

Nectar Lifesciences Ltd.



Ref No. NLL/CS/2021- 53

Dated: August 24, 2021

To

- 1. National Stock Exchange of India Limited**
Exchange Plaza, C-1, Block - G, Bandra Kurla
Complex, Bandra (East), MUMBAI – 400 051.
- 2. BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI – 400 001.

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, 2021, containing therein inter alia:

1. Notice of 26th Annual General Meeting.
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.

This is for your information and records please.

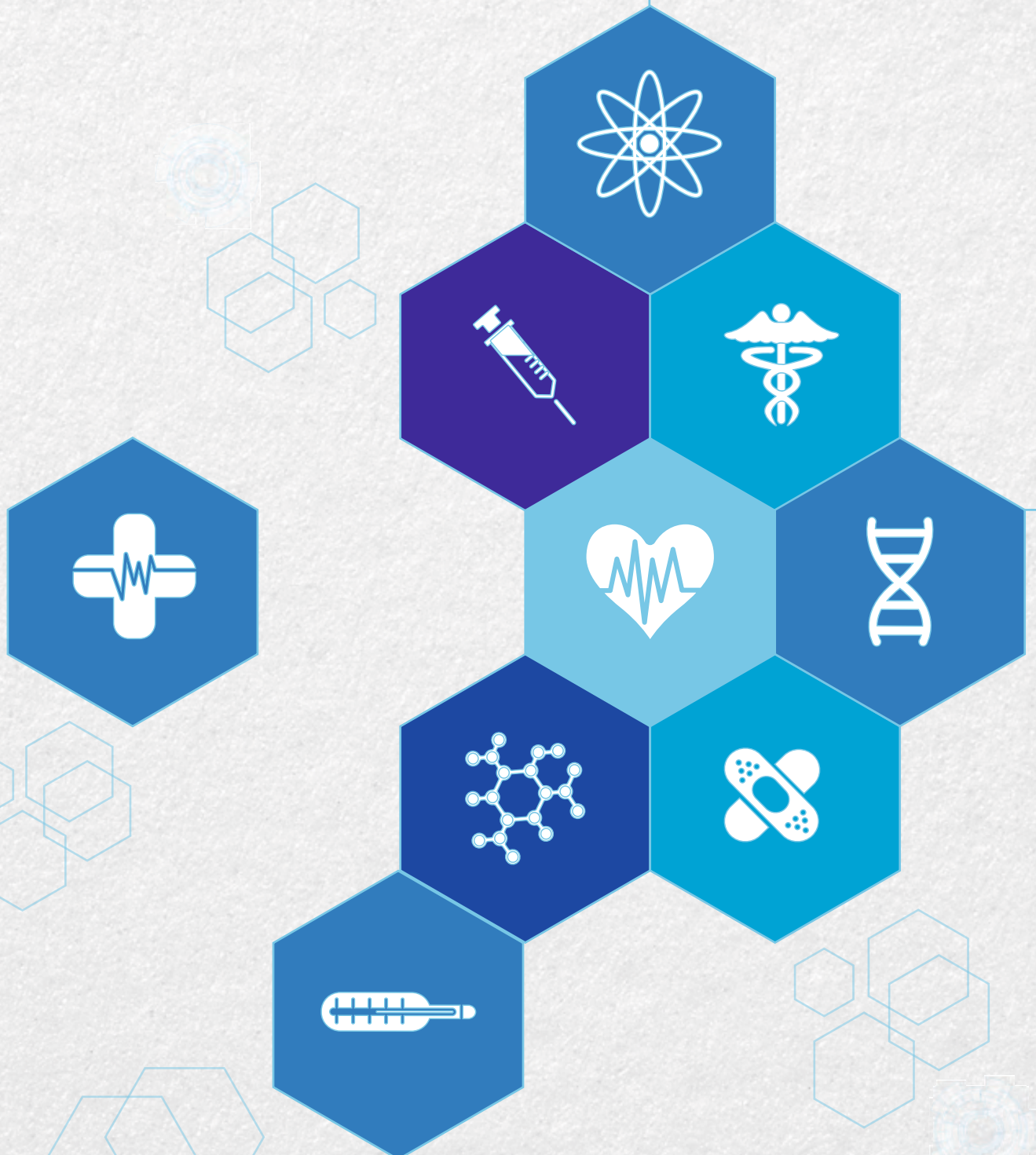
Thanking you,
Yours faithfully,

For **Nectar Lifesciences Limited**

(Anubha)

Company Secretary & Compliance Officer

Encl. as above



Nectar Lifesciences Ltd.

SERVING HUMANITY, SAVING LIVES

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 management's 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.

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NOTICE

Nectar Lifesciences Limited

(Corporate Identification Number: 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,

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

NOTICE is hereby given that the 26th Annual General Meeting ("AGM") of Nectar Lifesciences Limited will be held at the registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab on Tuesday, September 21, 2021 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 year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2021 and the Report of Auditors thereon.
2. To appoint a Director in place of Dr. Dinesh Dua (DIN – 02436706), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), 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, 2022, amounting to INR 2,00,000/- (Rupees Two Lacs only) as also the payment of tax(es) as applicable and re-imbursment 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 if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and read with Schedule V and any other applicable provisions 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) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and 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 re-appointment of Dr. Dinesh Dua (DIN - 02436706) as a Wholetime Director, designated as Executive Director of the company for a period of One Year w.e.f. October 14, 2021 on the terms and conditions and remuneration 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 461538.00 (Rupees Four Lacs Sixty One Thousand Five Hundred and Thirty Eight only) per month and inclusive of perquisites of medical reimbursement and leave travel.
- 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. **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.
- d. He shall not be entitled to any other benefits or payables from Company like Gratuity, Leave Encashment, Insurance, Driver Salary or any other perk etc.
- e. He shall not be entitled to:
 - i) Sitting fee for the Board/ Committee meetings attended by him.
 - ii) Stock options, in case, any such options provided by the Company.

FURTHER RESOLVED THAT consent of members of the Company be and is hereby accorded to pay and ratify remuneration as approved vide earlier resolutions passed by members, in case of inadequate profits or no profits in any financial year, to Dr. Dinesh Dua till the rest of his current tenure i.e. upto October 13, 2021.

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 Companies Act, 2013, in compliance of Schedule V of the Companies Act, 2013 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."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and read with Schedule V and any other applicable provisions 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) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and 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 re-appointment of Mr. Sanjiv Goyal (DIN - 00002841) as a Chairman & Managing Director of the Company for a period of Three Years w.e.f. May 31, 2022 on the terms and conditions and remuneration 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 1700,000/- (Rupees Seventeen Lacs only) per month plus an annual increment of INR 50,000/- w.e.f. April 1 of every year or such other increment as may be decided by the Board of Directors from time to time.



b) **Perquisites:** He shall be entitled to medical reimbursement, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to INR 10.00 lacs per annum.

FURTHER RESOLVED THAT in addition to the perquisites referred to above, he will be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) Leave Encashment at the end of the tenure.
- b) Contributions to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.
- c) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- d) Any other perquisites, which is specifically provided in the Companies Act, to be excluded for the purpose of computation of the ceiling on remuneration.

FURTHER RESOLVED THAT consent of members of the Company be and is hereby accorded to pay and ratify remuneration as approved vide earlier resolutions passed by members, in case of inadequate profits or no profits in any financial year, to Mr. Sanjiv Goyal till the rest of his current tenure i.e. upto May 31, 2022.

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 Companies Act, 2013, in compliance of Schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED THAT Mr. Sanjiv Goyal shall have all the requisite powers and authority to enable him to manage the Company on a day to day basis.

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 if thought fit, to pass with or without modification(s), 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 & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), including any statutory amendment(s) or re-enactment(s) thereof and pursuant to the provisions of Memorandum and Articles of Association and Nomination, Remuneration and Evaluation Policy of the Company, Dr. Kuldip Kumar Bhasin having Director Identification Number (DIN) 0009250008, who has submitted a consent to act as a director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and LODR Regulations and who will attain the age of 75 years in his proposed term, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from September 21, 2021, and he 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."

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

Date: 14-08-2021
Place: Chandigarh

(**Dinesh Dua**)
Executive Director

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 meeting, is annexed hereto. Details under Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations') and under Secretarial Standard -2 issued by Institute of Company Secretaries of India, in respect of the Directors seeking appointment/re-appointment at the AGM, 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, 2021 to September 21, 2021 (Both days inclusive) in accordance with the provisions of the Act and the LODR Regulations, for the purpose of AGM

4. Members holding shares in dematerialised form are requested to ensure that addresses furnished by them to their respective Depository Participants are correct and up-to-date, so that the correspondence from company could reach them promptly. However, the Members holding shares in physical form may notify the same to the Registrar and Share Transfer Agent ("RTA") of the Company.

5. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.



SEBI has by its circular dated 20th April, 2018 mandated that the companies through their RTA take special efforts for collecting copies of PAN and bank account details for the holders holding securities in physical form. Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration/ updation.

6. 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 in terms of said notification except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository.
7. Electronic copy of the Annual Report for 2020-21 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2020-21 is being sent in the permitted mode.
8. Members may also note that the Notice of the 26th AGM and the Annual Report for 2020-21 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 meeting. Corporate members intending to send their authorised representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send, a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the Meeting.
10. Members desirous of having any information as regards to 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 Companies Act, 2013, the details of unpaid/unclaimed dividends lying with the Company is available on the website of the Company.
13. Members are informed that the dividend amount for the year ended 2013-14 remaining unclaimed shall become due for transfer on November 1, 2021 to the Investor Education and Protection Fund (IEPF) established by the Central Government in terms of the Companies Act, 2013. 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 has already sent 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, and their shares are required to be transferred to the IEPF Account. 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 RTA of the company KFin Technologies Private Limited ("KFIN") immediately claiming dividends declared by the Company. Any member, who has not claimed dividend in respect of the financial year ended 2013-14 onwards, is requested to approach the Company/the RTA of the Company 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 2012-13) 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, by submitting an application in the prescribed form.

14. Members of the Company had approved the appointment of M/s. Ashwani K. Gupta & Associates, Chartered Accountants, as the Statutory Auditors at the 22nd AGM of the Company which is valid till 27th AGM of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
15. Pursuant to Section 108 of Act read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the 26th 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 Tuesday, September 14, 2021 (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 meeting 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 Saturday, September 18, 2021

End of remote e-voting: TO 5.00 p.m. on Monday, September 20, 2021.

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 Companies Act, 2013, 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 Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot / polling paper. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted 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 Meeting.

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 alongwith this notice through permitted mode. Any person, who becomes member of the Company after dispatch of the Notice of the meeting 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 demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. 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 and joining virtual meetings for Individual shareholders holding securities in Demat mode Central Depository Services (India) Limited ("CDSL")/ National Securities Depository Limited ("NSDL") is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. 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/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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.

	<ol style="list-style-type: none"> If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing 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 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 demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.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 Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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 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 demat mode) login through their Depository Participants	You can also login using the login credentials of your 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.
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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 demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL: __

Login type	Helpdesk details
Individual Shareholders holding securities in Demat 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 Demat 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 Advocate Vikas Garg, 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 scrutiniser 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 meeting, 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 (www.necife.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.

- Members are requested to note that, our RTA has launched a mobile application - KPRISM and a website <https://kprism.kfintech.com/> for our investors. Now you can download the mobile app and see your portfolios serviced by KFINTECH. Check Dividend status, request for annual reports,

change of address, change / update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

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

Item No. 3

The Board, on the recommendation of the Audit Committee, has approved the 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, 2022 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, 2022. 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 Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 2 and 4

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

Dr. Dinesh Dua (DIN – 02436706), Director will retire by rotation in the forthcoming Annual General Meeting 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.

The Board of Directors have re-appointed Dr. Dinesh Dua (DIN – 02436706) as a Wholetime Director designated as an Executive Director with effect from October 14, 2020 for a period of 1 years. As a result his tenure is expiring on October 13, 2021.

Therefore, based on recommendations by the Nomination & Remuneration Committee, it is proposed to re-appoint Dr. Dinesh Dua as a Wholetime Director designated as Executive Director of the company for a period of One years starting from October 14, 2021 as per the provisions of Sections 196, 197, 203 and read with Schedule V and any other applicable provisions 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) on remuneration, as set out in proposed resolution in Item no. 4.

The appointment can be terminated by Mr. Dinesh Dua or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum equivalent to basic salary for the notice period or part thereof in case of shorter notice or on such other terms as Board of Directors may think.

STATEMENT OF PARTICULARS PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013 is given as annexure 'A' to this explanatory statement and shall be deemed to be part of this explanatory statement.



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.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act. In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013. The Board recommends the Special Resolution of item no. 4 of the accompanying Notice for the approval of the Members.

Except Dr. Dinesh Dua, none of the Directors and Key Managerial Personnel (KMPs) of the Company and their relatives is concerned or interested, financial or otherwise, in his re-appointment. He does not have any relation with any other directors or KMPs.

Item No. 5

Mr. Sanjiv Goyal (DIN-00002841) has been re-appointed as a Chairman & Managing Director of the company w.e.f. June 01, 2017 for a period of 5 years. As a result, his tenure as a Managing Director will be expired on May 31, 2022. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on July 23, 2021, has resolved to re-appoint Mr. Sanjiv Goyal as Chairman & Managing Director of the Company for a period of 3 years with effect from May 31, 2022 on the terms and conditions as set out in the proposed resolution in item no. 5, subject to the approval of the members.

STATEMENT OF PARTICULARS PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013 is given as annexure 'A' to this explanatory statement and shall be deemed to be part of this explanatory statement.

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.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act. In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013. The Board recommends the Special Resolution as per item no. 5 of the accompanying Notice for the approval of the Members.

Except Mr. Sanjiv Goyal, being an appointee, 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. 2, 4 and 5

The Members may please note that due to Covid-19 pandemic, the company has incurred losses during the financial year 2020-21. Therefore, it is proposed that in the event of no profit or the profits of the company are inadequate, during the currency of tenure of Chairman & Managing Director ("CMD") or Executive Director ("ED"), the company may pay remuneration to them exceeding the limit under the Schedule V of the Companies Act, 2013 ("Act") in compliance of Schedule V of the Act including any statutory modifications or re-enactment thereof. Therefore, it is proposed to re-appoint and pay remuneration to CMD/ ED which they are currently getting and seek the approval of members by way of special resolutions as required under Schedule V of the Act.

The Board of Directors of the Company on recommendation of Nomination and Remuneration Committee in their meetings held on July 23, 2021, have approved to re-appoint and continue to pay remuneration to CMD and ED which they are currently getting, at the terms and conditions as set out in their respective resolutions, in case of no profit or inadequate profits during the rest of their respective tenure(s).

Further, pursuant to the provisions of Sections 197, Schedule V as applicable and other applicable provisions, if any, of the Act, the said remuneration(s) and terms & conditions shall be approved by Shareholders in their General Meeting.

STATEMENT OF PARTICULARS PURSUANT TO SCHEDULE-V OF THE COMPANIES ACT, 2013

The Particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

1. **General information:**
 - a) **Nature of Industry:** Drugs and Pharmaceuticals
 - b) **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.
 - c) **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.
 - d) **Financial performance based on given indicators:**

INR in Millions

Particulars	Year ended on 31-Mar-21	Year ended on 31-Mar-20	Year ended on 31-Mar-19
Gross Sales (Including GST)	17622.69	26392.81	31149.23
Other Income	37.94	43.62	60.44
Profit before Interest, Depreciation & Amortization, Tax and exceptional items	1129.49	2223.32	2699.43
Interest	1120.32	1258.23	1481.34
Depreciation & Amortization	602.53	607.66	632.57
Profit (Loss) before exceptional items & tax	(593.36)	357.43	585.52
Exceptional items (Net of Tax)	253.15	-	-
Profit (Loss) before tax	(846.51)	357.43	585.52
Tax expenses	(115.04)	56.82	112.20
Profit (Loss) after tax	(731.47)	300.61	473.32
Other Comprehensive income (Net of Taxes)	3.94	12.62	0.26
Profit (Loss) after tax available for Appropriations	(727.53)	313.22	473.58

- e) **Foreign investments or collaborations, if any:**

Global Depository Receipts (GDRs)

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 was 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 of INR 35/- per share 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) on February 20, 2010.



2) Information about the appointees:

Particular	Item no. 5 - CMD	Item no. 4 - ED
a) Background Details:	Mr. Sanjiv Goyal, aged 61 years, is commerce and law graduate. Mr. Sanjiv Goyal established Nectar Lifesciences Limited in 1995 and had been the CMD ever since.	Dr. Dinesh Dua aged 66 years is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 41 years plus in varied industries, and was the CEO of Nectar Lifesciences Limited from 2007 to 2012 and 2013 to 2020. From June 01, 2020, he is elevated to the position of ED
b) Past Remuneration:	He is getting same remuneration which is proposed in the resolution with same increment every year.	He is getting same remuneration which is proposed in the resolution.
c) Recognition or awards:	He was conferred with prestigious global award of "Entrepreneur of the Year" for financial year 2013-14, instituted by Asia Pacific Entrepreneurship Awards (APEA), a global NGO from Malaysia. He has expertise in Overall Business Management and Corporate Management.	Dr. Dinesh Dua is currently Chairman, Pharmexcil, Ministry of Commerce, Government of India, North India Chairman for Lifesciences for Confederation of Indian Industry (CII), Past Chairman of CII, Chandigarh Council, Member Executive Council, IDMA, and visiting faculty to leading & reputed Management institutes in India. Dr. Dua is a proud Rotarian and currently on its Board of Directors, Chandigarh District 3080 India
d) Job profile and his suitability:	He is engaged in supervision & conduct of finance, business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities.	He is overall incharge of Food and Drug Regulatory approvals. He looks after Overall Business and Corporate Management.
e) Remuneration Proposed:	As embodied in the resolution.	As embodied in the resolution.
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):	Considering his expertise in Overall Business and Corporate Management. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Pharmaceutical Industry. 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 the experience of 41 years plus in varied industries like Sanofi Aventis, Hitech Labs and Berger Paints in middle to senior management positions. He worked as Senior & Top Management positions in Reliance Industries, Jubilant Organosys Ltd., Zydus Cadila Healthcare Ltd. & Wochardt Limited, and Nectar Lifesciences Limited. His last penultimate position was with a US Pharma MNC Akorn India P. Ltd. as Managing Director for 14 Months. He rejoined the Nectar Lifesciences Limited as a CEO & WTD from October 14, 2013 and re-designated as an Executive Director with effect from June 01, 2020. He has expertise in Overall Business and Corporate Management.
g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Apart from receiving managerial remuneration, Mr. Sanjiv Goyal holds 55845600 Equity Share in the Company representing 24.90% of total paid up shares capital of the company. Payment of rent in ordinary course of business and at arm's length basis of INR 700,000/- per month of premises of plot no. 110, Industrial Area, Phase 1, Chandigarh approximately 10000 square feet, to Mrs. Raman Goyal, wife of Mr. Sanjiv Goyal via rent agreement. Apart from above he does not have any Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.	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 does not hold any equity share in the Company.
h) Directorships in other Companies	His Directorships are as under: a) Nectar Organics Private Limited b) Nectar Lifesciences USA, LLC	His Directorships are as under: a. Synergy Network (I) Pvt. Limited b. Nectar Lifesciences UK Limited c. Neclife Pt, Unipessoal LDA, Portugal
i) Board Meetings	During the financial year 2020-21, 8 (Eight) meetings of the Board of Directors had been held and seven meetings were attended by Mr. Sanjiv Goyal.	During the financial year 2020-21, 8 (Eight) meetings of the Board of Directors had been held and Seven meetings were attended by Dr. Dinesh Dua.
j) Committee memberships/ Chairmanships	Mr. Sanjiv Goyal is the Chairman of CSR Committee and Management Committee and a Member of Stakeholders' Relationship Committee. He does not hold Committee memberships/ Chairmanships in any other company.	Mr. Dinesh Dua is the Chairman of Risk Management Committee and a Member of Stakeholders' Relationship Committee, Audit Committee, Management Committee and CSR Committee. He does not hold Committee memberships/ Chairmanships in any other company.



3) Other Information:

- a) **Reasons of loss or inadequate profits:** The Company has profit of INR 300.61 Million (After tax) during financial year 2019-20. Covid-19 pandemic has been rapidly spreading throughout the world including India. Government in India has taken measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequent to this, revenue for the year ended March 31, 2021 has been impacted resulting in losses during the financial year 2020-21. It is cannot be guaranteed that the company will not incur losses in coming financial years. Thus, it cannot be guaranteed that the company will have sufficient profits as per section 197 to pay proposed remuneration to CMD and ED. 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:** Given the magnitude of the on going corona virus pandemic and its impact on the operations of company as in the case of global economy, it's difficult to estimate exact impact of pandemic on operations as of now.

The company is taking all the necessary precautions and keeping necessary measures in place to tackle with the challenges thrown by this unprecedented crisis. Thus, the company stands a good chance to come out on the better side amidst these crises and to ramp up its production soon after situation gets to normal.

Item No. 6

Based on recommendation of Nomination and Remuneration Committee and pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and LODR Regulations, the Board of Directors in their meeting held on August 14, 2021 have proposed to appoint Dr. Kuldeep Kumar Bhasin having Director Identification Number (DIN) 0009250008 as an independent director in the ensuing Annual General Meeting for term of 5 years with effect from September 21, 2021, whose period of office shall not be liable to determination by retirement of directors by rotation.

Dr. Kuldeep Kumar Bhasin aged 71 years, completed his graduation from Panjab University, Hoshiarpur, Post-graduation in Chemistry from Himachal Pradesh University, Shimla and a Scholar Ph.D. in Chemistry from Panjab University, Chandigarh with Prof. R. C. Paul.

He has been elected as a fellow of National Academy of Science India, Allahabad (F.N.A.Sc.) in 2010 and Fellow of Punjab Academy of Science, Patiala (F.P.A.Sc.) in 2014. He has made seminal contributions in teaching and research, primarily based on the chemistry that have been recognized in the biological processes to catalyse the reduction of peroxides that are detrimental to life. His research work has been cited consistently in the latest encyclopedia, books journals and peer reviews and has opened up new avenues in the frontier areas of Chemistry.

He has vast professional experience in the Chemistry Department of Panjab University including 41 years of Teaching with 48 years in

Research. His publications include 179 Research papers, 06 United States Patents, 01 Fluorine Chemistry Monograph, 03 Undergraduate Chemistry Books and 02 books as co-author. Other than being a supervisor for Research assistants and Ph.D. Scholars, he is a NASI-Platinum Jubilee Fellow, Panjab University, Professor Emeritus, ex-CSIR Emeritus Scientist, Dean Faculty of Science, UGC-CAS Co-coordinator Department of Chemistry and Centre of Advanced Studies (CAS) in Chemistry, Panjab University.

He does not have any relationship with any other director of the company. He does not hold any equity share in the company. He is not director in any other company as on date. He has not resigned from the post of director of a listed entity in last three years.

He will be eligible for payment of sitting fee, as payable to other non-executive directors of the Company. 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 company has received the declaration from him that he meets the criteria of Independence as per Section 149 of the Companies Act, 2013 and LODR Regulations. 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.

In the opinion of the Board, Dr. Bhasin fulfils the conditions specified in the Companies Act, 2013, the Rules thereunder and the LODR Regulations for appointment as an Independent Director and that he is independent of the management of the Company. The Nomination and Remuneration will evaluate the performance of all the Independent Directors including Dr. Bhasin.

Dr. Bhasin is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Dr. Bhasin has vast experience in chemistry and will contribute immensely to the Board deliberations and the Company will be benefitted out of his vast experience in various fields of academics and Chemistry. His role will be in Pharmaceuticals, Science & Research and Occupational health and safety. Being a research scholar, Dr. Bhasin fulfils the requirement of his role in the company. Pursuant to the provisions of LODR Regulations, approval of the members by way of a special resolution is required for appointment of Non-Executive Director if he has attained the age of 75 years. Dr. Bhasin has not yet attained the age of 75 years, but he will attain the same during his tenure, and pursuant to amendments in LODR Regulations, the Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval by the Members.

