

Annual Report
2024-25

Geared for **growth**



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₹ 169.21 cr.
Revenue from Operations

₹ 17.52 cr.
EBITDA

₹ 2.79 cr.
Profit Before Tax

Gearred for growth

Every business reaches a point where momentum must give way to movement. FY25 was that moment for Natural Capsules. It was a year in which we made deliberate choices to transition from being capacity-ready to being market-ready. We spent the year laying the groundwork, operationally, commercially and strategically for the next phase of our journey.

In capsules, we completed the commissioning of our HPMC line and began activating demand across international markets. In APIs, we moved from construction to commercial readiness, overcoming delays, fine-tuning processes and establishing early customer connections. These actions reflect more than just execution. They reflect preparation; measured, long-term and outcome-driven.

Through it all, we remained clear on what matters. Sustainable scale. Margin stability. Customer relevance. Regulatory readiness. The year may have tested our resolve at times, but it never shook our direction. In fact, it reinforced our belief in the platforms we are building and the operating model we are shaping.

We step into FY26 with sharper intent and stronger alignment. Our priorities are focused, our capacity is in place, and our market access is expanding. This is not a company waiting for growth. This is a company engineered for it.

We are stepping into a new chapter. The landscape has changed, and so have we.

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.

About the Company

Building Trust Through Quality and Reliability

Natural Capsules Limited (NCL) is a respected manufacturer in the pharmaceutical industry, with a strong presence in both capsule and active pharmaceutical ingredient (API) production. Since its establishment in 1993, NCL has developed from its origins in Bangalore into a company with a broad international reach and a reputation for delivering high-quality pharmaceutical solutions.

NCL offers an extensive portfolio that includes hard gelatin capsules, vegetarian capsules, and a range of specialty variants. The company's advanced manufacturing facilities in Bangalore and Pondicherry are designed to support efficient production and maintain stringent quality standards. NCL's products are supplied to clients in more than twenty-eight countries, reflecting its ability to meet global requirements.

The company has expanded its capabilities by entering the API sector through its subsidiary, Natural Biogenex Private Limited. This addition enables NCL to manufacture select steroidal APIs, making it the only backward integrated producer of these APIs in India. This strategic development enhances the company's value proposition and opens new avenues for growth in the pharmaceutical market.

NCL places a strong focus on research and development, which drives product innovation and continuous improvement. Comprehensive quality assurance processes are in place at every stage of manufacturing, ensuring that all products align with international standards and client expectations.



Vision:

To become the global leader in pharmaceutical manufacturing, providing impeccable products and services across the globe, with a strong focus on both capsules and active pharmaceutical ingredients (APIs)



Mission:

- To consistently innovate and manufacture products that meet market and customer expectations in both the capsule and API segments.
- To provide the highest quality products to our customers worldwide, ensuring excellence in both capsules and APIs.
- To become an integrated enterprise of global distinction, excelling in the production of capsules and APIs.
- To invest in research and development of new pharmaceutical technologies and applications, enhancing our capabilities in both capsules and APIs



Big numbers in a capsule:

30+

Years of Industry Expertise

294

Valued Customers Worldwide

619

Skilled Team Members

3

State-of-the-Art Manufacturing Units

19.50

BCPA Production Capacity in FY25

31.23%

Revenue From Exports in FY25

Key product offering:
Capsule shells (made of gelatin, as well as HPMC capsule shells)
+ **Steroidal APIs** (approved under PLI scheme)

Our Journey

Advancing With Purpose and Precision

Natural Capsules Limited has evolved from a single facility in Bangalore to a global manufacturer recognised for both capsules and APIs. The company’s journey spans early achievements in vegetarian capsule production, strategic expansions, and a strong response to industry challenges. Recent years have brought renewed growth, advanced manufacturing capabilities, and entry into complex API production, positioning Natural Capsules Limited for continued leadership in the pharmaceutical sector.

Early Success and Expansion (1993–2014)

Natural Capsules Limited was incorporated in 1993 as a Public Limited Company in Bangalore. Operations commenced in 1995 with three capsule manufacturing lines and an annual capacity of 1.03 billion capsules. In 2001, the company became the first in India to manufacture vegetarian capsules, marking a significant achievement. The early 2000s saw rapid expansion, including the acquisition of a Pondicherry unit in 2003.

2005-2007

Acquired five lines from IPCL Godhra and installed them in Pondicherry.

2009-2012

Acquired nine lines from Qualicaps Canada and installed them in Pondicherry.

2011-2014

Upgraded multiple lines, increasing individual capacities from 1 million capsules per day to 1.5 million capsules per day.

By 2014, annual installed capacity had reached 7.1 billion capsules per day.

Navigating Challenges (2015-2018)

The period from 2015 to 2018 brought significant challenges. A decline in oil and commodity prices led to an economic slowdown in African markets, impacting exports and reducing demand and selling prices. In response, the company diversified its markets and strengthened its domestic presence.

Charting a Path to Global Leadership

NCL’s journey continues as it focuses on enhancing its capabilities in both capsule and API manufacturing. The Company’s commitment to innovation, quality, and meeting global healthcare needs remains unwavering. With a robust foundation and a clear vision, Natural Capsules Limited is poised for sustained growth and success in the pharmaceutical industry.

Renewed Growth and Expansion (2019 onwards)

From 2019 onwards, Natural Capsules Limited experienced renewed growth across both domestic and international markets, resulting in improved margins. The company maintained its emphasis on technological advancement, systematically enhancing its manufacturing capabilities to support increasing demand and operational efficiency.

During this period, a capsule manufacturing line was upgraded to achieve a production rate of 2.5 million capsules per day, up from 1.0 million capsules per day. The installation of the new generation machine in Bangalore further advanced production, delivering a capacity of 4.8 to 5.0 million capsules per day.

As of the end of FY25, the company’s installed capacity stands at 19.50 billion capsules per annum.

Plans are underway to commission a new HPMC line in FY26, which will further augment capacity and product diversity.

In a significant step, the Company has expanded into active pharmaceutical ingredient (API) manufacturing through its subsidiary, Natural Biogenex Private Limited. This strategic initiative includes:

- Focusing on complex steroidal APIs
- Securing Production Linked Incentive (PLI) for Dexamethasone, Betamethasone, and Prednisolone



Our Presence

Delivering Excellence Beyond Borders



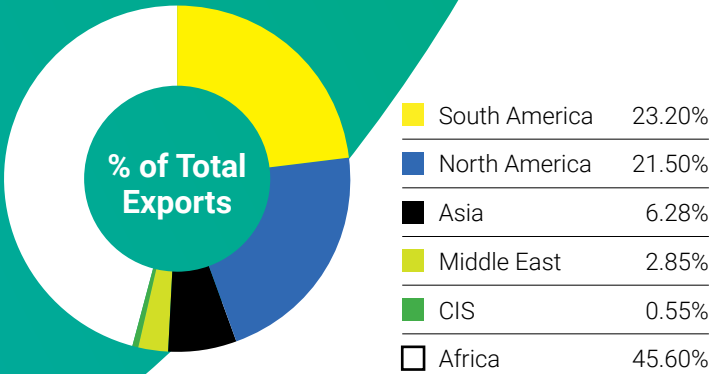
30%
Customers for more
than 10 years

86%
Repeat business
during FY25

58%
Customers for more
than 5 years

32%
New business
during FY25

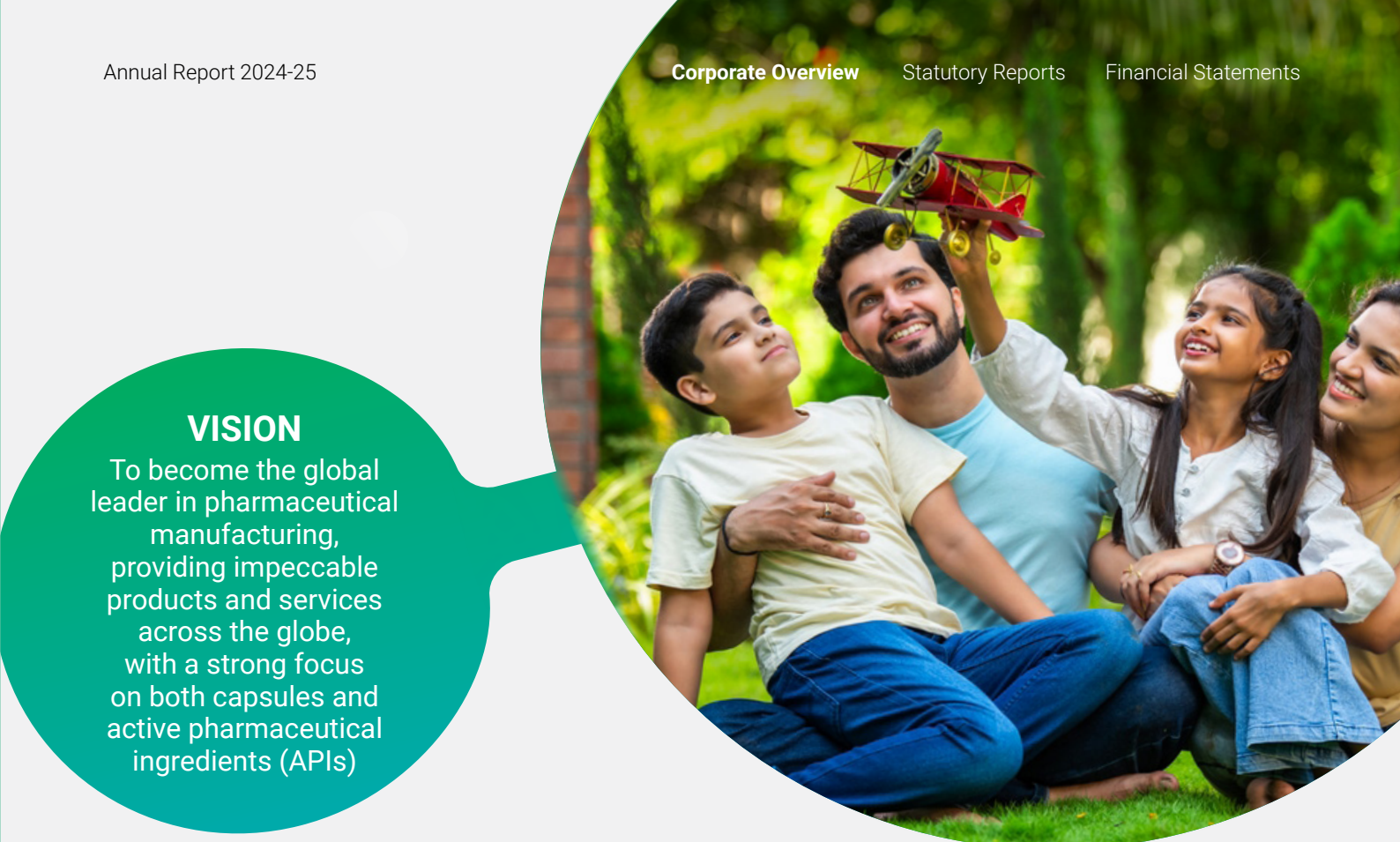
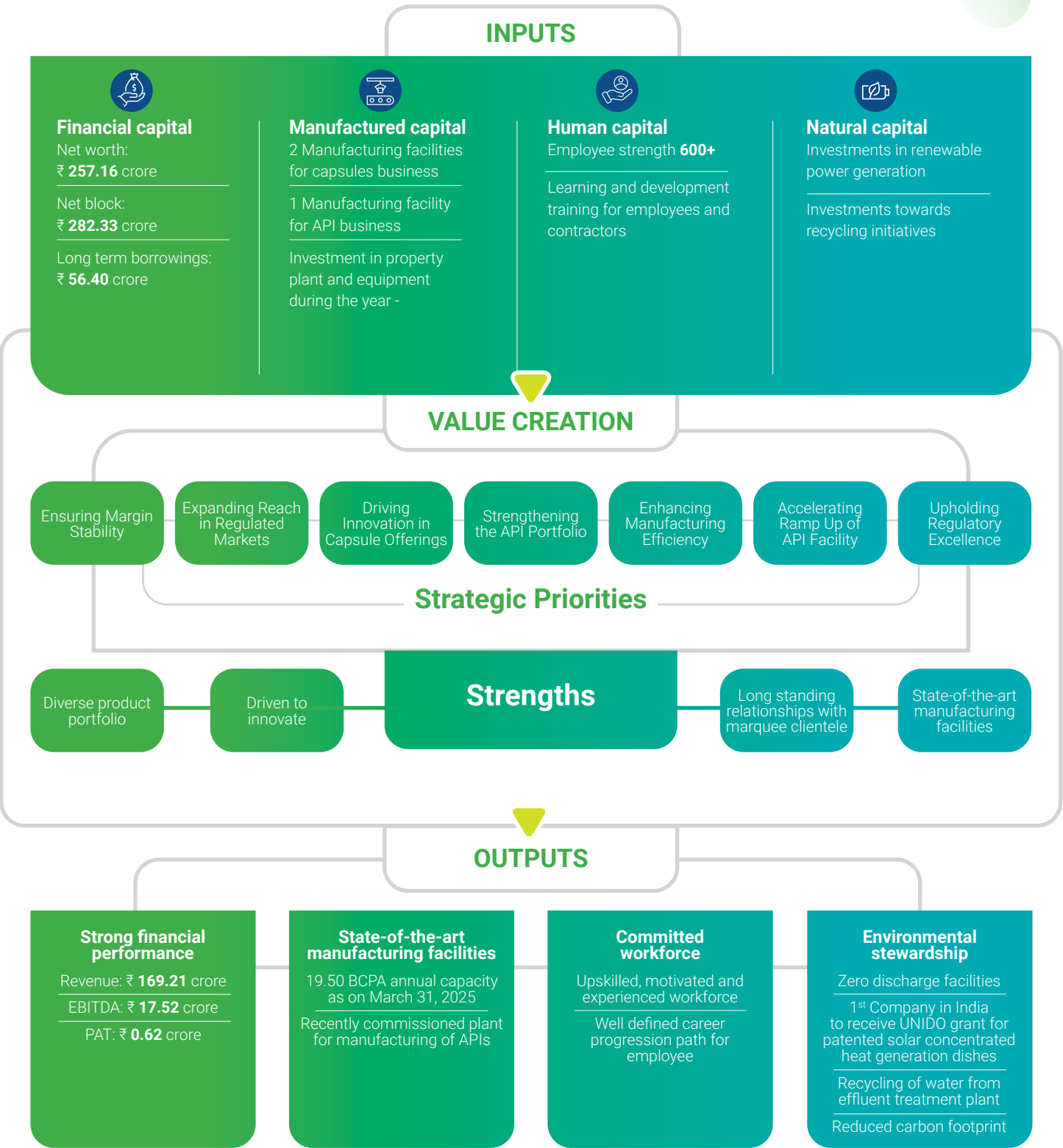
Natural Capsules Limited (NCL) has established a robust global presence, exporting its high-quality capsules to 28 countries. With a significant portion of its revenue derived from exports, NCL has positioned itself as a trusted partner for leading pharmaceutical brands worldwide, serving both regulated and merging markets.



Serving Marquee Customers

Business Model

Our Value Creation Canvas



VISION

To become the global leader in pharmaceutical manufacturing, providing impeccable products and services across the globe, with a strong focus on both capsules and active pharmaceutical ingredients (APIs)

OUTCOMES

Capsules

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

APIs

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

Business Review

Advancing With Innovation in Capsules and API Manufacturing

Natural Capsules Limited continues to reinforce its leadership in the pharmaceutical sector, excelling in capsule manufacturing and expanding its presence in active pharmaceutical ingredient (API) production. With a clear focus on innovation, quality, and sustainable growth, the company is broadening its capabilities and strengthening its market position, contributing positively to the healthcare industry.

Capsules Vertical

Natural Capsules Limited is recognised as a prominent manufacturer of hard capsules in India, drawing on more than thirty years of expertise. Established in 1993, the company pioneered the introduction of vegetarian capsules and has become the second-largest Indian producer of gelatin capsules. With advanced manufacturing facilities located in Bangalore and Pondicherry, the company delivers a broad portfolio of high-quality capsule products to both domestic and international markets, serving clients in the pharmaceutical and nutraceutical sectors.

Product Portfolio

Natural Capsules Limited offers an extensive range of capsule products, including:

- Hard gelatin capsule shells
- HPMC capsules, also known as vegetarian capsules
- Specialty variants such as shiny capsules, sweet capsules, and fast release capsules
- Regulatory variants, including SLS free, preservative free, and TSE free capsules

Certifications

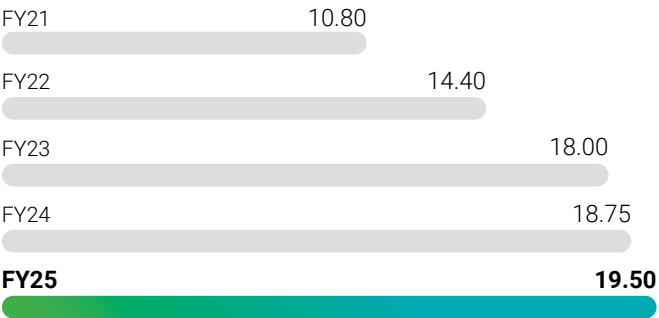
NCL's commitment to quality and innovation is evidenced by its numerous certifications:



Capacity and Performance

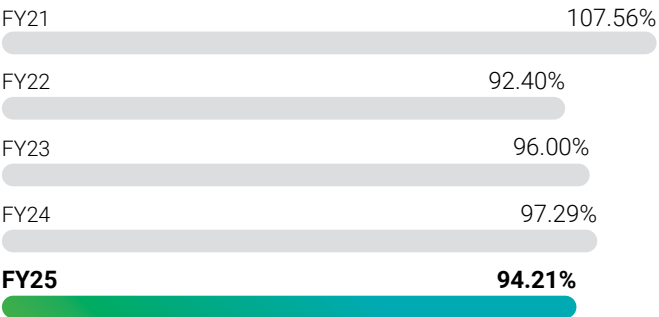
CAPACITY

In BCPA



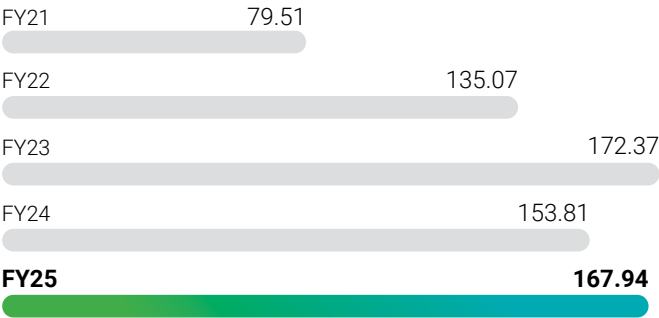
CAPACITY UTILISATION

In %



REVENUE FROM OPERATIONS

₹ in Crore



Recent Developments

The company has recently invested in next-generation manufacturing equipment, developed in technical collaboration with DBDS Robotics Private Limited. These machines are among the fastest available for hard capsule production, enabling the company to attract high-volume customers and optimise manufacturing costs.

The new generation machinery delivers significant advancements in several key areas:

- **Efficiency and Output:** The latest machines operate at exceptional speeds, substantially increasing production capacity. This enables the company to respond more effectively to market demand and enhance customer service levels.
- **Advanced Automation:** The integration of sophisticated automation technologies has reduced manual intervention in the manufacturing process. This optimisation of workforce allocation has led to notable reductions in per-unit labour costs.
- **Energy Efficiency:** The company places a strong emphasis on sustainability. The new machines consume significantly less energy per unit produced compared to previous generations, resulting in cost savings and a lower environmental footprint.
- **Rapid Production Cycles:** Enhanced processing speeds have shortened production timelines. This improvement allows for faster delivery to customers and greater flexibility in meeting market requirements.
- **Quality Assurance:** The implementation of advanced machinery has resulted in a marked improvement in product quality, with a considerable reduction in rejection rates. A higher proportion of output now meets the company's stringent quality standards.

Business Review

API Verticals

In a strategic initiative to broaden its portfolio and reinforce its presence within the pharmaceutical value chain, Natural Capsules Limited has entered the active pharmaceutical ingredient (API) segment through its subsidiary, Natural Biogenex Private Limited (NBPL). NBPL has established a state-of-the-art API manufacturing facility in Tumkur, near Bangalore. This greenfield project is designed to produce complex steroidal APIs, utilising advanced, patented technology developed in-house.

PLI Scheme and Incentives

Natural Capsules Limited has secured three Production Linked Incentive (PLI) applications for Dexamethasone, Betamethasone, and Prednisolone under the government’s initiative to enhance domestic API manufacturing. The PLI scheme provides the following incentives:

- 20% incentive on incremental sales for FY26 to FY28
- 15% incentive for FY29
- 5% incentive for FY30

Key Products

The facility will focus on the production of the following steroidal APIs and their derivatives:

- Prednisolone
- Betamethasone
- Dexamethasone
- Hydrocortisone

Facility Compliance

The facility is being developed in alignment with international regulatory standards, targeting certifications from WHO GMP (Geneva), USFDA, and EU GMP.



Import Substitution Opportunity

The API facility is positioned to address domestic demand by substituting imported inputs. The table below outlines the approved capacities and import substitution potential for key APIs:

Product	Planned Capacity (MT)	FY25 Imports to India (MT)	FY25 Import Value (INR Crores)	NCL's Position in India
Dexamethasone	10	25	68	Only manufacturer
Betamethasone	12	44	179	Only manufacturer
Prednisolone	15	63	176	One of the two manufacturers



Future Export Plans

Upon receiving USFDA and EU GMP certifications, Natural Capsules Limited intends to commence exports to regulated international markets. This expansion is anticipated to yield higher margins and is expected to commence approximately within the next 24 to 30 months.

