

Ref No. NLL/CS/2023- 278

August 11, 2023

1. National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: NECLIFE

2. BSE Limited
Corporate Relationship Department,
P J Towers, Dalal Street,
Mumbai 400 001
Scrip Code: 532649

Sub: Notice of Annual General Meeting and Annual Report

Dear Sir/ Madam,

Pursuant to Regulations 30 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the financial year ended on March 31, 2023, containing therein inter alia:

1. Notice of 28th Annual General Meeting (“AGM”).
2. Standalone Financial Statements, Directors and Auditors Report thereon.
3. Consolidated Financial Statements and Auditors Report thereon.
4. Corporate Governance Report.
5. Management Discussion and Analysis Report along with Attendance Slip and E-voting Instructions.

The above details are also available on the website of the Company.

This is for your information and records please.

Thanking you,

Yours faithfully,
For Nectar Lifesciences Limited

(Neha Vaishnav)
Company Secretary & Compliance Officer



ANNUAL REPORT

2022-2023



Nectar Lifesciences Ltd.

SERVING HUMANITY, SAVING LIVES

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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.

NOTICE

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: +91-01762-532001 Fax: +91-01762- 531833

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

NOTICE is hereby given that the 28th Annual General Meeting (“AGM”) of Nectar Lifesciences Limited (“Company”) will be held at the registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab - 140507 on Thursday, September 21, 2023, at 11.00 A.M. 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, 2023 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, 2023 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, 2023, 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, 2023 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, 2024, amounting to INR 2,00,000/- (Rupees Two Lacs only) as also the payment of tax(es) as applicable and re-imbursalment 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 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 the Contribution/ Donation to Bonafide Charitable Funds and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary** Resolution:

“**RESOLVED THAT** pursuant to Section 181 of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company be and is hereby authorized to subscribe or contribute or donate or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, sports, exhibition, national, public or any other institutions, objects or purposes or other funds not directly relating to the business of the Company or the welfare of its employees, from time to time in any financial year to the extent of Rupees Two Crore only, notwithstanding that such contributions of the Company, in any financial year, may exceed 5% of the average net profits of the Company for the three immediately preceding financial years.”

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and approve the re-appointment of Dr. Rupinder Tewari as an Independent Director for the second term of consecutive five years and in this regard, to consider and if thought fit, to pass the following resolution as a **Special** Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 (“Act”) and any other applicable provisions of the Act and the Rules made thereunder and Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), including any statutory amendment(s) or re-enactment(s) thereof, Dr. Rupinder Tewari (DIN 07009485), who was appointed as an Independent Director of the Company by the Members and whose first term of office expires on February 11, 2024 and who has submitted a declaration that he meets the criteria for independent as provided in Section 149(6) of the Act and LODR Regulations, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five years i.e. upto February 10, 2029, and shall not be liable to retire by rotation.

FURTHER RESOLVED THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

6. To consider and approve the revision in remuneration of Mr. Puneet Sud, Whole Time Director for rest of his tenure and in this regard, to consider and if thought fit, to pass the following resolution as a **Special** Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and read with Schedule V and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there-under and Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosures Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of Memorandum & Articles of Association and subject to the approval of Central Government, if necessary, the consent of the members be and is hereby accorded to the change in remuneration of Mr. Puneet Sud (DIN – 09735713) as a Whole time Director, designated as Director (Operations) of the company with effect from April 01, 2023 till the remaining tenure of his present term i.e. up to September 23, 2024, including to pay remuneration in case of inadequate profits or no profits in any financial year, as are set out herein below:

- a. **Salary:** INR 541,154/- (Rupees Five Lacs Forty-One Thousand One Hundred and Fifty Four Only) per month and be broken into various components as per HR policy of the company.
- b. He is also entitled to a bonus equivalent to his one-month salary in a financial year, proportionately to his tenure in a year.
- c. He shall be entitled to perquisites, superannuation benefits as applicable to other employees of his grade as per HR policy of the company.
- d. **Other Perquisites:** He will be reimbursed from time-to-time communication, travel & other such expenses on an actual basis for discharging his official duties for the Company.
- e. He shall not be entitled to Sitting fee for the Board/ Committee meetings attended by him.

FURTHER RESOLVED THAT, without prejudice to above resolutions, the other terms and conditions are as per HR policy of the company as applicable to other employees.

FURTHER RESOLVED THAT in the event of no profits or the profits of the company are inadequate, in any year, the Company may pay aforesaid remuneration to him exceeding the limits specified in the Schedule V of the Act, in compliance of Schedule V of the Act including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

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

(Neha Vaishnav)
Company Secretary
ACS:67387

Date: 26-05-2023
Place: Chandigarh

IMPORTANT NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company

carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. 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 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.
3. The register of members and the share transfer books of the company will remain closed from September 15, 2023, to September 21, 2023 (both days inclusive) in accordance with the provisions of the Act and the LODR Regulations, for the purpose of AGM.
4. 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.:
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. 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 Circular dated March 16, 2023 which are available on the RTA website: https://is.kfintech.com/clientservices/sc/default.aspx#isc_download_hdr 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.
5. Members who are holding shares in physical form are hereby informed that SEBI has amended regulation 40 of LODR Regulations vide Notification dated June 8, 2018 and January 24, 2022 and in terms of said notifications, the requests for effecting transfer and/ or transmission and/ or transposition of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
6. Members may please note that SEBI vide its Circular dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim on 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.

7. Electronic copy of the Annual Report for FY 2022-23 is being sent to all the members whose email IDs are registered with the Company/DPs for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for FY 2022-23 are being sent in the permitted mode.
8. Members may also note that the Notice of the 28th AGM and the Annual Report for FY 2022-23 will also be available on the Company's website www.neclife.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the AGM. Corporate members intending to send their authorised representatives to attend and vote at the AGM pursuant to Section 113 of the Act are requested to send, a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
10. Members desirous of having any information as regards accounts are requested to write to the company at least Seven days in advance so as to enable the Management to keep the information ready.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Corporate Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. The details of above offices are given in this Annual Report.
12. Pursuant to the provisions of Section 124 and 125 of the Act, the details of unpaid/ unclaimed dividends lying with the Company as on the last AGM of the Company is available on the website of the Company.
13. Members are informed that the dividend amount for the year ended 2015-16 remaining unclaimed or unpaid shall become due for transfer on November 1, 2023 to the Investor Education and Protection Fund ("IEPF") established by the Central Government in terms of the Act. 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.

The Company will send reminders to those members having shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account, are required to be transferred to the designated Beneficiary ("Demat") Account of the IEPF maintained with National Securities Depository Limited ("NSDL"). Details of such shareholders are also uploaded as per the requirements, on the Company's website www.neclife.com.

Members, who have not encashed their dividend, are advised to write to the Company or KFIN immediately claiming dividends declared by the Company. Any member, who has not claimed dividend in respect of the financial year ended 2015-16 onwards, is requested to approach the Company/ KFIN in this respect.

The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more in respect Dividend upto 2014-15) to designated Demat Account of the IEPF maintained with NSDL. Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares

from the IEPF Authority, by submitting an application in the prescribed form.

14. Pursuant to Section 108 of Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and LODR Regulations, the Company is pleased to provide members' facility to exercise their right to vote at the 28th AGM by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by KFIN. The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Thursday, September 14, 2023 (cut-off date), i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members for e-voting and for physical voting at the AGM shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date.

The remote e-voting facility will be available at the link <https://evoting.kfintech.com/> during the following voting period:

Commencement of remote e-voting: FROM 9.00 a.m. on Monday, September 18, 2023

End of remote e-voting: TO 5.00 p.m. on Wednesday, September 20, 2023.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFIN upon expiry of aforesaid period.

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. The facility for ballot / polling paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot/ polling paper. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the AGM.

The login ID and password for e-voting along with process and manner for generating or receiving the password and for casting of vote in a secure manner (remote e-voting instructions), is being sent along with this notice through permitted mode. 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 in remote e-voting instructions. 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 remote e-voting instructions are also available on the website of the company at www.neclife.com.

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"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. 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/myeasinew/Home/Login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) 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 i.e. CDSL/ NSDL/KFIN/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration 4) 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"> 1) 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.nsdl.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 Pass word. After successful

	<p>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.</p> <ol style="list-style-type: none"> 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/ideasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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
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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in dematerialised 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 022- 23058738 and 022-23058542-43.
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

The Company has appointed Mr. Prince Chadha, Practising Company Secretary (C.P. No. 12409), as Scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same 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, who shall act as Scrutinizer for e-voting and polling on resolutions to be passed at the forthcoming AGM of the Company.

After the conclusion of voting at the AGM, the scrutiner shall, immediately first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses (who shall not be in the employment of the company). Thereafter, Scrutinizer shall give a consolidated report, specifying the total votes cast in favour or against, if any, within forty-eight hours of conclusion of the AGM, to the Chairperson or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (www.neclife.com) and on the website of the KFIN (<https://evoting.kfintech.com/>). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

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. The Board recommends his reappointment as proposed in Item No. 2. 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.

Mr. Sanjiv Goyal, aged 63 years, is commerce and law graduate and have an experience of more than 35 years in various industries specially in pharmaceuticals. Mr. Goyal established Nectar Lifesciences Limited in 1995 and had been its CMD ever since i.e. June 27, 1995. 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.

The details of number of board and committee meetings attended by him and details of remuneration drawn have been provided in the Corporate Governance Report, forming part of the Annual Report.

Apart from receiving managerial remuneration, Mr. Sanjiv Goyal holds 55845600 equity shares in the Company representing 24.90% of total paid up share capital of the company. He also holds 43622400 equity shares as an ultimate beneficial owner as a Karta of Sanjiv (HUF) representing 19.45% of total paid up share capital of the company.

He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities. He has expertise in Overall Business Management and Corporate Management.

He is holding directorship in the Nectar Organics Private Limited. He is not holding directorship in any other listed entity. Further, he has not resigned from any of the listed entity in past 3 years.

Mr. Sanjiv Goyal is the Chairman of CSR Committee, Risk Management Committee and Management Committee and a Member of Stakeholders’ Relationship Committee and Audit Committee of the Company. He does not hold Committee memberships/ Chairmanships in any other company.

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 Item No. 2. He does not have any relation with any other directors or KMPs.

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, 2024 on the remuneration of INR 2 Lacs. 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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024. The Board recommends the Ordinary Resolution set out at Item no. 3 of the Notice for the approval of the Members.

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

Item No. 4

The members may please note that there was a drastic change in the laws governing CSR expenditures in recent past including that all trusts/ societies etc. which are incurring CSR expenditure have to be exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under sections 12A and 80G of Income Tax Act, 1961 and to obtain CSR registration from Ministry of Corporate Affairs. Some of the trusts/ societies, which are incurring CSR expenditure on behalf of the Company, were not able to get the requisite registrations/ exemptions. However, the Company is proposing to donate some amounts to that trusts/ societies etc. so that they could continue their welfare activities without any interruption in the interest of the society.

Pursuant to Section 181 of the Act, prior permission of the shareholders is required in the event that the Company contribute/ donate to any bona fide charitable and other funds in case any such amount, the aggregate of which, in any financial year exceed five per cent of its average net profits for the three immediately preceding financial years.

Accordingly, it is proposed to obtain the members' approval to contribute/ donate to bona fide charitable and other funds not exceeding Rupees Two Crore in any financial year notwithstanding such contribution, in any financial year, exceeds five per cent of the Company's average net profits for the three immediately preceding financial years.

The Board recommends the Ordinary Resolution set out at Item no. 4 of the Notice for the approval of the Members.

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

Item No. 5

Dr. Rupinder Tewari (DIN 07009485), has been appointed as an Independent Director of the Company on February 11, 2019 for a term of five years. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed to re-appoint him as Independent Director for second term for a period of 5 years. Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and LODR Regulations, approval of the members by way of a special resolution is required for re-appointment of Independent Director for a second term. The Board recommends the special resolution for re-appointing him for a second term for a period upto February 10, 2029.

Dr. Rupinder Tewari, aged 67 years, is a Professor and Coordinator in centre of Microbial Biotechnology, Panjab University ("PU"), Chandigarh. A qualified B.Sc. (Hons. School), M.Sc. (Hons. School), Ph.D. (Microbiology), Panjab University, Chandigarh (PU), Ph.D. (Microbiology) University of London, London, U.K. and Post-Doctoral Fellow, Oakland University, Rochester, MI, USA (1986-87), Washington University, St. Louis, MO, USA (1987-90). He enjoys the experience of more than 41 years. Total research publications are 100, he has written 5 books on Microbiology and Biotechnology. He has also filed a patent (Rapid detection of typhoid).

He was senate member of PU from 2008 to 2016 and Dean (Faculty of Science) from 2012 to 2014. He is Founder & Chief-Coordinator, 'DST-Centre for Policy Research', PU, Chandigarh. (2014-till date). He was also a Founder & Chief-Coordinator, BIRAC (Gol) sponsored 'Centre for Innovation Cluster in Biotechnology (CIC-B)' in PU, Chandigarh. (2014-16). He also designed "Biotechnology Policy-2004" for U.T. (Chandigarh). He has expertise in Microbiology and Biotechnology.

He does not hold any equity share in the Company. He also does not hold any directorship or committee membership/ chairpersonship in any other company. He has not resigned from the post of director of a listed entity in last three years.

The details of number of Board and committee meetings attended by him are given in Corporate Governance Report. The details of sitting fee drawn have been provided in the Corporate Governance Report forming part of the Annual Report. He will be eligible for payment of sitting fee, as payable to other non-executive directors of the Company. He is the Chairperson of Audit Committee and NRC of the Company and member of Risk Management Committee of the Company.

He has certified that he is not disqualified to become a Director under the Act and not debarred from holding the office of Director by virtue

of any SEBI Order or any other such authority. He is not disqualified from being a Director in terms of Section 164 of the Act.

He has provided the declaration to the effect that he met the criteria of independence as provided under section 149(6) of the Act and LODR Regulations and he is not aware of any circumstance or situation, which existed or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. He has also submitted a declaration of compliance of sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the LODR Regulations and available for inspection by the members at the registered office of the Company during business hours.

The NRC has evaluated the performance of Dr. Tewari and was satisfied his performance as an Independent Director. Dr. Rupinder Tewari fulfils the requirement of his role of Skills/expertise/ competence as an Independent Director as specified below:

1. Knowledge of domain of Pharmaceuticals, Science & Research
2. Overall familiarity about Finance, Accounting, Manufacturing, Quality Management Systems, Sales, marketing and business development
3. Risk Management Awareness

Dr. Tewari is on the Board of the Company in the Non-Executive Independent category since 2019 and has been contributing immensely to the Board and Committee deliberations and the Company is benefitted out of his vast experience in various fields of Microbial Biotechnology and Management. In the opinion of the Board, Dr. Tewari fulfils the conditions specified in the Act, the Rules thereunder and the LODR Regulations for re-appointment as an Independent Director and that he is independent of the management of the Company.

The Board recommends the Special Resolution set out in Item No. 5 of the accompanying Notice for approval by the Members.

Except Dr. Rupinder Tewari, none of the Directors and Key Managerial Personnel (KMPs) of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution. He does not have any relation with any other directors or KMPs.

Item No. 6

The members may please note that consequent performance appraisal and as a part of annual increment in remuneration of all employees, and based on profile, experience and expertise, the Nomination & Remuneration Committee ("NRC") reviewed and recommended to the Board of Directors the change in remuneration of Mr. Puneet Sud (DIN-09735713), Wholetime Director designated as Director (Operations).

Based on the recommendation of NRC, and pursuant of provisions of Sections 196, 197 and 203 read with Schedule V of the Act and LODR Regulations, the Board of Directors vide resolution dated May 26, 2023 have approved to change in remuneration of Mr. Puneet Sud Director (Operations) of the Company as specified in the Item no. 6 of this Notice of AGM.

Statements of Particulars pursuant to Schedule-V of the Act, LODR Regulations and SS-2 are given as annexure 'A' to this explanatory statement and shall be deemed to be part of this explanatory statement.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Act, the Board recommends the Special Resolution of Item no. 6 of the accompanying Notice of AGM for the approval of the Members.

Except Mr. Puneet Sud, none of the Directors and Key Managerial Personnel (KMPs) of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution. He does not have any relation with any other directors or KMPs.

Annexure 'A' as referred in Item Nos. 6

The Members may please note the company has incurred losses during the Financial Year ("FY") 2022-23 due to supply chain disruptions and it is not sure that the company would not incur losses in the future as well. Therefore, it is proposed that in the event of no profit, or the profits of the company are inadequate, during the tenure of Director (Operations), the company may pay remuneration to him exceeding the limit under the Schedule V of the Act in compliance of Schedule V of the Act including any statutory modifications or re-enactment thereof. Therefore, it is proposed to pay remuneration to Mr. Puneet Sud, as proposed in Item No. 6 and seek the approval of members by way of special resolution pursuant to the provisions of Sections 197, Schedule V as applicable and other applicable provisions, if any, of the Act.

Statement of particulars pursuant to Schedule-V of the Act, LODR Regulations and SS-2

The Particulars of the information, pursuant to the provisions of Section II, Part II, of Schedule V of the Act, LODR Regulations and SS-2 are as under:

1. General information:

- Nature of Industry:** Drugs and Pharmaceuticals
- Date or expected date of commencement of Commercial Production:** Not applicable as Company is an existing company and have facilities where commercial production is already started.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable and as provided in clause (b) above.

2. Information about the appointee:

Particular	Details
a) Background Details:	<p>Mr. Puneet Sud (DIN- 09735713), aged 57 years, has completed his Bachelors in Technology in Chemical Engineering from Indian Institute of Technology- BHU, Varanasi.</p> <p>He's a techno-commercial expert in Manufacturing & Operations of Regulated API's & intermediates, Product Development, CRAMS and Contract Manufacturing in the Pharmaceutical and Life Sciences domain and demonstrated success in leading change and driving Continuous Improvement, Statutory Compliances, and business growth objectives with P&L accountability.</p> <p>Mr. Sud had joined the Company on October 05, 2021 and was designated as a Senior Vice President (Operations) at Unit II, Derabassi and elevated to the position of Director (Operations) w.e.f. September 24, 2023.</p>
b) Past Remuneration:	Mr. Sud was drawing the remuneration of INR 5,15,385/ per month with a bonus equivalent to his one month salary in a year.
c) Recognition or awards:	He was recognized and awarded by Piramal Enterprises Limited for site turnaround. Further, he was elevated from the position of Senior Vice President (Operations) as a Director (Operations) in the Company.

d) Financial performance based on given indicators:

INR in Millions

Particulars	Year ended on 31-Mar-23	Year ended on 31-Mar-22	Year ended on 31-Mar-21
Gross Sales (Including GST)	17465.57	19249.22	17622.69
Other Income	431.79	113.18	37.94
Profit before Interest, Depreciation & Amortization and Tax	979.02	1701.31	1129.49
Interest	794.76	788.10	1120.32
Depreciation & Amortization	591.19	569.68	602.53
Profit (Loss) before exceptional items & tax	(406.94)	343.53	(593.36)
Exceptional Items (Net of Tax)	-	-	253.15
Profit Loss before tax	(406.94)	343.53	(846.51)
Tax expenses	(182.37)	90.34	(115.04)
Profit Loss after tax	(224.57)	253.20	(731.47)
Other Comprehensive income (Net of Taxes)	1.88	8.13	3.94
Profit Loss after tax available for Appropriations	(222.69)	261.32	(727.53)

e) Foreign investments or collaborations, if any:

Global Depository Receipts (GDRs)

GDRs: The Company has issued and allotted 46,000,000 equity shares underlying 46,000,000 Global Depository Receipts (GDRs) aggregating to US\$ 34.96 Million. The GDRs are listed on: Luxembourg Stock Exchange/ LuxSE Société de la Bourse de Luxembourg S.A. B. P. 165, L-2011 Luxembourg Siège social, 11, av de la Porte-Neuve.

Foreign Direct Investment

The Company issued 26,000,000 equity shares aggregating to INR 910.00 million by way of Preferential Allotment to NSR Direct PE Mauritius LLC (name changed to Isengard Direct PE, LLC) (a non-promoter entity).

Particular	Details
d) Job profile and his suitability and Nature of expertise and specific functional area:	His Core skills and competence includes All Round Leadership skills, Knowledge of domain of Pharmaceuticals, Science & Research, Overall familiarity about Finance, Accounting, Manufacturing, Quality Management Systems, Sales, marketing and business development, Risk Management Awareness, Skills in regulations, OH&S (Occupational, health and safety) etc. He is looking after overall technical operations of the Company including but not limited to production, R&D and regulatory compliances etc.
e) Remuneration Proposed:	As proposed in Resolution no. 6 of Notice of AGM.
f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	He has more than 33 years of work experience with different companies like Clivient Limited, Jubilant Life Sciences Limited, Piramal Enterprises Limited, Parabolic Drugs Limited, Orchid Chemicals and Pharmaceuticals Limited, Ranbaxy Labs Limited and Lupin Limited. The last 17 years of which have been in senior leadership positions in API Manufacturing Operations, Product Development & Technology Transfer, CRAMS, and Contract Manufacturing with P & L accountability. The remuneration has been considered by the NRC and the Board of Directors of the Company and is in line with his expertise in management of technical operations, and the remuneration being drawn by similar positions in the industry.
g) Terms and Conditions of Appointment/ Reappointment	As per resolutions proposed in Item no. 6 read with this explanatory statement.
h) Date of first appointment on the Board	September 24, 2022
i) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Apart from receiving managerial remuneration, he does not have any Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel. He is not holding any share in the Company.
j) Directorships in other Companies	He is not holding directorship in any other listed entity. Further, he has not resigned from any of the listed entity in past 3 years.
k) Board Meetings	From the date of his appointment, he has attended the Board Meeting held on November 14, 2022.
l) Committee memberships/ Chairmanships	He is a member of the Stakeholders Relationship Committee, Management Committee and Corporate Social Responsibility Committee of the Company. He does not hold directorship or Committee memberships/ Chairmanships in any other company.

3. Other Information:

- a) Reasons of loss or inadequate profits:** The Company has gained profits in FY 2021-22 but incurred losses in FY 2022-23. Though the Company is trying all its endeavors to have profits, it cannot guarantee that the company will not incur losses in FY 2023-24 and onwards. Therefore, the company may not have sufficient profits as per section 197 to pay proposed remuneration to Director ("Operations"). Therefore, the Board of Directors are in view to obtain approval of shareholders as per the provisions of Schedule V of the Act.
- b) Steps taken or proposed to be taken for improvement:** The Board of Directors and company will, in their best endeavor, try to improve the performance of the company in terms of adequate profits to pay remunerations to its managerial personnel.
- c) Expected increase in productivity and profits in measurable terms:**

The company is taking all the necessary precautions and keeping necessary measures in place to tackle the challenges. The Company has managed to have profits in the last quarter of FY 2022-23, thus, the company stands a good chance to come out on the better side amidst these situations and to ramp up its operations to have adequate profits.