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

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

Date: 14-08-2021
Place: Chandigarh

(Dinesh Dua)
Executive Director



BOARD OF DIRECTORS' REPORT OF NECTAR LIFESCIENCES LIMITED

Dear members,

Your Directors have pleasure in presenting the 26th Annual Report together with the audited financial statements of Nectar Lifesciences Limited ('NLL' or 'Neclife' or 'Nectar' or 'the Company') for the financial year ended March 31, 2021.

Financial results

INR in Millions

	31-Mar-21	31-Mar-20
Gross Sales (Including GST)	17622.69	26392.81
Other Income	37.94	43.62
Profit before interest and depreciation & exceptional items	1129.49	2223.32
Interest	1120.32	1258.23
Depreciation & Amortization	602.53	607.66
Profit (Loss) before exceptional items & tax	(593.36)	357.43
Exceptional items (Net of Tax)	253.15	-
Profit (Loss) before tax	(846.51)	357.43
Tax expenses	(115.04)	56.82
Profit (Loss) after tax	(731.47)	300.61
Other Comprehensive income (Net of Taxes)	3.94	12.62
Profit (Loss) after tax available for Appropriations	(727.53)	313.22

The Company's revenue during Financial Year ("FY") 2020-21 stood at INR 17,623/- Millions against INR 26,393/- Millions in the previous year recording a decline of 33%. The Financial Statements for the year ended on March 31, 2021 of the Company are attached..

The detailed discussion on Company's various operations, state of affairs, nature of business, material changes, if any, financial position and Covid-19 impact on operations and finances 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 & Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), is given as Annexure 1 and forms and 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.

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, 2021 will be made available on the website of the company (URL: www.neclife.com).

Indian Accounting Standards (IndAS) and Secretarial Standards

The company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, 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.

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 and 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*.

Business Responsibility ('BR') Statement

The BR Report as required under LODR Regulations, is given as Annexure 9.

Share capital

The paid up equity share capital as on March 31, 2021 was INR 224.26 Millions. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the financial year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

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

The company has wholly owned subsidiaries (WOS) namely Nectar Lifesciences UK Limited, incorporated in United Kingdom, NECLIFE PT, UNIPESOAL LDA, incorporated in Portugal and Nectar Lifesciences US, LLC, incorporated in United States. There are negligible investments in Nectar Lifesciences UK Limited and NECLIFE PT, UNIPESOAL LDA and no business activity has been carried out in them in financial year 2020-21 and till date in financial year 2021-22. Therefore, nothing is to report on the performance and financial position of Nectar Lifesciences UK Limited and NECLIFE PT, UNIPESOAL LDA.

However, the Nectar Lifesciences US, LLC doing the business operations of trading of pharmaceutical products. The company incurred the loss of US\$ 0.01 Million during the year under review as compared to profit of US\$ 0.07 Million during last year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (hereinafter referred as '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 each of the subsidiary companies 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 each



of the subsidiary companies are also available on the website of your Company at www.necolife.com.

None of the subsidiaries is material as per Policy for determining Material Subsidiaries of the Company and LODR Regulations.

Consolidated financial Statements

As required under Section 129 of the Act and LODR Regulations, a consolidated financial statements for the year ended on March 31, 2021 of the Company are attached.

Dividend, Reserves and Dividend Distribution Policy

Considering the losses incurred by the company during the FY 2020-21, your Directors are not recommending a Dividend for the year ended March 31, 2021.

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 Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

The Board of Directors in their Meeting held on July 23, 2021 have approved the Dividend Distribution Policy which is placed on the website of the Company at <https://necolife.com/uploads/1627101476495560955.pdf>.

Directors and Key Managerial Persons

Dr. Dinesh Dua (DIN – 02436706), 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.

Dr. (Maj Gen.) S.S. Chauhan, VSM, DIN-02954776, Independent Director of the company expired on November 22, 2020.

The Board put on record their deepest appreciation and gratitude to late Major Gen. (Dr.) S. S. Chauhan for having been on the Board of the Company for more than a Decade. During his wonderful association with the Company, Dr. Chauhan not only advised with his knowledge, skills, vast experience but also with wonderful insights.

Dr. Dinesh Dua has been re-appointed as Wholetime Director designated as Executive Director by the Board of Directors in their meeting held on July 23, 2021 w.e.f. October 14, 2021 for a period of One year. Based on recommendation of Nomination and Remuneration Committee, the Board recommends his re-appointment as a Wholetime Director.

Mr. Sanjiv Goyal (DIN-00002841) has been re-appointed as a Chairman & Managing Director of the company w.e.f. May 31, 2022 for a period of 3 years by the Board of Directors in their meeting held on July 23, 2021. Based on recommendation of Nomination and Remuneration Committee, the Board recommends his re-appointment as a Wholetime Director.

Based on recommendation of Nomination and Remuneration Committee and pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and LODR Regulations, the Board of Directors in their meeting held on February 13, 2021 have appointed Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon (DIN 09032214) as an additional director in the capacity of Independent Director of the company and he had to vacate his office at the ensuing AGM. He had resigned from the Board with effect from June 24, 2021 due to old age and health reasons.

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

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

1. They meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under LODR Regulations.
2. They have 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.

Your Directors do hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified in the Act and LODR Regulations and are independent of the management.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company as on March 31, 2021 were as under:

Mr. Sanjiv Goyal, Chairman & Managing Director

Dr. Dinesh Dua, Wholetime Director designated as Executive Director

Mr. Amit Chadah, Chief Executive Officer

Mr. Sandeep Goel, Chief Financial Officer

Ms. Sukriti Saini, Company Secretary

Ms. Sukriti Saini, Company Secretary has resigned w.e.f. June 15, 2021. Ms. Anubha has been appointed as a Company Secretary & Compliance Officer with effect from August 1, 2021.

Number of meetings of the board

Eight (8) meetings of the board were held during the year. The details of Directors and meeting held during the financial year 2020-21 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 financial year and of the profits 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 Companies Act, 2013, 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 the corporate governance requirements as prescribed by LODR Regulations, the performance of the Board and committees was evaluated by 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 Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors 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.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated.

Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters namely Nomination, Remuneration and Evaluation Policy as provided in Section 178(3) of the Act has been uploaded on the website of the company at <https://neclife.com/uploads/1549887491137395438.pdf>. The salient features of the Policy are to provide a framework and set standards for the nomination, remuneration and 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 Nomination and Remuneration Committee and recommended to the Board for its approval. There is no change in the policy during financial year 2020-21.

Committees of the Board

The Company constituted the Committees as per the provisions of Sections 177 and 178 of the Act and LODR Regulations. The composition, powers and duties of the Committees, during financial year 2020-21, are detailed out in the Corporate Governance Report which forms and 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 Management Discussion & Analysis, which forms part of this report.

Auditors and Auditors' Report

M/s Ashwani K. Gupta & Associates, Chartered Accountants (ICAI Registration No. 003803N) were appointed as Statutory Auditors of your Company at the AGM held on September 28, 2017 for a term of five consecutive years. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

The Report given by the Auditors 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.

No fraud has been reported by the Auditors to the Audit Committee or the Board.

Secretarial Auditor and Secretarial Audit Report

During the year, Secretarial Audit was carried out by Mr. Prince Chadha of P. Chadha & Associates, Practicing Company Secretary, the Secretarial Auditor of the company for the Financial Year 2020-21. The Secretarial Audit Report is appended as an Annexure 4 to this report.

There is a remark in the sub point B of Point I of said report that the Financial Results for the quarter ended on June 30, 2020 had been submitted on October 01, 2020 causing delay of 16 days in submission.

The Company had made the default good and paid the requisite fine to BSE limited ("BSE) and National Stock Exchange of India Limited ("NSE) as per SEBI Circular dated January 22, 2020.

The reason for delay had been submitted by the Company to BSE and NSE as per SEBI Circular dated November 19, 2018 as due to some of staff members from Accounts Department got infected with COVID-19, and were quarantined. This had caused immense disruption in the day to day workings of accounts department and delay in preparation of financial results for the quarter ended on June 30, 2020. On request of the Company, the NSE and BSE has waived the levy of fine and refunded/ adjusted the already paid fine.

The Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per Securities and Exchange Board of India 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 financial year.

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 Companies Act, 2013 and accordingly such accounts and records are made and maintained.

The last date for submission of Cost Audit Report for financial year 2019-20 by Cost Auditor to the Board of Directors was extended to November 30, 2020 by Ministry of Corporate Affairs vide circular dated September 10, 2020 which is to be filed by the company within 30 days of submission. The Cost Auditor has submitted the Cost Audit Report for the financial year 2019-20 on November 27, 2020 which has been filed on December 07, 2020 within the prescribed time.

The Cost Auditor shall forward the Cost Audit Report for the financial year 2020-21 by September 30, 2021. The report will be filed with Ministry of Corporate Affairs within 30 days of date of Cost Audit Report.

The company has appointed Dr. Vimal Kumar (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 the financial year 2021-22.

Risk management

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



Though not mandatory during 2020-21, the Company has constituted a Risk Management Committee with Dr. Dinesh Dua as the Chairman and Mr. Harparkash Singh as a member. However, on October 01, 2020, the company has reconstituted the Risk Management Committee vide which Mr. Harparkash Singh was replaced with Mr. Amit Chadah.

1. Dr. Dinesh Dua - Chairman
2. Mr. Amit Chadah - Member

The terms of reference of the committee are provided in the Corporate Governance Report which forms and 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 provide guarantee as per Section 186 of the Act, however, the amount receivable from subsidiaries 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 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 MGT-7 (Annual Return) is also available on the website of the company at <http://www.neclife.com/uploads/16277278781766989118.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 the provisions of Companies Act, 2013.

Disclosure requirements

- As per LODR Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.
- Details of the familiarization programme of the independent directors are available on the website of the Company (URL: www.neclife.com).
- Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: www.neclife.com).
- Policy on dealing with related party transactions is available on the website of the Company (URL: www.neclife.com).
- The Whistle Blower Policy to provide Vigil Mechanism for employees including directors is available on the website of the Company (URL: www.neclife.com).

Committee and Policy against Sexual Harassment 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.

The company has made the Anti Sexual Harassment Policy under above referred Act for all individuals working for Nectar 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints pending as on April 01, 2020 - NIL
- b. number of complaints filed during the financial year 2020-21 - Nil
- c. number of complaints disposed of during the financial year 2020-21 - N.A.
- d. number of complaints pending as on March 31, 2021 - 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**

**Dated: 23-07-2021
Place: Chandigarh**

**(Sanjiv Goyal)
Chairman and Managing Director**



Annexure 1 of Board of Directors' Report Management Discussion & Analysis

Economic Background

India's real Gross Domestic Product (GDP) at current prices stood at Rs. 195.86 lakh crore (US\$ 2.71 trillion) in Financial Year ("FY") 2020-2021, as per the Second Advance Estimates (SAE) for 2020-21.

International Monetary Fund (IMF) in its annual World Economic Outlook (WEO) ahead of the Annual Spring Meeting with the World Bank, said the Indian economy is expected to grow by 6.9 per cent in 2022.

Notably in 2020, India's economy contracted by a record eight per cent, the IMF said as it projected a 7.5 per cent growth rate for the country in 2021.

China, on the other hand, which was the only major economy to have a positive growth rate of 2.3 per cent in 2020, is expected to grow by 8.6 per cent in 2021 and 5.6 per cent in 2022. In 2020, the global economy contracted by 3.3 percent. According to the report, after an estimated contraction of 3.3 per cent in 2020, the global economy is projected to grow at 6 per cent in 2021, moderating to 4.4 per cent in 2022.

The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 WEO, reflecting the higher-than-expected growth out-turns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working.

Rankings of India

India, which appears to have been pushed back to being the world's sixth biggest economy in 2020, will again overtake UK to become the fifth largest economy in 2025 and race to the third spot by 2030. India had overtaken the UK in 2019 to become the fifth largest economy in the world but has been relegated to sixth spot in 2020.

Growth will naturally be slow as India becomes more economically developed, with the annual GDP growth expected to sink to 5.8 per cent in 2035. This growth trajectory will see India become the world's third largest economy by 2030, overtaking the UK in 2025, Germany in 2027 and Japan in 2030

[Source: IMF Reports, Ibfef.org, Wikipedia.org]

Indian Pharmaceutical Industry

The Indian pharma industry has achieved significant growth in both domestic and global markets during the past five decades. From contributing just 5% of the medicine consumption in 1969 (95% share with the global pharma), the share of "Made in India" medicines in Indian pharma market is now a robust of 80% in 2020.

The pharma sector has been contributing significantly to India's economic growth as one of the top 10 sectors in reducing trade deficit and attracting the Foreign Direct Investment (FDI).

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.

According to the Economic Survey 2020-21, the domestic market is expected to grow three times in the next decade. India's domestic pharmaceutical market is estimated at US\$ 41 billion in 2021 and likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030. India's drugs and pharmaceuticals exports stood at US\$ 20.14 billion in FY21.

The drugs and pharmaceuticals sector attracted cumulative FDI inflow worth US\$ 17.75 billion between April 2000 and December 2020 according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

In 2020 drug sales in the domestic market continue to be impacted, with the pandemic showing no signs of slowing down. Chronic therapies such as cardiac and anti-diabetics saw marginal growth in May, indicating the

slowdown may be more deep-rooted.

The reason for this is people have stayed indoors due to the lockdown, which has reduced asthma episodes. Seasonal cough and cold infections have also been significantly less. Other therapies such as anti-infectives (-20.8 per cent), gastrointestinal (-12.8 per cent), vitamins (-9.1 per cent), and pain and analgesics (-17.2 per cent) also continued to decline.

Global Pharmaceutical Market

The global pharmaceuticals market was expected to grow from \$1228.45 billion in 2020 to \$1250.24 billion in 2021 at a compound annual growth rate (CAGR) of 1.80%.

The economic upheaval caused by the shutdowns to prevent the spread of coronavirus is raging globally, and many industries, including the pharmaceutical sector is facing uncertainties. The pharma companies, however, have another significant role in the pandemic, and that around managing Pharma operations during the pandemic. The unprecedented demand and expectation from the pharma sector in terms of R&D, production, supply chain management, and cost optimization is presenting many issues across the industry. Top executives and decision-makers will need to manoeuvre their pharma companies in a calculated manner to rise to humanity's occasion and make their businesses steady again.

About Nectar Lifesciences Limited

Nectar Lifesciences Limited ('NLL' or 'NECLIFE' or 'Company') is an integrated pharmaceutical organization incorporated in 1995 based in Chandigarh, Punjab, India. NLL has developed fully integrated sustainable production systems to manufacture high quality Cephalosporin intermediates, – Active Pharmaceuticals ingredients ("APIs") and Finished Dosage Formulations ("FDF" or "Formulations") to meet the diverse requirements of its customer base in India and over 75 countries worldwide.

NLL is a knowledge driven organization which constitutes a vital part of fast growing Indian Pharmaceutical Industry. NLL has transformed itself from being a small Domestic API player to one of the most integrated player in the Global Cephalosporins Industry within Anti Infective Therapeutic segment. NLL currently has a strong hold of API & Formulations with 11 State of Art manufacturing facilities spread across the States of Punjab and Himachal Pradesh with compliance to global standards of cGMP, Environment Health Safety (EHS) as well as pool of thousands of highly skilled, knowledgeable, competent qualified work force at all levels.

API's & Intermediates

NLL continues driven by cost leadership, flexibility to produce multiple products in the same manufacturing facilities and capabilities in various therapeutic domains. Our API business is supported by technologically advanced research and development infrastructure, which develops new products and plays a role in the delivery of products to the market. NLL has an advantage of capacity and is also one of the leading in global capacity for some of the Cephalosporin Molecules. NLL is one of the leading manufacturers of Cephalosporin range of products possessing core strength in Manufacturing (Both oral and Sterile API's) with increasing the number of molecules in its bucket with a strong R&D and is also one of the few companies in India possessing both Lyophilisation and Crystallization facilities.

NLL offers highest standards of cGMP to satisfy both EU and USFDA requirements. Production is carried out in discrete production units, each unit coupled to a dedicated fully isolated finishing suite. NLL strictly maintains Total Quality System (TQS) controls throughout the entire production cycle from raw materials, manufacturing through to packaging and dispatch.



With an expertise in R&D, Nectar is also working on new generation Cephalosporin molecules to be a globally dedicated Cephalosporin player. Our API facility have global regulatory accreditations like USFDA, EUGMP INFARMED, COFEPRIS, KFDA, PMDA, MCC, ANVISA Brazil and others.

All the API & Intermediate manufacturing sites are fully complied with International environmental regulations. NLL also continues to demonstrate its commitment to its customers through significant investment in additional production facilities thus enhancing the capability and quality of service available.

Currently NLL's API business explores one of the most stringent markets of the world like EU, Mexico, LATAM, SEA, CIS etc besides overall exports to over 75 countries of the world.

Formulations

We are leveraging our global formulation capacities, a mix of cost, competitive operations, best-in-class assets and a talented team. We have successfully and consistently launched a range of affordable products across markets. NLL boasts of some great facilities having latest technology & equipment's from best in class vendors across the world. NLL's strong compliance and quality orientation leads to producing products of highest quality conforming to stringent regulatory guidelines of various authorities like USFDA, EDQM, MHRA, MCC etc.

NLL participates only in Exports for single dosage forms whereas in India which is a predominantly Fixed Dosage Combinations Market has come under hammer of regulators & is sub-judice.

Our capacities can be easily geared up to cater the need of high quality finished dosage forms for developed countries. Currently NLL sells its formulations in High End to the ROW markets like South East Asia, Latin America, Commonwealth of Independent States (CIS), Africa and the business has also started with regulated regions like EU.

The FDF facility in Baddi also has been recognized & 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. NLL's major breakthrough was its strategic step towards making an entry in Europe through its formulations. NLL has filed two of its major Cephalosporin Formulations in Europe.

MENTHOL

Mint derivatives

In a highly unorganized and fragmented menthol industry, Nectar has created a niche with its pharma-centric approach and a highly organized setup.

- Nectar has excellent state of the art facilities in North India. Our infrastructure enables us to produce high quality products and we are also moving towards an even more higher quality day by day by increasing our operation excellency, in strict adherence to global standards for our prized domestic and international customers.
- Right from sourcing of the natural raw material to world-class production practices to specialized packaging, our products pass through stringent quality control checks, carried under GMP norms, supervised by experienced and skilled manpower.
- With global sized processing capacities, NLL has emerged as a leader in the Menthol Arena. NLL is also a global leader in manufacturing Pharmaceutical Grade Menthol.

Certifications:

- GMP (Issued by World Health Organization - COPP)
- ISO 9001:2008 - Quality Management
- ISO 22000:2005 - Food Safety Management
- ISO 14001: 2004 - Environment Management Systems
- ISO 50001: 2011 – Energy Management System
- OHSAS 18001: 2007 - Occupational Health and Safety

- FSSAI, KOSHER & HALAL
- Nectar was the first company to file a US Drug Master File (DMF) for Natural menthol
- Approved by University of Georgia, Centre for Isotope studies -C14

EMPTY HARD GELATIN CAPSULES ('EHGC')

Indian EHGC market is estimated at approx. 120 billion capsules in absolute production terms, which have doubled in over last 2-3 years. NLL has invested in a State-of-the-art Empty Hard Gelatin Capsules manufacturing facility. This Unit replicates the pharma value orientation into its processes and systems to manufacture globally benchmarked products finding US and EU acceptance as well. The unit is completely based on pharma concept & is the only unit to follow unique concept of SMSR (Single Machine Single Room). NLL currently has a production capacity of 4 billion capsule shells. NLL is amongst top 5 EHGC manufacturers in India catering to both domestic & export markets.

Nectar's two-piece double lock gelatin capsules are manufactured in compliance with cGMP requirements of US FDA and EDQM norms and ISO 9001-2008 guidelines. NLL currently offers capsules in five sizes (0, 0el, 1, 2, 3) with all colour and printing options. NLL specially caters to customized needs of BSE-Free shells without sulphites, sodium or ethylene oxide. Nectar has recently launched two new innovative products in EHGC – menthol capsules (Nexxicap Minty™) and pearl capsule (Nexxicap Pearl™).

Some of the prominent features of our capsules are:

- DMF filed
- All printing options (linear, circular, spiral, oriented, Non-oriented etc)
- Different Sizes (0, 0el, 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.

REGULATORY FILINGS

NLL has filed 44 Drug Master Files (DMFs) till date in highly regulated markets like US, EU, Japan, Korea, Canada and South Africa for its Cephalosporin APIs, intermediates, capsules shells and menthol. NLL has also filed a number of Formulations dossiers to some of the high-end markets and expects quick approvals for the same. NLL intends to file more ANDAs and EU dossiers for its cephalosporin range of products along with many more API DMFs. Currently NLL has filed 15 ANDA's in United States most of it are only pending on the grounds of Facility Inspection.

Covid -19 Pandemic Risk

It has been over a year since the first reported case of COVID-19, and the world has undergone an extraordinary amount of economic turmoil in that short space of time, as nations across the globe fight the outbreak. The pandemic put pharmaceutical research and development strategies to the test and challenge the manufacturing planning and supply chain management. Having experienced the vulnerability of the global pharmaceutical supply chain, many companies have worked to redesign supply chains with multiple suppliers, **and are finally contemplating a restart.** COVID-19 pandemic in general across industries has caused disruptions in the business in terms of shortage of manpower, delayed export shipments, increased air freight, rise in raw material costs, delay in sales realisations etc. Some of these reasons are affecting industry continuously. Still, these challenges can be overcome and, braving all these hurdles NLL is trying to march ahead and is hopeful to increase its capacity utilization.

Operational Impact of Covid 19 on NLL

- Closure of certain processing activities due to lockdown.
- Migration of labour to their hometowns further deteriorated the



- processing of the major segmental pharmaceutical activities.
- Cancellation of bulk orders by customers.
- Huge discounts offered/ demanded by customers for the goods in transit.
- Logistic cost escalated for raw materials and finished goods.
- There has been strict state border control by Govt. of Himachal Pradesh and Punjab where all units of the company are located, leading to non-availability of migrant labour.
- Further, even after restarting, there have been disrupting in the operations due to detection of COVID positive cases.
- There has been delay in realizations from debtors due to lockdowns, both domestic and overseas.
- The material remained struck up at ports therefore working capital got locked therein.
- The lockdown / curfew caused disruptions to supply chain in its initial stage. Even though, the same has been improved with time, it will take some time to get back to normal due to limited logistics operations both by Air & Sea. The clearance of material at ports is also getting delayed due to limited staff.
- Exports demand remains very robust, but the only deterrent has been limited transportation access to various destinations which

are slowing down the exports. There has also been a surge in the freight charges by approx.4-5 times.

The company has managed to continue its operations in a staggered manner as and when restrictions were eased by Government(s) particularly for Pharmaceuticals as "Essential Industry". The company has been able to start its operations of intermediates and APIs to meet the increased demand after lifting of lockdown.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The highlights of financial performance were as under:

	FY21	FY20
EBITDA Margin (%)	7.33%	9.41%
Profit (Loss) Before Tax Margin (%)	(5.49)%	1.51%
Profit (Loss) After Tax Margin (%)	(4.74)%	1.27%

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

Key financial ratios	FY21	FY20	Change %		Detailed Explanation in case change is more than 25%:
(i) Debtors Turnover	4.7045	6.6502	(-)29.26	(Credit Sales/Average Accounts Receivable.)	There were delay in sale realisations from debtors due to Covid-19 Pandemic
(ii) Inventory Turnover	1.8398	2.4231	(-)24.07	(Cost of Goods Sold / Average Inventory)	Not Applicable (N.A.)
(iii) Interest Coverage Ratio	0.2444	1.2841	(-)80.97	(EBIT/Interest)	Sales and profits were adversely affected due to Covid-19 Pandemic with Interest Cost remaining constant and this led to poor interest coverage ratio.
(iv) Current Ratio	1.0423	1.2931	(-)19.40	(Current Assets/Current Liabilities)	N.A.
(v) Debt Equity Ratio	0.1209	0.1071	12.91	(Long Term Debt/Equity)	N.A.
(vi) Operating Profit Margin (%)	3.17%	6.65%	(-)52.34	(Operating Margin / Net Sale)	Sales and profits were adversely affected due to Covid-19 Pandemic
(vii) Net Profit (Loss) Margin (%)	(4.74)%	1.27%	(-)472.90	(PAT / Net Sale)	Sales and profits were adversely affected due to Covid-19 Pandemic

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

FY21	FY20	Detailed Explanation
(6.90)%	2.65%	The reduction in net profit margin is due to adverse effect of Covid19 pandemic.

