



Geared for growth

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Read more about the significant investments fortifying our position in the industry.



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Read more on how we have embodied a transformative approach that will shape the future of our business landscape.

Welcome to the Annual Report of Natural Capsules Limited (NCL), where gears are set in motion, and the spirit of growth permeates every aspect of our journey. At NCL, we believe that growth is not just a destination but a continuous journey that intertwines with our commitment to progress with the vast opportunities that lie ahead.

Over the last three years, we have embarked on an ambitious expansion plan, exponentially increasing our capacity in the capsules business. We have diligently built scale and honed our capabilities to synchronise with the dynamic currents of the pharmaceutical landscape. This strategic move has laid the foundation for our accelerated growth, allowing us to cater to the rising demand of the market with utmost efficiency. As we set our motion on the coming quarters, we are further expanding our capacities in the HPMC capsules, which propels our growth trajectory even higher.

Additionally, driven by our determination to diversify our portfolio, we are foraying into the manufacturing of API, set to commence from FY24. This will not only add a new dimension to our offerings, but also expand our presence across markets. The combination of our expanding capabilities in both capsules and API segments is poised to drive significant growth in our revenue, and profitability, fuelling our momentum further.

These factors, combined with the efforts our dedicated team drives us forward. Together, we are 'Geared for growth', prepared to shape a future where possibilities are limitless.



Forward Looking Statement

Certain statements and opinions with respect to the anticipated future performance of Natural Capsules Limited (NCL) in the report ("forward-looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the report is provided to the recipient and NCL is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this report does not imply that the information herein is correct as at any time subsequent to the date hereof and NCL has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.



Further information can be found online by visiting naturalcapsules.com

About Us

Crafting a legacy Shaping the future

Natural Capsules Limited (NCL) stands as one of the prominent leaders in hard capsules shell manufacturing, driving innovation and excellence within the pharmaceutical industry. Founded in 1993 as a Public Limited Company in Bengaluru, we have emerged as the second largest manufacturer of gelatin capsules in India, while pioneering the production of vegetarian capsules in the country. Expanding our capacities in the recent years has further fortified our presence and reach in the global markets.

NCL's unwavering commitment to growth and diversification has led us to venture into API manufacturing through our subsidiary, Natural Biogenex Private Limited (NBPL).

Equipped with internally developed, cutting-edge patented technology, we are positioned to engage in the production of complex, high-end APIs. This strategic expansion underscores our dedication to pushing boundaries and fostering innovation within the industry.

With a resolute focus on comprehensive solutions, NCL prides itself on delivering turnkey services to our esteemed clientele.

Through our unwavering dedication to technological advancements and business transformation, we have

solidified our position as a trailblazer in the industry and our unwavering commitment to delivering exceptional quality, reliability, and customer satisfaction remains at the core of our operations.

Natural Capsules Limited exemplifies brilliance, progress, and an unyielding pursuit of excellence. Our notable achievements and relentless spirit of innovation continue to redefine industry standards. As we forge ahead, we are shaping a future where possibilities are boundless, and success knows no limits.

Vision



To become the global leader for supply of capsules, providing impeccable services all across the globe

Mission



1. To consistently innovate and manufacture products to exceed customer's expectation
2. To consistently provide highest quality products to its customers across the globe
3. To become an integrated enterprise of global distinction

Company in numbers

150+

Customers across borders

250+

Team members

03

State-of-the-art manufacturing units

18 BCPA

Capacity as on March 31, 2023

21.91%

Revenue share from exports in FY23

22 BCPA

Annual capacity (on completion of ongoing CAPEX)

Key product offerings

Capsules and Steroidal APIs and their Intermediates and Derivatives



Our Journey

Transformative journey of innovation and expansion

Natural Capsules Limited (NCL) has undergone a significant transformation through advanced process innovation and resolute scalability. With consistent growth and the establishment of multiple manufacturing lines, NCL has continually augmented its capacities. The recent foray into API manufacturing serves as a new growth lever for the business, creating exciting possibilities and strengthening NCL's industry position. Leveraging advanced capabilities and internally developed technology, NCL is poised for a promising growth journey.

Early milestones	Decade of capacity expansions	Challenges and resilience
<p>1993 NCL was incorporated, marking the beginning of a remarkable journey</p> <p>1994 Got listed on BSE</p> <p>1995 Started 3 capsules manufacturing lines in Bengaluru, achieving an annual capacity of 1.03 BCPA</p> <p>2001 Became the first Indian Company to manufacture vegetarian capsules, showcasing innovation and market leadership</p>	<p>2003 Acquired another unit with 2 lines in Puducherry, through a DRT auction. The annual capacity of this unit was 770 MCPA</p> <p>2005-2007 Acquisition of 5 lines (with an annual capacity of 1.80 BCPA) from IPCL Godhra</p> <p>2009 Acquired 9 lines (with an annual capacity of 3.24 BCPA) from Qualicaps, Canada and installed it in the Puducherry unit</p> <p>2011 Upgraded one line, increasing capacity from 1 MCPD to 1.5 MCPD</p> <p>2012-14 Upgraded 3 more lines to increase the capacity of each of these lines, from 1 MCPD to 1.5 MCPD. The annual installed capacity stood at 7.1 BCPA</p>	<p>2015-2018</p> <ul style="list-style-type: none"> The economic slowdown in African countries, resulting from falling oil and commodity prices, led to a decline in pharmaceutical product and capsules exports from India, including those of NCL. This decreased demand caused a drop in selling prices and margins over a three-year period (FY16-FY18). While the Company swiftly shifted focus to domestic markets, disruptions caused by demonetization and the implementation of GST in India further impacted the domestic pharmaceutical industry, resulting in significant impact on performance Started R&D center to validate its fermentation and synthesis technology, to manufacture steroidal APIs <p>2019</p> <ul style="list-style-type: none"> NCL upgarded a capsules manufacturing line, raising its capacity from 1.0 MCPD to 2.5 MCPD Through dedicated R&D efforts in collaboration with partners, the Company developed a new generation of capsules manufacturing technology NCL replaced an older machine in Bengaluru with a cutting-edge new generation machine capable of manufacturing capsules at 4.8-5.0 MCPD, making it the fastest manufacturer of capsules globally

Continuing on the growth momentum

- 2021**
 - Commissioned new generation machines, raising installed capacity to 10.80 BCPA
 - Conducted successful trials for multiple products at kilo and gram scales in the API business
- 2022**
Commissioned new generation machines, raising installed capacity to 14.4 BCPA
- 2023**
Capacity stands at 18 BCPA, with ongoing installation of incremental capacities of HPMC capsules and equipments for API plant

Roadmap to sustained progress

- In FY24, the Company will complete the installation of a new plant and commence the **production of steroidal APIs** in small volumes thus contributing to incremental growth
- Pursuing next-generation machines to produce capsules with a capacity of 7.5 MCPD
7.5 MCPD
- Exploring opportunities in the **hormonal range of APIs** to expand product portfolio



Our Presence

Navigating borders Transforming healthcare

Over the course of nearly three decades, Natural Capsules Limited has experienced growth, establishing a strong presence in numerous geographies worldwide. The Company's unwavering commitment to excellence and expansive capacity has enabled it to explore new frontiers, extending its reach to various corners of the globe. With exports spanning more than 30 countries, international trade has become a pivotal revenue driver for NCL. By capitalizing on the thriving global pharmaceutical and wellness sectors, the Company aims to make a lasting impact and establish a prominent global presence.

Nurturing long-term client relationships

NCL strategically focuses on cultivating enduring partnerships with esteemed clients. Through meticulous adherence to uncompromising quality standards and stringent regulatory compliance, the Company has earned the trust and respect of prominent brands. These valued relationships are a testament to NCL's unwavering dedication to excellence and position the Company in high regard within the industry.

Enhanced capabilities with newer generation machines

The integration of newer generation machines has significantly bolstered NCL's operational capabilities. This advancement has enabled the Company to engage with multiple large clients, ensuring substantial volumes and heightened visibility. The adoption of cutting-edge technology has propelled NCL into a new era of efficiency and productivity, cementing its standing as a preferred supplier in the industry.

Countries present in

AFRICA
42.66%
% of export sales

- | | |
|-----------------|--------------|
| 1. Algeria | 7. Sudan |
| 2. Egypt | 8. Tanzania |
| 3. Ghana | 9. Tunisia |
| 4. Kenya | 10. Uganda |
| 5. Nigeria | 11. Zimbabwe |
| 6. South Africa | |

ASIA
16.70%
% of export sales

- | | |
|-----------------|---------------|
| 12. Bangladesh | 18. Sri Lanka |
| 13. Bhutan | 19. Syria |
| 14. Hongkong | 20. Thailand |
| 15. Nepal | |
| 16. Oman | |
| 17. Phillipines | |

CIS
2.22%
% of export sales

- 21. Georgia
- 22. Turkey
- 23. Uzbekistan

MIDDLE EAST
22.16%
% of export sales

- 24. Iran
- 25. Iraq
- 26. Kuwait
- 27. UAE

Marquee Customers



Business from new customers
19%
of FY23 turnover

Customers for more than 10 years
15%
of total customers

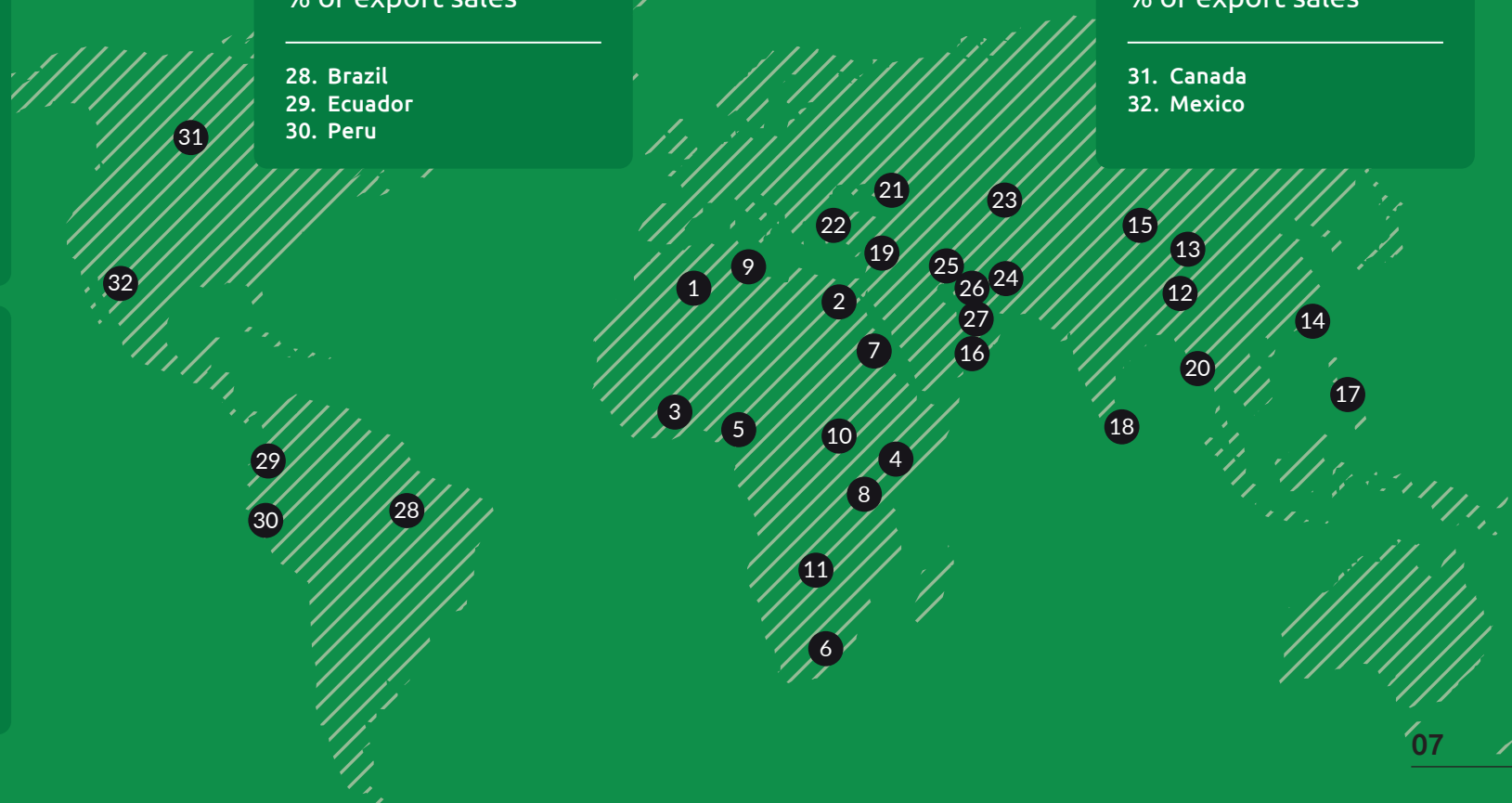
Customers for more than 5 years
22%
of total customers

SOUTH AMERICA
12.84%
% of export sales

- 28. Brazil
- 29. Ecuador
- 30. Peru

NORTH AMERICA
3.41%
% of export sales

- 31. Canada
- 32. Mexico



Business Model

Designed to create long-term value

Inputs

Financial capital

- Net worth: ₹ 148.25 crores
- Net block: ₹ 95.39 crores
- Long term borrowings: ₹ 70.39 crores

Manufactured capital

- 2 manufacturing facilities in Bengaluru and Puducherry for capsules business
- 1 manufacturing facility in Tumkur for API business
- Investments in property plant and equipment during the year: ₹ 105.89 crores

Human capital

- Employee strength 250+
- Learning and development training for employees and contractors

Natural capital

- Investments in renewable power generation
- Investments towards recycling initiatives

Value creation

VISION

To become the global leader for supply of capsules, providing impeccable services all across the globe.



Strategic Priorities

Ensuring margin stability

Global expansion in regulated markets

Innovation in capsules product range

Advancing API portfolio

Technological excellence for manufacturing efficiency

Regulatory compliance for API facility

Streamlining supply chain solutions

[Read more on Page 27](#)

Outputs

Businesses



Capsules

- Hard gelatin capsules
- HPMC (Vegetarian capsules)
- Other variants of hard capsules

[Read more on Page 12](#)



APIs

- Prednisolone & their derivative salts
- Betamethasone & their derivative salts
- Dexamethasone & their derivative salts
- Hydrocortisone & their derivative salts

[Read more on Page 16](#)

Outcomes

Strong financial performance

- Revenue: ₹ 172.37 crores
- EBITDA: ₹ 35.04 crores
- PAT: ₹ 18.45 crores
- EPS: ₹ 19.82

State-of-the-art manufacturing facilities

- 18.00 BCPA annual capacity as on March 31, 2023
- Capacity to be enhanced to 22.0 BCPA post completion of CAPEX
- Upcoming plant for API segment

Committed workforce

- Upskilled, motivated and experienced workforce
- Well defined career progression path for employees

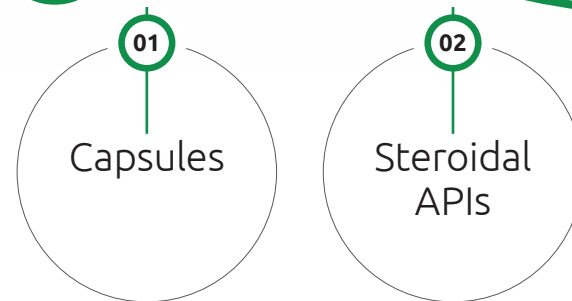
Environmental Stewardship

- Zero discharge facilities
- 1st Company in India to receive UNIDO grant for patented solar concentrated heat generation dishes
- Recycling of water from effluent treatment plant
- Reduced carbon footprint

Business Review

Unveiling a diverse product portfolio

Within Natural Capsules Limited's comprehensive business portfolio lies a dynamic array of offerings, showcasing its prowess in two distinct categories:



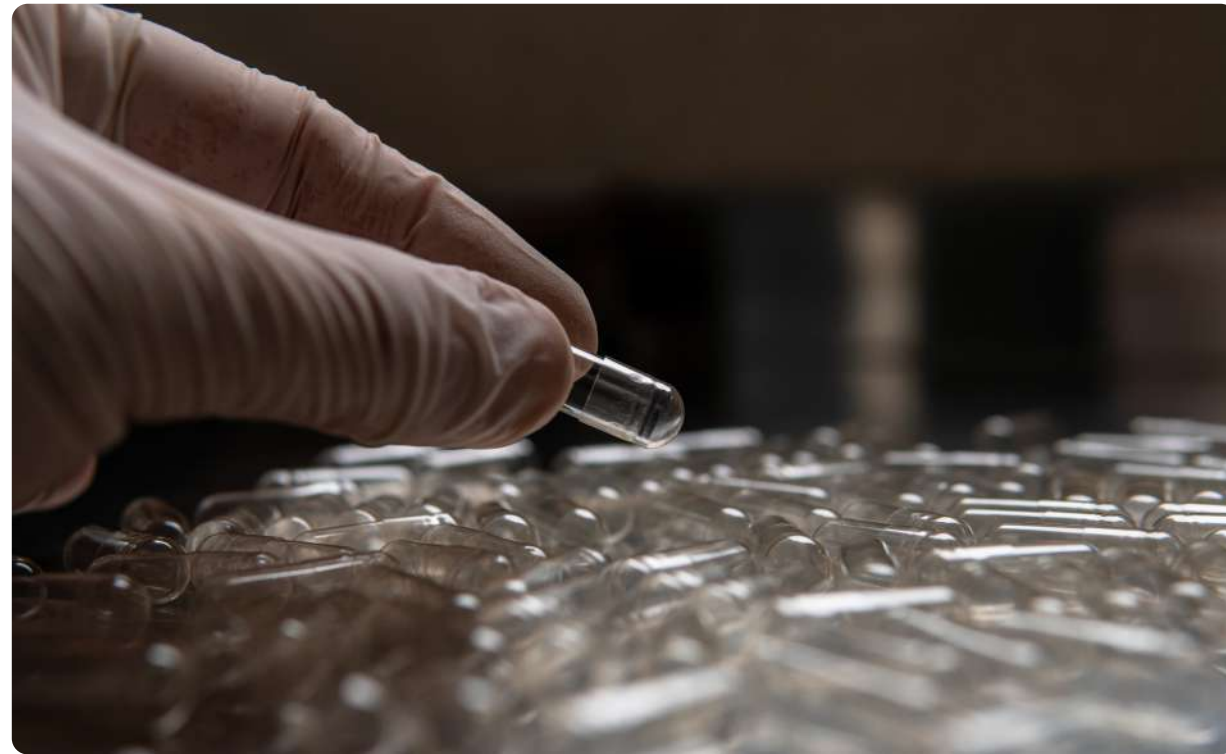
For over three decades, the Company has cemented its position as one of the leading manufacturers of capsule, delivering exceptional quality and precision to its customers. Building upon this rich legacy, Natural Capsules has embarked on a groundbreaking venture into the API via its subsidiary NBPL vertical, spearheading the manufacturing of steroidal APIs from KSMs in India.

This strategic move places the Company at the forefront of innovation, capitalizing on the advantage of being a first-mover in an untapped market.

NBPL has made significant investments in research and development, fortifying its position in the industry. The Company remains committed to diversifying its product offerings, aligning with the evolving needs of customers worldwide.

With substantial capital expenditure across both verticals, Natural Capsules has laid a solid foundation for exponential growth and profitability. This ambitious endeavor reflects the Company's unwavering dedication to delivering quality products, while its expanded scale ensures a robust and sustainable market presence.

Business Review - Capsules



01

Capsules

Revitalizing profitability through process innovation

For a significant period, Natural Capsules Limited (NCL) navigated a landscape of suboptimal profitability within the capsules manufacturing vertical. However, since 2018, the Company embarked on an investment journey in process innovation, resulting in a transformative turn of events. These efforts led to the development of groundbreaking technology capable of producing 5 million capsules per machine per day. With enhanced efficiencies at hand, NCL has embarked on a path toward bolstered profitability, breathing new life into its operations.

From an initial production of 1.5 million capsules per machine per day, NCL swiftly progressed to an output of 5 million capsules per day to meet the escalating market demands. Each manufacturing line within NCL's state-of-the-art facilities operates with utmost precision, adhering to stringent procedures and functioning independently to ensure the elimination of cross-contamination risks. This meticulous approach guarantees the delivery of quality products to NCL's clientele. With newfound momentum and focus on innovation, NCL is poised to redefine

the narrative of the capsules manufacturing industry. By embracing process innovation and a relentless pursuit of excellence, NCL is transforming the capsules manufacturing landscape.

Key offerings

- 01 Hard gelatin capsules
- 02 HPMC (vegetarian) capsules
- 03 Others including
 - Shiny capsules
 - Sweet capsules
 - Fast-release capsules
 - Regulatory variants
 - SLS free capsules
 - Preservative free capsules
 - TSE free capsules

Redefining capsules manufacturing with advanced process innovation

In a groundbreaking collaboration with DBDS Robotics Private Limited, NCL has spearheaded the development of cutting-edge machines that stand at the forefront of technological advancement. These state-of-the-art machines, meticulously installed within our facilities, represent the pinnacle of efficiency and speed in the realm of hard capsules manufacturing.

The new machine boasts several advantages including:



Unparalleled speed

Harnessing cutting-edge technology, these machines operate at unprecedented velocities, surpassing all benchmarks in manufacturing efficiency.



Augmented capacity

With their remarkable production prowess, the newly installed machines empower NCL to meet the escalating demands of the market and cater to its esteemed customers with enhanced effectiveness.



Streamlined automation

Embracing an advanced level of automation, these machines significantly reduce the need for manual labour, thereby lowering the manpower cost per unit and optimising resource allocation.



Sustainable power consumption

These machines consume approximately 40% less power per manufactured unit, a remarkable reduction compared to their predecessors. This optimised energy usage translates into cost savings and a greener manufacturing footprint.



Accelerated turnaround time

These machines facilitate quicker turnaround times, enabling the Company to deliver products to the valued customers with utmost agility.



Enhanced quality control

With a significant decrease in rejection rates, down to an impressive 3% from the previous 8% observed with older machines, NCL ensure that every capsules produced adheres to its stringent quality standards.

2nd
largest

Indian manufacturer of gelatin capsules

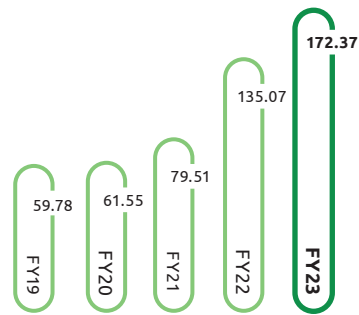
1st
manufacturer

of vegetarian capsules in India

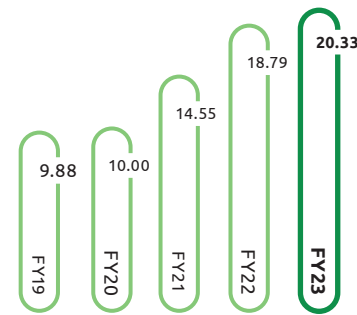


Business Review - Capsules

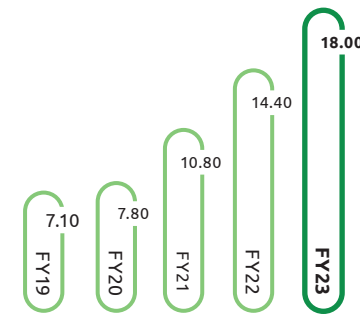
Revenue
(₹ in crores)



EBITDA
(In %)



Capsules manufacturing capacity
(In billion)



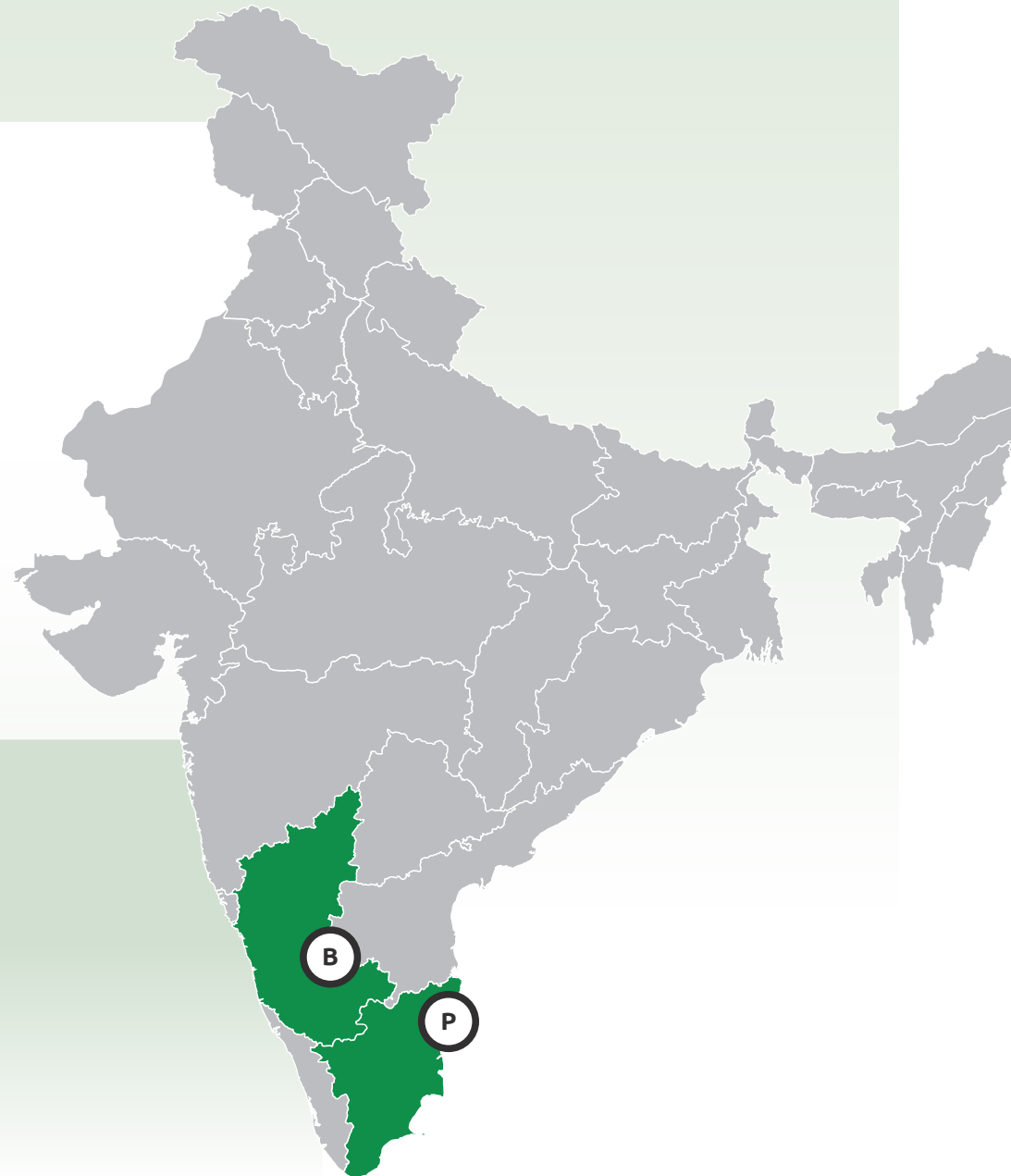
Manufacturing facilities facilities approved by



2 manufacturing facilities located in

B Bengaluru

P Puducherry



Capital expenditure details

Natural Capsules Limited (NCL) is undergoing incremental capacity expansion through strategic capital expenditures. The recent brownfield capital expenditure initiative involved installing state-of-the-art machines, reinforcing NCL's commitment to value creation, customer-centricity, and market dominance. With an expanded footprint and enhanced manufacturing capabilities, NCL is well-equipped to meet evolving client demands with unparalleled quality and agility.



Strategic investment

Natural Capsules Limited had outlined a planned capital expenditure of ₹38 crores to significantly enhance its manufacturing capacity, enabling the Company to produce 22.00 billion capsules per annum. A significant portion of this capital expenditure has already been completed, culminating in an operational capacity of 18.00 billion capsules per annum as of March 31, 2023.



Balanced financing approach

The funding for this project was secured through a well-balanced mix of debt and equity. Natural Capsules Limited obtained ₹18 crores in bank borrowings, while ₹20 crores were allocated from its internal accruals. This prudent financing approach ensured the financial stability of the expansion project.



Optimal asset utilisation

Successful incremental capacity implementation enables NCL to achieve an impressive asset turnovers. Additionally, the advanced machines contribute to higher profitability through reduced power consumption and decreased manpower dependency. These improvements enhance operational efficiency, leading to improved financial performance.

CAPEX tracker

Quarter	Details
Q3 FY24	1 lines for HPMC capsules to be added in Q3 FY24
Q2 FY24	1 lines for HPMC capsules to be added in Q2 FY24
Q1 FY24	1 lines for HPMC capsules installed in Q1 FY24
Q2 FY23	1 line for gelatin capsules added in September
Q1 FY23	Added 1 line for gelatin capsules added in June

Business Review - APIs



Key contours of the project

Embracing the spirit of limitless potential, NBPL embarks on a captivating journey of expansion with its ambitious greenfield capital expenditure project located at the periphery of Bengaluru, in Tumkur. Spanning across 5 acres, this venture is meticulously crafted to meet the exacting standards set forth by regulatory bodies such as WHO GMP (Geneva), USFDA, and EU GMP. NBPL's commitment to sustainability echoes through the implementation of a state-of-the-art zero liquid discharge manufacturing facility, underscoring NBPL's deep reverence for the environment. NBPL has secured approvals for three of its products under the PLI scheme to manufacturing bulk drugs, which provides further impetus to its investment in this venture.



Sizable capital investment

Embarking on a transformative path of growth and expansion, Natural Biogenex Private Limited unveils its ambitious plan for a planned capital expenditure of ₹ 130 crores.



Optimal asset utilisation

The projected asset turns stand at ~2X. By leveraging these expanded capabilities to their fullest potential, NCL is primed to achieve exceptional returns on its capital investments.



Balanced funding approach

The realisation of this transformative project is made possible through a well-balanced combination of debt and equity. The project funding is carefully structured, incorporating borrowings, internal accruals from NCL (parent company), and investments from private equity and high-net-worth individuals in NBPL. This balanced approach to project financing ensures the availability of necessary capital while optimising the financial structure of the business.

02

APIs

Leading the charge and redefining possibilities

NCL is embarking on an exciting new venture in the domain of active pharmaceutical ingredients (APIs), a pivotal step towards meeting the burgeoning demand of steroidal APIs in both domestic and international markets. This strategic move positions the Company as one of the pioneering Indian companies to employ advanced fermentation technology in the production of bulk drugs. With the incorporation of its subsidiary, Natural Biogenex Private Limited (NBPL), in 2020, it is poised to harness the immense potential of this venture.

Through this groundbreaking initiative, NBPL is set to manufacture high-quality APIs such as Prednisolone, Betamethasone, Dexamethasone, and Hydrocortisone along with their derivatives. NBPL's integrated facility is the first of its kind in India, meticulously designed to harness the power of fermentation and synthesis chain of reactions. This revolutionary approach not only signifies its commitment to technological innovation but also ensures the highest standards of quality and efficiency. In the coming years, the Company foresees this segment as a key driver of its future growth and profitability.

Key molecules:

- 01 Prednisolone
- 02 Betamethasone
- 03 Dexamethasone
- 04 Hydrocortisone

With a strategic vision to meet the burgeoning domestic demand and reduce dependence on imported inputs, NBPL is poised to embark on a remarkable journey as it gears up to commence commercial production by the second quarter of FY24. This milestone represents the Company's unwavering commitment to providing high-quality products while contributing to the self-sufficiency of the nation's pharmaceutical industry.

Business Review - APIs

Setting new benchmarks

NCL through its subsidiary NBPL has embarked on a journey of continuous innovation and breakthroughs in the API segment, propelling itself at the forefront of the pharmaceutical industry, and up the pharma value chain. Driven by the Company's relentless pursuit of excellence, NBPL has achieved significant milestones in the API segment, revolutionising the production of steroidal APIs through cutting-edge technologies.

- Aug 2018**

Commenced operations at the state-of-the-art R&D centre dedicated to validate the use of fermentation and synthesis technology for manufacturing steroidal APIs.
- Jul 2019**

Achieved a significant breakthrough by successfully achieving lab-scale production of Hydrocortisone from 9OHAD. Simultaneously, initiated the second fermentation process for the manufacture of Prednisolone, expanding its portfolio of steroidal APIs.
- Oct 2019**

Demonstrated its commitment to innovation by filing a patent for an innovative manufacturing process for 9OHAD.
- Aug 2020**

Continuously striving for excellence, NBPL achieved notable process improvements concerning effluent and defoaming agents. These enhancements optimise its manufacturing practices, ensuring environmental sustainability while maintaining the highest quality standards. Additionally, NBPL obtained Test Drug Licences for its range of Steroidal APIs, solidifying its compliance with regulatory requirements.
- Feb 2021**

Received prestigious recognition for its dedication to excellence, as awarded three PLI schemes for Dexamethasone, Betamethasone, and Prednisolone.
- March 2022**

Conducted successful trials at both gram and kilo scales, showcasing its capabilities in scaling up production.
- March 2023**

Ongoing installation of equipments in fermentation and synthesis blocks and completion of Kilo lab installation.