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

(Neha Vaishnav)
Company Secretary
ACS:67387

Date: 26-05-2023
Place: Chandigarh

BOARD OF DIRECTORS' REPORT OF NECTAR LIFESCIENCES LIMITED

Dear members,

Your directors take pleasure in presenting the 28th 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, 2023.

Financial results and state of affairs

INR in Million

	31-Mar-23	31-Mar-22
Gross Sales (Including GST)	17465.57	19249.22
Other Income	431.79	113.18
Profit before interest and depreciation & exceptional items	979.02	1701.31
Interest	794.76	788.10
Depreciation & Amortization	591.19	569.68
Profit (Loss) before exceptional items & tax	(406.94)	343.53
Exceptional items (Net of Tax)	-	-
Profit (Loss) before tax	(406.94)	343.53
Tax expenses	(182.37)	90.34
Profit (Loss) after tax	(224.57)	253.20
Other Comprehensive income (Net of Taxes)	1.88	8.13
Profit (Loss) after tax available for Appropriations	(222.69)	261.32

The Company's revenue during FY 2022-23 stood at INR 17466 million against INR 19249 million in the previous year recording a decrease of 9.27%. The company reported a loss before tax of INR 406.94 million in FY 2022-23 compared to profit before tax of INR 343.53 million in FY 2021-22. Finance costs also increased by 0.85% to INR 794.76 million. The profitability has been decreased mainly because of the higher average cost of input Raw Materials which could not be passed in full to the customers. Further, there was an impact of very high increase in husk prices, as well, which has resulted higher power and fuel cost. It is expected that in FY 2023-24 the input material cost may be stabilized and finished products average realization might also improve which may lead to better profitability.

The detailed discussion on Company's various operations, state of Company's affairs, nature of business and changes therein, material changes during and after the closure of FY, if any, financial position 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 as on March 31, 2022 and March 31, 2023, the Business Responsibility and Sustainability Report ("BRSR") may not be applicable to the Company.

There has been no change in the nature of business of the Company. The financial results of the company for the quarter ended on June 30, 2023 will be made available on the website of the company (URL: <https://www.neclife.com>).

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, 2023 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)

The Company has 46,000,000 equity shares of INR 1/- each underlying 46,000,000 Global Depository Receipts (GDRs). The GDRs are listed on:

Luxembourg Stock Exchange/ LuxSE
Société de la Bourse de Luxembourg S.A.
B.P. 165, L-2011 Luxembourg
Siège social, 11, av de la Porte-Neuve,
Telephone: (352) 47 79 36 – 1, Fax: (352) 47 32 98

Subsidiary Companies

At the beginning of the year, the company had wholly owned subsidiaries ("WOSs") namely Nectar Lifesciences UK Limited ("NLL-UK"), incorporated in United Kingdom ("UK"), NECLIFE PT, UNIPESOAL LDA ("NECLIFE PT"), incorporated in Portugal and Nectar Lifesciences US, LLC ("NL USA, LLC"), incorporated in United States of America ("US").

NLL-UK had been dissolved on January 31, 2023. Further, NL USA, LLC had been dissolved as per Communication dated February 09, 2023, received from the Secretary of State of Delaware, USA. Consequent upon the said dissolution, NLL-UK and NL USA, LLC ceased to be the WOSs of the Company. The dissolution of the aforesaid WOSs would not affect any business/ accounting policies of the Company.

There is negligible investment in NECLIFE PT and no business activity has been carried out therein in FY 2022-23 and till date in FY 2023-24. Therefore, nothing is to report on the performance and financial position of NECLIFE PT.

The contribution of WOSs in the performance of the Company was 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_2ea6c9b48e8d42978826c1d825e84614.pdf.

None of the WOSs was/ is 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, 2023 of the Company are attached.

Dividend, Reserves and Dividend Distribution Policy

Considering the losses incurred by the company during FY 2022-23, your Directors are not recommending a Dividend for the year ended March 31, 2023. The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review. The members may please refer to notes of Notice of AGM for information on shares/dividend transferred / proposed to be transferred to IEPF Authority.

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.

Directors and Key Managerial Persons

Mr. Sanjiv Goyal (DIN: 00002841), Chairman & Managing 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. Vivek Sett (DIN: 00031084), Director, resigned from the Board w.e.f. May 6, 2022, due to personal reasons and pre-occupations. Ms. Guljit Sethi (DIN: 00669460), Independent Director resigned from the Board w.e.f. May 9, 2022, due to her pre-occupation in her own company's expansion which needs her to devote more time there. Dr. Dinesh Dua (DIN: 02436706) has tendered his resignation as an Executive Director as well as Director of the Company effective from July 09, 2022, due to personal reasons and pre-occupations.

Dr. Sanjit Singh Lamba (DIN: 01741827) who was appointed as an additional director as well as a Wholtime Director designated as Director (Technical) of the company for a period of 2 years w.e.f. August 13, 2022, had tendered his resignation as a Director (Technical) as well as Director of the Company effective from August 21, 2022 due to his health issues.

Based on the recommendation of Nomination & Remuneration Committee (“NRC”) the Board of Directors vide resolution dated August 02, 2022 and Members in their AGM held on September 21, 2022 have appointed Dr. Indu Pal Kaur (DIN: 09686862) on the Board as an Independent Director for a period of five years from August 02, 2022.

In the opinion of the board, Dr. Kaur has the integrity, expertise and experience (including the proficiency) for being appointed as an independent director. However, she has not yet passed the online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs. She has time to clear such test till July 26, 2024 as per sub rule (4) of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Based on the recommendation of NRC, the Board of Directors and Members by way of postal ballot have appointed Mr. Puneet Sud (DIN: 09735713) as Director (liable to retire by rotation) as well as a Wholtime Director designated as Director (Operations) of the Company for a period of 2 years from September 24, 2022.

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 are in compliance of sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014.
3. 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 fulfil the conditions specified in the Act and LODR Regulations and are independent of the management.

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.

Mr. Sandeep Goel, Chief Financial Officer (“CFO”) has resigned w.e.f. November 14, 2022. Mr. Sushil Kapoor has been appointed as a CFO w.e.f. November 14, 2022. Ms. Anubha, Company Secretary & Compliance Officer has resigned w.e.f. November 15, 2022. Ms. Neha Vaishnav has been appointed as a Compliance Officer w.e.f. December 13, 2022 and Company Secretary w.e.f. February 14, 2023.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company as on March 31, 2023, were as under:

Mr. Sanjiv Goyal, Chairman & Managing Director
Mr. Puneet Sud, Director (Operations)
Mr. Amit Chadah, Chief Executive Officer (“CEO”)
Mr. Sushil Kapoor, CFO
Ms. Neha Vaishnav, Company Secretary & Compliance Officer

Number of meetings of the board

Five (5) meetings of the board were held during the year. The details of Directors' attendance and meeting held during FY 2022-23 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.

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.

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.

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 remuneration / compensation / commission etc., to the Directors, Key Managerial Personnel and Senior Management are determined by the NRC and recommended to the Board for its approval. There is no change in the policy during FY 2022-23.

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 2022-23, 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.

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.

No fraud has been reported by the Auditors under sub-section (12) of section 143 of the Act to the Audit Committee or the Board.

Secretarial Auditor and Secretarial Audit Report

Secretarial Audit has been carried out by Mr. Prince Chadha of P. Chadha & Associates, Practising Company Secretary, the Secretarial Auditor of the company for FY 2022-23. 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.

The Company has undertaken an audit for the FY 2022-23 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.

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 2021-22 on September 24, 2022 which has been filed on October 20, 2022 within the prescribed time.

The Cost Auditor shall forward the Cost Audit Report for FY 2022-23 by September 26, 2023. The report will be filed with the Ministry of Corporate Affairs within 30 days of date of Cost Audit Report.

The company has appointed Dr. Vimal Kumar Aggarwal (Membership No. 9982) prop. of M/s V. Kumar and Associates, SCF 13, GF, VIP Galleria Market, VIP Road, Zirakpur, SAS Nagar (Mohali) Punjab-140603, Cost and Works Accountants as the Cost Auditors of the Company for FY 2023-24.

Risk management

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

The Company has re-constituted a Risk Management Committee with Mr. Sanjiv Goyal as the Chairman, and Dr. Rupinder Tewari and Mr. Amit Chadah as members on August 02, 2022. The terms of reference of the committee and its meetings held during the year, are provided in the Corporate Governance Report 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.

Corporate social responsibility

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 Companies (Corporate Social Responsibility Policy) Rules, 2014. 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_5ff82f9c26af421d94b69e86f52a0556.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).

Fixed deposits

During the year under Report, your Company did not accept any deposits from the public in terms of the provisions of Act. Therefore, there is nothing to report on deposits or defaults thereof as per the provisions of the Act or rules made thereunder.

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 (URL: https://www.neclife.com/files/ugd/6aa048_64ca0809f242486f99ce21aedbbff190.pdf).
- Policy on dealing with related party transactions is available on the website of the Company (URL: https://www.neclife.com/files/ugd/6aa048_3f0a10d3dced4c64a72545b94352b187.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_cafe48f72d7144a5928e793cc0be532d.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, 2022 – NIL
- b. number of complaints filed during the FY 2022-23 – NIL
- c. number of complaints disposed of during the FY 2022-23 – N.A.
- d. number of complaints pending as on March 31, 2023 – N.A.

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: 26-05-2023

Annexure 1 of Board of Directors' Report

Management Discussion & Analysis

An overview of the economy

Current Overview of the World Economy

The global economy is facing a number of challenges in 2023, including the after impact of COVID-19 pandemic, the war in Ukraine, and rising inflation. These challenges are expected to slow global growth from 6.1% in 2021 to 3.6% in 2022 and 2023. Despite these challenges, there are some positive signs as well for the global economy. The labour market is very strong in some countries, and corporate profits are at record levels. These factors could help to support economic growth in the coming months.

The following are some of the key economic indicators for the global economy in 2023:

- Global GDP growth: 3.6%
- Inflation: 5.7% in advanced economies, 8.7% in emerging market and developing economies
- Unemployment: 5.5% in advanced economies, 7.5% in emerging market and developing economies

The following are some of the key risks to the global economy in 2023:

- The COVID-19 pandemic: The pandemic weaned away but there are impending impacts of covid will take some time to come back to normal by end of 2023 and till then, it could continue to disrupt economic activity and lead to higher unemployment.
- The war in Ukraine: The war could continue to disrupt trade and lead to higher energy prices.
- Rising inflation: Rising inflation could erode the purchasing power of consumers and make it more difficult for businesses to operate.

Sources:

- International Monetary Fund (IMF). World Economic Outlook, April 2023.
- World Bank. Global Economic Prospects, January 2023.
- Organization for Economic Cooperation and Development (OECD). Economic Outlook, June 2022.
- International Monetary Fund. (2023, April 11). World Economic Outlook: April 2023. Retrieved from <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

Current Overview of Indian Economy– Continues to show resilience

The Indian economy is expected to grow at 6.4% in fiscal year 2023 and 6.7% in fiscal year 2024. The growth will be driven by private consumption and investment, supported by government policies. Private consumption is expected to grow due to improving labour market conditions and consumer confidence. The government's commitment to increasing capital expenditure, even with a lower fiscal deficit target, will also stimulate demand. The services sector is projected to grow strongly as the impact of the COVID-19 pandemic subsides, while manufacturing growth is expected to improve in fiscal year 2024. Measures to boost agricultural productivity will contribute to sustained growth in the agricultural sector.

Despite the positive outlook, there are risks to India's economic growth, including geopolitical tensions and weather-related shocks. These factors could impact the country's economic performance in the near future.

The government's focus on a balanced monetary policy and efforts to stimulate investment will be crucial in sustaining India's economic growth in the coming years.

Citations:

1. Asian Development Bank (ADB). "India Economy to Grow 6.4% in FY2023, Rise to 6.7% in FY2024." ADB.org. <https://www.adb.org/news/india-economy-grow>
2. <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>
3. <https://www.worldbank.org/en/news/press-release/2023/04/04/indian-economy-continues-to-show-resilience-amid-global-uncertainties>

The Expanding Landscape of the Pharmaceutical Industry in India

The Indian pharmaceutical industry is one of the fastest-growing industries in the world. It is currently valued at \$50 billion and is projected to reach \$65 billion by 2024 and \$130 billion by 2030. India is a major exporter of pharmaceuticals, serving over 200 countries worldwide. It caters to more than 50% of Africa's demand for generics, approximately 40% of the generic demand in the United States, and around 25% of the UK's total medicine requirement. India also plays a pivotal role in meeting global vaccine demand, accounting for approximately 60% of the market. The country stands as a leading supplier of essential vaccines such as DPT, BCG, and Measles vaccines. Remarkably, 70% of the World Health Organization's vaccines, as per the essential Immunization schedule, are sourced from India.

The Indian pharmaceutical industry is thriving due to a number of factors, including:

- A strong domestic market: India has a large and growing population, which creates a large domestic market for pharmaceuticals.
- A skilled workforce: India has a large pool of skilled scientists and engineers who are well-trained in the pharmaceutical industry.
- Favourable government policies: The Indian government has implemented a number of policies that are favourable to the pharmaceutical industry, such as tax breaks and subsidies.
- Access to global markets: India has access to global markets through a number of free trade agreements.

The Indian pharmaceutical industry is poised for continued growth in the coming years. The industry is expected to benefit from rising demand for generics and vaccines, as well as from the government's focus on improving healthcare access.

The Cephalosporin Space

India's Potential in Antibiotic Production - Cephalosporins are a class of antibiotics that are effective against a wide range of bacteria, including those that are resistant to other antibiotics. They are typically well-tolerated by patients and have few side effects. India is a major producer of cephalosporins, with a large capacity for production and a long history of manufacturing. Indian cephalosporins are exported to a wide range of countries, including the United States, Europe, and Japan.

The demand for cephalosporins is expected to grow in the coming years, due to the increasing prevalence of infectious diseases, the rise of antibiotic resistance, and the aging population. India is well-positioned to meet this growing demand, with the resources, expertise, and production capacity to be a major supplier of cephalosporins in the global market.

There are a number of challenges that India faces in the cephalosporin space, including the need to invest in research and

development, and the need to improve the quality of control systems. However, India has the potential to be a major player in the global cephalosporin market, with the resources, expertise, and production capacity to be a major supplier of cephalosporins in the coming years.

Here are some additional facts and figures about the cephalosporin market in India:

- The Indian anti-infective market, including cephalosporins, has already reached \$3.4 billion by 2023 and is growing at a CAGR of 17%.
- India is the world's largest producer of generic cephalosporins.
- The Indian pharmaceutical industry is expected to grow at a CAGR of 10% in the next decade.
- India has a large pool of skilled and experienced scientists and engineers who are working in the pharmaceutical industry.
- India has a strong regulatory framework for the pharmaceutical industry.

These factors make India an attractive destination for investment in the cephalosporin space.

About Nectar Lifesciences Limited

Nectar Lifesciences Limited ("Nectar" or "Company") is a global pharmaceutical company with a strong focus on the production and development of cephalosporins. The company has a long history of innovation, a broad product portfolio, global reach and has a strong track record of success in the cephalosporin market.

Nectar is well-positioned to become a global leader in the cephalosporin market. Its commitment to R&D will help the company to continue to develop new and improved cephalosporins that meet the needs of patients around the world.

In addition to the strengths mentioned above, Nectar also has a number of other factors that could help it to become a global leader in the cephalosporin market. These factors include:

- **Commitment to sustainability:** The company's manufacturing processes are designed to minimize environmental impact. Nectar's commitment to sustainability is a positive factor that could help the company to attract customers and investors.
- **Positive reputation:** Nectar has a positive reputation in the pharmaceutical industry. The company is known for its high-quality products and its commitment to patient safety. Its positive reputation will help the company to attract customers and investors.

Nectar has a strong hold of API & Formulation business in almost 66 countries. It has state-of-the-art manufacturing facilities spread across Punjab and Himachal Pradesh with compliance to global standards of cGMP, Environment Health Safety (EHS). It also has hundreds of highly skilled, knowledgeable, competent and qualified workforce at all levels.

1. API's & Intermediates

Nectar is one of the leading manufacturers of Cephalosporin range of products - oral and Sterile APIs – at its two units in Derabassi Punjab. It has been certified multiple times by global regulatory authorities such as USFDA, EUGMP INFARMED, COFEPRIS, KFDA, PMDA, MCC, and ANVISA Brazil. The Company's Unit 2 is dedicated to catering to regulated markets and is one of Asia's best sterile facilities with the least amount of human intervention.

The Company's competitive advantage lies in its flexibility to produce multiple products in the same manufacturing facilities and its deep knowledge and chemistry skills in diverse and challenging therapeutic domains. Nectar is also one of the few companies in India which possess both Lyophilisation and Crystallisation facilities.

Production is carried out in dedicated production units, each unit coupled to a fully dedicated isolated finishing suite. The Company maintains stringent controls through its institutionalized Quality Management Systems (QMS) that covers the entire production cycle - from raw materials, manufacturing to packaging and dispatch.

The Company has a process development R&D unit that continues to work on the improvement in quality, cost optimisation and enrich the product basket to emerge as cost effective player. Currently, the API business team is exploring new avenues of growth through new products, new markets, and new customers.

2. Formulations/Finished Dosage Formulations ("FDF")

Nectar has a strong presence in the formulation space. The FDF facility at Baddi, Himachal Pradesh has best-in-class assets operated by a talented and energetic team capable to scale up the operations with efficiency and quality expectations.

The FDF facility has also been recognised & approved by regulatory bodies like INFARMED Portugal for European Union, ANVISA Brazil, OGYI Hungary for European Union, Pharmacy & Poison Board Kenya, NMRC Namibia, NDA Uganda, TFDA and others.

The Company's products are marketed to the ROW markets such as Southeast Asia, Latin America, the Commonwealth of Independent States (CIS), and Africa. The Company has filed two of its major Cephalosporin Formulations in Europe in its bid to enter regulated markets of the world and is expanding its business in Europe.

3. Menthol & Mint derivatives

Leveraging its pharmaceutical mindset and discipline, Nectar has created a niche for itself in this otherwise highly unorganised business space. As of now, the Company has scaled down this business to create more value-added business in future. The Company is reworking its technology and facility for this product line. Its global-sized processing capacities and world-class production practices have the capabilities positioned Nectar as a leader in the Menthol Arena, again.

The Company is re-focusing on this section by working on new technologies to produce value added products so that it becomes a niche and specialized product rather than commodity model.

4. Empty Hard Gelatin Capsules

Nectar's state-of-the-art Empty Hard Gelatin Capsules (EHGC) manufacturing facility allows it to cater to India's 120 billion capsule EHGC market, continually growing at a healthy pace. The Company has a production capacity of 4 billion capsule shells enabling it to feature among the Top 5 EHGC manufacturers in India catering to domestic & export markets. It is also the only unit to follow unique concept of SMSR (Single Machine Single Room). The Company's two-piece double lock Gelatin Capsules are manufactured in compliance with cGMP requirements of US FDA and EDQM norms.

Nectar has recently launched two new innovative products in EHGC menthol capsules (Nexxicap MintyTM) and pearl capsules (Nexxicap PearlTM)

Some of the prominent features of our capsules are:

- DMF filed
- All printing options (linear, circular, spiral, oriented, non-oriented etc)
- Different Sizes (0, Oel, 1, 2, 3)
- 5-year shelf life
- Ethylene oxide free
- BSE & TSE Free

- Halal certification
- Manufactured with pharmaceutical Drug Master File & EDQM (The European Directorate for the Quality of Medicines & HealthCare) certified Gelatin.

However, being a non-core business, the Company is endeavouring to dispose off this business.

Regulatory filings

Nectar has a pipeline of 101 Drug Master Files (DMFs) filing till date in regulated markets like the US, EU, Japan, Korea, Canada and South Africa for its Cephalosporin APIs, intermediates, capsules shells and menthol. The Company has also filed dossiers for its formulations in large and growing markets, which are at an advanced stage in the approval lifecycle.

Citations -

- World Economic Situation and Prospects as of mid-2023
- United Nations Department of Economic and Social Affairs. (2023). World Economic Situation and Prospects as of mid-2023. New York: United Nations. Retrieved from <https://www.un.org/development/desa/dpad/publication/world-economic-situation-and-prospects-as-of-mid-2023/>
- International Monetary Fund World Economic Outlook
- International Monetary Fund. (2023). World Economic Outlook: War in Ukraine – Economic Implications. Washington, DC:

International Monetary Fund. Retrieved from <https://www.imf.org/en/Publications/WEO>

- OECD Economic Outlook Organisation for Economic Co-operation and Development. (2023). OECD Economic Outlook, Volume 2023 Issue 1: Rising to the Crises: Policy Challenges and Next Steps. Paris: OECD Publishing. Retrieved from <https://www.oecd.org/economic-outlook/march-2023/>

Financial performance

Continuing from the information about the financial performance from the Board's Report, the further highlights of financial performance are as under:

Particulars	FY23	FY22
EBITDA* Margin (%)	6.43	10.20
Profit (Loss) Before Tax Margin (%)	(2.67)	2.06
Profit (Loss) After Tax Margin (%)	(1.47)	1.52

* EBITDA – Earning before interest, tax, depreciation and amortization.

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. 2.51 of Standalone Financial Statements, along with detailed explanations thereof. However, the ratios not provided in the said note are provided hereunder:

Key financial ratios	FY23	FY22	Change %	Numerator/ Denominator	Detailed Explanation in case change is more than 25%:
(i) Interest Coverage Ratio	0.49	1.44	(-)66	(EBIT*/Interest)	Due to rise in raw material and power & fuel costs, the EBIT reduced.
(ii) Operating Profit Margin (%)	(-)0.29	6.10	(-)105	(Operating Margin / Net Sale)	Due to rise in raw material and power & fuel costs, the operating margin reduced

* EBIT – Earning before interest and tax

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

FY23	FY22	Detailed Explanation
(-)2.09%	2.33%	Profit for the year reduced due to rise in raw material and power & fuel costs, thereby return on Net worth reduced

* Net worth is calculated on average basis. Also refer to Note 2.51 in financial statements i.e. return on average equity.

Assessing the precise after impact of Covid-19 wave on the company's operations and financials remains challenging. However, the Indian economy is projected to experience significant growth in the fiscal years 2023 and 2024. Private consumption and investment will be the key drivers, buoyed by favourable government policies. Factors such as improving labour market conditions, increased consumer confidence, and the government's focus on capital expenditure will stimulate demand and bolster private consumption.