Focus on R&D

Advancing Excellence Through Research and Innovation

Natural Capsules Limited (NCL) fosters a culture of innovation that continuously challenges conventional boundaries. The company's steadfast focus on research and development has strengthened its market position and established it as a leader in the pharmaceutical industry, setting high standards for quality and performance.

NCL's dedication to R&D is demonstrated through its two advanced facilities recognised by the Department of Scientific and Industrial Research (DSIR). These centres provide an environment that nurtures technological progress and innovation, which are fundamental to the company's growth and leadership.

The API segment, a key area of focus, concentrates on the development of complex steroidal APIs utilising proprietary, high-end technology. This strategic expansion diversifies NCL's portfolio and positions the company as a significant contributor to India's pharmaceutical self-reliance.

Key Areas of R&D Focus



Advancement in Steroidal API Range

Research efforts are directed towards identifying and developing new steroidal API products for future manufacturing. NCL aims to introduce new products every 18 to 24 months, enhancing patient care and supporting the company's growth objectives.



Yield Enhancement Through Process Innovations

Continuous R&D activities focus on optimising manufacturing processes to improve yields. By adopting advanced technologies and refining existing methods, NCL maximises production efficiency while reducing resource consumption.



Process Development for Existing Products

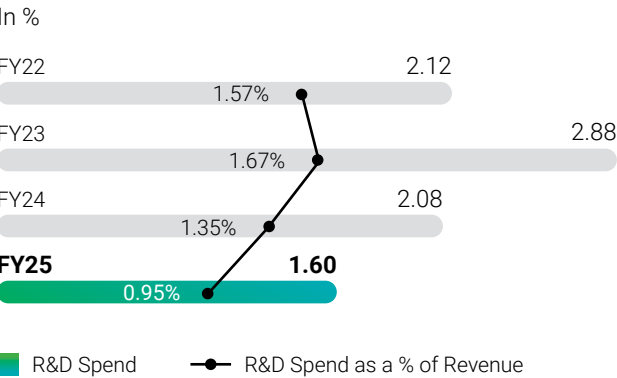
The company is committed to innovating new manufacturing processes for current products. This approach aims to streamline production, improve quality, and meet evolving customer requirements.



Capsule Technology Advancements

In the capsules segment, ongoing process innovations have significantly increased production capacity, resulting in higher yields and improved operational efficiency. Higher yields and improved operational efficiencies.

INVESTMENT IN R&D



Key Developments

- The company has introduced Employee Stock Ownership Plans (ESOPs) for senior R&D personnel to align their interests with corporate goals.
- The R&D team's expertise in scaling steroidal APIs is instrumental to the expansion of the API business.
- Collaborative efforts have resulted in the development of new generation capsule manufacturing technology, reinforcing NCL's position as an industry innovator.

2
DSIR-recognised R&D facilities

2
patents granted and 3
under filing

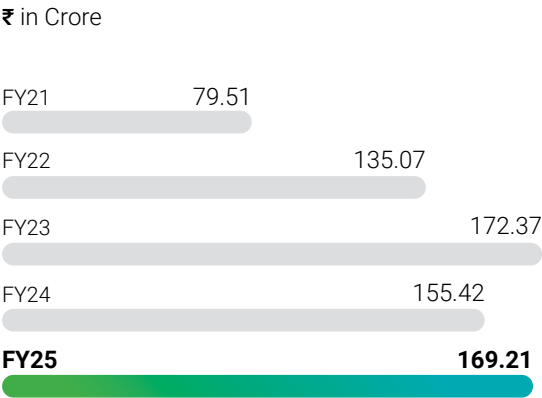
103
Dedicated team members focusing
on product innovations and product
yield efficiencies

Key Performance Indicators

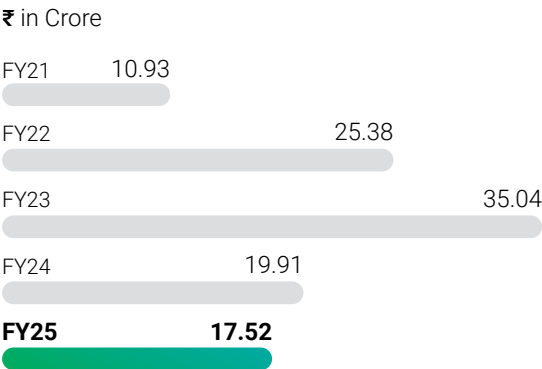
Tracking Our Progress Over the Years

FY25 presented a complex landscape for Natural Capsules Limited, shaped by a challenging operating environment and unforeseen delays in regulatory approvals for the new API facility. In the face of these obstacles, the Company maintained a strong focus on resilience and adaptability.

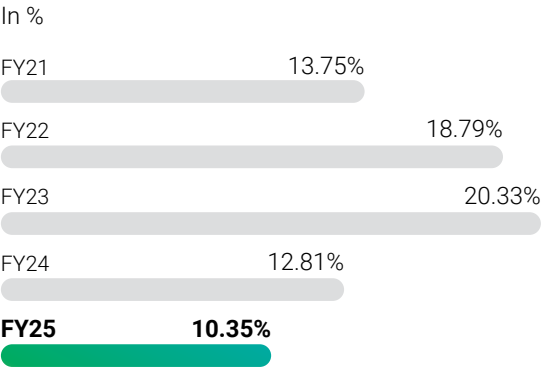
REVENUE FROM OPERATIONS



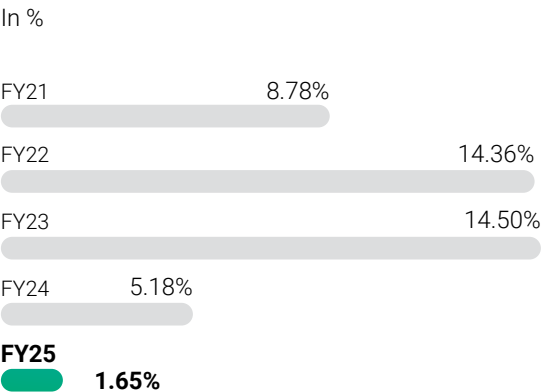
EBITDA



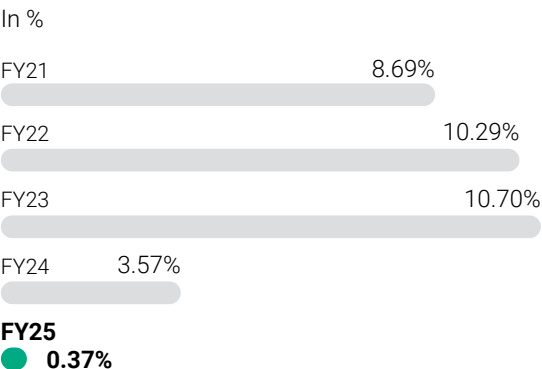
EBITDA MARGIN



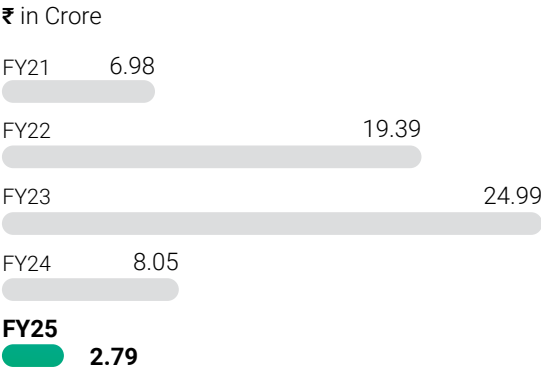
PBT MARGIN



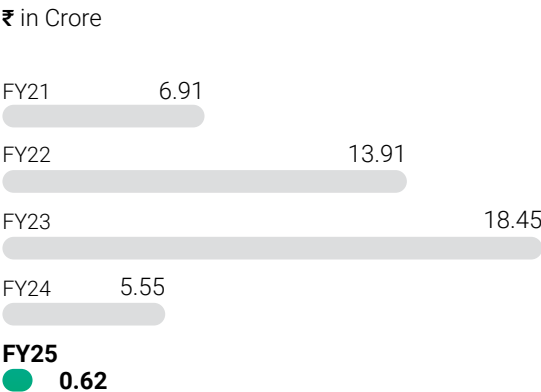
PAT MARGIN



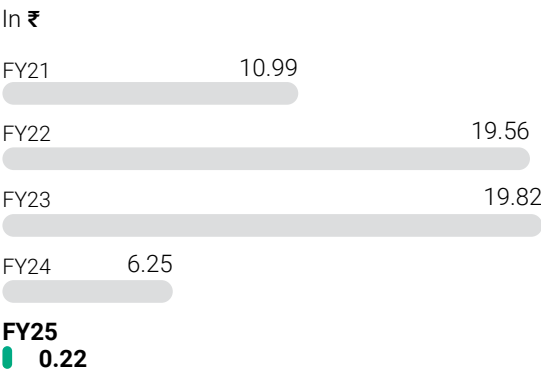
PROFIT BEFORE TAX



PROFIT AFTER TAX



EPS



Letter to Shareholders

Strengthening Foundations for Sustainable Growth

Dear Shareholders,

It gives me great pleasure to present this letter to you in the annual report for FY25. Our businesses continued to navigate through a volatile environment, with industry-specific headwinds testing the resilience of our operations. While certain near-term results were affected by external challenges, we remain focused on building future-ready capabilities. During the year, we scaled up our new HPMC capacity, neared commercial readiness of our API platform, and strengthened our access to key international markets. Our results for the year reflect the realities of a transitional phase, and also set the foundation for a stronger operating profile going forward.

Navigating the Capsules Landscape

The capsules business continued to remain central to our operations through FY25. We witnessed robust demand trends and stable volumes, particularly in export markets. Realisations recovered gradually over the course of the year, with improved pricing visible from Q3 onwards. However, our performance was tempered by a number of operating challenges. Freight costs remained elevated for much of the year, which weighed on profitability. At our Pondicherry unit, we experienced higher power charges that further impacted cost metrics. Domestically, raw material availability was intermittent, leading to some dependence on imports, though this has since improved. Against this backdrop, we focused on operational discipline and cost control to maintain service continuity.

During the year, we scaled up our new HPMC capacity, neared commercial readiness of our API platform, and strengthened our access to key international markets. Our results for the year reflect the realities of a transitional phase, and also set the foundation for a stronger operating profile going forward.

A significant development during the year was the commissioning of our HPMC production line. While production commenced on schedule, customer approvals and qualification trials delayed dispatches in the initial months. We now have all regulatory and quality checks in place for this line and are beginning to see volume traction in targeted markets. HPMC capsules are emerging as a strong value-added category, with growing demand for vegetarian formats and liquid-fill applications. However, competition has remained intense, especially in the United States where Chinese players resorted to aggressive pricing strategies in the early part of the year. This temporarily impacted our export momentum. Toward the end of the year, the situation changed significantly with the imposition of an 88% anti-dumping duty on Chinese-origin HPMC capsules by the US government. Indian capsules were levied a much lower duty of 14%. This has created a strong cost advantage for Indian manufacturers, and we are already witnessing increased enquiries and firm orders from the US. We expect this trend to accelerate in FY26.

Progress Amidst Pressure

FY25 was also a critical year for our API business, operated through our subsidiary Natural Biogenex. Although the facility has now been fully capitalised and commercial batches have commenced, the ramp-up process encountered regulatory and market-related challenges. Our primary hurdle was the delay in obtaining final environmental approvals, which extended our timelines for full-scale operations.

In parallel, the broader API industry faced sustained price pressure due to global overcapacity, especially from China. This created a difficult environment for establishing initial volumes at viable margins. Despite these constraints, we made progress in activating the commercial engine of this business. We initiated the supply of trial batches for key molecules such as Dexamethasone and Prednisolone to several pharmaceutical partners. We also shared dossiers with over twenty-three companies and initiated engagement for long-term supply opportunities.

To support future scalability, we undertook process improvements with the help of external consultants, focusing on fermentation efficiency and yield optimisation. These efforts are integral to building a stable production base. We also added to our innovation pipeline by filing a patent in the area of bioconversion, which adds to our intellectual property and opens avenues for differentiated product offerings.

Looking ahead, our immediate priorities include achieving cash breakeven during FY26 and securing WHO GMP certification for the plant, with the audit targeted in the first half of the year. These milestones are foundational to our strategy of building an export-oriented, high-value API business. With our infrastructure in place and early customer feedback being encouraging, we are better positioned to drive scale in the coming year.

A Year of Operational Resilience

During FY25, our revenue from operations stood at ₹169.21 crore, registering a year-on-year growth of 8.9%. The growth was supported by improved capsule realisations and initial contributions from the API business. However, profitability was subdued, primarily due to higher input costs and fixed charges

associated with new capacity. EBITDA for the year came in at ₹17.52 crore, compared to ₹19.91 crore in FY24. EBITDA margins declined by 246 basis points to 10.35%. Profit after tax stood at ₹0.62 crore, down from ₹5.55 crore in the previous year.

The commissioning of the API plant resulted in full-year charges for interest and depreciation, even as revenues from this unit remained modest during its early commercial phase. On the operational side, the capsules segment faced cost pressures from elevated power tariffs at our Pondicherry facility and higher freight charges on exports. In addition, employee costs for the year included provisioning related to the employee stock options plan. These elements, though temporary, were necessary in the context of our long-term scale-up. As our API unit ramps up sales and our HPMC line gains market traction, we expect operating leverage to improve. These forward-looking investments, while affecting near-term profitability, are critical enablers of margin recovery and earnings growth in FY26.

Priorities and Possibilities

We enter FY26 with cautious optimism and clear priorities. In the capsules business, we expect the shift in US import duties to drive sustained growth in our HPMC exports. Our near-term focus is to accelerate volume ramp-up from the HPMC lines, while concurrently planning for the installation of additional lines. Given the superior margin profile of HPMC products, this segment will play a central role in margin recovery during the year.

In the API business, our immediate objective is to achieve stabilised production and secure regulatory clearances. We expect commercial scale-up from the end of Q2. Additionally, under the PLI scheme, we anticipate incentives as volumes scale up. Our longer-term goal is to reach optimal capacity utilisation of 60 to 70% by FY28, with revenues from the API plant potentially reaching ₹240 to ₹250 crore at peak.

Across both businesses, we remain focused on deepening relationships with customers, expanding our export footprint and enhancing cost competitiveness. The next twelve months are critical for consolidating the gains of our capital investments and translating them into sustainable earnings growth.

In Gratitude and Confidence

On behalf of the Board and the leadership team, I wish to extend my sincere appreciation to all our stakeholders. Your support, especially during periods of execution complexity, has been invaluable. I thank our employees for their resilience, our customers for their enduring trust, and our partners for their continued collaboration. As we look ahead to FY26, we are encouraged by the opportunities that lie before us. We have made the right investments, built the right capabilities and positioned ourselves to unlock higher value. Our approach will remain grounded, disciplined and growth-focused as we move into the next phase of our journey.

Yours sincerely,
Sunil L. Mundra
Managing Director

Strategic Priorities

Driving Progress Through Focused Initiatives

The Company is shaping its future by focusing on strategic priorities that emphasise innovation, quality, and sustainable growth. The company is leveraging its core strengths and investing in advanced technologies to enhance its capsules business while establishing a strong position in the domestic steroidal API market.



01

Ensuring Margin Stability

The company is strengthening relationships with buyers who procure large volumes of capsules on a regular basis. This approach is designed to reduce volatility, support topline consistency, and improve overall margins. The order book for HPMC capsules in FY26 remains robust, offering higher margins compared to traditional gelatine capsules.

02

Expanding Reach in Regulated Markets

Expanding into regulated international markets is central to the company's growth strategy. By aligning with customers who distribute finished formulations in these markets, the company is unlocking new growth opportunities. The sales and marketing team is actively targeting untapped geographies to broaden the company's global footprint.

03

Driving Innovation in Capsule Offerings

Innovation continues to drive the development of the capsule product range. The research and development team is dedicated to introducing new capsule variants that address evolving market needs. This ensures the company remains at the forefront of industry trends.

04

Strengthening the API Portfolio

The company is also advancing its API portfolio by introducing high-value molecules in the steroidal API segment. Ongoing investment in research and development supports differentiation and strengthens the company's position in this market.

05

Enhancing Manufacturing Efficiency

Operational efficiency is being enhanced through investments in advanced technologies and manufacturing processes. These initiatives are designed to optimise productivity and deliver a competitive edge.

06

Accelerating Ramp Up of API Facility

A top priority for the coming year is to ensure a rapid and efficient ramp-up of the new API facility. This will enable the company to meet market demand and realise the full potential of its recent investments.

07

Upholding Regulatory Excellence

Stringent quality management systems are in place to secure regulatory approvals for the API facility. Achieving compliance with global standards will support long-term customer relationships and further improve margins.

Corporate Social Responsibility

Committed to Responsible Corporate Behaviour

School bags and shoe for pitchaveeranpet village school students



Committed to Responsible Corporate Behaviour



Fire Extinguisher for Pitchaveeranpet Village School

Free Coaching Centre Community Development programme



United Sports Club Kabbadi Tournament

MD&A

Management Discussion and Analysis

Global Economy

The global economy in 2025 continues to demonstrate adaptability amidst evolving geopolitical dynamics, inflationary moderation, and structural policy shifts. Growth remains steady at 2.8% (IMF, April 2025), reflecting a calibrated balance between emerging market dynamism and advanced economy stabilisation. While trade tensions and policy uncertainty persist, multilateral coordination and strategic sectoral investments highlight a narrative of cautious optimism.

The International Monetary Fund's April 2025 World Economic Outlook highlights a gradual convergence toward pre-pandemic growth trends, with global output bolstered by resilient consumer demand in emerging markets and targeted fiscal interventions in advanced economies. India retains its position as the fastest-growing major economy, projected to expand by 6.2% in 2025 (World Bank, March 2025), driven by digital infrastructure investments and manufacturing sector revitalisation. Conversely, advanced economies face moderated growth, with the Eurozone anticipated to grow at 0.8% amid energy transition investments and the U.S. at 1.8%, supported by technological innovation and consumer spending resilience.

Inflationary pressures have receded globally, with headline inflation expected to decline to 4.5% by year-end (OECD, March 2025), enabling central banks to adopt measured monetary easing. This stabilisation has facilitated liquidity for strategic sectors such as renewable energy and AI-driven industries, which are projected to contribute \$4 trillion to global GDP by 2026 (IMF, 2025).

Escalating trade restrictions, including revised U.S. tariffs and retaliatory measures, have introduced near-term volatility, slowing global trade growth to 3.2% in 2025 from 3.4% in 2024. The World Bank emphasises that de-risking strategies—including supply chain regionalisation and localised production—are critical to sustaining trade flows despite protectionist trends.

Asia-Pacific dominates global growth, contributing 60% of 2025 output, with ASEAN nations benefiting from supply chain diversification and India's digital economy expansion. Latin America stabilises through commodity demand alignment, while Sub-Saharan Africa leverages critical mineral reserves for renewable energy partnerships. In advanced economies, the Eurozone's focus on energy transitions and the U.S.'s tech-driven consumer markets illustrate divergent yet complementary growth pathways.

The global economic landscape in 2025 is defined by resilience through transformation. Near-term risks—including geopolitical flashpoints and climate disruptions—are counterbalanced by structural adaptability, technological advancement, and coordinated policy responses.

Indian Economy

India's economy continues to demonstrate resilience in 2025, maintaining its status as the world's fastest-growing major economy despite heightened global trade tensions and policy uncertainty. With growth projected at 6.2% in FY2025-26 (IMF, April 2025) and a steady trajectory towards 6.3% in FY27, the nation's macroeconomic fundamentals underscore its capacity to navigate complex external environments while capitalising on domestic opportunities.

India's growth narrative remains anchored in robust domestic consumption, which contributes over 60% of GDP, and strategic public investments in infrastructure and digital transformation. Rural demand, revitalised by moderating inflation (projected at 4.2% in FY26, down from 4.8% in FY25), continues to fuel private expenditure, particularly in sectors such as automotive, consumer goods, and housing. The World Bank attributes this resilience to transformative initiatives like the PM GatiShakti National Master Plan, which has enhanced logistics efficiency, and the Production-Linked Incentive (PLI) Scheme, driving manufacturing output in electronics, pharmaceuticals, and renewable energy.

Simultaneously, India's services sector, contributing 55% to GDP, maintains robust growth at 8.2% (FY24), led by IT exports, fintech innovation, and a thriving startup ecosystem. The digital economy, now valued at \$1.2 trillion, is projected to expand by 15% annually, supported by initiatives like Digital India and a 850-million-strong internet user base.

The government's pro-growth fiscal measures, including tax exemptions for middle-income earners and corporate tax rationalisation, have injected ₹630 billion into disposable incomes, stimulating consumption and offsetting global trade headwinds. These reforms align with the Union Budget 2025's focus on infrastructure, allocating ₹11.1 trillion (3.3% of GDP) to transport, energy, and urban development, which is expected to catalyse private investment and generate 12 million jobs annually.

India enters FY26 with robust fundamentals, supported by resilient domestic demand, prudent fiscal management, and stable macroeconomic indicators.

MF projects India's economic growth to moderate to around
6.2% in FY26

MD&A (Continued)

On the global stage, India is navigating trade policy shifts adeptly. Despite U.S. tariffs on exports, bilateral trade agreements with the EU and ASEAN nations have diversified export markets, limiting the tariff impact to 0.3% of GDP (Deloitte, May 2025).

Looking ahead, India faces potential challenges from global headwinds, including slower growth in major economies and rising trade barriers. However, the economy's diversified export base and ongoing reforms—such as tax rationalisation, financial sector modernisation, and infrastructure upgrades—strengthen its ability to manage external risks. India enters FY26 with robust fundamentals, supported by resilient domestic demand, prudent fiscal management, and stable macroeconomic indicators. Barring major external shocks, the economy is well-positioned to maintain its status as the world's fastest-growing large economy.