Financial Impact of Covid-19

The company's revenue during Financial Year ('FY') 2020-21 stood at INR 17623/- Million against 26393/- Million in the previous year recording a decline of 33%. This decline is on account of adverse Conditions and impact of Covid19 owing to lower demand of antibiotics the segment manufactured by the company. Since there was a worldwide lockdown and subsequently people started taking lot of precautions and masks were made mandatory the infection rate came down. This probably resulted in lower infection or less severe infections.

The Company, based on the report of the technical expert, has determined its impact on valuation of stocks on account of reprocessing cost and has disclosed separately as Exceptional Item of Rs. 2,53.15 Million (Net of taxes of Rs. 1,35.98 Million).

The company reported loss of INR 846.50 Million in the FY21 compared to net profit of INR 357.43 Million in FY20 mainly on account of the lower sales, shortage of manpower, delayed export shipments etc. Finance cost is also decreased by 11% to INR 1120 Million.

Longer Operating Cycle

Due to the longer operating cycle caused by Covid-19 pandemic, the company availed moratorium for its debt obligations due from March-2020 to August-2020. Further, it has also availed COVID

loans amounting to INR 461 Million under the Emergency Credit Line Guarantee Scheme (ECLGS) from the consortium of banks to manage its working capital needs

Restructuring

Due to Covid-19 pandemic the company is facing mismatch in its fund flow however with the support to the bank it is managing the cash flows but with difficulty. To find a permanent solution to the problem it invoked Resolution Plan on December 24, 2020 and Inter Creditor Agreement was executed on January 14, 2021 under Covid 19 framework as per RBI guidelines which were done successfully and same has been implemented from June 21, 2021.

Benefits under Restructuring

- Deferment of term loan repayment for a period not more than 2 years.
- Conversion of Non Fund based working capital limits of INR 1600 Million into WCTL/WCDL (to be repaid over a period of 5 years from the date of implementation) to maintain the liquidity and to meet the cash deficit by reducing caring rate of interest of 9.35%.
- Conversion of fund based working capital of EXIM Bank to the extent of INR 900 Million into Corporate Loan at a Return of Interest of 9.35%.
- Reduction in fund based working capital limit by INR 811.8 million by way of sale of non-core assets till March 2022.
- Reduction in term loan from Exim Bank and Shinhan Bank by INR 70.9 Million and INR 10.3 Million by way of sale of non-core assets till March 2022.



- There is no change in the COVID loan and Funded Interest Term Loan ("FITL") repayment schedule and it shall be paid as per the existing terms

OPPORTUNITIES AND THREATS

1. Anti-infective/Microbial and Antibiotics are the largest therapy areas amongst all the therapy areas globally. Currently valued at \$139.3 billion in 2020. The market is expected to grow at a CAGR of 6% reach \$159.6 billion in 2023.
2. NLL's addressable market is Non Pen-G valued at US\$ 13 Bio in late Gen 2, Gen 3, Gen 4 & Gen 5 molecules.
3. For NLL, a threat has become an opportunity in the sense that whole world is worried about Anti-Microbial Resistance (AMR) but till date not a single instance of AMR exhibited in any molecule in Cephalosporin range that NLL manufactures in the market.
4. Therefore, the real threat of AMR pertains to other classes of Infection which will continue to shrink and is an opportunity for NLL to rephrase its molecule. As anti-infectives are here to stay for Alleviation from infections.
5. The real threat is general perception of people, Media and Doctor Community which needs to be educated about the phenomenon of judicious use of Antibiotics particularly cephalosporin's rather than indiscriminate the growing economy, therefore NLL is party to the alleviation campaign to ensure its cephalosporin's continue to be used in a judicious manner.

OUTLOOK

NLL believes a diversified product basket helps to grow the business consistently and continuously. NLL follows a strategy of filing for select, differentiated products and as the approvals are received, commercialisation leads to market expansion.

The rapid spread of the coronavirus across the globe halted air travel, crumbling healthcare systems, countries going under lockdowns, thousands losing their jobs, and a looming prospect of the economic crisis are all the events that we as a world have seen in 2020. Industries across the board face the brunt of disrupted supply chains, skeletal workforce, and dwindling investments. However, one industry to which everybody is looking with bated breaths is the pharmaceutical industry- for it can provide an answer to this pandemic.

FY 2020-21 has been beset with the most challenging pandemic Covid19 which has devastated the whole world Socially, Economically & Geopolitically.

According to total sales audit data from world's largest pharmaceutical market research firm IMS Health, the Indian Pharma Market (IPM) grew 59 per cent YoY in April, 2021 vs 16 per cent YoY in March, 2021 due to the low base effect in April, 2020 and sharp surge in Covid-19-related sales.

The Anti-Infective Drugs Industry sets out tendencies that affect various subsidiary industries. Therefore, the Global market has ruled for being one of the leading revenue generators over the past several decades. This industry has challenged every economic disruption and withstands the test of time. Though this could benefit to motivate new market players in the Global industry, the preference for product development and novel procedures could assist new participants in obtaining a stronghold.

The sales for Menthol has come down significantly in last few years which as informed is primarily due to lower margins resulting from higher cost of production. The company manufactures Menthol using – "Mentha Arvensis" raw material which is a natural product and is heavily priced as compared to its synthetic counterpart – Di-pentene.

The company proposes to use a hybrid approach in which it will use Di-pentene to manufacture Menthol which will be an improvement over both the approaches as discussed above. We could not comment on the marketability of the product manufactured through this approach and its overall feasibility since its market testing is yet to happen but the chemical properties shall be the same as discussed with technical team.

INTERNAL CONTROL SYSTEM & ADEQUACY

Internal control review assumes greater importance in the light of current economic downturn. Monitoring and assessment of internal controls across various functions is performed through continuous evaluations to ensure whether the implemented internal control system is effective as intended by the Board of Directors. The assessment facilitates identification of internal control deficiencies for further corrective actions.

The Company has a comprehensive system of Internal Controls to safeguard its assets against loss from unauthorized use and ensure reliability of financial reporting. NLL maintains a system of internal controls designed for effectiveness and efficiency of operations, compliance and regulations. All operations are governed through automated internal business controls, centralized global process framework and integrated key support functions. Quarterly tracking of annual quality objectives is done using QMS (quality management software), and any concerns are immediately flagged for effective addressing.

The system of internal controls monitors and ensures process for:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations.

All transactions are recorded and reported in accordance with the Indian Accounting Standards. The internal auditors submit reports and updates. The Audit Committee of the Board review reports submitted by the internal auditors and monitor follow-up and corrective action, whenever required.

DEVELOPMENTS IN HUMAN RESOURCE

Human Resource Development ("HRD") has multiple dimensions, covering educational attainment, workforce skills, population health and the set of employment policies that provide businesses with workers with appropriate skills and the ability to adapt quickly to new challenges.

NLL is a professionally managed company with highly competent and committed industry professionals forming a tight-knit team of dedicated colleagues. NLL commits substantial resources and strategies to train, enrich, retain and acquire its talent. As part of its investment in learning and development, the Company has re-crafted its human resource philosophy. In brief, they are listed below:

- Attract, build and retain right talent at all the levels.
- Create and nurture a performance culture through continuous capability building and motivation.
- Performance measurement by leveraging use of IT.
- Foster leadership at all levels through trust, empowerment and openness.
- Strengthen collaborative approach for business excellence
- Promote a vibrant work culture based on innovation and to incentivize people based on productivity/outstanding performance.

NLL has aligned its human resources learning and development to the needs of a growing and fast track organization. The people have to now perform with a certain sense of urgency, do more with less, be assertive yet be compliant and feel the heat of increase in their span of control. This presupposes skilling the existing manpower to perform at their optimum best. The shop floor resources are hence encouraged to stay focused on key development areas as they are the doers, and hence are required to maintain the necessary cGMP compliance levels. Shop floor executives are continuously trained and groomed in the area of compliance, supported adequately to raise their competence, confidence and anytime readiness.

The total numbers of employees are provided in Annexures to Board of Directors' Report

Safety Standards

Environment Health and safety is of Paramount importance. Our fundamental belief is that the employees of NLL shall be provided a safe and healthy workplace. To that end, we follow global safety guidelines



across all our manufacturing units and offices. As per our safety rules and policies, it is a mandatory requirement that all new projects get EHS clearance at the planning stage. Moreover, a review of these constructed assets is done to certify that laid standards have been adhered with.

Whistle Blower Policy

The company has made the Whistle Blower Policy for the employees of the company by which employees can report to the management, the instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. As per policy:

- a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- b) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.
- c) Complete protection will, therefore, 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.

BUSINESS RISKS AT NECTAR LIFESCIENCES LIMITED:

Risk Mitigation Methodology

We at NLL have a comprehensive audit plan which is accompanied with a robust risk management exercise which helps us to identify risks at an early stage and take appropriate steps as needed to mitigate the same. For this each Strategic Business Unit (SBU) head is in regular contact with the top management and they keep informing them of the risks they can face in future and how to rescue themselves from those.

Some of the key existing and emerging risks affecting NLL's business are listed below

RISKS AND CONCERNS:

• Competition Risks:

In an increasingly global market, companies face rising levels of competition. Being a global pharmaceutical player, selling API and generic formulations across the globe, competition and price pressures are common risk in all markets. NLL has a strong mitigation mechanism for this risk with the strategy to launch differentiated high value products meant for specialty segments. Further, we keep improving operational efficiencies to rationalize costs, introduction of new products by competitors might impair the Company's competitive advantage and could lead to loss of market share. The Company had a Robust R&D department which was regularly involved in developing cost reduction processes of our current molecules and also developing of new molecules to have a competitive edge over other competitors.

• Regulatory Risks:

Pharmaceutical industry is a highly regulated segment with many local and overseas agencies monitoring it. The regulatory framework covers entire spectrum of activities like, development and approval of product, approval of manufacturing facilities, etc. Hence, the regulatory risk is one of the significant risks identified by the management. Company has implemented detailed Standard Operating Procedure (SOP) for every important activity, has a strong Quality Assurance (QA) function, robust IT framework for compliance, monitoring and documentation, etc. for mitigating the regulatory risks.

Global Economic Volatility Risks:

Economic & Geopolitical events can manifest themselves in many ways. Nectar's operations are extended to across the world having different political and economic environments. Any adverse change like political instability leading to policy uncertainty, tariff, trade wars, economic sanctions, leading to weakening of Global economy may

impact company's business. Company continuously evaluates political and economic scenario across the globe and restricts overall exposure to identified countries, in terms of sales and invested capital.

• Patent Protection Risks:

Every company have their own patents maybe related to products or processes and its protection is one of the most importance for them.

NLL had a dedicated team of scientists whose primary task was to ensure that the products were manufactured using only non-infringing processes and related compliances by reviewing and monitoring IPR issues continuously. Also, the IPR team evaluated and provided stage wise IP clearances during product/ process developmental activities and also provided frequent updates and alerts on relevant IP (patent, trademark etc.) to R&D scientists for the products and suggests remedial measures to deal with IP related issues.

• Raw Material Import Risks:

A basic requirement for sustainable growth and the successful production of high quality API and formulation is the secure supply of good quality raw materials, free from disruptions, disturbances and bottlenecks leading to high commodity pricing and market volatility. Companies in the country currently rely on Chinese suppliers for 70% of their ingredients. Similarly, We at NLL are largely dependent on China for the import of our raw materials, but with time we are reducing our dependency on China by finding alternate sources of the raw materials or by finding alternate raw materials altogether.

• People Risks:

NLL's success depends on our ability to retain and attract key qualified personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business. Human resource strategy like recruitment, learning & development, succession planning, Motivation, Incentivizing and retention of competent personnel also helps a lot.

• Financial Risks:

Tax uncertainty and debtor default could have adverse financial impact. Credit risk is the risk that a counter party does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Failure to maintain appropriate credit ratings could affect the Company's cost of borrowings thereby having adverse impact on profitability. While the Company's exports were significantly high, financial obligations towards import payments were also high and giving natural hedge against foreign exposure. The increasing exports helped us in increasing our revenue from other currencies.

The Company's Finance team continued and would continue to ensure reduction in borrowing costs with negotiations with Banks. At the same time, the Company was having sizable imports/ working capital in foreign currency. The Company was conscious of the impact that currency fluctuations could have on earnings. The forex position of company was reviewed on a monthly-basis. The company had a strong export base to provide the required natural hedge for the imports that it makes.

• Commodity Risks:

Dealing in commodities and the attendant volatility of prices exposes to lots of risks. This is why it is imperative to execute risk management strategies to mitigate and manage the risks associated with it. NLL procure a lot of Materials whose price may fluctuate in short or longer period of times. NLL try to combat the same by mostly buying the various materials only against the orders with also a background of a strong export base which helps in providing a natural hedge for the procurement.

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

**Place: Chandigarh
Date: 23-07-2021**

**(Sanjiv Goyal)
Chairman and Managing Director**



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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations'). Any disclosure not given in this report but disclosed in Board of Directors 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 8 Directors on the Board as on March 31, 2021, comprising two directors (including the Chairman) who are Executive Directors, two 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 Nectar 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 Wholtime 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 2020-2021, Eight Board meetings were held on April 18, 2020, May 30, 2020, July 29, 2020, October 01, 2020, October 30, 2020, November 27, 2020, February 13, 2021 and March 31, 2021.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2020-21 and at the last Annual General Meeting ("AGM"), as also the number of directorship, 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, 2021	Number of Board Committees of other companies in which	
					Mem-ber	Chair-man
Mr. Sanjiv Goyal (Chairman and Managing Director)	Promoter & Executive Director	7	Not Present	2	Nil	N.A.
Dr. Dinesh Dua (Executive Director)	Non Promoter & Executive Director	7	Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-Executive Director	7	Not Present	9	Nil	N.A.
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director) Expired on November 22, 2020	Independent & Non-Executive Director	5	Present	N.A.	N.A.	N.A.
Mr. Ajay Swaroop (Director)	Independent & Non-Executive Director	7	Present	Nil	N.A.	N.A.



Name and designation of Directors	Category of Director	Number of Board Meetings attended	Attendance at the last AGM	Number of outside Directorship held as on March 31, 2021	Number of Board Committees of other companies in which	
					Mem-ber	Chair-man
Ms. Guljit Sethi (Director)	Independent & Non-Executive Director	8	Present	3	Nil	N.A.
Ms. Meena Verma (Director)	Nominee Director	8	Not Present	Nil	N.A.	N.A.
Dr. Rupinder Tewari (Director)	Independent & Non-Executive Director	5	Present	Nil	N.A.	N.A.
Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon (Director) - Appointed with effect from February 13, 2021.*	Independent & Non-executive Director	Nil	N.A.	Nil	N.A.	N.A.

N.A. stands for Not Applicable.

* Resigned with effect from June 24, 2021

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

During the financial year 2020-21, the Audit Committee comprised of four directors including Ms. Guljit Sethi as a Chairman of Audit Committee with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Expired on November 22, 2020), Dr. Rupinder Tewari and Dr. Dinesh Dua as members.

The Board of Directors in their meeting held on February 13, 2021 have inducted Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon as a member of committee with effect from April 01, 2021

Ms. Guljit Sethi graduated in Economics (Hons.), did full time MBA from Jamnalal Bajaj Institute, Mumbai University and a PhD. fellowship from University of Pune. She has a career spanning 38 years in international business, strategic alliances including joint ventures and domestic marketing of pharmaceuticals, polymers with leading corporates. She fulfils the requirement that the one member of Audit Committee must have financial management expertise.

Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) expired on November 22, 2020 had contributed immensely to the committee with his vast knowledge and enriched experience. He was retired after holding the most prestigious and highest professional appointment of Senior Consultant Medicine as Head of the medicine and Allied Specialties/ Super Specialties in the Armed Forces from Ministry of Defence and Army Hospital (Research and Referral) Delhi. Dr. Dinesh Dua is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 41 years plus in varied industries in middle to senior management positions. Dr. Rupinder Tewari, enjoys the experience of more than 40 years in academics. He has written research 100 publications and 5 books. 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 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 Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the



internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Valuation of undertakings or assets of the company, wherever, it is necessary.
- (21) Reviewing management discussion and analysis of financial condition and results of operations;
- (22) Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (23) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- (24) Reviewing internal audit reports relating to internal control weaknesses;
- (25) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (26) Reviewing statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (27) Reviewing loan and investment in subsidiaries.

During the year under review, four meetings of the Audit Committee were held, the dates being July 28, 2020, October 1, 2020, October 30, 2020 and February 13, 2021.

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
Ms. Guljit Sethi (Chairman)	Independent & Non-executive Director	4	4
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Member) Expired on November 22, 2020	Independent & Non-executive Director	3	3
Dr. Dinesh Dua (Member)	Executive Director	4	4
Dr. Rupinder Tewari (Member)	Independent & Non-executive Director	4	4

Mr. Sandeep Goel, Chief Financial Officer and Mr. Ravi Kant Aggarwal, Vice President (Accounts) of the Company, Mr. Gaganpreet Garg, Internal Auditor of the Company and representatives from M/s Ashwani

K. Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company, as considered appropriate, attended the meetings as permanent invitees, while Company Secretary, acts as the Secretary to the Committee.

IV. Nomination & Remuneration Committee

At the beginning of financial year 2020-21 the Nomination & Remuneration Committee ("NRC") comprised of three directors including Dr. (Maj. Gen.) S. S. Chauhan, VSM, (Retd.) as its Chairman and Ms. Guljit Sethi and Mr. Ajay Swaroop as its members. However, due to the demise of Dr. (Maj. Gen.) S. S. Chauhan, VSM, (Retd.) on November 22, 2020, the Board of Directors in their meeting held on February 13, 2021 have reconstituted the NRC as under:

Sr. No.	Name of Director	Category	Status
1.	Dr. Rupinder Tewari	Independent Director	Chairman
2.	Mr. Ajay Swaroop	Independent Director	Member
3.	Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon	Independent Director	Member

During the financial year ended on March 31, 2021, three meetings of the committee were held on June 29, 2020, October 30, 2020 and February 13, 2021.

The attendance of the members of Nomination and 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. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Chairman) Expired on November 22, 2020	Independent & Non-executive Director	3	2
Mr. Ajay Swaroop (Member)	Independent & Non-executive Director	3	3
Ms. Guljit Sethi (Member upto February 13, 2021)	Independent & Non-executive Director	3	3
Dr. Rupinder Tewari (Chairman w.e.f. February 13, 2021)	Independent & Non-executive Director	Nil	N.A.
Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon (Member w.e.f. February 13, 2021)	Independent & Non-executive Director	Nil	N.A.

The terms of reference Nomination and Remuneration Committee 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 Companies Act, 2013 and Regulation 19 and Part D of Schedule II of LODR Regulations.

The Nomination, Remuneration and Evaluation Policy is formulated by the Nomination and Remuneration Committee 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

The Stakeholders' Relationship Committee of the company is constituted with three directors including Mr. Ajay Swaroop as its Chairman and Mr. Sanjiv Goyal and Dr. Dinesh Dua as its members.

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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

As on March 31, 2021, 99.999% of the Company's shares are held in electronic (demat) form.

During the financial year ended on March 31, 2021, one meeting of the committee was held on September 12, 2020, 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 follows:

Opening balance as on 01-04-2020	Received during the year	Complaints resolved during the year	Closing balance as on 31-03-2021
Nil	12	12	Nil

Quarter-wise details of complaints during 2020-21:

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	2	2	Nil
July-September	Nil	4	4	Nil
October-December	Nil	4	4	Nil
January-March	Nil	2	2	Nil

Reconciliation of share capital Audit

The Company conducts a Reconciliation of Share Capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/ FITTC/ Cir-16/2002 dated 31.12.2002. The Practicing Company Secretaries were 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 half-yearly basis from Practicing Company Secretaries, to the effect that all transfer of shares among others, were effected within the stipulated time. The certificate was submitted with the stock exchanges within the prescribed time limit.

A half 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, 2020	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 Companies Act, 2013 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, 2021	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.nclife.com. The said codes were adhered during the year under review.

VI. Other committees

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

At the beginning of financial year 2020-21 the CSR Committee comprised of three directors including Mr. Sanjiv Goyal as its Chairman and Dr. (Maj. Gen.) S. S. Chauhan, VSM, (Retd.) and Dr. Dinesh Dua as its members. However, due to the demise of Dr. (Maj. Gen.) S. S. Chauhan, VSM, (Retd.) on November 22, 2020, the Board of Directors in their meeting held on February 13, 2021 have reconstituted the CSR Committee as under:

Sr. No.	Name of Director	Category	Status
1.	Mr. Sanjiv Goyal	Chairman & Managing Director	Chairman
2.	Dr. Dinesh Dua	Executive Director	Member
3.	Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon	Independent Director	Member

During the financial year ended on March 31, 2021, two meetings of the CSR Committee were held on July 28, 2020 and October 30, 2020 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	2
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Member) Expired on November 22, 2020	Independent & Non-executive Director	2	2
Dr. Dinesh Dua (Member)	Executive Director	2	2
Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon (Member) w.e.f. February 13, 2021	Independent & Non-executive Director	Nil	N.A.

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 financial year 2020-21 the RMC comprised of two members including Dr. Dinesh Dua as its Chairman and Mr. Harparkash Singh its member. However, the Board of Directors in their meeting held on October 01, 2020 have reconstituted the RMC as under:

Sr. No.	Name of Director	Category	Status
1.	Dr. Dinesh Dua	Executive Director	Chairman
2.	Mr. Amit Chadah	Chief Executive Officer	Member

During the financial year ended on March 31, 2021, one meeting of the RMC was held on November 27, 2020 as per following details:

Name	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Dr. Dinesh Dua, Chairman	1	1
Mr. Harparkash Singh, Member	Nil	N.A.
Mr. Amit Chadah, Member	1	1

The Board of Directors have in their meeting held on July 23, 2021, have reconstituted the RMC as under:

Sr. No.	Name of Director	Category	Status
1.	Dr. Dinesh Dua	Executive Director	Chairman
2.	Dr. Rupinder Tewari	Independent Director	Member
3.	Mr. Amit Chadah	Chief Executive Officer	Member



- C. The details of other committees of Board, its members and date of their meeting are as under:

Name of the Committee	Members	Details
Management Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Dr. Dinesh Dua (Member)	Three meetings of the Management committee were held on August 11, 2020, January 02, 2021 and February 27, 2021 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 financial year 2020-21, One meeting of Independent Directors was held on June 29, 2020 which was attended by all independent Directors.

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the LODR Regulations, the independent directors held their separate meeting on July 23, 2021, 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 2020-21 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 Mr. Ajay Swaroop 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. 25th AGM: September 21, 2020 at 11.00 am through Video Conferencing ("VC") / Other Audio-Visual means ("OAVM") and venue of the meeting is 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
2. 24th AGM: September 28, 2019 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
3. 23rd AGM: September 28, 2018 at 10.00 am 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

Detail of special resolutions:

1. 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.
2. 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.
 3. At the 24th AGM held on September 28, 2019, the following special resolutions were passed:
 - i) Re-appointment of Dr. Dinesh Dua Chief Executive Officer & Director and to approve his remuneration.
 - ii) Re-appointment of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM as an Independent Director of the Company for a second term and to hold office for a term of five years.
 - iii) Re-appointment of Mr. Ajay Swaroop, as an Independent Director of the Company for a second term and to hold office for a term of five years.
 4. At the 23rd AGM held on September 28, 2018, the following special resolutions were passed:
 - i) Re-appointment of Dr. Dinesh Dua Chief Executive Officer & Director and to approve his remuneration.
 - ii) For continuation of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, who has attained the age of 75 years, as a Non-Executive Independent Director of the company.
 - iii) Re-appointment of Mr. Vijay J. Shah, as an Independent Director of the Company for 2nd term 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 23rd, 24th and 25th AGMs and EGM are passed through e-voting as per section 108 of the Companies Act, 2013 and polling at the venue of General Meeting as per Section 109 of the Companies Act, 2013, in case of those members who did not participated by e-voting.