Internal Control System and adequacy

Given the current economic downturn, the significance of internal control review has amplified. Continuous evaluations are conducted to monitor and assess the effectiveness of the implemented internal control system, ensuring alignment with the Board of Directors' intentions. The Internal Control is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. This process aids in identifying any deficiencies in internal controls, prompting corrective actions to be taken.

The Company has established a comprehensive system of internal controls to safeguard its assets against unauthorized use and to ensure the reliability of financial reporting.

The Company has aligned its internal financial control system with the requirement of Companies Act, 2013 to enhance operational effectiveness, efficiency, and compliance with regulations. These controls are integrated into automated internal business processes, a centralized global process framework, and key support functions. Nectar's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. Nectar has a well-defined delegation of power with authority limits for approving contracts as well as expenditure. All transactions are recorded and reported in accordance with the Indian Accounting Standards. Nectar's management assessed the effectiveness of the company's internal control over financial reporting as defined in Regulation 17 of LODR Regulations as of March 31, 2023. M/s Deepak Jindal & Co., Chartered Accountants, the statutory auditors of Nectar have audited the financial statements and have issued an attestation report on the company's internal control over financial reporting as defined in section 143 of the Act. Nectar has appointed Mr. Aman Singla, Chartered Accountant to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed and approved by the Audit Committee.

Nectar also undergoes periodic audit by specialized third party consultants and professionals for business specific compliances such as quality management, service management, information security, etc. The Audit Committee reviews audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action.

Outlook

With the world gradually recovering from the impact of Covid-19, our business is experiencing a resurgence. The supply chain for antibiotics was severely affected, leading to shortages caused by disruptions and lockdowns. Furthermore, material flow was restricted, outpatient departments (OPDs) were non-operative, and elective surgeries were scarce.

However, as the global effects of the pandemic subside, we anticipate a normalization of the demand and supply of antibiotics, resulting in a stabilization of our business. Once the situation normalizes, we expect to witness the projected growth of our business. To capitalize on this opportunity, Nectar will focus on expanding its customer base and increasing its share of existing customers. Our exceptional support and performance during challenging times have enhanced our credibility with customers, providing a strong foundation for further growth.

As part of our business growth strategy, the Company is pursuing a shift in the market and customer mix, adopting a more FDF focused approach. By aligning our efforts with this approach, we aim to achieve our business goals and propel the company along a trajectory of sustained growth.

SWOT Analysis of Nectar

Strengths:

- 1. Established Presence:** Nectar is one of the largest players in the Cephalosporin industry with operations in many countries. Its widespread presence provides a strong foundation for global expansion and market reach.
- 2. World-Class Facilities:** The company boasts world-class manufacturing facilities, equipped with advanced technologies and adhering to international quality standards. This allows Nectar to produce high-quality pharmaceutical products efficiently.
- 3. Strong Capacity:** Nectar has a robust production capacity, enabling it to meet the growing demand for Cephalosporin products in the market. This gives the company a competitive advantage in fulfilling customer needs and ensuring timely delivery.
- 4. Location Advantage:** Being based in India, Nectar benefits from lower manufacturing costs, access to a skilled workforce, and proximity to a large pool of raw materials. This helps maintain cost efficiency and competitiveness in the industry.
- 5. Technological expertise:** The company possesses advanced technology and expertise in the production of Cephalosporin API, enabling it to deliver high-quality products efficiently and maintain a competitive edge in the market.
- 6. Extensive product portfolio:** The company offers a wide range of Cephalosporin API products, catering to diverse customer needs and increasing its market share. The broad product portfolio also allows for cross-selling and upselling opportunities.
- 7. Strong regulatory approvals:** With approvals from renowned regulatory bodies such as USFDA, EUGMPA, ANVISA, PMDA, and others, the company demonstrates high-quality manufacturing practices and compliance with international standards, enhancing its reputation and market credibility.
- 8. Cost advantage:** Being based in India, the company can benefit from lower manufacturing and operational costs compared to many developed countries. This cost advantage can contribute to competitive pricing and higher profit margins.

- 9. Established global capacities:** The company has significant manufacturing capabilities for Cephalosporin API, allowing it to cater to global demand and compete effectively in the market.

Opportunity

- 1. Growing Global Demand:** The increasing demand for Cephalosporin products worldwide presents significant opportunities for Nectar. Expanding its market presence and capturing a larger share of this growing demand can lead to substantial revenue growth.
- 2. Emerging Markets:** Exploring and expanding into emerging markets where healthcare infrastructure and pharmaceutical demand are rapidly growing can provide Nectar with new avenues for expansion and revenue generation.
- 3. Product Innovation:** Investing in research and development to introduce new and improved Cephalosporin products can give the company a competitive edge and help capture a larger market share. Innovations in formulation, delivery methods, or combination therapies could create differentiation in the market.
- 4. Growing demand for Cephalosporin API:** The global demand for Cephalosporin API is increasing due to the rising prevalence of bacterial infections and the need for effective antibiotics. The company can capitalize on this growing market by expanding its production capacities and meeting the demand.
- 5. Expansion into emerging markets:** The company can explore opportunities to expand its presence in emerging markets, where the demand for Cephalosporin API is rising rapidly. By establishing strategic partnerships or distribution networks, the company can gain a competitive advantage and increase its market share.
- 6. Research and development:** Investing in research and development activities can help the company develop new formulations, improve existing products, and enhance its product pipeline. This will enable the company to meet evolving customer needs, differentiate itself from competitors, and capture new market opportunities.

Threat

- 1. Stringent regulatory environment:** Regulatory requirements for pharmaceutical manufacturing are becoming increasingly stringent worldwide. The company needs to stay updated with evolving regulations and ensure continuous compliance to avoid any penalties or disruptions in operations.
- 2. Supply chain disruptions:** Any disruptions in the supply of raw materials or intermediates, whether due to natural disasters, geopolitical factors, or logistical issues, can affect the company's production capabilities and lead to delays or increased costs.
- 3. Price pressure:** Intense competition and cost-conscious buyers can exert downward pressure on product prices, potentially affecting the company's profitability. The ability to effectively manage costs becomes key.

Human resource

Nectar, a company led by industry professionals who are dedicated and skilled in their work, recognizes the value of each employee as an asset. With a commitment to training, enrichment, retention, and talent acquisition, Nectar allocates significant resources and employs effective strategies. To foster continuous learning and development, Nectar follows the Human Resource (HR) policy outlined below:

- Attract, develop, and retain talented individuals at all organizational levels.
- Cultivate a performance-oriented culture by continuously enhancing capabilities and motivating employees.
- Encourage leadership at every level through trust, empowerment, and openness.

- Foster a collaborative approach to achieve business excellence.
- Cultivate a vibrant work culture based on innovation and productivity.

Nectar's HR learning and development initiatives are aligned with the requirements of a rapidly growing organization. As the company embraces new strategies and faces fresh challenges each year, its processes, technology, and, most importantly, its people experience immediate impact. Continual learning is ingrained in the company's culture, enabling employees to be more productive and adapt to increased responsibilities. Notably, shop floor resources are encouraged to focus on key development areas, given their role as implementers and their responsibility for maintaining necessary cGMP compliance levels. These executives receive comprehensive training in compliance management, aligning with the company's goals and fostering a sense of value within the organization.

Employee Welfare

Nectar undertakes the following activities as a part of Employee Welfare services:

- Safety Services
- Skill development training
- Personal protective equipment
- Basic Facilities for Welfare of Employees
- Ambulatory services at the workplace

EHS

Nectar's EHS (Environment Health & Safety Cell) strictly adheres to the US Environmental Protection Agency's principles of Green Chemistry to comply & fulfill in-house mandatory guidelines. The Company has framed the EHS policy with following objectives:

1. To protect and promote environment conservation by minimising adverse impact of its business operations on environment.
2. To strive for low carbon emission.
3. To conserve natural resources and promote 3Rs –Reduction, reuse and recycle.
4. To recognize employees as its most important asset and to provide a safe and healthy work environment.
5. To prevent injuries and occupational illnesses and ensure safety and good health of employees and stakeholders.

Whistle Blower Policy/ Vigil Mechanism

The company has made the Whistle Blower Policy for the employees of the company where employees are given the freedom to disclose to the management- any instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. As per policy:

1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
2. The Company condemns any discrimination, harassment, victimization, or other unfair employment practice being adopted against Whistle Blowers.
3. Complete protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.

Risk management

Approach

Risk management plays a vital role in identifying and mitigating threats that could significantly impact an organization. Nectar recognizes the importance of proactive and effective risk management, understanding that while risks cannot be eliminated entirely, they can be significantly reduced.

To enhance risk management efficiency, the company identifies and evaluates the risks it faces in pursuit of its objectives. These risks are then categorized as critical or non-critical based on their potential impact.

Nectar's framework for enterprise risk management focuses on identifying potential events that could hinder objective achievement. The company sets objectives aligned with its mission and risk appetite, ensuring a systematic process is in place.

A Risk Management Committee, chaired by Mr. Sanjiv Goyal, Chairman & Managing Director and comprising members Dr. Rupinder Tewari, Independent Director and Mr. Amit Chadah, Chief Executive Officer of the Company has been established. The committee conducts constructive discussions, incorporating inputs from functional heads, and submits regular reports to the Board regarding risk mitigation measures.

Here are some identified risks, their impact, and mitigation strategies:

1. **Competition Risk:** Cephalosporin manufacturers pose a threat to the company's sales. Nectar's economies of scale, strong customer relationships, proficient R&D team, and cost optimization efforts give it a competitive advantage.
2. **Regulatory Risk:** Various countries have implemented additional and upgraded regulations. Nectar has a dedicated team monitoring the global regulatory environment, ensuring compliance and alignment through a robust quality assurance mechanism and continuous training.
3. **Global Economic Volatility Risks:** Nectar's diverse customer base across the globe makes it susceptible to policy changes in different countries. The company maintains regular communication with global customers through its marketing and regulatory affairs team, proactively aligning with evolving frameworks.
4. **Patent Protection Risks:** To prevent infringement, Nectar has a dedicated team of scientists that conducts thorough studies of existing patents during new product or process development stages.
5. **Raw Material Import Risks:** Reliance on raw material imports, particularly from China, presents risks. Nectar is actively working to broaden its vendor base and develop substitute inputs to decrease dependence.
6. **People Risks:** Nectar's effective HR strategy covers various aspects such as learning and development, recruitment, benefits administration, compensation management, performance appraisal, employee and labour relations, and compliance management, ensuring stability and continuous growth.
7. **Financial Risks:** Nectar addresses financial risks through high standards of corporate governance and compliance, cash management services to manage liquidity risk, creditworthiness assessments, provisions for bad debts, and prudent measures for foreign exchange and interest rate management.
8. **Commodity Risks:** The volatility of commodity prices can impact the business. Nectar tackles this challenge by procuring materials against specific orders and maintaining a strong export base, providing a safety net for raw material procurement.

By actively identifying and managing these risks, Nectar strives to maintain a resilient and secure operational environment, supporting the company's long-term growth and success.

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

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh

Date: 26-05-2023

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 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

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 7 Directors on the Board as on March 31, 2023, comprising two directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining four 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.

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.

Number of meetings of the Board

During the financial year ("FY") 2022-2023, Five meetings of the Board of Directors were held on May 30, 2022, August 13, 2022, September 24, 2022, November 14, 2022, and February 14, 2023.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the FY 2022-23 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, 2023	Number of Board Committees of other companies in which	
					Member	Chairman
Mr. Sanjiv Goyal (Chairman & Managing Director) (DIN: 00002841)	Promoter & Executive Director	4	Present	1	Nil	N.A.
Dr. Dinesh Dua (Executive Director) Resigned w.e.f. July 09, 2022* (DIN: 02436706)	Non-Promoter & Executive Director	1	N.A.	N.A.	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, 2023	Number of Board Committees of other companies in which	
					Member	Chairman
Mr. Ajay Swaroop (Director) (DIN: 02291700)	Independent & Non-Executive Director	5	Not Present	Nil	N.A.	N.A.
Ms. Meena Verma (Director) (DIN: 05283168)	Nominee Director	4	Not Present	Nil	N.A.	N.A.
Dr. Rupinder Tewari (Director) (DIN: 07009485)	Independent & Non-Executive Director	5	Present	Nil	N.A.	N.A.
Dr. Kuldip Kumar Bhasin (Director) (DIN: 09250008)	Independent & Non-Executive Director	5	Not Present	Nil	N.A.	N.A.
Dr. Indu Pal Kaur (Director) - Appointed w.e.f. August 02, 2022. (DIN: 09686862)	Independent & Non-executive Director	4	Not Present	Nil	N.A.	N.A.
Mr. Puneet Sud (Director (Operations)) Appointed w.e.f. September 24, 2022 (DIN: 09735713)	Non-Promoter & Executive Director	1	N.A.	Nil	N.A.	N.A.

N.A. stands for Not Applicable.

* Resigned due to personal reasons and preoccupation.

Notes:

- Mr. Vivek Sett (DIN: 00031084), Director, has resigned from the Board w.e.f. May 6, 2022, due to personal reasons and pre-occupations.
- Ms. Guljit Sethi (DIN: 00669460), Independent Director has resigned from the Board w.e.f. May 9, 2022, due to her pre-occupation in her own company's expansion which needs her to devote more time there. She had also confirmed that apart from the above, there was no material reason for her resignation.
- Dr. Sanjit Singh Lamba (DIN: 01741827) who was appointed as an additional director as well as a Wholtime Director designated as Director (Technical) of the company for a period of 2 years w.e.f. August 13, 2022, had tendered his resignation as a Director (Technical) as well as Director of the Company w.e.f. August 21, 2022, due to severe health issues including speech impairment as Covid complications.
- Mr. Vivek Sett, Ms. Guljit Sethi and Dr. Sanjit Singh Lamba have not attended any Board or Committee meeting during FY 2022-23.
- The directors are not inter se related to each other. None of the Directors is a director in any other listed company.

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

At the beginning of FY 2022-23, the Audit Committee comprised of directors including Ms. Guljit Sethi as a Chairperson of Audit Committee with Dr. Rupinder Tewari, Dr. Dinesh Dua and Dr. Kuldip Kumar Bhasin as members. However, Ms. Guljit Sethi and Dr. Dinesh Dua resigned from directorship and ipso facto ceased to be members of the Audit Committee.

The Board reconstituted the Audit Committee w.e.f. August 02, 2022, is 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 40 years in academics and management. He has written 100 research publications and 5 books. 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.

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 & Pharmaceutics and a Scholar Ph.D. in pharmaceutics from Panjab University, Chandigarh. She has vast professional experience in teaching and in the field of Pharmaceutics Research of 33 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.

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 Companies Act, 2013 ("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, five meetings of the Audit Committee were held, the dates being May 30, 2022, August 13, 2022, September 24, 2022, November 14, 2022, and February 14, 2023.

The attendance of the members/permanent invitee at the Audit Committee 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	5	5
Dr. Dinesh Dua (Member)	Executive Director	1	1
Dr. Kuldip Kumar Bhasin (Member)	Independent & Non-executive Director	5	5
Dr. Indu Pal Kaur (Member)	Independent & Non-executive Director	4	3
Mr. Sanjiv Goyal (Member)	Chairman & Managing Director	4	4

Chief Financial Officer and Vice President (Accounts) of the Company attended all 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

During the FY 2022-23, the Nomination & Remuneration Committee ("NRC") comprised of three directors including Dr. Rupinder Tewari as its Chairperson with Mr. Ajay Swaroop and Dr. Kuldip Kumar Bhasin as members and four meetings of the committee were held on May 30, 2022, August 02, 2022, September 24, 2022, and November 14, 2022.

The attendance of the members of Nomination & Remuneration Committee 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	4	4
Mr. Ajay Swaroop (Member)	Independent & Non-executive Director	4	4
Dr. Kuldip Kumar Bhasin (Member)	Independent & Non-executive Director	4	4

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 FY 2022-23 the Stakeholders Relationship Committee ("SRC") comprised of three directors including Mr. Ajay Swaroop as its Chairperson, Mr. Sanjiv Goyal and Dr. Dinesh Dua as its members.

Upon resignation by Dr. Dua, he had *ispo facto* ceased to be a member of SRC. The Board of Directors had inducted Dr. Sanjit Singh Lamba as a member of committee w.e.f. August 13, 2022, and he had ceased to be member of the SRC upon his resignation as a director w.e.f. August 21, 2022.

The Board of Directors reconstituted the SRC w.e.f. September 24, 2022, as under:

Sr.	Name of Director	Category	Status
1.	Mr. Ajay Swaroop	Independent Director	Chairperson
2.	Mr. Sanjiv Goyal	Chairman & Managing Director	Member
3.	Mr. Puneet Sud	Executive Director	Member

Ms. Neha Vaishnav, 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.

As on March 31, 2023, 99.999% of the Company's shares are held in electronic (demat) form.

During the FY ended on March 31, 2023, one meeting of the committee was held on September 26, 2022, which was attended by all its members.

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, 2022	Received during the year	Complaints resolved during the year	Closing balance as on March 31, 2023
Nil	4	4	Nil

Quarter-wise details of complaints during 2022-23:

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.

Secretarial Compliance Certificate

As per the provisions of the LODR Regulations, the Company has obtained the Secretarial Compliance Certificate on yearly basis from Practicing Company Secretaries to the effect that all transfer of shares among others, were affected within the stipulated time. The certificate was submitted with the stock exchanges within the prescribed time limit.

A yearly Compliance Certificate duly signed by the Compliance officer of the Company and the authorized representative of the Registrar and Share Transfer agent ("RTA"), with a confirmation that all activities of share transfer facility (both physical and electronic) are maintained by RTA, registered with the SEBI, is also filed with the Stock Exchanges.

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, 2022	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		Nil
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		Nil
At the end of the year i.e., March 31, 2023	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:

At the beginning of FY 2022-23 the CSR Committee comprised of three directors including Mr. Sanjiv Goyal as its Chairman and Dr. Dinesh Dua and Dr. Kuldip Kumar Bhasin as its members.

However, due to the resignation of Dr. Dinesh Dua, the Board of Directors had inducted Dr. Sanjit Singh Lamba as a member of CSR committee w.e.f. August 13, 2022, and he had ceased to be member of the CSR committee as he had resigned as a director w.e.f. August 21, 2022.

The Board of Directors reconstituted the CSR Committee w.e.f. September 24, 2022, is 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, 2023, two meetings of the CSR Committee were held on May 30, 2022, and February 11, 2023, as per following details:

Name	Category of member of Committee	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Mr. Sanjiv Goyal (Chairman)	Chairman & Managing Director	2	1
Dr. Dinesh Dua (Member)	Executive Director	1	1
Dr. Kuldip Kumar Bhasin (Member)	Independent & Non-executive Director	2	2
Mr. Puneet Sud (Member)	Executive Director	1	1

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).

At the beginning of FY 2022-23 the RMC comprised of three members including Dr. Dinesh Dua as its Chairman and Dr. Rupinder Tewari and Mr. Amit Chadah as its member. Upon

Resignation by Dr. Dua, he had *ipso facto* ceased to be a chairman/ member of RMC. However, the Board of Directors had reconstituted the RMC w.e.f. August 02, 2022, as under:

Sr.	Name of Director	Category	Status
1.	Mr. Sanjiv Goyal	Chairman & Managing Director	Chairman
2.	Dr. Rupinder Tewari	Independent Director	Member
3.	Mr. Amit Chadah	Chief Executive Officer	Member

During the FY ended on March 31, 2023, two meetings of the RMC were held on August 03, 2022, and January 30, 2023, as per following details:

Name	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:

At the beginning of FY 2022-23, the Management Committee comprised of two directors including Mr. Sanjiv Goyal as its Chairman and Dr. Dinesh Dua and Mr. Amit Chadah as its member.

However, due to the resignation of Dr. Dinesh Dua, the Board of Directors had inducted Dr. Sanjit Singh Lamba as a member of Management Committee w.e.f. August 13, 2022, and he had ceased to be member of the Management Committee as he had resigned as a director w.e.f. August 21, 2022.

The Board of Directors reconstituted the Management Committee w.e.f. September 24, 2022, as under:

Sr.	Name of Director	Category	Status
1.	Mr. Sanjiv Goyal	Chairman & Managing Director	Chairman
2.	Mr. Puneet Sud	Executive Director	Member
3.	Mr. Amit Chadah	Chief Executive Officer	Member

During the FY ended on March 31, 2023, four meetings of the Management committee were held on June 06, 2022, August 22, 2022, October 14, 2022, and February 21, 2023 and attended by all its members.

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 2022-23, one meeting of Independent Directors was held on May 30, 2022, 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 24, 2023, 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 2022-23 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. General Body meetings

Details of the last three AGMs held.

1. 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
2. 26th AGM: September 21, 2021, 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. 25th AGM: September 21, 2020, at 11.00 am through Video Conferencing ("VC") / Other Audio-Visual means ("OAVM") and venue of the meeting was deemed to be at the registered office and works of the Company i.e., Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab

One Extraordinary General Meeting held on February 01, 2021, at 11:00 am ("EGM") at the registered office and works of the Company i.e., Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab.

Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders through notice of postal ballot dated November 14, 2022, for two resolutions. Mr. Prince Chadha (Membership No. ACS 32856) of P. Chadha & Associates, Practising Company Secretaries (CP: 12409), was appointed as the Scrutinizer to scrutinize the postal ballot process. The remote e-Voting period commenced on November 21, 2022 (9.00 a.m.) and ended on December 20, 2022 (5.00 p.m.). The postal ballot was carried out through remote e-voting only as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed/ circulars issued thereunder and read with LODR Regulations. Both resolutions were passed with requisite majority and the results of which were announced on December 21, 2022, having the following details:

Subject matter of Resolution	Votes cast in favour of resolution		Votes cast against the resolution		Abstained
	Nos	%age	Nos	%age	
To Approve the appointment of Mr. Puneet Sud as a Director of the Company liable to retire by rotation (Ordinary Resolution)	99004955	99.97	27673	0.03	601
To approve 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 (Special Resolution)	99005555	99.97	27673	0.03	1

Detail of special resolutions at AGMs/ EGM:

1. 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) Appointment of Dr. Indu Pal Kaur as an Independent Director of the Company and to hold office for a term of five years.
2. At the 26th AGM held on September 21, 2021; the following special resolutions were passed:
 - i) Re-appointment of Dr. Dinesh Dua Executive Director and to approve his remuneration.
 - ii) Re-appointment of Mr. Sanjiv Goyal as Chairman & Managing Director of the Company for a term of three years and to approve his remuneration.
 - iii) Appointment of Mr. Kuldip Kumar Bhasin as an Independent Director of the Company and to hold office for a term of five years.
3. At the EGM, the following special resolutions were passed:
 - i) Approval of Remuneration payable to Managing Director in the event of no profit or inadequate profit in the company.
 - ii) Approval of Remuneration payable to Executive Director in the event of no profit or inadequate profit in the company.
4. At the 25th AGM held on September 21, 2020; the following special resolutions were passed:
 - i) Re-appointment of Dr. Dinesh Dua Executive Director and to approve his remuneration.
 - ii) Re-appointment of Ms. Guljit Sethi as an Independent Director of the Company for a second term and to hold office for a term of five years.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. The resolutions at 25th, 26th and 27th AGMs, EGM and through Postal Ballot, 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 special resolution to be passed through postal ballot is proposed at the ensuing AGM.