Global Pharmaceutical Industry

The global pharmaceutical industry remains one of the world's most resilient and steadily expanding sectors, with its market value estimated at US\$1.6–1.7 trillion in 2023, and industry forecasts projecting spending to reach about US\$1.7 trillion by 2025, excluding vaccines (dcatvci.org). According to the IQVIA Institute, worldwide medicine spending is expected to climb to approximately US\$2.3 trillion by 2028, representing a compound annual growth rate (CAGR) of 5–8% from 2023.

The industry's growth is underpinned by demographic trends, notably ageing populations in advanced economies, rising chronic disease prevalence, and the adoption of innovative therapies such as GLP-1 drugs for diabetes and obesity.

Global Capsules Market

Oral solid-dose forms remain dominant in pharmaceuticals, and the market for empty capsules – especially hard gel and plant-based shells – is growing steadily. In 2024, the global empty capsules industry was valued at roughly \$3.2 billion and is forecast to expand at about 5–6% CAGR through 2030. Demand is driven by the growing nutraceutical sector and personalised medicine trends as consumers want easy-to-swallow, plant-based (HPMC) capsules for supplements and tailored combination therapies.



The gelatin capsule segment alone is expected to reach ~\$3.5 billion by 2030 (5.2% CAGR), as manufacturers innovate with fast-dissolving and targeted-release formats. Regionally, North America and Asia-Pacific are the largest markets, but emerging economies are growing fastest as pharmaceutical and nutraceutical penetration rises. Industry reports also highlight changing regulatory landscapes with recent global tariff discussions that can affect capsule ingredient costs, and increased focus on sustainability is spurring a shift toward "clean-label" materials. The combination of expanding use in supplements and generics, plus continued technology investment, makes the capsule segment a resilient growth area within the broader pharma packaging ecosystem.

Global API Market

Active Pharmaceutical Ingredients form the core of drug manufacturing, and the global API market is substantial and expanding. Industry analysis estimates the API market size at roughly \$255 billion in 2024, rising to ~\$270.5 billion in 2025 (a CAGR around 6%). Growth is fueled by rising demand for medicines in chronic diseases and by ongoing shifts toward generic and biosimilar drugs. Biologics-based APIs are the fastest-growing segment, though synthetic chemical APIs still constitute 70–80% of volume.

This growth is underpinned by rising demand for therapies targeting chronic conditions such as cardiovascular diseases, cancer and diabetes, alongside the accelerating shift towards generic and biosimilar medicines. While synthetic chemical APIs dominate production volumes, constituting 70–80% of the market according to DCAT Value Chain Insights (2024), biologics-based APIs – particularly monoclonal antibody substances – represent the fastest-growing segment, reflecting the industry's evolving therapeutic focus.

Geopolitical concentration remains a defining characteristic, with China controlling an estimated 80% of the global generic API supply chain, as highlighted by Drug Patent Watch (2025), while India strengthens its position as a leading producer. However, this regional dominance has prompted regulators and manufacturers to prioritise supply chain diversification, particularly given that China and India collectively supply over 70% of APIs used in U.S. drug production, as reported by European Pharmaceutical Review (2025). This concentration exposes the industry to significant supply chain risks, as highlighted by disruptions following China's environmental crackdowns and pandemic-related lockdowns. Regulatory scrutiny is intensifying, with US and EU authorities increasing inspections of API manufacturing facilities, particularly in China and India, to enforce Good Manufacturing Practices and environmental compliance.

While the pharmaceutical sector is less cyclical than many others due to the essential nature of medicines, it is still affected by global economic headwinds, inflation, and currency volatility, all of which have contributed to rising operating costs. Policy shifts, such as the US Inflation Reduction Act and EU price negotiation schemes, are aimed at curbing drug costs and may moderate future spending growth. Conversely, regulatory reforms that expedite drug approvals and incentivise research and development continue to support innovation and facilitate the launch of breakthrough therapies. The recent escalation in US–China trade tensions has highlighted the fragility of global supply chains, although pharmaceuticals have thus far been exempted from the most severe tariffs, helping to maintain the flow of generic medicines from key suppliers like India. Nevertheless, the threat of targeted tariffs remains a concern, with the potential to increase drug prices and cause shortages if implemented.

In summary, the outlook for the global pharmaceutical industry in 2025 and beyond is cautiously optimistic, with projected growth at a modest mid-single-digit pace of around 3–5% annually, driven by novel therapies and ongoing demand for established drugs. The capsules and API markets are integral to this ecosystem, each facing unique challenges related to supply chain security, regulatory compliance, and technological advancement, but also benefitting from significant opportunities linked to demographic shifts, rising healthcare standards, and the expanding scope of personalised and preventive medicine.

Indian Pharmaceutical Industry

India's pharmaceutical industry has firmly established itself as a global leader, earning the title of the "pharmacy of the world" due to its scale, cost competitiveness, and export reach. As of 2025, the sector is valued at approximately US\$58 billion (including both domestic sales and exports), with industry estimates projecting expansion to US\$120–130 billion by 2030 and potentially US\$400–450 billion by 2047 (India Briefing). India ranks third globally in pharmaceutical production by volume, supplying about 20% of global generic drugs and meeting around 40% of US generics demand and 25% of UK medicine needs (India Briefing).

According to the Ministry of Statistics and Programme Implementation, India's pharmaceutical market for FY24 was valued at US\$50 billion, with domestic consumption at

US\$23.5 billion and exports at US\$26.5 billion. The domestic market has grown at around 7–8% annually, with April 2025 alone seeing a 7.8% year-on-year increase (Business Standard). Exports remain a cornerstone, with pharmaceutical exports crossing US\$30 billion in FY25, a more than 9% increase from the previous year. The United States remains the largest export market, accounting for over 36% of export value, followed by the UK, Brazil, France, and South Africa.

Government initiatives such as the Production Linked Incentive (PLI) scheme—with a financial outlay of ₹15,000 crore for pharmaceuticals and ₹6,940 crore for APIs—have mobilised investment in high-value formulations and API manufacturing, aimed at reducing import dependence and boosting self-reliance. The Bulk Drug Parks scheme (₹3,000 crore) further supports world-class API clusters, while relaxed FDI norms (100% automatic route in greenfield projects) have attracted significant foreign investments.

However, challenges persist. The industry remains reliant on imported key starting materials and intermediates, especially from China, exposing it to supply chain risks. Environmental compliance, including effluent treatment and waste management, has raised production costs. Additionally, new regulatory requirements such as barcoding and quality controls have increased operational overheads, particularly for API manufacturers.

Indian Capsule Market

The capsules market in India forms a crucial part of the country's pharmaceutical and nutraceutical landscape, reflecting both the industry's scale and its ongoing evolution. Demand for capsules, particularly hard gelatin and vegetarian (hydroxypropyl methylcellulose, or HPMC) variants has continued to rise, fuelled by the increasing prevalence of chronic diseases and a growing focus on consumer wellness products. The growth of India's nutraceuticals sector and the rise in health-conscious consumers are expected to further drive capsule demand, with chronic therapy segments—such as cardiac, gastrointestinal, and anti-diabetic therapies—growing at a robust pace of 9–10% per year (Business Standard, April 2025).

The opportunities in the Indian capsules market are significant. Rising health awareness is fuelling demand for dietary supplements and wellness products in capsule form, with the nutraceuticals segment witnessing strong double-digit growth. Innovation is also a key driver, as manufacturers invest in plant-based and "smart" capsules to cater to vegetarian preferences and advanced drug delivery needs.

Policy support from the government, through initiatives such as Pharma Vision 2030 and the "Make in India" programme, continues to encourage domestic manufacturing of capsules and packaging materials, further strengthening the sector's foundation.

However, the capsules market also faces notable challenges. One of the primary concerns is the supply and cost of raw materials. Fluctuations in the prices of gelatin and HPMC—

MD&A (Continued)

often imported—can impact production costs and margins. Despite these challenges, the overall outlook for the capsules segment remains positive, supported by strong demand fundamentals and proactive industry responses to regulatory and supply chain issues.

Indian API Market

Indian Active Pharmaceutical Ingredient (API) market is strategically significant for both self-reliance and export growth. India is now the world’s third-largest API producer, accounting for approximately 8% of global API volume and manufacturing over 500 different APIs (CFO Economic Times, March 2025).

The domestic API market was valued at around US\$18 billion in 2024 and is projected to expand to US\$22 billion by 2030, representing a compound annual growth rate of 8.3%. APIs contribute about 35% of the value of India’s pharmaceutical sector, and API exports are currently estimated at US\$5 billion annually (Business Standard, April 2025).

There are considerable opportunities in the API sector. Global pharmaceutical firms are increasingly sourcing APIs from India to reduce dependence on China, a trend accelerated by recent global supply chain disruptions and evolving trade policies. The Indian government’s Production Linked Incentive (PLI) scheme for APIs and the Bulk Drug Parks initiative are specifically designed to strengthen domestic production of critical ingredients, offering financial incentives and infrastructure upgrades to reduce import dependence and enhance competitiveness (PIB India, 2025). There is also a clear shift from low-cost APIs to more complex, high-value APIs, such as those used in oncology and specialty drugs, supported by increased R&D investments and a focus on regulatory compliance (Invest India, 2025). The government has allocated over ₹20,000 crore to these initiatives, with the 2024 Budget providing further impetus for companies investing in domestic manufacturing of key starting materials and intermediates (Pharmabiz, March 2025).

Despite these opportunities, the API sector continues to face several challenges. Import dependence remains a significant vulnerability, with 65–70% of key intermediates still sourced from China, exposing the sector to supply chain interruptions, price swings, and geopolitical risks. The sector is also subject to stringent regulatory requirements, with oversight from the Central Drug Standard Control Organisation (CDSCO) and the Drug Controller General of India (DCGI), which ensure the safety, efficacy, and quality of drugs but also increase compliance costs (CUTS-CCIER, 2019).

In summary, India’s pharmaceutical industry in 2025 stands on a strong footing, combining robust domestic growth with expanding exports and a strategic policy push towards self-reliance and innovation. The capsules segment is poised for steady expansion, fuelled by rising demand in chronic therapies and wellness products, while innovation and policy support create new opportunities. The API sector is undergoing a transformation, with government incentives and global supply chain shifts offering significant growth potential, though challenges around import dependence, compliance, and logistics remain. With continued investment in R&D, infrastructure, and regulatory compliance, India is well-positioned to capture a larger share of the global pharmaceutical market and reinforce its role as a reliable supplier of affordable, high-quality medicines.

Company Overview

Established in 1993 and headquartered in Bengaluru, Natural Capsules Limited (NCL) is a leading Indian manufacturer of hard capsule shells, recognised for its pioneering role in introducing vegetarian capsules to the domestic market. Over the past three decades, NCL has emerged as the second-largest manufacturer of gelatin capsules in India, supported by robust manufacturing infrastructure, including a key facility in Puducherry. In recent years, the company has strategically diversified into the Active Pharmaceutical Ingredients (API) segment, marking a pivotal shift from a single-product focus to a multi-vertical pharmaceutical enterprise. The successful commercialisation of its API facility in FY25 signals a new phase of growth, innovation, and value creation.

Business Verticals and Core Offerings

Capsules Vertical

NCL’s capsules business is anchored in a culture of process innovation, operational excellence, and consistent capital investment. The company’s facilities operate with dedicated manufacturing lines that adhere to globally recognised quality standards, including WHO-GMP, ISO 9001:2015, HACCP, and Halal certifications. Over the years, strategic infrastructure upgrades have resulted in a near threefold expansion in production capacity. This enables the company to meet growing demand with shorter turnaround times, reduced rejection rates, and improved energy efficiency, positioning NCL as a trusted supplier to both domestic and international clients.

Product Portfolio:

- Hard Gelatin Capsules
- Hypromellose (HPMC) Vegetarian Capsules
- Other Customised Hard Capsule Variants

APIs Vertical

In line with its strategic diversification and value-accretive initiatives, NCL entered the Active Pharmaceutical Ingredients (API) segment with the aim of reducing India’s dependence on imports and becoming a key player in niche therapeutic areas. FY25 marked a pivotal milestone with the commercialisation of NCL’s API manufacturing facility, operated through its subsidiary. This facility leverages fermentation-based synthesis from Key Starting Materials (KSMs) and is among the few in India to focus on the production of steroidal APIs.

The API vertical is poised to become a major growth and profitability driver for the company, with the first three molecules falling under the Government of India’s Production Linked Incentive (PLI) scheme. The facility commenced production and supply of key products during FY25, establishing NCL’s credentials as a future-ready pharmaceutical manufacturer.

Product Portfolio:

- Prednisolone and its Derivative Salts
- Betamethasone and its Derivative Salts
- Dexamethasone and its Derivative Salts
- Hydrocortisone and its Derivative Salts

Performance Review

FY25 was a year of transition for Natural Capsules Limited, marked by operational advancements and a build-out of future-ready capabilities. Revenue from operations grew by 8.9% to ₹169.21 crore, supported by improved realisations in the capsules segment and early contributions from the API business.

However, profitability was subdued due to elevated input costs and the cost structure associated with new capacity additions. EBITDA stood at ₹17.52 crore, while Profit After Tax declined to ₹0.62 crore, reflecting increased depreciation, interest costs, and provisions related to employee stock options.

The capsules business remained the core revenue driver. Demand conditions were stable, particularly in export markets, and realisations improved sequentially through the year. While cost headwinds such as higher freight charges and elevated power tariffs impacted profitability, the commissioning of the HPMC production line marked a strategic milestone. Despite initial delays in customer qualification, the product has begun gaining traction. Toward the close of FY25, regulatory action in the United States created a favourable pricing environment for Indian HPMC exporters, offering significant headroom for growth in FY26.

In the API segment, commercial batches commenced at the fully capitalised facility under subsidiary Natural Biogenex. Regulatory delays impacted the scale-up timeline, and global pricing pressure persisted due to oversupply from Chinese manufacturers. Despite this, trial batches were supplied to key pharmaceutical customers, and process improvements were undertaken to strengthen production stability. A patent filing in bioconversion further enhanced the company’s innovation pipeline.

FY25 outcomes reflect both the challenges of capacity scale-up and the groundwork laid for FY26. With a clear focus on expanding the HPMC footprint, accelerating API commercialisation and achieving operational leverage, the company remains well placed to deliver sustainable improvement in financial and operating performance in the year ahead.

MD&A (Continued)

Key Financial Ratios

Ratio	FY25	FY24	Change	Reason
Current Ratio	1.30	1.62	(19.91%)	-
Debt-equity Ratio	63.07%	64.56%	(2.31%)	-
Debt Service Coverage Ratio	99.52%	117.77%	(15.49%)	-
Return on Equity	0.00	0.03	(96.97%)	Due to increase in net profit
Inventory Turnover Ratio	7.46	10.95	(31.89%)	Due to increase in inventory and decrease in sales
Trade Receivables Turnover Ratio	2.90	2.92	(0.56%)	-
Trade Payables Turnover Ratio	2.82	3.23	(12.88%)	-
Net Capital Turnover Ratio	5.72	3.29	73.93%	Due to increase in working capital and decrease in sales
Net Profit Ratio	0.36%	3.57%	(89.79%)	Due to lower sales realisation
Return on Capital Employed	2.49%	3.86%	(35.49%)	Due to lower earnings
Return on Investment	NA	NA	NA	-

Human Resources

At Natural Capsules Limited, our people are central to our success and growth. Operating in a sector that demands efficiency, innovation, and strict adherence to quality standards, we recognise the vital role of our skilled and motivated workforce. Our employees drive operational excellence and contribute to the organisation’s ongoing development.

In FY25, we continued to prioritise the nurturing and development of our human resources, with a focus on attracting, retaining, and engaging top industry talent. We are committed to providing a supportive work environment that encourages personal growth, skill development, and employee well-being. Regular training programmes and workshops are conducted to enhance capabilities across all functions.

Our Employee Stock Option Scheme remains an important tool for retaining talent and aligning employee interests with the company’s long-term growth. As at 31 March 2025, Natural Capsules Limited employed over 619 individuals, all dedicated to advancing the company’s objectives.

Internal Control Systems and Their Adequacy

Natural Capsules Limited maintains a robust internal control framework to safeguard assets, ensure the integrity of financial records, and promote operational efficiency. The management team is responsible for the implementation and continuous monitoring of internal controls, upholding high standards of corporate governance.

To strengthen this framework, we engage an independent Chartered Accountancy firm to conduct internal audits and verify the accuracy and reliability of our financial processes. Our controls ensure that all transactions are properly authorised, recorded, and reported in line with established procedures. Regular asset protection measures and strict safeguards are in place to prevent unauthorised access or misuse.

The Audit Committee provides oversight by reviewing financial statements and assessing the adequacy and effectiveness of internal controls, ensuring transparency and accuracy in financial reporting. In addition, a comprehensive CCTV surveillance system covers our factory premises, further supporting asset protection and workplace safety.

Management remains vigilant, continuously evaluating and enhancing internal controls to address emerging risks and maintain operational excellence. We are committed to a culture of accountability, ethical conduct, and effective risk management throughout the organisation.

Cautionary statement

Statements in this Management Discussion and Analysis relating to objectives, projections, estimates, and expectations of the Company, its subsidiaries, and associates may constitute ‘forward-looking statements’ as defined by applicable laws and regulations. Actual results may differ materially from those expressed or implied due to factors such as economic conditions affecting demand and supply, price fluctuations in domestic and international markets, changes in government regulations, tax laws, and other incidental factors.



Corporate Information

BOARD OF DIRECTORS

Shri. C. P. Rangachar

Chairman & Independent Director
(Till 24 August 2024)

Shri. Tekkar Yashwanth Prabhu

Chairman & Independent Director
(w.e.f 25 August 2024)

Shri. Laxminarayan Moondra

Whole-Time Director

Shri. Satyanarayana 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

Shri. R. K. Prasad

Chief Financial Officer

Smt. Shilpa Burman

Company Secretary & Compliance Officer
(Till 07 May 2025)

Smt. Pranjal Deshmukh

Company Secretary & Compliance Officer
(w.e.f 29 May 2025)

BANKERS

State Bank of India

Commercial Branch
Bengaluru.

HDFC Bank

No. 56, Sai Arcade, Opp. Intel, Marathahalli,
Sarjapur Ring Road, D.B. Halli, Bengaluru

SECRETARIAL AUDITOR

R. Parthasarathy

STATUTORY AUDITOR

M/s. P. Chandrasekar LLP

INTERNAL AUDITOR

M/s. Mallya & Mallya

REGISTERED OFFICE

M/s. Natural Capsules Limited
Trident Towers, 4th Floor, No. 23
100 Feet Road, Jayanagar II Block
Bengaluru-560 011.
CIN: L85110KA1993PLC014742
E-mail ID: Company.sec@naturalcapsules.com

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
Subramanian Building, No. 1 Club House Road,
Chennai-600 002
E-mail ID: Kandhimathi@cameoindia.com

Notice

Notice is hereby given to all the members of the Company, that the **32nd Annual General Meeting** of Natural Capsules Limited will be held on Monday, 4th August 2025 at 11:30 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 Audited Consolidated and Standalone Financial Statements for the Financial Year ended 31st March 2025 together with the Reports of the Directors and the Auditors thereon.
2. 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.
3. 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:

4. **To consider continuation of Shri. Tekkar Yashwanth Prabhu (DIN: 02113527) as Non-Executive Independent Director, beyond the age of 75 years.**

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any amendments thereto or reenactment thereof, for the time being in force) (hereinafter collectively referred to as the "Applicable Laws") approval of the shareholders of the Company be and is hereby accorded for continuation of directorship of Mr. Tekkar Yashwanth Prabhu (DIN: 02113527) as Non-executive Independent Director of the Company beyond the age of 75 years till the expiry of his current term.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally and/or jointly authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To consider reappointment of Shri Sathyanarayana Mundra (DIN:00214349) as Whole time Director and revision of remuneration.**

To consider and if thought fit, to pass the following as a **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,

Remuneration and Compensation Committee and the Board, the consent of the Members be and is hereby accorded for re-appointment of Shri. Sathyanarayana Mundra, as a Whole time Director of the company for a period of 3 years with effect from 20.09.2025, on the same terms and conditions of the earlier agreement and that his remuneration shall be as per the following terms (as approved by Nomination and Remuneration Committee):

1. Salary of ₹ 3,35,000/- Per month on the scale of pay of ₹ 3,35,000-25,000-3,60,000.
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 and that no commission will be paid."

RESOLVED FURTHER THAT the Board of directors 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 appoint Mr. R Parthasarthy, Practicing Company Secretary as Secretarial Auditors, for period of 5 years.**

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

"RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") other applicable provisions laws/statutory provisions, if any, as amended from time to time, and based on the recommendation of the Audit Committee and Board of Directors, R Parthasarthy, Practicing Company Secretary, be and is hereby appointed as the Secretarial Auditors of the Company for term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such remuneration as may be determined by the Board of Directors of the Company (including its Committees thereof), from time to time, in consultation with the Secretarial Auditors.

RESOLVED FURTHER THAT Board of the directors of the Company be and is hereby authorized to do all such acts, things and deeds as may be deemed necessary to give effect to the above stated 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 re-enactment(s) thereof), approval of the Members of the Company be and is hereby accorded to enter into any contract/arrangement/transactions, including inter-corporate loans (apart from existing loans) with 'Natural Biogenex Private Limited' (Subsidiary of the Company), the value of which not exceeding ₹ 50 crores starting from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting. of the company, as per the details provided in the Explanatory Statement attached to this Notice, and on such terms and conditions, including the period, 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. Payment of Commission to Non-Executive Directors.