There was no resolution passed through postal ballot process during the last year.

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 financial years 2018-19, 2019-20 and 2020-21. 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. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) had imposed fine on the company for late submission of financial results for the quarter ended on June 30, 2020. The fine was INR 5000/- per day for a period of delay, which amounted to INR 80,000/- plus GST



for NSE and BSE each. The company had deposited the fine along with GST, which was acknowledged by NSE and BSE. Further, 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;

- b. The Company had adopted the whistle blower policy since 2014-15. The policy is available on URL: www.neclife.com. No employee has been denied access to the audit committee.
- c. 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.
- d. **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 obtained in their General Meeting.
- There was not any loan or advances given by the company to its wholly owned subsidiaries. The Investments as on March 31, 2021, in Nectar Lifesciences USA LLC was USD 51950/-, in Nectar Lifesciences UK Limited was GBP 1/- and in NecLife PT, Unipessoal LDA was EURO 1000/- only.
- 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.
- e. **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.
- f. **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.

- g. Remuneration of Directors: **The Non-Executive Directors (their parent organisation in case of nominee directors) are entitled to sitting fee of INR 10,000 per board meeting attended by them. The sitting fee of INR 1000 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 financial year 2020-21, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director and Dr. Dinesh Dua, Executive Director 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 financial year ended March 31, 2021:

Name and designation of Director	Sitting fee (INR)	Salaries and perquisites (INR)	Period of service	Number of shares held as on March 31, 2021
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	1,92,79,743/-	5 years from June 01, 2017	55845600
Dr. Dinesh Dua, Executive Director	N.A.	86,04,154/-	1 years from October 14, 2020	Nil
Mr. Vivek Sett, (Nominee Director of Private Equity Investor)	70000/-	N.A.	Non rotational Director	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Independent Director Expired on November 22, 2020	57000/-	N.A.	N.A.	Nil
Mr. Ajay Swaroop, Independent Director	74000/-	N.A.	5 years from September 30, 2019	Nil
Ms. Guljit Sethi Independent Director	87000/-	N.A.	5 years from December 29, 2020	Nil
Ms. Meena Verma (Nominee Director of Financial Institution)	80000/-	N.A.	No term specified.	Nil



Name and designation of Director	Sitting fee (INR)	Salaries and perquisites (INR)	Period of service	Number of shares held as on March 31, 2021
Dr. Rupinder Tewari (Independent Director)	54000/-	N.A.	5 years from February 11, 2019	Nil
Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon (Independent Director w.e.f. February 13, 2021)	Nil	N.A.	N.A. as he has, since, resigned.	Nil

Notes:

- i) The Company did not provide any stock option to its directors and employees.
- ii) There are no performance linked incentives provided by the company to its directors.
- iii) Dr. Dinesh Dua is entitled to a bonus equivalent to his one month salary in a financial year, proportionately to his tenure in a year.
- iv) The appointment can be terminated by Mr. Dinesh Dua or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum

equivalent to basic salary for the notice period or part thereof in case of shorter notice or on such other terms as Board of Directors may think.

- v) No other director is entitled to severance fee.
- h. Details of the familiarization programme of the independent directors are available on the website of the Company (URL: www.neclife.com).
- i. Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: www.neclife.com).
- j. Policy on dealing with related party transactions is available on the website of the Company (URL: www.neclife.com).
- k. Commodity price risk or foreign exchange risk and hedging activities.

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

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

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

The Value of total Inventory held by the Company for Raw Material, Work in Progress and Finished Goods (Including Stock in Trade) as on March 31, 2021 was INR 838.06 Crores.

- b. Exposure of the listed entity to various commodities:

Commodity Name (Inventory as on 31.03.21)	Exposure in INR (crores) 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	130.91	Not ascertainable	Nil	Nil	Nil	Nil	Nil
Work in Progress	485.27	Not ascertainable	Nil	Nil	Nil	Nil	Nil
Finished Goods	208.90	Not ascertainable	Nil	Nil	Nil	Nil	Nil
Misc. Stocks	12.98	Not ascertainable	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. The open positions, if any, on either side, are hedged through commodity exchanges, if available.

- I. **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 www.neclife.com. The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25(2) of the LODR Regulations.

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

- m. 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.

- n. There is no credit rating obtained by the company or any revisions thereto during the financial year 2020-21, 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.

- o. 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, Dr. Dinesh Dua
2. Knowledge of domain of Pharmaceuticals, Science & Research	Yes	Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon, Dr. Rupinder Tewari, Dr. Dinesh Dua Ms. Guljit Sethi,



Skills/expertise/competence	Availability	Directors who have such skills/ expertise/ competence
3. Overall familiarity about Finance, Accounting, Manufacturing, Quality Management Systems, Sales, marketing and business development	Yes	Mr. Vivek Sett, Ms. Meena Verma, Mr. Ajay Swaroop, Mr. Sanjiv Goyal, Dr. Dinesh Dua
4. Risk management Awareness	Yes	Mr. Sanjiv Goyal, Dr. Dinesh Dua, Ms. Guljit Sethi,
5. Skills in regulations	Yes	Dr. Dinesh Dua Ms. Guljit Sethi
6. OH&S (Occupational health and safety)	Yes	Dr. Dinesh Dua Maj. Gen. (Retd.) Dr. Ajit Singh Dhillon,

p. 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.

q. 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.

r. 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 financial year 2020-21.

s. 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 any 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 are as under:

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

The results are also displayed on the company's website "www.neclife.com". 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 Companies Act, 2013 of Notice of ensuing AGM.

XI. General Shareholder Information

i.	26 th AGM	
	Date	Tuesday, September 21, 2021
	Time	11.00 am
	Venue	Registered Office and Works: Village Saidpura Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab – 140507.
ii.	Financial year	April 1, 2020 to March 31, 2021
iii.	Date of book closure	September 15, 2021 to September 21, 2021 (Both days inclusive).
iv.	Dividend payment date	N.A.
v.	The equity shares of Re. 1/-each of the Company are listed on	1. The National Stock Exchange of India Limited (NSE) Regd. Office : "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel : 91-22-26598100, 66418100 2. BSE Limited (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



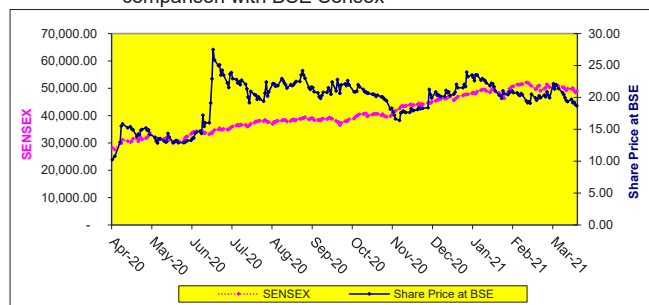
xiv. Market price data:

The high and low prices of the Company's share (of Re. 1/- each) at BSE and NSE from April 1, 2020 to March 31, 2021 were as below:

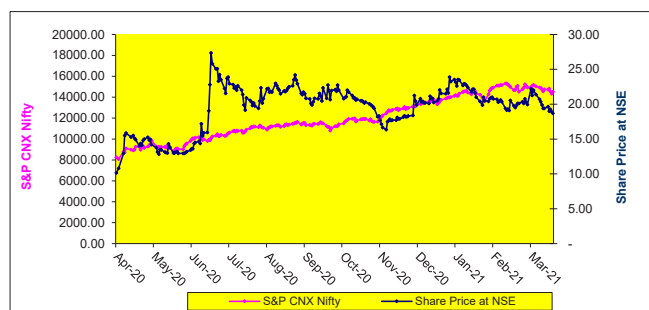
Month	BSE			NSE		
	High (INR)	Low (INR)	Total Traded Quantity	High (INR)	Low (INR)	Total Traded Quantity
Apr-20	17.15	9.65	8,28,128	17.40	9.05	99,85,385
May-20	14.95	12.60	4,48,734	14.95	11.85	37,33,641
Jun-20	30.05	13.00	94,34,597	30.05	13.10	5,98,33,840
Jul-20	25.75	18.05	28,02,876	25.50	18.65	1,84,25,896
Aug-20	24.85	20.70	23,34,966	24.90	20.70	1,39,61,455
Sep-20	23.80	19.50	18,36,988	23.90	19.45	1,13,21,872
Oct-20	23.65	19.25	8,43,720	23.20	19.05	67,80,899
Nov-20	19.35	16.20	10,42,782	19.20	16.15	59,76,484
Dec-20	24.85	18.30	36,29,105	24.80	18.30	2,18,15,031
Jan-21	24.85	19.50	15,27,796	24.90	19.25	93,71,565
Feb-21	21.65	18.90	10,07,687	21.60	18.95	72,63,272
Mar-21	23.40	18.50	17,16,723	23.40	18.45	1,44,43,140

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 PRIVATE LIMITED Unit: Nectar Lifesciences Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Tel: (91-40) 67161527, Fax: (91-40) 23420814 Contact Person : Mr. Raj Kumar Kale E-mail: rajkumar.kale@kfintech.com
xvii.	Address for correspondence at the Company	Nectar Lifesciences Limited SCO 38-39, Sector 9-D, Chandigarh -160 009 Ph. No. 0172-5047915-16

xviii.	Compliance Officer and contact person at the Company	Company Secretary E-mail: cs@neclife.com Website : www.neclife.com
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xix. Share transfer system

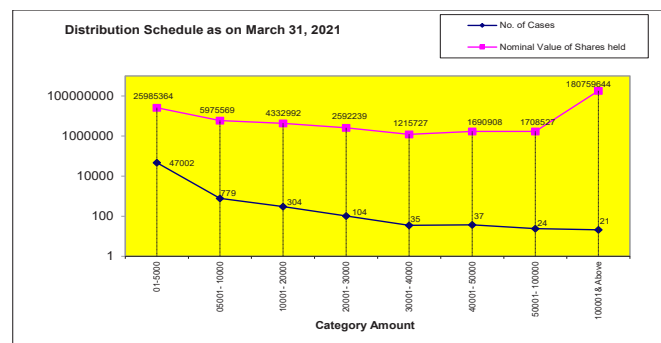
Almost 99.999% of the shares of the Company are held in dematerialised form. Transfers of these dematerialised shares are done through the depositories with no involvement of the Company. With regard to transfer of shares held in physical form, the transfer documents can be lodged with the Registrar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

Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if documents are complete in all respects. The Stakeholders' Relationship Committee approves the transfer and transmission of shares.

xx. Distribution of shareholding

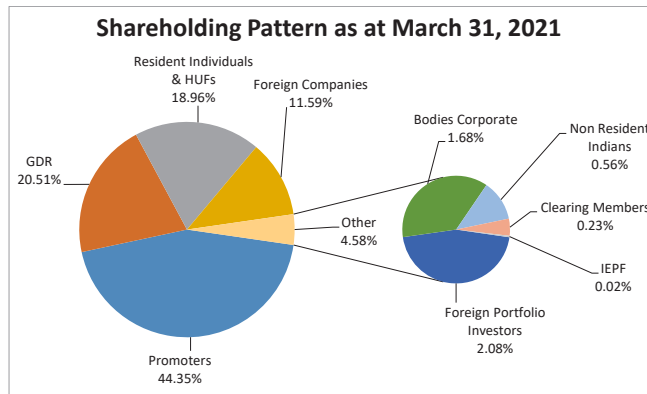
a) Class-wise distribution of equity shares as on March 31, 2021

Category (Amount)	Total Cases	Total Cases %	Total Shares	Total Amount	Total Amount %
01-5000	47002	97.3005	25985364	25985364	11.5871
05001- 10000	779	1.6126	5975569	5975569	2.6646
10001- 20000	304	0.6293	4332992	4332992	1.9321
20001- 30000	104	0.2153	2592239	2592239	1.1559
30001- 40000	35	0.0725	1215727	1215727	0.5421
40001- 50000	37	0.0766	1690908	1690908	0.754
50001- 100000	24	0.0497	1708527	1708527	0.7618
100001 & Above	21	0.0435	180759644	180759644	80.6024
Total	48306	100	224260970	224260970	100



b) Shareholding pattern as on March 31, 2021

Category	Number of Cases	Total shares	% to equity
Promoters	3	99468000	44.35
GDR	1	46000000	20.51
Resident Individuals & HUFs	47488	42521211	18.96
Foreign Companies	1	26000000	11.59
Foreign Portfolio Investors	4	4669412	2.08
Bodies Corporate	191	3776036	1.68
Non Resident Indians	524	1255521	0.56
Clearing Members	93	526274	0.23
IEPF	1	44516	0.02
Total	48306	224260970	100.00

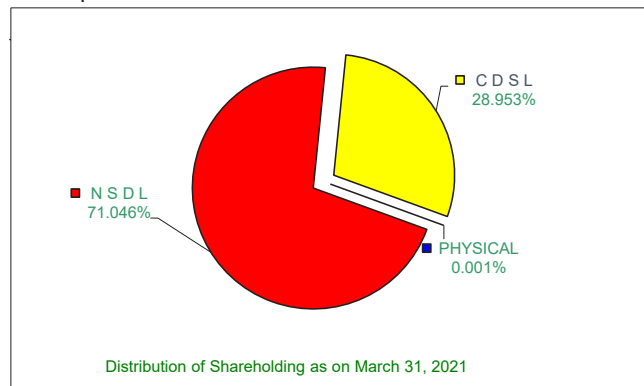


xxi. Dematerialisation of shares and liquidity

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, 2021.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2021 was as under:

Sr.	Category	No. of Holders	Total Shares	Percentage
1	PHYSICAL	8	2050	0.001
2	N S D L	23200	159329351	71.046
3	C D S L	25098	64929569	28.953
	Total	48306	224260970	100



The Company's shares are regularly traded on the National Stock Exchange of India Limited (NSE) and the BSE limited (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 26.02.2010. The total proceeds from the GDRs issue was 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,
Telephone: (352) 47 79 36 – 1, Fax : (352) 47 32 98

The underlying equity shares, of the company are forms and 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
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xxiv.	Plant locations	<ol style="list-style-type: none"> 1. Nectar Lifesciences Limited, Unit I Village: Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab 2. Nectar Lifesciences Limited, Unit II Village: Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab 3. Empty Hard Gelatin Capsule Unit Village Bhatoli Kalan, Pargana Dharpur, Tehsil Nalagarh District Solan, (Himachal Pradesh) 4. Formulation Unit Village Bhatoli Kalan, Pargana Dharpur, 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)
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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 July 23, 2021.

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 financial year 2020-21. 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 and Managing Director

Place: Chandigarh
Date: 23-07-2021



**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 2020-21.

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

Sd/-
(Amit Chadah)
Chief Executive Officer

Place: Chandigarh
Date: 18-06-2021

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, 2021 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 : 14-06-2021

Sd/-
Prince Chadha
(Prop.)
M. No.: 32856
C.P. No.: 12409
UDIN: A032856C000456345



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, 2021. 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. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
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 2021, 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 **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

Place: Chandigarh
Date: 23.07.2021

(Paras Gupta)
Partner
M. No. 546125
UDIN: 21546125AAAACE3111



Annexure 4 of Board of Directors' Report

SECRETARIAL AUDIT REPORT

Form no. MR-3

For the Financial Year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.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 ("the listed entity") having Corporate Identification Number (CIN) L24232PB1995PLC016664 and registered office at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab (hereinafter called 'the company'). 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, 2021 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, 2021 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; and
 - 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;
 - 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. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - 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. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; and
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013
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) The Narcotic Drugs and Psychotropic Substances Act, 1985;
 - (iii) Drugs (Prices Control) Order, 2013

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;
- (iii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	As per Regulation 33 of LODR Regulations, the Financial Results for the quarter ended on June 30, 2020 has to be submitted by the Company to the BSE and NSE by August 14, 2020. However, the said due date has been extended to September 15, 2020 as per SEBI Circular dated July 29, 2020.	The Financial Results for the quarter ended on June 30, 2020 has been submitted on October 01, 2020 causing delay of 16 days in submission.	<ol style="list-style-type: none"> The Company has made the default good and paid the requisite fine to BSE and NSE as per SEBI Circular dated January 22, 2020. The reason for delay has been submitted by the Company to Stock Exchanges as per SEBI Circular dated November 19, 2018 as due to some of staff members from Accounts Department got infected with COVID-19, and were quarantined. This has caused immense disruption in the day to day workings of accounts department and delay in preparation of financial results for the quarter ended on June 30, 2020.

- 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 meetings were called on April 18, 2020, May 30, 2020, October 01, 2020, November 27, 2020 and March 31, 2021 on shorter notice after due compliance and obtaining requisite consents to transact some urgent matter and the said meeting was attended by 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 process 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 such as 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. 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, etc.

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

Date: 23-07-2021
Place: Chandigarh

**(Prince Chadha)
ACS 32856,
CP 12409**



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

Date: 23-07-2021
Place: Chandigarh

(Prince Chadha)
ACS 32856,
CP 12409
UDIN: A032856C000659152

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 2020-21. However, the details of non - material contract or arrangement or transaction with its related parties which are at arm's length during financial year 2020-21, has been given in the notes to the Financial Statements forming part of the Annual Report.

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

Place: Chandigarh
Date: 23-07-2021

(Sanjiv Goyal)
Chairman and Managing Director



Annexure 6 of Board of Directors' Report

REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Nectar Lifesciences Limited (hereinafter referred as NLL or 'the Company') believes that the actions of the organization and its community are highly inter-dependent. Through constant and collaborative interactions with our external stakeholders, NLL strives to become an asset in the communities. As per our CSR we 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.
- Generate goodwill in communities where NLL 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 mission of the institute is to elevate its status to a centre of excellence in women's technical education by a conscious & consistent enhancement of its performance. 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) Environment sustainability: The renewable energy project is one of the major project of CSR activities. It helps in improving energy efficiency and to reduce environmental emissions thereby establishing a strong foundation for a corporate green house gas management programme. In order to achieve this mission of reducing environmental emissions, the power plant called Neclife Biomass Cogeneration Project has been erected. This agro-based power generation plant runs on husk and can switch over to 10 other feed stocks if there is a need.
- (iii) 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 has also donated to PM CARES Fund towards the relief work for the Coronavirus pandemic
- (iv) Eradicating Hunger/ Safe Drinking Water: The lack of safe drinking water is a major public health issue, particularly in developing countries where majority of diseases are waterborne. Under this project, the CSR activity includes identifying areas and provides necessary equipments for safe drinking water. Some amount of money has also been spent for eradicating hunger, poverty and Malnutrition and helped the poor and marginal people to come out of that.
- (v) Relief/ Donations: The CSR programme is also at forefront in responding to the calls for national duty and contribution of amounts for Eradicating hunger, poverty, setting up homes for senior citizens, promotion of sports, malnutrition and Welfare of Animals etc.

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 / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
---------	------------------	--------------------------------------	--	--

The details are provided in the Corporate Governance Report which forms and part of Board's Report.

3. Provide the 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 Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy upto financial year ("FY") 2020-21 may be accessed on the Company's website at the link: <https://neclife.com/uploads/15129926051621224044.pdf>. The CSR policy for FY 2021-22 and onwards may be accessed on the Company's website at the link: <https://neclife.com/uploads/16271016061050491959.pdf>.

The Composition of CSR committee of the Company may be accessed on the Company's website at the link: <https://www.neclife.com/uploads/16174320601545881156.pdf>.

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (In INR)	Amount required to be set-off for the financial year, if any (In INR)
1.		Not Applicable	
	Total		

INR in Millions

6.	Average net profit of the company for last three financial years:	521.53
7.	(a) Two percent of average net profit of the company as per section 135(5)	10.43
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b- 7c).	10.43

8. a. 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 section 135(6).		Amount Transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
11.76 Million	NA	NA	NA	NA	NA

b. Details of CSR Amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project Duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
1.	Nectar Polytechnic for Women	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Yes	Punjab	SAS Nagar	Perpetual	1.05 Million	1.05 Million	NIL	Yes, through CSR Vehicle of the Company	Nectar Life-sciences Charitable Foundation	N.A.
2.	Constructions of Houses for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Yes	Punjab	SAS Nagar	Perpetual	0.37 Million	0.37 Million	NIL	Yes	N.A.	N.A.



1 Sr. No.	2 Name of the Project.	3 Item from the list of activities in Schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Project Duration	7 Amount allocated for the project (in INR)	8 Amount spent in the current financial Year (in INR).	9 Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	10 Mode of Implementation - Direct (Yes/ No).	11 Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number
3.	Captive Power Plant	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	Punjab	SAS Nagar	Perpetual	3.33 Million	3.33 Million	NIL	Yes	N.A.	N.A.
4.	Animal Welfare		Yes	Haryana, Punjab	Panchkula, SAS Nagar	Perpetual	0.53 Million	0.53 Million	NIL	No	Panchkula Gauskhala Trust	N.A.
	Total						5.28 Million	5.28 Million				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1 Sr. No.	2 Name of the Project.	3 Item from the list of activities in Schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Amount spent for the project (in INR) in Millions.	7 Mode of Implementation - Direct (Yes/ No).	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Fight against Covid - 19 pandemic		No	PAN India		2.10	No	PM CARES Fund	N.A.
2.			No	Jammu & Kashmir	Katra	0.70	No	Shri Mata Vaishno Devi Shrine Board	N.A.
3.	Preventive Healthcare	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Yes	Chandigarh		0.18	No	Sahayta Charitable Welfare Society	N.A.
4.			Yes	Chandigarh		0.20	No	Post Graduate Institute of Medical Education and Research (PGIMER)	N.A.
5.	Eradication of hunger		Yes	Chandigarh		0.10	No	Sanatan Dharam Sabha Shiv Mandir	N.A.
6.			No	National Capital Territory of Delhi		1.00	No	Delhi Sikh Gurudwara Management Committee	N.A.
7.	Promoting Education amongst Children	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Yes	Punjab	Ludhiana	0.10	No	Bal Vikas Trust	N.A.
8.	Promoting Education		Yes	Chandigarh		2.00	No	Shri Dhanwantry Education Society	N.A.
9.	Promotion of Sports	Training to promote rural sports nationally recognized sports, Paralympic sports and Olympic sports	No	Delhi		0.10	No	Champa Devinder Dhingra Sports Trust	N.A.
	Total					6.48			

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable



Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

INR 11.76 Million

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	10.43 Million
(ii)	Total amount spent for the Financial Year	11.76 Million
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.33 Million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.33 Million

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under section 135(6) (In INR)	Amount Spent in the reporting Financial Year (In INR)	Amount Transferred to any fund specified under Schedule VII as per section 135(6), If any.	Amount remaining to be spent in succeeding financial years (In INR)
Not Applicable					
Total					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (In INR)	Amount spent on the project in the reporting Financial Year (In INR)	Cumulative Amount spent at the end of reporting Financial Year (In INR)	Status of the project – Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(Asset-wise details).

(a) Date of creation or acquisition of the Capital Asset(s).

Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset.

Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

Mr. Amit Chadah
Chief Executive Officer

Mr. Sanjiv Goyal,
Chairman & Managing Director
(Chairman CSR Committee)

Place: Chandigarh

Date: 23-07-2021



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 2020-21, the percentage increase in remuneration of Chairman & Managing Director ("CMD"), Wholetime Director (ED), Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Company Secretary ("CS") during the Financial Year 2020-21:

S. No.	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	74:1	2.73
2.	Dinesh Dua	ED	33:1	(-)10.18
3.	Amit Chadah	CEO*	Not Applicable	Nil
4.	Sandeep Goel	CFO	Not Applicable	Nil
5.	Sukriti Saini	CS**	Not Applicable	Nil

Note:

- a) The Non- Executive Directors of the Company are entitled for sitting fee only as per the statutory provisions. The details of remuneration 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 and Remuneration Committee of the Company during the financial year 2020-2021.
- * In financial year 2020-21, Mr. Amit Chadah has been promoted from President (Business Development) to CEO from October 30, 2020, therefore his yearly remuneration is not comparable, however his monthly remuneration remains the same.
- ** In financial year 2019-20, Ms. Sukriti Saini has joined on August 14, 2019, therefore her yearly remuneration is not comparable, however her monthly remuneration remains the same.
2. The percentage increase in the median remuneration of Employees for the financial year was 5.43%.
3. The Company has 1693 permanent Employees on the rolls of Company as on March 31, 2021.
4. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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 financial year was 0.07% whereas the increase (decrease) in the managerial remuneration was approximately (1.63%). The average increases every year is an outcome of Company's market competitiveness as well as prevailing market scenario. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
5. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

**Place: Chandigarh
Date: 23-07-2021**

**(Sanjiv Goyal)
Chairman and Managing Director**



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

For low temperature application at minus 25°C, the Company has seven Ammonia Vapour Absorption machines each having a capacity of 150 Tons of Refrigeration (TR) at minus 25°C. Machines consume 14Kg steam per TR. The Company has modified the machines and high pressure lean ammonia solution which is going to Absorber and is passed through ejector and kinetic energy used to pull vapours from Evaporator. With this, the performance of machines improved by nearly 10% and resulting in saving of 200kg steam per hour and 4800kg steam per day. Cost of steam is approximately INR 1.30 per Kg. Therefore, approximately INR 6200/- has been saved per day and with the saving in steam, production capacity also got enhanced.

In GVNE (API Intermediate) plant, hot water used for the process, open bath heating system is now replaced with Deaerator type hot water system which is saving of specific steam consumption approximately 60% and Commercial benefits of thereof are approximately INR 10.2 Million Per Annum.

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

Diesel fired thermic fluid heater converted to LPG and its benefit is clean environment due to the absence of Standard Particulate Matter (SPM) from emission. Commercial benefits are approximately INR 3.90 Millions per annum on the basis of previous financial year running hours.

(iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments: INR 3.33 Millions

B) Technology Absorption

(i) Efforts made towards technology absorption

Emergence of innovation is an essential driver of economic progress that benefits consumers, businesses and the economy as a whole. In pharmaceutical world, the developments of technologies are continuous activities which are implemented without altering the quality of the drugs for human being. Nectar collaborates with academic institutions for future progress where industry-academia platform is utilized for up gradation of technologies and development of advance or new technologies. A joint venture has been developed for collaborative R & D programme with Multi-National Company (MNC) wherein technology is successfully scaled up at commercial level.

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

Research and Development is an integral part of the NLL's operations, which provides knowledge to develop, design, and enhance its product basket, technologies and/or processes.

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

(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 107.87 Millions

C) Foreign exchange earnings and outgo

(i) During the year 2020-21, the Company had exported its pharmaceutical products to 75 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, 2021:	INR 7498.34 Millions
	b)	Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2021:	INR 7614.43 Millions

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

**Place: Chandigarh
Date: 23-07-2021**

**(Sanjiv Goyal)
Chairman and Managing Director**



Annexure 9 of Board of Directors' Report

Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on March 31, 2021.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24232PB1995PLC016664
2	Name of the Company	NECTAR LIFESCIENCES LIMITED ('NLL' or 'NECLIFE' or 'Company')
3	Registered Address	Village Said Pura, Tehsil Derabassi, Distt S.A.S Nagar, Punjab 140507
4	Website	www.neclife.com
5	E-MAIL ID	cs@neclife.com
6	Financial Year Reported	April 2020 To March 2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Company is engaged in Pharmaceutical and Phytochemicals Sector. (NIC Code – 2423)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Key Products of our company are Cefixime, Cefuroxime Axetil, Ceftriaxone Sodium and Menthol & its derivatives
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	(a) The Company has its wholly owned subsidiaries in USA, UK and Portugal (b) There are 9 locations where business activity is undertaken, two in Chandigarh, three in Punjab, two in Himachal Pradesh, one in Delhi and Mumbai each
10	Markets served by the Company –Local/ State/ National/ International	We serve all the markets be it local, national or international.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS ON 31 MARCH 2021)

Paid-up Capital	INR 224260970/-
Total turnover (sale of products)	INR 17622.69 Million
Profit (Loss) after taxes	INR (731.47) Million

Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) and List of activities in which expenditure on CSR has been incurred and total spending as a percentage of profits after tax:

The Company has spent more than required towards Corporate Social Responsibility (CSR), being 2% of the average net profits for previous three years, computed as prescribed under the Companies Act, 2013 ("the Act") on energy conservation, education and health care, including preventive health care and infrastructure development. Annual Report on CSR activities is attached to the Directors' Report.

SECTION C: OTHER DETAILS

The Company is a global pharmaceutical Company with subsidiaries in India and across the world. As on date, the Company has three wholly owned subsidiaries (WOS) namely Nectar Lifesciences UK Limited, incorporated in United Kingdom, Nectar Lifesciences US, LLC, incorporated in United States and NECLIFE PT, UNIPESSOAL LDA, Portugal. Each of the Company's subsidiaries abides by the law of the respective land, where it operates in a responsible manner. The separate audited/ unaudited financial statements in respect of each of the subsidiary companies are also available on the website of our Company at www.neclife.com. The subsidiary companies' Business Responsibility (BR) initiatives are aligned with those of the Company.

SECTION D: BR INFORMATION

1. Details of Director responsible for BR:

a) Details of the Director responsible for implementation of the BR Policy / Policies:

Sr. No.	Particulars	Details
1.	DIN [if applicable]	02436706
2.	Name	Dr. Dinesh Dua
3.	Designation	Executive Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN [if applicable]	NA
2.	Name	Mr. Amit Chadah
3.	Designation	Chief Executive Officer
4.	Telephone Number	+91-172-5047915-16
5.	E-mail ID	amit@neclife.com



c) Principle wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility which are as follows:

Principle 1: (P1) Business should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: (P2) Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: (P3) Businesses should promote the well-being of all employees.

Principle 4: (P4) Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: (P5) Businesses should respect and promote human rights.

Principle 6: (P6) Business should respect, protect and make efforts to restore the environment.

Principle 7: (P7) Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: (P8) Businesses should support inclusive growth and equitable development.

Principle 9: (P9) Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle wise (as per NVGs) BR Policy/policies' compliance by the Company

a) Details of compliance [Reply in Y/N]:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Yes	Yes	Yes	Yes	We comply with all the statutory requirements.	Yes	N.A.	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders.	Yes	Yes	Yes	Yes		Yes	N.A.	Yes	Yes
3	Does the policy conform to any national/ international standards? If yes, specify?	The policies are drafted in line with the provisions of the respective extant laws of India.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The policies are approved by the functional heads, and a few of them have been adopted by the Board.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	While a few of the policies mandate requirement of a Board Committee, the rest of them are monitored by the management team.								
6	Indicate the link for the policy to be viewed online.	Link to the policies, which are available on the website at https://neclife.com/investor_relations.php . However, some policies are not placed at the website for the sake of privacy of dealing with stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the company engage the stakeholder in implementation of the policies.								
8	Does the company have in-house structure to implement the policy/policies?	Yes, the policies are commensurate with the size of the organisation.								
9	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Yes, the Company has an active and robust mechanism within respective Management team to address grievances, if any.								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The company has internal mechanism to evaluate the policies. However, no independent audit has been carried out by any external agency.								

b) If answer to the questions at serial number 1 against any principle, is "No", please explain why:

N.A.

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

The Board of Directors reviewed and will continue to review BR performance on an annual basis.

b) Does the Company publish BR or sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Report is form and part of Annual Report which is posted on the Company's website- www.neclife.com. It is published annually.



SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

The Company firmly believes and adheres to transparent, fair and ethical governance practices. The Board of Directors has approved a Code of Business Conduct and Ethics, which is applicable to all Board Members and senior management of the Company. This is reviewed and reported annually.

The company also has a Whistle Blower Policy approved by the Board and is applicable to all employees of the Company.

Details relating to shareholders' complaints are provided in Corporate Governance Report, which is a part of this Annual Report. However, there was no stakeholder complaint during the reporting period with regard to ethics, bribery and corruption.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Yes, The Company is striving hard to have a sustainable business. The Company is committed to integrate environmental, social and ethical principles into its Business Vision of **"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 committed to provide goods and services that are safe and continue to be sustainable throughout their life cycle.

NLL is an integrated pharmaceutical organization and NLL has developed fully integrated sustainable production systems to manufacture high quality Cephalosporin intermediates, –APIs and Formulations to meet the diverse requirements of its customer base in India and worldwide.

NLL currently has a stronghold of API & Formulation with 11 State of Art manufacturing facilities spread across the States of Punjab and Himachal Pradesh with compliance to global standards of cGMP, Environment Health Safety (EHS) as well as pool of thousands of highly skilled, knowledgeable, competent qualified work force at all levels.

The waste generated in the Company's operations is either recycled or disposed of safely & scientifically as per applicable rules / laws. Every manufacturing facility has its own Effluent Treatment Plant, which ensures discharge of waste meets the norms prescribed by respective pollution control boards.

Principle 3: Businesses should promote the well-being of all employees

Yes. The company has well defined policies to promote the well-being of all its employees that not only support employee welfare but also enable his / her enhanced engagement with the Company. All the units of the Company are certified under safety standards. They are also certified under Quality Management System (QMS) and Environmental Health and Safety System (EHS) system standards. Policies on compensation, sexual harassment, training and retraining of employees are well entrenched.

i. Please indicate the total number of employees and the number of contractual employees, women employees and permanent employees with disabilities:

The Company does not discriminate among existing employees or during the process of recruitment on the grounds of religion, race, colour, gender and disability. The Company provides equal opportunities to all employees.

- Total number of employees hired on temporary/contractual/casual basis are 1053
- The Company has a total of 28 permanent women employees.
- The Company has 7 permanent employee with disabilities.

ii. The Company has a recognised employee's association and 66% of employees at our bulk drugs plant are members of this association. The Company has not received any complaint relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year.

The Company has policies against employing child, forced, and compulsory labour and ensures that all employees, including contract and franchisees' employees are above the age of 18 years. The Company has also adopted the Whistle-blower Policy and Policy on Prevention of Sexual Harassment. With changing times, new approaches to business and communication have been adopted.

iii. The permanent and contractual employees at the Company's manufacturing site, Research and Development Centre and other corporate offices are provided training on relevant Environment, Health and Safety aspects. Further, all other employees are given soft skill up-gradation training to improve their skills as may be relevant to the respective functions. 100% employees were imparted training for skill development, Environment, Health and Safety (EHS), etc.

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1) Has the company mapped its internal and external stakeholders?

The Company has mapped its internal and external stakeholders.

2) Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, The Company has identified disadvantaged, vulnerable and marginalized stakeholders. The Senior Management of the Company also devotes their time and resources to various agencies involved in education and health arena as a part of its Corporate Social Responsibility which is also a part of the Annual Report.



- 3) The company have two women directors and one woman key managerial person for upliftment of woman and step towards gender equality.

Principle 5: Businesses should respect and promote human rights

- 1) **Does the policy of the company on human rights cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?**

The company is committed to promote human rights and adheres to the same in spirit and deed.

- 2) **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

We did not receive any complaints in the last financial year.

Principle 6: Business should respect, protect, and make efforts to restore environment

The Company values the need for business transformation towards sustainable growth and uses a strategic approach to minimize the impact of its carbon footprint. The Company has adopted efficient processes, encouraging ideas to create sustainable products and third-party certifications, such as EHS. We have been looking at these initiatives beyond statutory compliance with a focus on the 4 Rs—Reduce, Reuse, Recycle and Recover for valuable resources.

- We at our company premises generate our own electricity using Agro based fuels rather than coal, which is an Eco-Friendly product and thus help in protecting our environment. A weblink for the same - <https://neclife.com/greentech.php>
- We are actively identifying and assessing potential environmental risks with a help of a robust EHS team.
- Currently we do not have any project related to Clean Development Mechanism.
- Please find here the link to check out the Green Initiatives taken by us - <https://neclife.com/greentech.php>
- We are within the permissible limits given by CPCB/SPCB for the Emissions/ Waste generated by our company.
- There are 5 notice received from CPCB/SPCB which are pending at the end of the Financial Year, suitable reply of the same will be submitted to the concerned authorities.

The Company has pioneered in environmentally sustainable processes in terms of raw material acquisition, vendor management, manufacturing, and recycling. Many engagements towards taking forward the Sustainable Development Goals are being initiated. The Environmental Health & Safety Systems at factory level helps mitigate and prevent environmental risks across the Company

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1) **Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

Our company is a member of some trade associations, major associations are –

- Bulk Drugs Manufacturer's Association (BDMA)
- Confederation of Indian Industry (CII)

- 2) **Have you advocated/lobbied through above associations for the advancement or improvement of public good?**

N.A

Principle 8: Businesses should support inclusive growth and equitable development

In line with its CSR policy, the Company has contributed towards energy conservation, education, health care and social outreach programs and a majority of its CSR spending in the previous financial year has been in these areas. A report in the prescribed format on CSR activities carried out by the Company forms a part of this Annual Report.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- There were 35 customer complaints received in the reporting period. Out of which 4 complaints are pending as on the end of the financial year. There are no cases filed by any customer or consumer against the Company as at the end of Financial Year 2020-21.
- Wherever applicable, the Company displays all product information on the product label for the use of the products by the consumers.
- The Company shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behaviour.
- No consumer surveys were conducted by us as we are a B2B company majorly.

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

Place: Chandigarh
Date: 23-07-2021

(Sanjiv Goyal)
Chairman and Managing Director



Standalone Financial Statements

INDEPENDENT AUDITORS' 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, 2021, 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 then ended, and notes to the standalone financial statements, including a summary of the 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, 2021, the profit/ (loss) and 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditors' 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

- (a) We draw attention to Para III of Note No. 2.29 to the Ind AS financial results, regarding impact of COVID-19 on the Company's operations and results as assessed by the Management. We would like to inform that pursuant to guidelines in Reserve Bank of India's circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress', the company approached the lenders with respect to the resolution plan. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021 with the extension of moratorium in the repayment of principal of term loan. Our opinion is not modified in respect of this matter.
- (b) Attention is drawn to Note No. 2.48 to the Ind AS financial results regarding Exceptional item on account of impact on valuation of stocks on account of reprocessing cost, as per the report of the technical expert. Our opinion is not modified in respect of this matter.

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.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' 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 Responsibility 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 state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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:



Standalone Financial Statements

- 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 auditors' 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.
- i. 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.
 - ii. 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.
 - iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vi. 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 B".

(B) With respect to the other matters to be included in the Auditors' 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.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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 auditors' 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 the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)
Partner

Place: Chandigarh
Dated: 23rd July 2021

M. No. 546125
UDIN: 21546125AAAACH4016

Standalone Financial Statements

ANNEXURE “A” TO THE AUDITORS’ REPORT

REFERRED TO IN PARAGRAPH 1 UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT OF EVEN DATE

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
 - (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) As explained to us, the discrepancies if any, noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. 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.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income Tax, Customs Duty, Goods and Services Tax, Cess and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of Custom Duty, Goods and Services Tax and Cess which are outstanding as at 31st March, 2021 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of Excise duty, Income Tax and Service Tax have not been deposited by the Company on account of disputes as detailed below

(Rs. 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	0.41	Assessment Year 01-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2.34	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 14-15	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	-**	Assessment Year 15-16	Income Tax Appellate Tribunal, Chandigarh
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
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	CESTAT, 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

* Net of amounts deposited under protest.

** In case of adverse judgment, MAT credit entitlement would reduce by Rs. 190.69 million.

® In case of adverse judgment, Balances with Revenue authorities would reduce by Rs. 520.72 million.

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



Standalone Financial Statements

8. According to the records of the Company examined by us and the information 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, to any financial institution or bank or debenture holders as at the balance sheet date.
9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)
Partner
M. No. 546125
UDIN: 21546125AAAACH4016

Place: Chandigarh
Dated: 23rd July 2021



Standalone Financial Statements

ANNEXURE “B” TO THE AUDITORS’ REPORT

Report on the Internal Financial Controls 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 on 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 (‘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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 auditors’ judgment, 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 authorizations of the Management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 change in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, 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 31 March 2021, 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.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)
Partner

Place: Chandigarh
Dated: 23rd July 2021

M. No. 546125
UDIN: 21546125AAAACH4016

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	NOTE	As At March 31, 2021	As At March 31, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2.02	7,335.24	7,456.56
Capital work-in-progress		986.29	1,149.99
Intangible assets	2.03	383.64	391.91
Inventory	2.04	2,510.87	-
Financial assets			
Investments	2.05	5.73	5.73
Trade receivables	2.06	102.89	92.29
Other financial assets	2.07	24.94	24.94
Other non-current assets	2.08	976.69	1,063.46
Total Non Current Assets		12,326.30	10,184.88
Current Assets			
Inventory	2.04	5,869.68	9,751.34
Financial assets			
Investments	2.05	4.57	1.66
Trade receivables	2.06	3,745.90	3,968.73
Cash and cash equivalents	2.09	254.34	212.31
Loans	2.10	4.29	4.84
Other financial assets	2.07	1,769.51	1,799.85
Other current assets	2.11	727.39	398.06
Total Current Assets		12,375.67	16,136.79
Total Assets		24,701.97	26,321.67
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	224.26	224.26
Other equity	2.13	10,383.05	11,121.80
Total Equity		10,607.31	11,346.06
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	2.14	1,282.38	1,214.82
Other financial liabilities	2.15	18.95	22.87
Other Non-Current Liabilities	2.16	8.21	8.46
Provisions	2.17	77.38	81.99
Deferred tax liabilities (net)	2.18	833.81	1,168.57
Total Non-Current Liabilities		2,220.73	2,496.70
Current Liabilities			
Financial liabilities			
Borrowings	2.14	7,120.05	6,197.13
Other financial liabilities	2.15	760.08	461.44
Trade payables	2.19		
Due to Micro & Small Enterprises		7.90	12.76
Due to Others		3,413.63	5,258.69
Other current liabilities	2.20	556.17	493.01
Provisions	2.17	16.10	19.84
Current tax liabilities (net)		-	36.05
Total Current Liabilities		11,873.92	12,478.91
Total Equity and Liabilities		24,701.97	26,321.67
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	NOTE	Year Ended March 31, 2021	Year Ended March 31, 2020
Continuing Operations			
Revenue from Operations (Gross)	2.21	17,622.69	26,392.81
Less: GST Recovered		<u>2,204.45</u>	<u>2,764.80</u>
Revenue from Operations (Net of GST)		15,418.24	23,628.01
Other Income (Net)	2.22	<u>37.94</u>	<u>43.22</u>
		15,456.18	23,671.23
Expenses			
Raw Material Consumed	2.23	10,283.96	18,340.31
Purchase of Stock in Trade (Traded Goods)		244.20	287.95
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	1,027.98	(52.45)
Employees Benefits Expense	2.25	733.72	809.99
Finance Cost	2.26	1,120.32	1,258.23
Depreciation & Amortization	2.02 & 2.03	602.53	607.66
Other Expenses	2.27	<u>2,036.82</u>	<u>2,062.11</u>
		16,049.54	23,313.80
Profit/ (Loss) before exceptional items & tax		(593.36)	357.43
Exceptional items (Net of tax) (Refer Note 2.48)		253.15	-
Profit/(Loss) before tax		(846.50)	357.43
Tax Expenses		<u>(115.04)</u>	<u>56.82</u>
Profit/ (Loss) for the period		(731.47)	300.61
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)		3.94	12.62
Total Comprehensive income for the period		(727.53)	313.23
Earnings per equity share (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.) Before Exceptional Item		(2.13)	1.34
Basic (Rs.) After Exceptional Item		(3.26)	1.34
Diluted (Rs.) Before Exceptional Item		(2.13)	1.34
Diluted (Rs.) After Exceptional Item		(3.26)	1.34
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital

Particulars	Balance as on 1st April 2019	Changes during FY 2019-20	Balance as on 31st March 2020	Changes during FY 2020-21	Balance as on 31st March 2021
Equity Share Capital of Re. 1 each	224.26	-	224.26	-	224.26

B. Other Equity

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	

Total Comprehensive Income

As at 1st April 2020	3,287.98	141.02	7,662.62	30.17	11,121.80
Profit/ (Loss) for the year	-	-	(731.47)	-	(731.47)
Other Comprehensive Income/ (Loss)	-	-	-	3.94	3.94
Dividend paid on Equity Shares	-	-	(11.21)	-	(11.21)
Dividend Distribution Tax paid	-	-	-	-	-
	3,287.98	141.02	6,919.94	34.11	10,383.05

Total Comprehensive Income

As at 1st April 2019	3,287.98	141.02	7,375.55	17.55	10,822.11
Profit/ (Loss) for the year	-	-	300.61	-	300.61
Other Comprehensive Income/ (Loss)	-	-	-	12.62	12.62
Dividend paid on Equity Shares	-	-	(11.21)	-	(11.21)
Dividend Distribution Tax paid	-	-	(2.33)	-	(2.33)
	3,287.98	141.02	7,662.62	30.17	11,121.80

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2021

PARTICULARS	As At March 31, 2021	As At March 31, 2020
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net profit before Tax & Extra Ordinary Items	(593.36)	357.43
Adjustments For :		
Depreciation & Amortization	602.53	607.66
Other Comprehensive Income (Net of tax)	3.94	12.62
Tax on Other Comprehensive Income	2.11	6.78
Provision for Doubtful debts/ Insurance Claims	(75.89)	18.34
Provision for Employees Retirement Benefits	(8.34)	(0.38)
Exceptional Items (Net of tax)	(253.15)	-
Tax on Exceptional Items	(135.98)	-
Loss/ (Profit) on Sale of Fixed Assets	1.31	-
Profit on Sale / Restatement of Investment	(0.40)	(0.39)
Interest on Borrowings	1,120.32	1,258.23
Other Non-Operating Income	(26.82)	(27.02)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	636.28	2,233.26
Adjustments For :		
(Increase)/Decrease in Current Assets	3,806.05	541.20
Increase/(Decrease) in Current Liabilities	(1,744.10)	335.15
Increase/(Decrease) in Long Term Liabilities	(3.91)	(96.39)
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	(2,444.67)	(63.17)
CASH GENERATED FROM OPERATIONS	249.39	2,949.80
Direct Taxes Paid	(36.05)	(93.29)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	213.34	2,856.51
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(312.41)	(547.69)
Interest Received	26.82	27.02
Dividend Received	0.00	0.00
Sale of Fixed Assets	1.85	185.27
Sale/(Purchase) of Investments	(2.50)	4.06
Other Financial Assets Received/ (Paid)	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	(286.24)	(331.35)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds/(Repayment) from Term Loans from Banks	330.82	(1,087.66)
Proceeds/(Repayment) from Working Capital Limits from Banks	922.92	(162.56)
Proceeds/(Repayment) from Vehicle Loans	(7.28)	3.34
Dividend Paid	(11.21)	(13.54)
Interest Paid	(1,120.32)	(1,258.23)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	114.93	(2,518.65)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	42.03	6.51
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	212.31	205.80
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	254.34	212.31

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

Amit Chadah
Chief Executive Officer


Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021



Standalone Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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.

The financial statements are prepared on 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.

1.2 USE OF ESTIMATES

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.

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) Cost of leasehold assets is amortized over the period of the lease.

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 from product sales is stated exclusive of returns, inter-division transfers, Sales Tax but includes Excise Duty and Goods and Service tax.
- ii) Dividend income is recognized as and when the right to receive is established.
- iii) 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.



Standalone Financial Statements

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 exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year. 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-

Standalone Financial Statements

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.

1.15 LEASES

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis 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).