VIII 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 2020-21, 2021-22 and 2022-23.

However, the company had submitted the financial results for the quarter ended on June 30, 2020, on October 01, 2020, which was 16 days after the prescribed period that was expired on September 15, 2020. Both, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") had imposed fine on the company for late submission of said financial results amounted to INR 80,000/- plus GST, each.

The company had submitted the financial results for the quarter ended on March 31, 2021, on July 23, 2021, which was 23 days after the prescribed extended period that expired on June 30, 2021. Both, NSE and BSE had imposed fine on the company amounted to INR 1,15,000/- plus GST, each.

The company had deposited the above fines along with GST, which were acknowledged by NSE and BSE. The Company had applied waiver applications in respect to these, which were duly accepted, and the Fines were waived off by both NSE and BSE.

Additionally, NSE and BSE had imposed fine on the company under Regulation 17(1A) for non-compliance. The fine was INR 2000/- per day for a period of delay, which amounted to INR 2,64,000/- plus GST for NSE and BSE each. The company had requested for waiver of the fine. The NSE has rejected the application while BSE still has not decided on the matter. The Company has already paid the fine to NSE under protest. However, on Company's application against the impugned order of NSE, the Securities Appellate Tribunal ("SAT") vide its order dated April 27, 2023, has quashed such impugned order of NSE.

- b. There is not any significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- c. There is an application made by an operational creditor against the Company for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 during the FY 2022-23. The application is under the consideration of Adjudicating Authority and is not yet admitted by it. The Company is in process of settling the matter with said operational creditor.
- d. 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_cafe48f72d7144a5928e7930c0be532d.pdf. No employee has been denied access to the audit committee.
- e. i) Details of compliance with mandatory requirements is given elsewhere in this Report
- ii) 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.

- f. **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, 2023, 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.

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.

- g. 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 subsidiaries are being provided in Form AOC-1 forming part of financial statements.

- h. **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.

- i. **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 Risk Management Committee 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.

- j. **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. Apart from the sitting fee, the Non-Executive Directors did not have any material pecuniary relationship with the Company and entitled to any other remuneration.

During the FY 2022-23, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director, Dr. Dinesh Dua, Executive 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, 2023:

Name and designation of Director	Sitting fee (INR)	Salaries and perquisites (INR)	Period of service	Number of shares held as on March 31, 2023
Mr. Sanjiv Goyal, Chairman & Managing Director	N.A.	20488253/-	3 years from May 31, 2022	55845600
Dr. Dinesh Dua, Executive Director	N.A.	1835995/-	1 year from October 14, 2021 and resigned w.e.f. July 9, 2022	N.A.
Mr. Puneet Sud, Director (Operations)	N.A.	3522511/-	2 year from September 24, 2022	Nil
Mr. Ajay Swaroop, Independent Director	125000/-	N.A.	5 years from September 30, 2019	Nil
Ms. Meena Verma, Nominee Director of Financial Institution	80000/-	N.A.	No term specified.	Nil
Dr. Rupinder Tewari, Independent Director	155000/-	N.A.	5 years from February 11, 2019	Nil

Name and designation of Director	Sitting fee (INR)	Salaries and perquisites (INR)	Period of service	Number of shares held as on March 31, 2023
Dr. Kuldip Kumar Bhasin, Independent Director	155000/-	N.A.	5 years from September 21, 2021	Nil
Dr. Indu Pal Kaur, Independent Director (w.e.f. August 2, 2022)	95000/-	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.
- k. Details of the familiarization programme of the independent directors are available on the website of the Company (URL: <https://www.nedlife.com/about-3-11>).
- l. Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: https://www.nedlife.com/files/ugd/6aa048_64ca0809f242486f99ce21aedbbff190.pdf).
- m. Policy on dealing with related party transactions is available on the website of the Company (URL: https://www.nedlife.com/files/ugd/6aa048_3f0a10d3dced4c64a72545b94352b187.pdf).
- n. Commodity price risk or foreign exchange risk and hedging activities.
- This activity is discussed in Management Discussion and Analysis Report under Risk Management.
 - Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
 - 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, 2023, was INR 8586.41 million.
 - Exposure of the listed entity to various commodities:

Commodity Name (Inventory as on March 31, 2023)	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	1218.00	7441.83 MT	Nil	Nil	Nil	Nil	Nil
Work in Progress	6695.25	Nil	Nil	Nil	Nil	Nil	Nil
Finished Goods	513.09	58.57MT	Nil	Nil	Nil	Nil	Nil
Misc. Stocks	160.07	Nil	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. .
- o. **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 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.
- p. The company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of LODR Regulations.
- q. There is no credit rating obtained by the company or any revisions thereto during the FY 2022-23, as there are no:
(i) debt instruments; or
(ii) any fixed deposit programme; or
(iii) any scheme or proposal of the company involving mobilization of funds, whether in India or abroad.
- r. 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. Ajay Swaroop, 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

- s. 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.
- t. 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.
- u. 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 2022-23.
- v. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory 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.

IX. Means of communication

Quarterly results

The details of quarterly results are published 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.

X. 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.

XI. General Shareholder Information

i.	28 th AGM	
	Date	Thursday, September 21, 2023
	Time	11:00 AM
	Venue	Registered Office and Works: Village Saidpura Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab – 140507.
ii.	FY	April 1, 2022, to March 31, 2023
iii.	Date of book closure	September 15, 2023 to September 21, 2023 (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.	Global Depository Receipts (GDRs) listed on	Luxembourg Stock Exchange ("LuxSE") Société de la Bourse de Luxembourg S.A. B.P. 165, L-2011 Luxembourg Siège social, 11, av de la Porte-Neuve, Telephone: (00352) 47 79 36 – 1, Fax : (00352) 47 32 98
vii.	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.
viii.	Equity shares' stock code / symbol	BSE Code: 532649 NSE Symbol: NECLIFE
ix.	GDRs common code	039031680
x.	ISIN of Company's equity shares:	INE023H01027
xi.	ISIN of Company's GDRs	US63975T1051
xii.	CUSIP of Company's GDRs	63975T 105
xiii.	Corporate Identification Number (CIN)	L24232PB1995PLC016664

xiv. Market price data:

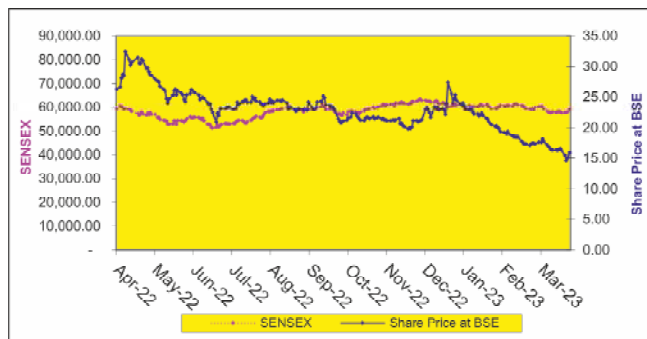
The high and low prices of the Company's share (of Re. 1/- each) at BSE and NSE from April 1, 2022, to March 31, 2023 were as below:

Month	BSE			NSE		
	High (INR)	Low (INR)	Total Traded Quantity	High (INR)	Low (INR)	Total Traded Quantity
Apr-22	34.10	23.90	29,41,745	34.20	24.10	1,94,87,524
May-22	28.65	22.65	16,48,767	28.75	23.55	52,33,879

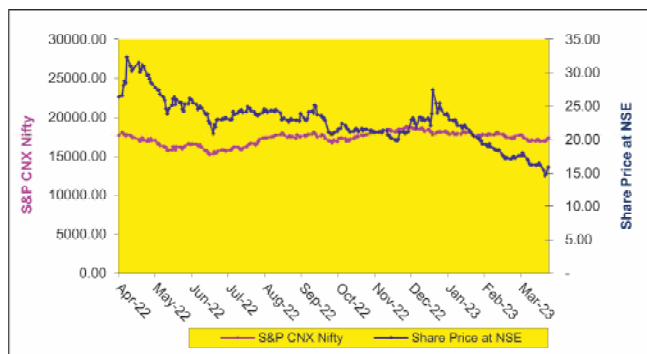
Month	BSE			NSE		
	High (INR)	Low (INR)	Total Traded Quantity	High (INR)	Low (INR)	Total Traded Quantity
Jun-22	26.95	20.75	5,51,258	26.70	20.75	31,95,224
Jul-22	25.40	22.80	3,63,375	25.50	22.65	23,37,803
Aug-22	24.95	22.10	6,71,551	24.90	22.00	41,20,796
Sep-22	25.95	20.25	12,75,037	25.75	20.50	84,24,104
Oct-22	23.55	20.75	3,35,893	22.65	20.85	24,43,895
Nov-22	21.90	19.50	7,08,135	21.75	19.70	44,75,969
Dec-22	30.55	20.90	35,04,805	30.90	20.35	3,33,94,429
Jan-23	24.85	19.80	8,46,889	24.80	19.65	67,32,888
Feb-23	20.90	16.75	5,69,747	20.90	16.70	38,35,883
Mar-23	18.75	14.36	7,24,871	18.85	14.50	48,30,473

xv. Performance of the Company's share price with BSE Sensex and NSE Nifty

a. Performance of the Company's share price at BSE in comparison with BSE Sensex



b. Performance of the Company's share price at NSE in comparison with NSE Nifty



xvi.	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. Raj Kumar Kale E-mail: rajkumar.kale@kfintech.com
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xvii.	Address for correspondence at the Company	Nectar Lifesciences Limited SCO 38-39, Sector 9-D, Chandigarh - 160 009 Ph. No. +91-172-5047915-16
xviii.	Compliance Officer and contact person at the Company	Company Secretary E-mail: cs@neclife.com Website : www.neclife.com

xix. Share transfer system.

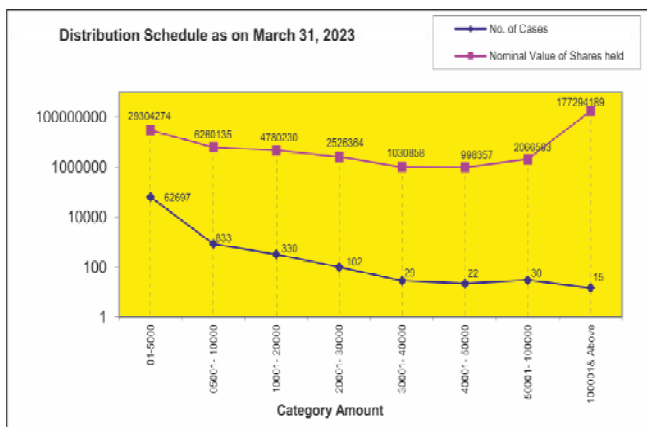
Almost 99.999% of the shares of the Company are held in dematerialised form. Transfers of these dematerialised shares are done through the depositories with no involvement of the Company. With regard to transfer of shares held in physical form, the transfer documents can be lodged with the Registrar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

The Stakeholders' Relationship Committee approves the transfer and transmission of shares.

xx. Distribution of shareholding

a) Class-wise distribution of equity shares as on March 31, 2023

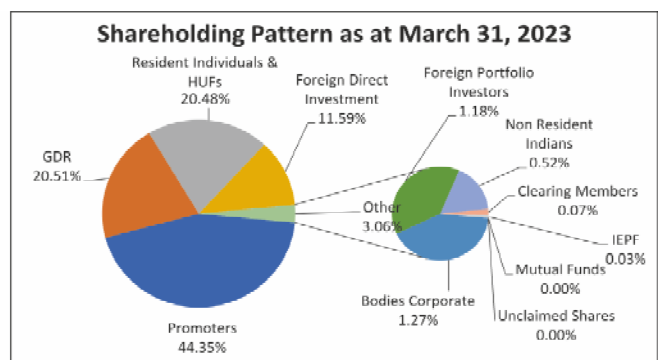
Category (Amount)	Total Cases	Total Cases %	Total Shares	Total Amount	Total Amount %
01-5000	62697	97.88	29304274	29304274	13.07
05001- 10000	833	1.30	6260135	6260135	2.79
10001- 20000	330	0.52	4780230	4780230	2.13
20001- 30000	102	0.16	2526364	2526364	1.13
30001- 40000	29	0.05	1030858	1030858	0.46
40001- 50000	22	0.03	998357	998357	0.45
50001- 100000	30	0.05	2066563	2066563	0.92
100001& Above	15	0.02	177294189	177294189	79.06
Total	64058	100.00	224260970	224260970	100.00



b) Shareholding pattern as on March 31, 2023

Category	Number of Cases	Total shares	% to equity
Promoters	3	99468000	44.35
GDR	1	46000000	20.51
Resident Individuals & HUFs	63264	45929064	20.48

Category	Number of Cases	Total shares	% to equity
Foreign Direct Investment	1	26000000	11.59
Bodies Corporate	184	2842562	1.27
Foreign Portfolio Investors	3	2639899	1.18
Non Resident Indians	569	1164693	0.52
Clearing Members	30	149001	0.07
IEPF	1	66611	0.03
Mutual Funds	1	640	0.00
Unclaimed Shares	1	500	0.00
	64058	224260970	100.00

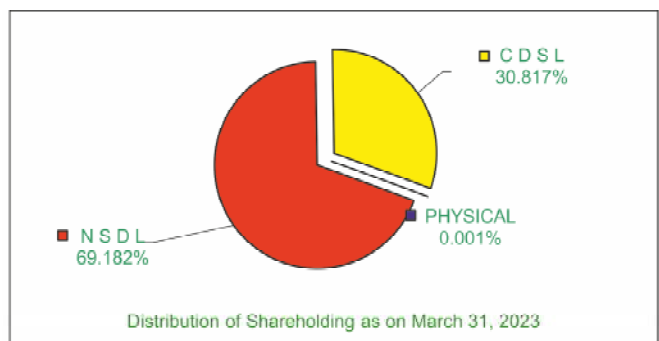


xxi. Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.999% of the Company's share capital were dematerialised as on March 31, 2023.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2023, was as under:

Sr.	Category	No. of Holders	Total Shares	Percentage
1	PHYSICAL	7	1950	0.001
2	N S D L	23495	155148480	69.182
3	C D S L	40556	69110540	30.817
	Total	64058	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.

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

GDRs: The Company has issued and allotted 46,000,000 equity shares of Re. 1/- each underlying 46,000,000 Global Depository Receipts (GDRs) of US\$ 0.76 each on February 26, 2010. The total proceeds from the GDRs issue were US\$ 34.96 Million. The GDRs are listed on:

LuxSE, Société de la Bourse de Luxembourg S.A.
B.P. 165, L-2011 Luxembourg
Siège social, 11, av de la Porte-Neuve,
Telephone: (352) 47 79 36 – 1,
Fax: (352) 47 32 98

The underlying equity shares, of the company forms part of paid-up equity capital of INR 224,260,970/- comprising of 224,260,970 equity shares of Re. 1/- each.

xxiii.	Registered office location	Nectar Lifesciences Limited Village : Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab
xxiv.	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 Dhampur, Tehsil Nalagarh District Solan, (Himachal Pradesh)
		4. Formulation Unit Village Bhatoli Kalan, Pargana Dhampur, Tehsil Nalagarh District Solan, (Himachal Pradesh)
		5. Narbada Industries Plot No. 2, Lane No. 4, Phase II, SIDCO INDUSTRIAL COMPLEX Bari Brahmana, Jammu (J & K)

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

XII. 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 May 26, 2023.

XIII. 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 2022-23. 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.

XIV. 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

DIN: 00002841

Place: Chandigarh

Date: 26-05-2023

**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 2022-23.

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

Place: Chandigarh
Date: 01-05-2023

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, 2023 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.

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

Place: Chandigarh
Date: 14-04-2023

Sd/-
Prince Chadha
(Prop.)
M. No.: 32856
C.P. No.: 12409
Peer Review Certificate No.: 1671/2022
UDIN: A032856E000094511

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 criteria') with respect to Corporate Governance for the year ended March 31, 2023. 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, 2023 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, 2022 to March 31, 2023:
 - 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 purposes 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 2023, 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)

(Deepak Jindal)
Partner
(Membership No. 514745)
UDIN: 23514745BGWKVW4219

Place: Chandigarh
Date: 26.05.2023

SECRETARIAL AUDIT REPORT
Form no. MR-3

For the Financial Year ended March 31, 2023

[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

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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 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) 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, 2023 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 Commercials 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. 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;
 - (iii) Food Safety and Standards Act, 2006

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

(B) 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 Practising Company Secretary
Not Applicable			

- II. 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. 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. The Board meeting was called on September 24, 2022 on shorter notice after due compliance and obtaining requisite consents to transact some urgent matter and the said meeting was attended by at least an independent director of the Company.
- IV. We further report that majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.
- V. 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. 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**

(Prince Chadha)
ACS 32856,
CP 12409

Date: May 26, 2023
Place: Chandigarh

Peer Review Certificate No.: 1671/2022
UDIN: A032856E000345817

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. 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, 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**

(Prince Chadha)
ACS 32856,
CP 12409

Peer Review Certificate No.: 1671/2022
UDIN: UDIN: A032856E000345817

Date: May 26, 2023
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") 2022-23. However, the details of non-material contract or arrangement or transaction with its related parties which are at arm's length during FY 2022-23, 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**

(Sanjiv Goyal)

Chairman & Managing Director

DIN: 00002841

Place: Chandigarh
Date: 26-05-2023

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 our 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.

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

- (i) 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 spends a portion of its annual CSR towards education and skilling initiatives. The programme supports organizations doing good work in education and also pushes other social organisations to implement education projects. It integrates not only tutoring but also assistive technology, health and nutrition.

- (ii) Promoting Healthcare and Preventive Healthcare: Preventive healthcare has not inculcated in Indian society and in rural areas in particular, causing untold suffering. The CSR programme of the Company laid emphasis on preventive healthcare, one of the most important human development indicators with an aim to address the needs of all sections of society. Various medical institutions/hospitals have been identified, where poor and marginal people are getting treated, for CSR programme.

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 (During the tenure of member)	Number of meetings of CSR Committee attended during the year
1.	Mr. Sanjiv Goyal	Chairman	Chairman & Managing Director	2	1
2.	Dr. Kuldip Kumar Bhasin	Member	Independent Director	2	2
3.	Mr. Puneet Sud ¹	Member	Wholetime Director	1	1
4.	Dr. Dinesh Dua ²	Member	Wholetime Director	1	1
5.	Dr. Sanjit Lamba ³	Member	Wholetime Director	Nil	Nil

Notes: 1. Appointed as member w.e.f. September 24, 2022.

2. Ceased to be member upon resignation from the Board w.e.f. July 9, 2022

3. Inducted as a member w.e.f. August 13, 2022, and ceased to be member upon resignation from the Board w.e.f. August 21, 2022.

3. Provide a 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 for FY 2022-23 and onwards 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 of the company for last three FYs: INR in million	3.86
	(b) Two percent of average net profit of the company as per section 135(5)	0.08
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous FYs.	Nil
	(d) Amount required to be set off for the FY, if any	2.24
	(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): **2.11**
 (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)]: **2.11**
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	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.
2.11	NA	NA	NA	NA	NA

- (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	0.08 million
(ii)	Total amount spent for the FY with addition of carry forward of previous year	4.34 million
(iii)	Excess amount spent for the FY [(ii)-(i)]	4.27 million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous FYs, if any	Nil
(v)	Amount available for set off in succeeding FYs [(iii)-(iv)]	4.27 million

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

1	2	3	4	5	6		7	8
Sl. 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:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode 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 per cent 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: 26-05-2023

Place: Chandigarh
Date: 26-05-2023

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 Wholetime Director to the median remuneration of the Employees of the Company for the Financial Year ("FY") 2022-23, the percentage increase in remuneration of Chairman & Managing Director ("CMD"), Executive Director ("ED"), Wholetime Director ("WTD"), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Company Secretary ("CS") during the FY 2022-23:

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	72:1	3.14
2.	Dinesh Dua	ED*	6:1	NA
3.	Puneet Sud	WTD*	12:1	NA
4.	Amit Chadah	CEO	Not Applicable ("NA")	Nil
5.	Sandeep Goel	CFO**	NA	NA
6.	Sushil Kapoor	CFO***	NA	NA
7.	Anubha	CS**	NA	NA
8.	Neha Vaishnav	CS***	NA	NA

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 the FY 2022-2023.
- * 1. In FY 2022-23, Mr. Puneet Sud has been promoted from Senior Vice President (Operations) to Wholetime Director designated as Director (Operations) from September 24, 2022, therefore his yearly remuneration is not comparable, however his monthly remuneration remains the same.
2. In FY 2022-23, Dr. Dinesh Dua has resigned w.e.f. July 9, 2022 therefore, his yearly remuneration is not comparable, however his monthly remuneration remains the same.
- ** In FY 2022-23, Mr. Sandeep Goel and Ms. Anubha have resigned w.e.f. November 14, 2022 and November 15, 2022, respectively, therefore, their yearly remuneration is not comparable, however their monthly remuneration remains the same.
- *** In FY 2022-23, Mr. Sushil Kapoor and Ms. Neha Vaishnav have joined w.e.f. November 14, 2022 and February 14, 2023, respectively, therefore, their yearly remuneration is not comparable.

2. The percentage increase in the median remuneration of Employees for FY was 5.21%.
3. The Company has 1589 permanent Employees on the rolls of Company as on March 31, 2023.
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 0.90% whereas the increase (decrease) in the managerial remuneration was approximately (0.17%). 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.

Note: On occasion of completion of 25 years in the business, the company had decided to pay a Special Incentive/ Bonus as ex gratia, to all its confirmed employees as appreciations of their services and association with the company, which was equivalent to the one month's salary of the respective employees. However, this bonus, being only one time measure, is not considered for the purpose of calculating the percentage increase in the remuneration or median remuneration of the employees.

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

(Sanjiv Goyal)

Chairman & Managing Director
DIN: 00002841

Place: Chandigarh
Date: 26-05-2023

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 Company has commissioned 200kw and 50kw solar power generation projects in FY 2022-23 at Unit 2 and Unit 1, respectively, both situated at Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab.

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

The Company has applied hot insulation on bare hot surface area, for utilising alternate sources of energy.

(iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments: INR 9.60 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 153.17 million

C) Foreign exchange earnings and outgo

(i) During the year 2022-23, the Company has exported its pharmaceutical products to 66 countries. Further, the Company is making all efforts to export its products to new countries & new markets and to expand its export portfolio.

(ii)	a)	Foreign exchange earned in terms of actual inflow during the financial year ended on March 31, 2023:	INR 8339.08 million
	b)	Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2023:	INR 5638.75 million

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

Place: Chandigarh
Date: 26-05-2023

(Sanjiv Goyal)
Chairman & Managing Director
DIN: 00002841

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, 2023, 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, 2023 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.

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 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.

Standalone Financial Statements

- 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.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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.

Standalone Financial Statements

- v. No dividend has been declared or proposed to be declared during the year. Accordingly, the clause is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
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)

(Deepak Jindal)
Partner

Place : Chandigarh
Date : 26.05.2023

(Membership No. 514745)
UDIN:23514745BGWKVU8659

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, 2023 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 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, 2023, 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)

(Deepak Jindal)
Partner

Place : Chandigarh
Date : 26.05.2023

(Membership No. 514745)
UDIN:23514745BGWKVU8659

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, 2023 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) The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- 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, 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, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess 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, Cess and other material statutory dues in arrears as at March 31, 2023 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, 2023 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	2.75	Assessment Year 01-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 03-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.19	Assessment Year 04-05	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	1.19	Assessment Year 10-11	DCIT, Chandigarh
Income Tax Act, 1961	Income Tax	-**	Assessment Year 15-16	Commissioner of Income Tax Appeal

Standalone Financial Statements

(₹ 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	1.47	Assessment Year 17-18	DCIT, Chandigarh
Income Tax Act, 1961	Income Tax	0.15	Assessment Year 19-20	CPC Bengaluru
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 07-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	5.58	Financial Year 05-06	CESTAT, Chandigarh
Central Excise Act, 1944	Excise Duty	0.45	Financial Year 10-13	CESTAT, Chandigarh
Central Excise Act, 1944	Excise Duty	7.55	Financial Year 07-08	Commissioner, Ludhiana
Central Excise Act, 1944	Excise Duty	-@	Financial Year 14-17	Commissioner, Ludhiana
Central Excise Act, 1944	Excise Duty	33.38	June 2009 to Feb 2010	CESTAT, Chandigarh
Central Excise Act, 1944	Excise Duty	-@	Financial Year 14-17	Commissioner, Ludhiana
Service Tax, 1994	Service Tax	5.78*	Financial Year 09-10	CESTAT, Chandigarh
Service Tax, 1994	Service Tax	0.84	Financial Year 2011-12	CESTAT, Chandigarh
Service Tax, 1994	Service Tax	0.08	Financial Year 2011-2012	C ESTAT, Chandigarh
Punjab VAT Act, 2005	VAT	4.66	Financial Year 2011-2012	DETC, Mohali
Punjab VAT Act, 2005	VAT	4.46	Financial Year 2012-2013	DETC, Mohali
Punjab VAT Act, 2005	VAT	1.20	Financial Year 2013-2014	DETC, Mohali
Uttarakhand VAT Act, 2005	VAT	19.12	Financial Year 2010-2011	Joint Commissioner of State Tax (Appeals), Haldwani

* Net of amounts deposited under protest.

** In case of adverse judgment, MAT credit entitlement would reduce by Rs. 113.72 million.

@ In case of adverse judgment, Balances with Revenue authorities would reduce by Rs. 542.31 million.

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 (Refer Para III of Note No. 2.29 to the Ind AS financial results) 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.
- x)**
- a. The Company has not raised moneys 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.

Standalone Financial Statements

- 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 not incurred cash losses during the financial year covered by our audit and 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)

(Deepak Jindal)
Partner

(Membership No. 514745)
UDIN:23514745BGWKVU8659

Place : Chandigarh
Date : 26.05.2023

Standalone Financial Statements

Nectar Lifesciences Limited
Balance Sheet as at 31st March 2023

(₹ in Million)

Particulars	NOTE	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	2.02	6,126.45	6,800.77
Capital work-in-progress	2.34	777.83	850.98
Intangible assets	2.03	493.29	430.21
Inventory	2.04	1,860.41	2,119.95
Financial assets			
Investments	2.05	2.43	5.73
Trade receivables	2.06	73.46	78.28
Other financial assets	2.07	19.61	19.34
Deferred tax assets (net)	2.08	205.69	24.33
Other non-current assets	2.09	21.18	29.95
Total Non Current Assets		9,580.36	10,359.53
Current Assets			
Inventory	2.04	6,726.00	6,597.70
Financial assets			
Investments	2.05	3.14	4.60
Trade receivables	2.06	2,796.07	4,469.78
Cash and cash equivalents	2.10	175.72	177.39
Loans	2.11	3.73	3.94
Other financial assets	2.07	417.59	217.02
Other current assets	2.12	2,189.49	2,067.10
Total Current Assets		12,311.75	13,537.53
Total Assets		21,892.11	23,897.06
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.13	224.26	224.26
Other equity	2.14	10,421.69	10,644.37
Total Equity		10,645.95	10,868.63
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	2.15	2,264.72	2,910.75
Lease liabilities		-	-
Other financial liabilities	2.16	-	8.30
Provisions	2.17	64.46	63.93
Other Non-Current Liabilities	2.18	7.71	7.96
Total Non-Current Liabilities		2,336.89	2,990.94
Financial liabilities			
Current Liabilities			
Borrowings	2.15	5,273.57	5,688.50
Lease liabilities		-	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.19	15.90	23.88
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,171.63	3,742.64
Other financial liabilities	2.16	343.71	447.89
Other current liabilities	2.20	85.86	117.59
Provisions	2.17	18.60	16.99
Total Current Liabilities		8,909.27	10,037.49
Total Equity and Liabilities		21,892.11	23,897.06
Significant Accounting Policies	1	-	-
Notes to Financial Statements	2	-	-

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

(Deepak Jindal)
Partner
M. No. 514745

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Amit Chadah
Chief Executive Officer

Sushil Kapoor
Chief Financial Officer

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

Standalone Financial Statements

Nectar Lifesciences Limited
Statement of Profit and Loss Account for the year ended March 31, 2023

(₹ in Million)

Particulars	NOTE	Year Ended March 31, 2023	Year Ended March 31, 2022
Continuing Operations			
Revenue from Operations (Gross)	2.21	17,465.57	19,249.22
Less: GST Recovered		2,228.87	2,566.91
Revenue from Operations (Net of GST)		15,236.69	16,682.31
Other Income (Net)	2.22	431.79	113.18
		15,668.48	16,795.50
Expenses			
Raw Material Consumed	2.23	12,008.38	12,068.83
Purchase of Stock in Trade (Traded Goods)		-	4.40
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	(416.38)	149.73
Employees Benefits Expense	2.25	777.75	745.47
Finance Cost	2.26	794.76	788.10
Depreciation & Amortization	2.02 & 2.03	591.19	569.68
Other Expenses	2.27	2,319.71	2,125.76
		16,075.42	16,451.96
Profit/ (Loss) before exceptional items & tax		(406.94)	343.53
Exceptional items		-	-
Profit/(Loss) before tax		(406.94)	343.53
Tax Expenses	2.42	(182.37)	90.34
Profit/ (Loss) for the period		(224.57)	253.20
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)		1.88	8.13
Total Comprehensive income for the period		(222.69)	261.32
Earnings per equity share (Equity Shares of ₹ 1/- each fully paid up)	2.46		
Basic (₹) Before Exceptional Item		(1.00)	1.13
Basic (₹) After Exceptional Item		(1.00)	1.13
Diluted (₹) Before Exceptional Item		(1.00)	1.13
Diluted (₹) After Exceptional Item		(1.00)	1.13
Significant Accounting Policies	1		
Notes to Financial Statements	2		

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

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RK Aggarwal
 Vice President

Neha Vaishnav
 Company Secretary

Place: Chandigarh
Date: 26.05.2023

Standalone Financial Statements

Nectar Lifesciences Limited
Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Million)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital of Re. 1 each	224.26	-	-	-	224.26

(2) Previous reporting period

(₹ in Million)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital of Re. 1 each	224.26	-	-	-	224.26

B. Other Equity

(1) Current reporting period

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Other Equity
	Security Premium	General Reserves	Retained Earnings	Remeasurements of the net defined benefit plans	
Balance at the beginning of the current reporting period	3,287.98	141.02	7,177.07	38.30	10,644.37
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	(224.57)	1.88	(222.69)
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Balance at the end of the current reporting period	3,287.98	141.02	6,952.51	40.18	10,421.69

(2) Previous reporting period

Particulars	Reserve and Surplus			Items of other comprehensive income	Total Other Equity
	Security Premium	General Reserves	Retained Earnings	Remeasurements of the net defined benefit plans	
Balance at the beginning of the previous reporting period	3,287.98	141.02	6,923.87	30.17	10,383.05
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	253.20	8.13	261.32
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Balance at the end of the previous reporting period	3,287.98	141.02	7,177.07	38.30	10,644.37

As per our report of even date

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

For Deepak Jindal & Co.
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RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

Standalone Financial Statements

Nectar Lifesciences Limited
CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2023

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before Tax & Extra Ordinary Items	(406.94)	343.53
Adjustments For :		
Depreciation & Amortization	591.19	569.68
Other Comprehensive Income (Net of tax)	1.88	8.13
Tax on Other Comprehensive Income	1.01	4.36
Provision for Doubtful debts/ Insurance Claims	2.23	9.65
Provision for Employees Retirement Benefits	2.15	(12.57)
Loss/ (Profit) on Sale of Fixed Assets	(404.08)	(94.07)
Profit on Sale / Restatement of Investment	(1.05)	(0.03)
Interest on Borrowings	794.76	788.10
Other Non-Operating Income	(17.26)	(18.83)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	563.89	1,597.96
Adjustments For :		
(Increase)/Decrease in Current Assets	1,222.66	(1,238.77)
Increase/(Decrease) in Current Liabilities	(714.90)	196.74
Increase/(Decrease) in Long Term Liabilities	(8.30)	(10.65)
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	270.62	405.38
CASH GENERATED FROM OPERATIONS	1,333.72	950.41
Direct Taxes Paid	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,333.72	950.41
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(300.60)	(249.70)
Interest Received	17.26	18.83
Dividend Received	0.00	0.01
Sale of Fixed Assets	797.88	397.31
Sale/(Purchase) of Investments	5.80	-
NET CASH USED IN INVESTING ACTIVITIES (B)	520.34	166.44
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds/(Repayment) from Term Loans from Banks	(652.39)	1,567.80
Proceeds/(Repayment) from Working Capital Limits from Banks	(438.58)	(2,063.21)
Proceeds from Directors/Relatives/Entities in which directors have significant influence	30.00	100.00
Proceeds/(Repayment) from Vehicle Loans	0.01	(10.28)
Interest Paid	(794.76)	(788.10)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(1,855.72)	(1,193.79)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(1.67)	(76.95)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	177.39	254.34
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	175.72	177.39

Notes to 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
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M. No. 514745

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Chief Financial Officer

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). 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.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of measurement:

The financial statements are prepared on going concern basis & accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in million.

The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

b) Use of Estimates & Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, 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 could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) Current and non-current classification

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 normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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

All other liabilities are classified as non-current.

- Deferred tax assets and liabilities are classified as non-current assets/liabilities

d) Foreign currency translation

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 on Profit and loss in the period.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction

1.3 PROPERTY, PLANT & EQUIPMENT

- i) Property, Plant & Equipment have been stated at cost, net of GST Input tax credit, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013.
- ii) 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.
- iii) Capital work in progress is stated at cost, net of accumulated impairment loss, if any.
- iv) Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter.
- v) 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. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment

and are recognized net within "Other income/ Selling and other expense" in the consolidated statement of profits and loss. 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 recognized in the consolidated statement of profits and loss as incurred.

Depreciation:

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognized on the cost of assets (other than Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and 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.

1.4 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of 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.

The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

1.5 REVENUE RECOGNITION

i) 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 from the sale of goods 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.

ii) Export benefits and other benefits are accounted for on 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.

1.6 INVESTMENTS

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 cost and provision is made for decline in market value, if any.

1.7 FINANCIAL INSTRUMENTS

A. Initial recognition

The Company recognizes 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.

B. Subsequent measurement

a) Non-derivative financial instruments

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance

Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

v. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

D. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.8 INVENTORIES

i. Raw materials, Stores and Spares and Packing material

Lower of cost and net realizable value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition.

ii. Finished Goods and work in process

Lower of cost and net realizable value. Cost includes direct material, labour and proportionate manufacturing overheads.

iii. Traded goods

Lower of Cost and Net Realizable Value. 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.

1.9 FOREIGN EXCHANGE TRANSACTIONS

i) 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.

ii) 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.

iii) 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.

1.10 EMPLOYEE BENEFITS

i) Short Term Employee Benefits:

Employee benefits payable fully within twelve months of rendering the service are classified under current liabilities and are recognized in the period in which the employee renders the related service.

Contribution to the Provident Fund, which is a defined contribution scheme, is recognized as an expense in the profit and loss account in the period in which the contribution is due.

ii) Long Term Employee Benefits

Post-Employment Benefits (Defined Benefit Plans)

The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service cost are recognized immediately in other comprehensive income.

Long term employee benefit also comprises of compensated absences. These are measured based on actuarial valuations carried out by an independent actuary using the projected unit method at balance sheet date unless they are insignificant. Actuarial gains and losses and past service cost are recognized immediately in other comprehensive income.

1.11 CASH FLOW STATEMENT

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.

1.12 DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders.

1.13 OTHER INCOME

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

1.14 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or

Standalone Financial Statements

construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.15 LEASES

For short-term and low value leases, the Company recognizes the lease payments as an operating expense in the Statement of Profit & Loss account over the lease term.

1.16 GOVERNMENT GRANTS AND SUBSIDIES

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions will be complied with. When the grant or subsidy relates to an asset, such grant is recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

1.17 EARNINGS PER SHARE

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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity-shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.18 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.

1.19 INCOME TAXES

Income tax expense comprises current 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 income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. NOTES TO FINANCIAL STATEMENTS

2.01 COMPANY OVERVIEW

Nectar Lifesciences Limited (CIN: L24232PB1995PLC016664) is an integrated pharmaceutical organization, incorporated in 1995, 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 and also Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange (LuxSE). The financial statements are approved for issue by the Company's Board of Directors on May 26, 2023.

Nectar Lifesciences Limited

Note - 2.02 "Property, Plant And Equipment"

(₹ in Million)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-Apr-22	Additions	Sale/ Deletion	As At 31-Mar-23	Up To 31-Mar-22	During the Year	Deletion/ Adjustments	Up To 31-Mar-23	As At 31-Mar-23	As At 31-Mar-22
Freehold Land & Site Development	512.78	-	323.69	189.08	-	-	-	-	189.08	512.78
Leasehold Land	3.27	-	-	3.27	0.57	0.04	-	0.61	2.66	2.70
Buildings	1,773.03	83.13	96.04	1,760.11	668.20	52.05	26.13	694.12	1,065.99	1,104.82
Tube Well	27.47	-	-	27.47	23.80	0.96	-	24.76	2.71	3.67
Plant & Machinery	9,465.56	74.11	-	9,539.67	4,999.53	351.98	-	5,351.51	4,188.16	4,466.03
Boiler	170.70	-	-	170.70	127.82	8.93	-	136.75	33.95	42.88
Pollution Control Equipment	75.25	-	-	75.25	71.46	0.01	-	71.47	3.78	3.79
Laboratory	115.89	-	-	115.89	96.40	3.33	-	99.73	16.17	19.49
Miscellaneous Fixed Assets	1,593.24	58.25	-	1,651.49	981.68	76.95	-	1,058.63	592.85	611.56
Furniture & Fixture	102.08	0.32	-	102.41	89.54	2.40	-	91.94	10.46	12.54
Motor Vehicles	73.09	2.70	3.87	71.93	56.60	3.36	3.67	56.28	15.65	16.50
Computer	48.96	2.07	-	51.02	44.95	1.09	-	46.04	4.98	4.00
GRAND TOTAL	13,961.32	220.57	423.60	13,758.29	7,160.56	501.09	29.81	7,631.84	6,126.45	6,800.77
Previous Year	14,014.35	259.50	312.52	13,961.32	6,679.11	490.73	9.28	7,160.56	6,800.77	7,335.24

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
Note - 2.03 “Intangible Assets”		
Opening Gross Block	1,668.15	1,542.64
Additions during the year	153.17	125.51
Closing Gross Block	1,821.32	1,668.15
Opening Accumulated amortization	1,237.94	1,158.99
Amortization during the year	90.10	78.95
Closing Accumulated amortization	1,328.04	1,237.94
Net Intangible Assets	493.29	430.21

Also refer note 2.35

NOTE - 2.04 “Inventory”

(As Certified by The Management)

Non Current

Raw Material	14.88	167.70
Work In Progress	1,539.76	1,644.10
Finished Goods	305.74	308.12
Stock in Trade	-	-
Other Miscellaneous Stocks	0.03	0.03
	1,860.41	2,119.95

Current

Raw Material	1,203.12	1,583.05
Work In Progress	5,155.49	3,710.32
Finished Goods	207.35	1,114.00
Stock in Trade	-	15.43
Other Miscellaneous Stocks	160.04	174.92
	6,726.00	6,597.70

NOTE - 2.05 “Investments”

Non Current Investments - carried at cost

Investment in Equity Instruments

UNQUOTED

In Subsidiary Companies

In Nectar Lifesciences UK Ltd. - United Kingdom Nil (Previous year 1 Equity Share of 1 GBP Fully Paid Up) [Absolute amount Nil (Previous Year ₹ 75)]	-	0.00
In Nectar Lifesciences USA LLC, USA Nil (Previous year 51,950 Equity Shares of 1 USD)	-	3.30
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”

2.43 **5.73**

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.05 "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)	0.00	0.00
In Parsvanath Developers Ltd. 4,700 Equity Shares of ₹ 5/- each, Fully Paid Up	1.31	1.31
155,445.53 units of Nippon India Banking & PSU Fund - Growth SBI PSU Fund	-	2.50
PRINCIPAL BALANCED FUND	1.00	1.00
	<u>3.31</u>	<u>5.81</u>
Less: Provision for Loss on Investment	0.19	1.24
Net Quoted Current Investments "B"	<u>3.12</u>	<u>4.57</u>
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"	<u>0.03</u>	<u>0.03</u>
Total Current Investments "D" = "B" + "C"	<u>3.14</u>	<u>4.60</u>
Total Investment "A" + "D"	<u>5.58</u>	<u>10.33</u>
Market value of Quoted Investment ₹ 3.12 Million (Previous Year ₹ 5.60 Million)		
NOTE - 2.06 "Trade Receivables"		
Non Current		
Trade Receivables - considered good - unsecured	146.72	149.31
Less: Allowances for expected credit loss	73.26	71.03
Total - "A"	<u>73.46</u>	<u>78.28</u>
Current		
Trade Receivables - considered good - unsecured	2,796.07	4,469.78
Less: Allowances for expected credit loss	-	-
Total - "B"	<u>2,796.07</u>	<u>4,469.78</u>
Total Trade Receivables ("A" + "B")	<u>2,869.54</u>	<u>4,548.06</u>

(Also refer Note - 2.37)

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.07 "Other Financial Assets"		
Non Current		
Security Deposits	19.61	19.34
Total - "A"	19.61	19.34
Current		
Insurance Claim Receivable	94.84	217.02
Others	322.75	-
Total - "B"	417.59	217.02
Total Other Financial Assets ("A" + "B")	437.20	236.36
NOTE - 2.08 "Deferred Tax Assets (net)"		
Deferred Tax Liability		
Tax Impact on Deferred Tax Liability arising on account of:		
Property, plant & equipments and Intangible assets	1,322.50	1,284.04
Total - "A"	1,322.50	1,284.04
Tax Impact on Deferred Tax Assets arising on account of:		
Provision for Employee Retirement Benefits	29.03	28.28
Unabsorbed Depreciation	354.99	191.62
Carry forward of losses as per Income Tax Act	258.01	133.15
Provision on Trade Receivables	25.60	24.82
Total - "B"	667.62	377.86
Net Deferred Tax Liability ("A" - "B")	654.88	906.18
Tax Impact of Other Comprehensive Income	23.34	22.33
Net Deferred Tax Liability	678.22	928.51
MAT Credit Entitlement	883.91	952.84
Net Deferred Tax Assets	205.69	24.33
NOTE - 2.09 "Other Non-Current Assets"		
Balances Recoverable from Revenue Authorities	16.18	24.94
Others	5.00	5.00
	21.18	29.95
NOTE - 2.10 "Cash & Cash Equivalents"		
Balance with Banks	0.64	23.14
FDRs with Banks (including interest accrued)	154.31	133.96
Balances in Dividend Accounts	0.27	0.32
Cash In Hand (Incl Staff Imprest)	20.49	19.96
	175.72	177.39

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.11 "Loans"		
Loans & Advances to Staff	3.73	3.94
	3.73	3.94

NOTE - 2.12 "Other Current Assets"

Export and Other Incentives Accrued	447.00	436.51
Balances with Revenue Authorities	1,012.18	963.06
Other Recoverables	95.94	17.00
Advances other than capital advances		
Payment to vendors for supply of goods	589.15	604.64
Others	45.23	45.88
	2,189.49	2,067.10

NOTE - 2.13 "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 2.28)

224.26 **224.26**

NOTE - 2.14 "OTHER EQUITY"

Statement of Change in Equity (FY 2022-23)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2022	224.26	3,287.98	141.02	7,215.37	10,868.63
Changes in equity for the year ended March 31, 2023					
<u>Add</u> : - Profit/ (Loss) for the period	-	-	-	(222.69)	(222.69)
<u>Less</u> : - Final Dividend & Tax on Dividend	-	-	-	-	-
Balance as of March 31, 2023	224.26	3,287.98	141.02	6,992.68	10,645.95

Statement of Change in Equity (FY 2021-22)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2021	224.26	3,287.98	141.02	6,954.05	10,607.31
Changes in equity for the year ended March 31, 2022					
<u>Add</u> : - Profit/ (Loss) for the period	-	-	-	261.32	261.32
Balance as of March 31, 2022	224.26	3,287.98	141.02	7,215.37	10,868.63