Project update

Q2 FY24

Start of commercial production in small batches

The following table showcases Natural Biogenex Private Limited's approved products under the PLI scheme, highlighting proposed capacity and current annual imports.

Product	Planned capacity (IN MT)	FY23 import quantity to India (IN MT)	The NBPL advantage
01 Dexamethasone	10	11	NBPL stands proudly as the sole manufacturer of this product, setting itself apart as the exclusive provider in India.
02 Betamethasone	12	25	NBPL holds the distinguished position of being the sole manufacturer of this product within the Indian market.
03 Prednisolone	15	40	NBPL secures its esteemed position as one of the select two manufacturers of this coveted product in the Indian market.

Upon meeting the requisite criteria to qualify for the PLI scheme, the manufacturer shall become eligible for a 20% price incentive. Notably, NBPL is granted the flexibility of utilising the API for captive consumption, enabling the production of supplementary derivatives and high-value products. Furthermore, the manufactured APIs possess the potential for domestic sales as well as penetration into export markets.

Total expected incentives of
₹67 crores
under the PLI scheme

Anticipating a substantial boost under the PLI scheme, NBPL envisions receiving an incentivized amount of approximately ₹67 crores over a span of 6 years, commencing in FY25.

Focus on R&D

Inspiring innovations

NCL always embraces the power of R&D as the cornerstone of its success. By fostering a culture of innovation, the Company continuously challenges itself to push boundaries, unlock new possibilities, and deliver exceptional value to all its stakeholders.

The Company firmly upholds the belief that investing in research and development (R&D) is the key to staying at the forefront of the industry and driving continuous innovation. With two state-of-the-art R&D facilities recognised by the Department of Scientific and Industrial Research (DSIR), NCL has nurtured an environment of scientific exploration and technological advancement. The recent foray into the API business stands as a testament to its unwavering commitment to R&D, as the Company recognises the immense potential it holds for the business and the opportunities it presents for growth and advancement.

In addition to its API business, NCL's relentless pursuit of process innovation within the capsules segment has yielded remarkable results. By harnessing cutting-edge technologies and pioneering advancements, the Company has successfully expanded its production capacity by leaps and bounds, leading to significantly higher yields and improved operational efficiencies. This transformative approach has not only solidified its market position but has also positioned NCL as trailblazers within the industry, setting new standards for quality and performance.

Under the scope

- 1. Advancement in steroidal and hormonal API range:** The ongoing research and development efforts are focused on identifying potential products within the realm of steroidal and hormonal APIs for future manufacturing. By leveraging our R&D capabilities, we strive to introduce new offerings every 18-24 months, contributing to improved patient care and aligning with our commitment to grow.
- 2. Yield enhancement through process innovations:** Through continuous research and development, the Company strives to optimise its manufacturing processes, focusing on enhancing yields. By implementing cutting-edge technologies and refining existing methods, the Company maximises production efficiency, minimises resource consumption, thus delivering higher yields of our products.
- 3. Process development for existing products:** In line with our commitment to innovation, we are dedicated to developing new processes for the manufacturing of our existing products. By leveraging our expertise and exploring newer techniques, we aim to streamline production, enhance quality, and offer improved solutions that meet the evolving demands of our customers.

R&D capabilities at a glance

- **R&D team:** A dedicated team of 15 highly skilled members
- **Patent portfolio:** Currently, NCL has



1 Patent
Granted

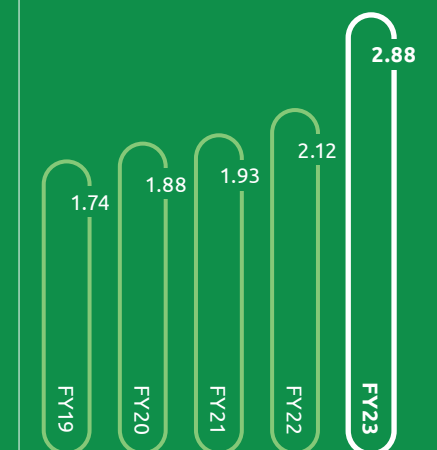


2 Patents
under
Approval



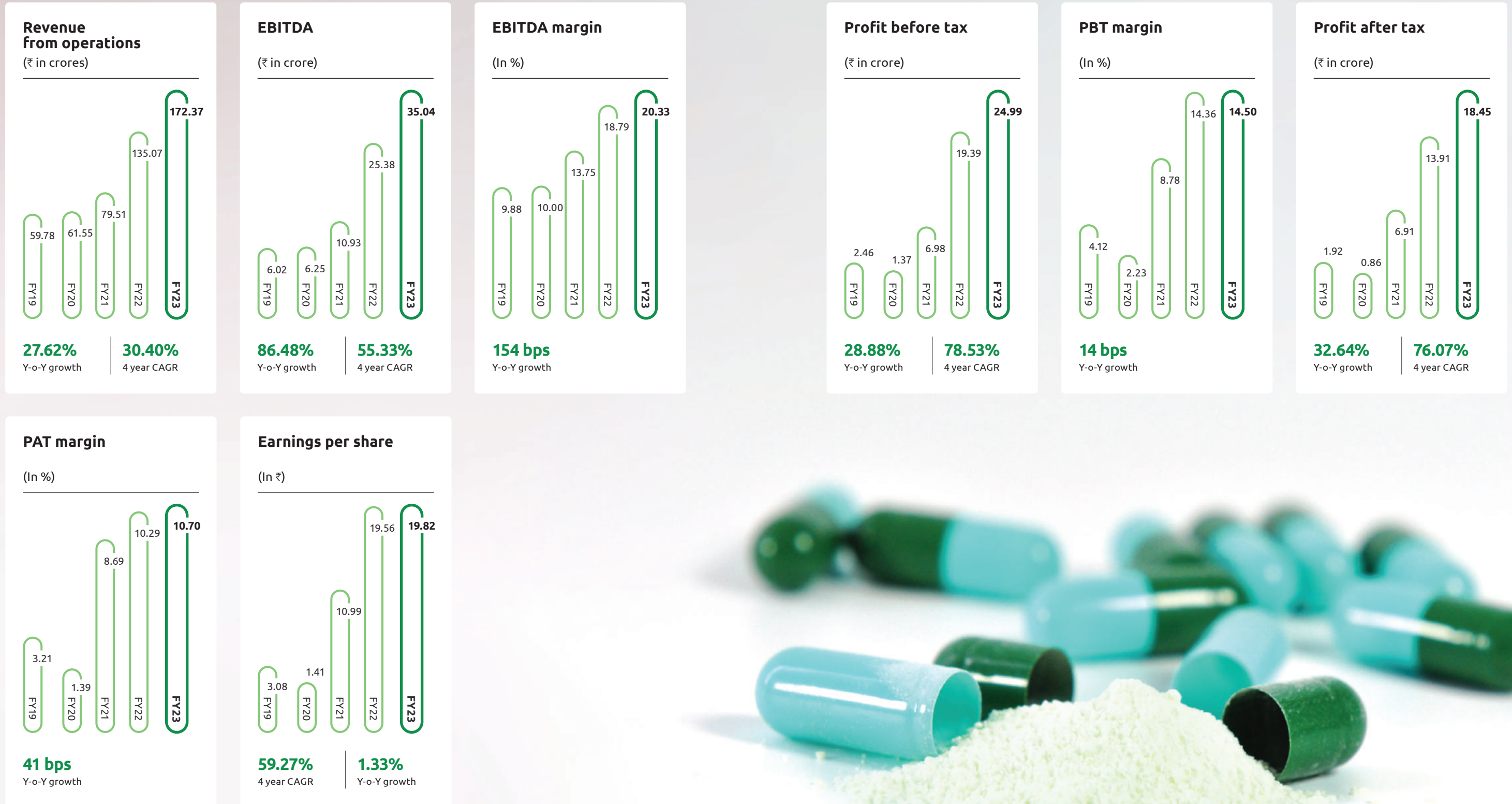
1 Patent
under Filing

R&D expenditure (₹ in crores)



Key Performance Indicators

Scoreboard of excellence



Letter to Shareholders

Embracing resilience and expanding frontiers

At Natural Capsules Limited, we have proactively implemented strategies to navigate the challenging times and position ourselves for sustained growth.

Sunil Mundra
MANAGING DIRECTOR



Dear Shareholders,

I am delighted to address you and express our sincere gratitude for your unwavering trust and steadfast support throughout the year for Natural Capsules Limited. The past year has been one of remarkable growth and resilience for our core business. As we reflect on the journey we have embarked upon, we are deeply appreciative of the immense value your confidence has added to our achievements.

In FY24

we are poised to navigate new frontiers and capitalize on emerging opportunities.

Navigating the shifting tides

The global pharmaceutical industry encountered unparalleled challenges in recent years. China's pivotal role as a key supplier of vital raw materials rendered the industry vulnerable when the country went into lockdown. The resulting supply chain disruptions compelled companies to resort to bulk orders as a precautionary measure, anticipating potential scarcity.

Furthermore, the industry witnessed a surge in demand for healthcare products fuelled by the anticipation of multiple COVID-19 waves. To meet this expected upswing, manufacturers escalated their production rates. However, as the pandemic situation gradually improved and China reopened its supply channels, raw material availability improved. Concurrently, the absence of subsequent waves led to a moderation in demand, consequently impacting market dynamics.

This sudden shift caught the industry off-guard, burdening participants across the value chain with substantial amounts of high-cost inventory. This surplus, occurring at unusually high volumes, impeded the need for new production and contributed to the slower demand observed in the pharmaceutical sector during the year.

As supply chains normalize and demand gradually rebounds, we anticipate a favourable upturn in market conditions. At Natural Capsules Limited, we have proactively implemented strategies to navigate these challenging times and position ourselves for sustained growth.

Performance that inspires

In FY23, Natural Capsules Limited demonstrated remarkable resilience and delivered a robust performance. Our unwavering focus on volumetric expansion, relentless pursuit of manufacturing efficiencies, and accelerated turnaround times have propelled our growth trajectory, making it increasingly independent of industry fluctuations.

Despite the adverse conditions, our operational excellence remained unparalleled. By leveraging the incremental capacities, we achieved robust revenue growth while maintaining healthy margins. Our prowess in the capsules segment propelled our overall profitability to unprecedented heights, surpassing the performance of the previous year.

Rather than relying on external circumstances, we took a proactive approach to secure a larger market share. Our determination enabled us to seize opportunities and navigate challenges with agility. By capitalizing on our strengths, we have solidified our position as a dominant force in the industry.

Navigating new frontiers

Entering FY24, we are poised to navigate new frontiers and capitalize on emerging

opportunities. In the coming quarters, we anticipate the gradual conclusion of the destocking phase in the capsules segment, signalling a resurgence in demand and realisations. We are excited about the commercialization of HPMC capsules, specifically targeting the thriving nutraceutical products market, which is experiencing a steady rise in consumer demand. With the higher realizations and margins offered by these products, we expect the commercialization of HPMC capsules to drive our growth in the capsules vertical.

On the API front, I am pleased to inform that we are on track to commence the sale of small commercial batches from the third quarter of FY24, gradually ramping up production in the subsequent quarters. We are focusing on rapidly scaling up our operations, supported by a strategic product-wise expansion plan designed to ensure seamless production. While we acknowledge that the API segment may not contribute significantly to the bottom line in FY24, we are confident that the robust growth in our capsules vertical will offset any temporary setbacks.

We are also pleased to share that we have obtained government approvals for the Production Linked Incentive (PLI) program and will participate in it starting from FY25. With our strong belief in surpassing the volumes achieved in FY24 in our API vertical, we anticipate higher incentives in FY25. The recent removal of the minimum 90% capacity utilization condition is a positive development for us, as it enables us to benefit from the incentives irrespective of the quantity manufactured and sold.

I would also like to express my heartfelt appreciation to our dedicated team whose unwavering

commitment and tireless efforts have been instrumental in our achievements. Together with our valued customers, suppliers, and business partners, we have forged strong alliances and fostered collaborative relationships. It is through these partnerships that we have been able to deliver quality products, while exploring new avenues of growth and expansion.

In closing, I extend my deepest gratitude and heartfelt appreciation to all our shareholders. As we embark on the journey ahead, I humbly request your continued support and belief in our vision. Your partnership and guidance have been instrumental in shaping our success thus far, and we are confident that with your continued support, we will achieve remarkable milestones and create enduring value for all our stakeholders. Together, let us forge ahead with passion, resilience, and a shared vision of excellence.

Warm regards,

Sunil Mundra
MANAGING DIRECTOR

Strategic Priorities



NCL's growth blueprint

NCL's strategic priorities embody a transformative approach that will shape the future of its business landscape. With a steadfast commitment to excellence and continuous investment in infrastructure, the Company is poised to redefine the capsules business and emerge as the unrivalled market leader. Its visionary outlook and unwavering focus on innovation position it at the forefront of the domestic steroidal API market, where it strives to establish its dominance. By capitalising on its strengths and leveraging cutting-edge technologies, NCL is committed to delivering unparalleled value to its stakeholders and spearheading industry advancements.

Goals	Strategy
Ensuring margin stability	Proactive collaboration with sustained buyers of large capsules quantities to reduce margin volatility
Global expansion in regulated markets	<ul style="list-style-type: none"> Penetrating regulated markets by strategically aligning with customers who distribute finished formulations, unlocking new avenues for growth Proactive sales and marketing efforts to target untapped geographies and expand the Company's global footprint
Innovation in capsules product range	Pioneering the development of cutting-edge capsules variants to captivate the market with diverse and unique offerings
Advancing API portfolio	Unleashing the power of research and development to continuously introduce high-value molecules in the steroidal and hormonal API domain, fostering a culture of innovation and differentiation
Technological excellence for manufacturing efficiency	<ul style="list-style-type: none"> Strategic investments in state-of-the-art technologies and manufacturing processes to optimise efficiency, amplify productivity, and gain a distinct competitive advantage Research and development endeavours focused on maximising output from capsules manufacturing machines, fueling operational excellence
Regulatory compliance for API facility	Acquiring necessary regulatory approvals by diligently implementing stringent quality management systems, ensuring compliance with global standards and regulations
Streamlining supply chain solutions	<ul style="list-style-type: none"> Actively exploring opportunities to establish capsules manufacturing facilities in both domestic and international markets, enhancing agility and responsiveness in meeting customer demands Strengthening market presence, building enduring relationships, and offering seamless supply chain solutions worldwide

Social Endeavors and Sustainability

Building a sustainable future

NCL is dedicated to creating a positive impact on the environment and society through its sustainable practices and corporate social responsibility (CSR) initiatives. With a legacy of three decades, the Company has embraced the responsibility of driving change beyond financial achievements. From sustainable sites to a responsible product portfolio and community empowerment, NCL remains steadfast in its commitment to building a better world and leaving a lasting legacy of meaningful change.

Sustainable Sites

NCL takes pride in its zero discharge facilities, ensuring that no harmful effluents are released into the environment. The Company has made significant strides in renewable energy by establishing a 200 KW Solar Power Plant, generating approximately 800-1000 units of electricity daily. Moreover, NCL has become the first in Puducherry to adopt the Concentrated Solar Thermal System (CST) supported by UNIDO under the MNRE-GEF project. This system, comprising 64 high-performance dual-axis tracking paraboloid dishes, generates an average of 8 lakh Kcal of heat energy. In addition, NCL has pioneered the use of Instant Catalytic Radicalization (ICR) for treating effluent water, ensuring compliance with environmental management system (EMS) regulations.



Sustainable Product Portfolio

NCL's commitment to sustainability extends to its product portfolio. The Company actively practices recycling by utilizing its own waste for manufacturing gelatin capsules. Moreover, NCL has implemented a water recycling system from its effluent treatment plant, minimizing water consumption and reducing its environmental footprint. By integrating recycling practices into its production processes, NCL demonstrates its dedication to resource conservation and circular economy principles.

Sustainable Communities

NCL's CSR initiatives focus on holistic development, creating social, environmental, and economic value for host communities. The Company actively works towards eradicating hunger and poverty, providing opportunities for education, and extending financial assistance to promote learning. Additionally, NCL offers medical aid to the needy. Collaborations with voluntary organizations, charitable trusts, governments, and academic institutes further strengthen NCL's commitment to achieving these goals. By fostering sustainable partnerships and community empowerment, NCL strives to make a positive and lasting difference in the lives of those it serves.

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Management Discussion and Analysis

Economic overview

Global economy

The global economy has been experiencing a period of uncertainty, with projected growth rates suggesting a rather cautious outlook. From an estimated 3.4% in 2022, growth is expected to slow down to 2.9% in 2023 before gradually recovering to 3.1% in 2024. The current economic environment is influenced by several factors, including central bank rate hikes aimed at tackling inflation and the ongoing conflict in Ukraine involving Russia, which have put a damper on economic activity.

Inflationary pressures continue to pose a significant challenge for the global economy. Inflation is projected to fall from 8.8% in 2022 to 6.6% in 2023 and further to 4.3% in 2024, remaining above pre-pandemic levels of around 3.5%. While the balance of risks remains tilted to the downside, there are still plausible scenarios that could lead to an upward trend, such as stronger demand from various economies or a faster decline in inflation. Conversely, severe health outcomes in China, an escalation of the conflict in Ukraine, and tighter global financing costs could all have adverse effects on the economic recovery. Moreover, sudden shifts in financial markets in response to adverse inflation news and further geopolitical fragmentation could impede economic progress.

In summary, the global economy is expected to see a modest growth rate in FY23, with various factors influencing the outlook. While there is hope that pent-up demand in several economies and a gradual decline in inflation will drive growth, policymakers will need to navigate the challenges posed by geopolitical uncertainties to maintain economic stability. Overall, the current situation calls for a careful assessment of the risks and opportunities, and a proactive approach to promote sustainable economic growth.

Sources:

[https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023#:~:text=Global%20growth%20is%20projected%20to,19\)%20average%20of%203.8%20percent.](https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023#:~:text=Global%20growth%20is%20projected%20to,19)%20average%20of%203.8%20percent.)

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Indian economy

The Indian economy has demonstrated impressive resilience despite facing a triple shock of COVID-19, geopolitical uncertainties, and rising inflation. According to agencies worldwide, India is projected to maintain its position as the fastest-growing major economy with an expected growth rate of 6.5-7.0% in FY23, led primarily by private consumption and capital formation.

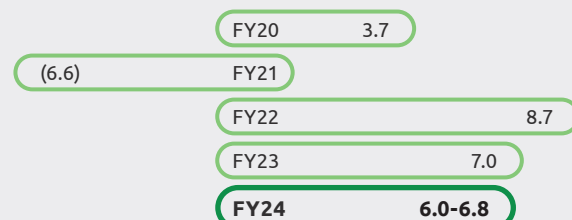
The successful rollout of the world's second-largest vaccination drive, involving over 2 billion doses, has lifted consumer sentiment and contributed to the rebound in consumption. Additionally, capital expenditure by the central government, which increased by 63.4% in the first eight months of FY23, has been another driving force behind India's economic growth. The declining urban unemployment rate and faster net registration in the Employee Provident Fund demonstrate the positive impact of this growth on employment.

The Indian economy is expected to maintain its growth momentum in FY24 as credit disbursement and capital investment cycles gain momentum, further supported by the expansion of public digital platforms and path-breaking measures such as the PM GatiShakti, National Logistics Policy, and Production-Linked Incentive schemes to boost manufacturing output. The Survey notes with optimism that the Indian economy has moved beyond its encounter with the pandemic and staged a full recovery in FY22, positioning itself to ascend to the pre-pandemic growth path in FY23. While challenges such as rising inflation and geopolitical uncertainties remain, the Indian economy's demonstrated resilience and strong fundamentals have positioned it well to navigate these challenges and maintain its growth trajectory.



Indian economy a snapshot

GDP Growth
(At Constant prices, in %)



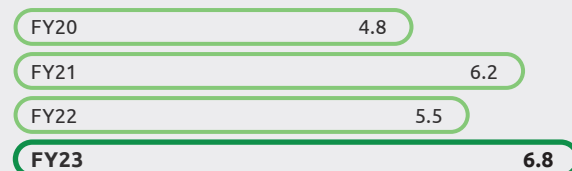
Fiscal Deficit
(% of GDP)



Foreign Exchange Reserves
(In billion USD)

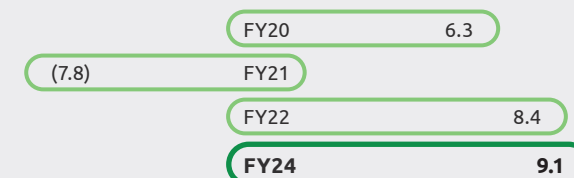


Inflation
(Average, In %)

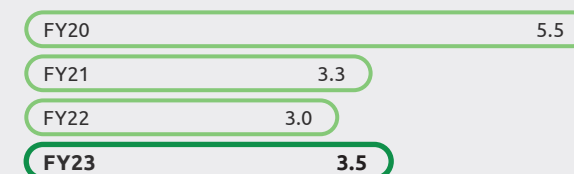


Sources:
<https://pib.gov.in/PressReleasePage.aspx?PRID=1894932#:~:text=Despite%20the%20downward%20revision%2C%20the,growing%20significant%20economies%20in%202022>

Services
(Growth rate of GVA at basic prices, In %)



Agriculture and Allied Activities
(Growth rate of GVA at basic prices, In %)



Industrial Growth
(Growth rate of GVA at basic prices, In %)



Industry overview

Global pharmaceutical industry

The pharmaceutical industry is on the brink of a revolutionary transformation, with soaring investments and technological advancements steering its growth towards unprecedented heights. The global pharmaceutical manufacturing market's size is expected to reach an astronomical \$1.57 trillion by 2023. Such a remarkable surge in market value is fuelled by the expanding and ageing global population, coupled with improving access to quality healthcare and medication for lower-income households.

According to United Nations' World Population Prospects, the world population is anticipated to surpass 9.3 billion by 2050, and 21% of this populace is projected to be aged 60 and above. As the ageing population rises, it leads to a surge in the demand for drugs to manage age-related illnesses, further amplifying the growth of the pharmaceutical industry. In addition, the increasing global focus on improving purchasing power and access to quality healthcare has bolstered demand for pharmaceutical products. The advancements in robotic technology and artificial intelligence have significantly reduced the manufacturing floor downtime and production of product waste, which have further boosted the industry's growth. Moreover, the industry is witnessing a paradigm shift towards data-rich, smart, and paperless operations, resulting in precise and error-free production.

The pharmaceutical industry's ongoing developments have brought about a significant transformation in the way drugs are manufactured and delivered worldwide, and the industry's growth shows no signs of slowing down. The market is highly competitive, and pharmaceutical companies are continually striving to tap the rare and specialty diseases market, a sector with massive potential. With an estimated CAGR of 11.34% from 2021 to 2028, the pharmaceutical manufacturing market is poised to continue on its upward trajectory, driven by the soaring demand for drugs worldwide, technological advancements, and growing investments.

Sources:
<https://www.globenewswire.com/news-release/2020/01/17/1972092/0/en/Global-Pharmaceuticals-Industry-Analysis-and-Trends-2023.html>
<https://www.grandviewresearch.com/industry-analysis/pharmaceutical-manufacturing-market>

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Industry highlights

North America is predicted to maintain its dominant position with a market share of

45.33%

in 2023, representing an increase compared to 2017.

Europe, on the other hand, is anticipated to experience a decrease in its market share compared to 2017 and be valued at

20.24%

of the global pharma industry in 2023.

Asia Pacific is projected to retain its second position with a market share of

24.07%

in 2023.

Latin America is expected to hold a

7.53%

market share of the global pharmaceuticals market in 2023.

Middle East and Africa (MEA) is anticipated to retain a

20.24%

market share of the global pharmaceuticals market in 2023.

Sources:

- <https://www.globenewswire.com/news-release/2020/01/17/1972092/0/en/Global-Pharmaceuticals-Industry-Analysis-and-Trends-2023.html>
- <https://www.grandviewresearch.com/industry-analysis/pharmaceutical-manufacturing-market>
- <https://timesofindia.indiatimes.com/blogs/voices/union-2023-24-budget-a-catalyst-for-growth-in-the-indian-pharma-sector/>

India's reputation as a global leader in vaccine production and the largest producer of generic medications, responsible for 20% of the total worldwide supply by volume, is a testament to the industry's unparalleled prowess and promise. As the government establishes an additional 157 medical colleges in the coming years, the industry is set to soar to even greater heights, its fortunes and future intricately linked to the noble pursuit of improving the health and well-being of all.

Growth drivers



The Indian government's steadfast commitment to transforming the nation into the global "Pharmacy" of choice was made evident in its recent Union budget. The government's decision to increase the capacity of the Indian Council of Medical Research (ICMR) and open it up to public and private pharmaceutical companies for extensive research and collaborations is a major step towards enhancing the industry's research and development capabilities.



The government's recent budget also includes an increased allocation of funds to the healthcare sector, highlighting its renewed focus on capacity building and, in turn, leading to further scale-up in the pharmaceutical industry. This investment will contribute significantly to the industry's growth by strengthening its infrastructure, improving quality standards, and creating more employment opportunities.



A vital step taken towards realising India's ambition to become a self-reliant nation in the pharmaceutical industry is the introduction of the Production-Linked Incentive (PLI) Scheme. The Scheme aims to promote local manufacturing of Active Pharmaceutical Ingredients (APIs), Key Starting Materials (KSMs), and Drug Intermediaries in India. As the government expands the PLI scheme, more local manufacturers will have access to the incentives and support they need to play a more significant role in the API sector, bolstering India's position as a leading global manufacturer of generic drugs.



Strengthening the Pharmaceuticals Industry (SPI) scheme is another significant development in India's pharmaceutical landscape. It focuses specifically on MSMEs and pharma clusters in the country, providing the necessary support needed to enhance productivity, capacity, and quality. With a view to positioning India as the global leader in pharmaceutical manufacturing, this scheme is expected to give further impetus to the industry's growth.



As growth in pharma sales in developed countries flattens, pharmaceutical companies are increasingly looking to emerging markets for new sources of growth and revenue. India's expanding footprint and burgeoning pharmaceutical industry make it an attractive destination for global pharmaceutical companies, prompting a shift in focus towards global competencies with strategies tailored for local markets.

Sources:

- <https://www.imarcgroup.com/india-pharmaceutical-market#:~:text=We%20expect%20the%20India%20pharmaceutical,13.01%25%20during%202023%2D2028.>
- <https://www.businesstoday.in/industry/pharma/story/indian-pharma-in-2023-industry-experts-give-big-thumbs-up-to-the-sector-heres-what-they-are-saying-357290-2022-12-21>
- <https://timesofindia.indiatimes.com/blogs/voices/union-2023-24-budget-a-catalyst-for-growth-in-the-indian-pharma-sector/>

Indian pharmaceutical industry

The Indian pharmaceutical industry is poised to take the world by storm, with a projected CAGR of 13.01% during 2023-2028. A bright future beckons for India's pharmaceutical sector, driven by an unwavering commitment to quality manufacturing, affordable medications, and innovative technologies.

According to the EY FICCI Report, the industry is expected to soar to a value of \$130 billion by the end of 2030, thanks in large part to a growing consensus on the importance of providing new and innovative treatments to patients. Collaboration between the government and industry has been instrumental in the industry's success, and this trend has only grown stronger in light of the COVID-19 pandemic.

As a result, the government has increased its allocation to the health sector by ₹ 2,954 crores, from ₹ 86,200.65 crores in FY23 to ₹ 89,155 crores for FY24, signalling a deep and abiding commitment to the industry's continued growth and success.



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Global API industry

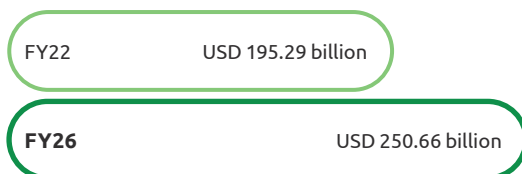
The Global Active Pharmaceutical Ingredients (API) market is an ever-expanding industry, characterised by a dynamic landscape of opportunities and challenges. According to recent industry reports, the global API market size was valued at a staggering USD 195.29 billion in 2022, and is likely to register a CAGR of 5.90% from 2023 to 2030. This growth can be attributed to the remarkable advancements in the manufacturing of active pharmaceutical ingredients and the growing prevalence of chronic diseases, such as cancer and cardiovascular diseases. Furthermore, favourable government policies and geopolitical changes are boosting market growth, propelling the industry forward towards greater heights.

The rise in the ageing population is one of the major drivers of the pharmaceutical API manufacturing market. With the ageing population comes an increased demand for pharmaceutical drugs, leading to a surge in the demand for specialty drugs that cure specific diseases. The API market is also being transformed by the supply chain disruption caused by the COVID-19 pandemic, with countries like India being preferred over China for the export of API products. The pandemic also had a positive impact on the API industry, as the pharmaceutical industry became the epicentre for treating COVID-19 symptoms, including fever, cough, and cold.

To meet the high capital requirements for API production, pharmaceutical companies are increasingly outsourcing the production of various APIs. This is because the API production process requires extremely systematic protocols, which can be both capital and labour-intensive. Strategic outsourcing by companies allows them to focus on their core competencies and increases productivity. This outsourcing trend has propelled the pharmaceutical API manufacturing market towards exponential growth, with the market expected to reach \$250.66 billion in 2026 at a CAGR of 6.4%. In conclusion, the Global API industry is a fast-growing and ever-changing landscape characterised by remarkable advancements, growing demand, and geopolitical changes.

Global Pharmaceutical API Manufacturing Market

Market forecast to grow at CAGR of 6.4%



Sources:
 1. <https://www.grandviewresearch.com/industry-analysis/active-pharmaceutical-ingredients-market>
 2. <https://www.researchandmarkets.com/reports/5733918/pharmaceutical-api-manufacturing-global-market>



Indian API industry

The Indian pharmaceutical industry has experienced a remarkable transformation, shifting from a volume producer to a valued supplier. This growth can be attributed to the crucial role of APIs in the sector, which contributes around 35% of the market. The API is the biologically active component of a drug that causes an intended medical effect, and India has become a leading global player in the manufacture of these essential ingredients.

India currently accounts for 8% of the global API industry, making it the third-largest producer worldwide. Over 500 different APIs are manufactured in India, with 57% of these included on the prequalified list of the World Health Organization. The Indian API market was valued at over ₹ 1,000 billion, and is projected to grow at a CAGR of 7-8% over the next three to four years. This will be driven by a rise in demand for contract manufacturing, as global customers seek to diversify their supply chain dependence from China to alternative destinations.

Furthermore, it is noteworthy to mention that the Indian government's unyielding support and legislative measures, including the pioneering production-linked incentive (PLI) program under its Atmanirbhar Bharat mission, will serve as a crucial catalyst in driving the growth of the API industry. Such visionary steps are geared towards reducing India's dependence on Chinese imports, thereby making it an attractive space for both investors and venture capitalists alike. Moreover, India's highly resilient domestic market, well-established chemical industry, skilled workforce, and stringent quality and manufacturing standards, coupled with substantially lower operational costs as compared to the West for setting up and running modern plants, present a truly formidable advantage.

Sources:
 1. <https://www.investindia.gov.in/team-india-blogs/harnessing-indias-api-potential#:~:text=The%20Indian%20pharma%20industry%20is,medicines%2C%20both%20domestically%20and%20internationally.>
 2. <https://www.businessworld.in/article/Indian-API-Industry-To-Grow-At-7-8-CAGR-In-Medium-To-Long-Term-Icra/31-03-2023-471223/>

Global nutraceuticals industry

Nutraceuticals, or compounds that target the pathogenesis of metabolic disorders and associated complications, are rapidly becoming an integral part of consumer lifestyles. The growing demand for products that promote overall health is driving the nutraceuticals market. In 2022, the global nutraceuticals market was valued at \$291.33 billion, with North America accounting for the largest revenue share of over 35.50%. The industry is expected to grow at a CAGR of 9.4% from 2023 to 2030, relying on key drivers including preventive healthcare, lifestyle-related disorders, and a rising consumer focus on health-promoting diets.

Furthermore, the growth can be attributed to technological advancements, such as the adoption of AI, enabling personalised solutions based on consumer dietary and health data.

However, government regulations and market suppression have prevented this market's full potential. Nonetheless, the trend towards food fortification with nutraceutical products is expected to create significant growth opportunities in the future. The nutraceuticals industry is poised for continued expansion, with a focus on improving consumer health and quality of life.

Global nutraceutical market segment breakup

Functional Foods

Market value (\$ In Bn, 2021)

157

E-commerce segment

Market value (\$ In Bn, 2021)

116.3

Capsules and tablet segments

Market value (\$ In Bn, 2021)

127.2

Sports, energy and weight management segment

Market share (In %, 2021)

32.7%

Sources:
 1. <https://www.grandviewresearch.com/industry-analysis/nutraceuticals-market>
 2. <https://www.gminsights.com/industry-analysis/nutraceuticals-market>



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Indian nutraceuticals industry

The Indian nutraceuticals market has witnessed a significant transformation in the past few years, owing to the shift in human behaviour and outlook towards health and well-being. As the demand for cleaner foods and a healthier lifestyle continues to increase, consumers are seeking products that are backed by scientific evidence and research, which adds value to their overall health and wellness. This transformation has led to an impressive growth of the Indian nutraceuticals market, which is expected to reach a global market share of 3.5% by 2023.

