loans | | |
| From Banks | 466.95 | 1,266.76 |
| Vehicle Loans | | |
| From Banks | 4.32 | 6.33 |
| Unsecured | | |
| From Directors/Relatives/Entities in which directors have significant influence | 130.00 | 130.00 |
| | 601.27 | 1,403 |
| Current | | |
| Secured | | |
| Working Capital Limits | | |
| From Banks | 4,402.15 | 4,122.18 |
| Current Maturities of Long Term Debts | 814.80 | 827.76 |
| Current Maturities of Vehicle Loans | 2.00 | 2.33 |
| | 5,218.95 | 4,952.28 |
| Total Borrowings | 5,820.23 | 6,355.36 |

(Also refer Note - 41)

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| Note - 16 “Other Financial Liabilities” | | |
| Non Current | | |
| Other Capital Advances | - | - |
| | - | - |
| Current | | |
| Interest Accrued but not due on Borrowings | 19.71 | 28.39 |
| Unpaid Dividends (Also refer Note - 42) | 0.13 | 0.17 |
| Accrued Compensation to Employees | 72.03 | 56.47 |
| Creditors against capital goods and expenses | 405.86 | 302.27 |
| | 497.73 | 387.30 |
| Total Other Financial Liabilities | 497.73 | 387.30 |
| Note - 17 “Provisions” | | |
| Non Current | | |
| Provision for Employees Retirement Benefits | 87.28 | 79.37 |
| | 87.28 | 79.37 |
| Current | | |
| Provision for Employee Retirement Benefits | 29.22 | 22.21 |
| | 29.22 | 22.21 |
| Total Provisions | 116.50 | 101.58 |
| (Also refer Note - 43) | | |
| Note - 18 “Other Non Current Liabilities” | | |
| Non Current | | |
| Deferred Income | 7.21 | 7.46 |
| | 7.21 | 7.46 |
| (Also refer Note - 44) | | |
| Note - 19 “Trade Payables” | | |
| Total outstanding dues of micro enterprises and small enterprises | 87.55 | 108.62 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,293.61 | 4,087.99 |
| | 4,381.16 | 4,196.61 |
| (Also refer Note - 45) | | |
| Note - 20 “Other Current Liabilities” | | |
| Advances From Customers | 57.96 | 123.33 |
| Statutory dues payable | 17.47 | 17.59 |
| Accrued Expenses | 12.92 | 28.84 |
| | 88.35 | 169.76 |

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| Note - 21 “Revenue from Operations” | | |
| Sale of Manufactured Products | | |
| Export | 7,344.90 | 7,794.80 |
| Domestic | 11,739.08 | 11,463.52 |
| Traded Goods | | |
| Export | - | - |
| Domestic | - | - |
| | 19,083.98 | 19,258.32 |

| | | |
|---|--------------|---------------|
| Note - 22 “Other Income” | | |
| Operating Income | | |
| Other Operating Income | 30.76 | 15.21 |
| Deferred Income - Govt. Grants (Also refer Note - 44) | 0.25 | 0.25 |
| Other Income | | |
| Interest Income | 14.89 | 123.90 |
| Dividend From Investments | 0.00 | 0.00 |
| [Absolute amount ₹ 40 (Previous year ₹ 72)] | | |
| Gain on Restatement of Investment | 0.35 | 1.80 |
| Maturity of Insurance Policies | 3.67 | 4.60 |
| | 49.92 | 145.76 |

| | | |
|--|------------------|------------------|
| Note - 23 “Raw Material Consumed” | | |
| Opening Stock | 1,118.08 | 1,218.00 |
| Add:- Purchase of Raw Material | 12,224.34 | 12,324.58 |
| | 13,342.43 | 13,542.58 |
| Less :- Closing Stock | 835.20 | 1,118.08 |
| | 12,507.23 | 12,424.50 |

| | | |
|--|-----------------|-----------------|
| Note - 24 “(Increase)/ Decrease in Inventories of Finished Goods, Stocks in Process & Stock in Trade” | | |
| Inventory (At Commencement) | | |
| Finished Goods | 760.73 | 513.09 |
| Stock in Process | 6,849.70 | 6,695.25 |
| Stock in Trade | - | - |
| | 7,610.42 | 7,208.34 |
| Inventory (At Close) | | |
| Finished Goods | 337.16 | 760.73 |
| Stock in Process | 6,100.40 | 6,849.70 |
| Stock in Trade | - | - |
| | 6,437.55 | 7,610.42 |
| | 1,172.87 | (402.08) |

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Nectar Lifesciences Limited

(₹ in Million)

| Particulars | As At March 31, 2025 | As At March 31, 2024 |
|--|-------------------------|-------------------------|
| Note - 25 “Employee Benefit Expenses” | | |
| Salaries & Wages | 835.50 | 728.79 |
| Remuneration To Directors | 28.62 | 29.59 |
| Contribution to Provident and Other Funds (Also refer Note - 43) | 42.92 | 38.08 |
| Staff Welfare | 57.71 | 50.25 |
| | 964.75 | 846.71 |
| Note - 26 “Financial Expenses” | | |
| Interest Expenses | 770.54 | 896.23 |
| Other Borrowing Costs & Foreign Exchange Fluctuation (Net) (Also refer Note - 48) | (24.75) | (24.81) |
| | 745.78 | 871.42 |
| Note - 27 “Other Expenses” | | |
| Manufacturing Expenses | | |
| Consumable Stores, Spares & Packing Expenses | 286.86 | 298.75 |
| Power, Fuel & Steam Expenses | 1,039.70 | 1,293.35 |
| Chemical Testing Expenses | 85.51 | 67.06 |
| Repairs & Maintenance | | |
| Electricals | 15.56 | 14.27 |
| Machinery | 181.81 | 162.03 |
| Building | 22.75 | 10.92 |
| Total - “A” | 1,632.18 | 1,846.38 |
| Administrative Expenses | | |
| Travelling & Conveyance | 18.89 | 18.79 |
| Advertisement & Subscription | 1.13 | 1.13 |
| Books & Periodicals | 0.20 | 0.16 |
| Business Promotion | 3.55 | 0.70 |
| Insurance | 43.59 | 57.79 |
| Electricity Expenses (Office) | 1.91 | 1.82 |
| Postage, Telephone, Telegram | 6.25 | 6.31 |
| Printing & Stationery | 11.55 | 8.15 |
| Professional Fees | 61.12 | 47.84 |
| Rate, Fees & Taxes | 29.87 | 11.57 |
| Vehicle Running & Maintenance | 7.98 | 8.21 |
| Rent (Also refer Note - 49) | 20.31 | 18.89 |
| Audit Fees (Also refer Note - 50) | 2.50 | 2.50 |
| Office Expenses | 11.93 | 10.48 |
| Diwali & Pooja Expenses | 3.01 | 3.70 |
| Donation & CSR Expenses (Also refer Note - 51) | 17.05 | 13.86 |
| Contribution to Political Party (Also refer Note - 52) | - | 0.50 |
| Loss on sale of fixed assets | 0.14 | - |
| Total - “B” | 240.98 | 212.41 |
| Selling & Distribution Expenses | | |
| Discount & Samples | 56.27 | 25.30 |
| Freight & Cartage Outward | 318.11 | 261.10 |
| Sales Commission | 86.85 | 101.68 |
| Provision for Doubtful Debts/ Insurance claim | 16.08 | 9.33 |
| Total - “C” | 477.31 | 397.41 |
| Grand Total (“A” + “B” + “C”) | 2,350.47 | 2,456.20 |