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

"RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder (amended from time to time), as recommended by remuneration committee, the consent of the Company be and is hereby accorded for the payment of remuneration to Non-Executive Directors (Including Independent Directors) of the Company, for a period of 3 years from the current financial year 2025-26 for a sum not exceeding 1% of the net profits of the Company, in addition to the fee payable to them for attending the meetings of the Board or any committee (s) thereof or reimbursement of expenses if any as the Board of Directors may, from time to time, determine and that Mr. Sunil L Mundra, Managing Director, be authorized to take all steps necessary for giving effect to this resolution"

By ORDER OF THE BOARD

Place: Bangalore
Date: May 29, 2025

Sd/-
Sunil L. Mundra
Managing Director
DIN: 00214304

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 outbreak of the COVID-19 pandemic, social distancing norms and pursuant to the General Circular Nos. 14/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated 8th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023 and 19th September 2024, respectively and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, to conduct AGM through VC/OAVM facility in accordance with the requirements provided in paragraph 3 and paragraph 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024 has provided certain relaxations from compliance with certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with aforesaid MCA Circulars, aforesaid SEBI Circular, provisions of the Act and the Listing Regulations, the 32nd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The proceedings of the 32nd AGM shall be deemed to be made at the Registered Office of the Company situated at No. 23, Trident Towers, 100 Feet Road, Jayanagar II Block, Bangalore, Karnataka-560011, India.
3. 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.
4. The 32nd Annual Report along with Notice of the AGM including general guidelines for participation at the 32nd AGM through VC/OAVM, procedure for remote e-voting including during the AGM, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository to support the 'Green Initiative' and in accordance with the MCA Circulars and SEBI Circular,. The same has also been uploaded on the website of the Company, i.e. www.naturalcapsules.com, BSE Limited (www.bseindia.com); National Stock Exchange of India Limited (www.nseindia.com); and National Securities Depository Limited ("NSDL") (www.evoting.nsdl.com). Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to Members whose e-mail ids are not registered with Company/RTA/DP providing the web-link of Company's website from where the Integrated Annual Report for financial year 2024-25 can be accessed.
5. 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.
6. Record date for the 32nd AGM is fixed as July 28, 2025.
7. 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.
8. 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, and shall be eligible to get dividend only in electronic mode. 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>).
9. 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.

10. Members may also note that the Notice of the 32nd AGM of Natural Capsules Limited and the Annual Report 2024-25 will be available on the Company's website: www.naturalcapsules.com.
11. In terms of the MCA Circulars, physical attendance of members has been dispensed with therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting facility, for participation in the 32nd AGM through VC/OAVM facility and e-Voting during the 32nd AGM. As the 32nd AGM is being held through VC/OAVM facility, the Route Map is not annexed to this Notice of the 32nd AGM.
12. Additional information, as per SEBI (LODR) Regulations, 2015, in respect of the Directors and Auditors 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 1, 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 national Stock Exchange of India Limited (NSE) and the Company has already paid the annual listing fees for the Financial Year 2025-26 to BSE and NSE 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 32nd 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. The Company has appointed CS Deepak Sadhu, Practising Company Secretary (Membership No. A39541 and Certificate of Practice No.14992), as scrutiniser (the 'Scrutiniser') for conducting the e-voting and remote e-voting process for the AGM in a fair and transparent manner.
18. The Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
19. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.naturalcapsules.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to NSE and BSE, where the shares of the Company are listed.
20. General instructions for accessing or participating at the 32nd 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 facility using their login credentials will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- d) In terms of the MCA Circulars, physical attendance of members has been dispensed with therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-Voting facility, for participation in the 32nd AGM through VC/OAVM facility and e-Voting during the 32nd AGM. As the 32nd AGM is being held through VC/OAVM facility, the Route Map is not annexed to this Notice of the 32nd AGM.
- e) In terms of the MCA Circulars and SEBI Circular dated 3rd October 2024, the Notice of the 32nd AGM and Annual Report for the financial year ended 31st March 2025 ("Annual Report for the financial year 2024-25"), will be available on the Company's website at www.naturalcapsules.com, BSE Limited at www.bseindia.com, NSE Limited at www.nseindia.com and on the website of National Securities Depository Limited (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 Nos. 14/2020, 20/2020, 02/2021, 19/2021, 21/2021,

02/2022, 10/2022, 09/2023 and 09/2024 dated 8th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023 and 19th September 2024 respectively.

- g) As provided in the MCA General Circular No. 09/24 dated September 19, 2024, the MCA has allowed the companies whose AGMs are due in the year 2025 to conduct their AGMs on or before 30th September, 2025 in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020 i.e. conduct AGMs through VC/OAVM.
- h) The recorded transcript of the 32nd 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 1st August 2025 at 9:00 A.M. and ends on 3rd August 2025 at 5:00 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. 28th July 2025 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 28th July, 2025.

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 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Type of shareholders Login Method Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.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.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider 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.
	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) 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 above mentioned website.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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.

4. 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***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your 'initial password'?
 - (i) 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'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) 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.

- b) **"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 e-mail 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 e mail 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 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are 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.

- 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.
- 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:

- 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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 pursuant to Section 102(2) of the Companies Act, 2013:

Item 4: To consider continuation of Shri. Tekkar Yashwanth (DIN: 02113527) as non-executive Independent Director, beyond the age of 75 years

Shri Tekkar Yashwanth Prabhu was appointed as an Independent Non-Executive Director of the Company by the members at the 31st Annual General Meeting of the Company held on Friday, July 26, 2024 for a period of five consecutive years commencing from June 19, 2024. In terms of Regulation 17(1A) of SEBI Listing Regulations, consent of members by way of special resolution is required for appointment or continuation of directorship of Independent Non-Executive Director, beyond the age of 75 years. Further, Shri Tekkar Yashwanth Prabhu will attain the age of 75 years with effect from December 30, 2025 and approval of members is required for the continuation of his

directorship from the day he attains the age of 75 years till the expiry of his current term. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Tekkar Yashwanth Prabhu as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to continuation of directorship of Mr. Tekkar Yashwanth Prabhu as an Independent Director till the expiry of the current term, for the approval by the shareholders of the Company.

Shri Tekkar Yashwanth Prabhu has confirmed his eligibility to act as a Non-Executive Independent Director and he is not debarred from holding office of Director of the Company, by virtue of any SEBI Order or any other such authority. He further has consented to act as a Non-Executive Independent Director. The Board of Directors has taken on record all required declarations and confirmations submitted by him.

The Board of Directors of the Company recommends the resolution set out at Item No. 4 to be passed as a Special 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 5: Re-appointment of Shri. Sathyanarayana Mundra (DIN: 00214349) as Whole time Director and revision of his remuneration for 3 Years:

Shri. Sathyanarayana Mundra aged 74 years, is Promoter and Whole time Director of the Company of the company and considering his knowledge on various aspects relating to the business of the company and has more than 3 decades of long business experience. Considering his significant contribution to the progress of the Company since inception, it would be in the interest of the Company, the Board of Directors recommends his re-appointment for a further period of 3 years with effect from September 20, 2025 on the recommendation of Nomination, Remuneration & Compensation Committee.

As approved by the Nomination, Remuneration & Compensation Committee, the Board of Directors in their meeting held on May 29, 2025 re-appointed him as Whole Time Director of the Company (subject to the approval of members) for a further period of 3 years with effect from September 20, 2025 on the same terms and conditions of the earlier agreement and that his remuneration shall be as per the following terms.

- Salary of ₹ 3,60,000/- Per month on the scale of pay of ₹ 3,60,000-25,000-3,85,000.
- Car with the driver for official work
- 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
- LTC once in a year not exceeding 1 month's salary for self and dependent family.
- 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.

Shri. Sathyanarayana Mundra has confirmed his eligibility to act as a Director and he is not debarred from holding office of Director of the Company, by virtue of any SEBI Order or any other such authority. He further has consented to act as a Director. The Board of Directors has taken on record all required declarations and confirmations submitted by him.

Except Shri. Sathyanarayana Mundra and promoter Directors, none of the other directors and 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 of the Notice of the AGM as a Special resolution.

Item No. 6: Appointment of Mr. R Parthasarthy, as Secretarial Auditors, for period of 5 years

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, ("the Act") and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Mr. R Parthasarthy, Practicing Company Secretaries (Registration Number A3667-CP 838) has served as Secretarial Auditors of the Company for the financial year 2024-25.

Regulation 24A of the Listing Regulations, inter alia, provides that with effect from 1st April 2025, the Company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries as Secretarial Auditors for not more than two terms of five consecutive years, with the approval of the members at its Annual General Meeting ("AGM") and such Secretarial Auditors(s) must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the Listing Regulations. Further, as per the said Regulation, any association of the individual or the firm as the Secretarial Auditor(s) of the Company before 31st March 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditor(s).

M/s. R Parthasarathy is a well-known practicing Company Secretary since 1986 and based in Bangalore. Renowned for his commitment to quality and precision, his unit has been Peer Reviewed by ICSI ensuring higher standards in professional areas of practice. He was awarded a Certificate of appreciation by ICSI acknowledging outstanding contribution towards building profession of Company Secretaries and service to stakeholders for more than 25 years.

He has been providing comprehensive professional service in the areas of Corporate Laws, SEBI Regulations, FEMA compliance and other related areas, guiding Corporates to ensure regulatory compliances and operational efficiency.

He has been rendering professional services to prominent Companies and earned trust of Corporates across different sectors for a long period.

Mr. R Parthasarthy was a Member of Investor Grievances Reconciliation Panel (IGRP/GRC) of National Stock Exchange NSE at Bangalore/and presently conciliation officer for ODR platforms.

Taking into account the above requirements and considering factors such as technical skills, independence, industry experience, expertise, quality of audit practices the Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Mr. R Parthasarthy, Practicing Company Secretary (Registration Number-A 3667/CP 838) as Secretarial Auditor of the Company for a term of five consecutive years, FY 2025-26 to 2029-30.

The Board of Directors in consultation with the Audit Committee and Secretarial Auditor, fixed the remuneration payable for the financial year 2025-26 at ₹ 3,20,000/- only), plus any out of pocket expenses incurred by them in connection with the audit and other applicable taxes, with an authority being given to the Board of Directors, on the recommendation of the Audit Committee to review and affix the remuneration for subsequent years in consultation with the Secretarial Auditor without being required to seek any further consent or approval of the members of the Company.

The Company has received written consent from Mr. R Parthasarthy confirming their eligibility and willingness to be appointed as the Secretarial Auditors of the Company. They have also confirmed that they meet the requirements to be appointed as Secretarial Auditors in accordance with the provisions of the Act and Listing Regulations, and they hold a valid certificate issued by the Peer Review Board of ICSI and that they have not incurred any of the disqualifications as specified by the SEBI. The appointment, if made, complies with the applicable provisions of the Act and Listing Regulations.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the 36th AGM.

Pursuant to Section 204 of the Act and the Rules framed thereunder, read with Regulation 24A of Listing Regulations the Company has received written consent & eligibility letters from Mr. Parthasarathy, Company Secretaries.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 for the approval of Members.

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 crore 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 Subsidiary-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 will be in the ordinary course of business of the Company and will 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 & Laxminarayan Moondra (Directors in holding Company)
Nature of Relationship	Subsidiary Company
Material terms of the contract/arrangement/transactions	Investment in subsidiary Company
Monetary value and period of approval	₹ 50 Crores from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting
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 ₹ 50 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	20 %
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 percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided) 29.55%

if the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the company or its subsidiary

- Details of the source of funds in connection with the proposed transaction:** Internal Accruals
- Whether any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advance or investments, nature of indebtedness, cost of funds, tenure etc.:** No
- Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security:** Interest will be charged at the Bank Rate applicable to the Company

- The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT:** For future Capex and meeting working capital requirements.

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: Payment of Commission to Non-Executive Directors

The members in their 29th Annual General Meeting held on September 20, 2022 approved the payment of remuneration to Non-Executive Directors including Independent Directors for a period of 3 years from the Financial Year 2021-22 for a sum not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

Pursuant to provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations"), the Board shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The said requirement shall not apply to payment of sitting fees to non-executive directors, if made within the prescribed limits of the Companies Act, 2013.

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 Re appointment:

Name	Shri Sathyanarayana Mundra	Shri Sushil Kumar Mundra	Shri T Y Prabhu
Age	74 years	55 years	74 years
Date of Birth	22.04.1951	03.12.1969	30.12.1950
Date of Appointment	01.06.2011	01.06.2011	19.06.2024
Purpose	Re-appointment as Whole Time Director	Retiring director seeking re-appointment	Appointment as Independent director
Type of Business and Resolution	Special Business – Special Resolution	Ordinary Business – Ordinary Resolution	Special Business – Special Resolution
DIN	00214349	00214332	02113527
Qualification	Chartered Accountant	B.Com	B.Com LL. B CAIIB
Expertise and Experience	About 31 years of experience as businessman	About 35 years of experience	40 Years of experience in banking
Brief Resume	Shri. Sathyanarayana Mundra serves as Whole Time Director of Natural Capsules Limited. He is responsible for quality control of products.	Shri Sushil Mundra serves as non-executive director of Natural Capsules Limited	Shri. T Y Prabhu started his career as a clerk at Canara Bank in the year 1970, and rose to the position of General Manager. During his long career spanning over 36 years in Canara Bank, he has worked extensively in various facets of banking including Corporate Credit, Treasury, Forex, International Operations. He has also worked in the Hong Kong operations of the bank for over 3 years. As a General Manager of the bank he was in charge of Treasury and International Operations and later he was in charge of the zonal office at New Delhi. As an Executive Director of Union Bank of India, Mumbai, he introduced many reforms. He was then elevated as the Chairman & Managing Director of Oriental Bank of Commerce, New Delhi. He is widely acknowledged for his erudition and scholarship in the fields of Banking and Institutional Finance. In November 2012, he was appointed as the Part Time Chairman of Dhanlaxmi Bank Ltd. He has also undergone extensive trainings in renowned institutions in India and abroad. From 2016 to 2020, he was actively associated with Southern India Banks' Staff Training College in Bangalore as a guest faculty.

Name	Shri Sathyanarayana Mundra	Shri Sushil Kumar Mundra	Shri T Y Prabhu
Committee Membership In Listed Entities	Natural Capsules Limited - Performance & Performance Evaluation committee	Natural Capsules Limited - Corporate Social Responsibility committee	Natural Capsules Limited - 1. Audit Committee (Chairperson) 2. Nomination, Remuneration & Compensation Committee
Directorship in Companies	1. Natural Capsules Limited 2. Square Plus Life Sciences Private Limited 3. Nandi Synthetics Private Limited	1. Natural Capsules Limited 2. Square Plus Life Sciences Private Limited 3. Nandi Synthetics Private Limited 4. Natural Phyto Pharma Private Limited	1. Manipal Business Solutions Limited 2. Vridhi Finserv Home Finance Limited 3. Natural Capsules Limited 4. Brickwork Ratings India Private Limited 5. Simplepay Finance Private Limited
Share Holdings in The Company as on 31 st March 2025	1,84,882 equity shares of ₹ 10/- each	5,09,012 equity shares of ₹ 10/- each	NIL
Number of Board Meetings attended	8	5	6
Names of the Listed Entities from which the Director has resigned in the past three years	NIL	NIL	NIL
Remuneration last drawn (including sitting fees, if any)	Refer to Directors' Report and Corporate Governance Report forming part of the Annual Report		

Relationship amongst Promoter Directors and Other Directors:

Sl. No.	Name of Promoter Director	Other Promoter Director	Relationship Between Director and other Directors
1.	Shri Laxminarayan Mundra	Sri Sathyanarayan Mundra Sri Sunil L Mundra Sri Sushil Kumar Mundra	Brother Son Son
2.	Shri Sathyanarayana Mundra	Sri Laxminarayan Mundra Sri Sunil L Mundra Sri Sushil Kumar Mundra	Brother Brother's Son Brother's Son
3.	Shri Sushil Kumar Mundra	Sri Laxminarayan Mundra Sri Sathyanarayan Mundra Sri Sunil Laxminarayan Mundra	Father Father's Brother Brother
4.	Shri Sunil L Mundra	Sri Laxminarayan Mundra Sri Sathyanarayan Mundra Sri Sushil Kumar Mundra	Father Father's Brother Brother
5.	Smt. Jyoti Mundra	Sri Sunil L Mundra Sri Laxminarayan Mundra Sri Sathyanarayan Mundra Sri Sushil Kumar Mundra	Husband Husband's Father Husband's Uncle Husband's Brother
6.	Shri T Y Prabhu, 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 are pleased to present their **32nd** Annual Report together with the Audited Accounts of the company for the year ended **31st March 2025**.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended 31st March 2025 is summarized here below:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Financial Year 2024-25	Financial Year 2023-24	Financial Year 2024-25	Financial Year 2023-24
Gross Sales	18913.76	17195.94	19063.30	17387.19
Less: GST	2119.94	1815.31	2142.75	1845.19
Net Sales	16793.82	15380.63	16920.55	15542.00
Other Income	423.54	314.57	70.37	193.62
Total	17217.36	15695.20	16990.92	15735.62
Profit before depreciation & taxation	1762.51	1896.32	1190.90	1671.97
Less: Depreciation	832.85	856.85	911.80	866.78
Less: Provision for Current Tax	207.39	197.13	207.39	197.13
Less: Prior Period Adjustment	-84.84		-84.84	-
Less: Deferred Tax Liability	136.00	61.84	94.81	52.71
Add: Exceptional Items-Income/(Exp.)	0.00	-	0.00	-
Add: Other Comprehensive Income/(Exp.)	-38.49	26.08	-39.01	26.08
Profit after taxation	632.62	806.58	22.73	581.43
Add: Balance b/f from previous year	8116.07	7335.57	7809.82	7252.88
Surplus available for appropriation	8748.69	8142.15	7832.55	7834.31
Appropriations	-	-		-
General Reserve	-	-	-	-
Proposed Dividend	-	-	-	-
Tax on Dividend	-	-	-	-
Additional depreciation on fixed asset as per Companies Act, 2013	-	-	-	-
Balance carried to Balance sheet	8748.69	8142.15	7832.55	7834.31

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the 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 for capacity expansion, your Directors have not recommended any dividend for the year 2024-25.

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

In terms of the Companies Act, any unclaimed or unpaid Dividend relating to the financial year 2017-18, will be transferred to the Investor Education and Protection Fund established by the Central Government, after the conclusion of 32nd Annual General Meeting.

During the year under review, Company has transferred Unpaid and Unclaimed Dividend of 2016-17 i.e. ₹ 1,84,150 to IEPF and 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 to be transfer to IEPF.

During the year under review, company has transferred 8827 Shares to IEPF.

Further shares required to be transferred to IEPF for the financial year 2017-18 to 2024-25 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 review, there was change in the Share Capital.

The Paid up share capital increased to ₹ 10,34,11,540 after following:

1. Preferential issue of 9,12,917 equity shares of face value of ₹ 10/- each.
2. Issue of 62,500 Equity shares of face Value of ₹ 10/- each under Employee Stock Option Plan.
3. Issue of 30,000 Equity shares of face Value of ₹ 10/- each under Employee Stock Option Plan.
4. Forfeiture of 13,313 partly paid up Equity shares issued under Rights issue.

As on 31st March 2025 details of Share Capital is as follow:

Sl No	Particulars	Total No of Equity Shares	Face Value	Total Equity Capital
1	Authorized Capital	15,000,000	₹ 10/-	1,50,000,000
2	Issued & subscribed Capital	10,354,467	₹ 10/-	1,03,544,670
3	Paid Up Capital	10,341,154	₹ 10/-	1,03,411,540

* The Difference of 13,313 shares between Issued and paid up capital due to forfeiture of 13,313 partly paid up Shares.

ISSUANCE OF EQUITY SHARES ON PREFERENTIAL BASIS:

Pursuant to the shareholders' approval received at Extra-ordinary General Meeting held on August 23, 2024, your Company has issued 9,12,917 fully paid-up equity shares of face value ₹ 10/- (Rupees Ten only each) at an Issue price of ₹ 320/- (Rupees Three hundred twenty only) each including premium of ₹ 310/- each (Rupees Three hundred ten only) aggregating to ₹ 29,21,33,440/- (Rupees Twenty Nine Crores Twenty One Lakhs Thirty Three Thousand Four hundred Forty only) to Non-Promoters on Preferential basis.

FORFEITURE OF PARTLY PAID UP RIGHT EQUITY SHARES:

The Board of Directors at their meeting held on June 19, 2024 took the decision to forfeit the 13,313 partly paid-up Equity Shares on which Call Money has not been received by the company, along with the amount.

STATUS OF EXPANSION API PROJECTS:

In the Bangalore Unit, Company is yet to install two HPMC capsule units, which are expected to be completed in Financial Year 2026.

API Project of the subsidiary company got commissioned in the current year and commercial production was started towards the end of the FY 2024-25.

ANNUAL RETURN:

In terms of Section 92(3) and Section 134(3)(a) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, 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
157 th	Monday, April 29 th 2024	8	5
158 th	Tuesday, May 21 st 2024	8	8
159 th	Wednesday, June 19 th 2024	8	8
160 th	Friday, July 26 th 2024	9	9
161 st	Tuesday, August 13 th 2024	9	8
162 nd	Thursday, September 5 th 2024	8	7
163 rd	Tuesday, November 12 th 2024	8	8
164 th	Friday, January 31 st 2025	8	7
165 th	Wednesday, February 12 th 2025	8	8

Further details of the committee meetings 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.

DETAILS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has given corporate guarantees of ₹ 70 crores to Bank for securing loans 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:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from those standards.

- (b) 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;
- (c) 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, 2024.
- (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. 200 shares were already demated as on the date of report.

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 **20th September 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.