According to estimates, the Indian nutraceuticals market is poised to grow at a remarkable CAGR of 15% between 2023 and 2028. The rise in demand for immunity-boosting supplements, such as vitamin capsules, chewable tablets, and gummies, is a testament to the open-minded buying behaviour of consumers of healthcare products. Even after the pandemic severity has minimised, nutraceuticals purchases continue to soar, indicating that the industry has firmly established its presence in the market.

The Indian nutraceuticals market presents an attractive opportunity for investors and venture capitalists, thanks to the country's robust domestic market, advanced chemical industry, skilled workforce, and stringent quality and manufacturing standards. The Indian government's support and initiatives, such as the production-linked incentive (PLI) scheme,



will reduce India's dependence on Chinese imports and make the market even more lucrative. With the increasing consumer spending power, the Indian nutraceuticals market is expected to experience even more substantial growth in the coming years, making it a force to be reckoned with in the global industry.

Growth drivers



Personalization

Nutraceuticals are no longer viewed as a one-size-fits-all solution. Thanks to advancements in digital technology, nutraceutical brands can now offer high-quality and effective supplements tailored to individual needs. For instance, Indians are often deficient in Vitamin D, despite ample sunlight. Nutraceuticals can be used to address specific health issues and support overall physical and mental wellness, making them an integral part of modern healthcare.



Clean Nutrition

Consumers today want clean and transparent alternatives to traditional supplements. They demand brands to be clear about the ingredients used and the scientific evidence behind them. The industry is responding to this by investing heavily in research and development, leading to cleaner, more effective products.



Innovation

Nutraceutical brands are leveraging technology and innovation to improve the customer experience. Millennials and Gen Z consumers, in particular, need supplements that can fit into their busy lifestyles. The industry is responding to this by offering supplements in various forms such as tablets, gummies, and chewable forms, that can be consumed on-the-go. Additionally, nutraceutical brands are focused on creating an immersive experience that educates consumers about what they are consuming.

Sources:

- <https://foodprocessingindia.gov.in/newsletter/emailer/two#:~:text=Indian%20Nutraceutical%20Market%20Stats&text=It%20is%20expected%20to%20reach,share%20of%20the%20global%20market.>
- <https://timesofindia.indiatimes.com/blogs/voices/nutraceuticals-market-in-india-outlook-for-the-future/>

Company overview

Natural Capsules Limited (NCL) stands as an illustrious hard capsules shell manufacturer, who pioneered the manufacturing of vegetarian capsules in India and holds the position of the second largest Indian manufacturer for gelatin capsules. In 1993, NCL was incorporated as a Public Limited Company in Bengaluru and expanded its operations to Puducherry in 2003, further cementing its position as a trusted brand in the industry. With the successful foray into API manufacturing under its subsidiary, Natural Biogenex Private Limited, the Company now boasts two distinct business verticals - Capsules and API manufacturing.

Capsules

Natural Capsules Limited (NCL) has set a new standard in the capsules business, propelling the industry to unprecedented heights through an unwavering commitment to process innovation. This unwavering dedication has resulted in a manufacturing capacity that is unparalleled, reducing turnaround time, rejection rates, and enhancing power efficiency. NCL has undertaken a prudent capital expenditure, resulting in significant infrastructure improvements that have led to an almost threefold increase in production, making it poised to capture the market share. The Company's facilities are equipped with dedicated manufacturing lines, each adhering to strict procedures, and functioning as an independent unit to eliminate the risk of cross-contamination.

APIs

NCL's most recent endeavour, the API vertical, has been established with the objective of serving the domestic market as an import substitute. By bringing this segment to fruition, NCL has become one of the few Indian companies to enter into the bulk drug production using fermentation technology right from KSMs, opening new avenues for growth and expansion. The Company has taken a bold step by choosing to manufacture steroidal APIs, an area in which India previously had no manufacturing base, positioning NCL as a pioneer in the field, and poised to capitalise on the market's potential. This vertical is projected to be a key driver of profitability for the Company in the near future. NCL, via its subsidiary will be producing a range of APIs, with the first 3 of the product offerings falling under the ambit of PLI scheme.

Key offerings

- 01 Hard gelatin capsules
- 02 HPMC (Vegetarian capsules)
- 03 other variants of hard capsules

Key offerings

- 01 Prednisolone & Derivative Salts
- 02 Betamethasone & Derivative Salts
- 03 Dexamethasone & Derivative Salts
- 04 Hydrocortisone & Derivative Salts



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As the Company moves into a new fiscal year, it remains focused on developing its human capital while attracting and retaining the best talent in the industry. NCL's commitment to fostering a healthy and cordial work environment that encourages personal growth and skill-building among its employees is unwavering. To this end, the Company continues to conduct regular training workshops that enhance the capabilities of the workforce. Furthermore, the Employee Stock Option scheme aims to incentivize retention while enabling employees to share in the Company's financial growth. With a motivated and engaged workforce, the Company remains confident in its ability to deliver value to all the stakeholders and capitalise on the many opportunities that lie ahead. As of March 31, 2023, the Company is home to more than 250 employees.

Internal control systems and their adequacies

NCL's prudent and watchful management ensures that the Company's Internal Control System is sufficient to meet its operational needs. The Company's management has the overarching responsibility to safeguard NCL's assets and ensure the accuracy and reliability of its financial records. To guarantee that NCL is always up to the task, it has enlisted the assistance of a skilled Independent Chartered Accountant to perform an internal audit and validate the recording and reporting of transactions.

The Internal Control System also guarantees that all transactions are authorised, recorded, and reported properly, and that measures are taken to upgrade the control system continually. NCL conducts regular asset protection exercises and takes measures to prevent unauthorised use. Additionally, the Audit Committee performs a comprehensive review of all financial statements and ensures the sufficiency of the internal control systems. The Company has further implemented a comprehensive CCTV Surveillance system that monitors the entire factory premises to protect against material loss and safety breaches. These efforts are continually monitored and assessed by the management, who implement improvements as necessary to ensure the effectiveness of the Internal Control System.

Cautionary statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Outlook

In FY24, the Company anticipates a resurgence in demand and realisations in the capsule vertical after the gradual conclusion of the destocking phase. The forthcoming commercialisation of HPMC capsules, targeting the thriving nutraceutical products market, is expected to drive growth in the capsule vertical, offering higher realisations and margins. While the API vertical may not contribute significantly to the bottom line in FY24, NCL remains confident that the robust growth in the capsules vertical will offset any temporary setbacks from the API vertical. The Company remains focused on scaling up operations and implementing a strategic product-wise expansion plan to ensure seamless production and capitalise on emerging opportunities in the API vertical.

Key financial ratios

Particulars	₹ In crores		
	FY22	FY23	Change
Interest coverage ratio	12.46	10.28	(17.5%)
Inventory turnover ratio	22.56	23.39	3.65%
Debtors' turnover ratio	5.1	4.4	(13.76%)
Current ratio	1.63	1.52	(6.75%)
Debt equity ratio	98%	94.75%	(3.32%)
Operating profit margin (%)	18.79%	20.33%	8.20%
Net Profit Margin (%)	10.30%	10.70%	3.88%

Human resources

Natural Capsules Limited (NCL) believes that its people are the lifeblood of the organisation. As a Company operating in an industry that values efficiency and innovation, it recognizes the importance of having a skilled and motivated workforce that is committed to driving the Company's growth. Its employees not only contribute to the success of NCL's processes and management, but also drive intellectual growth within the Company.

Corporate Information

BOARD OF DIRECTORS:

Shri C.P Rangachar	: Chairman & Independent Director
Shri Laxminarayan Moondra	: Whole Time Director
Shri Sathyanarayana Mundra	: Whole Time Director
Shri Sunil Laxminarayana Mundra	: Managing Director
Shri S. G. Belapure	: Independent Director
Shri Pramod Kasat	: Independent Director
Shri Sushil Kumar Mundra	: Director
Smt. Jyoti Mundra	: Director
Smt. Shilpa Burman	: Company Secretary & Compliance Officer
Shri R K Prasad	: Chief Financial Officer

Bankers	: M/s State Bank of India Commercial Branch Bengaluru.
	: HDFC Bank No. 56. Sai Arcade, opp. Intel, Marathahalli, Sarjapur Ring Road, D. B. Halli, Bengaluru-560103

Secretarial Auditor	: R Parthasarathy
Statutory Auditor	: M/s P Chandrasekar LLP

Registered Office	: M/s Natural Capsules Limited Trident Towers, 4 th Floor, No. 23 100 Feet Road, Jayanagar II Block Bengaluru-560011 CIN: L85110KA1993PLC014742 company.sec@naturalcapsules.com
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Registrar and Share Transfer Agents	: M/s Cameo Corporate Services Limited Subramanian Building, No. 1 Club House Road, Chennai-600 002 Email Id: Kandhimathi@cameoindia.com
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Notice

Notice is hereby given to all the members of the Company, that the **30th Annual General Meeting** of Natural Capsules Limited will be held on Friday, July 28, 2023 at 11.00 AM through video conferencing ("VC"), or Other Audio Visual Means ("OAVM") at the registered office of the Company at **Trident Towers, 4th Floor, No. 23 100 Feet Road, Jayanagar II Block Bengaluru-560011**, to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Consolidated and Standalone Audited Financial Statements for the Financial Year ended March 31, 2023 together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the Financial Year 2022-23.
3. To appoint a director in the place of Shri Sathyanarayana Mundra (DIN: 00214349), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in the place of Shri Sushil Kumar Mundra (DIN: 00214332), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To consider reappointment of Shri Laxminarayana Moondra (DIN: 00214298) Was Whole time Director for a term of 3 years and to revise his remuneration:**

To consider and if thought fit, to convey assent or dissent to the following **Special Resolution**:

"RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time), SEBI (Listing obligation & Disclosure Requirements) Regulations 2015, Clause 92 and Clause 95 of the Company's Articles of Association and as recommended by the Nomination and Remuneration Committee and the Board, the consent of the Members be and is hereby accorded for re-appointment of Shri Laxminarayana Moondra as a Whole time Director of the Company for a period of 3 years with immediate effect, on the same terms and conditions of the earlier agreement except that his remuneration shall be as per the following details furnished hereunder:

1. Salary of ₹ 3,20,000/- Per month on the scale of pay of ₹ 3,20,000-20,000-3,60,000
2. Car with the driver for official work
3. Medical re imbursement for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family
5. PF and Gratuity as applicable to the other officers of the Company

RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/inadequate profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible limit as per Schedule V.

RESOLVED FURTHER THAT the Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this Resolution."

6. **To consider Revision in Remuneration of Shri Sunil Laxminarayana Mundra (DIN: 00214304):**

To consider and if thought fit, to convey assent or dissent to the following **Special Resolution**:

"RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (amended from time to time), SEBI (Listing obligation & Disclosure Requirements) Regulations 2015, Clause 92 and Clause 95 of the Company's Articles of Association, subject to the approval of members and such other approvals as may be required, the remuneration of Mr. Sunil L Mundra, Managing Director of the Company, be and is hereby revised wef. 01.04.2023 for the remaining period of his tenure and shall be as per the following terms:

1. Salary of ₹ 4,50,000/- Per month on the scale of pay of ₹ 4,50,000-25,000-5,00,000
2. Car with the driver for official work
3. Medical re imbursement for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family
5. PF and Gratuity as applicable to the other officers of the Company
6. 1% commission on net Profit

RESOLVED FURTHER THAT the aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/inadequate profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible limit as per Schedule V and that the commission will not be paid.

RESOLVED FURTHER THAT the Managing Director/ Company Secretary be and is hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. To Consider and approve Related Party transactions with subsidiary , Natural Biogenex Private Limited

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof), approval of the Members of the Company be and is hereby accorded to enter into any contract/arrangement/transactions with ‘Natural Biogenex Private Limited’ (Subsidiary of the Company), the value of which not exceeding ₹ 25 crores for a period from October 01, 2023 to March 31, 2024, as per the details provided in the Explanatory Statement attached to this Notice, and on such terms and conditions as may be decided by the Board of Directors of the Company, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to settle any question, difficulty or doubts that may arise and to do all such acts, deeds and things as may be necessary, usual, proper or expedient in this regard.”

8. To Increase Company’s Borrowing Powers upto ₹ 200 crores:

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder and any other applicable laws and provisions of Articles of Association of the Company, the consent of the

Members be and is hereby granted to borrow such sum of moneys, extension of corporate guarantee from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company/ its subsidiaries, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹ 200 crores (Rupees Two Hundred Crores Only)

RESOLVED FURTHER THAT the Managing Director and the Company Secretary be and is hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

9. To Provide Corporate Guarantee upto ₹ 200 crores:

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of 180(1)(a) and other applicable provisions if any of the Companies Act 2013, rules framed thereunder including any statutory modifications are reenactments thereof and any other applicable laws, the consent of the Board (Subject to shareholders approval) be and is hereby granted to Mortgage/Hypothecate and or charge all or any part of Company’s movable/ immovable property/s, including Land and Building situated at Company’s Factories at different place/s to Banks/Financial Institutions and any other lender for securing the borrowings of Company/it’s subsidiary, M/s. Natural Biogenic Private Limited, provided that the aggregate indebtedness secured by the assets of the Company does not exceed ₹ 200 crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT Mr. Sunil L Mundra, Managing Director and Mr. Laxminarayana Moondra, Whole time Director of the Company be severally authorized to take all steps necessary for giving effect to this resolution.”

By ORDER OF THE BOARD

Place: Bangalore
Date: July 04, 2023

Shilpa Burman
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act"), Secretarial Standard-2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28, 2022, May 05, 2022, December 14, 2021 read with circulars dated January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI vide its circulars dated January 05, 2023, May 13, 2022 read with January 15, 2021 and May 12, 2020 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 30th AGM of the Company is being held through VC / OAVM. The Members can attend and participate in the 30th AGM through VC/ OAVM.
3. The register of members and share transfer books will remain closed from July 21, 2023 to July 28, 2023 (both days inclusive) for determining the members entitled to receive dividend for the financial year ended March 31, 2023. Subject to the provisions of the Companies Act, 2013, dividend if approved by the shareholders will be payable on or after July 28, 2023 and will be paid to those shareholders whose names appear in the Company's Register of Shareholders as on July 20, 2023. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). HDFC Bank Limited has been appointed as the banker for the payment of dividend to the shareholders.
4. Members are requested to register/update mandate for receiving the Dividend electronically and to note the following:
 - a. Members holding shares in physical form are requested to register or intimate any change in their address, name, bank details, ECS Mandates, nominations, Power of Attorney etc. to the Company's Registrar and Transfer Agent (RTA), Cameo Corporate Services Limited, Subramanian Building, No. 1 Club House, Road, Chennai-600 002 (kandhimathi@cameoindia.com). Kindly quote the ledger folio number in all your correspondence. For updation of the Bank Account details/ mandate, kindly send the scan copy of a signed request letter mentioning therein the name, folio number, Bank Account details, self-attested copy of PAN Card and a cancelled cheque leaf with pre-printed name of the Member (first shareholder) of the Company, to the RTA.
 - b. Members holding shares in dematerialized form are requested to register or intimate any change in their address, name, bank details, ECS mandates, nominations, Power of Attorney etc. to their respective Depository Participants (DPs) only. Kindly quote client ID and DP ID numbers in all your correspondence.
5. Members who have not claimed/received their dividend paid by the Company in respect of earlier years are requested to write to the Company's Registrar and Transfer Agent, Cameo Corporate services Limited. Members are requested to note that in terms of Section 125 of the Companies Act, 2013, any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). The details of the unclaimed dividends and the underlying shares that are liable to be transferred to IEPF are also available at the Company's website – www.naturalcapsules.com. In view of this, members/ claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members whose unclaimed dividends/shares have been transferred to IEPF may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 is available on www.iepf.gov.in
6. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents, M/s. CAMEO CORPORATE SERVICES LIMITED, Subramanian Building, No 1, Club House Road, Chennai – 600002 or to the Company at its Registered Office at Trident Towers, 4th Floor, No. 23, 100 Feet Road, Jayanagar II Block, Bengaluru-560011.
7. The 30th Annual Report along with Notice of the AGM including general guidelines for participation at the 30th AGM through VC/OAVM, procedure for remote e-Voting including during the AGM, is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depository. The same has also been uploaded on the website of the Company, i.e. www.naturalcapsules.com. To support the 'Green Initiative' and in accordance with the MCA Circulars and SEBI Circular, copy of the Annual Report is being sent only through emails to the Members of the Company. Members who have not registered their email addresses are requested to register the same with the Company or with the R&T Agent/respective Depository Participant(s).
8. Corporate Members intending to attend the meeting through VC/OAVM are requested to send

a scanned copy of the certified true copy of Board Resolution/Power of Attorney from the Corporate Member's registered email address authorizing their representatives to attend the AGM on their behalf, at the email ID, company.sec@naturalcapsules.com. Further, the Corporate Members are requested to also state the Client ID/DP ID in which the Company's shares are held.

9. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility. The Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, has made it mandatory for the shareholders/Members holding securities in physical form to furnish PAN, KYC details and Nomination to the Registrar and Transfer Agent ('RTA') of the Company. The folios wherein any one of the cited document/details are not available on or after April 01, 2024, shall be frozen by the RTA of the Company. In this regard, the letter was sent to the concerned Members at the registered address available, and the brief process to update along with relevant forms are available on the website of the Company (<http://www.naturalcapsules.com/pages/bes-compliance>)
10. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited (NSDL) and instructions for e-Voting are given herein below. A resolution passed by members through e-Voting is/are deemed to have been passed as if they've been passed at the AGM.
11. Members may also note that the Notice of the 30th AGM of Natural Capsules Limited and the Annual Report 2022-23 will be available on the Company's website: www.naturalcapsules.com
12. Additional information, as per SEBI (LODR) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM is furnished as annexure to the Notice. The directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules framed thereunder.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Company's Registrar and Transfer Agent. As per

Regulation 40 of SEBI listing Regulations (as amended), request for effecting transfer of securities, except in case of transposition or transmission of securities shall not be processed effective from April 01, 2019 unless the securities are held in dematerialized form. Hence, the Members holding equity shares of the Company in physical form are requested to take action to dematerialize the same promptly.

14. The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the Company has already paid the annual listing fees for the Financial Year 2023-24 to BSE as well as custodian fees to the National Securities Depository Limited and Central Depository Services (India) Limited within the prescribed time.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection during the AGM electronically.
16. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 30th Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company Secretary (Email ID: company.sec@naturalcapsules.com) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
17. Members may note that pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to company.sec@naturalcapsules.com by 06.00 p.m. IST on July 20, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email company.sec@naturalcapsules.com. The aforesaid declarations and documents need to be submitted by the shareholders by 06.00 p.m. IST on July 20, 2023.

18. General instructions for accessing or participating at the 30th AGM through Electronic Means (VC/OAVM):
- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
 - b) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 - d) Pursuant to the SEBI Circular dated May 13, 2022, the requirement of sending proxy forms under Regulation 44 (4) of the Listing Regulations is dispensed with up to December 31, 2022, in case of general meetings held through electronic mode only. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM being conducted through VC/OAVM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or Body Corporates can attend the AGM through VC/OAVM and cast their votes through e-Voting, subject to the applicable conditions.
 - e) Notice calling the AGM has been uploaded on the website of the Company at www.naturalcapsules.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
 - f) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 10/22 dated December 28, 2022.
 - g) As provided in the MCA General Circular No. 10/22 dated December 28, 2022, the MCA has allowed the companies whose AGMs are due in the year 2023 to conduct their AGMs on or before September 30, 2023 in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2022 i.e. conduct AGMs through VC/OAVM.
 - h) The recorded transcript of the 30th AGM shall be made available on the website of the Company.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-Voting period begins on July 24, 2023 at 10:00 A.M. and ends on July 27, 2023 at 05:00 P.M. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. July 20, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being.

How do I vote electronically using NSDL e-Voting system?




The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their 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 www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 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 link in www.cdslindia.com home page. 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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. NSDL and CDSL.

Login type	Helpdesk details
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.: 022-48867000, 022-24997000 and 1800 22 55 33
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 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to csdeepak.sadhu@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Falguni Chakraborty at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to company.sec@naturalcapsules.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (company.sec@naturalcapsules.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of **“VC/OAVM link”** placed under **“Join General meeting”** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company.sec@naturalcapsules.com). The same will be replied by the Company suitably.

Explanatory Statement to Section 102(2) of the Companies Act, 2013:

Item No. 5: To consider reappointment of Shri Laxminarayana Moondra (DIN: 00214298) as Whole time Director for a term of 3 years and to revise his remuneration:

Shri Laxminarayana Moondra aged about 82 years, is Promoter and Whole time Director of the Company and considering his immense contribution to the progress of the Company since inception, knowledge on various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that his continuance as Whole time Director on the terms as stated in the resolution is necessary.

His reappointment is duly approved by both the Board and Nomination and Remuneration & Compensation Committee

In terms of the provisions of the companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee, the Board and the Board of Directors have at their meeting held on May 26, 2023 recommended his re-appointment as Whole time Director of the Company for further period of 3 years w.e.f. August 20, 2023 on the same terms and conditions of the earlier agreement except that his remuneration shall be as per the following terms:

1. Salary of ₹ 3,20,000/- Per month on the scale of pay of ₹ 3,20,000-20,000-3,60,000
2. Car with the driver for official work
3. Medical re imbursment for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family.
5. PF and Gratuity as applicable to the other officers of the Company.

The aforesaid remuneration shall be construed as minimum remuneration in the absence of profits/inadequate profits, except that the overall remuneration including perquisites will be restricted to the maximum permissible limit as per schedule v.

Except the promoter directors, none of the other directors/Key Managerial Personnel of the Company and their relatives, is/are in any way concerned/interested in the resolution set out at item No. 5 of the accompanying Notice of the AGM.

The board recommends the passing of the resolution as set out at Item No. 5 Notice of the AGM as a **Special resolution.**

Item No. 6: To consider Revision in Remuneration of Shri Sunil Laxminarayana Mundra (DIN: 00214304):

Shri Sunil Laxminarayana Mundra, is Promoter and Managing Director of the Company and considering his immense contribution to the progress of the Company since inception, his qualification and experience, knowledge on various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that his it is necessary to revise his remuneration on the terms as stated in the resolution.

His revised remuneration is duly approved by both the Board and Nomination and Remuneration & Compensation Committee

In terms of the provisions of the companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee, the Board of Directors have at their meeting held on May 26, 2023, revised his remuneration wef. April 01, 2023 for the remaining period of his tenure as under:

1. Salary of ₹ 4,50,000/- Per month on the scale of pay of ₹ 4,50,000-25,000-5,00,000
2. Car with the driver for official work
3. Medical re imbursment for self and dependent family members not exceeding 1 month's Salary in a year or 3 month's salary in block of 3 years
4. LTC once in a year not exceeding 1 month's salary for self and dependent family.
5. PF and Gratuity as applicable to the other officers of the Company.
6. 1% commission on Profit

Except the promoter directors, none of the other directors/Key Managerial Personnel of the Company and their relatives, is/are in any way concerned/interested in the resolution set out at item No. 6 of the accompanying Notice of the AGM. The board recommends the passing of the resolution as set out at Item No. 6 of the Notice of the AGM as a **Special resolution.**

Item No. 7: Related Party transactions with subsidiary, Natural Biogenex private Limited

Pursuant to the provisions of Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) ("Act"), approval of the Members of the Company is required for the Related Party Transactions on account of the sales, purchase or supply of any goods or materials amounting to 10% of the turnover of the Company, only if

the transaction is either not in ordinary course or not at an arm's length basis i.e. the Act provides for an exemption from obtaining the approval, in case such transactions are entered into the ordinary course of business and at arm's length basis.

As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended) ("SEBI Listing Regulations"), approval of the Members of the Company is required in case of material Related Party Transactions. As per the SEBI Listing Regulations, a transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1000 crores or 10% of the annual consolidated

turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. The proposed transaction limit of the Company with the - M/S Natural Biogenex Private Limited shall exceed the limits prescribed under the SEBI Listing Regulations for material Related Party Transactions. The proposed transaction of the Company with M/S Natural Biogenex Private Limited to be in the ordinary course of business of the Company and should be on an arms' length basis. However, there may be some transactions that may be done in the interest of the Company based on the justification provided below. Hence, inter alia, in view of the aforementioned provisions and as it's a material Related Party transaction under the SEBI Listing Regulations, approval of the Members of the Company for the proposed transactions, with M/S Natural Biogenex Private Limited is being obtained.

The disclosures and particulars of related party contracts, arrangements or transactions as required to be given under the provisions of the Act and the SEBI Listing Regulations are as follows:

Name of the Related Party	Natural Biogenex Private Limited
Name of Directors or Key Managerial Personnel who is related	Sunil L Mundra & Laxminarayana Moondra (Directors in holding Company)
Nature of Relationship	Subsidiary
Material terms of the contract/arrangement/transactions	Investment in subsidiary by way of unsecured loan at SBI rate of Interest
Monetary value and period of approval	₹ 25 crores (Period October 2023 to March 2024)
Justification for why the proposed transaction is in the interest of the listed entity	Since it is a subsidiary of listed Company, it will increase consolidated top-line and bottom line of the listed entity.
Summary of the information provided by the management of the Company to the Audit Committee	Listed entity will provide unsecured loan to the extent of ₹ 25 crores to subsidiary Company.
A copy of the valuation or other external party report, if any such report has been relied upon	NA
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	10%
Any other information relevant or important for the Members to take the decision on the proposed resolution	It will increase the shareholders wealth in long term.

The Board of Directors of the Company recommends the resolution set out at Item No. 7 to be passed as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their Relatives are concerned or interested financially or otherwise in the resolution, except as mentioned above.

Item No. 8: To Increase Company's Borrowing Powers upto ₹ 200 crores:

Keeping in view the existing and future financial requirements to support its business operations and that of its subsidiary viz., Natural Biogenex, the Company is likely to need additional funds and non-funded requirements including extension of Corporate guarantee/s to its and subsidiary's borrowings. For this purpose, the Company may,

from time to time, raise finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company.

Hence it is proposed to increase borrowing limits to ₹ 200 crores. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. Hence, the Special Resolution at Item No.8 of the

Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act.

The Directors recommend the Special Resolution as set out at Item No. 8 of the accompanying Notice, for members' approval. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholdings if any in the Company.

Item No. 9: To Provide Corporate Guarantee upto ₹ 200 crores:

Consequent to the Increase in Borrowing powers and also considering the need for securing the borrowings of the Company and its Subsidiary to match with increased borrowing Powers, it would be necessary to extent Mortgage/Hypothecation of Company's properties/Assets situated at different locations from time to time to lenders including Banks and Financial Institutions. This requires approval of Share Holders as stated in the Resolution. Hence Board recommends the same for members approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholdings if any in the Company.

Listing Requirements:

As mandated under Regulation 36(3) of SEBI Listing Obligation and Disclosure Requirements (LODR) Regulation 2015 and Secretarial Standards on General Meetings (SS-2), the required details are given below:

Information Relating to Re-Appointment of Whole time Director and Director/s Retiring by Rotation & Seeking Reappointment:

Name	Shri Sathyanarayana Mundra	Shri Laxminaryan Moondra	Shri Sushil Kumar Mundra
Age	72 Years	82 years	53 Years
Date of Birth	April 22, 1951	April 27, 1941	September 03, 1969
Date of Appointment	September 20, 1993	June 01, 2011	August 27, 2015
Purpose	Retiring director seeking re-appointment	Retiring director seeking re-appointment	Retiring director seeking re-appointment
Type of Business and Resolution	Ordinary Business – Ordinary Resolution	Special Business – Special Resolution	Ordinary Business – Ordinary Resolution
DIN	00214349	00214298	00214332
Qualification	Graduate	B.Com	B.Com
Expertise and Experience	About 29 years of experience as businessman.	33 years of experience in Banking, Finance, Human Resource and Management	About 33 years of experience in Pharmaceutical & API projects
Brief Resume	Shri Satyanarayana Mundra serves as Whole Time Director of Natural Capsules Limited. He is responsible for quality control of products.	Mr. Laxminarayana Moondra serves as Whole Time Director of Natural Capsules Limited. He is a Commerce graduate. He advises the Company on matters relating to finance, management and control of human resource	Shri Sushil Mundra serves as non-executive director of Natural Capsules Limited
Committee Membership In Listed Entities	-	1. Stakeholder's Relationship Committee 2. Share Transfer Committee 3. Performance & performance Evaluation Committee	CSR Committee

Name	Shri Sathyanarayana Mundra	Shri Laxminaryan Moondra	Shri Sushil Kumar Mundra
Directorship in Companies	1. Natural Capsules Limited 2. Nandi Synthetics Private Limited 3. Square Plus Life Sciences Private Limited	1. Natural Capsules Limited 2. Tajos Investments Private Limited 3. Square Plus Life Sciences Private Limited 4. Natural Biogenex Private Limited	1. Natural Capsules Limited 2. Tajos Investments Private Limited 3. Natural Phyto Pharma Private Limited 4. Square Plus Life Sciences Private Limited
Share Holdings in The Company as on March 31, 2023	184882 equity shares of ₹ 10/- each	240441 equity shares of ₹ 10/- each	509012 equity shares of ₹ 10/- each

Relationship amongst Promoter Directors and Other Directors:

Sr. No.	Name of Promoter Director	Other Promoter Director	Relationship Between Director and other Directors
1.	Shri Laxminarayana Moondra	Sri Sathyanarayan Mundra	Brother
		Sri Sunil L Mundra	Son
		Sri Sushil Kumar Mundra	Son
2.	Shri Sathyanarayana Mundra	Sri Laxminarayana Moondra	Brother
		Sri Sunil L Mundra	Brother's Son
		Sri Sushil Kumar Mundra	Brother's Son
3.	Shri Sushil Kumar Mundra	Sri Laxminarayana Moondra	Father
		Sri Sathyanarayan Mundra	Father's Brother
		Sri Sushil Kumar Mundra	Brother
4.	Shri Sunil L Mundra	Sri Laxminarayana Moondra	Father
		Sri Sathyanarayan Mundra	Father's Brother
		Sri Sushil Kumar Mundra	Brother
5.	Smt. Jyoti Mundra	Sri Sunil L Mundra	Husband
		Sri Laxminarayana Moondra	Husband's Father
		Sri Sathyanarayan Mundra	Husband's Uncle
		Sri Sushil Kumar Mundra	Husband's Brother
6.	Shri CP Rangachar, Chairman and Independent Non-Executive Director	There is no Inter-se relationship among executive directors and Independent Non-Executive Directors	
7.	Shri S. G. Belapure, Independent Non-Executive Director		
8.	Shri Pramod Kasat, Independent		

Director's Report to the Members:

Your Directors have pleasure in presenting their 30th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2023.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2023 is summarized here below:

(₹ In Lacs)

Particulars	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Gross Sales	20,525.52	15,669.51	20,476.14	15,669.51
Less: GST	3,238.72	2,163.01	3,238.72	2,163.01
Net Sales	17,286.80	13,506.50	17,237.42	13,506.50
Other Income	106.59	93.41	56.54	101.48
Total	17,393.39	13,599.91	17,293.96	13,607.98
Profit before depreciation & taxation	3,294.09	2,446.49	3,220.08	2,442.69
Less: Depreciation	719.61	503.84	720.81	504.04
Less: Provision for Current Tax	545.77	474.30	545.77	474.30
Less: Prior Period Adjustment	-	-	-	-
Less: Deferred Tax Liability	108.88	72.96	108.88	72.96
Add: Exceptional Items-Income/(Exp.)	-	-	-	-
Add: Other Comprehensive Income/(Exp.)	(6.48)	(19.76)	(6.48)	(19.76)
Profit after taxation	1,913.35	1,375.62	1,838.14	1,371.63
Add: Balance b/f from previous year	5,585.92	4,272.62	5,578.44	4,269.14
Surplus available for appropriation	7,499.27	5,648.24	7,416.58	5,640.77
Appropriations	-	-	-	-
General Reserve	-	-	-	-
Proposed Dividend	92.76	70.12	92.76	70.12
Tax on Dividend	-	-	-	-
Additional depreciation on fixed asset as per Companies Act, 2013	-	-	-	-
Balance carried to Balance sheet	7,406.51	5,578.12	7,323.82	5,570.65

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in nature of business for the period under review.

TRANSFER TO RESERVES:

The Company does not propose to transfer any amount to the General Reserves.

DIVIDEND:

Based on the performance of the Company and the need for conservation of internal accruals, while maintaining the dividend for the shareholders, your Directors are pleased to recommend a final dividend of ₹ 1.00 per equity share at the rate of 10% subject to the approval of members. The dividend, if approved by the Members, will result in the out flow of ₹ 92.76 from the Company in addition to ₹ Nil Lacs by way of dividend distribution tax. Dividend if declared will be paid to the Members whose names appear in the Register of Members as on the record date.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND & TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of the Companies Act, any unclaimed or unpaid Dividend relating to the financial year 2015-16, will be transferred to the Investor Education and Protection Fund established by the Central Government, after the conclusion of 30th Annual General Meeting.

Pursuant to Section 124(6) of the Companies Act, 2013 all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more has been transferred to IEPF. Further shares required to be transferred to IEPF for the financial year 2015-16 to 2022-23 will be transferred as per the provisions of the Act.