28. Cash Flow Statement

Accounting Policies

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

29. Property Plant & Equipment

Accounting Policies

a) Recognition and measurement

Property, Plant & Equipment have been stated at cost, net of GST Input tax credit, but inclusive of import duties and other non-refundable taxes or levies, freight, and any directly attributable costs of bringing the assets to their working condition for their intended use and estimated cost of dismantling and restoring onsite less depreciation and impairment loss, if any; any trade discounts and rebates are deducted in arriving at the purchase price.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The costs of repairs and maintenance are charged to the statement of profit and loss account during the reporting period in which they are incurred.

b) Subsequent Expenditure

Subsequent expenditure is recognized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c) Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain and loss upon disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in the statement of profits and loss account.

d) Impairment of Assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) Depreciation

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014, of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

Depreciation on property, plant and equipment is provided on straight line basis using the lives as mentioned below:-

| Asset Class | Management's estimate of useful life (years) | Useful life as per Schedule II to the Companies Act, 2013 (years) |
|------------------------|--|---|
| Leasehold Land* | Over lease period | - |
| Building | 30 years | 30 years to 60 years |
| Tubewell | 5 years | 5 years |
| Plant and machinery | 15 years to 40 years (as the case may be) | 15 years to 40 years |
| Lab Equipment | 10 years | 5 years to 10 years |
| Furniture and fittings | 10 years | 10 years |
| Vehicles | 8 years | 8 years to 10 years |
| Computers | 3 years | 3 years to 6 years |
| Office equipment | 5 years | 5 years |

* Only leasehold cost

Based on technical parameters/assessments, the management believes that useful lives currently used fairly reflect its estimate of the useful lives and residual values of Property, plant, and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Depreciation on additions/(disposals) is provided on a pro-rata basis i.e., from/up to the date on which asset is ready or use/disposed off.

Depreciation on leasehold land is provided over the lease period and only on leasehold cost paid by the Company. Any unearned increase not attributable to lessor when the asset is sold is valued at Fair Value and no amortization is provided on the same. Leasehold improvements are depreciated over a period of the lease agreement or the useful life, whichever is shorter.

30. Capital Work in Progress

Ageing schedule for the year ended March 31, 2025:

(₹ in Million)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---------------------------------|--------------------------------|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Projects in Process | 2.42 | 0.88 | 0.96 | 1.35 | 5.61 |
| Projects temporarily suspended* | - | - | - | 561.67 | 561.67 |

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Ageing schedule for the year ended March 31, 2024:

(₹ in Million)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---------------------------------|--------------------------------|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Projects in Process | 0.88 | 0.96 | 1.35 | - | 3.19 |
| Projects temporarily suspended* | - | - | - | 654.31 | 654.31 |

*Completion time of projects is not ascertainable because the projects have been temporarily suspended.

Accounting Policies

Cost of property, plant, and equipment not ready for use as at the reporting date are disclosed as capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

31. Intangible Assets

During the year, the Company incurred an amount of ₹ 162.23 million (Previous Year ₹ 143.56 million) on product development, product approval and such other related development expenses, recognized as Intangible Assets in the books of accounts and the same is amortized on straight line basis over a period of next seven years.

Ageing schedule for amortized value of intangible assets the year ended March 31, 2025

(₹ in Million)

| Particulars | Amount in Intangible assets for a period of | | | | Total |
|-------------------|---|--------------|--------------|-----------|--------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Intangible Assets | 162.23 | 123.05 | 109.41 | 170.35 | 565.04 |

Accounting Policies

a) Recognition and measurement

Intangible assets that are acquired are recognized only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost less accumulated amortization and impairment losses, if any.

The research costs are expensed as incurred. Development expenditure including regulatory cost and professional expenses leading to product registration/ market authorization relating to the new and/or improved product and/or process development is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The development costs capitalized include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use.

b) Subsequent Expenditure

Subsequent costs are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognized in the Statement of Profit and Loss account, as incurred.

c) Amortization

Amortization is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives and is generally recognized in depreciation and amortization expense in the Statement of Profit and Loss account. Intangible assets are amortized on straight line basis over a period of next seven years.

The estimated useful life of an identifiable asset is based on several factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

d) Derecognition

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss Account when the asset is derecognized.

32. Current and non-current classification

Accounting Policies

All assets and liabilities are presented in the Balance Sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

An asset is treated as current when:

- It is expected to be realized or intended to be sold or consumed in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realized within twelve months after the reporting period.
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The company classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

33. Foreign currency translation

Accounting Policies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognized in the Statement of Profit and loss Account in the period.

Initial recognition

Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year-end rates.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise and as per Ind AS 21, exchange differences arising on account of consolidation with foreign operation, are recognized in Other Comprehensive Income. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

34. Inventories

During the financial year 2020-21, the company engaged an independent technical expert – nominated by the Lead Bank under the Agency for Special Monitoring to perform a comprehensive quality assessment of certain raw materials and work in progress batches. Based on expert's findings, the Company reclassified inventory totaling ₹ 2,510.87 million from "inventories" (current) to "Non- Current Assets".

Notwithstanding the reports furnished by technical expert about the remaining non-current inventory, the management has, adhering to conservatism principle, decided to mark down the realizable value of inventory to ₹ 506.13 million from ₹ 1,773.31 million, based on the fact that the inventory has been in stocks for a considerable period. The resultant loss has been charged to the statement of profit and loss account in the fourth quarter. The management is confident that the value remaining after mark down is realizable.

The classification and measurement of net realizable value reflect significant management judgements and estimates concerning market demand, processing yields and future selling prices. These estimates are inherently uncertain and actual outcomes may differ. Accordingly, the company periodically reviews and adjusts carrying amounts as warranted by changing conditions.

Accounting Policies

Raw materials, Stores and Spares and Packing material.

Goods are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost of inventory comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished Goods and work in process.

Finished goods and work in process are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost includes direct material, labour and proportionate manufacturing overheads.

Traded goods

Traded goods are valued at "Cost" or "Net Realizable Value" whichever is lower. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The Company uses the first in first out (FIFO) method to determine costs for all categories of inventories.