Nectar Lifesciences Limited

(Rs. in Million)

NOTE - 2.02 "Property, Plant and Equipment"

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 01-Apr-20	Additions	Sale/ Deletion	As At 31-Mar-21	Up To 31-Mar-20	During the Year	Deletion/ Adjustments	Up To 31-Mar-21	As At 31-Mar-21	As At 31-Mar-20
Freehold Land & Site Development	803.15	-	-	803.15	-	-	-	-	803.15	803.15
Leasehold Land	3.27	-	-	3.27	0.49	0.04	-	0.53	2.74	2.78
Buildings	1,650.01	100.33	-	1,750.35	562.61	51.22	-	613.84	1,136.51	1,087.40
Tube Well	27.47	-	-	27.47	20.25	2.06	-	22.30	5.17	7.22
Plant & Machinery *	9,020.03	245.52	-	9,265.55	4,330.56	328.68	-	4,659.24	4,606.32	4,689.48
Boiler	170.70	-	-	170.70	109.95	8.93	-	118.89	51.82	60.75
Pollution Control Equipment	75.25	-	-	75.25	68.10	3.35	-	71.45	3.80	7.15
Laboratory	113.49	2.01	-	115.50	87.74	4.64	-	92.38	23.12	25.75
Miscellaneous Fixed Assets	1,545.89	15.70	-	1,561.60	835.83	72.49	-	908.32	653.28	710.07
Furniture & Fixture	101.58	0.04	-	101.62	82.89	3.86	-	86.74	14.88	18.70
Motor Vehicles	99.11	-	7.25	91.86	58.67	6.86	4.09	61.45	30.41	40.43
Computer	46.67	1.34	-	48.02	43.01	0.97	-	43.98	4.04	3.67
GRAND TOTAL	13,656.64	364.95	7.25	14,014.35	6,200.08	483.12	4.09	6,679.11	7,335.24	7,456.56
Previous Year	13,606.13	260.54	210.03	13,656.64	5,749.76	475.08	24.76	6,200.08	7,456.56	7,856.37

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. Nil (Previous Year addition of Rs. 18.67 Million)

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.03 "Intangible Assets"

Opening Gross Block	1,431.49	1,298.82
Additions during the year	111.15	132.67
Closing Gross Block	1,542.64	1,431.49
Opening Accumulated amortization	1,039.58	907.00
Amortization during the year	119.41	132.58
Closing Accumulated amortization	1,158.99	1,039.58
Net Intangible Assets	383.64	391.91

NOTE - 2.04 "INVENTORY"

(As Certified by The Management)

Non Current

Raw Material	167.70	-
Work In Progress	1,870.90	-
Finished Goods	472.24	-
Stock in Trade	-	-
Other Miscellaneous Stocks	0.03	-
	<u>2,510.87</u>	<u>-</u>

Current

Raw Material	1,141.35	1,635.82
Work In Progress	2,981.78	5,568.85
Finished Goods	1,603.32	2,369.13
Stock in Trade	13.44	31.69
Other Miscellaneous Stocks	129.78	145.85
	5,869.68	9,751.34

NOTE - 2.05 "Investments"

Non Current Investments

Investment in Equity Instruments

UNQUOTED

In Subsidiary Companies

1 Equity Share of 1 GBP Fully Paid Up In Nectar Lifesciences UK Ltd.-England [Absolute amount Rs. 75 (Previous Year Rs. 75)]	0.00	0.00
51,950 Equity Shares of 1 USD Fully Paid Up In Nectar Lifesciences USA LLC	3.30	3.30
1,000 Equity Share of 1 Euro Fully Paid Up In Neclife PT, Unipessoal LDA - Portugal	0.08	0.08

In Others

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

Total - "A"

5.73

5.73

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
NOTE - 2.05 "Investments" contd....		
Current Investments		
Investment in Equity Instruments		
QUOTED		
5 Equity Shares of Re. 1/- each, Fully Paid Up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31
155,445.53 units of Nippon India Banking & PSU Fund - Growth	2.50	-
SBI PSU Fund	1.00	1.00
PRINCIPAL BALANCED FUND	1.00	1.00
UNQUOTED		
2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03
Total "B"	5.84	3.34
Provision for Loss on Investment "C"	1.27	1.68
Net Current Investments "D" ("B" - "C")	4.57	1.66
Total Investment "A" + "D"	10.30	7.39

Market value of Quoted Investment Rs. 4.97 Million (Previous Year Rs. 1.66 Million)

NOTE - 2.06 "Trade Receivables"

Unsecured consists of following

Non Current

Considered Good	16.18	92.29
Considered Doubtful	148.09	116.12
	164.27	208.41
Less: Provision For Doubtful Debts	61.38	116.12
Total - "A"	102.89	92.29

Current

Considered Good	3,745.90	3,968.73
Considered Doubtful	-	-
	3,745.90	3,968.73
Less: Provision For Doubtful Debts	-	-
Total - "B"	3,745.90	3,968.73

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

3,848.79 **4,061.01**



Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.07 "Other Financial Assets"

Non Current

Balances Recoverable from Revenue Authorities	24.94	24.94
Insurance Claim Receivable :		
Considered Good	-	-
Considered Doubtful	-	21.15
	24.94	46.09
Less: Provision for Doubtful Insurance Claim	-	21.15
Total - "A"	24.94	24.94

Current

Export and Other Incentives Accrued	304.47	349.34
Balances with Revenue Authorities	1,305.87	1,187.38
Other Recoverables	7.53	5.34
Insurance Claim Receivable :		
Considered Good	151.64	257.78
Considered Doubtful	-	-
	1,769.51	1,799.85
Less: Provision for Doubtful Insurance Claim	-	-
Total - "B"	1,769.51	1,799.85

Total Other Financial Assets ("A" + "B")

1,794.45 **1,824.80**

NOTE - 2.08 "Other Non-Current Assets"

Security Deposits	18.84	19.75
MAT Credit Entitlement	952.84	1,038.70
Others	5.00	5.00
	976.69	1,063.46

NOTE - 2.09 "Cash & Cash Equivalents"

Balance with Banks	1.18	8.76
FDRs with Banks	236.42	186.32
Balances in Dividend Accounts	0.38	0.38
Cash In Hand (Incl Staff Imprest)	16.36	16.85
	254.34	212.31

NOTE - 2.10 "Loans"

Loans & Advances to Staff	4.29	4.84
	4.29	4.84

NOTE - 2.11 "Other Current Assets"

Advances other than capital advances		
Payment to vendors for supply of goods	674.34	305.34
Others	53.04	92.72
	727.39	398.06

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.12 "SHARE CAPITAL"

Authorised Share Capital

35,00,00,000 Equity Shares Of Re. 1/- Each.

350.00

350.00

Issued, Subscribed & Paid up Capital

22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up

224.26

224.26

(Also Refer Note 2.28)

224.26

224.26

NOTE - 2.13 "Other Equity"

Statement of Change in Equity (FY 2020-21)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2020	224.26	3,287.98	141.02	7,692.79	11,346.06
Changes in equity for the year ended March 31, 2021					
<u>Add:</u> - Profit/ (Loss) for the period	-	-	-	(727.53)	(727.53)
<u>Less:</u> - Final Dividend & Tax on Dividend	-	-	-	11.21	11.21
Balance as of March 31, 2021	224.26	3,287.98	141.02	6,954.05	10,607.31

Statement of Change in Equity (FY 2019-20)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2019	224.26	3,287.98	141.02	7,393.11	11,046.37
Changes in equity for the year ended March 31, 2020					
<u>Add:</u> - Profit/ (Loss) for the period	-	-	-	313.23	313.23
<u>Less:</u> - Final Dividend & Tax on Dividend	-	-	-	13.54	13.54
Balance as of March 31, 2020	224.26	3,287.98	141.02	7,692.79	11,346.06

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
NOTE - 2.14 "Borrowings"		
Non Current		
Secured		
Term Loans		
From Banks	1,274.57	1,200.00
Unsecured		
Vehicle Loans		
From Banks	7.80	14.82
(Also Refer Note 2.29)	1,282.38	1,214.82
Current		
Secured		
Working Capital Limits		
From Banks	6,971.79	6,034.73
Unsecured		
From Banks*	148.26	162.40
	7,120.05	6,197.13
Total Borrowings	8,402.42	7,411.94
Total Borrowings	8,402.42	7,411.94

* Limits from Axis Bank against sale invoice financing. The same got secured after the implementation of Resolution Plan on 21.06.2021.

NOTE - 2.15 "Other Financial Liabilities"

Non Current		
Other Capital Advances	18.95	22.87
	18.95	22.87
Current		
Current Maturities of Long Term Debts	624.66	368.41
Current Maturities of Finance Lease obligations	7.01	7.28
Interest Accrued and due on Borrowings	14.68	-
Interest Accrued but not due on Borrowings	12.44	45.37
Unpaid Dividends	0.38	0.38
Accrued Compensation to Employees	53.92	12.74
Statutory dues payable	15.11	13.93
Accrued Expenses	31.88	13.33
	760.08	461.44
Total Other Financial Liabilities	779.03	484.30

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.16 "Other Non Current Liabilities"

Non Current

Deferred Income	8.21	8.46
	8.21	8.46

NOTE - 2.17 "Provisions"

Non Current

Provision for Employees Retirement Benefits (Refer Note 2.37)	77.38	81.99
	77.38	81.99

Current

Provision for Employee Retirement Benefits (Refer Note 2.37)	16.10	19.84
	16.10	19.84

Total Provisions

	93.48	101.82
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NOTE - 2.18 "Deferred Tax Liability"

Tax Impact on Deferred Tax Liability arising on account of:

Depreciation	1,258.32	1,236.27
Total - "A"	1,258.32	1,236.27

Tax Impact on Deferred Tax Assets arising on account of:

Employees Retirement Benefits	32.67	35.58
Unabsorbed Depreciation	191.62	-
Carry forward of losses as per Income Tax Act	196.75	-
Other Expenses & Provisions	21.45	47.97
Total - "B"	442.48	83.55

Net Deferred Tax Liability ("A" - "B")

	815.84	1,152.72
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Tax Impact of Other Comprehensive Income

	17.97	15.85
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Net Deferred Tax Liability

	833.81	1,168.57
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NOTE - 2.19 "Trade Payables"

Due to Micro & Small Enterprises	7.90	12.76
Due to Others	3,413.63	5,258.69
	3,421.53	5,271.45



Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.20 "Other Current Liabilities"

Advances From Customers	67.12	105.65
Creditors against capital goods and expenses	489.05	387.36
	556.17	493.01

NOTE - 2.21 "Revenue from Operations"

Sale of Manufactured Products		
Export	7,941.77	9,245.50
Domestic	9,426.03	16,820.89
Trading Sale		
Export	21.94	132.65
Domestic	232.95	193.77
	17,622.69	26,392.81

NOTE - 2.22 "Other Income"

Operating Income		
Other Operating Income	10.47	3.31
Deferred Income - Govt. Grants	0.25	0.25
Other Income		
Interest Income	26.82	27.02
Dividend From Investments	0.00	0.00
[Absolute amount Rs. 40 (Previous year Rs. 30)]		
Gain/ (Loss) on Restatement of Investment	0.40	(0.39)
Other Income	-	9.80
Profit on sale of fixed asset	-	3.24
	37.94	43.22

NOTE - 2.23 "Raw Material Consumed"

Opening Stock	1,635.82	1,006.96
Add:- Purchase of Raw Material	10,346.31	18,969.18
	11,982.13	19,976.14
Less :- Closing Stock	1,309.05	1,635.82
Less :- Reprocessing Cost	389.12	-
	10,283.96	18,340.31

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

Inventory (At Close)		
Finished Goods	2,075.57	2,369.13
Stock in Process	4,852.68	5,568.85
Stock in Trade	13.44	31.69
	6,941.69	7,969.67
Inventory (At Commencement)		
Finished Goods	2,369.13	1,885.80
Stock in Process	5,568.85	5,993.30
Stock in Trade	31.69	38.12
	7,969.67	7,917.22
	1,027.98	(52.45)

Standalone Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.25 "Employee Benefit Expenses"

Salaries & Wages	598.79	656.87
Remuneration To Directors	27.84	28.08
Contribution to Provident and Other Funds	30.91	33.78
Staff Welfare	76.18	91.25
	733.72	809.99

NOTE - 2.26 "Financial Expenses"

Interest Expenses	857.65	918.07
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	262.67	340.17
	1,120.32	1,258.23

NOTE - 2.27 "Other Expenses"

Manufacturing Expenses

Consumable Stores, Spares & Packing Expenses	318.78	343.50
Power, Fuel & Steam Expenses	844.59	925.63
Chemical Testing Expenses	24.35	24.46
Repairs & Maintenance		
Electricals	9.88	6.65
Machinery	82.37	83.67
Building	6.20	5.62

Total - "A"

1,286.19

1,389.52

Administrative Expenses

Travelling & Conveyance	7.52	21.41
Advertisement & Subscription	0.49	0.72
Books & Periodicals	0.19	0.15
Business Promotion	1.15	4.72
Insurance	69.09	44.67
Electricity Expenses (Office)	1.70	1.59
Postage, Telephone, Telegram	8.58	9.28
Printing & Stationery	4.42	5.76
Professional Fees	34.91	31.60
Rate, Fees & Taxes	21.53	26.64
Vehicle Running & Maintenance	4.83	4.91
Rent	17.77	18.17
Audit Fees	2.50	2.50
Office Expenses	8.45	6.96
Diwali & Pooja Expenses	3.59	3.99
Donation	11.63	18.89
Directors' Sitting Fees	0.42	0.22
Loss on Sale of Fixed Assets	1.31	-

Total - "B"

200.09

202.17

Selling & Distribution Expenses

Discount & Samples	25.32	31.56
Freight & Cartage Outward	404.76	300.99
Sales Commission	76.15	119.52
Bad debts written off	120.21	-
Provision for Doubtful Debts/ Insurance claim	(75.89)	18.34

Total - "C"

550.55

470.41

Grand Total ("A" + "B" + "C")

2,036.82

2,062.11

Standalone Financial Statements

2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 st March,2021		As at 31 st March,2020	
	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 of the company w.e.f. 31st May 2021.

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st March,2021	As at 31 st March,2020
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. 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 (w.e.f. 31st May 2021).

Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. in Million)
1-2	286.00
2-5	702.07
>5	286.50

Repayment schedule of term loans outstanding as on 31.03.2021 is as per Resolution Plan approved by the lenders.

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

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (Rs. in Million)
1-2	4.30
2-5	3.50
>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 (w.e.f. 31st May 2021).

- III. Pursuant to guidelines in Reserve Bank of India's circular RBI/2020-21/16 DOR.No. BP/BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress', the company approached the lenders with respect to the resolution plan. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021 with the extension of moratorium in the repayment of principal of term loan.

2.30 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.

2.31 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2021 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 7.90 million (Previous year Rs. 12.76 million). The interest amount computed based on the provisions under Section 16 of the MSMED Act of Rs. 0.48 million (Previous year Rs. 0.56 million) remains unpaid as at 31st March 2021. The principal amount that remained unpaid as at 31st March 2020 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 Rs. 0.38 million (Previous year Rs. 0.38 million) which relates to unpaid/ unclaimed dividend. During the year, Rs. 0.04 million (Previous year Rs. 0.04 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

2.32 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in million)

S. No.	Particulars	31.03.2021	31.03.2020
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts: - *		
	-Income Tax matters**	199.46	199.31
	-Excise matters @	541.29	13.02
	-Service Tax matters #	7.22	7.22
	-VAT & CST matters §	13.76	12.16
ii)	Bank Guarantees	16.34	17.22
iii)	Bills Discounted	-	-
iv)	Letter of Credit (Foreign / Inland)	116.80	467.76
b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	37.63	40.39

* 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.

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** Amount deposited under protest Rs. 3.01 million and MAT credit entitlement would be reduced by Rs. 190.69 million, in case of adverse judgment.

@ Amount deposited under protest Rs. 5.93 million. In case of adverse judgement, Balances with Revenue authorities would be reduced by Rs. 520.72 million.

Amount deposited under protest Rs. 0.52 million.

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

\$ Amount deposited under protest Rs. 3.44 million.

2.33 PAYMENT TO AUDITORS

(Rs. in million)

Particulars	2020-21	2019-20
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST	0.45	0.45

2.34 INCOME TAX

Current Tax

During the year, the company has incurred losses, hence no provision of income tax has been made as per Income Tax Act, 1961.

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 (excluding Deferred Tax Asset of Rs. 135.98 million on Exceptional Items) accruing during the year aggregating to Rs. 200.90 million (Previous Year Deferred Tax Liability of Rs. 40.21 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.

2.35 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 Rs. 17.77 million (Previous Year Rs. 18.17 million).

2.36 INTANGIBLE ASSETS

During the year, the Company incurred an amount of Rs. 111.15 million (Previous Year Rs. 132.67 million) on product development, product approval, Abbreviated New Drug Application (ANDA) Fees 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.

2.37 EMPLOYEE RETIREMENT BENEFITS

- Benefits valued: Gratuity & Earned leave (both availment & encashment)
- 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)

(Rs. in million)

Particulars	Gratuity	Earned leave
Present Value of DBO as at 1st April 2020	69.18	32.65
Acquisition adjustment	-	-
Interest on DBO	4.25	2.32
Past Service Cost	-	-
Current Service Cost	8.15	2.90
Curtailed Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(11.88)	(8.03)
Remeasurement of DBO	(3.52)	(2.54)
Present Value of DBO as at 31st March 2021	66.18	27.30

Changes in the Fair Value of Plan Assets

(Rs. in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2020	-	-
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 2021	-	-

Remeasurement of DBO

(Rs. in million)

Particulars	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	3.52	2.54
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	3.52	2.54
Actuarial (gain)/ loss recognized in the year	(3.52)	(2.54)
Unrecognized actuarial (gains)/losses at the end of year	-	-

Fair Value of Plan Assets

(Rs. in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2020	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2020	-	-
Funded Status	-	-

Standalone Financial Statements

Amount recognized in the Balance Sheet

(Rs. in million)

Particulars	Gratuity	Earned leave
Present value of DBO as at 31st March 2021	66.18	27.31
Fair value of plan assets as at 31 st March 2020	-	-
Funded Status	66.18	27.31
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(66.18)	(27.31)

Expenses recognized in the Statement of Profit & Loss

(Rs. in million)

Particulars	Gratuity	Earned leave
Current service cost	8.15	2.90
Past service cost	-	-
Interest cost	4.25	2.32
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	12.40	5.22

Amount recognized as other comprehensive income

(Rs. in million)

	Gratuity	Earned leave
Actuarial loss on DBO	(3.52)	(2.54)
Excess of interest on plan assets over actual return	-	-
Change in the effect of asset ceiling	-	-
Expense recognized as other comprehensive income	(3.52)	(2.54)

Valuation Assumptions

Discount Rate	6.90%
Estimated rate of increase in compensation levels	5.00%
Attrition Rate	Table A
Mortality Rates	Table B

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	Rates
Upto 30 years	10.70%
31-40 years	7.10%
41-50 years	3.60%
Above 50	0.00%

Table B

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

2.38 TAX EXPENSE COMPRISES OF:

(Rs. in million)

Particulars	FY 2020-21	FY 2019-20
Current Tax	-	39.27
Deferred Tax Liability/ (Asset)	(200.90)	40.21
Mat Credit Entitlement	-	(22.66)
Mat Credit of earlier years lapsed	85.86	-
Total	(115.04)	56.82

2.39 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)

(Rs. in million)

S. No.	Particulars	31.03.2021	31.03.2020
(a)	India	9,658.98	17,014.66
(b)	Outside India	7,963.71	9,378.15
	Total Sales (inclusive of GST)	17,622.69	26,392.81

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

2.40 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

Nectar Lifesciences UK Limited, United Kingdom (Inoperative during the year)

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

Standalone Financial Statements

Mr. Amit Chadah (Chief Executive Officer w.e.f. 30th October 2020)

Dr. Dinesh Dua, Executive Director (w.e.f 1st June 2020)*

Mr. Sandeep Goel, Chief Financial Officer

Ms. Sukriti Saini, Company Secretary (since resigned on 15.06.2021)

* CEO & Whole Time Director (upto 31st May 2020)

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)

Nectar Biopharma Private Limited

* 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

(Rs. in million)

S. No.	PARTICULARS	31.03.2021	31.03.2020
i	Receivable at the year end	5.35	13.19
ii	Sale during the year	-	231.83
iii	Investment made during the year	-	0.08

ii) Key Management Personnel and their relatives

(Rs. in million)

S. No.	PARTICULARS	31.03.2021	31.03.2020
i.	Director Remuneration & Perquisites*	27.88	28.35
ii.	Salary & Perquisites*	6.09	2.75
iii.	Rent (Excluding GST)	8.40	8.40

*Includes Taxable value of Perquisites as per Income Tax Act 1961

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

(Rs. in million)

S. No.	PARTICULARS	31.03.2021	31.03.2020
i	CSR expenditure through CSR vehicle	1.05	1.74
ii	Net Sales (inclusive of applicable indirect taxes)	244.13	208.04
iii	Net Purchases/ (Returns) (inclusive of applicable indirect taxes)	(6.31)	11.33
iv	Reimbursement of Expenses incurred on their behalf	46.81	-
v	Balance due at the year-end (net receivable/ (payable))	-	(1.12)

2.41 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.

2.42 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
Profit After Tax, before other comprehensive income	Rs. in million	(731.47)	300.61
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	Rs.	1.00	1.00
Earnings per Share			
-Basic	Rs.	(3.26)	1.34
-Diluted	Rs.	(3.26)	1.34

2.43 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs. 84.92 million (Previous Year gain of Rs. 64.07 million).

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

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

a) RAW MATERIAL CONSUMED

(Rs. in million)

S. No.	Particulars	2020-2021		2019-2020	
		Amount	(%age)	Amount	(%age)
1.	Imported	6,847.46	66.58	7,299.68	39.80
2.	Indigenous	3,436.50	33.42	11,040.63	60.20

b) STORES, SPARES AND PACKING MATERIAL CONSUMED

(Rs. in million)

S. No.	Particulars	2020-2021		2019-2020	
		Amount	(%age)	Amount	(%age)
1.	Imported	75.09	23.56	78.21	22.76
2.	Indigenous	243.69	76.44	265.29	77.34

2.46 OTHER INFORMATION

(Rs. in million)

(a)	Particulars	2020-2021	2019-2020
		Amount	Amount
CIF Value of Imports			
1.	Raw Material	6,297.07	7,388.95
2.	Traded Goods	230.31	174.65
3.	Capital Goods, Store & Spares and Packing Material etc.	73.66	90.45

Standalone Financial Statements

	Particulars	2020-2021	2019-2020
(b)	Expenditure in Foreign Currency		
1.	Travelling Expenses	Nil	3.98
2.	Export Commission	57.33	104.95
3.	Other Expenses	11.32	23.09
(c)	Remittances in Foreign Currency		
1.	Raw Material	7,259.38	6,955.60
2.	Traded Goods	215.68	175.09
2.	Capital Goods, Stores & Spares and Packing Material etc.	70.72	84.58
(d)	Expenditure in Foreign Currency on account of dividend		
	Particulars	2020-2021	2019-2020
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	3.60	3.60
	(ii) Year to which dividend relates	2019-20	2018-19
(e)	Earning in Foreign Currency		
	Particulars	2020-2021	2019-2020
	FOB Value of Exports	7,187.72	8,864.94

2.47 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 Rs. 10.43 million (Previous Year Rs. 11.51 million).

Expenditure related to Corporate Social Responsibility is Rs. 11.76 million (Previous Year Rs. 17.61 million).

Rs. In Million

Particulars	2020-21	2019-20
Health (Including Covid – 19)	4.28	14.47
Education	3.15	2.86
Renewable Energy	3.33	-
Others (Including Sports, animal welfare & Rural transformation)	1.00	0.28
Total	11.76	17.61

2.48 COVID-19 pandemic has significant impact on business operations and financial results of the Company. The company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external factors up to the date of approval of these financial

results, in determination of the recoverability and carrying value of financial assets and non-financial assets.