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.15 "Borrowings"		
Non Current		
Secured		
Term Loans		
From Banks	2,131.63	2,807.99
Vehicle Loans		
From Banks	3.09	2.76
Unsecured		
From Directors/Relatives/Entities in which directors have significant influence	130.00	100.00
	<u>2,264.72</u>	<u>2,910.75</u>
(Also Refer Note 2.29)		
Current		
Secured		
Working Capital Limits		
From Banks	4,589.12	5,027.70
Current Maturities of Long Term Debts	683.00	659.04
Current Maturities of Vehicle Loans	1.44	1.77
	<u>5,273.57</u>	<u>5,688.50</u>
(Also Refer Note 2.29)		
Total Borrowings	<u>7,538.29</u>	<u>8,599.25</u>
NOTE - 2.16 "Other Financial Liabilities"		
Non Current		
Other Capital Advances	-	8.30
	<u>-</u>	<u>8.30</u>
Current		
Interest Accrued but not due on Borrowings	8.29	9.41
Unpaid Dividends (Refer Note 2.30)	0.27	0.32
Accrued Compensation to Employees	56.67	48.01
Creditors against capital goods and expenses	278.49	390.14
	<u>343.71</u>	<u>447.89</u>
Total Other Financial Liabilities	<u>343.71</u>	<u>447.89</u>
NOTE - 2.17 "Provisions"		
Non Current		
Provision for Employees Retirement Benefits (Refer Note 2.32)	64.46	63.93
	<u>64.46</u>	<u>63.93</u>
Current		
Provision for Employee Retirement Benefits (Refer Note 2.32)	18.60	16.99
	<u>18.60</u>	<u>16.99</u>
Total Provisions	<u>83.06</u>	<u>80.92</u>

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.18 “Other Non Current Liabilities”		
Non Current		
Deferred Income	7.71	7.96
	<u>7.71</u>	<u>7.96</u>

NOTE - 2.19 “Trade Payables”

Total outstanding dues of micro enterprises and small enterprises	15.90	23.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,171.63	3,742.64
	<u>3,187.52</u>	<u>3,766.52</u>

(Also refer Note - 2.30 & 2.31)

NOTE - 2.20 “Other Current Liabilities”

Advances From Customers	64.99	71.69
Statutory dues payable	12.80	16.77
Accrued Expenses	8.07	29.13
	<u>85.86</u>	<u>117.59</u>

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.21 “Revenue from Operations”		
Sale of Manufactured Products		
Export	9,012.40	7,430.32
Domestic	8,453.16	11,810.15
Trading Sale		
Export	-	8.76
Domestic	-	-
	<u>17,465.57</u>	<u>19,249.22</u>

NOTE - 2.22 “Other Income”

Operating Income		
Other Operating Income	9.14	-
Deferred Income - Govt. Grants	0.25	0.25
Other Income		
Interest Income	17.26	18.83
Dividend From Investments	0.00	0.01
[Absolute amount ₹ 67 (Previous year ₹ 5039)]		
Gain on Restatement of Investment	1.05	0.03
Profit on sale of fixed asset	404.08	94.07
	<u>431.79</u>	<u>113.18</u>

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.23 "Raw Material Consumed"		
Opening Stock	1,750.75	1,309.05
Add:- Purchase of Raw Material	11,475.63	12,510.53
	<u>13,226.38</u>	<u>13,819.58</u>
Less :- Closing Stock	1,218.00	1,750.75
	<u>12,008.38</u>	<u>12,068.83</u>

NOTE - 2.24 "(Increase)/ Decrease in Inventories of Finished Goods, Stocks in Process & Stock in Trade"

Inventory (At Close)		
Finished Goods	513.09	1,422.12
Stock in Process	6,695.25	5,354.41
Stock in Trade	-	15.43
	<u>7,208.34</u>	<u>6,791.96</u>
Inventory (At Commencement)		
Finished Goods	1,422.12	2,075.57
Stock in Process	5,354.41	4,852.68
Stock in Trade	15.43	13.44
	<u>6,791.96</u>	<u>6,941.69</u>
	<u>(416.38)</u>	<u>149.73</u>

NOTE - 2.25 "Employee Benefit Expenses"

Salaries & Wages	639.73	590.38
Remuneration To Directors	26.42	26.41
Contribution to Provident and Other Funds	36.35	36.27
Staff Welfare	75.26	92.40
	<u>777.75</u>	<u>745.47</u>

NOTE - 2.26 "Financial Expenses"

Interest Expenses	827.98	699.44
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	(33.22)	88.66
	<u>794.76</u>	<u>788.10</u>

Standalone Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.27 "Other Expenses"		
Manufacturing Expenses		
Consumable Stores, Spares & Packing Expenses	282.06	301.14
Power, Fuel & Steam Expenses	1,272.58	1,012.87
Chemical Testing Expenses	26.54	30.70
Repairs & Maintenance		
Electricals	15.44	16.72
Machinery	117.11	94.23
Building	7.69	8.08
Total - "A"	1,721.41	1,463.74
Administrative Expenses		
Travelling & Conveyance	15.10	9.98
Advertisement & Subscription	1.14	1.10
Books & Periodicals	0.16	0.23
Business Promotion	1.03	1.85
Insurance	52.75	52.20
Electricity Expenses (Office)	1.31	1.25
Postage, Telephone, Telegram	5.85	6.02
Printing & Stationery	7.74	5.13
Professional Fees	31.52	35.74
Rate, Fees & Taxes	18.27	12.21
Vehicle Running & Maintenance	4.37	4.70
Rent	18.26	17.60
Audit Fees	2.50	2.50
Office Expenses	11.11	11.34
Diwali & Pooja Expenses	3.38	3.88
Donation & CSR Expenses	11.00	8.30
Contribution to Political Party	-	1.00
Loss on Sale of Fixed Assets	-	-
Total - "B"	185.47	175.04
Selling & Distribution Expenses		
Discount & Samples	19.57	37.56
Freight & Cartage Outward	305.02	306.44
Sales Commission	86.01	133.32
Provision for Doubtful Debts/ Insurance claim	2.23	9.65
Total - "C"	412.83	486.97
Grand Total ("A" + "B" + "C")	2,319.71	2,125.76

Standalone Financial Statements

2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	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%	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%	26,000,000	11.59%

Note:

Since, the equity shares underlying GDRs are 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.

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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

2.29 SECURED LOANS

- I. 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 & Sanjeev and Sons 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	827.76
2-5	1,303.86
>5	-

Other Loans comprise of Vehicle Loans which are secured against hypothecation of respective vehicles.

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (₹ in Million)
1-2	1.09
2-5	2.00
>5	-

- II. 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.

2.30 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2023 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are ₹ 15.90 million (Previous year ₹ 23.88 million). The interest amount computed based on the provisions under Section 16 of the MSMED Act of ₹ 1.36 million (Previous year ₹ 0.56 million) remains unpaid as at 31st March 2023. The principal amount that remained unpaid as at 31st March 2022 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the auditors.

II. Investor Education and Protection Fund

Other financial liabilities include ₹ 0.27 million (Previous year ₹ 0.32 million) which relates to unpaid/ unclaimed dividend. During the year ₹ 0.05 million (Previous year ₹ 0.05 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

2.31 TRADE PAYABLES

Ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
	(₹ in Million)				
MSME	15.90	-	-	-	15.90
Others	3,147.59	22.97	0.63	0.44	3,171.63

Ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
	(₹ in Million)				
MSME	23.88	-	-	-	23.88
Others	3,736.10	4.56	1.98	-	3,742.64

2.32 EMPLOYEE RETIREMENT BENEFITS

1. Benefits valued: Gratuity & Earned leave (both availment & encashment)
2. Nature of the plans: Defined benefit; both gratuity & compensated absence
Liabilities are unfunded
3. Valuation method: Projected Unit Credit Method

Changes in Present Value of Defined Benefit Obligations (DBO)

Particulars	(₹ in million)	
	Gratuity	Earned leave
Present Value of DBO as at 1st April 2022	57.76	23.15
Acquisition adjustment	-	-
Interest on DBO	3.97	2.08

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(₹ in million)

Particulars	Gratuity	Earned leave
Past Service Cost	-	-
Current Service Cost	7.30	8.30
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(10.16)	(6.45)
Remeasurement of DBO	(0.25)	(2.64)
Present Value of DBO as at 31st March 2023	58.62	24.44

Changes in the Fair Value of Plan Assets

(₹ in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2022	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets as at 31st March 2023	-	-

Remeasurement of DBO

(₹ in million)

Particulars	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	0.25	2.64
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	0.25	2.64
Actuarial (gain)/ loss recognized in the year	(0.25)	(2.64)
Unrecognized actuarial (gains)/losses at the end of year	-	-

Fair Value of Plan Assets

(₹ in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2022	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2023	-	-
Funded Status	-	-

Amount recognized in the Balance Sheet

(₹ in million)

Particulars	Gratuity	Earned leave
Present value of DBO as at 31st March 2023	58.62	24.44
Fair value of plan assets as at 31 st March 2023	-	-
Funded Status	58.62	24.44
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(58.62)	(24.44)

Expenses recognized in the Statement of Profit & Loss

(₹ in million)

Particulars	Gratuity	Earned leave
Current service cost	7.30	8.30
Past service cost	-	-
Interest cost	3.97	2.08
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Actuarial Loss/(gain) recognized in the year	-	-
Expenses recognized in the Statement of Profit & Loss	11.27	10.38

Amount recognized as other comprehensive income

(₹ in million)

	Gratuity	Earned leave
Actuarial loss on DBO	(0.25)	(2.64)
Excess of interest on plan assets over actual return	-	-
Change in the effect of asset ceiling	-	-
Expense recognized as other comprehensive income	(0.25)	(2.64)

Valuation Assumptions

Discount Rate	7.20%
Estimated rate of increase in compensation levels	5.00%
Attrition Rate	5.00%
Mortality Rates	Table A

The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

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

Standalone Financial Statements

2.33 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts: - *		
	-Income Tax matters**	122.50	122.50
	-Excise matters @	598.96	541.29
	-Service Tax matters #	7.22	7.22
	-VAT & CST matters §	32.98	32.98
ii)	Bank Guarantees	9.61	12.91
iii)	Bills Discounted	22.33	-
iv)	Letter of Credit (Foreign / Inland)	773.88	39.60
v)	Others`	62.69	-
b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	17.82	11.20

* The matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings for above cases, when ultimately concluded will not have a material effect on the results of operation or financial position of the company.

**Amount deposited under protest ₹ 3.01 million and MAT credit entitlement would be reduced by ₹ 113.72 million, in case of adverse judgment.

@Amount deposited under protest ₹ 8.63 million. In case of adverse judgement, Balances with Revenue authorities would be reduced by ₹ 542.31 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 ₹ 3.54 million.

2.34 CAPITAL WORK IN PROGRESS

Ageing schedule for the year ended March 31, 2023

(₹ 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	6.06	1.35	-	-	7.41
Projects temporarily suspended*	-	-	-	770.42	770.42

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

Ageing schedule for the year ended March 31, 2022

(₹ 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	5.10	-	-	-	5.10
Projects temporarily suspended*	-	-	-	845.88	845.88

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

2.35 INTANGIBLE ASSETS

During the year, the Company incurred an amount of ₹ 153.17 million (Previous Year ₹ 125.51 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.

2.36 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.

2.37 TRADE RECEIVABLES

Ageing schedule of Trade Receivables for the year ended March 31, 2023

(₹ 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	
Undisputed Trade Receivables - considered good	-	-	0.41	13.28	133.03	146.72
Undisputed Trade Receivables - considered good	2,406.11	389.96	-	-	-	2,796.07

Ageing schedule of Trade Receivables for the year ended March 31, 2022

(₹ 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	
Undisputed Trade Receivables - considered good	-	-	14.49	32.75	102.07	149.31
Undisputed Trade Receivables - considered good	4,319.17	150.61	-	-	-	4,469.78

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

2.39 PAYMENT TO AUDITORS

(₹ in million)

Particulars	2022-23	2021-22
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST	0.45	0.45

2.40 INCOME TAX

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.

Standalone Financial Statements

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 accruing during the year aggregating to ₹ 251.30 million (Previous Year reversal of deferred tax asset amounting to ₹ 90.34 million) and it has been recognized in the Statement of Profit & Loss. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

2.41 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 & Loss are ₹ 18.26 million (Previous Year ₹ 17.60 million).

2.42 TAX EXPENSE COMPRISES OF: (₹ in million)

Particulars	FY 2022-23	FY 2021-22
Current Tax	-	-
Deferred Tax Liability/ (Asset)	(251.30)	90.34
Mat Credit of earlier years lapsed	68.93	-
Total	(182.37)	90.34

2.43 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 reward. 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	31.03.2023	31.03.2022
(a)	India	8,453.16	11,810.15
(b)	Outside India	9,012.40	7,439.07
	Total Sales (inclusive of GST)	17,465.57	19,249.22

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

2.44 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

Nectar Lifesciences USA, LLC (dissolved w.e.f. 09.02.2023)
Nectar Lifesciences UK Limited, United Kingdom (dissolved w.e.f. 31.01.2023)
Neclife PT, Unipessoal LDA – Portugal (Inoperative during the year)

ii) Key Management Personnel (Managing Director/ Whole-time directors/ CEO/ CFO/ Company Secretary)

Mr. Sanjiv Goyal, Chairman & Managing Director
Dr. Dinesh Dua, Executive Director (upto 09.07.2022)
Mr. Puneet Sud, Wholetime Director (w.e.f. 24.09.2022)
Mr. Amit Chadah, Chief Executive Officer
Mr. Sandeep Goel, Chief Financial Officer (upto 14.11.2022)
Mr. Sushil Kapoor, Chief Financial Officer (w.e.f 14.11.2022)
Ms. Anubha, Company Secretary (upto 15.11.2022)
Ms. Neha, Company Secretary (w.e.f. 14.02.2023)

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) The following transactions were carried out with related parties in the ordinary course of business.

i) Subsidiary Companies (₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i	Sale during the year	-	-
ii	Investment realised during the year	3.30	-

ii) Key Management Personnel and their relatives

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i.	Director Remuneration & Perquisites*	26.46	26.48
ii.	Salary & Perquisites*	12.17	9.98
iii.	Rent (Excluding GST)	8.40	8.40
iv.	Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress'	30.00	100.00

*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	31.03.2023	31.03.2022
i	CSR expenditure through CSR vehicle	2.01	1.26
ii	Sale of vehicles (inclusive of applicable indirect taxes)	-	11.79

c) Balances at the year end

i) Subsidiary Companies (₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i	Receivable/(Payable) at the year end	-	(9.42)

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ii) Key Management Personnel and their relatives

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i.	Director Remuneration & Perquisites	1.28	1.89
ii.	Salary & Perquisites	0.88	0.48
iii.	Rent (Excluding GST)	-	-
iv.	Loan & advance to KMP	3.06	3.06
v.	Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress'	130.00	100.00

iii) Entities over which key management personnel/their relatives are able to exercise significant influence

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i	Balance at year end	-	-

2.45 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 Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

2.46 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
Profit After Tax, before other comprehensive income	₹ in million	(224.57)	253.20
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	₹	(1.00)	1.13
-Diluted	₹	(1.00)	1.13

2.47 Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to ₹ 98.78 million (Previous Year ₹ 4.68 million).

2.48 DETAIL OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED

a) RAW MATERIAL CONSUMED (₹ in million)

S. No.	Particulars	2022-2023		2021-2022	
		Amount	(%age)	Amount	(%age)
1.	Imported	7,152.52	59.56	7,113.68	58.94
2.	Indigenous	4,855.86	40.44	4,955.15	41.06

b) STORES, SPARES AND PACKING MATERIAL CONSUMED

(₹ in million)

S. No.	Particulars	2022-2023		2021-2022	
		Amount	(%age)	Amount	(%age)
1.	Imported	34.69	12.30	106.29	35.30
2.	Indigenous	247.37	87.70	194.85	64.70

2.49 OTHER INFORMATION

(₹ in million)

	Particulars	2022-2023	2021-2022
(a)	CIF Value of Imports		
1.	Raw Material	6,011.95	7,147.41
2.	Traded Goods	-	-
3.	Capital Goods, Store & Spares and Packing Material etc.	32.65	100.78
(b)	Expenditure in Foreign Currency		
1.	Travelling Expenses	2.13	Nil
2.	Export Commission	63.89	113.64
3.	Other Expenses	10.66	16.99
(c)	Remittances in Foreign Currency		
1.	Raw Material	5,530.15	6,838.15
2.	Traded Goods	-	-
3.	Capital Goods, Stores & Spares and Packing Material etc.	31.92	91.68
(d)	Expenditure in Foreign Currency on account of dividend		
	Particulars	2022-2023	2021-2022
1.	Number of Non-Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72,000,000	72,000,000
3.	(i) Amount of Dividend Paid	Nil	Nil
	(ii) Year to which dividend relates	-	-
(e)	Earning in Foreign Currency		
	Particulars	2022-2023	2021-2022
	FOB Value of Exports	8,063.74	6,669.11

2.50 Corporate Social Responsibility Expenses

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 0.08 million (Previous Year ₹ 2.33 million).

Expenditure incurred during the year related to Corporate Social Responsibility is ₹ 2.11 million (Previous Year ₹ 3.25 million).

(₹ in million)

Particulars	2022-23	2021-22
Health (Including Covid – 19)	-	1.75
Education	2.01	1.50
Renewable Energy	-	-
Others (Including Sports, animal welfare & Rural transformation)	0.10	-
Total	2.11	3.25

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2.51 ACCOUNTING RATIOS

S. No.	Particulars	Numerator	Denominator	31.03.23	31.03.22	Variance
1	Current Ratio	Current Assets	Current Liabilities	1.38	1.35	2.46%
2	Debt-Equity Ratio	Total Debt	Shareholder's equity	0.71	0.79	10.72%
3	Debt Service Coverage Ratio ¹	Earnings available for debt service	Debt Service	0.64	1.02	37.36%
4	Return on Equity (ROE) ¹	Net Profits after taxes	Average Shareholder's Equity	-2.09%	2.36%	188.53%
5	Inventory turnover ratio	Gross Sales	Average Inventory	1.76	1.95	9.75%
6	Trade receivables turnover ratio	Revenue (Gross)	Average Trade Receivables	4.71	4.58	2.71%
7	Trade payable turnover ratio	Net Purchases	Average Trade Payables	3.30	3.48	5.19%
8	Net capital turnover ratio	Revenue (Net of GST)	Working Capital	4.48	4.77	6.05%
9	Net profit ratio ¹	Net Profit	Revenue (Net of GST)	-1.47%	1.52%	197.11%
10	Return on capital employed (ROCE) ¹	Earnings before interest and taxes	Capital Employed	2.22%	5.95%	62.73%
11	Return on Investments (ROI)					
	11.a Unquoted	Income generated from investments	Time weighted average investments	-	20.00%	-
	11.b Quoted	Income generated from investments	Time weighted average investments	-	-	-

1. The company has incurred losses during FY 2022-23 whereas the company had profits during FY 2021-22 leading to reduction in ratio of debt service coverage ratio, Return on Equity (ROE), Net profit ratio and Return on capital employed (ROCE).

2.52 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, 2023 and March 31, 2022.

2.53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to the variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash & bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payable.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimize the potential adverse

effects of financial market on the Company's performance are as follows:

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below:

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks. Hence, the company is not significantly exposed to interest rate risk.

Interest Rate sensitivity

The Company doesn't have any interest-bearing investments. Hence, the company is not exposed to interest rate sensitivity.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk.

Standalone Financial Statements

The Company does not enter into financial instrument transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

iii. **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, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

iv. **Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, 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.

2.54 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.

2.55 ADDITIONAL REGULATORY DISCLOSURE REQUIREMENTS

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- 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. 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
- e. Title deeds of immoveable properties

2.56 The Company has re-grouped previous year's figures to confirm to current year's classification.

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

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

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

(Deepak Jindal)
Partner
M. No. 514745

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 subsidiaries namely Nectar Lifesciences UK Limited, United Kingdom (dissolved w.e.f. 31.01.2023), Nectar Lifesciences USA LLC (dissolved w.e.f. 09.02.2023) and Neclife PT, Unipessoal LDA-Portugal (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, 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, 2023 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.

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:

Consolidated Financial Statements

- 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 Companies namely Nectar Lifesciences UK Limited, United Kingdom (dissolved w.e.f. 31.01.2023), Nectar Lifesciences USA LLC (dissolved w.e.f. 09.02.2023) and Neclife PT, Unipessoal LDA-Portugal. We have relied on the unaudited financial statements of these subsidiaries for the Year ended March 31, 2023, which have been incorporated in the consolidated financial statements. The annual financial statements of subsidiaries reflect total assets of Rs. 0.08 million as at March 31, 2023 (Previous year Rs. 10.97 million), total revenues of "Nil" (Previous year Rs. 6.00 million) and net cash inflows/ (Outflows) amounting Rs. (0.61) million for the year ended on that date (Previous year outflow of Rs. 0.36 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, 2023 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, 2023 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 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.