The details of the said shares transferred are provided on the website of the Company at <http://www.naturalcapsules.com/pages/bes-compliance.html>

SHARE CAPITAL:

During the year under consideration, there was change in the paid up capital. During December 2022, the Company had issued rights shares of 31,16,350 partly paid equity shares face value of ₹ 10/- each for cash at a price of ₹ 100/- each right equity share including premium of ₹ 90/- per rights equity shares, resulting into change in equity share capital to ₹ 9,27,55,360/- Comprising of 92,75,536 Equity Shares of ₹ 10/- each fully paid as on March 31, 2023.

STATUS OF EXPANSION & API PROJECTS:

During the year the company has installed 2 high speed capsule making machine at Bengaluru unit, resulting in increase of installed capacity of the company from 16.02 billion to 19.5 billion capsules per annum.

Construction is in full swing in the API project of the company which is being implemented by its subsidiary M/s Natural Biogenex Pvt Ltd. We are expecting to start the trial productions by 3rd quarter of the financial year 2023-24.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return is uploaded on the website of the Company web link www.naturalcapsules.com

Board Meetings and Its Committees Conducted During The Period Under Review:

Board Meeting No.	Date of Board Meeting	Board Strength	No. of Director's Present
145 th	Monday, May 09, 2022	8	7
146 th	Wednesday, August 10, 2022	8	5
147 th	Thursday, August 25, 2022	8	8
148 th	Friday, October 28, 2022	8	8
149 th	Monday, February 13, 2022	8	8
150 th	Friday, March 24, 2022	8	8

Further details of the same have been enumerated in the Corporate Governance Report annexed in **Annexure - 5** to this report.

DEPOSITS:

Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has given corporate guarantees of ₹ 48/- crores to its subsidiary M/s Natural Biogenex Private Limited covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by Company are given in the notes to the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal financial controls means the policies and procedures adopted by the Company 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; The Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. The systems are periodically reviewed for identification of control deficiencies and formulation of time bound action plans to

improve efficiency at all the levels. The Audit Committee of the Board constantly reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the Company and recommendations made for corrective action through the internal audit reports. The Committee reviews the statutory auditors' report, internal audit reports, secretarial audit reports, project reports, quarterly budgets, significant processes and accounting policies and other key issues from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that –

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards;
- 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 profit of the Company for that period;
- They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) They have prepared the annual accounts on a going concern basis;
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively. Based on the framework of internal financial controls established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2023;
- (f) They have duly complied with Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) from time to time.

INFORMATION PERTAINING TO AUDITORS AND OTHER ALLIED MATTERS:

Details In Respect of Frauds Reported By Auditors under Section 143(12) Other Than Those Which Are Reportable To the Central Government

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

EXPLANATION AND COMMENTS ON AUDITOR REPORTS:

The reports of the Statutory Auditors (annexed elsewhere in the Annual Report) and that of the Secretarial Auditors (annexed hereto as **Annexure – 2**) and the explanations on the observations of Secretarial Audit Report is given below:

Comments/Observations of the Secretarial Auditor:	Company's Response/ Explanations:
Few shareholders holding 400 equity shares belonging to promoters group is yet to demat their shares.	Company is in process for getting the shares dematerialized

STATUTORY AUDITORS:

M/s P. Chandrasekar LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of five consecutive years at the **29th Annual General Meeting** held on **September 20, 2022**. However with the advent of Companies (Amendment) Act, 2017 the requirement of annual ratification of the appointment of the Statutory Auditors of the Company by the shareholders at the Annual General meeting has been done away with.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) the Company has appointed Shri R. Parthasarathy, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure - 2**.

COST AUDITORS:

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 (as amended from time to time) is currently not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

DECLARATION OF INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to act as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

DIRECTORS:

Shri Sushil Kumar Mundra and **Shri Sathyanaryana Mundra**, Directors retire by rotation and being eligible, offer themselves for re appointment.

Mr. Laxminaryan Moondra's tenure as Whole time director is ending on 20.08.2023 Considering his immense contribution to the progress of the Company as a promoter and executive director since inception, the Board recommends his reappointment for a further period of 3 years and also to revise his remuneration subject to the approval of members.

During the year under consideration All independent directors have given declarations that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. All Directors have given declaration relating to compliance with code of conduct.

NOMINATION AND REMUNERATION & COMPENSATION COMMITTEE AND POLICY:

As per the requirements of the provisions of the Companies Act, 2013, a Nomination and Remuneration & Compensation Committee of Directors was constituted by the Board of Directors and the details of the Members of the Committee are disclosed elsewhere in this Annual Report. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on Director's appointment and remuneration including criteria for determining qualification, positive attributes, independence of a Director and other matters provided under sub-section(3) of Section 178. The said Policy is available on the website of the Company, various web links of the Company's policy is detailed under the head Policy.

RELATED PARTY TRANSACTIONS:

During the financial year ended March 31, 2023, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on 'arm's length' basis and were in compliance with the applicable provisions of the Companies Act, 2013, read with Regulation 23 of SEBI (LODR), 2015.

The Policy on Related Party Transactions (including the revised policy applicable for related party transactions effective April 01, 2019), is available on the Company's website and can be accessed at <http://www.naturalcapsules.com/pdf/policy-on-related-party-transactions.pdf>

All related-party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related-party transactions is placed before the Audit Committee for their noting/approval every quarter. As prescribed by Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of material contracts/arrangements with related parties are given in Form AOC-2, annexed as **Annexure - 1** to this report.

All related party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to the Notes to the financial statements which sets out the disclosure for related party transactions.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There is no any material changes and commitments occurred between the end of the financial year ended as on March 31, 2023 and the date of the report which can affect the financial position of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended from time to time) is attached herewith as **Annexure - 3** to this report.

RISK MANAGEMENT:

The Company follows a comprehensive and integrated risk management process. The risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making and are periodically reviewed and revised by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY:

The CSR Committee members are Shri Pramod Kasat, Shri Sunil L Mundra and Shri Sushil Kumar Mundra. The Annual Report on Company's CSR activities of the Company is furnished in the prescribed format as **Annexure - 4** and attached to this report.

BOARD EVALUATION:

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The performance evaluation was carried out on the basis of inputs received from all the Directors/Members of the Committees, as the case may be.

The Independent Directors of the Company have also convened a separate meeting for this purpose. All the results of evaluation have been communicated to the Chairman of the Board of Directors.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees effectiveness
- Peer evaluation

The evaluation process has been explained in the corporate governance report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

CORPORATE GOVERNANCE:

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis Report and Auditors Certificate regarding compliance of conditions of Corporate Governance provided in **Annexure - 5** in this Report and the same forms part of the Directors' Report.

COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The present Committee members are Mr. CP Rangachar, Mr. Pramod Kasat, Mr. S G Belapure & Mr. Sunil L Mundra, details of which are enumerated in the Corporate Governance

Report. The Company has devised a vigil mechanism in the form of a Whistle Blower Policy in pursuance of provisions of Section 177(10) of the Companies Act, 2013 and the policy is explained in corporate governance report. During the year under review, there were no complaints received under this mechanism.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee has been set up to redress complaints received. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2022- 23.

OTHER DISCLOSURE:

- details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;
- details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
- web link where policy for determining 'material' subsidiaries is disclosed;
- web link where policy on dealing with related party transactions;
- a certificate from a Company secretary in practice 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 Board/Ministry of Corporate Affairs or any such statutory authority.

PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure - 6** to this Report.

NO. OF EMPLOYEES:

31-03-2023				31-03-2022			
PLACE	REGULAR	TRAINEE	TOTAL	PLACE	REGULAR	TRAINEE	TOTAL
HO	29	0	29	HO	25	0	25
UNIT-1	58	0	58	UNIT-1	49	0	49
UNIT-2	85	0	85	UNIT-2	70	0	70
UNIT-3	5	0	5	UNIT-3	9	0	9

EMPLOYEE STOCK OPTION SCHEMES:

Pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 The Company has implemented ESOP Scheme 2018, to reward and retain the qualified and skilled employees and to give them an opportunity to participate in the growth of the Company. These Schemes are administered by the Nomination, Remuneration and Compensation Committee of the Company has been appended as **Annexure - 7** to this Report

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has 2 subsidiaries- M/S Natural Biogenex Private Limited & M/S Natural Phyto Pharma Private Limited.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System commensurate with its size and operations. Management has overall responsibility for the Company's Internal Control System to safeguard the assets and to ensure reliability of financial records. Audit Committee reviews all financial statements and ensures adequacy of internal control systems. The Company has engaged the services of an Independent Chartered Accountant to carry out the internal audit and ensure that recording and reporting are adequate and proper, the internal controls exist in the system and that sufficient measures are taken to update the internal control system. The system also ensures that all transaction are appropriately authorized, recorded and reported. Exercises for safeguarding assets and protection against unauthorized use are undertaken from time to time. The Company has also installed an extensive CCTV Surveillance system to cover the entire factory premises. All these measures are continuously reviewed by the management and as and when necessary improvements are affected.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The **Net Sales** during the year was ₹ 17,237.41 Lacs and your Company could make **Net Profit** of ₹ 1,913.34 after tax.

Annexure - 1

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

Financial Year 2022-23

Subsidiaries

Sr. No.	Particulars	Details
1	Name of Subsidiary	Natural Biogenex Private Limited
2	Reporting period for the subsidiary concerned, if different	FY 2022-23
3	Reporting currency and exchange rate as on the last date of the relevant financial year in case of subsidiaries	INR
4	Share capital	22,22,40,000
5	Reserves & surplus	22,69,84,520
6	Total assets	1,19,69,72,557
7	Total Liabilities	1,19,69,72,557
8	Investments	-
9	Turnover	-
10	Profit/(Loss) before taxation	(2,27,368)
11	Provision for taxation	-
12	Other comprehensive income for the period	-
13	Profit/(Loss) after taxation	(2,27,368)
14	Proposed Dividend	-
15	% of shareholding	89.99%
16	Names of subsidiaries which are yet to commence operations	Natural Phyto Pharma Private Limited
17	Names of subsidiaries which have been liquidated or sold during the year	NA

FORM 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 arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023 which were not at arm's length basis.

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

a)	Name(s) of the related party and nature of relationship	M/s Natural Biogenex Pvt Ltd Subsidiary Company
b)	Nature of contracts/arrangements/transactions	Investment
c)	Duration of the contracts/arrangements/transactions	During April 01, 2022 - March 31, 2023
d)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	September 20, 2022
e)	Amount (₹)	19,99,00,000
f)	Advance (If any)	Nil

For and on Behalf of the Board

Place: Bangalore
Date: May 26, 2023

Sunil L Mundra
Managing Director

Laxminarayana Moondra
Whole Time Director

Annexure - 2

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Natural Capsules Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Natural Capsules Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Natural Capsules Limited (name of the Company's) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 has in general complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Natural Capsules Limited ("the Company") for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (d) The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations, up to September 10, 2018 and SEBI ICDR Regulations, 2018 w.e.f September 11, 2018.

The Company has not dealt with Issue and Listing of Debt Securities, Delisting of Equity Shares, Buyback of Securities and therefore the following regulations are not applicable:

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

- (vi) Company specific Laws as per the representations made by the management;
 - Drug Control Act, 1950
 - Drugs and Cosmetic Act, 1940

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange.

During the period under review and as per the explanations and representations received from the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) During the year under consideration, the Company has not fully spent the amount as prescribed under sec. 135 of the Companies Act 2013 and the rules framed thereunder, relating to Corporate Social Responsibility. However, the unspent amount of CSR has since been transferred to separate unspent

CSR account within the stipulated time. The unspent amount has since been transferred to PM Cares fund during the current financial year as on the date of this report, as per the requirements of the Act and Rules framed thereunder.

- b) Some of the promoter's physical shares to the extent of 400 equity shares are yet to be Dematerialised.
- c) On the basis of information made available, there were some delays in filing of e-forms with additional fees as per information furnished hereunder:
 - (i) CHG-1 for creation/modification of charge dtd. April 06, 2022 was filed on May 17, 2022.
 - (ii) Ratification of charge/modification dtd. June 10, 2022 filed on August 06, 2022.
 - (iii) PAS-3 (Revised) for allotment of shares dtd. December 20, 2021 was filed on July 27, 2022.
 - (iv) PAS-3 for second call dtd. February 09, 2023 on rights issue was filed on March 31, 2023.
 - (v) Form MGT-14 dtd August 25, 2022 relating to Loan from Director was filed on November 17, 2022
 - (vi) IEPF 1 dtd. October 03, 2022 was filed on November 14, 2022.

I further Report that the Compliance by the Company on applicable financial laws such as Direct and Indirect laws, maintenance of financial records and books of accounts have not been reviewed since the same has been subject to review by the Statutory financial Auditors and Tax Auditors.

I further report that based on the information provided and representation made by the Company and on the

basis of Compliance report taken on record by the Board, in my opinion adequate systems and processes exist in the Company to monitor and ensure Compliance with Other applicable laws, rules, regulations and guidelines.

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 during the period under review were carried out in compliance with the provisions of the Act.

In general, 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Meetings recorded, the decisions of the Board were unanimous, and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further Report that during the Audit period,

The Company has issued first and second calls on 31,16,350 equity shares of ₹ 10/- each (partly paid) on rights basis at Premium, as per the provisions of Companies Act, 2013 and SEBI Regulations.

Place: Bangalore
Date: May 26, 2023

R. Parthasarathy
ACS No.: 3667
C P No.: 838
UDIN: A003667E000390427
P/R No.: 768/2020

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE - A

The Members

Natural Capsules Limited**Our report 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 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 that 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 and the applicable financial laws such as Direct and Indirect tax laws have not been reviewed since the same are subject to review under Statutory Audit and Other Audit/s by designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions 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 report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore**Date:** 26.05.2023**R. Parthasarathy**

ACS No.: 3667

C P No.: 838

UDIN: A003667E000390427

P/R No.: 768/2020

Annexure - 3

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo [Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 (as amended from time to time)

A. CONSERVATION OF ENERGY:

- i. Steps taken for conservation of energy: Company has installed heat exchangers with condenser heat and has made conscious efforts to use of LED lights throughout the Factories.
- ii. Steps taken by the Company for utilizing alternate sources of energy rate: Company has installed Concentrated Solar Thermal (CST) and Photo Voltaic (PV) systems to generate the water for its heating systems. Solar panels are also installed for use of same in ensuring continuous generation of hot water and its circulation in the loop.
- iii. Capital investment on energy conservation equipment: Company has invested ₹ Nil for Concentrated Solar Thermal (CST) and Photo Voltaic (PV) systems.

B. TECHNOLOGY ABSORPTION:

- i. Company during the year has installed new vision sorting system indigenously developed by DBDS Robotics Private Limited, Nasik, Maharashtra.
- ii. During the year no new technology was imported.
- iii. Expenditure incurred on Research & Development: ₹ 2,38,87,077/-.
- iv. During the year Company's API R&D centre has developed technology for manufacture of 9OHAD innovative route for which patent has been filed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- i. Foreign Exchange Earnings (₹) 25,81,94,096/-
- ii. Foreign Exchange Expenditure (₹) 14,03,22,049/-

Annexure - 4

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (As amended from time to time), the Company has constituted the Corporate Social Responsibility Committee.

CSR Policy

Our aim is to be one of the respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society. To pursue these objectives we will continue to:

Work actively in areas of eradication of hunger and poverty, provide opportunity and financial assistance for the

promotion of education, provide medical aid to the needy and down trodden. Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals. Interact regularly with stakeholders, review and publicly report our CSR initiatives.

2. COMPOSITION OF CSR COMMITTEE:

The terms of reference of this Committee, assigned by their Board encompasses:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A.
- c. To monitor the CSR policy of the Company from time to time.
- d. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India.

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
1.	Shri Anjan Kumar Roy (till August 10, 2022)	Chairman	4	0
2.	Shri Pramod Kasat	Chairman	4	2
3.	Shri Sunil L Mundra	Member	4	4
4.	Shri Sushil Kumar Mundra	Member	4	4

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: www.naturalcapsules.com

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): **NA**

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 years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2018-19	Nil	Nil
2.	2019-20	Nil	Nil
3.	2020-21	Nil	Nil
4.	2021-22	2,26,966	2,26,966
	Total	2,26,966	2,26,966

6. Average net profit of the Company as per section 135(5): ₹ 10,02,40,587/-

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 20,04,812/-

(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: ₹ 2,26,966/-

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 17,77,846/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
7,35,000	10,43,000/-	30-04-2023	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(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. State District	Project duration	Amount allocated for the Project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name CSR Registration number
1.										
2.										
3.										
Total										

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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. State District	Amount spent in the current financial Year (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name CSR Registration number
1.	NA	Promoting Education	Yes	NA	35,000	Yes	NA NA
2.	NA	Animal Welfare	No	NA	7,00,000	No	Shri Umaid Gaushala CSR 00049890
Total					7,35,000		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 7,35,000/-

(g) Excess amount for set off, if any: Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	20,04,812
(ii)	Total amount spent for the financial year	20,04,966
(iii)	Excess amount spent for the financial year [(ii)-(i)]	154
(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)]	Nil

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 ₹)	Amount spent in the reporting Financial Year (in ₹).	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 ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2018-19	Nil	Nil	NA	Nil	NA	Nil
2.	2019-20	Nil	Nil	NA	Nil	NA	Nil
3.	2020-21	Nil	Nil	NA	Nil	NA	Nil
4.	2021-22	Nil	Nil	NA	Nil	NA	Nil
Total							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing.
1								
2								
3								
Total								

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: **NA****(asset-wise details).**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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): **We were supposed to do the expenditure in Local Area but unable to spend during the financial year and deposited the unspent amount in the Bank A/c specifically opened as per section 135(6). This unspent amount is to be spent by September 2022.**

Sd/-
Sunil L Mundra
(Managing Director)

Sd/-
Pramod Kasat
(Chairman CSR Committee)
(w.e.f. August 10, 2022)

Sd/-
R. K. Prasad
Chief Financial Officer

Annexure - 5

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended **March 31, 2023**, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Your Company has fulfilled all the existing guidelines mandated under SEBI (LODR) Regulations, 2015.

Composition, Category of Directors and their other directorship as on March 31, 2023:

The Board of Directors of the Company (hereinafter referred as "the Board") comprises an optimum combination of Executive and Non-Executive Directors. As on March 31, 2023, the Board comprised 8 (Eight) Directors i.e. 3 (Three) Executive Director and 5 (Five) Non-Executive Directors including 1 woman director, out of which 3 (three) are Independent Directors. The Chairman of the Board is a Non-Executive Director (Independent). The composition of the Board is in line with requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred as the "SEBI Listing Regulations"). The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgment in any manner. Further, in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management. The Board members are eminently qualified and experienced professionals in business, finance and corporate management.

Name of the Director	Category of Directorship	No. of Directorships in Public & Private Companies	DIN
Shri Sunil Laxminarayana Mundra	Executive (Managing Director)	5	00214304
Shri Satyanarayan Mundra	Executive (Whole time Director)	3	00214349
Shri Laxminarayana Moondra	Executive (Whole time Director)	4	00214298
Shri Sushil Kumar Mundra	Non - Executive (Promoter Director)	4	00214332
Mr. Pramod Kasat	Non - Executive (Independent Director)	6	00819790
Mr. S G Belapure	Non - Executive (Independent Director)	5	02219458
Shri CP Rangachar	Non - Executive (Independent Director)	12	00310893
Smt. Jyoti Mundra	Non - Executive Director	2	07143035

NUMBER OF BOARD MEETINGS:

During the year ended March 31, 2022, 6 (SIX) Board Meetings were held on the following dates:

During the financial year 2022-23 ("FY23"), the meetings of the Board of Directors of the Company was held six (6)

The maximum gap between any two Board meetings was less than One hundred and Twenty (120) days, as stipulated under Regulation 17(2) of the SEBI Listing Regulations. Details of Board Meeting, during the year under review, are as follows:

Board Meeting No.	Date of Board Meeting	Board Strength	No. of Director's Present	Leave of Absence given to
145 th	Monday, May 09, 2022	8	7	Anjan Kumar Roy
146 th	Wednesday, August 10, 2022	8	5	Jyothi Mundra, Sushil Kumar Mundra & Anjan Kumar Roy
147 th	Thursday, August 25, 2022	8	8	NA
148 th	Friday, October 28, 2022	8	8	NA
149 th	Monday, February 13, 2022	8	8	NA
150 th	Friday, March 24, 2022	8	8	NA

Number of Board or Board Committees of which a Director is a member or Chairperson; the names of Other Listed entities where the Directors of the Company are Directors and the Category of their Directorship:

Sr. No.	Names of Directors	No. of Committee membership in other Companies(*)	No. of Committees in which Director is a Chairperson (other companies)(*)	Name of the listed entities where the person is a Director (Category of Directorship)
1.	Shri Sunil Laxminarayana Mundra	-	-	-
2.	Shri Satyanarayan Mundra	-	-	-
3.	Shri Laxminarayana Moondra	-	-	-
4.	Shri Sushil Kumar Mundra	-	-	-
5.	Mr. Pramod Kasat	2	-	Advanced Enzyme Technologies Limited (Independent Director)
6.	Mr. S G Belapure	1	-	Albert David Limited (Independent Director)
7.	Shri CP Rangachar	2	-	Yuken India Limited (Managing Director)
8.	Smt. Jyoti Mundra	-	-	-

* Audit Committee and Stakeholders' Relationship Committee in listed and unlisted public limited companies have been considered.

DIRECTORS' ATTENDANCE RECORD:

Name of the Director	Board Meetings Attended during the F.Y.: 2022-23	Whether attended Last AGM
Shri Sunil Laxminarayana Mundra	6	Yes
Shri Satyanarayan Mundra	6	Yes
Shri Laxminarayana Moondra	6	Yes
Shri Sushil Kumar Mundra	5	Yes
Shri Pramod Kasat	6	Yes
Shri CP Rangachar	6	Yes
Smt. Jyoti Mundra	5	Yes
Shri S G Belapure	4	Yes

RELATIONSHIP BETWEEN DIRECTORS:

The Names of Directors who are Related Inter Se are:

- Shri Sunil L Mundra.
- Shri Laxminaryan Mundra.
- Shri Sushil Kumar Mundra.
- Shri Sathyanarayan Mundra.
- Smt. Jyoti Mundra.

Note: None of the other directors are related each other.

SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD:

The Board comprises of qualified personnel who have the key skills, competencies and expertise required for the Board members' effective contribution to the Board & its Committees and also for the Board to function effectively.

Following is the chart/matrix setting out the requisite skills/competencies/expertise of the Board:

SKILLS/COMPETENCIES/EXPERTISE OF THE BOARD OF DIRECTORS OF THE COMPANY:

Experience in the pharma business/ industry	The experience in the pharma business/industry is seen as most critical considering the nature of business of the Company.
Leadership	Extensive leadership experience of an organization for practical understanding of the organization, its processes, strategic planning, risk management for driving change and long-term growth.
Finance	Finance field skills/competencies/expertise is seen as important for intricate and high quality financial management and financial reporting processes.
Legal	In order to strengthen and maintain the governance levels & practices in the organization.
Understanding of Global Business	Owing to presence across the globe, the understanding of global business & markets is seen as pivotal.

The aforementioned skills are only indicative and not possessing any skill/competency/expertise and not be seen as a disqualifying ability. The nominations to the Board was made on the recommendations of the Nomination and Remuneration Committee, which considers various other factors.

Following is the chart/matrix setting out the Names of the Directors of the Company possessing the requisite skills/competencies/expertise:

Name of Directors	Skills/Competencies/expertise
Mr. C P Rangachar	Immense knowledge of the global economy and industrial scenarios. He has wide experience and exposure to the volatility of the business and handling them best at all times.
Mr. Pramod Kasat	Finance with rich experience in Investment Banking, Leadership and understanding of global business
Mr. S G Belapure	Experience in Pharma Industry
Mr. Laxminarayana Moondra	Experience in finance, management and control of human resource.
Mr. Sathyanarayana Mundra	Experience in finance & management
Mr. Sunil L Mundra	Finance with handling of commercial operations and the backbone of Marketing activities
Mr. Sushil Kumar Mundra	Experience in finance & management
Mrs. Jyothi Mundra	Extensive experience in the areas of business administration, financial control.

CERTIFICATION FROM THE COMPANY SECRETARY IN PRACTICE:

Mr. Deepak Sadhu, Practicing Company Secretary (ACS No.: 39541), has issued a certificate as required under the SEBI Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as an Annexure to this report.

COMMITTEES OF THE BOARD:

Audit Committee:

Terms of Reference:

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit committee reviews reports of the internal

auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues conforming to the requirements specified by the Companies Act, 2013 and by the Stock Exchanges in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the Audit Committee inter alia includes the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Review with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section(3) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval;
- Review with the management, the statement of uses/application of funds, if any, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Review 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review 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;
- 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;
- Review the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Act and the SEBI Listing Regulations;
- Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding Rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Composition:

In accordance with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act, the Audit Committee of the Board comprises three (3) Independent Directors and one (1) Promoter Director as on March 31, 2023. All the members of the Audit Committee are financially literate. The Committee invites the representatives of the Statutory and Internal Auditor(s). Further, the Chief Financial Officer also attends the Audit

Committee meeting(s). The Company Secretary acts as a Secretary to the Audit Committee.

1. Shri C.P. Rangachar
2. Shri Pramod Kasat
3. Shri Sunil L Mundra
4. Shri S G Belapure

Shri C.P. Rangachar has been designated as chairman of the committee. The committee met **4 (Four)** times during the financial year ended **March 31, 2023**. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meeting Attended
Shri C P Rangachar	Chairman	4
Shri Pramod Kasat	Member	4
Shri Sunil L Mundra	Member	4
Shri S G Belapure	Member	2
Shri Anjan Kumar Roy	Member (till August 10, 2022)	0

During the year ended **March 31, 2022**, **4 (Four)** Audit Committee Meetings were held on the following dates:

Meeting No.	Date of Meeting	Committee Strength	No. of members Present
77 th	May 09, 2022	4	3
78 th	August 10, 2022	4	3
79 th	October 28, 2022	4	4
80 th	February 13, 2023	4	4

Note: Smt. Shilpa Burman, Company Secretary is the Secretary of the Audit Committee. No person has been denied access to Audit Committee.

Nomination & Remuneration & Compensation Committee and its Policy:

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act 2013, and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee was constituted for identifying the persons to be appointed as Directors and Senior Management personnel, recommend to the Board – the appointment and removal of Directors, carry out evaluation of Directors, formulate the criteria for determining qualifications, positive attributes and independence of Directors, and to recommend a policy relating to the remuneration of Directors.

The role of the Nomination and Remuneration inter alia includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy

relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on diversity of the Board;
- 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;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- Recommend to the Board, the remuneration, in whatever form, payable to the senior management;
- Devising a policy on Employee Stock Option Scheme and ensuring proper implementation as per scope provided in ESOP Scheme.

Composition:

The Nomination & remuneration committee for appointment & remuneration of executive directors was constituted with effect from July 26, 2003 with Shri S G Belapure, Shri C P Rangachar, Shri Pramod Kasat.

Name of the Member	Designation
Shri S G Belpaure	Chairman
Shri C P Rangachar	Member
Shri Pramod Kasat	Member

During the year ended **March 31, 2023, 4 (Four)** Nomination & Remuneration Committee Meetings were held on the following dates.

Date of Meeting	Committee Strength	No. of members Present
May 09, 2022	3	3
August 10, 2022	3	3
October 28, 2022	3	3
February 13, 2023	3	3

Evaluation of Board's Performance & Performance Evaluation Committee:

Terms of Reference:

The objective of this evaluation is to facilitate the review of performance of the Individual Directors, Chairperson, Board Committees and the Board as a whole.

- a) The Independent Directors at their meeting reviewed the performance of the Non-Independent Directors, the Chairman and the Board as a whole. The Independent Directors briefed the Board on the evaluation assessment undertaken at the meeting of the Independent Directors.
- b) The Performance Evaluation Committee evaluated the performance of all the Directors including the

Executive Director and recommended their findings to the Board of Directors.

- c) The Board reviewed the performance assessment undertaken by the Independent Directors and the Nomination & Remuneration Committee. The Board discussed and analyses the performance of the Executive, Non-Executive and Independent Directors and of its own performance during the year including suggestions for improvement.
- d) The Board also reviewed the Charters of all Board Committees and the necessity of establishing any Committees and delegating certain of its responsibilities to the Committees.

Composition:

Sr. No.	Name	Designation
1.	Shri Laxminarayana Moondra	Chairman
2.	Shri Satyanarayan Mundra	Member
3.	Shri Sunil L Mundra	Member
4.	Shri S G Belapure	Member

During the period, the PEC Committee evaluated performance of every Director, Chairman and Board as a whole based on their roles, functions and duties and their contribution to the Board/Committees of the Board.

During the year ended **March 31, 2023, 4 (Four)** PEC Committee Meetings were held on the following dates.

Date of Meeting	Committee Strength	No. of members Present
May 09, 2022	4	4
August 10, 2022	4	4
October 28, 2022	4	4
February 13, 2023	4	4

Independent Directors' Meeting:

Terms of Reference:

- (a) To review the performance of the Non-Independent Directors and the Board as a whole.
- (b) To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- (c) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Composition:

Sr. No.	Name	Designation
1.	Shri C.P.Rangachar	Chairman
2.	Mr. Pramod Kasat	Member
3.	Mr. S G Belpaure	Member

During the year ended March 31, 2023 the Independent Directors Committee Met on March 28, 2023.

Familiarization Program for Independent Directors

Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, a detailed familiarization program was held on October 28, 2023. The detail of familiarization program is available at website of your Company at www.naturalcapsules.com

Shareholders/Investors' Grievance Committee:

The Investor Grievance committee of the Company was formed on March 25, 2003. The Committee reviews the services rendered namely - redressal of complaints of the shareholders like delay in transfer of shares, non-receipt of Annual Report, non-receipt of dividends, etc., and also the action taken by the Company on such matters.

Composition:

1. Shri S G Belpaure, Chairman
2. Shri Laxminarayana Moondra, Member
3. Shri Sunil L Mundra, Member

During the year ended **March 31, 2023, 4 (Four) Shareholders/Investors' Grievance Committee Meetings** were held on the following dates:

Sr. No.	Date of Meeting	Committee Strength	No. of Members Present
1.	May 09, 2022	3	3
2.	August 10, 2022	3	3

During the year ended **March 31, 2023, 4 (Four) Share Transfer Committee Meetings** were held on the following dates:

Sl. No.	Date of Meeting	Committee Strength	No. of Members Present
1.	May 09, 2022	3	3
2.	August 10, 2022	3	3
3.	October 28, 2022	3	3
4.	February 13, 2023	3	3

CSR Committee:

In line with the provisions of Section 135 of the Act read with the corresponding Rules framed thereunder, as on March 31, 2022, the CSR Committee comprises One (1) Independent Directors, a Non-Executive Director and an executive director. The Company Secretary, acts as a Secretary to the Committee.

Constitution of the CSR Committee along with the number of meeting held during the year and attendance, is as follows:

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
1.	Shri Pramod Kasat	Chairman	4	2
2.	Shri Sunil L Mundra	Member	4	4
3.	Shri Sushil Kumar Mundra	Member	4	4

3.	October 28, 2022	3	3
4.	February 13, 2023	3	3

Status of shareholders/Investors Grievance and Share Transfers as on March 31, 2023:

No. of Grievances received	4
No. of Grievances redressed	3
No. of Grievances pending	1
No. of share transfers pending	0

Share Transfer Committee:

The Share Transfer Committee has been formed from the members of the Board, representatives of the Registrar and Share Transfer Agents and the Company Secretary-Shilpa Burman and 3 members from the Board of Directors to approve -Transfer of shares, Transmission of Shares and the issuance of Duplicate Share Certificates. There were no pending share transfers as on March 31, 2023.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

Composition:

1. Shri S G Belpaure, Chairman
2. Shri Laxminarayana Moondra, Member
3. Shri Sunil L Mundra, Member

The terms of reference of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Act and inter alia includes:

- To formulate and recommend to the Board, a CSR Policy (including any modification thereto) which shall indicate the framework within which the proposed CSR activities would be undertaken;
- To formulate and recommend to the Board, the Annual Action Plan, which shall include the following:

the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules

the modalities of utilization of funds and implementation schedules for the projects or programmes;

monitoring and reporting mechanism for the projects or programmes; and

details of need and impact assessment, if any, for the projects undertaken by the Company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect

To monitor the implementation of the CSR Policy from time to time and take such other action as it may deem fit in pursuance of the CSR Vision

Any other role, as may be specified in the Act/Rules from time to time and as may be required by the Board

REMUNERATION OF DIRECTORS:

There were no pecuniary relationships or transactions between the Non-Executive Directors (including Independent Directors) and the Company, except the following:

1. Sitting fees drawn by Independent Directors for attending the meeting of the Board, Committee(s) thereof and Independent Directors' Meeting.
2. Commission to Non-Executive Directors of the Company.