The company approached the lenders for Resolution Plan as per guidelines issued by Reserve Bank of India's vide its circular RBI/2020-21/16 DOR.No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress'. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021.

The Company, based on the report of the technical expert appointed by the "Agency for Special Monitoring" (appointed by the lead bank), has determined the impact of such exceptional circumstances on its financial statements and the same has been disclosed separately as Exceptional Items of Rs. 253.15 million (net of tax of Rs. 135.98 million) on account of reprocessing cost on the stocks requiring further processing, effected due to pandemic. The company has also classified such stocks of Rs. 2,510.87 million as non-current assets.

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

For Ashwani K. Gupta & Associates

Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)

Partner

M. No.: 546125

FOR NECTAR LIFESCIENCES LIMITED

(Sanjiv Goyal)
Chairman & Managing
Director
DIN: 00002841

(Amit Chadah)
Chief Executive Officer

(R.K. Aggarwal)
Vice President Accounts

Place: Chandigarh
Dated: 23rd July 2021

(Dinesh Dua)
Executive Director
DIN: 02436706

(Sandeep Goel)
Chief Financial Officer



Consolidated Financial Statements

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 annual financial statements of Nectar Lifesciences Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC, USA and Neclife PT, Unipessoal LDA-Portugal (together referred to as "the Group"), which comprise the consolidated Balance sheet as at 31 March 2021, 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 notes to the consolidated financial statements, including 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit/ (loss) and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- (a) We draw attention to Para III of Note No. 2.29 to the Ind AS financial results, regarding impact of COVID-19 on the Company's operations and results as assessed by the Management. We would like to inform that pursuant to guidelines in Reserve Bank of India's circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress', the company approached the lenders with respect to the resolution plan. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021 with the extension of moratorium in the repayment of principal of term loan. Our opinion is not modified in respect of this matter.
- (b) Attention is drawn to Note No. 2.48 to the Ind AS financial results regarding Exceptional item on account of impact on valuation of stocks on account of reprocessing cost, as per the report of the technical expert. Our opinion is not modified in respect of this matter.

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.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities 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 each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the



Consolidated Financial Statements

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 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 entity 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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.

We communicate with those charged with governance of the Holding 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 auditors' 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, Nectar Lifesciences

USA LLC and Neclife PT, Unipessoal LDA-Portugal. We have relied on the unaudited financial statements of these subsidiaries namely Nectar Lifesciences UK Limited, United Kingdom, Nectar Lifesciences USA LLC and Neclife PT, Unipessoal LDA-Portugal for the Year ended March 31, 2021, which have been incorporated in the consolidated financial statements. The financial statements of subsidiaries reflect total assets of Rs. 17.95 million as at March 31, 2021 (Previous year Rs. 27.98 million), total revenues of Rs. 14.73 million (Previous year Rs. 267.60 million) and net cash inflows amounting Rs. 0.42 million for the year ended on that date (Previous year cash outflow of Rs. 6.85 million). These 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

- (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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), the 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 Holding Company and its subsidiaries which are incorporated in India, as on 31 March 2021 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Group has disclosed the impact of pending litigations on the consolidated financial position in consolidated financial statements as referred to in Note 2.32 to the financial statements.
 - b) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):



Consolidated Financial Statements

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)
Partner

M. No. 546125

UDIN: 21546125AAAACG1749

Place: Chandigarh
Dated: 23rd July 2021

ANNEXURE “A” TO THE AUDITORS’ REPORT

Report on the Internal Financial Controls 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 on 31 March 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding company and its subsidiaries, 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 (“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 respective entity’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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 were 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 auditors’ judgment, 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 authorizations of the Management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 change in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

In our opinion, the group 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 31 March 2021, 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.

For **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)
Partner

M. No. 546125

UDIN: 21546125AAAACG1749

Place: Chandigarh
Dated: 23rd July 2021

Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

CONSOLIDATED BALANCE SHEET As At 31st March 2021

Particulars	NOTE	As At March 31, 2021	As At March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.02	7,335.24	7,456.56
Capital work-in-progress		986.29	1,149.99
Intangible assets	2.03	383.64	391.91
Inventory	2.04	2,510.87	-
Financial assets			
Investments	2.05	2.35	2.35
Trade receivables	2.06	102.89	92.29
Other financial assets	2.07	24.94	24.94
Other non-current assets	2.08	976.69	1,063.46
Total Non Current Assets		12,322.92	10,181.50
Current assets			
Inventory	2.04	5,878.88	9,775.51
Financial assets			
Investments	2.05	4.57	1.66
Trade receivables	2.06	3,748.26	3,958.72
Cash and cash equivalents	2.09	255.39	212.94
Loans	2.10	4.29	4.84
Other financial assets	2.07	1,769.51	1,799.85
Other current assets	2.11	727.39	398.06
Total Current Assets		12,388.28	16,151.58
Total Assets		24,711.19	26,333.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	224.26	224.26
Other equity	2.13	10,396.04	11,136.99
Total Equity		10,620.30	11,361.25
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.14	1,282.38	1,214.82
Other financial liabilities	2.15	18.95	22.87
Other Non-Current Liabilities	2.16	8.21	8.46
Provisions	2.17	77.38	81.99
Deferred tax liabilities (net)	2.18	830.05	1,164.78
Total Non-current liabilities		2,216.97	2,492.92
Current liabilities			
Financial liabilities			
Borrowings	2.14	7,120.05	6,197.13
Other financial liabilities	2.15	760.08	461.44
Trade payables	2.19		
Due to Micro, Small & Medium Enterprises		7.90	12.76
Due to Others		3,413.63	5,258.69
Other current liabilities	2.20	556.17	493.01
Provisions	2.17	16.10	19.84
Current tax liabilities (net)		-	36.05
Total Current liabilities		11,873.92	12,478.91
Total equity and liabilities		24,711.19	26,333.08
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT for the Year Ended 31st March 2021

Particulars	NOTE	Year Ended March 31, 2021	Year Ended March 31, 2020
Continuing Operations			
Revenue from Operations (Gross)	2.21	17,637.42	26,428.59
Less: GST Recovered		2,204.45	2,764.80
Revenue from Operations (Net of GST)		<u>15,432.97</u>	<u>23,663.79</u>
Other Income (Net)	2.22	37.94	43.22
		<u>15,470.91</u>	<u>23,707.01</u>
Expenses			
Raw Material Consumed	2.23	10,283.96	18,340.31
Purchase of Stock in Trade (Traded Goods)		244.20	287.95
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	1,042.94	(42.19)
Employees Benefits Expense	2.25	733.72	809.99
Finance Cost	2.26	1,120.35	1,258.26
Depreciation & Amortization	2.02 & 2.03	602.53	607.66
Other Expenses	2.27	2,037.74	2,070.31
		<u>16,065.44</u>	<u>23,332.30</u>
Profit/ (Loss) before exceptional items & tax		(594.53)	374.71
Exceptional items (Net of tax) (Refer Note 2.48)		253.15	-
Profit/(Loss) before tax		(847.67)	374.71
Tax Expenses		(115.04)	56.82
Profit/ (Loss) for the period		(732.64)	317.89
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)		3.94	12.62
Items that will be reclassified subsequently to profit or loss			
Foreign Exchange Translation Reserve (Net of Tax)		0.05	(7.33)
Total Comprehensive income for the period		(728.65)	323.18
Earnings per equity share (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.) Before Exceptional Item		(2.14)	1.42
Basic (Rs.) After Exceptional Item		(3.27)	1.42
Diluted (Rs.) Before Exceptional Item		(2.14)	1.42
Diluted (Rs.) After Exceptional Item		(3.27)	1.42
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital

Particulars	" Balance as on 1st April 2019 "	Changes during FY 2019-20	" Balance as on 31st March 2020 "	" Changes during FY 2020-21 "	" Balance as on 31st March 2021 "
Equity Share Capital of Re. 1 each	224.26	-	224.26	-	224.26

B. Other Equity

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 reserve	

Total Comprehensive Income

As at 1st April 2020	3,287.98	141.02	7,684.87	30.17	(7.06)	11,136.99
Profit/ (Loss) for the year	-	-	(732.64)	-	-	(732.64)
Other Comprehensive Income/ (Loss)	-	-	-	3.94	0.05	3.98
Dividend paid on Equity Shares	-	-	(11.21)	-	-	(11.21)
Dividend Distribution/ Corporation Tax paid	-	-	(1.09)	-	-	(1.09)
	3,287.98	141.02	6,939.93	34.11	(7.01)	10,396.04

Total Comprehensive Income

As at 1st April 2019	3,287.98	141.02	7,380.52	17.55	0.27	10,827.35
Profit/ (Loss) for the year	-	-	317.89	-	-	317.89
Other Comprehensive Income/ (Loss)	-	-	-	12.62	(7.33)	5.29
Dividend paid on Equity Shares	-	-	(11.21)	-	-	(11.21)
Dividend Distribution/ Corporation Tax paid	-	-	(2.33)	-	-	(2.33)
	3,287.98	141.02	7,684.87	30.17	(7.06)	11,136.99

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

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Place : Chandigarh
Dated : 23rd July 2021



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

Particulars	NOTE	Year Ended March 31, 2021	Year Ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax & Extra Ordinary Items		(594.53)	374.71
Adjustments For :			
Depreciation & Amortization		602.53	607.66
Other Comprehensive Income (Net of tax)		3.98	5.29
Tax on Other Comprehensive Income		2.14	2.84
Provision for Doubtful debts/ Insurance Claims		(54.75)	18.34
Provision for Employees Retirement Benefits		(8.34)	(0.38)
Exceptional Items (Net of Tax)		(253.15)	-
Tax on Exceptional Items		(135.98)	-
Loss/ (Profit) on Sale of Fixed Assets		1.31	-
Loss/ (Profit) on Sale / Restatement of Investment		(0.40)	(0.39)
Interest on Borrowings		1,120.35	1,258.26
Other Non-Operating Income		(26.82)	(27.02)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		656.35	2,239.30
Adjustments For :			
(Increase)/Decrease in Current Assets		3,808.66	534.99
Increase/(Decrease) in Current Liabilities		(1,744.10)	328.42
Increase/(Decrease) in Long Term Liabilities		(3.91)	(96.39)
Increase/ (Decrease) in Non Current Liabilities		(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets		(2,465.82)	(63.17)
CASH GENERATED FROM OPERATIONS		250.92	2,942.90
Direct Taxes Paid		(37.13)	(93.29)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		213.79	2,849.60
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(312.41)	(547.69)
Interest Received		26.82	27.02
Dividend Received		0.00	0.00
Sale of Fixed Assets		1.85	185.27
Sale/(Purchase) of Investments		(2.50)	4.14
Other Financial Assets Received/ (Paid)		-	-
NET CASH USED IN INVESTING ACTIVITIES (B)		(286.24)	(331.27)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from Term Loans from Banks		330.82	(1,087.66)
Proceeds/(Repayment) from Working Capital Limits from Banks		922.92	(162.56)
Proceeds/(Repayment) from Vehicle Loans		(7.28)	3.34
Dividend Paid		(11.21)	(13.54)
Interest Paid		(1,120.35)	(1,258.26)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		114.90	(2,518.67)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		42.45	(0.34)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		212.94	213.27
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR		255.39	212.94

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

Amit Chadah
Chief Executive Officer

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R.K. Aggarwal
Vice President Accounts

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021



Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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.

The financial statements are prepared on 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.

1.2 USE OF ESTIMATES

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.

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) Cost of leasehold assets is amortized over the period of the lease.

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 from product sales is stated exclusive of returns, inter-division transfers, Sales Tax but includes Excise Duty and Goods and Service tax.
- ii) Dividend income is recognized as and when the right to receive is established.
- iii) 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



Consolidated Financial Statements

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 exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year. 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.



Consolidated Financial Statements

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.

1.15 LEASES

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis 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 Depositary Receipts (GDRs) are listed on Luxembourg Stock Exchange (LuxSE).

Consolidated Financial Statements

(Rs. in Million)

Note - 2.02 "Property, Plant And Equipment"

Particulars	GROSS BLOCK		DEPRECIATION			NET BLOCK			
	As At 01-Apr-20	Additions Sale/ Deletion	As At 31-Mar-21	Up To 31-Mar-20	During the Year	Deletion/ Adjustments	Up To 31-Mar-21	As At 31-Mar-21	As At 31-Mar-20
Freehold Land & Site Development	803.15	-	803.15	-	-	-	-	803.15	803.15
Leasehold Land	3.27	-	3.27	0.49	0.04	-	0.53	2.74	2.78
Buildings	1,650.01	100.33	1,750.35	562.61	51.22	-	613.84	1,136.51	1,087.40
Tube Well	27.47	-	27.47	20.25	2.06	-	22.30	5.17	7.22
Plant & Machinery *	9,020.03	245.52	9,265.55	4,330.56	328.68	-	4,659.24	4,606.32	4,689.48
Boiler	170.70	-	170.70	109.95	8.93	-	118.89	51.82	60.75
Pollution Control Equipment	75.25	-	75.25	68.10	3.35	-	71.45	3.80	7.15
Laboratory	113.49	2.01	115.50	87.74	4.64	-	92.38	23.12	25.75
Miscellaneous Fixed Assets	1,545.89	15.70	1,561.60	835.83	72.49	-	908.32	653.28	710.07
Furniture & Fixture	101.58	0.04	101.62	82.89	3.86	-	86.74	14.88	18.70
Motor Vehicles	99.11	-	91.86	58.67	6.86	4.09	61.45	30.41	40.43
Computer	46.67	1.34	48.02	43.01	0.97	-	43.98	4.04	3.67
GRAND TOTAL	13,656.64	364.95	14,014.35	6,200.08	483.12	4.09	6,679.11	7,335.24	7,456.56

Previous Year 13,606.13 260.54 210.03 13,656.64 5,749.76 475.07 24.76 6,200.08 7,456.56 7,856.37

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. Nil (Previous Year addition of Rs. 18.67 Million)



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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Note - 2.03 “Intangible Assets”

Opening Gross Block	1,431.49	1,298.82
Additions during the year	111.15	132.67
Closing Gross Block	1,542.64	1,431.49
Opening Accumulated amortization	1,039.58	907.00
Amortization during the year	119.41	132.58
Closing Accumulated amortization	1,158.99	1,039.58
Net Intangible Assets	383.64	391.91

NOTE - 2.04 “Inventory”

(As Certified by The Management)

Raw Material	167.70	-
Work In Progress	1,870.90	-
Finished Goods	472.24	-
Stock in Trade	-	-
Other Miscellaneous Stocks	0.03	-
	2,510.87	-
Raw Material	1,141.35	1,635.82
Work In Progress	2,981.78	5,568.85
Finished Goods	1,612.53	2,393.30
Stock in Trade	13.44	31.69
Other Miscellaneous Stocks	129.78	145.85
	5,878.88	9,775.51

NOTE - 2.05 “Investments”

Non Current Investments

Investment in Equity Instruments

UNQUOTED

In Others

1,85,000 (Previous Year 1,85,000) Equity Shares of Rs. 10/- each Fully paid up In Mohali Green Environment Private Limited	1.85	1.85
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50
20 Equity Shares of Rs. 50/- each in The Thane Janta Sahakari Bank Ltd. [Absolute amount Rs. 1,000 (Previous Year Rs.1,000)]	0.00	0.00
Total - “A”	2.35	2.35



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.05 "Investments" contd...

Current Investments

Investment in Equity Instruments

QUOTED

5 Equity Shares of Re. 1/- each, Fully Paid Up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31
155,445.53 units of Nippon India Banking & PSU Fund - Growth	2.50	-
SBI PSU Fund	1.00	1.00
PRINCIPAL BALANCED FUND	1.00	1.00

UNQUOTED

2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03
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Total "B"

	5.84	3.34
--	------	------

Provision for Loss on Investment "C"

	1.27	1.68
--	------	------

Net Current Investments "D" ("B" - "C")

	4.57	1.66
--	------	------

Total Investment "A" + "D"

	6.92	4.01
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Market value of Quoted Investment Rs. 4.97 Million (Previous Year Rs. 1.66 Million)

NOTE - 2.06 "Trade Receivables"

Unsecured consists of following

Non Current

Considered Good	16.18	92.29
Considered Doubtful	148.09	116.12
	164.27	208.41
Less: Provision For Doubtful Debts	61.38	116.12
Total - "A"	102.89	92.29

Current

Considered Good	3,748.26	3,958.72
Considered Doubtful	-	-
	3,748.26	3,958.72
Less: Provision For Doubtful Debts	-	-
Total - "B"	3,748.26	3,958.72

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

	3,851.15	4,051.01
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Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
-------------	-------------------------	-------------------------

NOTE - 2.07 “Other Financial Assets”

Non Current

Balances Recoverable from Revenue Authorities	24.94	24.94
Insurance Claim Receivable :		
Considered Good	-	-
Considered Doubtful	-	21.15
	24.94	46.09
Less: Provision for Doubtful Insurance Claim	-	21.15
Total - “A”	24.94	24.94

Current

Export and Other Incentives Accrued	304.47	349.34
Balances with Revenue Authorities	1,305.87	1,187.38
Other Recoverables	7.53	5.34
Insurance Claim Receivable :		
Considered Good	151.64	257.78
Considered Doubtful	-	-
	1,769.51	1,799.85
Less: Provision for Doubtful Insurance Claim	-	-
Total - “B”	1,769.51	1,799.85

Total Other Financial Assets (“A” + “B”)

1,794.45 **1,824.80**

NOTE - 2.08 “Other Non-Current Assets”

Security Deposits	18.84	19.75
MAT Credit Entitlement	952.84	1,038.70
Others	5.00	5.00
	976.69	1,063.46

NOTE - 2.09 “Cash & Cash Equivalents”

Balance with Banks	2.23	9.39
FDRs with Banks	236.42	186.32
Balances in Dividend Accounts	0.38	0.38
Cash In Hand (Incl Staff Imprest)	16.36	16.85
	255.39	212.94

NOTE - 2.10 “Loans”

Loans & Advances to Staff	4.29	4.84
	4.29	4.84



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.11 “Other Current Assets”

Advances other than capital advances		
Payment to vendors for supply of goods	674.34	305.34
Others	53.04	92.72
	727.39	398.06

NOTE - 2.12 “SHARE CAPITAL”

Authorised Share Capital

35,00,00,000 Equity Shares Of Re. 1/- Each.

	350.00	350.00
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Issued, Subscribed & Paid up Capital

22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up

	224.26	224.26
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(Also Refer Note 2.28)

	224.26	224.26
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NOTE - 2.13 “OTHER EQUITY”

Statement of Change in Equity FY 20-21

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2020	224.26	3,287.98	141.02	7,707.98	11,361.25
Changes in equity for the year ended March 31, 2021					
Add: - Profit for the period	-	-	-	(728.65)	(728.65)
Less: - Corporation tax of USA paid	-	-	-	1.09	1.09
Less: - Final Dividend & Tax on Dividend	-	-	-	11.21	11.21
Balance as of March 31, 2021	224.26	3,287.98	141.02	6,967.03	10,620.30

Statement of Change in Equity FY 19-20

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2019	224.26	3,287.98	141.02	7,398.35	11,051.61
Changes in equity for the year ended March 31, 2020					
Add: - Profit for the period	-	-	-	323.18	323.18
Less: - Corporation tax of USA paid	-	-	-	-	-
Less: - Final Dividend & Tax on Dividend	-	-	-	13.54	13.54
Balance as of March 31, 2020	224.26	3,287.98	141.02	7,707.98	11,361.25

Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
NOTE - 2.14 "Borrowings"		
Non Current		
Secured		
Term Loans		
From Banks	1,274.57	1,200.00
Unsecured		
Vehicle Loans		
From Banks	7.80	14.82
	1,282.38	1,214.82
(Also Refer Note 2.31)		
Current		
Secured		
Working Capital Limits		
From Banks	6,971.79	6,034.73
Unsecured		
From Banks*	148.26	162.40
	7,120.05	6,197.13
Total Borrowings	8,402.42	7,411.94

* Limits from Axis Bank against sale invoice financing. The same got secured after the implementation of Resolution Plan on 21.06.2021.

NOTE - 2.15 "Other Financial Liabilities"

Non Current		
Other Capital Advances	18.95	22.87
	18.95	22.87
Current		
Current Maturities of Long Term Debts	624.66	368.41
Current Maturities of Other Loans	7.01	7.28
Interest Accrued and due on Borrowings	14.68	-
Interest Accrued but not due on Borrowings	12.44	45.37
Unpaid Dividends	0.38	0.38
Accrued Compensation to Employees	53.92	12.74
Statutory dues payable	15.11	13.93
Accrued Expenses	31.88	13.33
	760.08	461.44
Total Other Financial Liabilities	779.03	484.30



Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.16 "Other Non Current Liabilities"

Non Current

Deferred Income	8.21	8.46
	8.21	8.46

NOTE - 2.17 "Provisions"

Non Current

Provision for Employees Retirement Benefits (Refer Note 2.37)	77.38	81.99
	77.38	81.99

Current

Provision for Employee Retirement Benefits (Refer Note 2.37)	16.10	19.84
	16.10	19.84

Total Provisions

	93.48	101.82
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NOTE - 2.18 "Deferred Tax Liability"

Tax Impact on Deferred Tax Liabilities arising on account of:

Depreciation	1,258.32	1,236.27
Total - "A"	1,258.32	1,236.27

Tax Impact on Deferred Tax Assets arising on account of:

Employees Retirement Benefits	32.67	35.58
Unabsorbed Depreciation	191.62	-
Carry forward of losses as per Income Tax Act	196.75	-
Other Expenses & Provisions	21.45	47.97
Total - "B"	442.48	83.55

Net Deferred Tax Liability ("A" - "B")

	815.84	1,152.72
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Impact of Other Comprehensive Income	17.97	15.85
Impact of Foreign Exchange Translation Reserve	(3.76)	(3.79)

Net Deferred Tax Liability

	830.05	1,164.78
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NOTE - 2.19 "Trade Payables"

Due to Micro, Small & Medium Enterprises	7.90	12.76
Due to Others	3,413.63	5,258.69
	3,421.53	5,271.45

Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.20 "Other Current Liabilities"

Advances From Customers	67.12	105.65
Creditors Against Expenses & Capital Goods	489.05	387.36
	556.17	493.01

NOTE - 2.21 "Revenue from Operations"

Sale of Manufactured Products		
Export	7,956.50	9,281.28
Domestic	9,426.03	16,820.89
Trading Sale		
Export	21.94	132.65
Domestic	232.95	193.77
	17,637.42	26,428.59

NOTE - 2.22 "Other Income"

Operating Income

Other Operating Income	10.47	3.31
Deferred Income - Govt. Grants	0.25	0.25

Other Income

Interest Income	26.82	27.02
Dividend From Investments	0.00	0.00
[Absolute amount Rs. 40 (Previous year Rs. 30)]		
Gain/ (Loss) on Restatement of Investment	0.40	(0.39)
Other Income	-	9.80
Profit on sale of fixed asset	-	3.24
	37.94	43.22

NOTE - 2.23 "Raw Material Consumed"

Opening Stock	1,635.82	1,006.96
Add:- Purchase of Raw Material	10,346.31	18,969.18
	11,982.13	19,976.14
Less :- Closing Stock	1,309.05	1,635.82
Less :- Reprocessing Cost	389.12	-
	10,283.96	18,340.31

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

Inventory (At Close)

Finished Goods	2,084.77	2,393.30
Stock in Process	4,852.68	5,568.85
Stock in Trade	13.44	31.69
	6,950.89	7,993.83

Inventory (At Commencement)

Finished Goods	2,393.30	1,920.22
Stock in Process	5,568.85	5,993.30
Stock in Trade	31.69	38.12
	7,993.83	7,951.64

	1,042.94	(42.19)
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Consolidated Financial Statements

Nectar Lifesciences Limited

(Rs. in Million)

Particulars	As At March 31, 2021	As At March 31, 2020
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NOTE - 2.25 "Employee Benefit Expenses"

Salaries & Wages	598.79	656.87
Remuneration To Directors	27.84	28.08
Contribution to Provident and Other Funds	30.91	33.78
Staff Welfare	76.18	91.25
	733.72	809.99

NOTE - 2.26 "Financial Expenses"

Interest Expenses	857.65	918.07
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	262.70	340.19
	1,120.35	1,258.26

NOTE - 2.27 "Other Expenses"

Manufacturing Expenses

Consumable Stores, Spares & Packing Expenses	318.78	343.50
Power, Fuel & Steam Expenses	844.59	925.63
Chemical Testing Expenses	24.35	24.46
Repairs & Maintenance		
Electricals	9.88	6.65
Machinery	82.37	83.67
Building	6.20	5.62

Total - "A"

1,286.19

1,389.52

Administrative Expenses

Travelling & Conveyance	7.52	21.41
Advertisement & Subscription	0.49	0.72
Books & Periodicals	0.19	0.15
Business Promotion	1.15	4.72
Insurance	69.09	44.67
Electricity Expenses (Office)	1.70	1.59
Postage, Telephone, Telegram	8.58	9.28
Printing & Stationery	4.42	5.76
Professional Fees	35.53	33.66
Rate, Fees & Taxes	21.53	26.64
Vehicle Running & Maintenance	4.83	4.91
Rent	17.77	18.17
Audit Fees	2.50	2.50
Office Expenses	8.45	6.96
Diwali & Pooja Expenses	3.59	3.99
Donation	11.63	18.89
Directors' Sitting Fees	0.42	0.22
Loss on Sale of Fixed Assets	1.31	-

Total - "B"

200.71

204.23

Selling & Distribution Expenses

Discount & Samples	25.32	31.56
Freight & Cartage Outward	405.07	307.13
Sales Commission	76.15	119.52
Bad Debts written off	120.21	-
Provision for Doubtful Debts/ Insurance claim	(75.89)	18.34

Total - "C"

550.85

476.56

Grand Total ("A" + "B" + "C")

2,037.74

2,070.31

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2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 st March,2021		As at 31 st March,2020	
	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 of the company w.e.f. 31st May 2021.