Consolidated Financial Statements

- 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- 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)

(Deepak Jindal)
Partner

Place : Chandigarh
Date : 26.05.2023

(Membership No. 514745)
UDIN:23514745BGWKVV4112

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, 2023, 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, 2023, 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)

(Deepak Jindal)
Partner

Place : Chandigarh
Date : 26.05.2023

(Membership No. 514745)
UDIN:23514745BGWKVV4112

Consolidated Financial Statements

Nectar Lifesciences Limited
Consolidated Balance Sheet As At 31st March 2023

(₹ in Million)

Particulars	NOTE	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2.02	6,126.45	6,800.77
Capital work-in-progress	2.34	777.83	850.98
Intangible assets	2.03	493.29	430.21
Inventory	2.04	1,860.41	2,119.95
Financial assets			
Investments	2.05	2.35	2.35
Trade receivables	2.06	73.46	78.28
Other financial assets	2.07	19.61	19.34
Deferred tax liabilities (net)	2.08	205.69	28.00
Other non-current assets	2.09	21.18	29.95
Total Non Current Assets		9,580.28	10,359.83
Current assets			
Inventory	2.04	6,726.00	6,598.55
Financial assets			
Investments	2.05	3.14	4.60
Trade receivables	2.06	2,796.07	4,469.78
Cash and cash equivalents	2.10	175.80	178.08
Loans	2.11	3.73	3.94
Other financial assets	2.07	417.59	217.02
Other current assets	2.12	2,189.49	2,076.53
Total Current Assets		12,311.83	13,548.49
Total Assets		21,892.11	23,908.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.13	224.26	224.26
Other equity	2.14	10,421.68	10,654.79
Total Equity		10,645.95	10,879.05
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.15	2,264.72	2,910.75
Lease liabilities		-	-
Other financial liabilities	2.16	-	8.30
Provisions	2.17	64.46	63.93
Other Non-Current Liabilities	2.18	7.71	7.96
Total Non-current liabilities		2,336.89	2,990.94
Current liabilities			
Financial liabilities			
Borrowings	2.15	5,273.57	5,688.50
Lease liabilities		-	-
Trade payables	2.19		
<i>Total outstanding dues of micro enterprises and small enterprises</i>		15.90	23.88
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		3,171.63	3,742.64
Other financial liabilities	2.16	343.71	447.89
Other current liabilities	2.20	85.86	118.43
Provisions	2.17	18.60	16.99
Total Current liabilities		8,909.27	10,038.33
Total equity and liabilities		21,892.11	23,908.32
Significant Accounting Policies	1	-	-
Notes to Financial Statements	2	-	-

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

(Deepak Jindal)
Partner
M. No. 514745

Sushil Kapoor
Chief Financial Officer

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

Consolidated Financial Statements

Nectar Lifesciences Limited

Consolidated Statement of Profit and Loss Account for the year ended 31st March 2023

(₹ in Million)

Particulars	NOTE	Year Ended March 31, 2023	Year Ended March 31, 2022
Continuing Operations			
Revenue from Operations (Gross)	2.21	17,465.57	19,255.23
Less: GST Recovered		2,228.87	2,566.91
Revenue from Operations (Net of GST)		15,236.69	16,688.32
Other Income (Net)	2.22	431.79	113.18
		15,668.48	16,801.50
Expenses			
Raw Material Consumed	2.23	12,008.38	12,068.83
Purchase of Stock in Trade (Traded Goods)		-	4.40
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	(415.53)	158.08
Employees Benefits Expense	2.25	777.75	745.47
Finance Cost	2.26	794.87	788.10
Depreciation & Amortization	2.02 & 2.03	591.19	569.68
Other Expenses	2.27	2,336.02	2,126.14
		16,092.68	16,460.69
Profit/ (Loss) before exceptional items & tax		(424.20)	340.80
Exceptional items		-	-
Profit/(Loss) before tax		(424.20)	340.80
Tax Expenses	2.42	(182.37)	90.34
Profit/ (Loss) for the period		(241.83)	250.47
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)		1.88	8.13
Items that will be reclassified subsequently to profit or loss			
Foreign Exchange Translation Reserve (Net of Tax)		6.84	0.16
Total Comprehensive income for the period		(233.11)	258.75
Earnings per equity share (Equity Shares of ₹ 1/- each fully paid up)			
Basic (₹) Before Exceptional Item	2.46	(1.08)	1.12
Basic (₹) After Exceptional Item		(1.08)	1.12
Diluted (₹) Before Exceptional Item		(1.08)	1.12
Diluted (₹) After Exceptional Item		(1.08)	1.12
Significant Accounting Policies	1		
Notes to Financial Statements	2		

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

(Deepak Jindal)
Partner
M. No. 514745

Sushil Kapoor
Chief Financial Officer

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

Consolidated Financial Statements

Nectar Lifesciences Limited
Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Million)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital of Re. 1 each	224.26	-	-	-	224.26

(2) Previous reporting period

(₹ in Million)

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Equity Share Capital of Re. 1 each	224.26	-	-	-	224.26

B. Other Equity

(1) Current reporting period

Particulars	Reserve and Surplus			Items of other comprehensive income		Total Other Equity
	Security Premium	General Reserves	Retained Earnings	Remeasurements of the net defined benefit plans	Foreign currency translation reserves	
Balance at the beginning of the current reporting period	3,287.98	141.02	7,191.48	41.15	(6.85)	10,654.79
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	(241.83)	1.88	6.85	(233.10)
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Balance at the end of the current reporting period	3,287.98	141.02	6,949.66	43.02	(0.00)	10,421.69

(2) Previous reporting period

Particulars	Reserve and Surplus			Items of other comprehensive income		Total Other Equity
	Security Premium	General Reserves	Retained Earnings	Remeasurements of the net defined benefit plans	Foreign currency translation reserves	
Balance at the beginning of the previous reporting period	3,287.98	141.02	6,941.02	33.02	(7.01)	10,396.04
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	250.47	8.13	0.16	258.75
Dividends & Corporation tax	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Balance at the end of the previous reporting period	3,287.98	141.02	7,191.48	41.15	(6.85)	10,654.79

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

(Deepak Jindal)
Partner
M. No. 514745

Sushil Kapoor
Chief Financial Officer

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

Consolidated Financial Statements

Nectar Lifesciences Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2023

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before Tax & Extra Ordinary Items	(424.20)	340.80
Adjustments For :		
Depreciation & Amortization	591.19	569.68
Other Comprehensive Income (Net of tax)	8.72	8.29
Tax on Other Comprehensive Income	4.69	4.45
Provision for Doubtful debts/ Insurance Claims	2.23	9.65
Provision for Employees Retirement Benefits	2.15	(12.57)
Loss/ (Profit) on Sale of Fixed Assets	(404.08)	(94.07)
Loss/ (Profit) on Sale / Restatement of Investment	(1.05)	(0.03)
Interest on Borrowings	794.87	788.10
Other Non-Operating Income	(17.26)	(18.83)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	557.25	1,595.48
Adjustments For :		
(Increase)/Decrease in Current Assets	1,232.93	(1,237.49)
Increase/(Decrease) in Current Liabilities	(715.74)	197.59
Increase/(Decrease) in Long Term Liabilities	(8.30)	(10.65)
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	270.62	405.38
CASH GENERATED FROM OPERATIONS	1,336.51	950.05
Direct Taxes Paid	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,336.51	950.05
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(300.60)	(249.70)
Interest Received	17.26	18.83
Dividend Received	0.00	0.01
Sale of Fixed Assets	797.88	397.31
Sale/(Purchase) of Investments	2.50	-
NET CASH USED IN INVESTING ACTIVITIES (B)	517.04	166.44
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds/(Repayment) from Term Loans from Banks	(652.39)	1,567.80
Proceeds/(Repayment) from Working Capital Limits from Banks	(438.58)	(2,063.21)
Proceeds/(Repayment) from directors/ shareholders	30.00	100.00
Proceeds/(Repayment) from Vehicle Loans	0.01	(10.28)
Interest Paid	(794.87)	(788.10)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(1,855.83)	(1,193.80)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(2.28)	(77.31)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	178.08	255.39
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	175.80	178.08

Notes to 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

(Deepak Jindal)
 Partner
 M. No. 514745

Sushil Kapoor
 Chief Financial Officer

RK Aggarwal
 Vice President

Neha Vaishnav
 Company Secretary

Place: Chandigarh
 Date: 26.05.2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). 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.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of measurement:

The financial statements are prepared on going concern basis & accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in million.

The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

b) Use of Estimates & Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, 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 could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) Current and non-current classification

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 normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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

All other liabilities are classified as non-current.

- Deferred tax assets and liabilities are classified as non-current assets/liabilities

d) Foreign currency translation

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 on Profit and loss in the period.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction

1.3 PROPERTY, PLANT & EQUIPMENT

- i) Property, Plant & Equipment have been stated at cost, net of GST Input tax credit, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013.
- ii) 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.
- iii) Capital work in progress is stated at cost, net of accumulated impairment loss, if any.
- iv) Leasehold improvements are depreciated over period of the lease agreement or the useful life, whichever is shorter.
- v) 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. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment

and are recognized net within "Other income/ Selling and other expense" in the consolidated statement of profits and loss. 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 recognized in the consolidated statement of profits and loss as incurred.

Depreciation:

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognized on the cost of assets (other than Capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and 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.

1.4 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of 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.

The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

1.5 REVENUE RECOGNITION

i) 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 from the sale of goods 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.

ii) Export benefits and other benefits are accounted for on 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.

1.6 INVESTMENTS

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 cost and provision is made for decline in market value, if any.

1.7 FINANCIAL INSTRUMENTS

A. Initial recognition

The Company recognizes 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.

B. Subsequent measurement

a) Non-derivative financial instruments

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance

Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

D. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.8 INVENTORIES

i. Raw materials, Stores and Spares and Packing material

Lower of cost and net realizable value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition.

ii. Finished Goods and work in process

Lower of cost and net realizable value. Cost includes direct material, labour and proportionate manufacturing overheads.

iii. Traded goods

Lower of Cost and Net Realizable Value. 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.

1.9 FOREIGN EXCHANGE TRANSACTIONS

i) 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.

ii) 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.

iii) 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.

1.10 EMPLOYEE BENEFITS

i) Short Term Employee Benefits:

Employee benefits payable fully within twelve months of rendering the service are classified under current liabilities and are recognized in the period in which the employee renders the related service.

Contribution to the Provident Fund, which is a defined contribution scheme, is recognized as an expense in the profit and loss account in the period in which the contribution is due.

ii) Long Term Employee Benefits

Post-Employment Benefits (Defined Benefit Plans)

The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service cost are recognized immediately in other comprehensive income.

Long term employee benefit also comprises of compensated absences. These are measured based on actuarial valuations carried out by an independent actuary using the projected unit method at balance sheet date unless they are insignificant. Actuarial gains and losses and past service cost are recognized immediately in other comprehensive income.

1.11 CASH FLOW STATEMENT

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.

1.12 DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders.

1.13 OTHER INCOME

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

1.14 BORROWING COSTS

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.

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1.15 LEASES

For short-term and low value leases, the Company recognizes the lease payments as an operating expense in the Statement of Profit & Loss account over the lease term.

1.16 GOVERNMENT GRANTS AND SUBSIDIES

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions will be complied with. When the grant or subsidy relates to an asset, such grant is recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

1.17 EARNINGS PER SHARE

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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity-shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.18 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.

1.19 INCOME TAXES

Income tax expense comprises current 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 income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. NOTES TO FINANCIAL STATEMENTS

2.01 COMPANY OVERVIEW

Nectar Lifesciences Limited (CIN: L24232PB1995PLC016664) is an integrated pharmaceutical organization, incorporated in 1995, 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 and also Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange (LuxSE). The financial statements are approved for issue by the Company's Board of Directors on May 26, 2023.

Nectar Lifesciences Limited

Note - 2.02 "Property, Plant And Equipment"

(₹ in Million)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01-Apr-22	Additions	Sale/ Deletion	As At 31-Mar-23	Up To 31-Mar-22	During the Year	Deletion/ Adjustments	Up To 31-Mar-23	As At 31-Mar-23	As At 31-Mar-22
Freehold Land & Site Development	512.78	-	323.69	189.08	-	-	-	-	189.08	512.78
Leasehold Land	3.27	-	-	3.27	0.57	0.04	-	0.61	2.66	2.70
Buildings	1,773.03	83.13	96.04	1,760.11	668.20	52.05	26.13	694.12	1,065.99	1,104.82
Tube Well	27.47	-	-	27.47	23.80	0.96	-	24.76	2.71	3.67
Plant & Machinery	9,465.56	74.11	-	9,539.67	4,999.53	351.98	-	5,351.51	4,188.16	4,466.03
Boiler	170.70	-	-	170.70	127.82	8.93	-	136.75	33.95	42.88
Pollution Control Equipment	75.25	-	-	75.25	71.46	0.01	-	71.47	3.78	3.79
Laboratory	115.89	-	-	115.89	96.40	3.33	-	99.73	16.17	19.49
Miscellaneous Fixed Assets	1,593.24	58.25	-	1,651.49	981.68	76.95	-	1,058.63	592.85	611.56
Furniture & Fixture	102.08	0.32	-	102.41	89.54	2.40	-	91.94	10.46	12.54
Motor Vehicles	73.09	2.70	3.87	71.93	56.60	3.36	3.67	56.28	15.65	16.50
Computer	48.96	2.07	-	51.02	44.95	1.09	-	46.04	4.98	4.00
GRAND TOTAL	13,961.32	220.57	423.60	13,758.29	7,160.56	501.09	29.81	7,631.84	6,126.45	6,800.77
Previous Year	14,014.35	259.50	312.52	13,961.32	6,679.11	490.73	9.28	7,160.56	6,800.77	7,335.24

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
Note - 2.03 “Intangible Assets”		
Opening Gross Block	1,668.15	1,542.64
Additions during the year	153.17	125.51
Closing Gross Block	1,821.32	1,668.15
Opening Accumulated amortization	1,237.94	1,158.99
Amortization during the year	90.10	78.95
Closing Accumulated amortization	1,328.04	1,237.94
Net Intangible Assets	493.29	430.21

(Also refer Note 2.35)

NOTE - 2.04 “Inventory”

(As Certified by The Management)

Raw Material	14.88	167.70
Work In Progress	1,539.76	1,644.10
Finished Goods	305.74	308.12
Stock in Trade	-	-
Other Miscellaneous Stocks	0.03	0.03
	1,860.41	2,119.95
Raw Material	1,203.12	1,583.05
Work In Progress	5,155.49	3,710.32
Finished Goods	207.35	1,114.85
Stock in Trade	-	15.43
Other Miscellaneous Stocks	160.04	174.92
	6,726.00	6,598.55

NOTE - 2.05 “Investments”

Non Current Investments

Investment in Equity Instruments

UNQUOTED

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”

2.35

2.35

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.05 "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)	0.00	0.00
In Parsvanath Developers Ltd. 4,700 Equity Shares of ₹ 5/- each, Fully Paid Up	1.31	1.31
155,445.53 units of Nippon India Banking & PSU Fund - Growth SBI PSU Fund	-	2.50
PRINCIPAL BALANCED FUND	1.00	1.00
	3.31	5.81
Less: Provision for Loss on Investment	0.19	1.24
Net Quoted Current Investments "B"	3.12	4.57
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"	3.14	4.60
Total Investment "A" + "D"	5.50	6.95

Market value of Quoted Investment ₹ 3.12 Million (Previous Year ₹ 5.60 Million)

NOTE - 2.06 "Trade Receivables"

Unsecured consists of following

Non Current

Trade Receivables - considered good - unsecured	146.72	149.31
Less: Allowances for expected credit loss	73.26	71.03
Total - "A"	73.46	78.28

Current

Trade Receivables - considered good - unsecured	2,796.07	4,469.78
Less: Allowances for expected credit loss	-	-
Total - "B"	2,796.07	4,469.78

Total Trade Receivables ("A" + "B")

2,869.54 **4,548.06**

(Also refer Note 2.37)

Consolidated Financial Statements

Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.07 “Other Financial Assets”		
Non Current		
Security Deposits	19.61	19.34
Total - “A”	19.61	19.34
Current		
Insurance Claim Receivable :	94.84	217.02
Others	322.75	-
Total - “B”	417.59	217.02
Total Other Financial Assets (“A” + “B”)	437.20	236.36
NOTE - 2.08 “Income Taxes”		
Deferred Tax Liability		
Tax Impact on Deferred Tax Liabilities arising on account of:		
Property, plant & equipments and Intangible assets	1,322.50	1,284.04
Total - “A”	1,322.50	1,284.04
Tax Impact on Deferred Tax Assets arising on account of:		
Provision for Employee Retirement Benefits	29.03	28.28
Unabsorbed Depreciation	354.99	191.62
Carry forward of losses as per Income Tax Act	258.01	133.15
Provision on Trade Receivables	25.60	24.82
Total - “B”	667.62	377.86
Net Deferred Tax Liability (“A” - “B”)	654.88	906.18
Impact of Other Comprehensive Income	23.34	22.33
Impact of Foreign Exchange Translation Reserve	0.00	(3.67)
Net Deferred Tax Liability	678.22	924.84
MAT Credit Entitlement	883.91	952.84
	205.69	28.00
NOTE - 2.09 “Other Non-Current Assets”		
Balances Recoverable from Revenue Authorities	16.18	24.94
Others	5.00	5.00
	21.18	29.95
NOTE - 2.10 “Cash & Cash Equivalents”		
Balance with Banks	0.72	23.83
FDRs with banks (including interest accrued)	154.31	133.96
Balances in Dividend Accounts	0.27	0.32
Cash In Hand (Incl Staff Imprest)	20.49	19.96
	175.80	178.08

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.11 "Loans"		
Loans & Advances to Staff	3.73	3.94
	<u>3.73</u>	<u>3.94</u>

NOTE - 2.12 "Other Current Assets"		
Export and Other Incentives Accrued	447.00	436.51
Balances with Revenue Authorities	1,012.18	963.06
Other Recoverables	95.94	17.00
Advances other than capital advances		
Payment to vendors for supply of goods	589.15	614.07
Others	45.23	45.88
	<u>2,189.49</u>	<u>2,076.53</u>

NOTE - 2.13 "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 2.28)	<u>224.26</u>	<u>224.26</u>

NOTE - 2.14 "OTHER EQUITY"

Statement of Change in Equity FY 2022-23

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2022	224.26	3,287.98	141.02	7,225.79	10,879.05
Changes in equity for the year ended March 31, 2023					
<u>Add</u> : - Profit for the period	-	-	-	(233.11)	(233.11)
Balance as of March 31, 2023	224.26	3,287.98	141.02	6,992.68	10,645.95

Statement of Change in Equity FY 2021-22

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2021	224.26	3,287.98	141.02	6,967.03	10,620.30
Changes in equity for the year ended March 31, 2022					
<u>Add</u> : - Profit for the period	-	-	-	258.75	258.75
Balance as of March 31, 2022	224.26	3,287.98	141.02	7,225.79	10,879.05

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.15 “Borrowings”		
Non Current		
Secured		
Term Loans		
From Banks	2,131.63	2,807.99
Vehicle Loans		
From Banks	3.09	2.76
Unsecured		
From Directors/Relatives/Entities in which directors have significant influence	130.00	100.00
	<u>2,264.72</u>	<u>2,910.75</u>
(Also Refer Note 2.29)		
Current		
Secured		
Working Capital Limits		
From Banks	4,589.12	5,027.70
Current Maturities of Long Term Debts	683.00	659.04
Current Maturities of Vehicle Loans	1.44	1.77
	<u>5,273.57</u>	<u>5,688.50</u>
(Also Refer Note 2.29)		
Total Borrowings	<u>7,538.29</u>	<u>8,599.25</u>
NOTE - 2.16 “Other Financial Liabilities”		
Non Current		
Other Capital Advances	-	8.30
	<u>-</u>	<u>8.30</u>
Current		
Interest Accrued but not due on Borrowings	8.29	9.41
Unpaid Dividends (Refer Note 2.30)	0.27	0.32
Accrued Compensation to Employees	56.67	48.01
Creditors Against Expenses & Capital Goods	278.49	390.14
	<u>343.71</u>	<u>447.89</u>
Total Other Financial Liabilities	<u>343.71</u>	<u>447.89</u>
NOTE - 2.17 “Provisions”		
Non Current		
Provision for Employees Retirement Benefits (Refer Note 2.32)	64.46	63.93
	<u>64.46</u>	<u>63.93</u>
Current		
Provision for Employee Retirement Benefits (Refer Note 2.32)	18.60	16.99
	<u>18.60</u>	<u>16.99</u>
Total Provisions	<u>83.06</u>	<u>80.92</u>

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	As At March 31, 2023	As At March 31, 2022
NOTE - 2.18 "Other Non Current Liabilities"		
Non Current		
Deferred Income	7.71	7.96
	<u>7.71</u>	<u>7.96</u>

NOTE - 2.19 "Trade Payables"

Total outstanding dues of micro enterprises and small enterprises	15.90	23.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,171.63	3,742.64
	<u>3,187.52</u>	<u>3,766.52</u>

(Also refer Note 2.30 & 2.31)

NOTE - 2.20 "Other Current Liabilities"

Advances From Customers	64.99	72.53
Statutory dues payable	12.80	16.77
Accrued Expenses	8.07	29.13
	<u>85.86</u>	<u>118.43</u>

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.21 "Revenue from Operations"		
Sale of Manufactured Products		
Export	9,012.40	7,436.32
Domestic	8,453.16	11,810.15
Trading Sale		
Export	-	8.76
Domestic	-	-
	<u>17,465.57</u>	<u>19,255.23</u>

NOTE - 2.22 "Other Income"

Operating Income		
Other Operating Income	9.14	-
Deferred Income - Govt. Grants	0.25	0.25
Other Income		
Interest Income	17.26	18.83
Dividend From Investments	0.00	0.01
[Absolute amount ₹ 67 (Previous year ₹ 5,039)]		
Gain/ (Loss) on Restatement of Investment	1.05	0.03
Profit on sale of fixed asset	404.08	94.07
	<u>431.79</u>	<u>113.18</u>

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.23 “Raw Material Consumed”		
Opening Stock	1,750.75	1,309.05
Add:- Purchase of Raw Material	11,475.63	12,510.53
	13,226.38	13,819.58
Less :- Closing Stock	1,218.00	1,750.75
	12,008.38	12,068.83
NOTE - 2.24 “(Increase)/ Decrease in Inventories of Finished Goods, Stocks in Process & Stock in Trade”		
Inventory (At Close)		
Finished Goods	513.09	1,422.97
Stock in Process	6,695.25	5,354.41
Stock in Trade	-	15.43
	7,208.34	6,792.81
Inventory (At Commencement)		
Finished Goods	1,422.97	2,084.77
Stock in Process	5,354.41	4,852.68
Stock in Trade	15.43	13.44
	6,792.81	6,950.89
	(415.53)	158.08
NOTE - 2.25 “Employee Benefit Expenses”		
Salaries & Wages	639.73	590.38
Remuneration To Directors	26.42	26.41
Contribution to Provident and Other Funds	36.35	36.27
Staff Welfare	75.26	92.40
	777.75	745.47
NOTE - 2.26 “Financial Expenses”		
Interest Expenses	827.98	699.44
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	(33.11)	88.66
	794.87	788.10

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Nectar Lifesciences Limited

(₹ in Million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
NOTE - 2.27 "Other Expenses"		
Manufacturing Expenses		
Consumable Stores, Spares & Packing Expenses	282.06	301.14
Power, Fuel & Steam Expenses	1,272.58	1,012.87
Chemical Testing Expenses	26.54	30.70
Repairs & Maintenance		
Electricals	15.44	16.72
Machinery	117.11	94.23
Building	7.69	8.08
Total - "A"	1,721.41	1,463.74
Administrative Expenses		
Travelling & Conveyance	15.10	9.98
Advertisement & Subscription	1.14	1.10
Books & Periodicals	0.16	0.23
Business Promotion	1.03	1.85
Insurance	52.75	52.20
Electricity Expenses (Office)	1.31	1.25
Postage, Telephone, Telegram	5.85	6.02
Printing & Stationery	7.74	5.13
Professional Fees	31.93	36.12
Rate, Fees & Taxes	18.27	12.21
Vehicle Running & Maintenance	4.37	4.70
Rent	18.26	17.60
Audit Fees	2.50	2.50
Office Expenses	11.11	11.34
Diwali & Pooja Expenses	3.38	3.88
Donation & CSR Expenses	11.00	8.30
Contribution to Political Party	-	1.00
Loss on Sale of Fixed Assets	-	-
Total - "B"	185.89	175.42
Selling & Distribution Expenses		
Discount & Samples	35.47	37.56
Freight & Cartage Outward	305.02	306.44
Sales Commission	86.01	133.32
Provision for Doubtful Debts/ Insurance claim	2.23	9.65
Total - "C"	428.72	486.97
Grand Total ("A" + "B" + "C")	2,336.02	2,126.14

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2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	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%	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%	26,000,000	11.59%

Note:

Since, the equity shares underlying GDRs are 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.