35. Financial Instruments

a) Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|---------------------|---------------------|
| Financial assets measured at fair value: | | |
| Investments | 5.27 | 4.92 |
| Financial assets measured at amortized cost: | | |
| Investments | 2.38 | 2.38 |
| Trade receivables | 3,539.72 | 3,873.48 |
| Cash and cash equivalents | 192.22 | 198.06 |
| Loans | 8.57 | 9.24 |
| Other financial assets | 107.63 | 120.63 |
| Total financial assets | 3,855.79 | 4,208.71 |
| Financial liabilities measured at amortized cost: | | |
| Long term borrowings | 1,418.07 | 2,233.18 |
| Short term borrowings | 4,402.15 | 4,122.18 |
| Trade payables | 4,381.16 | 4,196.61 |
| Other financial liabilities | 497.73 | 387.30 |
| Total financial liabilities | 10,699.11 | 10,939.27 |

b) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the

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highest priority to quoted price in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value as at 31.03.2025:

(₹ in million)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investments | | | | |
| Investments in Equity shares and mutual funds | 5.27 | - | - | 5.27 |

Financial assets and liabilities measured at fair value as at 31.03.2024:

(₹ in million)

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| Investments | | | | |
| Investments in Equity shares and mutual funds | 4.92 | - | - | 4.92 |

c) Financial Risk Management

The Company is exposed to various types of financial risks in conduct of its business activities. The main risks to which it is exposed includes market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company maintains a core focus on the strategic management of financial risks to mitigate their potential detrimental impact on its fiscal performance. These risks are systematically governed by an approved policy, ensuring a comprehensive and robust approach to risk mitigation within the organization.

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit exposure.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---------------------------|------------------|------------------|
| Investments | 7.65 | 7.30 |
| Trade receivables | 3,539.72 | 3,873.48 |
| Cash and cash equivalents | 192.22 | 198.06 |
| Loans | 8.57 | 9.24 |
| Other financial assets | 107.63 | 120.63 |
| Total | 3,855.79 | 4,208.71 |

Expected credit losses for financial assets other than trade receivables:

Investments in equity shares and mutual funds are measured at mark to market hence, the credit risk associated with these investments already considered in valuation as on reporting date.

Company maintains its cash & cash equivalents and bank deposits with reputed banks. The credit risk on these instruments is limited because the counterparties are bank with high credit ratings assigned by domestic credit rating agencies. Hence, the credit risk associated with cash & cash equivalent and bank deposits is relatively low.

Loans comprise loans given to employees & director, which would be adjusted against salary and retirement benefits of the employees and hence credit risk associated with such amount is also relatively low.

Security deposits given for operational activities of the Company which will be returned to the Company as per the contracts with respective parties. The Company monitors the credit ratings of the counterparties on regular basis. These security deposits carry very minimal credit risk based on the Company's historical experience of dealing with the parties.

Credit risk in insurance claim receivables refers to the uncertainty surrounding the timely and full payment of claims by the insurance company. The company has filed insurance claims with the reputable insurers with strong financial ratings and track records of prompt claims settlement.

Expected credit losses for trade receivables:

Credit risks related to receivables is managed by Company's management by implementing policies, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on trade receivables by using lifetime expected credit losses as per simplified approach wherein the weighted average loss rates are analysed from the historical trends of defaults. Such provision matrix has been considered to recognize lifetime expected credit losses on trade receivables (other than those where defaults criteria are met).

The Company evaluates the concentration of risk with respect to trade receivables low since its customers are mainly reputed manufacturer and operate in independent markets. These receivables are written off when there is no reasonable expectation of recovery. There are no receivables which are in default as at period end, but the management allows for the impairment of trade receivables based on its historical experience of collection from its customers.

Movement in the allowance for impairment in respect of trade receivables:

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| a. Balance at the beginning of the period | 82.59 | 73.26 |
| b. Additional provision during the period | - | 9.33 |
| c. Deductions on account of recovery/write offs | 1.00 | - |
| Balance at the end of the period | 81.59 | 82.59 |

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ii. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use. The Company manages liquidity risk by maintaining adequate reserve, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Million)

| Particulars | Carrying Value | Contractual cash flows | | | Total |
|-----------------------------|------------------|------------------------|-----------------------|-----------------------|------------------|
| | | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | |
| As at 31.03.2025 | | | | | |
| Long term borrowings | 1,418.07 | 816.80 | 468.75 | 132.52 | 1,418.07 |
| Short term borrowings | 4,402.15 | 4,402.15 | - | - | 4,402.15 |
| Trade payables | 4,381.16 | 4,381.16 | - | - | 4,381.16 |
| Other financial liabilities | 497.73 | 497.73 | - | - | 497.73 |
| Total | 10,699.11 | 10,097.84 | 468.75 | 132.52 | 10,699.11 |
| As at 31.03.2024 | | | | | |
| Long term borrowings | 2,233.18 | 830.09 | 816.80 | 586.29 | 2,233.18 |
| Short term borrowings | 4,122.18 | 4,122.18 | - | - | 4,122.18 |
| Trade payables | 4,196.61 | 4,196.61 | - | - | 4,196.61 |
| Other financial liabilities | 387.30 | 387.30 | - | - | 387.30 |
| Total | 10,939.27 | 9,536.18 | 816.80 | 586.29 | 10,939.27 |

iii. Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

• Foreign Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited hence the Company does not use any derivative instruments to manage its exposure.

Foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in rupees, are as follows:

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| • Financial Assets | 1,182.69 | 972.13 |
| • Financial Liabilities | 3,317.87 | 2,959.22 |
| Net exposure to foreign currency risk liabilities | 2,135.18 | 1,987.09 |

Sensitivity

A reasonably possible strengthening (weakening) of the US dollar against ₹ at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

The sensitivity of profit/(loss) to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| USD sensitivity (Impact on profit before tax) | | |
| ₹ /USD increase by 200 bps* | (42.70) | (39.74) |
| ₹ /USD decrease by 200 bps* | 42.70 | 39.74 |
| USD sensitivity (Impact on equity post tax) | | |
| ₹ /USD increase by 200 bps* | (27.78) | (25.85) |
| ₹ /USD decrease by 200 bps* | 27.78 | 25.85 |

*Holding all other variables constant

• Interest Rate Risk

The Company's interest rate risk arises from debt borrowings. Company's borrowings are issued at variable rates that expose the Company to cash flow interest rate risk.

Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in million)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---------------------------------|------------------|------------------|
| Variable rate borrowings | | |
| Long term borrowings | 1,418.07 | 2,233.18 |
| Short term borrowings | 4,402.15 | 4,122.18 |
| Total Borrowings | 5,820.22 | 6,355.36 |

Fair value sensitivity analysis of interest rate

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A reasonably possible change of 50 basis points (bps) in variable interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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| (₹ in million) | | |
|--|---------------------|---------------------|
| Particulars | As at 31.03.2025 | As at 31.03.2024 |
| Interest rate sensitivity (Impact on profit before tax) | | |
| Interest rates increase by 50 bps* | (29.10) | (31.78) |
| Interest rates decrease by 50 bps* | 29.10 | 31.78 |
| Interest rate sensitivity (Impact on equity post tax) | | |
| Interest rates increase by 50 bps* | (18.93) | (20.67) |
| Interest rates decrease by 50 bps* | 18.93 | 20.67 |

*Holding all other variables constant

Accounting Policies

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

i. Initial recognition

The Company recognizes all financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the Statement of Profit and Loss Account. The losses arising from impairment are recognized in the Statement of Profit and Loss Account. This category generally applies to trade and other receivables.

• Debt instruments at fair value through Other Comprehensive Income (FVTOCI):

A 'debt instrument' is classified as at the fair value through other comprehensive income (FVTOCI) if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified to the Statement of Profit and Loss Account. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

• Debt instrument, Derivatives and Equity instruments at fair value through profit or loss FVTPL:

Fair value through Profit & Loss (FVTPL) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as fair value through other comprehensive income, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL (Refer Note 5). However, such an election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss Account. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss Account. Dividend income from investments is recognized in the Statement of profit and loss account on the date that the right to receive payment is established.

• Equity instrument at fair value through Other comprehensive income FVTOCI:

If the Company decides to classify an equity instrument as at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss Account, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

iii. Impairment of Financial Assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for financial assets which are not fairly valued through profit or loss account. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss Account.

iv. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flow from the asset have expired, or
- The company has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to the third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risk and rewards of the assets,

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or (b) the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but transferred control of the assets.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability.

The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Write off of financial assets the gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Investments are classified into Current and Non-current Investments. Non-Current Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at market rate at the year end.

b) **Financial Liabilities**

i. **Initial recognition and measurement**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit or Loss Account and financial liabilities at amortized cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost, they are measured net of directly attributable transaction cost. In the case of Financial Liabilities measured at fair value through Profit or Loss, transactions costs directly attributable to the acquisition of financial liabilities are recognized immediately in the statement of Profit or Loss Account.

The company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

ii. **Subsequent Measurement**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through the Statement of Profit or Loss Account and financial liabilities at amortized cost, as appropriate.

• **Financial Liabilities at Fair Value through Profit or Loss:**

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss Account. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss Account.

• **Financial Liabilities at Amortized Cost:**

Financial Liabilities that are not held for trading and are not designated as at fair value through profit & loss (FVTPL) are

measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss Account when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss Account.

iii. **Derecognition of Financial Liabilities**

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss Account.

c) **Off-setting of Financial Instruments**

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

36. **Current Assets, Loans & Advances**

In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

37. **Trade Receivables**

Ageing schedule of Trade Receivables for the year ended March 31, 2025

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|-----------|----------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Non-Current | | | | | | |
| Undisputed Trade Receivables - which have significant increase in credit risk | - | - | 18.05 | 5.11 | 143.30 | 166.46 |
| Current | | | | | | |
| Undisputed Trade Receivables – considered good | 3,418.92 | 35.93 | - | - | - | 3,454.85 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |

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(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|--------------|-----------------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Expected credit loss allowances | - | - | 4.52 | 2.55 | 74.52 | 81.59 |
| Total | 3,418.92 | 35.93 | 13.53 | 2.56 | 68.78 | 3,539.72 |

Ageing schedule of Trade Receivables for the year ended March 31, 2024

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|--------------|-----------|-----------------|
| | < 6 Months | 6 Months to 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| Non-Current | | | | | | |
| Undisputed Trade Receivables - which have significant increase in credit risk | - | - | 17.02 | 142.18 | 4.93 | 164.13 |
| Current | | | | | | |
| Undisputed Trade Receivables – considered good | 3,776.95 | 14.99 | - | - | - | 3,791.94 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Less: Expected credit loss allowances | - | - | 4.25 | 73.41 | 4.93 | 82.59 |
| Total | 3,776.95 | 14.99 | 12.77 | 68.77 | - | 3,873.48 |

38. Income Tax

Tax Expense Comprises of:

(₹ in million)

| Particulars | FY 2024-25 | FY 2023-24 |
|------------------------------------|-----------------|---------------|
| Current Tax | - | - |
| Deferred Tax Liability/ (Asset) | (557.58) | 68.59 |
| Mat Credit of earlier years lapsed | 79.05 | 64.15 |
| Total | (478.53) | 132.74 |

Current Tax

Provision for Current Income Tax has been made as per Income Tax Act, 1961, based on legal opinion obtained by the Company from its income tax consultant and the statutory auditors have relied upon the said legal opinion for the purpose of current income tax.

Deferred Tax

In compliance with Indian Accounting Standard (Ind AS 12) relating to "Income Tax" issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date, the Company has provided Deferred Tax Asset during the year aggregating to ₹ 557.58 million (Previous Year deferred tax reversal of ₹ 68.59 million) and it has been recognized in the Statement of Profit & Loss Account. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

Reconciliation of effective tax rate

(₹ in million)

| Particulars | Year ended 31.03.2025 | | Year ended 31.03.2024 | |
|--|-----------------------|-----------------|-----------------------|--------------|
| Profit/ (Loss) before tax | (1,615.34) | | 182.76 | |
| Tax using the domestic tax rate | 34.94% | (564.46) | 34.94% | 63.86 |
| Tax effect of | | | | |
| Tax on account of Permanent Difference | 0.43% | 6.99 | 2.93% | 5.35 |
| Adjustment of income not taxable or deductible | (0.01%) | (0.11) | (0.34%) | (0.62) |
| Total income tax expense | 34.52% | (557.58) | 37.53% | 68.59 |

39. Cash and Cash Equivalents

FDRs with Banks reflects amount on account of FDRs held as Margin Money.

Accounting Policies

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For cash flow statement, cash and cash equivalent includes cash in hand, in banks, and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

40. Share Capital

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the

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remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company doesn't have any holding company.

a) Shareholders holding more than 5% of the shares:

| Particulars | As at 31 st March, 2025 | | As at 31 st March, 2024 | |
|---|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | Number of shares held | Percentage of shares held | Number of shares held | Percentage of shares held |
| Mr. Sanjiv Goyal | 55,845,600 | 24.90% | 55,845,600 | 24.90% |
| Depository of GDRs | - | - | 46,000,000 | 20.51% |
| Sanjiv (HUF) | 43,622,400 | 19.45% | 43,622,400 | 19.45% |
| NSR Direct PE Mauritius, LLC (Name changed to Isengard Direct PE LLC) | - | - | 26,000,000 | 11.59% |

Note:

Since, in previous year, the equity shares underlying GDRs were held by Deutsche Bank Trust Company Americas, being depository of GDRs, hence disclosed per se.