Reconciliation of the number of shares outstanding:

Particulars	As at 31 st March,2021	As at 31 st March,2020
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. 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 (w.e.f. 31st May 2021).]

Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. in Million)
1-2	286.00
2-5	702.07
>5	286.50

Repayment schedule of term loans outstanding as on 31.03.2021 is as per Resolution Plan approved by the lenders.

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

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (Rs. in Million)
1-2	4.30
2-5	3.50
>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 (w.e.f. 31st May 2021).

- III. Pursuant to guidelines in Reserve Bank of India's circular RBI/2020-21/16 DOR.No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress', the company approached the lenders with respect to the resolution plan. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021 with the extension of moratorium in the repayment of principal of term loan.

2.30 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.

2.31 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2021 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 7.90 million (Previous year Rs. 12.76 million). The interest amount computed based on the provisions under Section 16 of the MSME Act of Rs. 0.48 million (Previous year Rs. 0.56 million) remains unpaid as at 31st March 2021. The principal amount that remained unpaid as at 31st March 2020 was paid during the year. The list of undertakings covered under MSME 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 Rs. 0.38 million (Previous year Rs. 0.38 million) which relates to unpaid/unclaimed dividend. During the year, Rs. 0.04 million (Previous year Rs. 0.04 million) was deposited relating to unclaimed dividend with the Investor Education and Protection Fund.

2.32 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in million)

S. No.	Particulars	31.03.2021	31.03.2020
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts: - * -Income Tax matters** -Excise matters ® -Service Tax matters # -VAT & CST matters §	199.46 541.29 7.22 13.76	199.31 13.02 7.22 12.16
ii)	Bank Guarantees	16.34	17.22
iii)	Bills Discounted	-	-
iv)	Letter of Credit (Foreign / Inland)	116.80	467.76

Consolidated Financial Statements

b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	37.63	40.39

* 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 Rs. 3.01 million and MAT credit entitlement would be reduced by Rs. 190.69 million, in case of adverse judgment.

@ Amount deposited under protest Rs. 5.93 million. In case of adverse judgement, Balances with Revenue authorities would be reduced by Rs. 520.72 million.

Amount deposited under protest Rs. 0.52 million.

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

§ Amount deposited under protest Rs. 3.44 million.

2.33 PAYMENT TO AUDITORS

(Rs. in million)

Particulars	2020-21	2019-20
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST	0.45	0.45

2.34 INCOME TAX

Current Tax

During the year, the company has incurred losses, hence no provision of income tax has been made as per Income Tax Act, 1961.

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 (excluding Deferred Tax Asset of Rs. 135.98 million on Exceptional Items) accruing during the year aggregating to Rs. 200.90 million (Previous Year Deferred Tax Liability of Rs. 40.21 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.

2.35 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 Rs. 17.77 million (Previous Year Rs. 18.17 million).

2.36 INTANGIBLE ASSETS

During the year, the Company incurred an amount of Rs. 111.15 million (Previous Year Rs. 132.67 million) on product

development, product approval, Abbreviated New Drug Application (ANDA) Fees 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.

2.37 EMPLOYEE RETIREMENT BENEFITS

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

Changes in Present Value of Defined Benefit Obligations (DBO)

(Rs. in million)

Particulars	Gratuity	Earned leave
Present Value of DBO as at 1st April 2020	69.18	32.65
Acquisition adjustment	-	-
Interest on DBO	4.25	2.32
Past Service Cost	-	-
Current Service Cost	8.15	2.90
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(11.88)	(8.03)
Remeasurement of DBO	(3.52)	(2.54)
Present Value of DBO as at 31st March 2021	66.18	27.30

Changes in the Fair Value of Plan Assets

(Rs. in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2020	-	-
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 2021	-	-

Remeasurement of DBO

(Rs. in million)

Particulars	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	3.52	2.54
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	3.52	2.54
Actuarial (gain)/ loss recognized in the year	(3.52)	(2.54)
Unrecognized actuarial (gains)/losses at the end of year	-	-

Consolidated Financial Statements

Fair Value of Plan Assets

(Rs. in million)

Particulars	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2020	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2020	-	-
Funded Status	-	-

Amount recognized in the Balance Sheet

(Rs. in million)

Particulars	Gratuity	Earned leave
Present value of DBO as at 31st March 2021	66.18	27.31
Fair value of plan assets as at 31st March 2020	-	-
Funded Status	66.18	27.31
Unrecognized actuarial (gains)/ losses	-	-
Net asset/(liability) recognized in the balance sheet	(66.18)	(27.31)

Expenses recognized in the Statement of Profit & Loss

(Rs. in million)

Particulars	Gratuity	Earned leave
Current service cost	8.15	2.90
Past service cost	-	-
Interest cost	4.25	2.32
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	12.40	5.22

Amount recognized as other comprehensive income

(Rs. in million)

	Gratuity	Earned leave
Actuarial loss on DBO	(3.52)	(2.54)
Excess of interest on plan assets over actual return	-	-
Change in the effect of asset ceiling	-	-
Expense recognized as other comprehensive income	(3.52)	(2.54)

Valuation Assumptions

Discount Rate	6.90%
Estimated rate of increase in compensation levels	5.00%
Attrition Rate	Table A
Mortality Rates	Table B

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	Rates
Upto 30 years	10.70%
31-40 years	7.10%
41-50 years	3.60%
Above 50	0.00%

Table B

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

2.38 TAX EXPENSE COMPRISES OF:

(Rs. in million)

Particulars	FY 2020-21	FY 2019-20
Current Tax	-	39.27
Deferred Tax Liability/ (Asset)	(200.90)	40.21
Mat Credit Entitlement	-	(22.66)
Mat Credit of earlier years lapsed	85.86	-
Total	(115.04)	56.82

2.39 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)

(Rs. in million)

S. No.	Particulars	31.03.2021	31.03.2020
(a)	India	9,658.98	17,014.66
(b)	Outside India	7,978.44	9,713.93
	Total Sales (inclusive of GST)	17,637.42	26,428.59

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

2.40 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: -

Consolidated Financial Statements

a) **Relationship**

i) **Joint Ventures and Associates**

None

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

Mr. Sanjiv Goyal, Chairman & Managing Director

Mr. Amit Chadah (Chief Executive Officer w.e.f. 30th October 2020)

Dr. Dinesh Dua, Executive Director (w.e.f 1st June 2020)*

Mr. Sandeep Goel, Chief Financial Officer

Ms. Sukriti Saini, Company Secretary (since resigned on 15.06.2021)

* CEO & Whole Time Director (upto 31st May 2020)

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)

Nectar Biopharma Private Limited

* 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**

(Rs. in million)

S No.	PARTICULARS	31.03.2021	31.03.2020
i.	Director Remuneration & Perquisites*	27.88	28.35
ii.	Salary & Perquisites*	6.09	2.75
iii.	Rent (Excluding GST)	8.40	8.40

*Includes Taxable value of Perquisites as per Income Tax Act 1961

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

(Rs. in million)

S. No.	PARTICULARS	31.03.2021	31.03.2020
i	CSR expenditure through CSR vehicle	1.05	1.74
ii	Net Sales (inclusive of applicable indirect taxes)	244.13	208.04
iii	Net Purchases/ (Returns) (inclusive of applicable indirect taxes)	(6.31)	11.33
iv	Reimbursement of Expenses incurred on their behalf	46.81	-
v	Balance due at the year-end (net receivable/ (payable))	-	(1.12)

2.41 **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.

2.42 **EARNINGS PER SHARE (EPS)**

PARTICULARS	UNIT	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
Profit After Tax, before other comprehensive income	Rs. in million	(732.64)	317.89
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	Rs.	1.00	1.00
Earnings per Share			
-Basic	Rs.	(3.27)	1.42
-Diluted	Rs.	(3.27)	1.42

2.43 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs. 84.92 million (Previous Year gain of Rs. 64.07 million).

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

2.45 **DETAIL OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED**

a) **RAW MATERIAL CONSUMED**

(Rs. in million)

S. No.	Particulars	2020-2021		2019-2020	
		Amount	(%age)	Amount	(%age)
1.	Imported	6,847.46	66.58	7,299.68	39.80
2.	Indigenous	3,436.50	33.42	11,040.63	60.20

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

(Rs. in million)

S. No.	Particulars	2020-2021		2019-2020	
		Amount	(%age)	Amount	(%age)
1.	Imported	75.09	23.56	78.21	22.76
2.	Indigenous	243.69	76.44	265.29	77.34

2.46 **OTHER INFORMATION**

(Rs. in million)

	Particulars	2020-2021	2019-2020
(a)	CIF Value of Imports		
1.	Raw Material	6,297.07	7,388.95
2.	Traded Goods	230.31	174.65
3.	Capital Goods, Store & Spares and Packing Material etc.	73.66	90.45
(b)	Expenditure in Foreign Currency		
1.	Travelling Expenses	Nil	3.98

Consolidated Financial Statements

	Particulars	2020-2021	2019-2020
2.	Export Commission	57.33	104.95
3.	Other Expenses	11.32	23.09
(c)	Remittances in Foreign Currency		
1.	Raw Material	7,259.38	6,955.60
2.	Traded Goods	215.68	175.09
3.	Capital Goods, Stores & Spares and Packing Material etc.	70.72	84.58
(d)	Expenditure in Foreign Currency on account of dividend		
	Particulars	2020-2021	2019-2020
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	3.60	3.60
	(ii) Year to which dividend relates	2019-20	2018-19
(e)	Earning in Foreign Currency		
	Particulars	2020-2021	2019-2020
	FOB Value of Exports	7,187.72	8,864.94

2.47 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 Rs. 10.43 million (Previous Year Rs. 11.51 million).

Expenditure related to Corporate Social Responsibility is Rs. 11.76 million (Previous Year Rs. 17.61 million).

(Rs. In Million)

Particulars	2020-21	2019-20
Health (Including Covid – 19)	4.28	14.47
Education	3.15	2.86
Renewable Energy	3.33	-
Others (Including Sports, animal welfare & Rural transformation)	1.00	0.28
Total	11.76	17.61

2.48 COVID-19 pandemic has significant impact on business operations and financial results of the Company. The company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external factors up to the date of approval of these financial

results, in determination of the recoverability and carrying value of financial assets and non-financial assets.

The company approached the lenders for Resolution Plan as per guidelines issued by Reserve Bank of India's vide its circular RBI/2020-21/16 DOR.No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020, 'Resolution Framework for COVID-19 related Stress'. The Resolution Plan was duly invoked on 24th Dec 2020 and "Inter Creditor Agreement (ICA)" was duly signed by all the lenders on 14th Jan 2021. Subsequently, the Resolution Plan was approved and implemented by the majority of the lenders on 21st June 2021.

The Company, based on the report of the technical expert appointed by the "Agency for Special Monitoring" (appointed by the lead bank), has determined the impact of such exceptional circumstances on its financial statements and the same has been disclosed separately as Exceptional Items of Rs. 253.15 million (net of tax of Rs. 135.98 million) on account of reprocessing cost on the stocks requiring further processing, effected due to pandemic. The company has also classified such stocks of Rs. 2,510.87 million as non-current assets.

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

For Ashwani K. Gupta & Associates

Chartered Accountants
Firm Regn. No. 003803N

(Paras Gupta)

Partner
M. No.: 546125

FOR NECTAR LIFESCIENCES LIMITED

(Sanjiv Goyal)
Chairman & Managing
Director
DIN: 00002841

(Amit Chadah)
Chief Executive Officer

(R.K. Aggarwal)
Vice President Accounts

Place: Chandigarh
Dated: 23rd July 2021

(Dinesh Dua)
Executive Director
DIN: 02436706

(Sandeep Goel)
Chief Financial Officer



Consolidated Financial Statements

Nectar Lifesciences Limited

(CIN: L24232PB1995PLC016664)

Registered Office: Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab

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

Phone: +91-01762-308000, Fax: +91-01762- 308135

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 Rs.)

S. No.	Particulars			
1.	Name of the subsidiary	Nectar Lifesciences UK Limited	Nectar Lifesciences USA, LLC	Neclife PT, Unipessoal LDA Portugal
2.	The date since when subsidiary was acquired	1 st March 2011	29 th Oct 2014	11 th July 2019
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	GBP and Exchange rate is INR 100.9509 for 1 GBP	US\$ and Exchange rate is INR 73.5047 for 1 US\$	Euro and Exchange rate is INR 86.0990 for 1 Euro
5.	Share capital	75	3,301,942	80,280
6.	Reserves & surplus	-	9,224,096	-
7.	Total assets	75	12,526,038	80,280
8.	Total Liabilities	-	5,347,732	-
9.	Investments	-	-	-
10.	Turnover	-	14,730,492	-
11.	Profit/ (Loss) before taxation	-	(1,170,825)	-
12.	Provision for taxation	-	-	-
13.	Profit after taxation	-	(1,170,825)	-
14.	Proposed Dividend	-	-	-
15.	% of shareholding	100	100	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) Nectar Lifesciences UK Limited
 - b) Neclife PT, Unipessoal LDA Portugal
- 2) Names of subsidiaries which have been liquidated or sold during the year: N.A.

Consolidated Financial Statements

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.	N.A.	N.A.
1. Latest audited Balance Sheet Date	N.A.	N.A.	N.A.
2. Date on which the Associate or Joint Venture was associated or acquired	N.A.	N.A.	N.A.
3. Shares of Associate/Joint Ventures held by the company on the year end	N.A.	N.A.	N.A.
No.	N.A.	N.A.	N.A.
Amount of Investment in Associates/Joint Venture	N.A.	N.A.	N.A.
Extend of Holding%	N.A.	N.A.	N.A.
4. Description of how there is significant influence	N.A.	N.A.	N.A.
5. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.	N.A.	N.A.
7. Profit/Loss for the year	N.A.	N.A.	N.A.
i. Considered in Consolidation	N.A.	N.A.	N.A.
ii. Not Considered in Consolidation	N.A.	N.A.	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 NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director
DIN: 00002841

Dinesh Dua
Executive Director
DIN: 02436706

As per our report of even date
For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Amit Chadah
Chief Executive Officer

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

Paras Gupta
Partner
M. No. 546125

Place : Chandigarh
Dated : 23rd July 2021



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: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on the September 21, 2021 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:

Sr. No.	Resolution Description
1.	Adoption of Financial Statements for the financial year (FY) 2020-21
2.	To re-appoint a Director in place of Dr. Dinesh Dua (DIN – 02436706), who retires by rotation.
3.	Ratification of remuneration of Cost Auditors under Section 148 of the Companies Act, 2013.
4.	Re-appointment of Dr. Dinesh Dua (DIN - 02436706) as a Wholetime Director designated as Executive Director.
5.	Re-appointment of Mr. Sanjiv Goyal (DIN - 00002841) as a Chairman & Managing Director.
6.	Appointment of Dr. Kuldip Kumar Bhasin (DIN: 0009250008) as an Independent Director of the Company

Dated: _____
Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

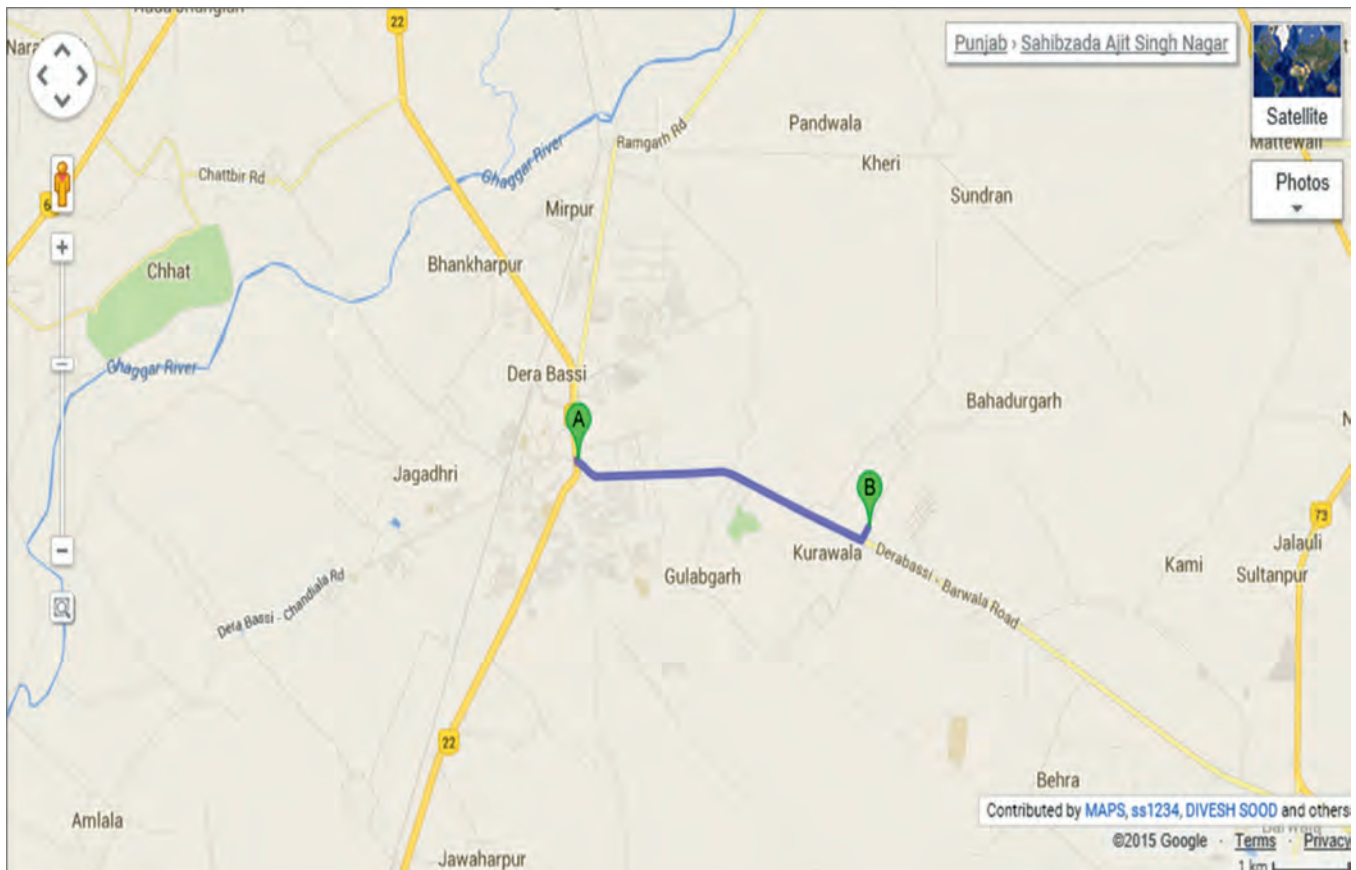
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Route map of loaction of 26th 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

1. Mr. Sanjiv Goyal	:	Chairman & Managing Director
2. Mr. Dinesh Dua	:	Executive Director
3. Mr. Ajay Swaroop	:	Independent Director
4. Maj. Gen. (retd.) Dr. Ajit Singh Dhillon*	:	Additional Director (Independent)
5. Ms. Guljit Sethi	:	Independent Director
6. Mr. Rupinder Tewari	:	Independent Director
7. Ms. Meena Verma	:	Nominee Director
8. Mr. Vivek Sett	:	Director

* Resigned with effect from June 24, 2021.

◆ Chief Financial Officer

Mr. Sandeep Goel

◆ Vice President (Accounts)

Mr. R.K. Aggarwal

◆ Auditors

M/s Ashwani K. Gupta & Associates
Chartered Accountants
H.No. 1044-A, Sector-2, Panchkula

◆ Bankers

1. Punjab National Bank, Chandigarh
2. State Bank of India, Chandigarh
3. EXIM Bank, Mumbai
4. Axis Bank, Mumbai
5. Jammu and Kashmir Bank Limited, Chandigarh
6. Shinhan Bank, Delhi

◆ 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: <http://www.neclife.com>

◆ HEAD OFFICE

F-66, 6th Floor, Himalaya House
23 KG Marg, C.P. New Delhi-110001, INDIA
Ph: 91-11-42403311-22

◆ Plant Locations

1. Nectar Lifesciences Limited-Unit-1

Village Saidpura, Tehsil Derabassi Distt.
S.A.S Nagar, (Punjab)

2. Nectar Lifesciences Limited-Unit-2

Village Saidpura, Tehsil Derabassi
Distt. S.A.S Nagar, (Punjab)

3. Empty Hard Gelatin Capsule Unit

Village Bhatoli Kalan, Pargana Dharampur
Tehsil Nalagarh, Distt. Solan (H.P)

4. Formulation Unit

Village Bhatoli Kalan, Pargana Dharampur
Tehsil Nalagarh, Distt. Solan (H.P)

5. Narbada Industries

Plot no-2, Lane no-4, Phase-2,
SIDCO Industrial Complex,
Bari Barhmana, Jammu (J & K)

6. Guar Gum Unit

Village - Basauli, Near Lalru, Tehsil - Derabassi
Distt. S.A.S. Nagar, (Punjab)

◆ Registrar & Share Transfer Agent

KFin Technologies Pvt Limited
Unit: Nectar Lifesciences Ltd.
Karvy Selenium Tower-B
Plot No.31-32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad- 500032
Ph. 040-67161527 Fax. 040-23311968



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: 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 (IN BLOCK LETTERS) :	

I hereby record my presence at the ANNUAL GENERAL MEETING (AGM) of the Company held on Tuesday, September 21, 2021 at Vill. Saidpura, Tehsil Derabassi, Distt. S.A.S Nagar (Mohali) Punjab – 140507, at 11.00 a.m.

Member's / Proxy 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 AGM Notice for the reference at the AGM.

ELECTRONIC VOTING PARTICULARS

EVEN(E Voting Event Number)	User ID	PASSWORD
6103		

GENERAL INSTRUCTIONS

- The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Tuesday, September 14, 2021 (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 (www.neclife.com) and on the website of the KFin Technologies Private 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:
Commencement of remote e-voting: FROM 9.00 a.m. on Saturday, September 18, 2021.
End of remote e-voting: TO 5.00 p.m. on Monday, September 20, 2021.
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 040-67161616 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.