The Reports given by M/s P. Chandrasekar LLP, Chartered Accountants on the standalone and consolidated Financial Statements of your Company for the financial year ended 31st March 2025 ("Financial Statements") is part of the Annual Report. The Notes on the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITORS:

Pursuant to the Section 204 of the Companies Act, 2013 read with 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** and forms an integral part of this Report.

In terms of Regulation 24A of the Listing Regulations, with effect from 1st April 2025, your Company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries for not more than two terms of five consecutive years, as a Secretarial Auditor, with the approval of the members at its AGM and such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the Listing Regulations. Further, as per the said Regulation, any association of the individual or the firm as the Secretarial Auditors of the Company before 31st March 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditors.

Taking into account the above requirements, the Board, on the recommendation of the Audit Committee, has approved the appointment of Mr. R. Parthasarthy, Practicing Company Secretary (Firm Registration Number A 3667/CP No. 838)

as the Secretarial Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of 32nd AGM till the conclusion of 37th AGM to be held in the year 2030, covering the period from the financial year ending 31st March 2026 till the financial year ending 31st March 2030, subject to the approval of the members at the ensuing 32th AGM of your Company.

The recommendation followed a detailed evaluation of proposals received by the Company and consideration of factors such as technical capabilities, independence, industry experience, subject matter expertise, profile of audit partners and team, quality of audit practices. Your Company has received a written consent from the Secretarial Auditors that the appointment, if approved, will be in accordance with the applicable provisions of the Listing Regulations, Act and rules framed thereunder. Further, the Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of your Company.

INTERNAL AUDITORS:

M/s. Mallya & Mallya, Chartered Accountants, was appointed as Internal Auditors for the accounting year 2024-25.

COST AUDITORS AND COST RECORD:

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. Satyanarayan Mundra (DIN: 00214349) and Shri. Sushil Kumar Mundra (DIN: 00214332), Directors retire by rotation and being eligible, offer themselves for re-appointment.

Shri. Satyanarayan Mundra's tenure as Whole-Time Director is ending on September 19, 2025. 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 review, Shri Cattan Coletore Padmanabhan Rangachar, (DIN: 00310893) Chairman and Non-executive Independent Director) retired pursuant to completion of his tenure on August 24, 2024 from the Board of Directors. The Board wishes to place on record his immense contributions to the progress of the Company during his tenure as a Director.

During the under review, the Board had, based on the recommendation of the Nomination, Remuneration and Compensation Committee, at its meeting held on 19th June 2024 appointed Shri. Tekkar Yashwanth Prabhu (DIN: 02113527) as an Additional Non-Executive Independent Director with effect from 19th June 2024, to hold office for a term of five which was subsequently approved by the members at the 31st AGM of your Company held on 26th July 2024.

In terms of Regulation 17(1A) of SEBI Listing Regulations, consent of members by way of special resolution is required for appointment or continuation of directorship of Independent Non-Executive Director, beyond the age of 75 years. Further, Shri Tekkar Yashwanth Prabhu will attain the age of 75 years with effect from December 30, 2025 and approval of members is required for the continuation of his directorship from the day he attains the age of 75 years till the expiry of his current term. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Tekkar Yashwanth Prabhu as an Independent Director. Accordingly, the Board recommends his continuation as an Independent Director upon attaining the age of 75 years.

During the year under review, 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.

KEY MANAGERIAL PERSONNEL ("KMP"):

Pursuant to the provisions of Section 203 of the Act, Mr. Sunil L Mundra, Managing Director, Mr. R K Prasad, Chief Financial Officer, and Mrs. Shilpa Burman, Company Secretary are the Key Managerial Personnel of your Company as on 31st March 2025.

There was no change in Key Managerial Personnel during the year 2024-25.

During the current year, Mrs. Shilpa Burman resigned from the Position of Company Secretary & Compliance Officer w.e.f May 07, 2025. On the recommendation of Nomination, Remuneration and Compensation Committee the Board of Directors appointed Ms. Pranjal Deshmukh as Company Secretary & Compliance Officer w.e.f May 29, 2025.

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, 2025, 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, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT:

There are no any material changes and commitments occurred between the end of the financial year ended as on 31st March, 2025 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:

During the financial year ended 31st March 2025, the CSR Committee constitute Shri Pramod Kasat (Chairperson), Shri Sunil L Mundra (Member) and Shri Sushil Kumar Mundra (Member). The terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms an integral part of this Report. Your Company has also formulated a CSR Policy, which is available on the website of your Company at <http://naturalcapsules.com/pages/policies.html>.

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.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, a detailed familiarization program was held on 12th November 2024 and 29th March 2025. The detail of familiarization program is available at website of your Company at www.naturalcapsules.com.

CORPORATE GOVERNANCE:

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, Report on Corporate Governance 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of SEBI (LODR) Regulations, 2015, forms part of the Annual Report.

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

As on 31st March 2025 the Committee constitutes of Mr. T Y Prabhu (Chairperson), Mr. Pramod Kasat (Member), Mr. S G Belapure (Member) & Mr. Sunil L Mundra (Member), 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 **2024- 25**.

Number of complaints of sexual harassment received in the year	0
Number of complaints disposed off during the year	0
Number of cases pending for more than ninety days	0

OTHER DISCLOSURE:

- a) details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;
- b) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
- c) web link where policy for determining 'material' subsidiaries is disclosed;
- d) web link where policy on dealing with related party transactions;
- e) 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.

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.

The details of the Plan form part of the notes to accounts of the Financial Statements in this Annual Report.

DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI(LODR) REGULATIONS, 2015:

Your Company does not have shares in the demat suspense account or unclaimed suspense account.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

UNCLAIMED DIVIDEND

Pursuant to Section 125 of the Companies Act, 2013, dividends that are unpaid/ unclaimed for a period of 7 (Seven) years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF/ Fund). Given below are the dates of declaration of dividend and corresponding cut-off dates when unpaid/unclaimed dividends are due for transfer to IEPF:

Year	Type of Dividend	Dividend Per Share	Date of Declaration of Dividend	cut-off date for transfer to IEPF
2018	Final Dividend	₹ 1/- Per Share	21 st September 2018	28 th October 2025
2019	Final Dividend	₹ 1/- Per Share	22 nd August 2019	29 th September 2026
2020	Final Dividend	₹ 1/- Per Share	21 st August 2020	28 th September 2027
2021	Final Dividend	₹ 1/- Per Share	15 th July 2021	22 nd August 2028
2022	Final Dividend	₹ 1/- Per Share	20 th September 2022	27 th October 2029
2023	Final Dividend	₹ 1/- Per Share	28 th July 2023	4 th September 2030
2024	Final Dividend	NIL	NA	NA

Members who have till date not encashed their dividend warrants are requested to write to the Company/Cameo, RTA to claim the same, on or before cut-off dates given above, to avoid transfer of dividend to IEPF.

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 ₹ 16,793.82 Lakh and your Company could make Net Profit of ₹ 632.62 Lakh after tax.

NO. OF EMPLOYEES:

31-03-2025				31-03-2024			
PLACE	REGULAR	TRAINEE	TOTAL	PLACE	REGULAR	TRAINEE	TOTAL
HO	29	0	29	HO	30	0	30
UNIT-1	69	0	69	UNIT-1	64	0	64
UNIT-2	73	0	73	UNIT-2	75	0	75
UNIT-3	0	0	0	UNIT -3	0	0	0

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), your Company has adopted a "Code of Conduct for Prevention of Insider Trading in Securities" (the "Code") and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI")". All the Directors, employees and third parties such as auditors, consultants etc., who could have access to UPSI related to the Company, are governed by the Code. The trading window is closed as per the PIT Regulations during the time of declaration of financial results and occurrence of any material events as per the Code.

CREDIT RATING:

The details of credit rating are disclosed in the Corporate Governance Report, which forms part of the Integrated Annual Report.

CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

OTHERS:

1. During the financial year ended 31st March 2025, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;

GENERAL:

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:

- a) Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- b) Issue of Shares (Including Sweat Equity Shares) to employees of your Company under any scheme.
- c) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- d) The Company has not made any application nor any proceedings is pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- e) One time settlement of loan obtained from the Banks or Financial Institutions.
- f) Revision of financial statements and Directors' Report of your Company.

ACKNOWLEDGEMENT:

Your Directors express gratitude to all stakeholders, including customers, bankers, suppliers, distributors, dealers, and contractors, for their ongoing assistance, cooperation, and support. They also extend sincere appreciation to all employees for their dedication and ongoing contributions to the Company. The Directors are thankful for the confidence, faith, and trust shown by shareholders in the Company. Additionally, appreciation is extended to the Central Government and the Government of Karnataka for their continual support and cooperation.

For and on behalf of the Board of Directors of
Natural Capsules Limited

Place: Bangalore
Date: 29th May 2025

T Y Prabhu
Chairman
DIN: 02113527

Sunil L Mundra
Managing Director
DIN: 00214304

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 2024-25

Subsidiaries

Sl. No.	Particulars	Details
1	Name of Subsidiary	Natural Biogenex Private Limited
2	Reporting period for the subsidiary concerned, if different	FY 2024-25
3	Reporting currency and exchange rate as on the last date of the relevant financial year in case of subsidiaries	INR
4	Share capital	68,89,06,760
5	Reserves & surplus	48,49,74,232
6	Total assets	2,36,48,81,852
7	Total Liabilities	2,36,48,81,852
8	Investments	Nil
9	Turnover	1,26,73,450
10	Profit/(Loss) before taxation	(-) 2,79,88,064
11	Provision for taxation	(-) 41,18,557
12	Other comprehensive income for the period	(-) 52,296
13	Profit/(Loss) after taxation	(-) 2,39,21,803
14	Proposed Dividend	Nil
15	% of shareholding	69.23%
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 :	N.A

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 31st March, 2025 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	Unsecured Loans and interest thereon
c).	Duration of the contracts/ arrangements/transactions	During 01.04.2024-31.03.2025
d)	Date on which the resolution was passed in general meeting as required under first proviso to section 188	26.07.2024
e)	Amount (₹)	35,75,97,862/-
f)	Advance (If any)	NIL
g)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA

For and on Behalf of the Board

Place: Bengaluru
Date: 29th May 2025

Sunil L. Mundra
Managing Director
DIN: 00214304

TY Prabhu
Chairman
DIN: 02113527

Annexure - 2

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2025

[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 31st March, 2025 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 31st March, 2025 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 Byelaws 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 and Sweat Equity) Regulations, 2021;
- (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;
- (d) Company specific Laws as per the representations made by the management;
 - Drug Control Act, 1950
 - Drugs and Cosmetic Act, 1940
 - Karnataka Pollution Control Act

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 by the Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

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) Two of the promoter's physical shares to the extent of 400 equity shares are yet to be Dematerialised. However, as on the date of this report, 200 equity shares from one shareholder has been dematerialized.
- b) 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) Due to delay in obtaining listing and trading approval in the previous year, PAS-3 for the allotment of fully paid shares- rights issue done on 11.01.2024 was filed only on 13.06.2024.
 - (ii) For the reason stated above, MGT-14 dtd.11.01.2024 relating to Resolution for conversion of partly paid into fully paid shares was also filed on 13.06.2024.
 - (iii) MR-1 for re-appointment of MD dtd.01.06.2024 was filed on 09.08.2024

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 wherever Board Meeting was held at short notice, consent from Directors were obtained 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,

1. The company's paid up capital increased to ₹ 10,34,11,540 during the year under consideration after forfeiture of 13,313 partly paid shares, issue of 9,12,917 equity shares of ₹ 10/- each on preferential basis and issue of 92,500 equity shares of ₹ 10/- each upon exercise of employee stock options of as per the provisions of Companies Act, 2013 and SEBI Regulations.
2. During the year under consideration, 13,313 partly paid equity Shares (10,180 Partly paid-up Equity Shares of ₹ 2.5/- each and 3133 Partly Paid-up Equity shares of ₹ 5/- each) were forfeited on 19.06.2024, which was approved by BSE on 22.07.2024.
3. During the year under consideration, the Company has issued 9,12,917 equity Shares of ₹ 10/- each issued at premium of ₹ 310/- on preferential basis on 05.09.2024 after complying with the statutory requirements thereon and obtained listing approval from BSE on 26.09.2024 and trading approval on 09.10.2024
4. During the year under consideration, two employees of the Company have exercised their option for 92,500 equity shares of ₹ 10/- each as below:
 - a) 62,500 equity shares of ₹ 10/- each at par were allotted on 21.10.2024 and listing cum trading approval was obtained on 31.10.2024;
 - b) 30,000 equity shares of ₹ 10/- each at par were allotted on 12.11.2024 and listing cum trading approval was obtained on 21.11.2024.
4. Company's equity shares were listed with NSE on 14.02.2025 after complying with the requirements thereon.

Place: Bangalore
Date: May 29, 2025

R. Parthasarathy
ACS No.: 3667
C P No.: 838
UDIN: A003667G000481694
PR No.: 6632/2025

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

To,
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: May 29, 2025

R. Parthasarathy
ACS No.: 3667
C P No.: 838
UDIN: A003667G000481694
PR No.: 6632/2025

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2025

[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 Biogenex Private Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Natural Biogenex Private 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 Biogenex Private 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 31st March, 2025 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 Biogenex Private Limited for the financial year ended on 31st March,2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (iii) Company specific Laws as per the representations made by the management;

Drug Control Act, 1950

Drugs and Cosmetic Act, 1940

Air (Prevention and Control of Pollution) Act, 1981

Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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.

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 wherever Board Meetings were held at short notice, consent from Directors were obtained 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,

- a) The Company is a material subsidiary of Natural Capsules Ltd, a listed entity.

Place: Bangalore
Date: 29.05.2025

R. Parthasarathy
ACS No.: 3667
C P No.: 838
UDIN: A003667G000481771
PR No.: 6632/2025

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

ANNEXURE - A

To,
The Members
Natural Biogenex Private 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 which 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: 29.05.2025

R. Parthasarathy
ACS No.: 3667
C P No.: 838
UDIN: A003667G000481771
PR No.: 6632/2025

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:** Company has installed Concentrated Solar Thermal (CST) and Photo Voltaic (PV) systems in Puducherry Unit 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.

Company has also invested into solar power generation company under group captive scheme of Govt. of Karnataka and has been using solar power for almost all the requirement of Attibele Unit.

- iii. **Capital investment on energy conservation equipment:** ₹ 531 Lakhs

B. TECHNOLOGY ABSORPTION:

- i. Company during the year has installed one new high speed capsule printing machines which increased the production capacity from 10 Lakhs capsules per day to 25 Lacs capsules per day, which has resulted in reduction of man power cost and increase in Printing Capacity.
- ii. Expenditure incurred on Research & Development: ₹ 1,59,91,278/-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings ₹ 51,94,93,367/-

Foreign Exchange Outgo ₹ 13,71,40,129/-

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:

- 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.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause a.
- To monitor the CSR policy of the Company from time to time.
- 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.

Sl. 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	2	2
2	Shri Sunil L Mundra	Member	2	2
3	Shri Sushil Kumar Mundra	Member	2	2

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.

Sl. 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	2020-21	Nil	Nil
2	2021-22	Nil	Nil
3	2022-23	Nil	Nil
4	2023-24	Nil	Nil
5	2024-25	Nil	Nil
Total			

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 18,50,68,609/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 37,01,372/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 37,01,372/-

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
36,68,092	33,280	29.04.25	Prime Minister's National Relief Fund	33,280	23.05.25

- (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)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	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	
				State	District						Name	CSR Registration number
1.												
2.												
3.												
Total												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. 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		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.									
2.									
3.									
Total									

- (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): Nil

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 37,01,372/-
(ii)	Total amount spent for the Financial Year	₹ 37,01,372/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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:

Sl. 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	2021-22	10,43,000	Nil	PM Care Fund	10,43,000	25.05.23	Nil
2	2022-23	2,63,300	Nil	PM Care Fund	2,63,256	22.05.24	Nil
3	2023-24	33,280	Nil	PM Care Fund	33,280	23.05.25	Nil
Total		13,39,580			13,39,580		

(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 expended ₹ 36,68,092/- against total eligible expenditure of ₹ 37,01,372/-. Balance ₹ 33,280/- transferred to Unspent CSR A/c on 29.04.2025 and later on we transferred it to PM Care fund as on 23.05.2025.

Place: Bangalore
Date: 29th May 2025

Sd/-
Sunil L Mundra
Managing Director
DIN: 00214304

Sd/-
Pramod Kasat
Chairman CSR Committee
DIN: 00819790

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 **31st March 2025**, 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 31st 2025:

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, 2025, the Board comprised of 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	No. of Shares held as on 31 st March 2025
Shri. Sunil Laxminarayana Mundra	Executive (Managing Director)	5	00214304	5,96,790
Shri. Satyanarayan Mundra	Executive (Whole time Director)	3	00214349	1,84,882
Shri. Laxminarayan Moondra	Executive (Whole time Director)	4	00214298	2,40,441
Shri. Sushil Kumar Mundra	Non - Executive (Promoter Director)	4	00214332	5,09,012
Shri. Pramod Kasat	Non - Executive (Independent Director)	7	00819790	6,137
Shri. Shirish Gundopant Belapure	Non - Executive (Independent Director)	6	02219458	0
Shri. Tekkar Yashwanth Prabhu	Non - Executive (Independent Director)	6	02113527	0
Smt. Jyoti Mundra	Non-Executive Director	2	07143035	3,06,694
Shri. C P Rangachar*	Non-Executive Director (Independent Director)	11	00310893	0

*Mr. C P Rangachar retired from the Board of Directors 24th August 2024 pursuant to completion of his tenure.

NUMBER OF BOARD MEETINGS:**During the year ended 31st March 2025, 9 (Nine) Board Meetings were held on the following dates:**

During the financial year 2024-25 ("FY25"), the meetings of the Board of Directors of the Company was held Nine (9).

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
157 th	Monday, April 29 th 2024	8	5	Laxminarayan Moondra Satyanarayan Mundra Sushil Kumar Mundra
158 th	Tuesday, May 21 st 2024	8	8	NA
159 th	Wednesday, June 19 th 2024	8	8	NA
160 th	Friday, July 26 th 2024	9	9	NA
161 st	Tuesday, August 13 th 2024	9	8	Sushil Kumar Mundra
162 nd	Thursday, September 5 th 2024	8	7	Sushil Kumar Mundra
163 rd	Tuesday, November 12 th 2024	8	8	NA
164 th	Friday, January 31 st 2025	8	7	Sushil Kumar Mundra
165 th	Wednesday, February 12 th 2025	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. Laxminarayan Moondra	-	-	-
4	Shri. Sushil Kumar Mundra	-	-	-
5	Mr. Pramod Kasat	4	1	1. Advanced Enzyme Technologies Limited (Independent Director) 2. Sai Silks (Kalamandir) Limited (Independent Director) 3. Fermenta Biotech Limited (Independent Director)
6.	Mr. Shirish Gundopant Belapure	1	1	1. Jubilant Pharmova Limite (Independent Director) 2. Innova Captab Limited (Independent Director)
7	Mr. Tekkar Yashwanth Prabhu	1	-	-
8	Smt. Jyoti Mundra	-	-	-
9	Mr. C P Rangachar (Retired on August 24, 2025)	2	-	1. Yuken India Limited (Managing Director)

* 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. Year: 2024-25	Whether attended Last AGM
Shri. Sunil Laxminarayana Mundra	9	Yes
Shri. Satyanarayan Mundra	8	Yes
Shri. Laxminarayan Moondra	8	Yes
Shri. Sushil Kumar Mundra	5	Yes
Shri. Pramod Kasat	9	Yes
Shri. CP Rangachar*	5	Yes
Smt. Jyoti Mundra	9	Yes
Shri. Shirish Gundopant Belapure	9	Yes
Shri. Tekkar Yashwanth Prabhu [#]	6	Yes

*Mr. C P Rangachar retired from the Board of Directors on 24th August 2024 therefore his Details are given till 24th August 2024.

[#]Shri. Tekkar Yashwanth Prabhu was appointed as an Additional Non-Executive Independent Director w.e.f June 19, 2024.

RELATIONSHIP BETWEEN DIRECTORS:

The Names of Directors who are Related Inter Se are:

1.	Shri. Sunil L Mundra
2.	Shri. Laxminarayan Moondra
3.	Shri. Sushil Kumar Mundra
4.	Shri. Satyanarayan Mundra
5.	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 the Director	Skills/Competencies/expertise
Mr. Tekkar Yashwanth Prabhu	Experience in various facets of banking including Corporate Credit, Treasury, Forex, International Operations
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. Shirish Gundopant Belapure	Experience in Pharma Industry
Mr. Laxminarayan 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 crore 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, 2025. 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 Tekkar Yashwanth Prabhu (Chairperson)
2.	Shri Pramod Kasat (Member)
3.	Shri. Sunil L Mundra (Member)
4.	Shri Shirish Gundopant Belapure (Member)

The Audit Committee was re-constituted on 25th August 2024 in the view of imminent retirement of Shri. C P Rangachar and Shri. Tekkar Yashwanth Prabhu was admitted to the committee and designated as chairperson of the committee on 25th August 2024. The committee met **4 (Four)** times during the financial year ended **31st March 2025**. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meeting Attended
Shri. Tekkar Yashwanth Prabhu*	Chairperson	2
Shri. C P Rangachar (till 24 th August 2024)	Chairperson	2
Shri. Pramod Kasat	Member	4
Shri. Sunil L Mundra	Member	4
Shri. Shirish Gundopant Belapure	Member	4

*Shri. Tekkar Yashwanth Prabhu was admitted to the Committee and was designated as chairperson of the committee on 25th August 2024. Therefore, details are given from 25th August 2024.

During the year ended **31st March 2025**, **4 (Four)** Audit Committee Meetings were held on the following dates.