All the equity shares held by the promoter group i.e., Mr. Sanjiv Goyal and Sanjiv (HUF) are pledged with bankers (except vehicle loan providers) of the company.

b) Reconciliation of the number of shares outstanding:

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| Equity shares at the beginning of the year | 224,260,970 | 224,260,970 |
| Add: Shares issued during the year | Nil | Nil |
| Equity shares at the end of the year | 224,260,970 | 224,260,970 |

There is no equity share movement during the 5 years preceding March 31, 2025.

c) Shareholding of Promoters*

| Shares held by promoters at the end of the period | | | |
|---|---------------|----------------------------|-----------------------------------|
| Promoter's Name | No. of Shares | Percentage of total shares | Percentage change during the year |
| Mr. Sanjiv Goyal | 55,845,600 | 24.90% | Nil |
| Sanjiv (HUF) | 43,622,400 | 19.45% | Nil |
| Mrs. Raman Goyal | 400,000 | 0.18% | 0.18% |

*Promoters as per Shareholding pattern filed with BSE.

41. Borrowings

a) Secured Loans

Long Term Loans from various banks are secured by way of First Pari Passu Charge on all the fixed assets of the Company (both present & future) and further secured by way of Second Pari Passu Charge on all the current assets of the Company, personal guarantee of Sh. Sanjiv Goyal, Chairman & Managing Director & Sanjiv HUF (HUF of Sh. Sanjiv Goyal) and pledging of their 100% shares.

Repayment Schedule of Term Loans:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | 814.80 |
| 2-5 | 466.95 |
| >5 | - |

b) Unsecured Loans

Unsecured Loans comprise of Vehicle Loans which are secured against hypothecation of respective vehicles and loan from promoter group as per the conditions of Resolution Plan implemented by the majority of the lenders on 21st June 2021.

Repayment Schedule of Vehicle Loans:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | 1.80 |
| 2-5 | 2.52 |
| >5 | - |

Repayment Schedule of loan from promoter group:

| Year of Repayment | Amount (₹ in Million) |
|-------------------|-----------------------|
| 1-2 | - |
| 2-5 | 130.00 |
| >5 | - |

c) Working Capital Limits are secured by way of First Pari Passu Charge on all the current assets of the Company and further secured by way of Second Pari Passu Charge on all the fixed assets of the Company, personal guarantee of Sh. Sanjiv Goyal, Chairman & Managing Director & Sanjeev and Sons HUF (HUF of Sh. Sanjiv Goyal) and pledging of their 100% shares.

42. Investor Education and Protection Fund

Other financial liabilities include ₹ 0.13 million (Previous year ₹ 0.17 million) which relates to unpaid/ unclaimed dividend. During the year ₹ 0.04 million (Previous year ₹ 0.10 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

43. Employee Retirement Benefits

a) Defined Benefit Plans (Unfunded)

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year. The liabilities are unfunded.

The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows: -

| Particulars | 2024-25 | 2023-24 |
|----------------------------------|---|---|
| Discount rate | 6.60% p.a. | 7.00% p.a. |
| Salary Escalation | 5.00% p.a. | 5.00% p.a. |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. |
| Retirement Age | 58 Years | 58 Years |
| Average Remaining Future Service | 23.70 Years | 23.14 Years |
| Mortality Rates (Table A) | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. |

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Table A

| Age | Mortality Rates | Age | Mortality Rates |
|-----|-----------------|-----|-----------------|
| 20 | 0.000924 | 70 | 0.024058 |
| 30 | 0.000977 | 80 | 0.061985 |
| 40 | 0.001680 | 90 | 0.163507 |
| 50 | 0.004436 | 100 | 0.039773 |
| 60 | 0.011162 | 110 | 0.784383 |

Expenses recognized in the Statement of Profit & Loss in respect of this defined benefit plan are as follows: -

| (₹ in million) | | |
|---|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Current service cost | 9.80 | 8.41 |
| Past service cost | - | - |
| Interest on Defined Benefit Obligation (DBO) | 5.65 | 5.10 |
| Expected return on plan asset | - | - |
| Curtailment & Settlement cost/(credit) | - | - |
| Expenses recognized in the Statement of Profit & Loss | 15.45 | 13.51 |

Expenses recognized in Other Comprehensive Income in respect of this defined benefit plan are as follows: -

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 1.72 | 1.03 |
| Actuarial loss due to experience adjustments | (2.17) | 4.13 |
| Expense recognized as other comprehensive income | (0.45) | 5.16 |

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: -

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Present value of Defined Benefit Obligation as at 31 st March | 80.93 | 70.92 |
| Fair value of plan assets as at 31 st March | - | - |
| Funded Status | 80.93 | 70.92 |
| Unrecognized actuarial (gains)/losses | - | - |
| Net liability recognized in the balance sheet | 80.93 | 70.92 |

Changes in Present Value of Defined Benefit Obligations (DBO)

| (₹ in million) | | |
|---|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Present Value of Defined Benefit Obligation as at 1 st April | 70.92 | 58.62 |
| Interest on Defined Benefit Obligation | 5.65 | 5.10 |
| Current Service Cost | 9.80 | 8.41 |
| Benefits paid | (4.99) | (6.37) |
| Remeasurement of Define Benefit Obligation | (0.45) | 5.16 |
| Present Value of Define Benefit Obligation as at 31 st March | 80.93 | 70.92 |

Changes in the Fair Value of Plan Assets

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Fair Value of Plan Assets as at 1 st April | - | - |
| Acquisition Adjustments | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(loss) on Plan Assets | - | - |
| Fair Value of Plan Assets as at 31 st March | - | - |

Remeasurement of Defined Benefit Obligation

| (₹ in million) | | |
|--|---------------|-------------|
| Particulars | 2024-25 | 2023-24 |
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 1.72 | 1.03 |
| Actuarial loss due to experience adjustments | (2.17) | 4.13 |
| Total | (0.45) | 5.16 |

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below has been calculated by varying one assumption at a time and re-calculating the present value of the obligation. All assumptions, other than the one being varied, were left unchanged from their base values.

| (₹ in million) | | |
|--|---------|---------|
| Particulars | 2024-25 | 2023-24 |
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | (0.01) | (0.01) |
| Impact due to decrease of 1.00% | 0.01 | 0.01 |
| Impact of the change in future salary growth rate | | |
| Impact due to increase of 1.00% | 0.01 | 0.01 |
| Impact due to decrease of 1.00% | (0.01) | (0.01) |
| Impact of the change in attrition rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |

b) **Compensated absences (Unfunded)**

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provisions has been recognized in the statement of profit and loss account.