Special Resolutions passed in previous three Annual General Meetings (AGMs):

During the Annual General Meetings held in the last 3 years i.e. for FY20 to FY22 approvals of the Members were obtained by passing special resolutions in AGMs, as follows:

Sr. No.	Special Resolutions	Date of the Meeting
1.	Reappointment of Shri Satyanarayan Mundra (DIN: 00214349) as Whole time Director for a term of 3 years and to revise his remuneration	September 20, 2022
2.	Payment of commission to Non-executive Directors	September 20, 2022
3.	Appointment of Independent Director-Mr. S G Belapure	September 20, 2022

Criteria for making payment to Non-Executive Directors:

The Company has formulated a Nomination and Remuneration Policy, which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration/commission to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force. The Non-Executive/Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committees. Limits of Remuneration/Commission to be paid shall be within the monetary limits as approved by Members, and not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

The said Policy is available on the Company's website. The web-link for the same is www.naturalcapsules.com

Details of Remuneration to Directors: Details of Remuneration is available in Annexure-VI.

Code of conduct for prohibition of insider trading:

Your Company has in place a Code of Conduct for Prohibition of Insider Trading, which lays down the process of trading in securities of the Company by the Designated Persons and to regulate, monitor and report trading by the employees of the Company either on his/her own behalf or on behalf of any other person, on the basis of Unpublished Price Sensitive Information. The said Code has been revised and substituted effective from April 01, 2019. The aforementioned Code is available on the website of the Company at www.naturalcapsules.com

GENERAL BODY MEETINGS:

Financial Year	Date	Time	Venue
2021-22	September 20, 2022	11.00 AM	Registered Office/ through Video Conference
2020-21	July 15, 2021	11.00 AM	Registered Office/ through Video Conference
2019-20	August 21, 2020	10.30 AM	Registered Office/ through Video Conference

Sr. No.	Special Resolutions	Date of the Meeting
4.	To consider re-appointment Shri Satyanarayan Mundra (DIN: 00214349) as Whole time Director in view of his attaining the age of 70 years	July 15, 2021
5.	To consider increase in Authorized Share Capital	July 15, 2021
6.	To consider and approve increase in borrowing power of the Company	July 15, 2021
7.	To consider extending power to mortgage Company's immovable assets	July 15, 2021
8.	To consider re-appointment Shri Laxminarayana Moondra (DIN: 00214298) as Whole time Director for a Period of 3 Years and to revise his remuneration	August 21, 2020

Special Resolutions passed through Postal Ballot:

- None of the resolutions approved at the last Annual General Meeting required Postal Ballot approval.
- During the year the Company has not passed any Special Resolution through Postal Ballot.
- There is no immediate proposal for passing any resolution through Postal Ballot.

MEANS OF COMMUNICATION:

The Quarterly Un-Audited (Provisional) Results and the Annual Audited Financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board and are also published in one vernacular newspaper viz. "Sanjevani" and one English newspaper viz. "Business Line".

Also they are uploaded on the Company's website www.naturalcapsules.com. The results are published in accordance with the guidelines of the Stock Exchanges. In line with the existing provisions of the (LODR) Regulation, 2015.

The Company has created a separate email address viz: company.sec@naturalcapsules.com to receive complaints and grievances of the investors. Further, No official news releases were made.

Presentations made to institutional investors or to the analysts: Available on the website of the Company www.naturalcapsules.com

GENERAL SHAREHOLDER INFORMATION: Annual General Meeting - Date, Time And Venue

30th Annual General Meeting to be held on July 28, 2023 at 11.00 A.M through video conferencing ("VC"), or Other Audio Visual Means ("OAVM") at the registered office of the Company at **Trident Towers, 4th Floor, No. 23 100 Feet Road, Jayanagar II Block Bengaluru-560011**

Financial Year

2022-23. The Company follows April-March as its Financial Year

Dividend Payment Date

Dividend declared will be paid after **July 28, 2023 (30 days)** of the approval of the same in the Annual General Meeting)

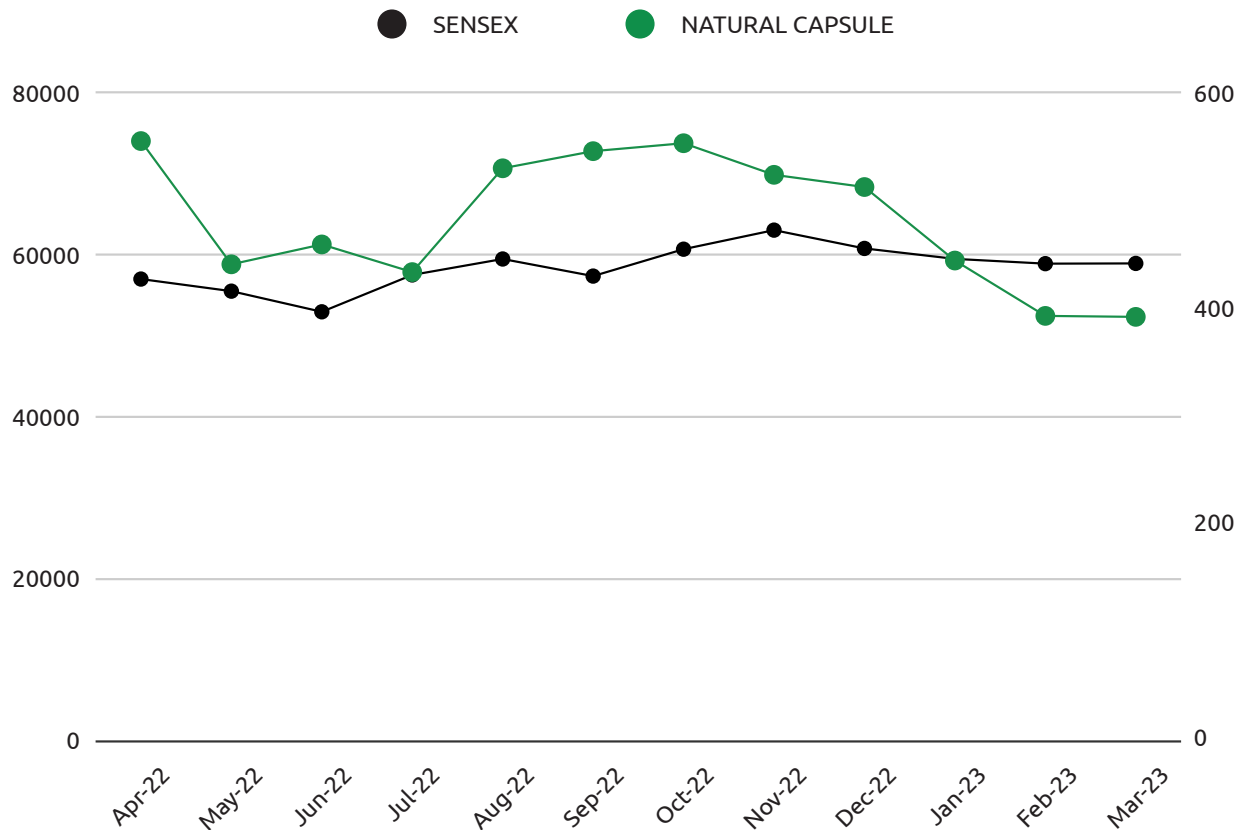
Listing In Stock Exchanges And Stock Codes

The Bombay Stock Exchange

Code No: **524654**

Market Data

Month	Open Price	High Price	Low Price	Close Price
Apr-22	470.00	594.95	440.00	555.70
May-22	575.00	583.45	427.05	441.60
Jun-22	458.00	490.00	385.00	460.00
Jul-22	464.00	496.00	411.05	434.40
Aug-22	430.60	567.90	430.60	530.50
Sep-22	530.15	679.00	514.05	546.35
Oct-22	548.00	621.50	526.00	553.70
Nov-22	555.05	589.90	465.60	524.45
Dec-22	529.85	543.75	425.00	513.15
Jan-23	517.00	525.00	427.00	445.10
Feb-23	450.00	455.00	374.00	393.85
Mar-23	401.75	448.80	381.10	392.95



RTA Details

Cameo Corporate Services Limited
Subramanian Building, No. 1 Club House Road,
Chennai-600 002.
Ph: 91-044-28460390 (5 Lines)
Email: cameo@cameoindia.com

Dematerialization of shares and liquidity

As on March 31, 2023, 98.60% (**9218425**) of shares were held in dematerialized form and the rest 1.40% (**130625**) of shares held in physical form.

Share Transfer System

Shares lodged for transfers are registered and duly transferred Share Certificates are dispatched to the lodger

within a period of 15 days from the date of receipt, if the documents are otherwise in order.

The Share Transfer Committee meets as often as is necessary to approve transfers and related matters as may be required by the Registrars and Share Transfer Agents.

Address for Correspondence

Trident Towers, 4th Floor, No. 23, 100 Feet Road, Jayanagar II Block, Bengaluru-560011.
L85110KA1993PLC014742.

Plant Location

- Plot No. 7A2, KIADB Industrial Area, Attibele – 562 107, and
- R.S. No. 84, Perambai Road, Pitchaveerampet, Pondicherry -10

Shareholding Pattern as on March 31, 2023

Sr. No.	Category	No. of Shareholders	No. of Shares Held	% of shareholding
1	Resident	8,869	34,36,354	36.76
2	NRI	171	94,271	1.01
3	Corporate Body (Including Promoter Group)	59	24,91,531	26.65
4	Clearing Member	10	5,,114	0.05
5	Alternative Inv. Fund	1	1,22,123	1.31
6	IEPF	1	1,09,722	1.17

Sr. No.	Category	No. of Shareholders	No. of Shares Held	% of shareholding
7	Promoters (Only Individuals)	12	30,87,474	33.02
8	Directors/Relatives	6	2,461	0.03
	Total		93,49,050	100

Distribution of Holding

No. of Shares	No. of Shareholders	% of Share Holders	No. of Shares	% of Holders
1-100	6,360	69.6680	2,54,731	2.7246
101-500	1,926	21.0976	4,75,663	5.0878
501-1000	398	4.3597	3,02,486	3.2354
1001-2000	195	2.1360	2,89,623	3.0978
2001-3000	70	0.7667	1,75,352	1.8756
3001-4000	33	0.3614	1,17,262	1.2542
4001-5000	34	0.3724	1,53,161	1.6382
5001-10000	59	0.6462	3,99,326	4.2713
10001 & Above	54	0.5915	71,81,446	76.8147
Total	9129	100.0000	93,49,050	100.0000

Share Transfer System

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Further, the Securities and Exchange Board of India ("SEBI") had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. The operational guidelines for transfer and dematerialization of re-lodged physical shares were laid down by SEBI vide circular SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020. Further, SEBI vide its circular dated SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that listed entities shall henceforth issue securities in dematerialized form which processing the following requests:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission;
- viii. Transposition;

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of Equity Shares in electronic form are effected through the depositories with no involvement of the Company.

The certificate received from a Practicing Company Secretary pursuant to the provisions of Regulation 40(9) of the SEBI Listing Regulations (as amended) is submitted by the Company to the Stock Exchanges, on an annual basis. The Certificate was received from a Practicing Company Secretary and submitted to the Stock Exchanges, on a quarterly basis, with respect to timely dematerialization of shares of the Company and reconciliation of the share capital of the Company, as required under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

The Company has designated the email ID: company.sec@naturalcapsules.com addressing the investors' grievances.

OTHER DISCLOSURES:

Policies

The Company seeks to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website (<http://www.naturalcapsules.com/pages/policies.html>). The policies are reviewed periodically by the Board and updated based on need and compliance requirement.

Name of the policy	Brief description	Web link
Whistleblower Policy (Policy on vigil Mechanism)	<p>The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of conduct and ethics.</p> <p>There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016-17. No employee has been denied access to the audit committee.</p>	<p>For Practice for Fair Disclosure of UPSI, Policy of RPT, Whistle Mechanism, NRC, CSR, Materiality, Retention and Archival, Material Subsidiary and Conduct of Insider Trading</p> <p>Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.</p>
Nomination and Remuneration policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	
Corporate Social Responsibility Policy	The policy outline the Company's strategy to bring about a positive impact on society through programs relating to Hunger poverty, education, healthcare, environment and Lowering its resource footprint.	
Determination of materiality for disclosures Policy	The information covered by this Policy shall include "information related to the Company's business, operations or performance which has a significant effect on securities investment decisions" that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.	
Related Party Transaction Policy	<p>During the year under review, the Related Party Transactions were done on an arm's length basis and in ordinary course of business. The Company presents a statement of the Related Party Transactions before the Audit Committee on a quarterly basis specifying inter alia the nature and value of the transactions. The transactions with Related Parties were conducted in a transparent manner in the interest of the Company, were approved by the Audit Committee and had no potential conflict with the interest of the Company at large.</p> <p>There were no significant Related Party transactions, monetary transactions or relationships between the Company and Directors, the Management, Subsidiaries or Relatives except as disclosed in the Note No. 42 of the Standalone financial statements for the year ended March 31, 2023 and AOC – 2 annexed as Annexure I to this Board's report.</p>	
Insider Trading Policy	The policy provides the framework in dealing with securities of the Company.	

Policy on Material subsidiary	The policy for Determining material subsidiary of the Company.
PIT Policy	The policy Determination of legitimate purposes for sharing of Unpublished Price Sensitive Information by the Insiders in the ordinary course of business.
Document Retention and Archival Policy	The policy deals with the retention and archival of corporate records of Natural capsules limited .

Cautionary Statement

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Auditors Certificate on Corporate Governance

We have examined the compliance condition of Corporate Governance of M/s Natural Capsules Limited ("the Company") for the year ended March 31 2023 as stipulated in Schedule V (E) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and Implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance in the above mentioned listing Regulations.

We further state that such compliance is neither an assurance as to further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s P Chandrasekar LLP**
Chartered Accountants
FRN No. 000580S/S200066

P Chandrasekar
Partner
Membership No.026037

Declaration on Adherence with Company's Code of Conduct & Ethics

[Pursuant to Regulation 34(3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Natural Capsules Limited

This is to confirm that the Company has adopted Code of Conduct and Ethics for all the Members of Board of Directors, Senior Management/Officers of the Company as stipulated under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the members of Board of Directors, Senior Management/Officers of the Company have affirmed compliance with this Code of Conduct & Ethics for the financial year ended on March 31, 2023.

For **Natural Capsules Limited**
Sunil L Mundra
Managing Director

Certificate of Chief Financial Officer on Corporate Governance As Per Regulation 17(8) of SEBI (LODR) regulations, 2015:

The Board of Directors
M/s. **Natural Capsules Limited**

We have reviewed the financial statements and the cash flow statement of Natural Capsules Limited for the financial year 2022-23 and certify that:

- A. These statements to the best of our knowledge and belief:
- I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.
 - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- D. We have also indicated to the Auditors and the Audit Committee:
- i. Significant changes in Internal Controls with respect to financial reporting during the year.
 - ii. Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
- E. To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

Place: Bangalore
Date: 26.05.2023

Sd/-
R. K. Prasad
Chief Financial Officer

Certificate of Non-Disqualification of Directors

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

To
The Members,
NATURAL CAPSULES LIMITED
Bangalore

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Natural Capsules Limited having CIN: L85110KA1993PLC014742 and having registered office at Trident Towers, 4th Floor (level 3), No. 23, 100 Feet Road, Jayanagar II Block, Bengaluru Bangalore KA 560011 (hereinafter referred to as 'the Company'), produced before me 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 opinion and to the best of my 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 by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility 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 on these 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 **Deepak Sadhu & Co**
Company Secretaries

Sd/-
Deepak Sadhu
Membership Number: **39541**
COP: **14992**

Annexure - 6

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As amended from time to time)

i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2022-23:

Sr. No.	Name	Category	Ratio
1	Shri Sunil L Mundra	Managing Director	28.41
2	Shri Laxminarayana Moondra	Whole Time Director	13.52
3	Shri Satyanarayan Mundra	Whole Time Director	14.36
4	Percentage Increase in remuneration of MD, WTD –As Below		

ii. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23:

Sr. No.	Name	Category	Percentage (%)
1	Shri Sunil L Mundra	Managing Director	63.61
2	Shri Laxminarayana Moondra	Whole Time Director	7.04
3	Shri Satyanarayan Mundra	Whole Time Director	13.69
4	Shri R K Prasad	Chief Financial Officer	19.16
5	Mrs. Shilpa Burman	Company Secretary	12.33

iii. The percentage increase in the median remuneration of employees in the financial year:

Sr. No.	2022-23	2021-22	Percentage (%)
1	266011	284370	-6.46

iv. The number of employees of the Company:

31-03-2023				31-03-2022			
PLACE	REGULAR	TRAINEE	TOTAL	PLACE	REGULAR	TRAINEE	TOTAL
HO	29	0	29	HO	25	0	25
UNIT-1	58	0	58	UNIT-1	49	0	49
UNIT-2	85	0	85	UNIT-2	70	0	70
UNIT-3	5	0	5	UNIT-3	9	0	9

v. Affirmation that the remuneration paid during the year is as per the Remuneration Policy of the Company:

Yes

vi. Particulars of employees: Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As amended from time to time):

Name	Age	Gross Remuneration Paid	Qualification	Date of Commencement of Employment (Experience in Years)	Previous Employment
Nil					

vii. The details of remuneration for the year ended March 31, 2023 to the Executive & Non-Executive Directors are as follows:

(₹ In Lacs)

Directors	Sitting Fees	Salary and Perquisites	Commission	Total
Executive Directors:				
Shri Sunil L Mundra	0	48.58	27.00	75.58
Shri Laxminarayana Moondra	0	35.96	0	35.96
Shri Satyanarayan Mundra	0	38.20	0	38.20
Non-Executive Directors:				
Shri C.P.Rangachar	1.50	0	5.40	6.90
Shri Sushil Kumar Mundra	0.60	0	5.40	6.00
Smt Jyoti Mundra	0.60	0	5.40	6.00
Shri Shirish Gundopant Belapure	1.05	0	5.40	6.45
Shri Pramod Kumar Kasat	1.50	0	5.40	6.90

viii. Average percentile increase:

(1) 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;	No any exceptional increase in Managerial remuneration
(2) The board's report shall include a statement showing [the names of the top ten employees in terms of remuneration drawn and the name of every employee, who-]	As per Annexure ix below
(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crores and two Lacs rupees];	Nil
(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight Lacs and fifty thousand rupees per month];	Nil
(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company	Nil

ix. Information as per Rule 5 of Chapter XII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top 10 employees in terms of remuneration drawn during the year.

Sr. No.	Employee Name	Designation	Educational Qualification	Status of Employment	Date Of joining	Previous Employment	Remuneration In Lacs	Relationship with Director/ Manager of the Company	% of Equity Shares Held
1	Sunil L Mundra	Managing Director	Chartered Accountant	Permanent	September 1993	NA	75.58	Son of Laxminarayana Moondra	6.30
2	Laxminarayana Moondra	Wholetime Director	Graduate	Permanent	June 2011	NA	35.96	Brother of Satyanarayan Mundra	2.57
3	Satyanarayana Mundra	Wholetime Director	Graduate	Permanent	September 1993	NA	38.20	Brother of Laxminarayana Moondra	1.98
4	M V N. Kutty	COO	B.Tech	Permanent	June 2013	Supreme Industries ltd	56.00	NA	NA
5	Shrey Mundra	Marketing Head	MBA Marketing	Permanent	October 2017	NA	18.00	Son of Sunil L Mundra	1.77
6	Suresh Shinde	Plant Head	Diploma in Mechanical Engg.	Permanent	June 2020	Healthcaps Industries	17.15	NA	NA
7	Vasudeva Kumar	DGM – Corporate QA	B. Pharm	Permanent	November 2009	Awamedica Limited	16.27	NA	NA
8	Kamlesh Thakur	Site Head	M.Sc, Chemistry	Permanent	April 2018	Avik Pharma Ltd	15.76	NA	NA
9	Surya Prakash	Chief Scientific Officer	M.Sc	Permanent	October 2018	Yuxin Pharmaceutical Co.Ltd	15.30	NA	N.A
10	Raj Kishore Prasad	CFO	Chartered Accountant	Permanent	April 2022	Archidply Décor Ltd	14.35	NA	NA

Annexure - 7

Disclosures on employee stock option scheme for the year ended March 31, 2022

DETAILS OF THE SCHEME

At the Annual General Meeting of the Company held on **September 21, 2018**, the Members of the Company passed a Special Resolution approving the Company's '**Employee Stock Option Scheme 2018**' ('ESOP 2018' or 'the Scheme') to be administered by the Nomination, Remuneration and Compensation Committee of the Board of Directors.

Under the Scheme, options not exceeding **3,00,000 (Three Lacs)** equity shares of ₹ 10/- each have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for equity share.

Statement pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014:

Date of Shareholders' approval	September 21, 2018	
Total number of options approved under ESOP	3,00,000	
Vesting requirements	Options shall vest after a minimum period of 1 (One) year and not later than a maximum period of 10(Ten) years from the date of Grant of Options.	
Exercise price	₹ 10	
Maximum term of options granted	10 Years	
Source of shares (primary, secondary or combination)	Primary	
Variation in terms of options	Not Applicable	
Method used to account for ESOS - Intrinsic or fair value.	Intrinsic value	
Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Refer Note No. 47 of Standalone and Consolidated Financials.	
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Refer Note No. 47 of Standalone and Consolidated Financials.	
Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to	Senior managerial personnel/(KMPS):	
	Name of the Employee	Mr. M V N Kutty
	Designation	COO
	No. of Options Granted on August 10, 2022	25,000
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: Nil	
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil		
Options Movement	Particulars	Details
	No. of Option Granted during the year	25,000
	Options Vested	0
	Options Outstanding at the beginning of the year	1,55,000
	Options exercised during the year	0
	No. of Options Lapsed/Cancelled	0
Options Outstanding at the end of the year-	1,80,000	

Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

(i) Weighted average exercise price of options granted during the year whose:

- a. Exercise price equals market price: NA
- b. Exercise price is greater than market price: NA
- c. Exercise price is less than the market price: ₹ 10

(ii) Weighted average fair value of options granted during the year whose:

- a. Exercise price equals market price: NA
 - b. Exercise price is greater than market price: NA
 - c. Exercise price is less than the market price: ₹ 69
-

Independent Auditor's Report

TO THE MEMBERS OF NATURAL CAPSULES LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of **M/S. NATURAL CAPSULES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of 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 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 state of affairs of the Company as at March 31, 2023, and its Profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Evaluation of uncertain Tax positions</p> <p>As described in the summary of Significant accounting policies in note no 2.2 Significant judgment is required in determining the provision for income taxes both current and deferred as well as the assessment of the provisions for uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.</p>	<p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management;</p> <p>Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions;</p> <p>We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes;</p> <p>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
2.	<p>Trade receivables</p> <p>Trade receivables are recognized at their anticipated realizable value which is the original invoiced amount Valuation of trade receivables is a key audit matter in the audit, due to size of the trade receivables balance and the high level of management judgement used in determining the impairment provision.</p>	<p>For trade receivables and managements estimation for trade receivables, impairment provisions, our key audit procedure includes the following:</p> <p>We obtained management confirmation on trade receivables outstanding;</p> <p>We analyzed the ageing of trade receivables; and</p> <p>We obtained the list of long outstanding receivables of these through enquiring with the management and by obtaining sufficient corroborative evidences to support the conclusions.</p>

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern concept basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and
- (g) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

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 limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other

details under section 197(16) of the Act which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position other than the items disclosed under Note No 45.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief other than as disclosed in note 15(b), to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note no 15(b) to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. Dividend has been proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Bangalore

Date: May 26, 2023

For **P. Chandrasekar LLP**

Chartered Accountants

Firm Registration No. 000580S/S200066

Partner

Membership No.: 026037

UDIN No: 23026037BGWNVC1676

Annexure - A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023, we report that:

- i. (a) The Company has maintained records of its fixed assets. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

The Company has maintained proper records showing full particulars of intangible assets.

- (b) As explained to us, the Company is in the process of carrying out physical verification of its fixed assets. Adjustments if any, which may arise on such verification shall be dealt with on completion of the verification.
- (c) According to the information and explanation given to us, the title deeds in respect to immovable properties are held in the name of the Company.
- (d) 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

- iii. (a) The Company has made investments in and granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties during the year.

Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided guarantees and granted advances in the nature of loans to subsidiaries as below:

Particulars	Guarantees (₹ In Lacs)	Advances in the nature of loans (₹ in Lacs)
Aggregate amount during the year - Subsidiary	4800.00	2000.00
Balance outstanding as at the balance sheet date	4800.00	2000.00

The Company has not provided any advance in the nature of loans, any guarantee or security to any other entity during the year.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company has granted advances/loans which are payable on demand. During the year the Company has not demanded such advance. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below)

not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies were noticed have been properly dealt with in the books of account.

- (b) 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 sanctioned working capital limits in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (e) None of the loans granted by the Company have fallen due during the year.

- (f) The Company has granted advance/loans which are repayable on demand details of which are given below:

Particulars	Related Parties (₹ in Lacs)
Aggregate of Advance/loans - Repayable on demand	2000.00
Total	2000.00

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, investments and guarantees made during the year.
- v. The Company has not accepted any deposit or amount which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is Pending
Service Tax Act 1994	Service Tax Payable	22,08,074	Nov 2009 to Oct 2012	Commissioner of Central Excise
Service Tax Act 1994	Penalty on Service Tax Payable	22,08,948	Nov 2009 to Oct 2012	Commissioner of Central Excise
Income Tax Act 1961	DDT – Short remittance	10,57,860	Apr 2015 to Mar 2016	Deputy Commissioner of Income Tax
Income Tax Act 1961	Income Tax	1,78,555	FY-2016-2017	Commissioner of Income Tax-Appeal
Income Tax Act 1961	Income Tax	16,61,530	FY-2019-2020	Commissioner of Income Tax-Appeal

- viii. 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 not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (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 not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender except delays observed in few cases.
- (b) 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 not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended March 31, 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- x. (a) The Company had raised any moneys by way of rights issues to the existing shareholders during the year and Based on examination of the books and records of the Company and according to the information and explanations given to us the funds were applied for the purposes for which they were raised.
- (b) 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures (except rights issues) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In our opinion and according to the information and explanations given to us, the unspent amount in respect of other than ongoing projects, the Company has transferred unspent amount of ₹ 10.43 Lacs to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year, in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- (b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. 3(xx)(b) of the Order are not applicable.

Place: Bangalore
Date: May 26, 2023

For **P. Chandrasekar LLP**
Chartered Accountants
Firm Registration No. 000580S/S200066
Partner
Membership No.: 026037
UDIN No: 23026037BGWNV1676

Annexure - B to the Auditor's 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 **Natural Capsules Limited** ("the Company") as of March 31, 2023 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.

AUDITOR'S 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 auditor's 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 of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the 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.

Place: Bangalore
Date: May 26, 2023

For **P. Chandrasekar LLP**
Chartered Accountants
Firm Registration No. 000580S/S200066
Partner
Membership No.: 026037
UDIN No: 23026037BGWNVC1676

Standalone Balance Sheet

As at March 31, 2023

(₹ In Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	ASSETS			
	Non-Current Assets			
(a)	Property, Plant and Equipment	2	9,184.97	6,071.54
(b)	Capital Work in Progress		-	107.03
(c)	Right-of-Use Assets		26.41	48.26
(d)	Investment Property		-	-
(e)	Intangible Assets	3	111.01	174.32
(f)	Financial Assets			
(i)	Investments	4	2,001.00	5.47
(ii)	Trade Receivables		-	-
(iii)	Loans	5	2,000.00	2,002.14
(iv)	Other Financial Assets	6	248.67	198.45
(g)	Deferred Tax Assets (Net)		-	-
(h)	Other Non-Current Assets	7	2.99	-
	Total Non-Current Assets		13,575.05	8,607.21
	Current Assets			
(a)	Inventories	8	835.50	457.80
(b)	Financial Assets			
(i)	Investments		-	-
(ii)	Trade Receivables	9	5,212.93	2,630.27
(iii)	Cash and Cash Equivalents	10	40.31	127.79
(iv)	Bank balances other than (iii) above	11	184.48	171.02
(v)	Loans	12	-	20.00
(vi)	Other Financial Assets		-	-
(c)	Current Tax Assets (Net)		-	-
(d)	Other Current Assets	13	1,191.30	2,335.16
	Total Current Assets		7,464.52	5,742.04
	TOTAL ASSETS		21,039.57	14,349.24
B	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	14	927.55	701.18
(b)	Other Equity	15	11,477.75	7,604.23
(c)	Money Received against Share Warrants		-	-
	Total Equity		12,405.30	8,305.41
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	16	2,301.14	1,474.81
(ia)	Lease Liabilities		26.09	51.46
(ii)	Trade Payables		-	-
(iii)	Other Financial Liabilities	17	-	-
(c)	Provisions	18	15.01	7.99
(b)	Deferred Tax Liabilities		277.37	168.49
(d)	Other Non-Current Liabilities		-	-
	Total Non-Current Liabilities		2,619.60	1,702.75
	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	19	2,614.51	1,801.57
(ia)	Lease Liabilities		-	-
(ii)	Trade Payables			
	Dues of micro enterprises and small enterprises	20	-	265.32
	Dues of creditors other than micro enterprises and small enterprises		2,742.69	1,328.74
(iii)	Other Financial Liabilities	21	11.29	17.25
(b)	Other Current Liabilities	23	436.47	771.58
(c)	Provisions	22	37.37	57.50
(d)	Current Tax Liabilities (Net)	24	172.34	99.14
	Total Current Liabilities		6,014.66	4,341.09
	Total Liabilities		8,634.27	6,043.83
	TOTAL EQUITY AND LIABILITIES		21,039.57	14,349.24

The accompanying notes are an integral part of these financial Statements

In terms of our report attached

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Standalone Profit & Loss

For the Year ended March 31, 2023

(₹ In Lacs)

Sr. No.	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from Operations	25	17,286.80	13,506.50
II	Other Income	26	106.59	93.40
III	Total Income (I+II)		17,393.39	13,599.91
IV	Expenses:			
	Cost of materials consumed	27	8,364.96	5,603.74
	Changes in Inventories of finished goods & work-in-progress	28	(518.32)	181.34
	Cost of materials Goods Traded	29	49.38	195.14
	Employee benefit expense	30	1,072.84	961.77
	Finance costs	31	355.51	196.05
	Depreciation and amortisation expense	32	719.61	503.84
	Other expenses	33	4,774.93	4,015.38
	Total Expenses (IV)		14,818.91	11,657.26
V	Profit before exceptional items and Tax (III-IV)		2,574.48	1,942.65
VI	Exceptional items - Income/(Expenses)	34		
VII	Profit Before Tax (V - VI)		2,574.48	1,942.65
VIII	Tax Expense:			
	1) Current tax		545.77	474.30
	2) Tax for earlier		-	-
	3) Deferred tax		108.88	72.96
	Total Tax Expenses		654.65	547.26
IX	Profit for the year (VII-VIII)		1,919.83	1,395.39
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of the defined benefit plan		(6.48)	(19.76)
	b) Equity instruments through other comprehensive income		(6.48)	(19.76)
	B. i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be re-classified to profit or loss			
X	Total other comprehensive income (A(i-ii)+(B(i-ii))		(6.48)	(19.76)
XI	Total Comprehensive Income (IX+X)		1,913.35	1,375.62
XII	Earnings Per Equity Share (Nominal value per share ₹ 10/-)			
	(a) Basic		20.63	19.62
	(b) Diluted		20.63	19.62

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Standalone Cash Flow Statement

For the Year ended March 31, 2023

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from Operating activities		
Profit before tax	2,574.48	1,942.65
Adjustments for:		
Adjustments for depreciation and amortisation expense	719.61	503.84
Adjustments for finance costs	355.51	196.05
Profit on sale of fixed assets (net)	(4.54)	(6.46)
Interest income	(87.32)	(12.62)
Bad debts	13.15	25.72
Profit on sale of investments	-	-
Remeasurement (losses)/gains in Lease rent	-	(43.90)
Re-measurement of the defined benefit plan	(6.48)	(19.76)
Unrealised exchange (gain)/loss	-	989.93
		(9.76)
		633.11
Operating profit before working capital changes	3,564.41	2,575.76
Changes in working capital		
Adjustments for increase/(decrease) in		
Adjustments for decrease (increase) in trade receivables, current	(2,595.82)	23.36
Adjustments for decrease (increase) in inventories	(377.70)	203.16
Adjustments for other bank balances	(13.46)	(157.77)
Adjustments for decrease (increase) in other current assets	1,163.85	(2,075.75)
Adjustments for decrease (increase) in other non-current assets	(2.99)	48.13
Adjustments for other financial assets, non-current	(50.22)	(20.70)
Adjustments for increase (decrease) in trade payables, current	1,148.63	156.46
Adjustments for increase (decrease) in other current liabilities	(335.11)	180.75
Adjustments for increase (decrease) in other non-current liabilities	-	-
Adjustments for provisions, current	53.07	54.72
Adjustments for provisions, non-current	7.73	(4.15)
Adjustments for other financial liabilities, current	(5.96)	(0.48)
Adjustments for other financial liabilities, non-current	-	(1,007.96)
		(1,592.25)
Cash generated from operations	2,556.44	983.51
Income taxes paid (refund)	545.77	474.30
Net cash generated from operating activities	2,010.67	509.21
B. Cash flow from Investing activities		
Purchase of property, plant and equipment	(3,721.47)	(2,880.26)
Movements in Intangible Assets	63.31	(174.32)
Movement in Right Use of Assets	21.86	(0.04)
Proceeds from sales of property, plant and equipment	-	3.56
Proceeds from sales of investment	-	-
Changes in Financail assets- Advance paid	2.14	-
Investment made	(1,995.53)	(3.72)
Interest received	87.32	12.62
Dividends received	(5,542.38)	(3,042.17)
Net cash used in investing activities	(5,542.38)	(3,042.17)
C. Cash flow from Financing activities		
Proceeds from issue of Shares including premium	2,263.75	779.09
Proceeds from borrowings	1,639.27	2,145.23
Repayments of borrowings	-	-
Interest paid	(355.51)	(196.05)
Dividends paid	(77.20)	(62.33)
Payments of finance lease liabilities	(26.09)	(14.50)
	3,444.23	2,651.44
Net cash used in financing activities	3,444.23	2,651.44
Net (decrease)/increase in cash and cash equivalents	(87.48)	118.48
(A+B+C)		
Reconciliation		
Cash and cash equivalents as at beginning of the year	127.79	9.31
Cash and cash equivalents as at end of the year	40.31	127.79
Net increase/(decrease) in cash and cash equivalents	(87.48)	118.48

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

Sunil L Mundra
Managing Director
DIN: 00214304

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

P Chandrasekar
Partner
Membership No.: 026037

Shilpa Burman
Company Secretary
M. No.: A52069

Raj Kishore Prasad
Chief Financial Officer

Place: Bengaluru
Date: May 26, 2023

Statement of Changes in Equity Share Capital and Other Equity

For the year ended March 31, 2023

EQUITY SHARE CAPITAL

As at March 31, 2023

	(₹ In Lacs)
Balances at the beginning of the reporting period	701.18
Changes in equity share capital during the year	226.37
Balances at the end of the reporting period	927.55

As at March 31, 2022

	(₹ In Lacs)
Balances at the beginning of the reporting period	623.27
Changes in equity share capital during the year	77.91
Balances at the end of the reporting period	701.18

Other Equity Particulars	Share application money pending allotment	Equity component of financial instruments	Reserves and Surplus			Debt Instruments through comprehensive income	Equity Instruments through other comprehensive income	Effective portion of cashflow hedges	Revaluation surplus	Exchange rate differences on translating the financial statements of a foreign operation	Items of other comprehensive income - Actuarial Gain/ Loss	Money received against share warrant	Total
			Capital Reserve	Securities Premium	Others - General Reserve								
Current Reporting Period													
Balance at March 31, 2022	-	146.40	1,688.11	183.80	5,585.92	-	-	-	-	-	-	-	7,604.23
Profit for the year	-	-	-	-	1,919.83	-	-	-	-	-	-	-	1,919.83
Additions during the year	-	0.00	2,037.37	0.00	-	-	-	-	-	-	(6.48)	-	2,030.89
Total comprehensive Income/ Expenses for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Retained earnings	-	-	-	-	(6.48)	-	-	-	-	-	-	-	6.48
Payment of Dividend	-	-	-	-	(77.20)	-	-	-	-	-	-	-	(77.20)
Balance at March 31, 2023	-	146.40	3,725.48	183.80	7,422.07	-	-	-	-	-	-	-	11,477.75

Other Equity Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Debt Instruments through comprehensive Income	Equity Instruments through other comprehensive Income	Effective portion of cashflow hedges	Revaluation surplus	Exchange rate differences on translating the financial statements of a Foreign operation	Equity Instruments through other Comprehensive Income	Items of other comprehensive income - Actuarial Gain/ Loss	Money received against share warrant	Total
			Capital Reserve	Securities Premium	Others - General Reserve									
Previous Reporting Period														
Balance at March 31, 2021	-	-	146.40	986.93	183.80	4,272.62	-	-	-	-	-	-	-	5,589.75
Profit for the year	-	-	-	-	-	1,395.39	-	-	-	-	-	-	-	1,395.39
Additions during the year	-	-	0.00	701.18	0.00	-	-	-	-	-	-	(19.76)	-	681.41
Total comprehensive Income/ Expenses for the current year	-	-	-	-	-	(19.76)	-	-	-	-	-	19.76	-	-
Transferred to Retained earnings	-	-	-	-	-	(62.33)	-	-	-	-	-	-	-	(62.33)
Payment of Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	-	-	146.40	1,688.11	183.80	5,585.92	-	-	-	-	-	-	-	7,604.23

The accompanying notes are an integral part of these financial statements.