Meeting No.	Date of Meeting	Committee Strength	No. of members Present
85 th	21.05.2024	4	4
86 th	13.08.2024	4	4
87 th	12.11.2024	4	4
88 th	12.02.2025	4	4

Note: Smt. Shilpa Burman, Company Secretary is the Secretary of the Audit Committee as on 31st March 2025.

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, Remuneration & Compensation 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:

In accordance with the provisions of Regulation 19 of the SEBI Listing Regulations read with Section 178 of the Act, the Nomination Remuneration & Compensation Committee of the Board comprises three (3) Independent Directors and Chairperson is an Independent Director as on 31 March 2025.

Name of the Member	Designation
Shri. Shirish Gundopant Belapure	Chairperson
Shri. Tekkar Yashwanth Prabhu	Member
Shri. Pramod Kasat	Member

The Nomination Remuneration & Compensation Committee was re-constituted on 25th August 2024 in the view of imminent retirement of Shri. C P Rangachar and Shri. Tekkar Yashwanth Prabhu was admitted to the committee as a member of the committee on 25th August 2024.

The committee met **6 (Six)** times during the financial year ended **31st March 2025**. The attendance records of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meeting Attended
Shri. Shirish Gundopant Belapure	Chairperson	6
Shri. Tekkar Yashwanth Prabhu*	Member	2
Shri Pramod Kasat	Member	6
Shri. C P Rangachar (till 24 th August 2024)	Member	4

*Shri. Tekkar Yashwanth Prabhu was admitted to the Committee as member of the committee from 25th August 2024. Therefore, details are given from 25th August 2024.

During the year ended **31st March 2025**, **6 (Six)** Nomination, remuneration & compensation committee Meetings were held on the following dates.

Date of Meeting	Committee Strength	No. of members Present
29.04.2024	3	3
21.05.2024	3	3
19.06.2024	3	3
13.08.2024	3	3
21.10.2024	3	3
12.11.2024	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 analysed 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.

Performance Evaluation Committee (PEC):

Its composition is as follows on 31st March 2025.

Sr. No.	Name	Designation	No of meetings attended
1	Shri. Laxminarayan Moondra	Chairman	2
2	Shri. Satyanarayan Mundra	Member	2
3	Shri. Sunil L Mundra	Member	2
4	Shri. Shirish Gundopant Belapure	Member	2

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 **31st March 2025, 2(Two)** PEC Committee Meetings were held on the following dates.

Date of Meeting	Committee Strength	No. of members Present
21.05.2024	4	4
12.11.2024	4	4

Independent Directors Meeting:**Terms of Reference:**

- To review the performance of the Non-Independent Directors and the Board as a whole.
- To review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- 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.

Independent Directors as on March 31, 2025:

Sr. No.	Name
1	Shri. Tekkar Yashwanth Prabhu
2	Mr. Pramod Kasat
3	Mr. Shirish Gundopant Belapure

Shri. C P Rangachar, Non-Executive Independent Director was retired from the Board of Directors pursuant to his completion of Second term on 24th August 2024.

During the year ended 31st March 2025 the Independent Directors met on 29th March 2025 without the presence of Non-Independent Directors.

Familiarization Program for Independent Directors:

All directors inducted to the Board undergo comprehensive orientation sessions that introduce them to the Company's culture. Pursuant to provisions of Regulation 25(7) of the SEBI Listing Regulations, a detailed familiarization program was held on **12th November 2024 and 29th March 2025**. The detail of familiarization program is available at website of your Company at www.naturalcapsules.com.

Stakeholder Relationship Committee:

The Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The committee is primarily responsible to redress the grievances of shareholders/investors/other security holders whilst reviewing measures and initiatives taken to reduce the quantum of unclaimed dividends, ensure timely receipt of dividend/annual report/notices and other information by shareholders and ensures effective exercise of voting rights by the shareholders/investors.

Composition as on March 31, 2025:

Sr. No.	Name	Designation	No of meetings attended
1	Shri Shirish Gundopant Belapure	Chairperson	2
2	Shri Laxminarayan Moondra	Member	2
3	Shri Sunil L Mundra, Member	Member	2

Note: Smt. Shilpa Burman, Company Secretary is the Secretary of the Stakeholder Relationship Committee as on 31st March 2025

During the year ended 31st March 2025, **2(Two)** Stakeholder Relationship Committee Meetings were held on the following dates:

Sr. No.	Date of Meeting	Committee Strength	No. of Members Present
1	21.05.2024	3	3
2	12.11.2024	3	3

Status of shareholders/Investors Grievance and Share Transfers as on 31st March 2025:

No. of Grievances received	0
No. of Grievances redressed	0
No. of Grievances pending	0
No. of share transfers pending	0

Share Transfer Committee

The Share Transfer Committee has been formed from the members of the Board Directors to approve -Transfer of shares, Transmission of Shares and the issuance of Duplicate Share Certificates. There were no pending share transfers as on **31st March 2025**.

Composition:

Sr. No.	Name	Designation	No of meetings attended
1	Shri Shirish Gundopant Belapure	Chairperson	2
2	Shri Laxminarayan Moondra	Member	2
3	Shri Sunil L Mundra, Member	Member	2

Note: Smt. Shilpa Burman, Company Secretary is the Secretary of the Share Transfer Committee.

During the year ended **31st March 2025, 3 (Three)** Share Transfer Committee Meetings were held on the following dates:

Sr. No.	Date of Meeting	Committee Strength	No. of Members Present
1	12.02.2025	3	3
2	07.01.2025	3	3
3	08.10.2024	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, 2025, the CSR Committee comprises One (1) Independent Directors, a Non-Executive Director and an executive director.

Composition:

Sr. No.	Name	Designation	No of meetings attended
1	Shri Pramod Kasat	Chairperson	2
2	Shri Sushil Kumar Mundra, Member	Member	2
3	Shri Sunil L Mundra, Member	Member	2

Note: Smt. Shilpa Burman, Company Secretary is the Secretary of the CSR Committee as on 31st March 2025.

During the year ended **31st March 2025, (2)Two** corporate social responsibility meetings were held on the following dates:

Date of Meeting	Committee Strength	No. of Members Present
21.05.2024	3	3
12.02.2025	3	3

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:
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
 - c. the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. 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;
 - f. 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;
 - g. Any other role, as may be specified in the Act/Rules from time to time and as may be required by the Board.

SENIOR MANAGEMENT:

Particulars of senior management as on March 31, 2025.

Name	Function/Designation
Mr. Sunil L Mundra	Managing Director (Key Managerial Personnel)
Mr. Sathyanarayana Mundra	Executive Director
Mr. Laxminarayan Moondra	Executive Director
Mr. Raj Kishor Prasad	Chief Financial Officer (Key Managerial Personnel)
Mrs. Shilpa Burman*	Company Secretary & Compliance Officer (Key Managerial Personnel)
Mr. M V N Kutty	Chief Operational Officer
Mr. Shrey Mundra	Marketing Head
Mr. Suresh Shinde	Plant Head
Mr. Vasudeva Kumar	DGM- Corporate QA
Mr. Dipankar Mandal	Plant Head

There was no change in Senior Management during the year ended March 31, 2025.

*Mr. Cattan Coletore Padmanabhan Rangachar (DIN: 00310893), Chairman and Non-executive Independent Director, retired from the Board of Directors pursuant to completion of his tenure on August 24, 2024.

*Mrs. Shilpa Burman, Company Secretary & Compliance Officer resigned from the position of Company Secretary and Compliance Officer on May 7, 2025.

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.

Details of Remuneration is available in **Annexure-VI**.

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 a fore mentioned Code is available on the website of the Company at www.naturalcapsules.com.

GENERAL BODY MEETINGS:

Financial Year	Date	Time	Venue
2023-24	26 th July 2024	11:00 AM	Registered Office/through Video Conference
2022-23	28 th July 2023	11.00 AM	Registered Office/through Video Conference
2021-22	20 th September 2022	11.00 AM	Registered Office/through Video Conference

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

During the Annual General Meetings held in the last 3 years i.e. for FY22 to FY24 approvals of the Members were obtained by passing special resolutions in AGMs, as follows:

Sr. No.	Special Resolutions	Date of the Meeting
1	Re-appointment of Shri Sunil Laxminarayana Mundra (DIN:00214304) as Managing Director	26.07.2024
2	Re-appointment of Shri Pramod Kasat as an Independent Director (DIN:00819790) for a period of 5 years	26.07.2024
3	Appointment of Mr. Tekkar Yashwanth Prabhu (DIN: 02113527) as an Independent Director	26.07.2024
4	To consider reappointment of Shri Laxminarayan Moondra (DIN: 00214298) Was Whole time Director for a term of 3 years and to revise his remuneration	28.07.2023
5	To consider Revision in Remuneration of Shri Sunil Laxminarayana Mundra (DIN: 00214304)	28.07.2023
6	To Increase Company's Borrowing Powers upto ₹ 200 crores	28.07.2023
7	To Provide Corporate Guarantee upto ₹ 200 crores	28.07.2023
8	Reappointment of Shri. Satyanarayan Mundra (DIN: 00214349) as Whole time Director for a term of 3 years and to revise his remuneration	20.09.2022
9	Payment of commission to Non-executive Directors	20.09.2022
10.	Appointment of Independent Director-Mr. Shirish Gundopant Belapure	20.09.2022

Special Resolutions passed in Extra-Ordinary General Meeting:

Sr. No.	Special Resolutions	Date of the Meeting
1	To approve Issuance of Equity Shares on Preferential basis	23.08.2024

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 e-mail 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.

Market Data

BSE				
Month	Open Price	High Price	Low Price	Close Price
Apr-24	305.6	384	305.6	342.3
May-24	342.3	349.5	292.5	295.45
Jun-24	308.8	344.95	255	313.7
Jul-24	320	349	295.2	319.4
Aug-24	319.4	376.9	290.95	362.6
Sep-24	369.9	374.9	315	316
Oct-24	320	327.25	276	307.5
Nov-24	314.95	314.95	260	292.45
Dec-24	298.6	298.8	260.25	271.55
Jan-25	265.05	299	255	265.85
Feb-25	267	298.05	210	213.9
Mar-25	208.2	219.6	163.55	184.2

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting – Date, Time And Venue:

32nd Annual General Meeting held on Monday, 4th August at 11:30 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

2024-25. The Company follows April-March as its Financial Year

Dividend Payment Date

Dividend is not declared

Listing In Stock Exchanges And Stock Codes

The Bombay Stock Exchange & National Stock Exchange

Scrip Code: **524654** & Symbol: **NATCAPSUQ**

The ISIN of equity shares of the Company is **INE936B01015**

The company has made timely payment of Annual Listing Fees to both Stock Exchanges.

Proposed Board Meeting dates

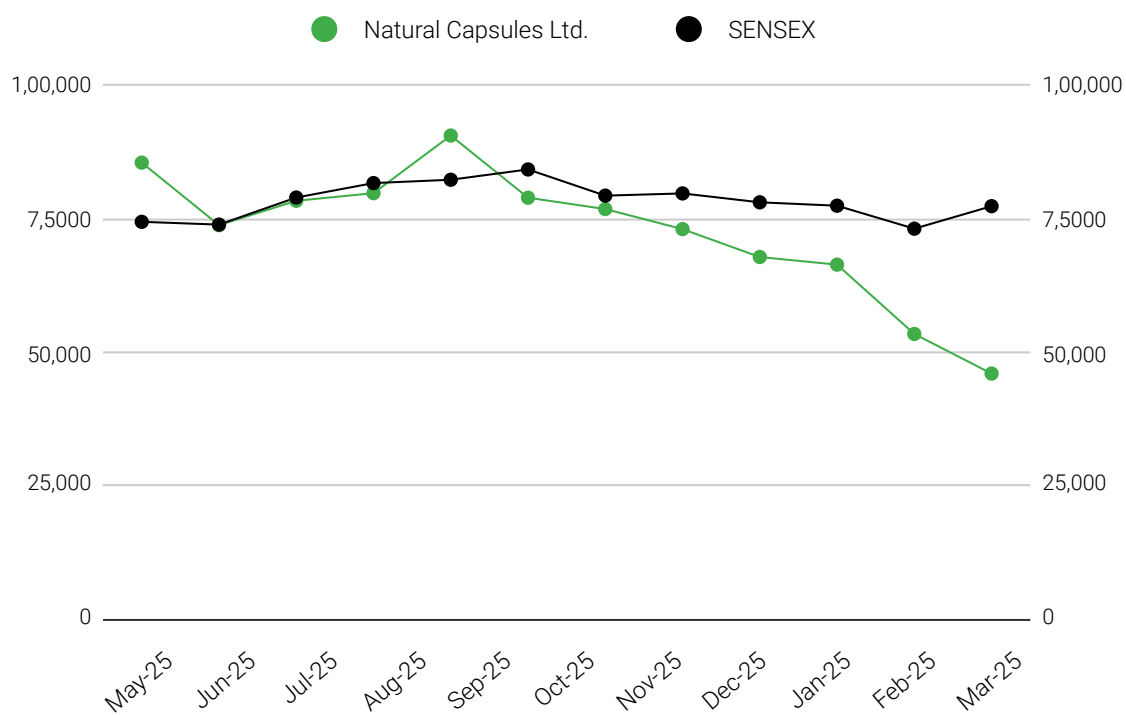
The tentative dates of meeting of Board for consideration of financial results (standalone and consolidated) during the financial year 2025-26 are as follows:

1st Quarter Results: 1st/2nd Week of August 2025

2nd Quarter Results: 1st/2nd Week of November 2025

3rd Quarter Results: 1st/2nd Week of February 2026

4th Quarter Results: 1st/2nd/3rd Week of May 2026



NSE				
Month	Open Price	High Price	Low Price	Close Price
Apr-24	-	-	-	-
May-24	-	-	-	-
Jun-24	-	-	-	-
Jul-24	-	-	-	-
Aug-24	-	-	-	-
Sep-24	-	-	-	-
Oct-24	-	-	-	-
Nov-24	-	-	-	-
Dec-24	-	-	-	-
Jan-25	-	-	-	-
Feb-25	264.80	269.80	208.90	213.15
Mar-25	212.37	220.80	164.00	184.23

Note: The Equity Shares of your company got listed and admitted for dealings on the National Stock Exchange of India Limited (NSE) w.e.f. February 14, 2025. Therefore, details are given from February 2025

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, 2025 98.98% **(1,02,36,129)** of shares were held in dematerialized form and the rest 1.02% **(1,05,025)** of shares held in physical form.

Address for Correspondence:

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

CIN: L85110KA1993PLC014742.

Plant Location:

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

Shareholding Pattern as on 31st March 2025

Sl No.	Category	No. of Shareholders	No. of Shares Held	%of shareholding
1	Resident	8,978	34,21,771	33.19
2	NRI	153	1,56,675	1.51
3	Corporate Body (Including Promoter Group)	70	32,05,709	30.99
4	Any other (HUF & LLP)	206	3,10,379	3.00
5	IEPF	1	1,23,726	1.19
6	Promoters (Only Individuals)	12	31,20,633	30.18
7	Directors/Relatives	5	2,261	0.022
	Total	9,425	1,03,41,154	100

Distribution of Holding

No. of Shares	No. of Shareholders	% of Share Holders	No. of Shares	% of Holders
1-100	6,431	66.4977	2,62,263	2.5361
101-500	2,241	23.1723	5,46,519	5.2848
501-1000	454	4.6944	3,37,369	3.2623
1001-2000	266	2.7504	3,89,162	3.7632
2001-3000	80	0.8272	2,02,644	1.9595
3001-4000	37	0.3825	1,31,580	1.2723
4001-5000	31	0.3205	1,47,313	1.4245
5001-10000	60	0.6204	4,51,935	4.3702
10001 & Above	71	0.7341	78,72,369	76.1266

Share Transfer System:

In terms of the Listing Regulations, transfer, transmission and transposition of equity shares of the Company shall be effected only in dematerialised form. Requests for dematerialisation of shares are processed, and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates/letter of confirmation after due verification.

As per the notifications/circulars/guidelines issued by SEBI from time to time, the Company shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, exchange/sub-division/split/consolidation of securities, transmission/transposition etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholder fails to submit the dematerialisation request within 120 days,

then the Company shall credit those shares in the Suspense Escrow Demat Account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat Account on submission of necessary documentation.

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 Company has designated the e-mail ID: company.sec@naturalcapsules.com addressing the investors' grievances.

Shareholders' Rights:

Your Company has provided link to access the Online Dispute Resolution (ODR) Portal on the website of the Company at <https://www.naturalcapsules.com/>. ODR portal is introduced by SEBI, which is in addition to the existing SCORES 2.0 platform and may be utilized by the investors and the Company for dispute resolution.

The rights of the shareholders are provided under the Articles of Association. Shareholder(s) representing at least one-tenth of the paid-up share capital of the Company of all the shareholders having a right to vote at general meetings may, request the Board to convene an extra-ordinary general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form, within the timelines as stipulated in law.

A copy of Memorandum of Association and Articles of Association is available on the website of the Company at www.naturalcapsules.com.

Credit Rating:

The Company has received following Credit Rating on 26 November 2024

Facilities	Current Rating	Previous Rating
Long Term - Fund Based - Term Loan	BBB - (Stable)	BBB - (Stable)
Long Term - Fund Based - Cash Credit	BBB - (Stable)	BBB - (Stable)
Short Term - Fund Based	A3	BBB - (Stable)
Short Term - Non-Fund Based	A3	A3+

Outstanding ADRs GDRs Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs ADRs Warrants or any convertible instruments have been issued by the Company during the financial year ended 31st March 2025.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company discloses to the Audit Committee, the uses/application of proceeds/funds raised from public issues, rights issues, preferential issues etc. as part of the quarterly review of financial results, whenever applicable.

During the Financial Year 2024-25, Pursuant to the shareholders' approval received at Extra-ordinary General Meeting held on August 23, 2024, your Company has issued 9,12,917 fully paid-up equity shares of face value ₹ 10/- (Rupees Ten only each) at an Issue price of ₹ 320/- (Rupees Three hundred twenty only) each including premium of ₹ 310/- each (Rupees Three hundred ten only) aggregating to ₹ 29,21,33,440/- (Rupees Twenty Nine crores Twenty One Lakhs Thirty Three Thousand Four hundred Forty only) to Non-Promoters on Preferential basis.

The utilization were used for objects for which funds was raised and there was no deviation or variation in the utilization of proceeds of Preferential Issue.

During the financial year ended 31st March 2025, the Board accepted all recommendations of the Committees of the Board, which were mandatorily required to be made.

Total Fees Paid to Statutory Auditors of the Company and its subsidiaries

Sl. No.	Name of Company	Nature of Services	Amount Paid
1	Natural Capsules Limited	Statutory Audit Fees	7,50,000
2	Natural Capsules Limited	Certification fees	51,840
3	Natural Biogenex Private Limited	Statutory Audit Fees	3,00,000
4	Natural Biogenex Private Limited	Certification fees	38,880
5	Entities in the network firm/ network entity of which the statutory auditor is a part	NA	

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

During the financial year ended 31st March 2025, the Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested, except the below:

*The company is providing loan to the Subsidiary company i.e. Natural Biogenex Private Limited with the Prior Approval of Audit Committee & Members of Company. Required Disclosures are given the AGM Notice & Accounts of the company forming part of Integrated Annual Report.

Details of material subsidiary:

Name of the Material Subsidiary: Natural Biogenex Private Limited

Date of incorporation: August 23, 2020

Place of Incorporation: Bengaluru

Name of Statutory Auditors: P Chandrasekar LLP

Date of Appointment of Statutory Auditors: October 30, 2021

Disclosure under Schedule V(F) of the SEBI(LODR) Regulations, 2015

Your Company does not have shares in the demat suspense account or unclaimed suspense account.

The Company has inter-alia complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the Listing Regulations.

Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind- AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

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)	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. 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.	Visit: www.naturalcapsules.com Select-Investors Tab and then select sub tab-Policies.
Nomination Remuneration and compensation 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.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies
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.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies
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.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.
Related Party Transaction 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.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.
Insider Trading Policy	The policy provides the framework in dealing with securities of the Company	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.
Policy on Material subsidiary	The policy for Determining material subsidiary of the company.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.

OTHER DISCLOSURES

Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company.

For material related party transactions, members specific approval is obtained. However, the Management, Audit Committee and the Board ensures such transactions are at arm's length basis. As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available on the website of the Company at <https://www.naturalcapsules.com>

Details of Non-Compliance by the Company, Penalties, Strictures imposed on the Company by Stock Exchange(s) or the Board or any Statutory Authority, on any matter related to Capital Markets, during the last three years. There was No Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

Name of the policy	Brief description	Web link
PIT Policy	The policy Determination of legitimate purposes for sharing of Unpublished Price Sensitive Information by the Insiders in the ordinary course of business	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies.
Document Retention and archival policy	The policy deals with the retention and archival of corporate records of Natural capsules limited.	Visit: www.naturalcapsules.com Select- Investors Tab And then select sub tab-Policies

Agreement

Agreement with O2 Power	The company has acquired 5,46,000 Equity & Debentures of O2 Renewable Energy VIII Private Limited thereby contributing to 15.29 Percent of the Total shareholding of Company	Visit: www.naturalcapsules.com
Agreement with M/S Somerset	M/S. Natural Biogenex Private Limited (Subsidiary) had entered into shareholding agreement with Somerset Indus Healthcare Fund II & Somerset Indus Healthcare India Fund.	Visit: www.naturalcapsules.com

The Corporate Governance Report of the Company for the financial year ended 31st March 2025 is in compliance with all the applicable requirements of the Listing Regulations.