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The principal assumptions (demographic and financial) used for the purposes of the actuarial valuations were as follows: -

| Particulars | 2024-25 | 2023-24 |
|----------------------------------|---|---|
| Discount rate | 6.60% p.a. | 7.20% p.a. |
| Salary Escalation | 5.00% p.a. | 5.00% p.a. |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. |
| Retirement Age | 58 Years | 58 Years |
| Average Remaining Future Service | 23.70 Years | 22.62 Years |
| Mortality Rates (Table A) | Indian Assured Lives Mortality (2012-14) Ult. | Indian Assured Lives Mortality (2012-14) Ult. |

Table A

| Age | Mortality Rates | Age | Mortality Rates |
|-----|-----------------|-----|-----------------|
| 20 | 0.000924 | 70 | 0.024058 |
| 30 | 0.000977 | 80 | 0.061985 |
| 40 | 0.001680 | 90 | 0.163507 |
| 50 | 0.004436 | 100 | 0.039773 |
| 60 | 0.011162 | 110 | 0.784383 |

Expenses recognized in the Statement of Profit & Loss in respect of this defined benefit plan are as follows: -

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| Current service cost | 14.71 | 8.40 |
| Past service cost | - | - |
| Interest on Defined Benefit Obligation (DBO) | 3.91 | 2.96 |
| Expected return on plan asset | - | - |
| Curtailement & Settlement cost/(credit) | - | - |
| Expenses recognized in the Statement of Profit & Loss | 18.62 | 11.36 |

Expenses recognized in Other Comprehensive Income in respect of this defined benefit plan are as follows: -

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 0.53 | 0.29 |
| Actuarial loss due to experience adjustments | (8.39) | (0.19) |
| Expense recognized as other comprehensive income | (7.86) | 0.10 |

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows: -

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Present value of Defined Benefit Obligation as at 31 st March | 35.57 | 30.67 |
| Fair value of plan assets as at 31 st March | - | - |
| Funded Status | 35.57 | 30.67 |
| Unrecognized actuarial (gains)/losses | - | - |
| Net liability recognized in the balance sheet | 35.57 | 30.67 |

Changes in Present Value of Defined Benefit Obligations (DBO)

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|---|---------|---------|
| Present Value of Defined Benefit Obligation as at 1 st April | 30.67 | 24.44 |
| Interest on Defined Benefit Obligation | 3.91 | 2.96 |
| Current Service Cost | 14.71 | 8.40 |
| Benefits paid | (5.86) | (5.23) |
| Remeasurement of Define Benefit Obligation | (7.86) | 0.10 |
| Present Value of Define Benefit Obligation as at 31 st March | 35.57 | 30.67 |

Changes in the Fair Value of Plan Assets

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Fair Value of Plan Assets as at 1 st April | - | - |
| Acquisition Adjustments | - | - |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(loss) on Plan Assets | - | - |
| Fair Value of Plan Assets as at 31 st March | - | - |

Remeasurement of Defined Benefit Obligation

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------------|-------------|
| Actuarial loss due to changes in demographic assumptions | - | - |
| Actuarial loss due to changes in financial assumptions | 0.53 | 0.29 |
| Actuarial loss due to experience adjustments | (8.39) | (0.19) |
| Total | (7.86) | 0.10 |

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below has been calculated by varying one assumption at a time and re-calculating the present value of the obligation. All assumptions, other than the one being varied, were left unchanged from their base values.

(₹ in million)

| Particulars | 2024-25 | 2023-24 |
|--|---------|---------|
| Impact of the change in discount rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |
| Impact of the change in future salary growth rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |
| Impact of the change in attrition rate | | |
| Impact due to increase of 1.00% | - | - |
| Impact due to decrease of 1.00% | - | - |

c) Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss account as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the period aggregated to ₹ 42.92 million (Previous year ₹ 38.08 million).

Accounting Policies

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Current Employee Benefits:

- i) Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.
- ii) Contribution to the Provident Fund & Employee's State Insurance (ESI), which is a defined contribution scheme, is recognized as an expense in the statement of profit and loss account in the period in which the contribution is due.
- iii) The Company has adopted a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- iv) Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

b) Long Term Employee Benefits

i) Post-Employment Benefits (Defined Benefit Plans)

Gratuity liability accounted for based on actuarial valuation as per Ind AS 19 'Employee Benefits'. Liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit and Loss Account.

Actuarial gain / loss pertaining to gratuity, post separation benefits and PF trust are accounted for as Other Comprehensive Income. All remaining components of costs are accounted for in the statement of profit and loss account.

ii) Post-Employment Benefits (Defined Contribution Plans)

A defined contribution plan is a post-employment benefit plan where the Company legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. The Company makes specified monthly contributions towards the Government administered provident fund scheme.

Contribution to the Provident Fund is made in accordance with the provision of Employees Provident Fund Act, 1952, and is recognized as an expense in the statement of Profit and Loss account in the period in which the contribution is due.

44. Deferred Income

Deferred income from government grants pertains to capital subsidy of ₹ 10.00 million received from the Government of India towards installation of power plant to be written off through Statement of profit and loss account over the period of life of power plant i.e., ₹ 0.25 million over a period of 40 years.

Accounting Policies

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that underlying conditions will be complied with. Government grants are recognized in the Statement of Profit and Loss Account on a systematic basis over the years in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognized and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss Account on a systematic and rational basis over the useful lives of the related assets.

45. Trade Payable

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on information available with the Company.

The principal amount remaining unpaid as at 31st March 2025 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are ₹ 87.55 million (Previous year ₹ 108.62 million). The interest amount computed based on the provisions under Section 16 of the MSMED Act of ₹ 2.20 million (Previous year ₹ 0.96 million) remains unpaid as at 31st March 2025. The principal amount that remained unpaid as at 31st March 2024 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company based on information available with the Company and has been relied upon by the auditors.

i) Ageing schedule for the year ended March 31, 2025

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|--------------|--------------|-----------|----------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| MSME | 87.55 | - | - | - | 87.55 |
| Others | 4,292.27 | 1.18 | 0.16 | - | 4,293.61 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

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ii) Ageing schedule for the year ended March 31, 2024

(₹ in Million)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|--|--------------|--------------|-----------|----------|
| | < 1 Year | 1 to 2 Years | 2 to 3 Years | > 3 Years | |
| MSME | 108.62 | - | - | - | 108.62 |
| Others | 4,075.26 | 2.14 | 10.59 | - | 4,087.99 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |

46. Provisions

Accounting Policies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

47. Segment Reporting

i) Primary Segment (Business Segment)

The Company operates only in the business segment of "Pharmaceuticals Products", and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and rewards. As such the activities are identified as single segment in accordance with the Indian Accounting Standard (Ind AS 108) issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date.

ii) Secondary Segment (By Geographical Segment)

(₹ in million)

| S. No. | Particulars | FY 2024-25 | FY 2023-24 |
|--------|---------------------------------------|------------------|------------------|
| a. | India | 11,715.75 | 11,463.52 |
| b. | Outside India | 7,368.24 | 7,794.80 |
| | Total Sales (inclusive of GST) | 19,083.98 | 19,258.32 |

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

iii) Revenue from Major Customers

Revenue from one customer of the company pharmaceutical segment represented approximately ₹ 1,262.72 million (Previous year 2,274.08 million) of the company's total revenue.