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

- Securities premium - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- General reserve - General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- Capital reserve - Capital reserve indicates the cash on hand that can be used for future expenses or to offset any capital losses. It is derived from the accumulated capital surplus of a Company and is created out of its profit.
- Retained earnings - Retained earnings comprises of prior and current year's undistributed earnings after tax.

In terms of our report attached

P Chandrasekar LLP
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Notes forming part of the Financial Statements

NOTE 2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	(₹ In Lacs)	
	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Freehold land	82.65	82.65
Leasehold Land	-	-
Building	1,694.68	1,003.57
Building-Others	56.08	58.60
Plant and Equipment	7,302.39	4,890.47
Computers	9.95	2.29
Furniture and Fixtures	12.94	4.42
Vehicles	22.16	24.64
Office Equipment	4.12	4.90
Right-of-use Assets	26.41	48.26
Total	9,211.37	6,119.80
Capital work-in-progress	-	107.03
	9,211.37	6,226.83

Particulars	(₹ In Lacs)										Total	
	Freehold land	Leasehold Land	Building	Building- Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of-use assets		
Cost												
Balance at March 31, 2021	82.65	-	1,328.75	60.62	6,542.71	116.02	46.03	30.14	20.90	109.40	8,337.23	
Additions/Modifications	-	-	351.62	-	2,781.45	1.75	0.37	24.86	0.22	48.26	3,208.53	
Disposals	-	-	27.75	-	848.11	8.93	12.66	2.55	5.42	-	905.41	
Balance at March 31, 2022	82.65	-	1,652.63	60.62	8,476.05	108.84	33.73	52.45	15.70	157.67	10,640.34	
Additions/Modifications	-	-	745.24	-	3,146.27	10.72	9.25	-	-	-	3,911.48	
Disposals	-	-	-	-	164.65	-	-	-	-	-	164.65	
Balance at March 31, 2023	82.65	-	2,397.87	60.62	11,457.67	119.57	42.98	52.45	15.70	157.67	14,387.17	

Particulars	(₹ In Lacs)										Total	
	Freehold land	Lease Hold Land	Building	Building- Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of-use assets		
Accumulated depreciation and impairment												
Balance at March 31, 2021	-	-	616.33	0.50	3,955.86	114.35	41.04	30.14	14.90	105.09	4,878.21	
Depreciation expenses	-	-	46.53	1.52	432.53	1.13	0.93	0.21	1.06	4.31	488.23	
Disposals	-	-	13.80	-	802.81	8.93	12.66	2.55	5.16	-	845.90	
Balance at March 31, 2022	-	-	649.06	2.02	3,585.58	106.55	29.31	27.80	10.80	109.40	4,520.54	
Depreciation expenses	-	-	54.13	2.52	570.84	3.06	0.73	2.49	0.78	21.86	656.40	
Disposals	-	-	-	-	1.14	-	-	-	-	-	1.14	
Balance at March 31, 2023	-	-	703.19	4.54	4,155.28	109.62	30.04	30.29	11.59	131.26	5,175.80	
Carrying amount as on March 31, 2022	82.65	-	1,003.57	58.60	4,890.47	2.29	4.42	24.64	4.90	48.26	6,119.80	
Carrying amount as on March 31, 2023	82.65	-	1,694.68	56.08	7,302.39	9.95	12.94	22.16	4.12	26.41	9,211.37	

a. Title deeds of Immovable Properties as disclosed above are held in name of the Company and the Company does not hold any property which is not in the name of the Company.

INTANGIBLE ASSETS

Particulars	(₹ In Lacs)	
	Cost or Deemed cost	Technical Knowhow & Patent
Balance at March 31, 2021	3.00	
Additions	189.93	
Disposals	-	
Balance at March 31, 2022	192.93	
Additions	-	
Disposals	-	
Balance at March 31, 2023	192.93	

INTANGIBLE ASSETS

(₹ In Lacs)

Particulars	Technical Knowhow & Patent
Accumulated depreciation and impairment	
Balance at March 31, 2021	3.00
Disposals	-
Depreciation expenses	15.61
Balance at March 31, 2022	18.61
Disposals	-
Depreciation expenses	63.31
Balance at March 31, 2023	81.92
Carrying amount as on March 31, 2020	-
Carrying amount as on March 31, 2021	(3.00)
Carrying amount as on March 31, 2022	(18.61)
Carrying amount as on March 31, 2023	111.01

The Company has not revalued any Intangible assets as disclosed above.

There is no Intangible assets under development at the end of the year.

Capital-WIP- March 31, 2023

(₹ In Lacs)

CAPITAL WORK IN PROGRESS	Amt in CWIP for a period of				Total
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Projects in progress	0.00	0.00	-	-	0.00
Projects temporarily suspended					

Capital-WIP- March 31, 2022

(₹ In Lacs)

CAPITAL WORK IN PROGRESS	Amt in CWIP for a period of				Total
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Projects in progress	107.03	0.00	-	-	107.03
Projects temporarily suspended					

NOTE 3. INTANGIBLE ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Balance at the beginning of the year - Software and Licenses	192.93	3.00
Additions - Patent & RD	-	189.93
Balance at end of the year	192.93	192.93

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Accumulated depreciation and impairment		
Balance at the beginning of the year	18.61	3.00
Depreciation expenses	63.31	15.61
Balance at end of the year	81.92	18.61
Carrying amount at the end of year	111.01	174.32

NOTE 4. INVESTMENTS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Quoted Investments		
II. Un-quoted Investments		
Investments in the nature equity instruments -in subsidiaries		
Investment in equity shares of M/s. Natural Phyto Pharma Private Limited Fully Paid Equity Shares 7,500 @ ₹ 10 Per Share)	1.00	0.75
Investment in equity shares of M/s. Natural Biogenex Private Limited (Fully Paid Equity Shares 10,000 @ ₹ 10 Per Share)	2,000.00	1.00
Other Investments		
Share Application money pending Allotment - M/s. Natural Capsules limited - Canada	-	3.72
Less: Diminution in value of investments		
Total aggregate of un-quoted Investments	2,001.00	5.47
Aggregate book value of unquoted investments	2,001.00	5.47
Aggregate market value of quoted investments	-	-
Aggregate amount of imparitment in value of the investments	-	-

NOTE 5. LOANS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured Loans to Subsidiary Company	2,000.00	2,002.14
Total	2,000.00	2,002.14

NOTE 6. OTHER FINANCIAL ASSETS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortized Cost		
(a) Security Deposit (Unsecured considered good)	151.89	157.57
(b) Prepaid Rent deposit	-	-
(c) Term Deposit	-	-
(d) Dividend from Associate/Subsidiary	-	-
Less: Provision for Doubtful advances	-	-
(e) Interest Receivable On Deposits		
Secured, Considered good	-	-
Unsecured, Considered good	96.78	40.89
Doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
(f) Other receivable	-	-
Total	248.67	198.45

NOTE 7. OTHER ASSETS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	-	-
(b) Advances other than Capital Advances	-	-
i) Security Deposits	-	-
ii) Advances to Related parties - Subsidiary	-	-
(c) Export incentive receivable	2.99	-
Total	2.99	-

NOTE 8. INVENTORIES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lower of Cost or Net realisable value		
(a) Raw Materials	156.90	398.29
(b) Work-in-Process	143.41	61.51
(c) Finished goods	517.81	81.40
(d) Stock in trade (acquired for trading)	-	-
(e) Stores and spares	10.74	10.61
(f) Goods in Transit	100.64	-
Less: Provision for Stock Reserve	(94.00)	(94.00)
Total	835.50	457.80

Note:

- i) For details of inventories pledged as security refer note 21.
- ii) The cost of inventories recognised as an expense is disclosed in note 28 and 29 as purchases of stock in trade in statement of Profit and Loss.
- iii) Provision for stock reserve is made after considering the nature of inventory, ageing, liquidation plan and net realisable value. The changes in write downs are recognised as an expense in the statement of profit and loss.

NOTE 9. TRADE RECEIVABLES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Secured, Considered good	-	-
Unsecured, Considered good	5,850.84	3,176.53
Doubtful	-	-
Allowance for doubtful debts (Expected Credit Loss)	(637.91)	(546.27)
	5,212.93	2,630.27
Current	5,212.93	2,630.27
Non-current		

The credit period on sale of goods ranges from 0 to 90 days. No interest is charged on trade receivables.

The Company uses available information in the public domain and on its own internal assessment and trading records before accepting any customer.

As at March 31, 2023

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,035.25	-	-	-	-	5,035.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	329.87	52.09	25.68	407.95	815.59
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at March 31, 2022

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,630.27	-	-	-	-	2,630.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	68.66	26.81	66.29	384.51	546.27
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE 10. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks		
(i) In Current account	3.20	103.21
(ii) In Deposit account with original maturity less than 3 Months	-	-
(ii) In EEFC account	16.32	23.86
(iii) In Escrow account	20.58	-
(b) Cash on hand	0.21	0.73
(c) Cheques, drafts on hand	-	-
Total	40.31	127.79

NOTE 11. OTHER BANK BALANCES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Deposit Accounts	174.86	159.40
b) Earmarked Balances with banks		
(i) In unpaid Dividend account	9.59	11.60
(ii) In margin money accounts for Bank Guarantee issued	0.02	0.02
Total	184.48	171.02

NOTE 12. LOANS - CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortized Cost		
a) Inter Corporate Deposit		
Secured, Considered good	-	20.00
Unsecured, Considered good	-	-
Doubtful	-	-
less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total	-	20.00

NOTE 13. OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital Advances	489.80	2,065.60
b) Advance to Related parties-refer Note a below	1.02	0.45
c) Advances to Employees		
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	10.69	6.89
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
e) Export incentive receivable	-	-
f) Balance with Customs and Central excise/GST authorities	160.66	130.21
g) Advance to suppliers		
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	489.81	96.76
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
h) Prepaid Expenses	10.43	10.28
i) Preliminary Expenses	-	-
j) Other Advances	11.27	6.12
k) Unamortised Expenses on Bank borrowings	17.62	18.85
Less: Provision for Doubtful advances	-	-
Total	1,191.30	2,335.16

Loans or Advances

The following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMP's & Related parties, either severally or jointly with any other person, that are:

(a) without any terms or period of repayment - repayable on demand

(₹ In Lacs)

Type of borrower	Amt of loan or advance in the nature of loan outstanding as on March 31, 2023	Amt of loan or advance in the nature of loan outstanding as on March 31, 2022
Promoter	-	-
Director	-	-
KMP's	-	-
Related Parties - Fully Owned Subsidiary	1.02	0.45

NOTE 14. EQUITY SHARE CAPITAL

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
Equity Shares:		
1,50,00,000 (70,00,000) Equity shares of ₹ 10 each	1,500.00	1,500.00
12,00,000 Redeemable Preference shares of ₹ 100 each		
20,00,000 Redeemable Preference shares of ₹ 10 each		
ISSUED, SUBSCRIBED AND FULLY PAID UP		
92,32,119 (62,32,700) Equity Shares of ₹ 10/- each	923.21	623.27
ISSUED, SUBSCRIBED AND PARTLY PAID UP		
56737 Equity Shares of ₹ 10/- each partly paid up - ₹ 5 each & 60194 Equity Shares of ₹ 10 Each party paid up- ₹ 2.50 each- Rights issue	4.34	77.91
Total	927.55	701.18

14.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Reconciliation	2022-2023		2021-2022	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
a) Equity Shares of ₹ 10 each fully paid up				
At the beginning of the period	93.49	701.18	62.33	623.27
Issued during the period	-	226.37	31.16	77.91
At the end of the period	93.49	927.55	93.49	701.18
b) Redeemable Preference Share Capital (0%)				
At the end of the period				

14.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:

Reconciliation	No. of shares held as at			
	March 31, 2023		March 31, 2022	
Tajos Investments Pvt. Ltd	1,253,500	13.41%	1,253,500	13.41%
Nandhi Synthetics Pvt. Ltd.	919,354	9.83%	919,354	9.83%
Sunil L Mundra	589,004	6.30%	589,004	6.30%
Sushil Kumar Mundra	509,012	5.44%	509,012	5.44%

14.3. Shares Held By Promoters As At The End Of The Year

Promoter Name	As on March 31, 2023			As on March 31, 2022		
	No of shares	% of total	% change during the year	No of shares	% of total	% change during the year
SUNIL LAXMINARYAN MUNDRA	589,004	6.30%	0.00%	589,004	6.30%	-0.37%
SUSHIL KUMAR MUNDRA	509,012	5.44%	0.00%	509,012	5.44%	0.00%
INDRA MUNDRA	391,800	4.19%	0.00%	391,800	4.19%	0.00%
JYOTI MUNDRA	306,694	3.28%	0.00%	306,694	3.28%	0.00%
SHARADA MUNDRA	265,036	2.83%	0.00%	265,036	2.83%	0.00%
LAXMINARAYAN MOONDRA	240,441	2.57%	0.00%	240,441	2.57%	0.00%
RADHA S MUNDRA	239,400	2.56%	0.00%	239,400	2.56%	0.00%
SATYANARAYAN MUNDRA	184,882	1.98%	0.00%	184,882	1.98%	0.00%
MADHAV MUNDRA	165,155	1.77%	0.00%	165,155	1.77%	0.00%
SHREY MUNDRA	165,150	1.77%	0.00%	165,150	1.77%	0.00%
JYOTSNA DAGA	37,789	0.40%	0.00%	37,789	0.40%	0.06%
NIDHI SETHIA	18,484	0.20%	0.00%	18,484	0.20%	0.04%

14.3 Term attached to Equity Shares:

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

The Company has not issued any equity shares under ESOP (Employee Stock Option).

NOTE 15. OTHER EQUITY

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	146.40	146.40
Securities Premium Account	3,725.48	1,688.11
General Reserve	183.80	183.80
Retained Earnings (surplus in profit or loss account)	7,422.07	5,585.92
Total	11,477.75	7,604.23

Note:

- Capital reserve: on account of forfeiture of amount paid on convertible shares warrants allotted to non promoters share holders.
- Securities Premium reserve: The amount received in excess of Face value of the equity shares is recognised as securities premium reserve.
- General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956 mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Proposed dividend:
Dividends proposed but declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists on the balance sheet date.

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital Reserve		
Opening balance	146.40	146.40
Add: Appropriation from Profit or Loss account		
Closing Balance	146.40	146.40
The capital redemption reserve is created out of the statutory requirement and these are not available for distribution of dividend and will not be reclassified subsequently to profit or loss.		
b) Securities Premium Account		
Opening balance	1,688.11	986.93
Add: Additions	2,037.37	701.18
Closing Balance	3,725.48	1,688.11
c) General Reserve		
Opening balance	183.80	183.80
Add: Transfer from General Reserve		
Less: Ind AS Adjustment		
Closing Balance	183.80	183.80
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.		
d) Actuarial movement through Other Comprehensive Income		
Opening balance	-	-
Additions/(Deletions)	-	-
Closing Balance	-	-
e) Retained Earnings		
Opening balance	5,585.92	4,272.62
Profit/(Loss) for the year	1,913.35	1,375.62
Less: Transfer to Capital Redemption Reserve	-	-
Less: Dividend on Equity Shares	(77.20)	(62.33)
Less: Transfer to Reserves	-	-
Less: Ind AS Adjustment	-	-
Closing Balance	7,422.07	5,585.92
The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.		
Total Other Equity	11,477.75	7,604.23

NOTE 16. NON-CURRENT BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - at amortised cost		
i) Bonds/Debentures		
ii) Term Loans from Banks	2,549.64	1,481.34
iii) Term Loans from others	161.50	168.21
less: Current Maturities of Long Term Debt	(410.01)	(174.75)
Grand Total	2,301.14	1,474.81

Term Loans from Banks

Repayment Details - The loans are repayable over the period of 84 months in equal monthly instalments.

Security Details -

Primary - Charge on FD of DSRA of 6 months, charge on stocks, charge on book debts, charge on current assets and charge on export debtors.

Collateral - Charge on current assets, personal guarantee of Mr. Sunil Mundra and Mr. Sushil Mundra, Charge on FD of DSRA of 6 months, exports debtors and stocks. Charge on Industrial property situated at Industrial Plot No.7/A, KIADB Industrial Area, Attibele, Anekal Taluka, Bangalore-560107. Charge on Industrial property situated at 84, Bangalore-Perambai Road, Pichaveerampet, Moolakulam, Puducherry-605010.

Term Loans from Others - Loan from IREDA is shown under this head. It is payable over the period of 72 months in equal monthly instalments.

Security Details - Revolving bank guarantee for an amount equivalent to 6 months principal plus interest plus liquidated damages and Personal guarantee of Mr. Sunil L Mundra & Mr. Sushil Kr Mundra.

NOTE 17. OTHER FINANCIAL LIABILITIES - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
Financial guarantee liability	-	-
Deposit/Retention	-	-
Total	-	-

NOTE 18. PROVISIONS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Provision for Employee Benefits		
a) Compensated absences (Earned Leave)	-	-
b) Provision for gratuity	15.01	7.99
Total	15.01	7.99

NOTE 19. SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Loan repayable on demand from Bank		
Secured Loan		
a) from Banks	2,204.50	1,626.83
ii) Current maturities of long-term debt	410.01	174.75
iii) Short Term Borrowings from Directors	-	-
Total	2,614.51	1,801.57

- a) Working capital facilities in the form of open cash credit from State bank of India is secured by Working Capital loan from State Bank of India is secured by hypothecation of stock of raw materials, work in process, finished goods, book debts, bills and other movable assets of the Company. All the secured loans are further secured by the personal guarantees of promoter directors.

NOTE 20. TRADE PAYABLES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dues of Micro Enterprises and Small Enterprises	-	265.32
Dues of creditors other than micro enterprises and small enterprises	2,580.69	1,154.04
Employee Related	161.99	174.70
Disputed Dues of Micro Enterprises and Small Enterprises	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-
Total	2,742.69	1,594.06

(₹ In Lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) MSME	-	-	-	-	-
(ii) Others	2,690.08	37.89	3.60	11.11	2,742.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2023	2,690.08	37.89	3.60	11.11	2,742.69

(₹ In Lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
(i) MSME	265.32	-	-	-	265.32
(ii) Others	1,149.83	141.00	14.03	23.88	1,328.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2022	1,415.15	141.00	14.03	23.88	1,594.06

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2022 and March 31, 2021. The details in respect of such dues are as follows:

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount	-	265.32
Interest	-	0.33
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.33
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.33	0.33

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTE 21. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
(a) Current maturities of long-term debt	-	-
(b) Interest accrued but not due on borrowings	-	-
(c) Unclaimed dividends	9.59	11.60
(d) Interest payable on MSME	-	0.33
(e) Financial guarantee liability	-	-
(f) Other Liabilities		
- Lease Rent Payable	-	-
- Other liabilities	1.69	5.32
Total	11.29	17.25

NOTE 22. PROVISIONS - CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Compensated absences (Earned Leave)	18.45	34.04
(b) Provision for gratuity	18.92	23.46
Total	37.37	57.50

NOTE 23. OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc.)	56.58	27.36
(b) Advances and Deposits from Customers/others	199.47	554.12
(c) Related to expenses	180.42	190.10
Total	436.47	771.58

NOTE 24. CURRENT TAX LIABILITIES (NET)

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Taxation (Net of advance payments)	172.34	99.14

NOTE 25. REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products	16,521.34	12,987.60
(b) Other operating revenues	765.46	518.90
Total	17,286.80	13,506.50

NOTE 26. OTHER INCOME

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income		
On Bank Deposits at amortised cost	87.32	12.62
On other Deposits	-	-
(b) Dividend Income		
From equity investments designated	-	-
(b) Other gains or losses		
- Profit on sale of Fixed Assets (net)	-	-
- Net gain arising on financial assets designated	-	-
- Net gain on foreign currency transaction	-	-
(c) Other non-operating income	-	-
Operating lease rent remeasurment	-	43.90
Profit on sale of Assets	4.54	6.46
Miscellaneous income	14.73	30.42
	106.59	93.40

NOTE 27. COST OF MATERIAL CONSUMED

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	398.29	285.86
Purchases during the year	8,123.58	5,716.17
Inventories at the end of the year	156.90	398.29
Total	8,364.96	5,603.74

NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock:		
Finished goods		
Capsules	81.40	300.42
Work in progress		
Capsules	61.51	23.83
	142.91	324.24
Closing Stock:		
Finished goods		
Capsules	517.81	81.40
Work in progress		
Capsules	143.41	61.51
	661.22	142.91
Decrease/(Increase) in stocks	(518.32)	181.34
Net change (Increase)/Decrease	(518.32)	181.34

NOTE 29. COST OF TRADED RAW MATERIALS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of raw materials sold	49.38	195.14

NOTE 30. EMPLOYEE BENEFIT EXPENSE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries, Wages and Bonus	881.93	789.50
(b) Contribution to Provident and other Funds	32.94	29.48
(c) Director Remuneration	121.60	113.40
(d) Workmen and Staff welfare expenses	36.37	29.38
Total	1,072.84	961.77

NOTE 31. FINANCE COST

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Interest costs		
(a) Bank Loans and others	311.95	168.05
(b) Government Loans	-	-
(ii) Other borrowing costs - on Lease	4.08	5.84
(iii) Other Interest and Finance charges	39.48	22.16
Total	355.51	196.05

NOTE 32. DEPRECIATION AND AMORTISATION EXPENSE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation/amortisation on		
(a) Property, Plant and Equipment	634.44	483.91
(b) Intangible Assets	63.31	15.61
(c) Right of use Asset - (Lease)	21.86	4.31
Total	719.61	503.84

NOTE 33. OTHER EXPENSES

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	323.07	168.98
Power and Fuel	1,375.30	1,190.36
Repairs and Maintenance -Buildings	70.71	49.28
Repairs and Maintenance-Machinery	226.41	145.99
Repairs and Maintenance -Others	44.18	28.31
Bad Debts	13.15	25.72
Insurance	21.06	23.56
Exchange Rate Difference	(105.19)	(20.60)
Rates and Taxes	18.62	69.14

NOTE 33. OTHER EXPENSES

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Freight & Clearing Expenses	1,080.71	788.67
Directors Sitting fees	4.95	6.60
Auditor's Remuneration	7.50	5.00
Travelling Expenses - Foreign	46.23	4.40
Travelling and Conveyance	115.39	81.64
Professional Fees	107.15	127.85
Commission	175.42	126.40
Provision for Stock Loss	-	15.00
Provision for Doubt full Debts	91.64	270.04
Sundry Provisions - Write Back	-	(100)
CSR expenditure	13.34	3.50
Security Charges	25.60	26.59
Contract Labour Charges	514.36	364.26
Postage and Courier	20.71	18.57
Communication Expenses	8.84	9.31
Business Promotion Expenses	51.52	41.90
Research & Development Expenditure - Revenue in Nature	238.87	212.17
Bank Charges	32.23	12.13
Printing and Stationery	16.05	7.34
Miscellaneous Expenses	12.05	44.90
Sundry Assets Written off	-	246.35
Discount & Rebate	198.06	-
Commission to Directors	27.00	22.00
Total	4,774.93	4,015.38

NOTE 34. EXCEPTIONAL ITEMS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Exceptional items of (Debit)	-	-
Prior Period expenses	-	-
Exceptional items of (Credit)	-	-
Profit on sale of Investments	-	-
Exceptional items (Net)	-	-

NOTE 35. PAYMENT TO AUDITORS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Audit Fees	7.50	5.00
(b) Fees for other services	0.50	1.99
Total	8.00	6.99

NOTE 36. RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	151.40	132.71
Contribution to provident and other funds	4.45	4.27
Consumption of materials, Stores and spare parts	118.93	63.70
Lab Expenses	1.69	-
Power and Fuel	3.17	3.31
Rent paid for RD Staff Qtrs	8.61	8.15
Repairs and maintenance	-	0.04
Total	288.25	212.17

NOTE 37. OPERATING LEASE

The Company has obtained certain premises for its business operations and also the Company has provided leased accommodation to employees for period between 11 Months to 5 years.

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Not later than one year	26.61	24.38
Later than one year and not later than five years	6.81	33.42
Later than five years	-	-
Total	33.42	57.79

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied the standard to its leases retrospectively accordingly, the Company has not restated comparative information.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.- Refer Note 2 for the Cost of the right of the use of Asset carried in the at the end of the year.

NOTE 38. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
for Current year	545.77	474.30
for Previous years	-	-
Deferred tax		
for Current year	108.88	72.96
Total	654.65	547.26

Reconciliation of current tax Expense

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit or loss before tax	2,574.48	1,942.65
Income tax rate (%) applicable to the Company #	0.25	0.29
Income tax calculated at income tax rate	647.95	565.70
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expense that are not deductible	22.41	133.19
Effect of on account Depreciation	(117.17)	(204.62)
Tax effect on - other deductible expenses	(7.41)	(19.98)
Income tax expense recognised in statement of Profit and Loss	545.77	474.30

The tax rate used for reconciliation above is the corporate tax rate of 25.17/29.12% at which the Company is liable to pay tax on taxable under the Indian tax law.

NOTE 39. EARNINGS PER SHARE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share	20.63	19.62
Diluted Earnings per share	20.63	19.62

39.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after Taxation	1,913.35	1,375.62
Earnings used in the calculation of basic earnings per share	1,913.35	1,375.62
Number of equity shares of 10 each outstanding at the beginning of the year	92.76	70.12
Equivalent Number of equity shares of 10 each outstanding at the end of the year after considering the party paid shares	92.76	70.12
Weighted Average number of Equity Shares	92.76	70.12

39.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings used in the calculation of basic earnings per share	1,913.35	1,375.62
Adjustments (if any)	-	-
Earnings used in the calculation of diluted earnings per share	1,913.35	1,375.62

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in calculation of basic earnings per share	92.76	70.12
Shares deemed to be issued for no consideration	-	-
Weighted average number of equity shares used in calculation of diluted earnings per share	92.76	70.12

NOTE 40. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and technology driven community development.

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	20.05	8.5
Amount of expenditure incurred on:	-	-
Construction/acquisition of any asset	-	-
On purpose other than above	9.62	4.96
Shortfall at the end of the year	10.43	3.54
Amount Transferred to unspent CSR account	-	-
Amount to be Transferred to specified fund Account	10.43	3.54

NOTE 41. DEFERRED TAX BALANCES

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets	-	-
Deferred tax liabilities	277.37	168.49
Total	277.37	168.49

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (Liabilities)/Asset in relation to		
Property, Plant and equipment	(478.42)	(342.85)
Provision compensated absences and others	18.22	18.22
Provision for bad & doubtful debts	178.66	151.97
Others	4.17	4.17
Total	(277.37)	(168.49)
Tax losses	-	-
Net Deferred tax Assets/(Liability)	(277.37)	(168.49)

NOTE 42.

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balances are given below:

Note (i) - Related Party Disclosures:

Description of Relationship	
Key Management Personnel	Mr. Sunil Laxminarayan Mundra - Managing Director
	Mr. Laxminarayan Moondra - Whole Time Director
	Mr. Satyanarayan Mundra - Whole Time Director
	Mr. Raj Kishore Prasad-CFO
	Mrs. Shilpa Burman - Company Secretary
Directors	Mr. Sushil Kumar mundra
	Mrs. Jyothi Mundra
Subsidiary Company	NATURAL PHYTO PHARMA PRIVATE LIMITED
	NATURAL BIOGENEX PRIVATE LIMITED
Enterprise in which Directors have significant Control	M/s. Mundra Enterprises
	M/s. Sonia Organics

Details of Transactions With

Particulars	₹ In Lacs		
	2022-23	2021-22	
KEY MANAGEMENT PERSONNEL			
Mr. SUNIL LAXMINARAYANA MUNDRA - Managing Director	Salary Paid	75.59	46.20
Mr. LAXMINARAYANA MOONDRA - Whole-Time Directors	Salary Paid	35.96	33.60
Mr. SATHYANARAYANA MUNDRA - Whole-Time Directors	Salary Paid	38.20	33.60
Mr. RAJ KISHORE PRASAD - Chief Financial Officer	Salary Paid	14.35	12.83
Mrs. SHILPA BURMAN - Company Secretary	Salary Paid	6.19	5.51
OTHER RELATED PARTIES			
Mr. SUSHIL KUMAR MUNDRA - Director	Sitting Fees Paid	0.60	0.90
Mrs. JYOTHI MUNDRA - Director	Sitting Fees Paid	0.60	1.05
ENTERPRISE IN WHICH DIRECTORS HAVING SIGNIFICANT CONTROL			
M/s. SONIA ORGANIS	Lease rent recd.	5.31	4.25
M/s. MUNDRA ENTERPRISES	Purchase of RM	17.30	6.09
SUBSIDIARY COMPANIES			
NATURAL PHYTO PHARMA PRIVATE LIMITED (Formerly National Drug Discoveries Pvt Ltd)	Advance Paid	0.58	-
NATURAL BIOGENEX PVT. LTD	Advance Paid	1,567.03	1,084.66
	Share Appl. Money Paid	1,999.00	-
	Advance Recd.	1,569.17	-
	Interest on Loan recd.	66.20	-
Payables/Receivable			
Mr. SUNIL LAXMINARAYANA MUNDRA	Payable	19.48	2.43
Mr. LAXMINARAYANA MOONDRA	Payable	2.21	1.84
Mr. SATHYANARAYANA MUNDRA	Payable	1.89	1.86
Mr. RAJ KISHORE PRASAD	Payable	0.99	0.72
Mrs. SHILPA BURMAN	Payable	0.55	0.46
MUNDRA ENTERPRISES	Payable	6.96	4.06
NATURAL PHYTO PHARMA PRIVATE LIMITED	Receivable	0.58	0.02
NATURAL BIOGENEX PRIVATE LIMITED	Receivable	2,059.58	2,002.14
SONIA ORGANIS	Receivable	1.06	2.87

NOTE 43.**A. Defined contribution plans**

The Company makes Provident Fund and Employee State Insurance which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 27.95 Lacs - for provident fund contributions in the statement of Profit or loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans (Gratuity)

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The

following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. the Company provided the gratuity benefit through annual contributions to a fund managed by the M/s. Life Insurance Corporation

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

1. Risk to the beneficiaries (i.e. for employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding;
- The insolvency of The Employer;
- The holding of investments which are not matched to the liabilities; Or
- A combination of these events.