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
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

2.29 SECURED LOANS

- I. 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 & Sanjeev and Sons 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	827.76
2-5	1,303.86
>5	-

Other Loans comprise of Vehicle Loans which are secured against hypothecation of respective vehicles.

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (₹ in Million)
1-2	1.09
2-5	2.00
>5	-

- II. 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.

2.30 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2023 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are ₹ 15.90 million (Previous year ₹ 23.88 million). The interest amount computed based on the provisions under Section 16 of the MSMED Act of ₹ 1.36 million (Previous year ₹ 0.56 million) remains unpaid as at 31st March 2023. The principal amount that remained unpaid as at 31st March 2022 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the auditors.

II. Investor Education and Protection Fund

Other financial liabilities include ₹ 0.27 million (Previous year ₹ 0.32 million) which relates to unpaid/ unclaimed dividend. During the year ₹ 0.05 million (Previous year ₹ 0.05 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

2.31 TRADE PAYABLES

Ageing schedule for the year ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
	(₹ in Million)				
MSME	15.90	-	-	-	15.90
Others	3,147.59	22.97	0.63	0.44	3,171.63

Ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
	(₹ in Million)				
MSME	23.88	-	-	-	23.88
Others	3,736.10	4.56	1.98	-	3,742.64

2.32 EMPLOYEE RETIREMENT BENEFITS

1. Benefits valued: Gratuity & Earned leave (both availment & encashment)
2. Nature of the plans: Defined benefit; both gratuity & compensated absence
Liabilities are unfunded
3. Valuation method: Projected Unit Credit Method

Changes in Present Value of Defined Benefit Obligations (DBO)

Particulars	(₹ in million)	
	Gratuity	Earned leave
Present Value of DBO as at 1st April 2022	57.76	23.15
Acquisition adjustment	-	-
Interest on DBO	3.97	2.08

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(₹ in million)

Particulars	Gratuity	Earned leave
Past Service Cost	-	-
Current Service Cost	7.30	8.30
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(10.16)	(6.45)
Remeasurement of DBO	(0.25)	(2.64)
Present Value of DBO as at 31st March 2023	58.62	24.44

Changes in the Fair Value of Plan Assets

(₹ in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2022	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain/(loss) on Plan Assets	-	-
Fair Value of Plan Assets as at 31st March 2023	-	-

Remeasurement of DBO

(₹ in million)

Particulars	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	0.25	2.64
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	0.25	2.64
Actuarial (gain)/ loss recognized in the year	(0.25)	(2.64)
Unrecognized actuarial (gains)/losses at the end of year	-	-

Fair Value of Plan Assets

(₹ in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2022	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2023	-	-
Funded Status	-	-

Amount recognized in the Balance Sheet

(₹ in million)

Particulars	Gratuity	Earned leave
Present value of DBO as at 31st March 2023	58.62	24.44
Fair value of plan assets as at 31st March 2023	-	-
Funded Status	58.62	24.44
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(58.62)	(24.44)

Expenses recognized in the Statement of Profit & Loss

(₹ in million)

Particulars	Gratuity	Earned leave
Current service cost	7.30	8.30
Past service cost	-	-
Interest cost	3.97	2.08
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Actuarial Loss/(gain) recognized in the year	-	-
Expenses recognized in the Statement of Profit & Loss	11.27	10.38

Amount recognized as other comprehensive income

(₹ in million)

	Gratuity	Earned leave
Actuarial loss on DBO	(0.25)	(2.64)
Excess of interest on plan assets over actual return	-	-
Change in the effect of asset ceiling	-	-
Expense recognized as other comprehensive income	(0.25)	(2.64)

Valuation Assumptions

Discount Rate	7.20%
Estimated rate of increase in compensation levels	5.00%
Attrition Rate	5.00%
Mortality Rates	Table A

The estimated rate of increase in compensation levels takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

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

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2.33 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts: - *		
	-Income Tax matters**	122.50	122.50
	-Excise matters @	598.96	541.29
	-Service Tax matters #	7.22	7.22
	-VAT & CST matters §	32.98	32.98
ii)	Bank Guarantees	9.61	12.91
iii)	Bills Discounted	22.33	-
iv)	Letter of Credit (Foreign / Inland)	773.88	39.60
v)	Others`	62.69	-
b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	17.82	11.20

* The matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, legal proceedings for above cases, when ultimately concluded will not have a material effect on the results of operation or financial position of the company.

**Amount deposited under protest ₹ 3.01 million and MAT credit entitlement would be reduced by ₹ 113.72 million, in case of adverse judgment.

@Amount deposited under protest ₹ 8.63 million. In case of adverse judgement, Balances with Revenue authorities would be reduced by ₹ 542.31 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 ₹ 3.54 million.

2.34 CAPITAL WORK IN PROGRESS

Ageing schedule for the year ended March 31, 2023

(₹ 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	6.06	1.35	-	-	7.41
Projects temporarily suspended*	-	-	-	770.42	770.42

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

Ageing schedule for the year ended March 31, 2022

(₹ 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	5.10	-	-	-	5.10
Projects temporarily suspended*	-	-	-	845.88	845.88

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

2.35 INTANGIBLE ASSETS

During the year, the Company incurred an amount of ₹ 153.17 million (Previous Year ₹ 125.51 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.

2.36 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.

2.37 TRADE RECEIVABLES

Ageing schedule of Trade Receivables for the year ended March 31, 2023

(₹ 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	
Undisputed Trade Receivables - considered good	-	-	0.41	13.28	133.03	146.72
Undisputed Trade Receivables - considered good	2,406.11	389.96	-	-	-	2,796.07

Ageing schedule of Trade Receivables for the year ended March 31, 2022

(₹ 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	
Undisputed Trade Receivables - considered good	-	-	14.49	32.75	102.07	149.31
Undisputed Trade Receivables - considered good	4,319.17	150.61	-	-	-	4,469.78

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

2.39 PAYMENT TO AUDITORS

(₹ in million)

Particulars	2022-23	2021-22
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST	0.45	0.45

2.40 INCOME TAX

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.

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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 accruing during the year aggregating to ₹ 251.30 million (Previous Year reversal of deferred tax asset amounting to ₹ 90.34 million) and it has been recognized in the Statement of Profit & Loss. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

2.41 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 & Loss are ₹ 18.26 million (Previous Year ₹ 17.60 million).

2.42 TAX EXPENSE COMPRISES OF: (₹ in million)

Particulars	FY 2022-23	FY 2021-22
Current Tax	-	-
Deferred Tax Liability/ (Asset)	(251.30)	90.34
Mat Credit of earlier years lapsed	68.93	-
Total	(182.37)	90.34

2.43 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 reward. 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	31.03.2023	31.03.2022
(a)	India	8,453.16	11,810.15
(b)	Outside India	9,012.40	7,445.08
	Total Sales (inclusive of GST)	17,465.57	19,255.23

In view of the interwoven/intermix nature of business and manufacturing facility, other segmental information is not ascertainable.

2.44 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 (Managing Director/ Whole-time directors/ CEO/ CFO/ Company Secretary)

Mr. Sanjiv Goyal, Chairman & Managing Director
 Dr. Dinesh Dua, Executive Director (upto 09.07.2022)
 Mr. Puneet Sud, Wholetime Director (w.e.f. 24.09.2022)

Mr. Amit Chadah, Chief Executive Officer
 Mr. Sandeep Goel, Chief Financial Officer (upto 14.11.2022)
 Mr. Sushil Kapoor, Chief Financial Officer (w.e.f 14.11.2022)
 Ms. Anubha, Company Secretary (upto 15.11.2022)
 Ms. Neha, Company Secretary (w.e.f. 14.02.2023)

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) The following transactions were carried out with related parties in the ordinary course of business.

i) Key Management Personnel and their relatives

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i.	Director Remuneration & Perquisites*	26.46	26.48
ii.	Salary & Perquisites*	12.17	9.98
iii.	Rent (Excluding GST)	8.40	8.40
iv.	Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress'	30.00	100.00

*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	31.03.2023	31.03.2022
i	CSR expenditure through CSR vehicle	2.01	1.26
ii	Sale of vehicles (inclusive of applicable indirect taxes)	-	11.79

c) Balances at the year end

i) Key Management Personnel and their relatives

(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i.	Director Remuneration & Perquisites	1.28	1.89
ii.	Salary & Perquisites	0.88	0.48
iii.	Rent (Excluding GST)	-	-
iv.	Loan & advance to KMP	3.06	3.06
v.	Unsecured Loan (Interest free) received as per 'Resolution Framework for COVID-19 related Stress'	130.00	100.00

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ii) **Entities over which key management personnel/their relatives are able to exercise significant influence**
(₹ in million)

S. No.	Particulars	31.03.2023	31.03.2022
i	Balance at year end	-	-

2.45 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 Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

2.46 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
Profit After Tax, before other comprehensive income	₹ in million	(241.83)	250.47
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	₹	(1.08)	1.12
-Diluted	₹	(1.08)	1.12

2.47 Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to ₹ 98.78 million (Previous Year ₹ 4.68 million).

2.48 DETAIL OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED

a) **RAW MATERIAL CONSUMED** (₹ in million)

S. No.	Particulars	2022-2023		2021-2022	
		Amount	(%age)	Amount	(%age)
1.	Imported	7,152.52	59.56	7,113.68	58.94
2.	Indigenous	4,855.86	40.44	4,955.15	41.06

b) **STORES, SPARES AND PACKING MATERIAL CONSUMED**

(₹ in million)

S. No.	Particulars	2022-2023		2021-2022	
		Amount	(%age)	Amount	(%age)
1.	Imported	34.69	12.30	106.29	35.30
2.	Indigenous	247.37	87.70	194.85	64.70

2.49 OTHER INFORMATION

(₹ in million)

	Particulars	2022-2023	2021-2022
(a)	CIF Value of Imports		
1.	Raw Material	6,011.95	7,147.41
2.	Traded Goods	-	-
3.	Capital Goods, Store & Spares and Packing Material etc.	32.65	100.78
(b)	Expenditure in Foreign Currency		
1.	Travelling Expenses	2.13	Nil
2.	Export Commission	63.89	113.64
3.	Other Expenses	10.66	16.99
(c)	Remittances in Foreign Currency		
1.	Raw Material	5,530.15	6,838.15
2.	Traded Goods	-	-
3.	Capital Goods, Stores & Spares and Packing Material etc.	31.92	91.68
(d)	Expenditure in Foreign Currency on account of dividend		
	Particulars	2022-2023	2021-2022
1.	Number of Non-Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72,000,000	72,000,000
3.	(i) Amount of Dividend Paid	Nil	Nil
	(ii) Year to which dividend relates	-	-
(e)	Earning in Foreign Currency		
	Particulars	2022-2023	2021-2022
	FOB Value of Exports	8,063.74	6,669.11

2.50 Corporate Social Responsibility Expenses

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 0.08 million (Previous Year ₹ 2.33 million).

Expenditure incurred during the year related to Corporate Social Responsibility is ₹ 2.11 million (Previous Year ₹ 3.25 million).

(₹ in million)

Particulars	2022-23	2021-22
Health (Including Covid – 19)	-	1.75
Education	2.01	1.50
Renewable Energy	-	-
Others (Including Sports, animal welfare & Rural transformation)	0.10	-
Total	2.11	3.25

2.51 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.

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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, 2023 and March 31, 2022.

2.52 **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to the variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash & bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payable.

The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

a. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below:

i. **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's deposit accounts with banks. Hence, the company is not significantly exposed to interest rate risk.

Interest Rate sensitivity

The Company doesn't have any interest-bearing investments. Hence, the company is not exposed to interest rate sensitivity.

ii. **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currency. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk. The Company does not enter into financial instrument

transactions for trading or speculative purposes. Unhedged exposure at any point of time during the year is not material.

iii. **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, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

iv. **Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, 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.

2.53 **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.

2.54 **ADDITIONAL REGULATORY DISCLOSURE REQUIREMENTS**

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- 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. 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
- e. Title deeds of immoveable properties

2.55 The Company has re-grouped previous year's figures to confirm to current year's classification.

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

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh
Date: 26.05.2023

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

(Deepak Jindal)
Partner
M. No. 514745

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 ₹ 89.6076 for 1 Euro
5.	Share capital	80,280
6.	Reserves & surplus	-
7.	Total assets	80,280
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
- 2) Names of subsidiaries which have been liquidated or sold during the year:
 - a) Nectar Lifesciences UK Limited
 - b) Nectar Lifesciences USA LLC

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.

1. Names of associates or joint ventures which are yet to commence operations: N.A.

2. 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 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

RK Aggarwal
Vice President

Neha Vaishnav
Company Secretary

Place: Chandigarh

Date: 26.05.2023

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

(Deepak Jindal)
Partner
M. No. 514745

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company: NECTAR LIFESCIENCES LIMITED

CIN: L24232PB1995PLC016664

Registered office: Village Saidpura, Tehsil Derabassi,

Distt. S.A.S. Nagar (Mohali) Punjab – 140 507

Name of the member (s): DP ID:

E-mail Id: Folio No/ Client Id:

Registered address:

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name E-mail Id:

Registered address:

Signature: or failing him

2. Name E-mail Id:

Registered address:

Signature: or failing him

3. Name E-mail Id:

Registered address:

Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting ("AGM") of the company, to be held on Thursday, September 21, 2023 at 11.00 a.m. at registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) (Punjab) and at any adjournment thereof in respect of all or such resolutions as are indicated below:

Resolution Nos.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Dated:

Signature of shareholder:

Signature of Proxy holder(s):

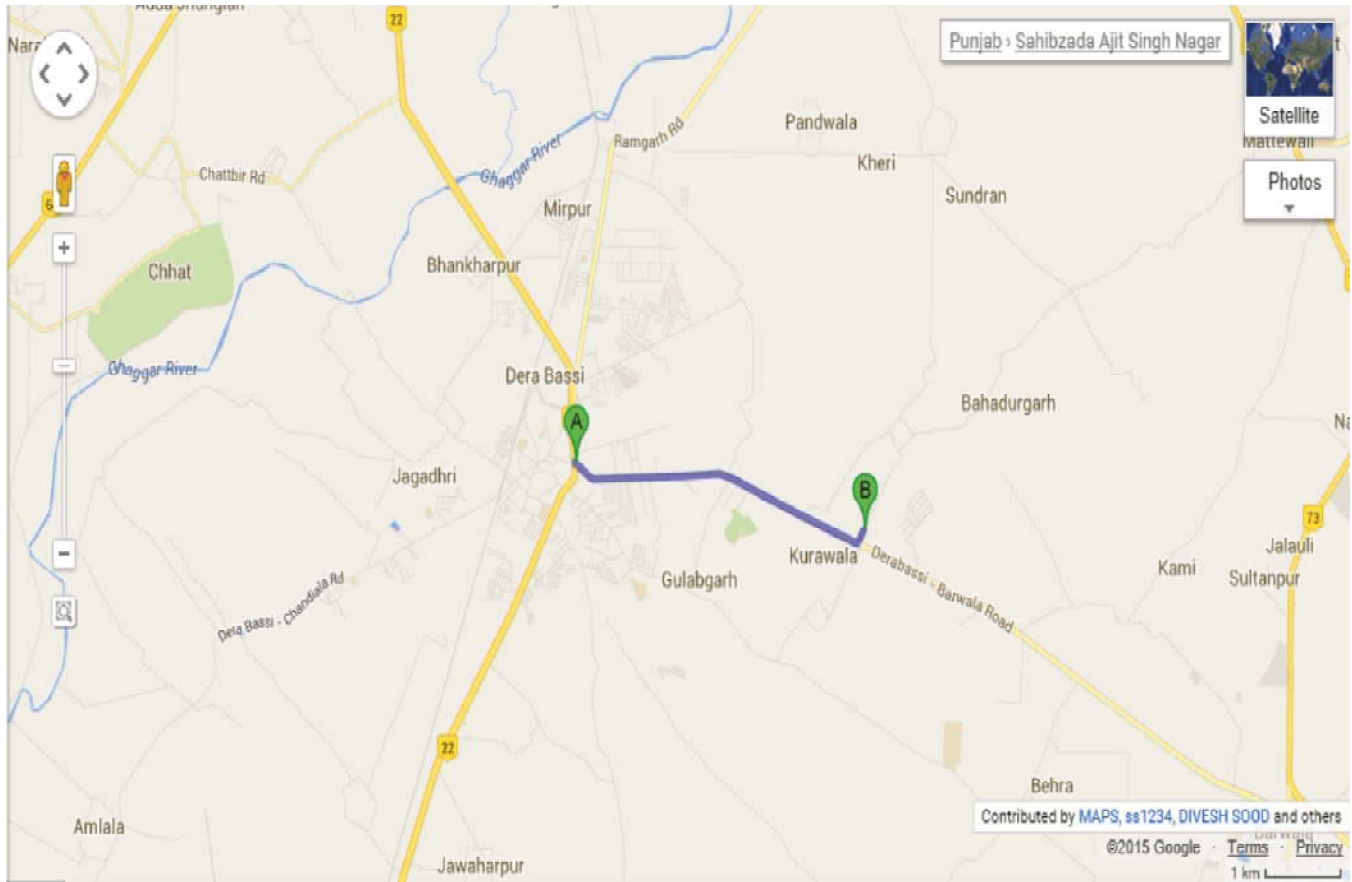
Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the AGM.

Route map of loaction of 28th AGM.

A – Ambala Chandigarh Expressway (NH-22) at Derabassi.

B – Nectar Lifesciences Limited, Works and Registered Office at Village Saidpura, Derabassi, Punjab.



CORPORATE INFORMATION

BOARD OF DIRECTORS AT PRESENT

Mr. Sanjiv Goyal Chairman & Managing Director

Mr. Ajay Swaroop Independent Director

Dr. Indu Pal Kaur Independent Director

Dr. Kuldip Kumar Bhasin Independent Director

Dr. Rupinder Tewari Independent Director

Ms. Meena Verma Nominee Director

Mr. Puneet Sud Wholetime Director (Operations)

Chief Executive Officer

Mr. Amit Chadah

Chief Financial Officer

Mr. Sushil Kapoor

Vice President (Accounts)

Mr. R.K. Aggarwal

Company Secretary

Ms. Neha Vaishnav

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: 01762-532001 | 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)
www.necLife.com



NECTAR LIFESCIENCES LIMITED

CIN: L24232PB1995PLC016664

Regd. Office: Village Saidpura, Tehsil – Derabassi, Distt. S.A.S Nagar (Mohali) Punjab – 140507, India.

Ph: 01762-532001, Email: cs@neclife.com, Website: <https://www.neclife.com/>

ATTENDANCE SLIP

Sr. No.:

Registered Folio No. / DP No. / Client No.	:	
Name and Address of the Shareholder	:	
Name(s) of the Joint Holder(s) if any	:	
No. of shares held	:	
Full name of Proxy, if any (IN BLOCK LETTERS)	:	

I hereby record my presence at the ANNUAL GENERAL MEETING (“AGM”) of the Company held on Thursday, September 21, 2023, at Vill. Saidpura, Tehsil Derabassi, Distt. S.A.S Nagar (Mohali) Punjab – 140507, at 11.00 a.m.

Member’s / Proxy’s Signature

Notes:

- Members/Proxy holders are requested to produce the attendance slip duly signed for entry to the AGM hall.
- Members are requested to bring their copy of the AGM Notice for reference at the AGM.

ELECTRONIC VOTING PARTICULARS

EVEN(E Voting Event Number)	User ID	PASSWORD
7429		

GENERAL INSTRUCTIONS

- The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Thursday, September 14, 2023 (cut-off date) are entitled to vote on the Resolutions set forth in this Notice.
- The voting rights of the Members for e-voting shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut-off date.
- The Company has appointed Mr. Prince Chadha of M/s. P. Chadha & Associates, Company Secretaries, Chandigarh as a Scrutinizer to scrutinize the polling at AGM and remote e-voting (“e-voting”) process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- After the conclusion of polling at the AGM, the scrutinizer shall, immediately first count the votes cast at the AGM, thereafter, unblock the votes cast through e-voting in the presence of at least two witnesses (who shall not be in the employment of the company). Thereafter, Scrutinizer shall give a consolidated report, specifying the total votes cast in favour or against, if any, within forty-eight hours of conclusion of the AGM, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Chairman or a person authorised by him in writing, shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (<https://www.neclife.com/>) and on the website of the KFin Technologies Limited, Registrar & Share Transfer Agent (“Kfin” or “RTA”) (<https://evoting.kfintech.com>). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

Instructions and other information relating to remote e-voting (e-voting) are as under

1. The remote e-voting facility will be available at the link <https://evoting.kfintech.com> during the following voting period:
 - i. Commencement of remote e-voting: FROM 9.00 a.m. on Monday, September 18, 2023.
 - ii. End of remote e-voting: TO 5.00 p.m. on Wednesday, September 20, 2023.
2. In case a Member receives an email from Kfin (for Members whose email Ids are registered with the Company/Depository Participant(s)):
 - a) Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
 - b) Enter the login credentials (i.e. User id and password mentioned in e-mail). Your Folio No./ DP ID / Client ID will be your User ID. However, if you are already registered with Kfin for e-voting, you can use your existing User ID and password for casting your vote.
 - c) After entering these details appropriately, click on "LOGIN".
 - d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID 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 take utmost care to keep your password confidential.*
 - e) You need to login again with the new credentials.
 - f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Nectar Lifesciences Limited.
 - g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off Date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.
 - h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - i) 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.
 - j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**
 - l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF / JPEG Format) of the Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id: prince.chadha88@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
3. In case a Member receives physical copy of the AGM Notice by courier (for members whose email Ids are not registered with the Company/ Depository Participant(s)).
 - a) User ID and initial password are provided overleaf.
 - b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (1) above, to cast your vote.
4. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
5. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Kfin's website <https://evoting.kfintech.com> or call Kfin on 040-67162222 & Toll Free Number:1800 3094 001 or send an e-mail request to evoting@kfintech.com.
6. The facility for ballot / polling paper shall be made available at the AGM and the members attending AGM who have not cast their vote by e-voting shall be able to vote at the AGM through ballot / polling paper. The members who have cast their vote by e-voting may also attend AGM, but shall not be entitled to cast their vote again.
7. 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 below:
 - a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS:
MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
If the member is already registered with KFin for e-voting, he can use his existing User ID and password for casting the vote through e-voting.
8. The members may please refer to notes of Notice of AGM for evoting through the login pages of Depositories/ Depository Participants.