48. Other Borrowing Costs

Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to ₹ 85.27 million (Previous Year ₹ 97.50 million).

Accounting Policies

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

49. Leases

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases. Lease payments recognized in the Statement of Profit and Loss Account are ₹ 20.31 million (Previous Year ₹ 18.89 million).

50. Payment to Auditors

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---|---------|---------|
| a. | Statutory Audit and Limited Review Fees | 2.10 | 2.10 |
| b. | Tax Audit Fee | 0.40 | 0.40 |
| c. | GST | 0.45 | 0.45 |

51. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---|---------------|---------------|
| a. | Gross amount required to be spent by the Company during the period based on 2% of average net profits | - | - |
| b. | Reversal of last year excess expenditure | 2.24 | - |
| c. | Amount spent during the period on: • Education | 2.45 | 2.24 |
| d. | (Excess) / Shortfall a - b - c | (4.69) | (2.24) |

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The Company has an excess CSR spent of ₹ 4.69 million (Previous year ₹ 2.24 million) which it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet. In respect to section 135(5) of Companies Act, 2013

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|---------|---------|
| a. | Opening balance of CSR Spent | 2.24 | - |
| b. | CSR required to be spent during the year | - | - |
| c. | CSR spent during the year | 2.45 | 2.24 |
| d. | Closing balance of CSR Spent | 4.69 | 2.24 |

52. Contribution to Political Party

Contribution to political party is amounting to "Nil" (Previous year ₹ 0.50 Million paid to "Bhartiya Janta Party").

53. Earnings Per Share (EPS)

| Particulars | Unit | FY 2024-25 | FY 2023-24 |
|---|--------------|-------------|-------------|
| Profit after Tax, before other comprehensive income | ₹ in million | (1,136.81) | 49.95 |
| No of Shares Outstanding | Nos. | 224,260,970 | 224,260,970 |
| No of Weighted Average equity shares | Nos. | 224,260,970 | 224,260,970 |
| Diluted | Nos. | 224,260,970 | 224,260,970 |
| Nominal value of equity shares | ₹ | 1.00 | 1.00 |
| Earnings per Share | | | |
| -Basic | ₹ | (5.07) | 0.22 |
| -Diluted | ₹ | (5.07) | 0.22 |

Accounting Policies

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity-shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity-shares outstanding during the year after adjusted for the effects of all dilutive potential equity shares.

54. Related Party Disclosures

Related party disclosures as required under Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" issued under Companies (Indian Accounting Standards) Rule 2016, as amended up to date, are given below: -

a) Relationship

i) Key Management Personnel

- Mr. Sanjiv Goyal, Chairman & Managing Director
- Mr. Puneet Sud, Whole-time Director
- Mr. Amit Chadah, Chief Executive Officer
- Mr. Sushil Kapoor, Chief Financial Officer
- Ms. Neha, Company Secretary (upto 28.02.2025)
- Mr. Sanjaymohan Singh Rawat, Company Secretary (w.e.f. 01.04.2025)

ii) Joint Ventures and Associates

- None

iii) Relatives of the Key Management Personnel*

- Mrs. Raman Goyal

iv) Entities over which key management personnel/their relatives are able to exercise significant influence*

- Nectar Lifesciences Charitable Foundation (CSR vehicle of the company)

* With whom the Company had transactions during the year.

b) Transactions with related parties during the year

i) Key Management Personnel (KMP) and their relatives

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|---------|---------|
| a. | Director Remuneration & Perquisites* | 28.62 | 29.59 |
| b. | Salary & Perquisites* | 16.67 | 15.99 |
| c. | Rent (Excluding GST) | 8.40 | 8.40 |
| d. | Loan given to KMP | - | 7.50 |
| e. | Interest income on above loan to KMP | 0.68 | 0.05 |
| f. | Repayment of loan & advance by KMP | 0.86 | 2.20 |
| g. | Security received from KMP towards motor vehicle as a condition of service applicable to all the employees | - | 0.35 |

*Includes Taxable value of Perquisites as per Income Tax Act 1961 and including sitting fees paid to non-executive directors

ii) Entities over which key management personnel/their relatives are able to exercise significant influence:

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|-------------------------------------|---------|---------|
| a. | CSR expenditure through CSR vehicle | 2.45 | 2.24 |

c) Balances at the year end

i) Key Management Personnel and their relatives

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|--|---------|---------|
| a. | Director Remuneration & Perquisites* | 10.51 | 0.41 |
| b. | Salary & Perquisites* | 0.63 | 0.21 |
| c. | Rent (Excluding GST) | - | - |
| d. | Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress' | 130.00 | 130.00 |
| e. | Loan & advance to KMP | 7.55 | 8.41 |
| f. | Security received from KMP towards motor vehicle as a condition of service applicable to all the employees | 0.35 | 0.35 |

ii) Entities over which key management personnel/their relatives are able to exercise significant influence:

(₹ in million)

| S. No. | Particulars | 2024-25 | 2023-24 |
|--------|---------------------|---------|---------|
| a. | Balance at year end | - | - |

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55. Contingent Liabilities and Commitments

(₹ in million)

| S. No. | Particulars | 31.03.2025 | 31.03.2024 |
|-----------|---|------------|------------|
| a) | Contingent Liabilities | | |
| i) | Claims not acknowledged as debts: - * | | |
| | • Income Tax matters** | 889.95 | 889.95 |
| | • Excise & GST matters @ | 377.11 | 1,049.74 |
| | • Service Tax matters # | 7.22 | 7.22 |
| | • VAT & CST matters § | - | 13.76 |
| ii) | Bank Guarantees | 7.23 | 9.24 |
| iii) | Bills Discounted | 17.28 | 47.64 |
| iv) | Letter of Credit (Foreign / Inland) | 45.80 | 123.86 |
| v) | Others` | - | - |
| b) | Commitments | | |
| i) | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) | 17.90 | 20.45 |

* The matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings for cases, when ultimately concluded, will not have a material effect on the results of operation or financial position of the company.

** MAT credit entitlement would be reduced by ₹ 580.98 million, in case of adverse judgment and ₹ 299.00 million will be adjusted against the MAT credit entitlement already lapsed in the books of accounts.

@Amount deposited under protest ₹ 25.62 million.

Amount deposited under protest ₹ 0.52 million.

` In case demand is confirmed, penalty up to equivalent amount may be imposed.

§ Amount deposited under protest "Nil" (Previous year ₹ 3.44 million).