2. Risks to the Benefit provider (i.e. for employer)

Parameter risk: Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be Insufficient to pay off the liabilities.

For example: Suppose the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's' actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability.

Further, actual withdrawals may be lower or higher than what was assumed in the valuation, which may also impact the plan's liability.

Risk of illiquid assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of benefit change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract. For e.g. the prevailing Act/Regulation may increase the benefits payable under defined benefit plans.

Asset liability mismatching risk: ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: When the liability duration is, say, 10 years and with assets locked in 5-year g-sec securities. After 5 years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

NOTE 43(B)

(₹ In Lacs)

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present value of obligations at the beginning of the year	177.73	156.98
Current service cost	18.54	14.61
Interest Cost	12.62	10.83
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	(3.51)	(2.65)
- Actuarial gains and losses arising from experience adjustment	8.86	20.03
Benefit Payments from Plan Assets	(7.68)	(22.08)
Present value of obligations at the end of the year	206.57	177.73
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	146.29	135.87
Interest income	10.97	9.49
Return on plan assets		
Contributions by the employer	24.19	25.39
Re-measurement (gains)/losses:		
Benefits paid	(7.68)	(22.08)
Fair value of plan assets at the end of the year	172.63	146.29
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	206.57	177.73
Less: share of obligation pertaining to Associate Company under common Gratuity Trust		
Fair value of plan assets at end of the year	172.63	146.29
Funded status of the plans - Liability recognized in the balance sheet	33.93	31.45
Components of defined benefit cost recognized in profit or loss		
Current service cost	18.54	14.61
Net interest Cost	(1.65)	(1.34)
Net cost in Profit or Loss	16.89	13.27
Components of defined benefit cost recognized in Other Comprehensive income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	(3.51)	(2.65)
- Actuarial gains and losses arising from experience adjustment	8.86	20.03
Return on plan assets	1.13	2.38
Net Cost	6.48	19.76
Less: Allocation to Associate Company under common gratuity trust	-	-
Net Cost in other Comprehensive Income	6.48	19.76

Particulars	2022-23	2021-22
Assumptions		
Discount rate	7.40%	7.10%
Expected rate of salary increase	7.00%	7.00%
Average age of members	41.91	43.72
Average remaining working Life	18.09	16.28
Mortality (IALM (2012-14) Ultimate	5% of Mortality Rate	5% of Mortality Rate

The Company has invested the plan assets with insurer managed funds. The Insurance Company has invested the plant assets in Govt. Securities, Debit Funds, Mutual Funds, Money market instruments etc. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

NOTE 43(C)

Note (i) Experience Adjustments

Experience Adjustments

Particulars	For the period ending	
	March 31, 2023	March 31, 2022
(Gain)/Loss on Plan Liabilities - in Lacs	8.86	20.03
% of Opening Plan Liabilities	4.99%	12.76%
Gain/(Loss) on Plan Assets - in Lacs	1.13	2.38
% of Opening Plan Assets	0.77%	1.75%

Notes:

- Experience adjustment has been provided only to the extent of details available.
- Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors.
- The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The Company's gratuity funds are managed by the M/s. Life Insurance Corporation and therefore the composition of the fund assets is not presently ascertained.

Note (ii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	(₹ In Lacs)	
	March 31, 2023	March 31, 2022
Under Base Scenario	206.57	177.73
Salary Escalation (Up by 1%)	222.13	191.32
Salary Escalation (Down by 1%)	193.58	165.19
Withdrawal Rates (Up by 1%)	207.27	177.68
Withdrawal Rates (Down by 1%)	206.74	177.78
Discount Rates (Up by 1%)	193.36	165.33
Discount Rates (Down by 1%)	222.57	191.83
Mortality Rates (Up by 10%)	206.75	-
Mortality Rates (Down by 10%)	206.38	-

NOTE 44.

44.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Company through the leveraging of the debit and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through long and short term borrowings. The Company monitors the capital structure on the basis of debt to equity ratio and the maturity of the overall debt of the Company.

The following table summarises the capital of the Company:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Equity	12,405.30	8,305.41
Debt	4,754.15	3,108.16
Cash and cash equivalents	40.31	127.79
Net debt	4,794.46	3,235.96
Total capital (Equity + Net debt)	17,199.77	11,541.37
Net debt to capital ratio	0.28	0.28

44.2 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (predominantly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of this counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.

44.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding contractual maturities of financial liabilities as at March 31, 2023:

(₹ In Lacs)

Particulars	Carrying amount	Less than 1 year	1-3 years	More than 3 years	As at March 31, 2023
(i) MSME	-	-	-	-	-
(ii) Others	2,742.69	2,690.08	41.49	11.11	2,742.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2022	2,742.69	2,690.08	41.49	11.11	2,742.69

The table below provides details of financial assets at at March 31, 2023

(₹ In Lacs)

Particulars	Carrying amount-2022-23	Carrying amount-2021-22
Trade receivables	5,212.93	2,630.27
Other Financial assets	4,474.46	2,524.87

NOTE 44 (B)**Fair value Hierarchy**

(₹ In Lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period.						
Financial assets:						
Trade receivables	5,212.93	-	-	2,630.27	-	-
Cash and cash equivalents	40.31	-	-	127.79	-	-
Bank balances other than cash and cash equivalents	184.48	-	-	171.02	-	-
Loans	-	-	-	20.00	-	-
Other Financial Assets	-	-	-	-	-	-
Security Deposit (Unsecured considered good)	151.89	-	-	157.57	-	-
Rental Deposit	-	-	-	-	-	-
Term Deposit	-	-	-	-	-	-
Interest Receivable On Deposits	-	-	-	-	-	-
Financial Liabilities:						
Borrowings- Bank OD	4,915.65	-	-	3,276.38	-	-
Trade payables	2,742.69	-	-	1,594.06	-	-
Other Financial Liability	1.69	-	-	5.32	-	-
Unclaimed dividend	9.59	-	-	11.60	-	-

(₹ In Lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period						
Financial Assets	-	-	-	-	-	-
Investments in equity - Quoted	-	-	-	-	-	-
Investments in equity- Unquoted	2,001.00	-	-	1.75	-	-
Investments in government securities	-	-	-	-	-	-
Investment in Preference shares	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Derivatives not designated as hedges	-	-	-	-	-	-
Derivatives designated as hedges	-	-	-	-	-	-

NOTE 44 (C)

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

(₹ In Lacs)

Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 3	5,212.93	5,212.93	2,630.27	2,630.27
Cash and cash equivalents	Level 2	40.31	40.31	127.79	127.79
Bank balances other than cash and cash equivalents	Level 2	184.48	184.48	171.02	171.02
Other financial assets	Level 3	2,249.67	2,249.67	203.92	203.92

(₹ In Lacs)

Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	4,915.65	4,915.65	3,276.38	3,276.38
Trade payables	Level 3	2,742.69	2,742.69	1,594.06	1,594.06
Other financial liabilities	Level 3	11.29	11.29	17.25	17.25

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
 1. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
 2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTE 45. ADDITIONAL REGULATORY INFORMATION**A. ANALYTICAL RATIOS**

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.24	1.32	(6.17%)	
Debt - equity Ratio	Total Debt	Shareholder's Equity	70%	73%	(4.35%)	

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance (+/- >25%)
Debt Service Coverage Ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt Service = Interest & Lease Payments + Principal Repayments	7.76%	5.36%	44.62%	Due to increase in debt and net profit for the year
Return On Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.18	0.19	(2.50%)	
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	24.31	22.56	7.74%	
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	4.41	5.10	(13.51%)	
Trade Payables Turnover Ratio	Net Credit Purchases = Gross purchases - Purchase return	Average Trade Payables	4.06	3.94	3.14%	
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	11.92	9.64	23.67%	
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	11.11%	10.33%	7.50%	
Return On Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	17%	18%	(8.53%)	
Return On Investment						

NOTE 46.

Particulars	2022-23	2021-22
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	592.05 Lacs	2,563.00 Lacs
Other monies for which the Company is contingently liable:		
(a) Bank Guarantees issued for loans and others.	4,800.00 Lacs	4,800.00 Lacs
(b) Disputed Income tax demands which are under various stages of appeal.	78.67 Lacs	28.97 Lacs
(c) Disputed Sales tax, Excise Duty, Service tax, Urban land tax, Electricity matters and Customs demands.	44.16 Lacs	44.16 Lacs

The Company has given a financial guarantee amounting to 4,800 Lacs.

Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

NOTE 47. EMPLOYEE SHARE-BASED PAYMENT PLANS

The Shareholders of the Company at the Annual General Meetings held on 10th November, 2018 had approved the Employee Stock Option Scheme (ESOP) 2018. The ESOS's are administered by the Compensation Committee ("Committee"). Options are granted at the discretion of the Committee to selected employees depending upon certain criterion. Each option comprises one underlying equity share.

The Company has offered equity shares under ESOP during the year for the identified employees and below is the summary of options vested, exercised and outstanding during the year:

Particulars	No of shares - 2022-23	No of shares - 2021-22
No of Options Granted During the year	25,000	30,000
Options Vested During the year	-	-
Options Outstanding at the Beginning of the year	155,000	125,000
Options Exercised During the year	-	-
Number of Options cancelled	-	-
Number of options lapsed	-	-
Options Outstanding at the End of the year	180,000	155,000

The following table summarises the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2023.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Employee Stock Option Scheme 2018	
Dates of Grant	November 10, 2018
Market Price (₹ per share) on the dates of grant	78
Volatility	78%
Risk free rate	6.50%
Exercise price	10
Time to maturity (years)	10
Dividend yield	1%
Option fair value (₹ per share)	69

The Black Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessarily provide a reliable measure of fair value of options.

NOTE 48.

The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.

NOTE 49.

Quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTE 50.

The Company is not declared wilful defaulter by any bank or financial institution or other lender during the year.

NOTE 51.

The Company has submitted the registration of charge form to ROC within time for SBI but for HDFC it got delayed and filed within 60 days with four times additional fee.

NOTE 52.

The Company has not made any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the year.

NOTE 53.

The Company has not accepted any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 during the year.

NOTE 54.

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 55. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on May 26, 2023 have proposed a final dividend of ₹ 1 per equity share for the year ended March 31, 2023 which is subject to the approval of shareholders at the ensuing Annual General Meeting.

NOTE 56. CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on

November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 57.

The Company has circulated balance confirmation for Trade Payables and Trade Receivables. The receipt of Confirmation and Reconciliation are in process and the reported balances are subject to Confirmation. Any adjustment, if required, will be made on receipt of the same.

NOTE 58.

Previous year figures have been regrouped to correspond to the current year classification where ever necessitated.

In terms of our report attached

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Independent Auditor's Report

TO THE MEMBERS OF **NATURAL CAPSULES LIMITED**

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **M/S. NATURAL CAPSULES LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Evaluation of uncertain Tax positions</p> <p>As described in the summary of Significant accounting policies in note no 2.2 Significant judgment is required in determining the provision for income taxes both current and deferred as well as the assessment of the provisions for uncertain tax positions, consequently having an impact on related accounting and disclosures in the Consolidated Financial Statements.</p>	<p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management.</p> <p>Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions;</p> <p>We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</p> <p>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>
2.	<p>Trade receivables</p> <p>Trade receivables are recognized at their anticipated realizable value which is the original invoiced amount Valuation of trade receivables is a key audit matter in the audit, due to size of the trade receivables balance and the high level of management judgement used in determining the impairment provision.</p>	<p>For trade receivables and managements estimation for trade receivables, impairment provisions, our key audit procedure includes the following:</p> <p>We obtained management confirmation on trade receivables outstanding</p> <p>We analyzed the ageing of trade receivables and</p> <p>We obtained the list of long outstanding receivables of these through enquiring with the management and by obtaining sufficient corroborative evidences to support the conclusions.</p>

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the Companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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, 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 auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary Companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those Companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our

information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Company and its subsidiary Company incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary Companies incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are Companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are Companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 53 to the consolidated financial statements
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b. The Board of Directors of the Company have proposed final dividend for the year

which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

Place: Bangalore
Date: May 26, 2023

For **P. CHANDRASEKAR LLP**
Chartered Accountants
Firm Registration No. 000580S/S200066

P. Chandrasekaran
Partner
Membership No. 026037
UDIN No: 23026037BGWNVE6791

Annexure - A to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of Natural Capsules Limited ("the Holding Company") as of March 31, 2023, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary Companies, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary Companies, which are Companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Companies, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bangalore
Date: May 26, 2023

For **P. CHANDRASEKAR LLP**
Chartered Accountants
Firm Registration No. 000580S/S200066

P. Chandrasekaran
Partner
Membership No. 026037
UDIN No: 23026037BGWNVE6791

Consolidated Balance Sheet

As at March 31, 2023

(₹ In Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	ASSETS			
	Non-Current Assets			
(a)	Property, Plant and equipment	2	9,538.96	6,425.65
(b)	Capital Work in Progress		8,770.43	2,010.91
(c)	Right-of-use assets		26.41	48.26
(d)	Investment Property		-	-
(e)	Intangible Assets	3	111.01	174.32
(f)	Financial Assets			
(i)	Investments	4	-	3.72
(ii)	Trade Receivables			
(iii)	Loans		-	-
(iv)	Other financial assets	5	275.67	206.52
(g)	Deferred Tax Assets (Net)			
(h)	Other Non-Current Assets	6	2.99	-
	Total non-Current Assets		18,725.47	8,869.39
	Current Assets			
(a)	Inventories	7	884.88	457.80
(b)	Financial Assets			
(i)	Investments		-	-
(ii)	Trade Receivables	8	5,212.93	2,630.27
(iii)	Cash and Cash Equivalents	9	147.77	139.85
(iv)	Bank balances other than (iii) above	10	544.43	348.40
(v)	Loans	11	-	20.00
(vi)	Other Financial assets		-	-
(c)	Current tax assets (Net)		-	-
(d)	Other current Assets	12	3,360.64	3,962.13
	Total Current Assets		10,150.65	7,558.44
	TOTAL ASSETS		28,876.12	16,427.83
B	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	13	927.55	701.18
(b)	Other Equity	14	11,395.06	7,596.75
(c)	Non Controlling Interest		2,502.00	0.25
	Total Equity		14,824.62	8,298.18
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	15	7,038.83	3,424.92
(ia)	Lease Liabilities		26.09	51.46
(ii)	Trade Payables		-	-
(iii)	Other Financial Liabilities		-	-
(b)	Provisions	16	15.01	7.99
(c)	Deferred Tax Liabilities		277.37	168.49
(d)	Other Non-Current liabilities			
	Total Non-Current Liabilities		7,357.29	3,652.86
	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	17	2,614.51	1,801.57
(ia)	Lease Liabilities		-	-
(ii)	Trade Payables			
	Dues of micro enterprises and small enterprises	18	-	265.32
	Dues of creditors other than micro enterprises and small enterprises		2,742.69	1,332.34
(iii)	Other Financial Liabilities	19	675.22	141.95
(b)	Other Current Liabilities	21	445.46	778.97
(c)	Provisions	20	37.37	57.50
(d)	Current tax liabilities (Net)	22	178.96	99.14
	Total Current Liabilities		6,694.21	4,476.79
	Total Liabilities		14,051.50	8,129.65
	TOTAL EQUITY AND LIABILITIES		28,876.12	16,427.83

The accompanying notes are an integral part of these financial Statements

In terms of our report attached

For and on behalf of the Board

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Consolidated Profit & Loss

For the Year ended March 31, 2023

(₹ In Lacs)

Sr. No.	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from Operations	23	17,237.42	13,506.50
II	Other Income	24	56.54	101.48
III	Total Income (I+II)		17,293.96	13,607.98
IV	Expenses:			
	Cost of materials consumed	25	8,337.11	5,603.74
	Changes in Inventories of finished goods, work-in-progress and stock in trade	26	(518.32)	181.34
	Cost of materials Goods Traded	27	49.38	195.14
	Employee benefit expense	28	1,072.84	961.77
	Finance costs	29	340.57	196.05
	Depreciation and amortisation expense	30	720.81	504.04
	Other expenses	31	4,792.29	4,027.25
	Total Expenses (IV)		14,794.68	11,669.33
V	Profit before exceptional items and Tax (III-IV)		2,499.27	1,938.65
VI	Exceptional items - Income/(Expenses)	32	-	-
VII	Profit before Tax (V - VI)		2,499.27	1,938.65
VIII	Tax Expense:			
	1) Current tax		545.77	474.30
	2) Tax for earlier		-	-
	3) Deferred tax		108.88	72.96
	Total Tax expenses		654.65	547.26
IX	Profit for the year (VII-VIII)		1,844.62	1,391.39
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of the defined benefit plan		(6.48)	(19.76)
	b) Equity instruments through other comprehensive income			
			(6.48)	(19.76)
	ii) Income tax relating to items that will not be reclassified to profit or loss			
	B. i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be re-classified to profit or loss			
X	Total other comprehensive income (A(i-ii)+(B(i-ii)))		(6.48)	(19.76)
XI	Total Comprehensive Income (IX+X)		1,838.14	1,371.63
XII	Earnings Per Equity Share (Nominal value per share ₹ 10/-)			
	(a) Basic		19.82	19.56
	(b) Diluted		19.82	19.56

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

Sunil L Mundra
Managing Director
DIN: 00214304

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

P Chandrasekar
Partner
Membership No.: 026037

Shilpa Burman
Company Secretary
M. No.: A52069

Raj Kishore Prasad
Chief Financial Officer

Place: Bengaluru
Date: May 26, 2023

Consolidated Cash Flow Statement

For the Year ended March 31, 2023

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	2,499.27	1,938.65
Adjustments for:		
Adjustments for depreciation and amortisation expense	720.81	504.04
Adjustments for finance costs	340.57	196.05
Profit on sale of Fixed Assets (net)	(4.54)	(6.46)
Interest Income	(37.27)	(20.69)
Bad Debts	13.15	25.72
Remeasurement (losses)/gains in Lease rent	-	(43.90)
Re-measurement of the defined benefit plan	(6.48)	(19.76)
Unrealised exchange (gain)/loss	1,026.24	(9.76)
Operating profit before working capital changes	3,525.51	2,563.89
Changes in working capital		
Adjustments for increase/(decrease) in		
Adjustments for decrease (increase) in trade receivables, current	(2,595.82)	23.36
Adjustments for decrease (increase) in inventories	(427.08)	203.16
Adjustments for other bank balances	(196.03)	(185.15)
Adjustments for decrease (increase) in other current assets	621.49	(2,516.61)
Adjustments for decrease (increase) in non-current assets	(2.99)	48.13
Adjustments for other financial assets, non-current	(69.15)	(27.93)
Adjustments for increase (decrease) in trade payables, current	1,145.03	(9.98)
Adjustments for increase (decrease) in other current liabilities	(333.51)	182.76
Adjustments for increase (decrease) in other non-current liabilities	-	-
Adjustments for provisions, current	59.69	54.72
Adjustments for provisions, non-current	7.02	(4.15)
Adjustments for other financial liabilities, current	533.27	89.91
Adjustments for other financial liabilities, non-current	-	(1,258.07)
Cash generated from operations	2,267.45	422.12
Income taxes paid (refund)	545.77	474.30
Net cash generated from operating activities	1,721.67	(52.18)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(10,589.10)	(4,433.67)
Movements in Intangible Assets	63.31	(174.32)
Movement in Right Use of Assets	21.86	(0.04)
Proceeds from sales of property, plant and equipment	-	3.56
Proceeds from sales of investment	-	-
Changes in Financial assets- Advance paid	-	-
Investment made	3.72	(3.72)
Interest received	37.27	20.69
Dividends received	(10,462.95)	(4,587.50)
Net cash used in investing activities	(10,462.95)	(4,587.50)
C. Cash flow from Financing activities		
Proceeds from issue of Shares including premium	4,765.50	779.09
Proceeds from borrowings	4,426.84	4,263.56
Repayments of borrowings	-	-
Interest paid	(340.57)	(196.05)
Dividends paid	(77.20)	(62.33)
Payments of finance lease liabilities	(25.38)	(14.50)
Net cash used in financing activities	8,749.20	4,769.77
Net (decrease)/increase in cash and cash equivalents (A+B+C)	7.93	130.08
Reconciliation		
Cash and cash equivalents as at beginning of the year	139.85	9.76
Cash and cash equivalents as at end of the year	147.77	139.85
Net increase/(decrease) in cash and cash equivalents	7.93	130.08

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

Sunil L Mundra
Managing Director
DIN: 00214304

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

P Chandrasekar
Partner
Membership No.: 026037

Shilpa Burman
Company Secretary
M. No.: A52069

Raj Kishore Prasad
Chief Financial Officer

Place: Bengaluru
Date: May 26, 2023

Statement of Changes in Equity Share Capital and Other Equity

For the Year ended March 31, 2023

EQUITY SHARE CAPITAL

As on March 31, 2023

	(₹ In Lacs)
Balances at the beginning of the reporting period	701.18
Changes in equity share capital during the year	226.37
Balance at the end of the reporting period	927.55

As on March 31, 2022

	(₹ In Lacs)
Balances at the beginning of the reporting period	623.27
Changes in equity share capital during the year	77.91
Balance at the end of the reporting period	701.18

Other Equity Particulars	Share application money pending allotment	Equity component of financial instruments	Capital Reserve	Reserves and Surplus	Retained earnings	Debt Instruments through comprehensive income	Equity Instruments through other comprehensive income	Effective portion of cashflow hedges	Revaluation surplus	Exchange rate differences on translating the financial statements of a foreign operation	Equity Instruments through other Comprehensive Income	Items of other comprehensive income - Actuarial Gain/ Loss	Money received against share warrant	Total
Current Reporting Period														
Balance at March 31, 2022	-	-	146.40	1,688.11	183.80	5,578.44	-	-	-	-	-	-	-	7,596.75
Profit for the year					1,844.62									1,844.62
Additions during the year				2,037.37								(6.48)		2,030.89
Total comprehensive Income / Expenses for the current year					(6.48)							6.48		
Transferred to Retained earnings					(77.20)									-77.20
Payment of Dividend														
Balance at March 31, 2023	-	-	146.40	3,725.48	183.80	7,339.38	-	-	-	-	-	-	-	11,395.06
Previous Reporting Period														
Balance at March 31, 2021	-	-	146.40	986.93	183.80	4,269.14	-	-	-	-	-	-	-	5,586.27
Profit for the year					1,391.39									1,391.39
Additions during the year				701.18									(19.76)	681.41
Total comprehensive Income / Expenses for the current year					(19.76)							19.76		
Transferred to Retained earnings					(62.33)									(62.33)
Payment of Dividend														
Balance at March 31, 2022	-	-	146.40	1,688.11	183.80	5,578.44	-	-	-	-	-	-	-	7,596.75

The accompanying notes are an integral part of these financial statements -

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

- a. Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- b. General reserve** - General reserve represents appropriation of profits. This represents a free reserve and is available for dividend distributions. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the statement of profit and loss.
- c. Capital reserve** - Capital reserve indicates the cash on hand that can be used for future expenses or to offset any capital losses. It is derived from the accumulated capital surplus of a Company and is created out of its profit.
- d. Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax

In terms of our report attached.

For P. Chandrasekar LLP
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Notes forming part of the Financial Statements

NOTE 2. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	(₹ In Lacs)	
	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Freehold land	82.65	82.65
Lease Hold Land	351.80	351.80
Building	1,694.68	1,003.57
Building- Others	56.08	58.60
Plant and Equipment	7,302.39	4,890.47
Computers	12.14	4.59
Furniture and Fixtures	12.94	4.42
Vehicles	22.16	24.64
Office Equipment	4.12	4.90
Right-of-use assets	26.41	48.26
Total	9,565.37	6,473.91
Capital work-in-progress	8,770.43	2,010.91
	18,335.80	8,484.82

Particulars	(₹ In Lacs)										Total	
	Freehold land	Lease Hold Land	Building	Building- Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of-use assets		
Cost												
Balance at March 31, 2021	82.65	351.80	1,328.75	60.62	6,542.71	116.02	46.03	30.14	20.90	109.40	8,689.03	
Additions/Modifications	-	-	351.62	-	2,781.45	4.26	0.37	24.86	0.22	48.26	3,211.03	
Disposals	-	-	27.75	-	848.11	8.93	12.66	2.55	5.42	-	905.41	
Balance at March 31, 2022	82.65	351.80	1,652.63	60.62	8,476.05	111.35	33.73	52.45	15.70	157.67	10,994.65	
Additions/Modifications	-	-	745.24	-	3,146.27	11.81	9.25	-	-	-	3,912.57	
Disposals	-	-	-	-	164.65	-	-	-	-	-	164.65	
Balance at March 31, 2023	82.65	351.80	2,397.87	60.62	11,457.67	123.16	42.98	52.45	15.70	157.67	14,742.57	

Particulars	(₹ In Lacs)										
	Freehold land	Lease Hold Land	Building	Building- Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of-use assets	Total
Accumulated depreciation and impairment	-	-	616.33	0.50	3,955.86	114.35	41.04	30.14	14.90	105.09	4,878.21
Balance at March 2021	-	-	46.53	1.52	432.53	1.34	0.93	0.21	1.06	4.31	488.44
Depreciation expenses	-	-	13.80	-	802.81	8.93	12.66	2.55	5.16	-	845.90
Disposals	-	-	649.06	2.02	3,585.58	106.76	29.31	27.80	10.80	109.40	4,520.74
Balance at March 2022	-	-	54.13	2.52	570.84	4.26	0.73	2.49	0.78	21.86	657.60
Depreciation expenses	-	-	-	-	1.14	-	-	-	-	-	1.14
Disposals	-	-	703.19	4.54	4,155.28	111.02	30.04	30.29	11.59	131.26	5,177.20
Balance at March 2023	82.65	351.80	1,003.57	58.60	4,890.47	4.59	4.42	24.64	4.90	48.26	6,473.91
Carrying amount as on March 31, 2022	82.65	351.80	1,694.68	56.08	7,302.39	12.14	12.94	22.16	4.12	26.41	9,565.37
Carrying amount as on March 31, 2023											

a. Title deeds of Immovable Properties as disclosed above are held in name of the Company and the Company does not hold any property which is not in the name of the Company.

INTANGIBLE ASSETS

Particulars	Technical Knowhow & Patent
Cost or Deemed cost	
Balance at March 31, 2021	3.00
Additions	189.93
Disposals	
Balance at March 31, 2022	192.93
Additions	-
Disposals	
Balance at March 31, 2023	192.93

INTANGIBLE ASSETS

(₹ In Lacs)

Particulars	Technical Knowhow & Patent
Accumulated depreciation and impairment	
Balance at 31 March, 2021	3.00
Disposals	
Depreciation expenses	15.61
Balance at March 31, 2022	18.61
Disposals	
Depreciation expenses	63.31
Balance at March 31, 2023	81.92
Carrying amount as on March 31,2022	174.32
Carrying amount as on March 31,2023	111.01

The Company has not revalued any Intangible assets as disclosed above
There is no intangible assets under development at the end of the year

Capital-WIP- March 31, 2023

(₹ In Lacs)

CAPITAL WORK IN PROGRESS	Amt in CWIP for a period of				Total*
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Projects in progress	1,657.93	7,112.50	-	-	8,770.43
Projects temporarily suspended	-	-	-	-	-

Capital-WIP- March 31, 2022

(₹ In Lacs)

CAPITAL WORK IN PROGRESS	Amt in CWIP for a period of				Total*
	Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	
Projects in progress	1,657.93	352.98	-	-	2,010.91
Projects temporarily suspended	-	-	-	-	-

NOTE 3. INTANGIBLE ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Balance at the beginning of the year - Software and licenses	192.93	3.00
Additions - Patent and R&D	-	189.93
Balance at end of the year	192.93	192.93

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Accumulated depreciation and impairment		
Balance at the beginning of the year	18.61	3.00
Depreciation expenses	63.31	15.61
Balance at end of the year	81.92	18.61
Carrying amount at the end of year	111.01	174.32

NOTE 4. INVESTMENTS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
I. Quoted Investments	-	-
II. Un-quoted Investments		
Investments in the nature equity instruments-in subsidiaries		
Investment in equity shares of M/s. Natural Phyto Pharma Private Limited		
Fully Paid Equity Shares 7500 @ ₹ 10 Per Share)		
Investment in equity shares of M/s.Natural Biogenex Private Limited		
(Fully Paid Equity Shares 10000 @ ₹ 10 Per Share)		
Other Investments		
Share Application pending Allotment - M/s. Natural Capsules limited - Canada	-	3.72
Less: Diminution in value of investments		
Total aggregate of un-quoted Investments	-	3.72
Aggregate book value of unquoted investments	-	3.72
Aggregate market value of quoted investments	-	-
Aggregate amount of imparitment in value of the investments	-	-

NOTE 5. OTHER FINANCIAL ASSETS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortized Cost		
(a) Security Deposit (Unsecured considered good)	218.51	158.15
(b) Prepaid Rent deposit	-	-
(c) Interest Receivable On Deposits	-	-
Secured, Considered good	-	-
Unsecured, Considered good	57.16	48.37
Doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
(d) Other receivable	-	-
Total	275.67	206.52

NOTE 6. OTHER ASSETS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
(b) Advances other than Capital Advances	-	-
i) Security Deposits	-	-
ii) Advances to Related parites - Subsidiary	-	-
(c) Export incentive receivable	2.99	-
Total	2.99	-

NOTE 7. INVENTORIES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lower of Cost or Net realisable value		
(a) Raw Materials	206.28	398.29
(b) Work-in-Process	143.41	61.51
(c) Finished goods	517.81	81.40
(d) Stock in trade (acquired for trading)	-	-
(e) Stores and spares	10.74	10.61
(f) Goods in Transit	100.64	-
Less: Provision for Stock Reserve	(94.00)	(94.00)
Total	884.88	457.80

Note:

- For details of inventories pledged as security refer note 21.
- The cost of inventories recognised as an expense is disclosed in note 29 and 30 as purchases of stock in trade in statement of P&L.
- Provision for stock reserve is made after considering the nature of inventory, ageing, liquidation plan and net realisable value. The changes in write downs are recognised as an expense in the statement of profit and loss.

NOTE 8. TRADE RECEIVABLES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Secured, Considered good	-	-
Unsecured, Considered good	5,850.84	3,176.53
Doubtful	-	-
Allowance for doubtful debts (Expected Credit Loss)	(637.91)	(546.27)
	5,212.93	2,630.27
Current	5,212.93	2,630.27
Non-current		

The credit period on sale of goods ranges from 0 to 90 days. No interest is charged on trade receivables.

The Company uses available information in the public domain and on its own internal assessment and trading records before accepting any customer.