Interest and claims by customers, suppliers, lenders, and employees may be payable as and when the outcome of the related matters is finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Company in respect of these matters.

Accounting Policies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic

benefits will arise, the asset and related income are recognised in the period in which the change occurs.

56. Derivatives

Currency derivatives

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts and currency options is governed by the Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

57. Disclosure of Transactions with Struck off Companies:

As per the information available with the company, the Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

58. Capital Management:

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings except through leasing. The Company is not subject to any externally imposed capital requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024.

59. Credit Rating

The following table presents an analysis of the credit quality of debt securities issued by the Parent Company and its subsidiary. Rating has been obtained from credit rating agency CARE Ratings Ltd (Previous year from Brickwork Ratings India Private Ltd). The details of which are as below:

| Nature of facility | FY 2024-25 | FY 2023-24 |
|------------------------------------|-----------------|-----------------|
| Long term fund-based facility | 5,725.60 BB | 6,369.70 BB- |
| Short Term Non-Fund Based Facility | 3,574.40 A4+ | 3,574.40 A4 |

60. Additional Regulatory Disclosure Requirements

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- Crypto Currency or Virtual Currency
- Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- Registration of charges or satisfaction with Registrar of Companies
- Compliance with number of layers of companies

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- e. Relating to borrowed funds:
 - i. Willful defaulter
 - ii. Utilization of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilization of borrowings
 - v. Current maturity of long-term borrowings
- f. Title deeds of immoveable properties not held in name of company.
- g. Relationship with Struck off Companies.
- h. Revaluation of property, Plant and equipment as no such revaluation taken place during the year.
- 61. The Company has re-grouped the previous year's figures to confirm the current year's classification.

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746



Nectar Lifesciences Limited

(CIN: L24232PB1995PLC016664)

Registered Office: Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab

Email: cs@neclife.com, Website: www.neclife.com

Phone: +91-01762-532001 Fax: +91-01762- 531833

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures.

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| S. No. | Particulars | |
|--------|---|--|
| 1. | Name of the subsidiary | Neclife PT, Unipessoal LDA Portugal |
| 2. | The date since when subsidiary was acquired | 11 th July 2019 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | Euro and Exchange rate is ₹ 92.3246 for 1 Euro |
| 5. | Share capital | 80,280 |
| 6. | Reserves & surplus | (60,989) |
| 7. | Total assets | 19,291 |
| 8. | Total Liabilities | - |
| 9. | Investments | - |
| 10. | Turnover | - |
| 11. | Profit/ (Loss) before taxation | - |
| 12. | Provision for taxation | - |
| 13. | Profit after taxation | - |
| 14. | Proposed Dividend | - |
| 15. | % of shareholding | 100 |

Notes: The following information shall be furnished at the end of the statement:

1) Names of subsidiaries which are yet to commence operations:

a) Neclife PT, Unipessoal LDA Portugal

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of associates/Joint Ventures | N.A. |
|---|------|
| 1. Latest audited Balance Sheet Date | N.A. |
| 2. Date on which the Associate or Joint Venture was associated or acquired | N.A. |
| 3. Shares of Associate/Joint Ventures held by the company on the year end | N.A. |
| No. | N.A. |
| Amount of Investment in Associates/Joint Venture | N.A. |
| Extend of Holding% | N.A. |
| 4. Description of how there is significant influence | N.A. |
| 5. Reason why the associate/joint venture is not consolidated | N.A. |
| 6. Net worth attributable to shareholding as per latest audited Balance Sheet | N.A. |
| 7. Profit/Loss for the year | N.A. |
| i. Considered in Consolidation | N.A. |
| ii. Not Considered in Consolidation | N.A. |

- Names of associates or joint ventures which are yet to commence operations: N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

Sanjaymohan Singh Rawat
Company Secretary

Place: Chandigarh
Date: 07.07.2025

For Deepak Jindal & Co.
CHARTERED ACCOUNTANTS
Firm Regn. No. 023023N

(Onkar Singh)
Partner
M. No. 514746

Notes



CORPORATE INFORMATION

BOARD OF DIRECTORS AT PRESENT

Mr. Sanjiv Goyal, Chairman & Managing Director

Dr. Indu Pal Kaur, Independent Director

Dr. Kuldip Kumar Bhasin, Independent Director

Dr. Rupinder Tewari, Independent Director

Ms. Meena Verma, Nominee Director

Dr. Surulichamy Senethilkumar, Director (R & D)

Chief Executive Officer

Mr. Amit Chadah

Chief Financial Officer

Mr. Sushil Kapoor

Company Secretary

Mr. Sanjaymohan Singh Rawat

Auditors

M/s Deepak Jindal & Co.

Chartered Accountants

Unit No. A-203, Second Floor, Elante Offices,

Plot No. 178-178A, Industrial Area, Phase 1,

Chandigarh 160 002

Bankers

Punjab National Bank, Chandigarh

State Bank of India, Chandigarh

Export Import Bank of India, Mumbai

Jammu and Kashmir Bank Limited, Chandigarh

Axis Bank Limited, Chandigarh

REGISTERED OFFICE

Village Saidpura, Tehsil Derabassi,

Distt. S.A.S. Nagar (Punjab), INDIA

Ph: 01762-534001 | Fax: 01762-531833

CORPORATE OFFICE

SCO-38-39, Sec-9-D Chandigarh 160009 (UT), INDIA

Ph: 0172-5047915-16

Website: <https://www.neclife.com>

Head Office

A-920, 9th Floor, NAURANG HOUSE, 21

K.G. Marg, C.P. New Delhi - 110001

Ph: 011-42403311/22

Plant Locations

Nectar Lifesciences Limited-Unit-1

Village Saidpura, Tehsil Derabassi Distt.

S.A.S Nagar, (Punjab)

Nectar Lifesciences Limited-Unit-2

Village Saidpura, Tehsil Derabassi Distt.

S.A.S Nagar, (Punjab)

Empty Hard Gelatin Capsule Unit

Village Bhatoli Kalan, Pargana Dharampur

Tehsil Nalagarh, Distt. Solan (H.P)

Formulation Unit

Village Bhatoli Kalan, Pargana Dharampur

Tehsil Nalagarh, Distt. Solan (H.P)

Narbada Industries

Plot no-2, Lane no-4, Phase-2,

SIDCO Industrial Complex,

Bari Barhmana, Jammu (J & K)

Registrar & Share Transfer Agent

KFin Technologies Limited

Unit: Nectar Lifesciences Limited

Karvy Selenium Tower-B

Plot No.31-32, Gachibowli, Financial District,

Nanakramguda, Serilingampally, Hyderabad- 500032

Ph. 040-67161527 Fax. 040-23001153



Nectar Lifesciences Ltd.

SCO 38-39, Sector 9D, Madhya Marg, Chandigarh 160009 (India)
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