As at March 31, 2023

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2023
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5,035.25	-	-	-	-	5,035.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	329.87	52.09	25.68	407.95	815.59
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

As at March 31, 2022

(₹ In Lacs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,630.27	-	-	-	-	2,630.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	68.66	26.81	66.29	384.51	546.27
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTE 9. CASH AND CASH EQUIVALENTS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks	-	-
(i) In Current account	110.66	115.26
(ii) In Deposit account with original maturity less than 3 Months	-	-
(iii) In EEFC account	16.32	23.86
(iv) In Escrow account	20.58	-
(b) Cash on hand	0.21	0.73
(c) Cheques, drafts on hand	-	-
Total	147.77	139.85

NOTE 10. OTHER BANK BALANCES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deposit Accounts	527.99	334.54
(b) Earmarked Balances with banks	-	-
(i) In unpaid Dividend account	9.59	11.60
(ii) In margin money accounts for Bank Guarantee issued	6.84	2.26
Total	544.43	348.40

NOTE 11. LOANS - CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortized Cost		
(a) Inter Corporate Deposit		
Secured, Considered good	-	20.00
Unsecured, Considered good	-	-
Doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
Total	-	20.00

NOTE 12. OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Advances	1,865.64	3,238.12
(b) Advance to Related parties	-	-
(c) Advances to Employees	-	-
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	11.13	7.39
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
(d) Export incentive receivable	-	-
(e) Balance with Customs and Central excise/GST authorities	902.62	204.74
(f) Advance to suppliers	-	-
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	489.81	96.76
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
(g) Prepaid Expenses	10.43	10.28
(h) Preliminary Expenses	36.96	379.86
(i) Other Advances	11.49	6.12
(j) Unamortised Expenses on Bank borrowings	32.56	18.85
Less: Provision for Doubtful advances	-	-
Total	3,360.64	3,962.13

NOTE 13. EQUITY SHARE CAPITAL

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
Equity Shares:		
1,50,00,000 (70,00,000) Equity shares of ₹ 10 each	1,500.00	1,500.00
12,00,000 Redeemable Preference shares of ₹ 100 each		
20,00,000 Redeemable Preference shares of ₹ 10 each		
ISSUED, SUBSCRIBED AND FULLY PAID UP		
92,32,119 (62,32,700) Equity Shares of ₹ 10/- each	923.21	623.27
ISSUED, SUBSCRIBED AND PARTLY PAID UP		
56737 Equity Shares of ₹ 10/- each partly paid up - ₹ 5 each & 60194 Equity Shares of ₹ 10 Each party paid up - ₹ 2.50 each - Rights issue	4.34	77.91
Total	927.55	701.18

13.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

Reconciliation	2022-2023		2021-2022	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
(a) Equity Shares of ₹ 10 each fully paid up				
At the beginning of the period	93.49	701.18	62.33	623.27
Issued during the period	-	226.37	31.16	77.91
At the end of the period	93.49	927.55	93.49	701.18
(b) Redeemable Preference Share Capital (0%)				
At the end of the period	-	-	-	-

13.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:

Reconciliation	No. of shares held as at			
	March 31, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Tajos Investments Pvt. Ltd.	12,53,500	13.41%	12,53,500	13.41%
Nandhi Synthetics Pvt. Ltd.	9,19,354	9.83%	9,19,354	9.83%
Sunil L Mundra	5,89,004	6.30%	5,89,004	6.30%
Sushil Kumar Mundra	5,09,012	5.44%	5,09,012	5.44%

13.3 Shares Held By Promoters As At The End Of The Year

Promoter Name	As on March 31, 2023			As on March 31, 2022		
	No of shares	% of total	% change during the year	No of shares	% of total	% change during the year
SUNIL LAXMINARYAN MUNDRA	5,89,004	6.30%	0.00%	5,89,004	6.30%	(0.37%)
SUSHIL KUMAR MUNDRA	5,09,012	5.44%	0.00%	5,09,012	5.44%	0.00%
INDRA MUNDRA	3,91,800	4.19%	0.00%	3,91,800	4.19%	0.00%
JYOTI MUNDRA	3,06,694	3.28%	0.00%	3,06,694	3.28%	0.00%
SHARADA MUNDRA	2,65,036	2.83%	0.00%	2,65,036	2.83%	0.00%
LAXMINARAYAN MOONDRA	2,40,441	2.57%	0.00%	2,40,441	2.57%	0.00%
RADHA S MUNDRA	2,39,400	2.56%	0.00%	2,39,400	2.56%	0.00%
SATYANARAYAN MUNDRA	1,84,882	1.98%	0.00%	1,84,882	1.98%	0.00%
MADHAV MUNDRA	1,65,155	1.77%	0.00%	1,65,155	1.77%	0.00%
SHREY MUNDRA	1,65,150	1.77%	0.00%	1,65,150	1.77%	0.00%
JYOTSNA DAGA	37,789	0.40%	0.00%	37,789	0.40%	0.06%
NIDHI SETHIA	18,484	0.20%	0.00%	18,484	0.20%	0.04%

13.4 Term attached to Equity Shares:

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

The Company has not issued any equity shares under ESOP (Employee Stock Option).

NOTE 14. OTHER EQUITY

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	146.40	146.40
Securities Premium Account:	3,725.48	1,688.11
General Reserve	183.80	183.80
Retained earnings (surplus in profit or loss account)	7,339.38	5,578.44
Total	11,395.06	7596.75

Note:

- Capital reserve: on account of forfeiture of amount paid on convertible shares warrants allotted to non promoters share holders.
- Securities Premium reserve: The amount received in excess of Face value of the equity shares is recognised as securities premium reserve.
- General reserve: The reserve arises on transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Reserve		
Opening balance	146.40	146.40
Add: Appropriation from Profit or Loss account	-	-
Closing Balance	146.40	146.40
The capital redemption reserve is created out of the statutory requirement and these are not available for distribution of dividend and will not be reclassified subsequently to profit or loss.		
(b) Securities Premium Account		
Opening balance	1,688.11	986.93
Add: Additions	2,037.37	701.18
Closing Balance	3,725.48	1,688.11
(c) General Reserve		
Opening balance	183.80	183.80
Add: Transfer from General Reserve	-	-
Less: IND AS Adjustment	-	-
Closing Balance	183.80	183.80
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.		
(d) Actuarial movement through Other Comprehensive Income		
Opening balance	-	-
Additions/(Deletions)	-	-
Closing Balance	-	-
(e) Retained Earnings		
Opening balance	5,578.44	4,269.14
Profit/(Loss) for the year	1,838.14	1,371.63
Restatement of right of use of Assets	-	-
Less: Transfer to Capital Redemption Reserve	-	-
Less: Dividend on Equity Shares	(77.20)	(62.33)
Less: Tax on Dividend on Equity Shares	-	-
Less: Transfer to Reserves	-	-
Less: IND AS Adjustment	-	-
Closing Balance	7,339.38	5,578.44
Total Other Equity	11,395.06	7,596.75

NOTE 15. NON-CURRENT BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - at amortised cost		
(i) Bonds/Debentures	-	-
(ii) Term Loans from Banks	7,287.33	3,431.46
(iii) Term Loans from others	161.50	168.21
Less Current Maturities of Long Term Debt	(410.01)	(174.75)
Grand Total	7,038.83	3,424.92

Term Loans from Banks**Repayment Details:**

NCL - The loans are repayable over the period of 84 months in equal monthly instalments.

NBPL - SBI - The loan is payable in 84 monthly instalments as follows: 24 Instalments of ₹ 16.40 Lacs and 60 Instalments of ₹ 33.44 Lacs. **HDFC Bank** - The Loan is payable in 96 equal instalments of ₹ 25.00 Lacs.

Security Details :

Primary - Charge on FD of DSRA of 6 months, charge on stocks, charge on book debts, charge on current assets and charge on export debtors.

Collateral - Charge on current assets, personal guarantee of Mr. Sunil Mundra and Mr. Sushil Mundra, Charge on FD of DSRA

of 6 months, exports debtors and stocks. Charge on Industrial property situated at Industrial Plot No.7/A, KIADB Industrial Area, Attibele, Anekal Taluka, Bangalore-560107. Charge on Industrial property situated at 84, Bangalore-Perambai Road, Pichaveerampet, Moolakulam, Puducherry-605010.

Also charge on Industrial property situated at Plot No.67, Vasantha Narsapura Industrial Area, 2nd Phase, Kora Hobli, Tumkur District, Karnataka.

Term Loans from Others - Loan from IREDA is shown under this head. It is payable over the period of 72 months in equal monthly instalments.

Security Details - Revolving bank guarantee for an amount equivalent to six months principal plus interest plus liquidated damages and Personal guarantee of Mr. Sunil L Mundra & Mr. Sushil K Mundra.

NOTE 16. PROVISIONS - NON CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Provision for Employee Benefits		
(a) Compensated absences (Earned Leave)		-
(b) Provision for gratuity	15.01	7.99
Total	15.01	7.99

NOTE 17. SHORT TERM BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Loan repayable on demand from Bank		
Secured Loan		
(a) from Banks	2,204.50	1,626.83
ii) Current maturities of long-term debt	410.01	174.75
iii) Short Term Borrowings from Directors		-
Total	2,614.51	1,801.57

a) Working capital facilities in the form of open cash credit from State bank of India is secured by Working Capital loan from State Bank of India is secured by hypothecation of stock of raw materials; work in process, finished goods, book debts, bills and other movable assets of the Company. All the secured loans are further secured by the personal guarantees of promoter directors.

NOTE 18. TRADE PAYABLES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dues of Micro Enterprises and Small Enterprises	-	265.32
Dues of creditors other than micro enterprises and small enterprises	2,580.69	1,154.04
Employee related	161.99	178.29
Disputed Dues of Micro Enterprises and Small Enterprises	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-
Total	2,742.69	1,597.66

(₹ In Lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) MSME	-	-	-	-	-
(ii) Others	2,690.08	37.89	3.60	11.11	2,742.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2023	2,690.08	37.89	3.60	11.11	2,742.69

(₹ In Lacs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
(i) MSME	265.32	-	-	-	265.32
(ii) Others	1,153.43	141.00	14.03	23.88	1,332.34
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2022	1,418.75	141.00	14.03	23.88	1,597.66

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2022. The details in respect of such dues are as follows:

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount	-	265.32
Interest	-	0.33
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed date during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.33
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.33	0.33

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTE 19. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortised Cost		
(a) Current maturities of long-term debt		
(b) Interest accrued but not due on borrowings		
(c) Unclaimed dividends	9.59	11.60
(d) Interest payable on MSME	-	0.33
(e) Financial guarantee liability	-	-
(f) Other Liabilities		
- Payable for capital Goods Purchased	618.70	44.98
- Other liabilities	46.93	85.05
Total	675.22	141.95

NOTE 20. PROVISIONS -CURRENT

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Compensated absences (Earned Leave)	18.45	34.04
(b) Provision for gratuity	18.92	23.46
Total	37.37	57.50

NOTE 21. OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc.)	65.23	33.68
(b) Advances and Deposits from Customers/others	199.47	554.12
(c) Related to expenses	180.75	191.17
Total	445.46	778.97

NOTE 22. CURRENT TAX LIABILITIES (NET)

(₹ In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Taxation (Net of advance payments)	178.96	99.14

NOTE 23. REVENUE FROM OPERATIONS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of Products	16,471.96	12,987.60
(b) Other operating revenues	765.46	518.90
Total	17,237.42	13,506.50

NOTE 24. OTHER INCOME

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income		
On Bank Deposits at amortised cost	37.27	20.69
On other deposits	-	-
(b) Dividend Income		
From equity investments designated	-	-
(c) Other gains or losses		
- Profit on sale of Fixed Assets (net)	-	-
- Net gain arising on financial assets designated	-	-
- Net gain on foreign currency transaction	-	-
(d) Other non-operating income		
Operating lease rent remeasurment	-	43.90
Profit on sale of Assets	4.54	6.46
Miscellaneous income	14.73	30.42
	56.54	101.48

NOTE 25. COST OF MATERIAL CONSUMED

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	398.29	285.86
Purchases during the year	8,145.11	5,716.17
Inventories at the end of the year	206.28	398.29
Total	8,337.11	5,603.74

NOTE 26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock:		
Finished goods		
Capsules	81.40	300.42
Work in progress		
Capsules	61.51	23.83
	142.91	324.24
Closing Stock:		
Finished goods		
Capsules	517.81	81.40
Work in progress		
Capsules	143.41	61.51
	661.22	142.91
Decrease/(Increase) in stocks	(518.32)	181.34
Net change (Increase)/Decrease	(518.32)	181.34

NOTE 27. COST OF TRADED RAW MATERIALS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cost of raw materials sold	49.38	195.14

NOTE 28. EMPLOYEE BENEFIT EXPENSE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries, Wages and Bonus	881.93	789.50
(b) Contribution to Provident and other Funds	32.94	29.48
(c) Director Remuneration	121.60	113.40
(d) Workmen and Staff welfare expenses	36.37	29.38
Total	1,072.84	961.77

NOTE 29. FINANCE COST

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Interest costs		
(a) Bank Loans and others	311.95	168.05
(ii) Other borrowing costs - on Lease	4.08	5.84
(iii) other Interest and Finance charges	24.54	22.16
Total	340.57	196.05

NOTE 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation/amortisation on		
(a) Property, Plant and Equipment	635.64	484.12
(b) Intangible Assets	63.31	15.61
(c) Right of use Asset - (Lease)	21.86	4.31
Total	720.81	504.04

NOTE 31. OTHER EXPENSES

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	323.07	168.98
Power and Fuel	1,375.30	1,190.36
Repairs and Maintenance -Buildings	70.71	49.28
Repairs and Maintenance-Machinery	242.16	145.99
Repairs and Maintenance -Others	28.42	28.31
Bad Debts	13.15	25.72
Insurance	21.06	23.56
Exchange Rate Difference	(105.19)	(20.60)
Rates and Taxes	18.62	69.14
Freight & Clearing Expenses	1,080.71	788.67
Directors Sitting fees	4.95	6.60
Auditor's Remuneration	8.50	6.00
Travelling Expenses - Foreign	46.23	4.40
Travelling and Conveyance	128.69	88.93
Professional Fees	107.28	127.85
Commission	175.42	126.40
Provision for Stock Loss	-	15.00
Provision for Doubt full Debts	91.64	270.04
Sundry Provisions - Write Back	-	(100.00)
CSR expenditure	13.34	3.50
Security Charges	25.60	26.59
Contract Labour Charges	514.36	364.26
Postage and Courier	20.71	18.57
Communication Expenses	8.84	9.31
Business Promotion Expenses	51.52	41.90

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Research & Development Expenditure - Revenue in Nature	238.87	212.17
Bank Charges	32.23	12.13
Printing and Stationery	16.05	7.34
Miscellaneous Expenses	14.98	48.48
Sundry Assets Written off	-	246.35
Loss on Sale of Fixed Assets	-	-
Discount & Rebate	198.06	-
Commission to Directors	27.00	22.00
Total	4,792.29	4,027.25

NOTE 32. EXCEPTIONAL ITEMS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Exceptional items of (Debit)	-	-
Prior Period expenses	-	-
Exceptional items of (Credit)	-	-
Profit on sale of Investments	-	-
Exceptional items (Net)	-	-

NOTE 33. PAYMENT TO AUDITORS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Audit Fees	8.50	6.00
(b) Fees for other services	0.50	1.99
Total	9.00	7.99

NOTE 34. RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	151.40	132.71
Contribution to provident and other funds	4.45	4.27
Consumption of materials, Stores and spare parts	118.93	63.70
Lab Expenses	1.69	-
Power and Fuel	3.17	3.31
Rent	8.61	8.15
Repairs and maintenance	-	0.04
Total	288.25	212.17

NOTE 35. OPERATING LEASE

The Company has obtained certain premises for its business operations and also the Company has provided leased accommodation to employees for period between 11 Months to 5 years.

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Not later than one year	7.29	34.66
Later than one year and not later than five years	-	7.29
Later than five years	-	-
Total	7.29	41.95

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied the standard to its leases retrospectively accordingly, the Company has not restated comparative information.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. Refer Note 2 for the Cost of the right of the use of Asset carried in the at the end of the year.

NOTE 36. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
for Current year	545.77	474.30
for Previous years	-	-
Deferred tax		
for Current year	108.88	72.96
Total	654.65	547.26

Reconciliation of current tax Expense

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit or loss before tax	2,499.27	1,938.65
Income tax rate (%) applicable to the Company #	25.17%	29.12%
Income tax calculated at income tax rate	629.02	564.53
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expense that are not deductible	41.34	133.19
Effect of on account Depreciation	(117.17)	(203.45)
Effect of interest payable on short fall in Advance tax	(7.41)	(19.98)
Income tax expense recognised in statement of Profit and Loss	545.77	474.30

The tax rate used for reconciliation above is the corporate tax rate of 25.17/29.12% at which the Company is liable to pay tax on taxable under the Indian tax law.

NOTE 37. EARNINGS PER SHARE

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share	19.82	19.56
Diluted Earnings per share	19.82	19.56

37.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after Taxation	1,838.14	1,371.63
Earnings used in the calculation of basic earnings per share	1,838.14	1,371.63
Number of equity shares of 10 each outstanding at the beginning of the year	92.76	70.12
Number of equity shares of 10 each outstanding at the end of the year	92.76	70.12
Weighted Average number of Equity Shares	92.76	70.12

37.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings used in the calculation of basic earnings per share	1,838.14	1,371.63
Adjustments (if any)	-	-
Earnings used in the calculation of diluted earnings per share	1,838.14	1,371.63

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in calculation of basic earnings per share	92.76	70.12
Shares deemed to be issued for no consideration	-	-
Weighted average number of equity shares used in calculation of diluted earnings per share	92.76	70.12

NOTE 38. CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a SR Policy and review the implementation and progress of the same from time to time. The CSR Policy focuses on creating opportunities for the disadvantaged with emphasis on persons with disabilities and technology driven community development.

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year	20.05	8.5
Amount of expenditure incurred on:		
Construction/acquisition of any asset		
On purpose other than above	9.62	4.96
Shortfall at the end of the year	10.43	3.54
Amount Transferred to unspent CSR account		
Amount to be Transferred to specified fund Account	10.43	3.54

NOTE 39. DEFERRED TAX BALANCES

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets	-	-
Deferred tax liabilities	277.37	168.49
Total	277.37	168.49

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (Liabilities)/Asset in relation to		
Property, Plant and equipment	(478.42)	(342.85)
Provision compensated absences and others	18.22	18.22
Provision for bad & doubtful debts	178.66	151.97
Others	4.17	4.17
Total	(277.37)	(168.49)
Tax losses		
Net Deferred tax Assets/(Liability)	(277.37)	(168.49)

NOTE 40.

In accordance with the requirements of Indian Accounting Standard (Ind AS) -24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year-end balances are given below:

Note (i) - Related Party Disclosures:

Description of Relationship :	
Key Management Personnel	Mr. Sunil Laxminarayan Mundra - Managing Director Mr. Laxminarayan Moondra - Whole - Time Director Mr. Satyanarayan Mundra - Whole - Time Director Mr. Raj Kishore Prasad-CFO Mrs. Shilpa Burman - Company Secretary
Directors	Mr. Sushil Kumar mundra Mrs. Jyothi Mundra
Subsidiary Company	NATURAL PHYTO PHARMA PRIVATE LIMITED NATURAL BIOGENEX PRIVATE LIMITED
Enterprise in which Directors have significant Control	M/s. Mundra Enterprises M/s. Sonia Organics

Details of Transactions With

Particulars		₹ In Lacs	
		2022-23	2021-22
KEY MANAGEMENT PERSONNEL			
Mr. SUNIL LAXMINARAYANA MUNDRA - Managing Director	Salary Paid	75.59	46.20
Mr. LAXMINARAYANA MOONDRA - Whole Time Director	Salary Paid	35.96	33.60
Mr. SATHYANARAYANA MUNDRA - whole Time Director	Salary Paid	38.20	33.60
Mr. RAJ KISHORE PRASAD - Chief Financial Officer	Salary Paid	14.35	12.83
Mrs. SHILPA BURMAN - Company Secretary	Salary Paid	6.19	5.51

OTHER RELATED PARTIES				
Mr. SUSHIL KUMAR MUNDRA - Director	Sitting Fees Paid		0.60	0.90
Mrs. JYOTHI MUNDRA - Director	Sitting Fees Paid		0.60	1.05
ENTERPRISE IN WHICH DIRECTORS HAVING SIGNIFICANT CONTROL				
M/s. SONIA ORGANIS	Lease rent recd		5.31	4.25
M/s. MUNDRA ENTERPRISES	Purchase of RM		17.30	6.09
SUBSIDIARY COMPANIES				
NATURAL PHYTO PHARMA PRIVATE LIMITED (Formerly National Drug Discoveries Pvt Ltd)	Advance Paid		0.58	-
NATURAL BIOGENEX PVT. LTD	Advance Paid		1,567.03	1,084.66
	Share Appl Money Paid		1,999.00	-
	Advance Recd		1,569.17	-
	Interest on Loan recd		66.20	-
Payables/Receivable				
Mr. SUNIL LAXMINARAYANA MUNDRA	Payable		19.48	2.43
Mr. LAXMINARAYANA MOONDRA	Payable		2.21	1.84
Mr. SATHYANARAYANA MUNDRA	Payable		1.89	1.86
Mr. RAJ KISHORE PRASAD	Payable		0.99	0.72
Mrs. SHILPA BURMAN	Payable		0.55	0.46
MUNDRA ENTERPRISES	Payable		6.96	4.06
NATURAL PHYTO PHARMA PRIVATE LIMITED	Receivable		0.58	0.02
NATURAL BIOGENEX PRIVATE LIMITED	Receivable		2,059.58	2,002.14
SONIA ORGANIS	Receivable		1.06	2.87

NOTE 41.

A. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 27.95 Lacs- for provident fund contributions in the statement of Profit or loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans (Gratuity)

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2023. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. the Company provided the gratuity benefit through annual contributions to a fund managed by the M/s. Life Insurance Corporation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

1. Risk to the beneficiaries (i.e. for employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding;
- The insolvency of The Employer;
- The holding of investments which are not matched to the liabilities; Or
- A combination of these events.

2. Risks to the Benefit provider (i.e. for employer)

Parameter risk: Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be Insufficient to pay off the liabilities.

For example: Suppose the plan's liability is calculated with salary inflation assumption of 5% per annum. However,

Company's' actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability.

Further, actual withdrawals may be lower or higher than what was assumed in the valuation, which may also impact the plan's liability.

Risk of illiquid assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of benefit change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract. For e.g. the prevailing Act/ Regulation may increase the benefits payable under defined benefit plans.

Asset liability mismatching risk: ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: When the liability duration is, say, 10 years and with assets locked in 5-year g-sec securities. After 5 years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

NOTE 41(B)

(₹ In Lacs)

Particulars	Gratuity (Funded)	
	2022-23	2021-22
Present value of obligations at the beginning of the year	177.73	156.98
Current service cost	18.54	14.61
Interest Cost	12.62	10.83
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	(3.51)	(2.65)
- Actuarial gains and losses arising from experience adjustment	8.86	20.03
Benefit Payments from Plan Assets	(7.68)	(22.08)
Present value of obligations at the end of the year	206.57	177.73
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	146.29	135.87
Interest income	10.97	9.49
Return on plan assets		
Contributions by the employer	24.19	25.39
Re-measurement (gains)/losses:	(1.13)	(2.38)
Benefits paid	(7.68)	(22.08)
Fair value of plan assets at the end of the year	172.63	146.29
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	206.57	177.73
Less: share of obligation pertaining to Associate Company under common Gratuity Trust		
Fair value of plan assets at end of the year	172.63	146.29
Funded status of the plans - Liability recognized in the balance sheet	33.93	31.45
Components of defined benefit cost recognized in profit or loss		
Current service cost	18.54	14.61
Net interest Cost	(1.65)	(1.34)
Net cost in Profit or Loss	16.89	13.27
Components of defined benefit cost recognized in Other Comprehensive income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	(3.51)	(2.65)
- Actuarial gains and losses arising from experience adjustment	8.86	20.03
Return on plan assets	1.13	2.38
Net Cost	6.48	19.76
Less: Allocation to Associate Company under common gratuity trust	0.00	0.00
Net Cost in other Comprehensive Income	6.48	19.76

Particulars	2022-23	2021-22
Assumptions		
Discount rate	7.40%	7.10%
Expected rate of salary increase	7.00%	7.00%
Average age of members	41.91	43.72
Average remaining working Life	18.09	16.28
Mortality (IALM (2012-14) Ultimate	5% of Mortality Rate	5% of Mortality Rate

The Company has invested the plan assets with insurer managed funds. The Insurance Company has invested the plant assets in Govt. securities, Debit Funds, Mutual Funds, Money market instruments etc. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

NOTE 41(C)

Note (i) Experience Adjustments

Experience Adjustments

Particulars	For the period ending	
	March 31, 2023	March 31, 2022
(Gain)/Loss on Plan Liabilities- in Lacs	8.86	20.03
% of Opening Plan Liabilities	4.99%	12.76%
Gain/(Loss) on Plan Assets- in Lacs	1.13	2.38
% of Opening Plan Assets	0.77%	1.75%

Notes:

- Experience adjustment has been provided only to the extent of details available.
- Estimates of future salary increase take account of inflation, seniority, promotion and other relevant factors.
- The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The Company's gratuity funds are managed by the M/s. Life Insurance Corporation and therefore the composition of the fund assets is not presently ascertained.

Note (ii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period., while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	(₹ In Lacs)	
	March 31, 2023	March 31, 2022
Under Base Scenario	206.57	177.73
Salary Escalation (Up by 1%)	222.13	191.32
Salary Escalation (Down by 1%)	193.58	165.19
Withdrawal Rates (Up by 1%)	207.27	177.68
Withdrawal Rates (Down by 1%)	206.74	177.78
Discount Rates (Up by 1%)	193.36	165.33
Discount Rates (Down by 1%)	222.57	191.83
Mortality Rates (Up by 10%)	206.75	-
Mortality Rates (Down by 10%)	206.38	-

NOTE 42.

42.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long and short term objectives of the Company through the leveraging of the debit and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through long and short term borrowings. The Company monitors the capital structure on the basis of debt to equity ratio and the maturity of the overall debt of the Company.

The following table summarises the capital of the Company:

(₹ In Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Equity	14,824.62	8,298.18
Debt	9,653.34	5,226.49
Cash and cash equivalents	147.77	139.85
Net debt	9,505.56	5,086.65
Total capital (Equity + Net debt)	24,330.18	13,384.83
Net debt to capital ratio	0.39	0.38

42.2 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (predominantly trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of this counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance.

The credit risk on cash and bank balances is limited because the counter parties are banks with high credit ratings assigned by accredited rating agencies.

42.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding contractual maturities of financial liabilities as at March 31, 2023.

(₹ In Lacs)

Particulars	Carrying amount	Less than 1 year	1-3 years	More than 3 years	As at March 31, 2023
(i) MSME	-	-	-	-	-
(ii) Others	2,742.69	2,690.08	41.49	11.11	2,742.69
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at March 31, 2022	2,742.69	1,583.36	155.03	23.88	2,742.69

The table below provides details of financial assets at at March 31, 2022:

(₹ In Lacs)

Particulars	Carrying amount-2022-23	Carrying amount-2021-22
Trade receivables	5,212.93	2,630.27
Other Financial assets	967.88	718.49

Fair value Hierarchy

(₹ In Lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period						
Financial assets						
Trade receivables	5,212.93	-	-	2,630.27	-	-
Cash and cash equivalents	147.77	-	-	139.85	-	-
Bank balances other than cash and cash equivalents	544.43	-	-	348.40	-	-
Loans	-	-	-	20.00	-	-
Other Financial Assets	-	-	-	-	-	-
Security Deposit (Unsecured considered good)	218.51	-	-	158.15	-	-
Rental Deposit	-	-	-	-	-	-
Term Deposit	-	-	-	-	-	-
Interest Receivable On Deposits	57.16	-	-	48.37	-	-
Financial Liabilities						
Borrowings- Bank OD	9,653.34	-	-	5,226.49	-	-
Trade payables	2,742.69	-	-	1,597.66	-	-
Other Financial Liability	46.93	-	-	85.05	-	-
Unclaimed dividend	9.59	-	-	11.60	-	-

(₹ In Lacs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income	Amortised cost	Fair value through Profit and loss	Fair value through Other comprehensive Income
Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period						
Financial Assets						
Investments in equity- Quoted						
Investments in equity- Un Quoted	-			-		
Investments in government securities						
Investment in Preference shares						
Mutual funds						
Derivatives not designated as hedges						
Financial liabilities						
Derivatives not designated as hedges						
Derivatives designated as hedges						

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

(₹ In Lacs)

Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 3	5,212.93	5,212.93	2,630.27	2,630.27
Cash and cash equivalents	Level 2	147.77	147.77	139.85	139.85
Bank balances other than cash and cash equivalents	Level 2	544.43	544.43	348.40	348.40
Other financial assets	Level 3	275.67	275.67	210.24	210.24

(₹ In Lacs)

Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	9,653.34	9,653.34	5,226.49	5,226.49
Trade payables	Level 3	2,742.69	2,742.69	1,597.66	1,597.66
Other financial liabilities	Level 3	675.22	675.22	141.95	141.95

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
 1. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
 2. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

NOTE 43. ADDITIONAL REGULATORY INFORMATION

a. ANALYTICAL RATIOS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.52	1.69	(10.19%)	
Debt - equity Ratio	Total Debt	Shareholder's Equity	94.78%	97.97%	(3.25%)	

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance (+/- >25%)
Debt Service Coverage Ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt Service = Interest & Lease Payments + Principal Repayments	7.44%	5.35%	38.94%	Due to increase in debt and net profit for the year
Return On Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.16	0.14	16.46%	
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	23.39	22.56	3.65%	
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	4.40	5.10	-13.76%	
Trade Payables Turnover Ratio	Net Credit Purchases = Gross credit purchases - Purchase return	Average Trade Payables	4.07	3.94	3.41%	
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	4.99	4.38	13.78%	
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	10.70%	10.30%	3.88%	
Return On Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	11.47%	15.59%	(26.41%)	Due to increase in Sales and corresponding increase in Net profit and Capital employed
Return On Investment	$\{MV(T1)-MV(T0)-\text{Sum}[C(t)]\}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t]/T1$	$\{MV(T0)+\text{Sum}[W(t)*C(t)]\}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t]/T1$				

NOTE 44.

Particulars	2022-23	2021-22
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	6030.89	9909.43
Other monies for which the Company is contingently liable		
a) Bank Guarantees issued for loans and others	4800.00 Lacs	4800.00 Lacs
b) Disputed Income tax demands which are under various stages of appeal	78.67 Lacs	28.97 Lacs
c) Disputed Sales tax, Excise Duty, Service tax, Urban land tax, Electricity matters and Customs demands.	44.16 Lacs	44.16 Lacs

The Company has given a financial guarantee amounting to 4800 Lacs.

Future cash outflows in respect of the above referred matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

NOTE 45. ADDITIONAL INFORMATION

Name of the entity in the Parent Subsidiaries-Indian	Net Assets i.e. total assets -total liabilities		Share in Profit or Loss	
	As a % of consolidated net assets	Amount ₹ In Lacs	As a % of consolidated Profit or Loss	Amount ₹ In Lacs
2022-23				
1. Natural Biogenex Pvt. Ltd.	30.30%	4492.25	(0.12%)	(2.27)
2. Natural Phyto Pharma Pvt. Ltd.	0.01%	1.00	0.00%	0.00
2021-22				
1. Natural Biogenex Pvt. Ltd.	(0.08%)	(6.48)	(0.25%)	(3.49)
2. Natural Phyto Pharma Pvt. Ltd.	0.01%	1.00	0.00%	0.00

NOTE 46. EMPLOYEE SHARE-BASED PAYMENT PLANS

The Shareholders of the Company at the Annual General Meetings held on 10th November, 2018 had approved the Employee Stock Option Scheme (ESOP) 2018. The ESOS's are administered by the Compensation Committee ("Committee"). Options are granted at the discretion of the Committee to selected employees depending upon certain criterion. Each option comprises one underlying equity share.

The Company has offered equity shares under ESOP during the year for the identified employees and below is the summary of Options vested, exercised and outstanding during the year.

Particulars	No of shares - 2022-23	No of shares - 2021-22
No of Options Granted During the year	25,000	30,000
Options Vested During the year	-	-
Options Outstanding at the Beginning of the year	1,55,000	1,25,000
Options Exercised During the year	-	-
Number of Options cancelled	-	-
Number of options lapsed	-	-
Options Outstanding at the End of the year	1,80,000	1,55,000

The following table summarises the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2023.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Employee Stock Option Scheme 2018	
Dates of Grant	November 10, 2018
Market Price (₹ per share) on the dates of grant	78
Volatility	78%
Risk free rate	6.50%
Exercise price	10
Time to maturity (years)	10
Dividend yield	1%
Option fair value (₹ per share)	69

The Black Scholes option-pricing model was developed for estimating fair value of trade options that have no vesting restrictions and are fully transferable. Since options pricing models require use of subjective assumptions, changes therein can materially affect fair value of the options. The options pricing models do not necessary provide a reliable measure of fair value of options.

NOTE 47.

The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.

NOTE 48.

Quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

NOTE 49.

The Company is not declared wilful defaulter by any bank or financial institution or other lender during the year.

NOTE 50.

The Company has submitted the registration of charge form to ROC within time for SBI but for HDFC it got delayed and filed within 60 days with four times additional fee.

NOTE 51.

The Company has not made any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year.

NOTE 52.

The Company has not accepted any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the

tax assessments under the Income Tax Act, 1961 during the year.

NOTE 53.

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 54. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on May 26, 2023 have proposed a final dividend of ₹ 1 per equity share for the year ended March 31, 2023 which is subject to the approval of shareholders at the ensuing Annual General Meeting.

NOTE 55. CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 56.

The Company has circulated balance confirmation for Trade Payables and Trade Receivables. The receipt of Confirmation and Reconciliation are in process and the reported balances are subject to Confirmation. Any adjustment, if required, will be made on receipt of the same.

NOTE 57.

Previous year figures have been regrouped to correspond to the current year classification where ever necessitated.

In terms of our report attached

For **P. Chandrasekar LLP**
Chartered Accountants
FRN.: 000580S/S200066

P Chandrasekar
Partner
Membership No.: 026037

Place: Bengaluru
Date: May 26, 2023

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Shilpa Burman
Company Secretary
M. No.: A52069

Satyanarayan Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer



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CIN: L85110KA1993PLC014742.