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

- (a) **The Board:** The Company has Non-Executive Chairman;
- (b) **Shareholder Rights:** Half-yearly and other quarterly financial results are published in newspapers, uploaded on the website of the Company at www.naturalcapsules.com;
- (c) **Modified Opinion(s) in audit report:** The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements;
- (d) **Reporting of Internal Auditor:** The Chief Internal Auditor of the Company reports to the CFO & MD and has direct access to the Audit Committee;
- (e) **Independent Directors:** during the financial year ended 31st March 2025, one meeting of the Independent Non-Executive Directors were held without the presence of other Directors and members of the Management. All Independent Non-Executive Directors attended the meetings.

COMPLIANCE CERTIFICATE

- a) The certificate regarding compliance of the conditions of corporate governance obtained from M/s. Chandrasekar LLP, Chartered Accountants, as stipulated under Schedule V(E) of the Listing Regulations is attached to the Board's Report.
- b) Certificate from Mr. Deepak Sadhu, Practicing Company Secretary (COP No. 14992) affirming 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 is attached as Annexure A to this report.

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.

For and on behalf of the Board of Directors of
Natural Capsules Limited

Place: Bangalore
Date: 29th May 2025

T Y Prabhu
Chairman
DIN: 02113527

Sunil L Mundra
Managing Director
DIN: 00214304

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 31st March 2025 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

Place: Bangalore
Date: 29.05.2025

Arun P
Partner
Membership No.: 208425

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 31st March 2025.

For **Natural Capsules Limited**

Sunil L Mundra
Managing Director
DIN:00214304

Declaration with respect to Audit Report with unmodified opinion

To
The Members,
NATURAL CAPSULES LIMITED

We hereby declare that the Audited Financial Results for the financial year ended 31st March 2025, which have been approved by the Board of Directors at their meeting held today i.e. May 29, 2025, P. Chandrasekar LLP Chartered Accountants, Statutory Auditors of the Company have issued Auditors' Report with an unmodified opinion on the financial statements. This declaration is made pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

For **Natural Capsules Limited**

Sd/-
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 2024-25 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: May 29, 2025

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 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion 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
Peer Review Number: 2387/2022
UDIN: A039541G000303728
Date: 09th May 2025

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 2024-25:

Sl. No.	Name	Category	Ratio
1	Shri. Sunil L Mundra	Managing Director	18.52
2	Shri. Laxminarayan Mundra	Whole Time Director	12.48
3	Shri. Satyanarayan Mundra	Whole Time Director	15.26
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 2024-25:

Sl. No.	Name	Category	Percentage (%)
1	Shri Sunil L Mundra	Managing Director	6.50%
2	Shri Laxminarayan Mundra	Whole Time Director	1.35%
3	Shri Satyanarayan Mundra	Whole Time Director	6.67%
4	Shri R K Prasad	Chief Financial Officer	3.33%
5	Mrs. Shilpa Burman	Company Secretary	3.33%

III. THE PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR:

Sl. No.	2024-25	2023-24	Percentage (%)
1	314212	280305	12.10%

IV. THE NUMBER OF EMPLOYEES OF THE COMPANY:

31-03-2025				31-03-2024			
Place	Regular	Trainee	Total	Place	Regular	Trainee	Total
HO	29	0	29	HO	30	0	30
UNIT-1	69	0	69	UNIT-1	64	0	64
UNIT-2	73	0	73	UNIT-2	75	0	75
UNIT-3	0	0	0	UNIT-3	0	0	0

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 31ST MARCH 2024 TO THE EXECUTIVE & NON-EXECUTIVE DIRECTORS ARE AS FOLLOWS:

Directors	Sitting Fees	Salary and Perquisites	Commission	Total (In ₹)
Executive Directors:				
Shri. Sunil L Mundra	0	58,92,401	0	58,92,401
Shri. Laxminarayan Mundra	0	39,95,173	0	39,95,173
Shri. Satyanarayan Mundra	0	47,95,000	0	47,95,000
Non-Executive Directors:				
Shri. C.P.Rangachar	1,05,000	0	0	1,05,000
Shri. Sushil Kumar Mundra	75,000	0	0	75,000
Smt. Jyoti Mundra	1,05,000	0	0	1,05,000
Shri Shirish Gundopant Belapure	2,40,000	0	0	2,40,000
Shri Pramod Kumar Kasat	2,40,000	0	0	2,40,000
Shri T Y Prabhu	1,50,000	0	0	1,50,000

VIII. AVERAGE PERCENTILE INCREASE:

viii. 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 the Annexure ix
(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh 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 lakh 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.

	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 as on March 31, 2025
1	Sunil L Mundra	Managing Director	Chartered Accountant	Permanent	Sep-93	NA	58.92	Son of Laxminarayan Mundra	5.77
2	Laxminarayan Mundra	Wholetime Director	Graduate	Permanent	June-11	NA	39.95	Brother of Satyanarayan Mundra	2.33
3	Satyanarayan Mundra	Wholetime Director	Graduate	Permanent	Sep-93	NA	47.95	Brother of Laxminarayan Mundra	1.79
4	M V N. Kutty	COO	B.Tech	Permanent	June-13	Supreme Industries Ltd	62.50	NA	0

	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 as on March 31, 2025
5	Shrey Mundra	Marketing Head	MBA Marketing	Permanent	Oct, 2017	NA	21.00	Son of Sunil L Mundra	1.60
6	Suresh Shinde	Plant Head	Diploma in Mechanical Engg.	Permanent	June, 2020	Healthcaps Industries	21.88	NA	0
7	Vasudeva Kumar	DGM – Corporate QA	B. Pharma	Permanent	Nov, 09	Awamedica Limited	18.63	NA	0
8	Dipankar Mandal	Plant Head	Diploma in Mechanical Engg.	Permanent	19.03.2014	NA	16.47	NA	0
9	Prasanna Kumar Bhaskar Junnarkar	General Manager	(International Marketing) Graduate	Permanent	2015	NA	15.18	NA	0
10	Raj Kishore Prasad	CFO	Chartered Accountant	Permanent	April, 22	Archidply Decor Ltd	14.83	NA	0

Annexure - 7

Disclosures on employee stock option scheme for the year ended 31st March 2025

DETAILS OF THE SCHEME

At the Annual General Meeting of the Company held on **21st September 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 Lakh)** 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	21 st Sept 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. 46 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. 46 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 Kuty
Designation	COO
No. of Options Granted on 13.08.2024	45,000

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	45,000
	Options Vested	45,000
	Options Outstanding at the beginning of the year	1,80,000
	Options exercised during the year	92,500
	No. of Options Lapsed/Cancelled	62,500
	Options Outstanding at the end of the year	70,000
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		
<p>(i) Weighted average exercise price of options granted during the year whose:</p> <p>a. Exercise price equals market price: No</p> <p>b. Exercise price is greater than market price: No</p> <p>c. Exercise price is less than the market price: Yes options were granted at ₹ 10</p> <p>(ii) Weighted average fair value of options granted during the year whose:</p> <p>a. Exercise price equals market price: No</p> <p>b. Exercise price is greater than market price: No</p> <p>c. Exercise price is less than the market price: Yes at ₹ 69</p>		
Any Material change to the scheme and whether such scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014	No material change to the scheme during the year & the scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014	
Web-link of disclosures made on the website of the company, as required under SEBI (Share Based Employee Benefits) Regulations, 2014	https://naturalcapsules.com/pages/policies.html	

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 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of 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,

2025, 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.	Evaluation of uncertain Tax positions 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.	Obtained details of completed tax assessments and demands for the year ended March 31, 2025 from management; Discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions; We involved our internal experts to challenge the management’s underlying assumptions in estimating the tax provision and the possible outcome of the disputes; Our internal experts also considered legal precedence and other rulings in evaluating management’s position on these uncertain tax positions.
2.	Trade receivables 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	For trade receivables and managements estimation for trade receivables, impairment provisions, our key audit procedure includes the following: We obtained management confirmation on trade receivables outstanding; We analyzed the ageing of trade receivables; and 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.

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 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 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, 2020 ("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 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure 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 Auditors' 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 it's 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 it's 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. No dividend has been proposed in the previous year, declared and paid by the Company during the year hence this clause is not applicable.
- vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

Arun R.

Partner

Membership No.: 208425

UDIN No.: 25208425BBIKIR5688

Place: Bangalore

Date: 29th May, 2025

Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2025, 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 has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of Five years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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 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 that were noticed have been properly dealt with in the books of account.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks agree with the books of account of the Company.
- 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 unsecured loans to its subsidiaries as below:

Particulars	Guarantees (₹ In Lakhs)	Unsecured Loans (₹ In Lakhs)
Aggregate amount during the year - Subsidiary	-	3332.84
Balance outstanding as at the balance sheet date*	7000.00	5815.61

* Includes the interest accumulated and payable

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 unsecured loans which are payable on demand. During the year the Company has not demanded such loans. 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).
- 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 unsecured loans details are given below:

Particulars	Related Parties (₹ in lakhs)
Aggregate of unsecured loans	5815.61
% to total loan	100%

- iv. The Company has complied with the provisions of Sections 185 and 186 of the companies Act, 2013 in respect of grants 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	Income Tax Penalty	10,77,070	FY-2016-2017	Commissioner of Income Tax-Appeal
Income Tax Act, 1961	Income Tax and interest and Penalty	19,257	FY-2017-2018	Commissioner of Income Tax-Appeal
Income Tax Act, 1961	Income Tax and interest and Penalty	25,03,036	FY-2019-2020	Commissioner of Income Tax-Appeal
Income Tax Act, 1961	Income Tax and interest and Penalty	2,57,674	FY-2020-2021	Commissioner of Income Tax-Appeal
Income Tax Act, 1961	Income Tax and interest and Penalty	10,399	FY-2021-2022	Commissioner of Income Tax-Appeal

* Net of tax paid

- 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.
- (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 31 March 2025.
- (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) 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 raised money by way of further public offer (including debt instruments) during the year, hence reporting under clause (x) (a) of the Order is not applicable.
- (b) The Company has raised money by way of preferential allotment of equity shares 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.
- 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.
- (b) 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.
- (c) 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 the unspent amount of ₹ 33,280/- to a Fund specified in Schedule VII to the companies Act 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.

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

Arun R.

Partner

Membership No.: 208425

UDIN No.: 25208425BBIKIR5688

Place: Bangalore

Date: 29th May, 2025

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Natural Capsules Limited** ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

Arun R.

Partner

Membership No.: 208425

UDIN No.: 25208425BBIKIR5688

Place: Bangalore

Date: 29th May, 2025

Standalone Balance Sheet

As at 31st March, 2025

₹ In Lakhs

Sr. No.	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A	ASSETS			
	Non-Current Assets			
	(a) Property, Plant and equipment	2	8,685.92	8,999.40
	(b) Capital Work in Progress		-	211.54
	(c) Right-of-use assets		129.79	4.49
	(d) Investment Property		0.00	0.00
	(e) Intangible Assets	3	0.00	47.53
	(f) Financial Assets			
	(i) Investments	4	2,274.00	2,274.00
	(ii) Trade Receivables		-	-
	(iii) Unsecured Loan to Subsidiary	5	5,815.62	2,236.16
	(iv) Other financial assets	6	236.32	221.09
	(g) Deferred Tax Assets (Net)			
	(h) Other Non-Current Assets	7	4.16	9.21
	Total non-Current Assets		17,145.80	14,003.42
	Current Assets			
	(a) Inventories	8	2,111.40	1,750.71
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	9	6,131.13	5,355.70
	(iii) Cash and Cash Equivalents	10	66.80	219.47
	(iv) Bank balances other than (iii) above	11	204.13	705.04
	(v) Loans		-	-
	(vi) Other Financial assets		-	-
	(c) Current tax assets (Net)		-	-
	(d) Other current Assets	12	1,148.27	1,091.67
	Total Current Assets		9,661.73	9,122.59
	TOTAL ASSETS		26,807.53	23,126.00
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	13	1,034.12	933.18
	(b) Other Equity	14	15,597.72	12,253.08
	(c) Money Received against Share warrants			
	Total Equity		16,631.84	13,186.26
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	1,999.23	2,646.53
	(ia) Lease Liabilities	16	102.39	-0.00
	(ii) Trade Payables			
	(iii) Other Financial Liabilities		-	-
	(c) Provisions	17	52.38	-
	(b) Deferred Tax Liabilities	18	475.20	339.21
	(d) Other Non-Current liabilities			
	Total Non-Current Liabilities		2,629.19	2,985.73
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	3,501.72	3,548.80
	(ia) Lease Liabilities		36.46	1.33
	(ii) Trade Payables			
	Dues of micro enterprises and small enterprises		-	-
	Dues of creditors other than micro enterprises and small enterprises	20	3,569.91	2,963.72
	(iii) Other Financial Liabilities	21	7.58	27.73
	(b) Other Current Liabilities	23	357.54	266.26
	(c) Provisions	22	14.80	18.39
	(d) Current tax liabilities (Net)	24	58.50	127.78
	Total Current Liabilities		7,546.51	6,954.02
	Total Liabilities		10,175.70	9,939.75
	TOTAL EQUITY AND LIABILITIES		26,807.54	23,126.00

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyannarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Standalone Profit & Loss Account

For the year ended 31st March, 2025

₹ In Lakhs

Sr. No.	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I	Revenue from Operations	25	16,793.82	15,380.63
II	Other Income	26	423.54	314.57
III	Total Income (I + II)		17,217.36	15,695.20
IV	Expenses:			
	Cost of materials consumed	27	8,512.12	8,331.61
	Changes in Inventories of finished goods & work-in-progress	28	-113.45	-613.40
	Cost of materials Goods Traded	29	-	-
	Employee benefit expense	30	1,373.94	1,231.79
	Finance costs	31	591.01	494.83
	Depreciation and amortisation expense	32	832.85	856.85
	Other expenses	33	5,091.23	4,354.06
	Total Expenses (IV)		16,287.70	14,655.73
V	Profit before exceptional items and Tax (III - IV)		929.66	1,039.47
VI	Exceptional items - Income/(Expenses)	34	-	-
VII	Profit before Tax (V - VI)		929.66	1,039.47
VIII	Tax Expense:			
	1) Current tax		207.39	197.13
	2) Tax for Earlier Years		-84.84	-
	3) Deferred tax		135.99	61.84
	Total Tax expenses		258.54	258.97
IX	Profit for the year (VII-VIII)		671.11	780.50
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss		-	-
	a) Re-measurement of the defined benefit plan		-38.49	26.09
	b) Equity instruments through other comprehensive income		-	-
			-38.49	26.09
	ii) Income tax relating to items that will not be re-classified 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)))		-38.49	26.09
XI	Total Comprehensive Income (IX + X)		632.62	806.58
XII	Earnings Per Equity Share (Nominal value per share ₹ 10/-)			
	(a) Basic	39	6.43	8.67
	(b) Diluted		6.43	8.67

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyanarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Standalone Cash Flow Statement

For the year ended 31st March, 2025

₹ In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	929.66	1,039.47
Adjustments for:		
Adjustments for depreciation and amortisation expense	832.85	856.85
Adjustments for finance costs	591.01	494.83
Profit on sale of Fixed Assets (net)	-	-
Interest Income	-373.75	-222.65
Bad Debts & Provision for Doubtful Debts	52.02	29.80
Profit on sale of investments	-	-
Share based payment Reserve Account	29.31	11.12
Remeasurement (losses)/gains in Lease rent	-	-
Re-measurement of the defined benefit plan	-38.49	26.09
Unrealised exchange (gain)/loss	-	-
	1,092.96	1,196.02
Operating profit before working capital changes	2,022.61	2,235.49
Changes in working capital		
Adjustments for increase/(decrease) in		
Adjustments for decrease (increase) in trade receivables, current	-827.44	-172.57
Adjustments for decrease (increase) in inventories	-360.69	-915.21
Adjustments for other bank balances	500.92	-520.57
Adjustments for decrease (increase) in other current assets	-56.60	99.63
Adjustments for decrease (increase) in other non-current assets	5.05	-6.22
Adjustments for other financial assets, non-current	-15.23	27.58
Adjustments for increase (decrease) in trade payables, current	606.18	221.04
Adjustments for increase (decrease) in other current liabilities	91.28	-170.21
Adjustments for increase (decrease) in other non-current liabilities	-	-
Adjustments for provisions, current	-72.87	-63.54
Adjustments for provisions, non-current	137.22	-15.01
Adjustments for other financial liabilities, current	-20.14	16.44
Adjustments for other financial liabilities, non-current	-	-
	-12.33	-1,498.63
Cash generated from operations	2,010.28	736.86
Income taxes paid (refund)	207.39	197.13
Net cash generated from operating activities	1,802.89	539.73
B. Cash flow from investing activities		
Purchase of property, plant and equipment	-231.31	-797.42
Movements in Intangible Assets	-	-
Movement in Right Use of Assets	-	-
Proceeds from sales of property, plant and equipment	-	-
Proceeds from sales of investment	-	-
Changes in Financial assets- Advance paid	-3,579.46	-236.16
Investment made	-	-273.00
Interest received	373.75	222.65
Dividends received	-	-
	-3,437.02	-1,083.92
Net cash used in investing activities	-3,437.02	-1,083.92
C. Cash flow from Financing activities		
Proceeds from issue of Shares including premium	2,783.65	56.23
Proceeds from borrowings	-694.38	1,279.68
Repayments of borrowings	-	-
Interest paid	-591.01	-494.83
Dividends paid	-	-92.98
Payments of finance lease liabilities	-16.78	-24.75
	1,481.47	723.35
Net cash used in financing activities	1,481.47	723.35
Net (decrease)/increase in cash and cash equivalents (A+B+C)	-152.66	179.15
Reconciliation		
Cash and cash equivalents as at beginning of the year	219.47	40.31
Cash and cash equivalents as at end of the year	66.80	219.47
Net increase/(decrease) in cash and cash equivalents	-152.66	179.15

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L. Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyannarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Statement of Changes in Equity Share Capital and Other Equity

For the year ended 31st March, 2025

EQUITY SHARE CAPITAL

As on 31st March 2025

Balances at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
933.18	100.94	1,034.12

As on 31st March 2024

Balances at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
927.55	5.62	933.18

OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of financial instruments	Capital Reserve	Reserves and Surplus	Others - General Reserve	Retained earnings	Share based payment Reserve Account	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, 2024	-	-	146.40	3,776.09	183.80	8,116.07	11.12	-	-	-	-	-	19.60	-	12,253.08
Profit for the year															
Additions during the year			6.42	2,676.29	-	671.11	18.19						-38.49		3,333.52
Total comprehensive Income/Expenses for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Retained earnings															
Payment of Dividend															-
Balance at March 31, 2025	-	-	152.82	6,452.37	183.80	8,787.18	29.31	-	-	-	-	-	-18.88	-	15,586.80
Balance at March 31, 2023	-	-	146.40	3,725.48	183.80	7,428.55	-	-	-	-	-	-	-6.48	-	11,477.75
Profit for the year															-
Additions during the year			-	50.61	-	780.50	11.12						26.09		868.31
Total comprehensive Income/Expenses for the current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Reserves and Surplus	Share based payment Reserve Account	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
Payment of Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-92.98
Balance at March 31, 2024	-	-	146.40	3,776.09	183.80	8,116.07	11.12	-	-	-	19.60	-	12,253.08

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

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

P. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L. Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyannarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Notes to the Standalone Financial Statements

1. CORPORATE INFORMATION

Natural Capsules Limited ('the Company') is a public company domicile in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the Company are listed on two recognised stock exchanges in India. The registered office of the Company is in Bengaluru, India.

Natural Capsules Limited is a Public Limited Company established in the year 1993 at Bangalore India and in the year 2003 at Pondicherry. Natural Capsules Limited is a well-equipped modern manufacturing plant to manufacture Hard Gelatin Capsule shells, Hard Cellulose Capsule shells and Pharmaceutical Dosage Forms in Capsule Dosage Form.

Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been measured at fair value.

- Derivative financial instruments.
- Investments classified as Fair Value Through Profit or Loss ('FVTPL').
- Fair value of plan assets less present value of defined benefit obligations.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. Current Assets do not include elements which are not expected to be realised within 12 months and Current Liabilities do not include items where the Company does not have an unconditional right to defer settlement beyond a period of 12 months, the period of 12 months being reckoned from the reporting date.

The standalone financial statements are presented in INR ('₹') and all the values are rounded off to the nearest lakhs (INR 00,000) except when otherwise indicated.

The statement of cash flows have been prepared under the indirect method.

The Company has consistently applied the following accounting policies to all periods presented in these standalone financial statements.

Impact of the Global Pandemic ('Covid-19')

The Company has taken into account the possible impacts of Covid-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, impairment triggers for non-current assets, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of fixed price contracts, impact on measurement of deferred tax assets/liabilities, impact on leases and impact on effectiveness of its hedging relationships. The Company has considered available sources of information, both internal and external, upto the date of approval of the standalone financial statements and expects to recover the carrying amount of its assets. The impact of Covid-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

Use of estimates, assumptions and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate change in estimates are made as management become aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Application of accounting policies that require critical accounting estimates involving judgments and the use of assumptions in the standalone financial statements have been disclosed below:

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow ('DCF') model. The cash flows are derived from the internal forecast for future years. These do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested for impairment. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the long-term growth rates.

Taxes

The Company's major tax jurisdictions is in India. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income of the Company's operations in India.

Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates and reflects uncertainties relating to income taxes, if any. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile. A tax assessment could involve complex issues, which can only be resolved over extended time periods.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

Defined benefit plans

The cost of the defined benefit gratuity plan, compensated absences and the present value of the defined benefit obligation are determined based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, future attrition rates and mortality rates. Due to the complexities involved in the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables.

These mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful lives of property, plant and equipment

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

Revenue recognition

Use of the percentage-of completion method in accounting for fixed-price contracts requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Expected credit loss ('ECL') on trade receivables

The impairment provisions are based on an evaluation of the risk of default over the expected life of the receivables and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Judgements include estimating the probability of the cash outflows for the present obligations and accordingly provisions are determined and reviewed at the end of each reporting period and are adjusted to reflect current best estimates.

The Company uses significant judgement to identify and measure contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities in relation to assessment/litigations can involve complex issues, which can only be resolved over extended time periods.

Leases

The Company evaluates if an arrangement qualifies to be a lease based on the requirements of the relevant standard. Identification of a lease requires significant management judgment. Computation of the lease liabilities and right-to-use assets requires management to estimate the lease term (including anticipated renewals), and the applicable discount rate. Management estimates the lease term based on the non-cancellable lease-term, options for future renewals if the Company is reasonably certain to exercise and options to terminate the lease if the Company is reasonably certain not to exercise. In performing this assessment, the discount rate is

generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company derives its revenues primarily from sale of capsules.

Revenue from sale of capsules is measured based on the transaction price, which is the consideration, adjusted for discounts and pricing incentives, if any, as specified in the contract with the customer. Sales tax/Value Added Tax (VAT)/Goods and Services Tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity/service rendered by the seller on behalf of the Government. Accordingly, it is excluded from revenues.

The Company recognises an onerous contract provision when it is probable that the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple goods and services to a customer. The Company assesses the goods/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. The Company has applied the practical expedient provided by Ind AS 115, whereby the Company does not adjust the transaction price for the effects of the time value of money where the period between when the control on goods and services transferred to the customer and when payment thereof is due, is one year or less. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct good or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct good or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how a customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such good or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Use of the percentage-of completion method in accounting for fixed-price contracts requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.
- Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. The assessment of this criteria requires the application of judgement, in particular, when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.
- Contract acquisition costs are generally expensed as incurred except for certain costs which meet the criteria for capitalization, in particular if such costs are expected to be recovered. Contract acquisition costs are amortized over the contract term, consistent with the pattern of transfer of goods or services to which the asset relates.

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.

Dividend income is recognized when the right to receive the dividend is established.

The Company disaggregates revenue from contracts with customers by segment, geography, services rendered, delivery location and project type.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. Cost includes expenditure directly attributable to the acquisition. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately

based on their specific useful lives. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

The Company identifies and determines cost of each component/part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any. The amortization period and the amortization method are reviewed at least at each financial year end. Internally developed in assets are stated at cost that can be measured reliably during the development phase and capitalised when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the assets. Leasehold land is amortised over the lease term. Freehold land is not depreciated.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'other assets'. The cost of property, plant and equipment not ready to use before the balance sheet date is disclosed under 'Capital work in progress'.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of property, plant and equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment and are recognized in the statement of profit and loss when the property, plant and equipment is derecognized.

DEPRECIATION AND AMORTIZATION

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by management. Intangible assets are amortised on a straight-line basis over the estimated useful economic life. Depreciation/amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

LEASES

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract

conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable.

Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company for the nature of asset taken on lease. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment

or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the standalone statement of profit and loss.

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

Company as a lessor

When the Company acts as a lessor at the inception, it determines whether each lease is a finance lease or an operating lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains a lease and non-lease components, the Company applies Ind AS 115-Revenue to allocate the consideration in the contract.

Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

IMPAIRMENT

a. Financial assets (other than at fair value)

For financial assets measured at amortised cost, debt instruments at fair value through other comprehensive income, trade receivables, contract assets and other financial assets, the Company assesses at each date of balance sheet whether the asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. Expected credit loss is the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted using the effective interest rate. The Company

recognises lifetime expected losses for all contract assets and/or all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

• Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ('CGU') to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of the following:

- financial assets, which include cash and cash equivalents, deposits with banks, trade receivables, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include loans and borrowings, finance lease liabilities, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non-derivative financial instruments are recognised when the Company becomes a party to the contract that gives rise to financial assets and liabilities. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks with an original maturity of less than or up to three months. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding overdrafts that are repayable on demand and are considered part of the Company's cash management system.

b. Financial assets at amortised cost

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through other comprehensive income

Financial assets (except for debt instruments that are designated at fair value through Profit or Loss (FVTPL) on initial recognition) are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognized in the standalone statement of profit or loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income.

When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to the standalone statement of profit and loss.

d. Financial assets at fair value through profit or loss

Financial assets are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in standalone statement of profit and loss. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the standalone statement of profit and loss. The gain or loss on disposal is recognized in the standalone statement of profit and loss. Interest income is recognized in the standalone statement of profit and loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

e. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

DERIVATIVE FINANCIAL INSTRUMENTS

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

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in standalone statement of profit and loss as expenses.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

a. Cash flow hedges

The Company designates certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable cashflow forecast transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the standalone statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the standalone statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to the standalone statement of profit and loss.

b. Others

Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognized in the standalone statement of profit and loss and reported within foreign exchange gains, net.

Changes in fair value and gains/(losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded as foreign exchange gains/ (losses).

c. De-recognition of financial instruments

Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires. Trade receivables which are subject to non-recourse factoring arrangements are derecognized in accordance with Ind AS 109 and are offset in accordance with Ind AS 32.

d. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amounts are presented in the standalone balance sheet when,

and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When a quote is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

f. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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 for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

EMPLOYEE BENEFITS

a. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plans

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company. Contributions to defined contribution schemes such as Provident Fund, Employee State Insurance Scheme, 401(k) and other social security schemes are charged to the standalone statement of profit or loss on an accrual basis.

c. Provident fund

The Company contributes to a recognized provident fund, which is as a defined contribution scheme. The contributions to Provident Fund and its administration charges are accounted for on an accrual basis and recognized in the Profit & Loss Account.

d. Gratuity

The Company has a defined benefit gratuity plan that provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment in accordance with "The Payment of Gratuity Act, 1972". The amount is based on the respective employee's last drawn salary and the tenure of employment with the Company.

Gratuity, which is a defined benefit plan, is determined based on an independent actuarial valuation, which is carried out based on the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in OCI are not to be subsequently reclassified to standalone statement of profit and loss. As required under Ind AS read with Schedule III to Companies Act, 2013, the Company transfers it immediately to retained earnings. The discount rate is based on the yield of securities issued by the Government of India.

SHARE BASED PAYMENTS

The Company measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102, Share Based Payment. Compensation expense is amortized over the vesting period of the option on a graded basis. The units generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes valuation model. The expected term of an option is estimated based on the vesting term and contractual life of the option. Expected volatility during the expected term of the option is based on the historical volatility of share price of the Company. Risk free interest rates are based on the government securities yield in effect at the time of the grant.

The cost of equity settled transactions is recognised, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Debit or credit in standalone statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected in the computation of diluted earnings per share.

FOREIGN CURRENCIES

Transactions and balances

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on restatement of foreign currency denominated monetary assets and liabilities are included in the standalone statement of profit and loss. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at an exchange rate that approximates the rate prevalent on the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the

year. Current and deferred tax are recognised in standalone statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

• Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period and reflects the uncertainty related to income tax, if any. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

• Deferred income tax

Deferred income tax assets and liabilities is recognised using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to all or part of the deferred income tax asset to be utilized.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as an income or expense in the period that includes the enactment or substantive enactment date.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

For operations carried out in SEZ facilities, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that do not reverse during the tax holiday period(s).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle the obligation. Provisions are determined based on best estimates required to settle each obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

EARNINGS PER SHARE

The basic earnings per share is computed by dividing the net profit attributable to the Company's owners for the year by the weighted average number of equity shares outstanding during the year adjusted for treasury shares held.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

CASH DIVIDEND TO THE EQUITY HOLDERS OF THE COMPANY

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

GOVERNMENT GRANTS

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. When the grant relates to a capital asset, it is presented by deducting the grant in arriving at the carrying amount of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the standalone statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Freehold land	82.65	82.65
lease Hold Land	-	-
Building	1,771.09	1,616.22
Building- Others	52.04	54.06
Plant and Equipment	6,709.57	7,162.91
Computers	11.27	17.79
Furniture and Fixtures	39.46	42.73
Vehicles	17.19	19.67
Office Equipment	2.65	3.36
Right-of-use assets	129.79	4.49
Total	8,815.71	9,003.89
Capital work-in-progress	-	211.54
	8,815.71	9,215.43

Particulars	Freehold land	Lease Hold Land	Building	Building - Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of- use assets	Total
Cost											
Balance at March 2023	82.65	-	2,397.87	60.62	11,457.67	119.57	42.98	52.45	15.70	157.67	14,387.17
Additions/Modifications	-	-	-	-	539.33	13.08	33.46	-	-	-	585.88
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2024	82.65	-	2,397.87	60.62	11,997.01	132.65	76.44	52.45	15.70	157.67	14,973.05
Additions/Modifications	-	-	231.98	-	207.08	2.01	1.78	-	-	154.30	597.15
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2025	82.65	-	2,629.85	60.62	12,204.09	134.66	78.22	52.45	15.70	311.96	15,570.20

Particulars	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											-
Balance at March 2023	-	-	703.19	4.54	4,155.28	109.62	30.04	30.29	11.59	131.26	5,175.80
Depreciation expenses	-	-	78.46	2.02	678.81	5.24	3.67	2.49	0.76	21.92	793.36
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2024	-	-	781.65	6.56	4,834.09	114.86	33.71	32.78	12.34	153.17	5,969.16
Depreciation expenses	-	-	77.12	2.02	660.43	8.52	5.05	2.49	0.71	29.00	785.33
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2025	-	-	858.76	8.58	5,494.52	123.39	38.75	35.26	13.05	182.17	6,754.49
Carrying amount as on Mar 31, 2024	82.65	-	1,616.22	54.06	7,162.91	17.79	42.73	19.67	3.36	4.49	9,003.89
Carrying amount as on Mar 31, 2025	82.65	-	1,771.09	52.04	6,709.57	11.27	39.46	17.19	2.65	129.79	8,815.71

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 Knowledge & Patent
Cost or Deemed cost	
Balance at March 31, 2023	192.93
Additions	
Disposals	
Balance at March 31, 2024	192.93
Additions	
Disposals	
Balance at March 31, 2025	192.93

Intangible Assets

Particulars	Technical Knowledge & Patent
Accumulated depreciation and impairment	
Balance at March 31, 2023	81.92
Disposals	
Depreciation expenses	63.48
Balance at March 31, 2024	145.41
Disposals	
Depreciation expenses	47.53
Balance at March 31, 2025	192.93
Carrying amount as on March 31, 2024	47.53
Carrying amount as on March 31, 2025	0.00

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 - 31st March 2025

Capital Work In Progress	Amt. in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital-WIP - 31st March 2024

Capital Work In Progress	Amt. in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	211.54	-	-	-	211.54
Projects temporarily suspended	-	-	-	-	-

NOTE 3: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Balance at the beginning of the year - Software and licenses	192.93	192.93
Additions - Patent & RD		
Balance at end of the year	192.93	192.93

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Accumulated depreciation and impairment		
Balance at the beginning of the year	145.41	81.92
Depreciation expenses	47.53	63.48
Balance at end of the year	192.93	145.41
Carrying amount at the end of year	0.00	47.53

NOTE 4: INVESTMENTS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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 9,999 @ ₹ 10 Per Share)	1.00	1.00
Investment in equity shares of M/s.Natural Biogenex Private Limited (Fully Paid Equity Shares 2,00,00,000@ ₹ 10 Per Share)	2,000.00	2,000.00
Other Investments		
Investment in O2 Renewable Energy VIII Pvt Ltd (2,73,000 Fully Paid Equity shares of ₹ 10/- Each & 24,570 CCDs of ₹ 1000/- Each)	273.00	273.00
Less: Diminution in value of investments		
Total aggregate of un-quoted Investments	2,274.00	2,274.00
Aggregate book value of unquoted investments	2,274.00	2,274.00
Aggregate market value of quoted investments	-	-
Aggregate amount of imparitment in value of the investments	-	-

NOTE 5: LOANS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured Loans to Subsidiary Company	5,815.62	2,236.16
Total	5,815.62	2,236.16

NOTE 6: OTHER FINANCIAL ASSETS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortized Cost		
a) Security Deposit (Unsecured considered good)	187.58	173.47

NOTE 6: OTHER FINANCIAL ASSETS - NON CURRENT (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
b) Prepaid Rent deposit	-	-
c) Term Deposit	-	-
d) Dividend from Associate/Subsidiary	-	-
Less: Provision for Doubtful advances	-	-
b) Interest Receivable On Deposits	-	-
Secured, Considered good	-	-
Unsecured, Considered good	48.74	47.62
Doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
c) Other receivable	-	-
Total	236.32	221.09

NOTE 7: OTHER ASSETS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Advances	-	-
b) Advances other than Capital Advances	-	-
i) Security Deposits	-	-
ii) Advances to Related parties - Subsidiary	-	-
c) Export incentive receivable	4.16	9.21
Total	4.16	9.21

NOTE 8: INVENTORIES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lower of Cost or Net realisable value		
a) Raw Materials	705.74	468.85
b) Work-in-Process	41.73	299.58
c) Finished goods	1,346.35	975.05
d) Stock in trade (acquired for trading)	-	-
e) Stores and spares	17.58	7.23
f) Branch Stock	-	-
Less: Provision for Stock Reserve	-	-
Total	2,111.40	1,750.71

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 Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Secured, Considered good	-	-
Unsecured, Considered good	6,750.61	6,017.20
Doubtful	-	-
Allowance for doubtful debts (Expected Credit Loss)	-619.49	-661.50
	6,131.13	5,355.70
Current	6,131.13	5,355.70
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, 2025

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,545.94	-	-	-	-	5,545.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	431.87	213.16	80.39	479.25	1,204.67
(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	-	-	-	-	-	-
Total	5,545.94	431.87	213.16	80.39	479.25	6,750.61

As at March 31, 2024

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	4,976.21	-	-	-	-	4,976.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	379.49	167.34	42.91	451.26	1,040.99
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-

As at March 31, 2024 (Contd.)

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	4,976.21	379.49	167.34	42.91	451.26	6,017.20

NOTE 10: CASH AND CASH EQUIVALENTS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with banks		
(i) In Current account	13.89	187.80
(ii) In Deposit account with original maturity less than 3 Months	-	-
(ii) In EEFC account	50.25	0.69
(iii) In Escrow account	2.60	30.23
b) Cash on hand	0.06	0.76
c) Cheques, drafts on hand		
Total	66.80	219.47

NOTE 11: OTHER BANK BALANCES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Deposit Accounts	198.17	697.17
b) Earmarked Balances with banks	-	-
(i) In unpaid Dividend account	5.94	7.86
(ii) In margin money accounts for Bank Guarantee issued	0.02	0.02
Total	204.13	705.04

NOTE 12: OTHER CURRENT ASSETS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Advances	371.72	357.35
b) Advance to Related parties-refer Note a below	1.03	1.96
c) Advances to Employees	-0.00	0.00
(i) Secured, Considered good	-0.00	0.00
(ii) Unsecured and Considered good	6.25	9.87
(iii) Considered doubtful	-0.00	0.00
Less: Allowance for doubtful debts (Expected Credit Loss)	-0.00	0.00
e) Export incentive receivable	-0.00	0.00
f) Balance with Customs and Central excise/GST authorities	288.96	267.92

NOTE 12: OTHER CURRENT ASSETS (Contd.)

₹ In Lakhs		
Particulars	As at March 31, 2025	As at March 31, 2024
g) Advance to suppliers	-0.00	0.00
(i) Secured, Considered good	-0.00	0.00
(ii) Unsecured and Considered good	406.74	416.25
(iii) Considered doubtful	-0.00	0.00
Less: Allowance for doubtful debts (Expected Credit Loss)	-0.00	0.00
h) Prepaid Expenses	29.87	13.45
i) Preliminary Expenses	-0.00	0.00
j) Other Advances	33.99	3.07
k) Unamortised Expenses on Bank borrowings	9.70	18.93
Less: Provision for Doubtful advances	-0.00	0.00
l) Gratuity	-	2.87
Total	1,148.27	1,091.67

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 Lakhs		
Type of borrower	Amt of loan or advance in the nature of loan outstanding as on 31 st Mar 2025	Amt of loan or advance in the nature of loan outstanding as on 31 st Mar 2024
Promoter	-	-
Director	-	-
KMP's	-	-
Related Parties - Fully Owned Subsidiary	1.03	1.96

NOTE 13: EQUITY SHARE CAPITAL

₹ In Lakhs		
Type of borrower	As at March 31, 2025	As at March 31, 2024
AUTHORISED		
Equity Shares:		
1,50,00,000 (1,50,00,000) Equity shares of Rs.10 each	1,500.00	1,500.00
ISSUED & SUBSCRIBED		
1,03,54,467 (93,49,050) Equity Shares of Rs 10/- each	1,035.45	934.91
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,03,41,154 (93,21,578) Equity Shares of Rs 10/- each	1,034.12	932.16
ISSUED, SUBSCRIBED AND PARTLY PAID UP		
(13,273 Equity Shares of Rs 10/- each partly paid up - Rs.5 each & 14,199 Equity Shares of Rs.10 Each partly paid up-Rs.2.50 each- Rights issue)	-	1.02
Total	1,034.12	933.18

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

Reconciliation	2024-2025		2023-2024	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
a) Equity Shares of ₹ 10 each fully paid up				
At the beginning of the year	9,349,050	933.18	9,349,050	927.55
Add: Issued during the year	1,005,417	101.17	-	5.62
Less: Forfeited during the year	13,313	0.23		
At the end of the year	10,341,154	1,034.12	9,349,050	933.18

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

Reconciliation	2024-2025		2023-2024	
	No. of shares	%	No. of shares	%
Tajos Investments Pvt. Ltd.	1,253,500	12.20%	1,253,500	13.41%
Nandhi Synthetics Pvt. Ltd.	919,354	8.89%	919,354	9.83%
Sunil L Mundra	596,790	5.77%	589,004	6.30%
Sushil Kumar Mundra	509,012	4.92%	509,012	5.44%

13.3 Shares held by Promoters as at the end of the year:

Sr. No.	Promoter Name	As on 31.03.2025			As on 31.03.2024		
		No of shares	% of total	% change during the year	No of shares	% of total	% change during the year
1	Sunil Laxminaryan Mundra	596,790	5.77%	-0.53%	589,004	6.30%	0.00%
2	Sushil Kumar Mundra	509,012	4.92%	-0.52%	509,012	5.44%	0.00%
3	Indra Mundra	391,800	3.79%	-0.40%	391,800	4.19%	0.00%
4	Jyoti Mundra	306,694	2.97%	-0.31%	306,694	3.28%	0.00%
5	Sharada Mundra	265,036	2.56%	-0.27%	265,036	2.83%	0.00%
6	Laxminarayan Moondra	240,441	2.33%	-0.24%	240,441	2.57%	0.00%
7	Radha S Mundra	239,400	2.32%	-0.24%	239,400	2.56%	0.00%
8	Satyanarayan Mundra	184,882	1.79%	-0.19%	184,882	1.98%	0.00%
9	Madhav Mundra	165,155	1.60%	-0.17%	165,155	1.77%	0.00%
10	Shrey Mundra	165,150	1.60%	-0.17%	165,150	1.77%	0.00%
11	Jyotsna Daga	37,789	0.37%	-0.03%	37,789	0.40%	0.00%
12	Nidhi Sethia	18,484	0.18%	-0.02%	18,484	0.20%	0.00%

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 issued 92,500 equity shares under ESOP (Employee Stock Option).

NOTE 14: OTHER EQUITY

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve	152.82	146.40
Securities Premium Account	6,452.37	3,776.09
General Reserve	183.80	183.80
Share based payment Reserve Account	40.42	11.12
Revenue arising from Interest free rental deposit	-	-
Effective interest rate	-	-
Deferred tax adjustment	-	-
Reserve for equity instruments through other comprehensive income	-	-
Actuarial movement through other comprehensive income (net of tax)	-18.88	19.60
Retained earnings (surplus in profit or loss account)	8,787.18	8,116.07
Total	15,597.72	12,253.08

Note:**i) Capital reserve:**

On account of forfeiture of amount paid on convertible shares warrants allotted to non promoters share holders.

ii) Securities Premium reserve:

The amount received in excess of Face value of the equity shares is recognised as securities premium reserve.

iii) 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.

iv) 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 Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Reserve		
Opening balance	146.40	146.40
Add: Additions	6.42	
Closing Balance	152.82	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	6,452.37	3,725.48
Add: Additions	-	50.61
Closing Balance	6,452.37	3,776.09
c) General Reserve		
Opening balance	183.80	183.80
Add: Transfer from General Reserve		
Less: IND AS Adjustment		
Closing Balance	183.80	183.80

iv) Proposed dividend: (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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	19.60	-6.48
Additions/(Deletions)	-38.49	26.09
Closing Balance	-18.88	19.60
e) Share based payment Reserve Account		
Opening balance	11.12	-
Additions/(Deletions)	29.31	11.12
Closing Balance	40.42	11.12
f) Retained Earnings		
Opening balance	8,116.07	7,428.55
Profit/(Loss) for the year	671.11	780.50
Less: Transfer to Capital Redemption Reserve	-	-
Less: Dividend on Equity Shares	-	-92.98
Less: Transfer to Reserves	-	-
Less: IND AS Adjustment	-	-
Closing Balance	8,787.18	8,116.07
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	15,597.72	12,253.08

NOTE 15: NON-CURRENT BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Secured - at amortised cost		
i) Bonds/Debentures		
ii) Term Loans from Banks	2,449.44	2,210.14
iii) Term Loans from others	93.90	1,065.10
less: Current Maturities of Long Term Debt	-544.12	-628.72
Grand Total	1,999.23	2,646.53

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 six months principal plus interest plus liquidated damages and Personal guarantee of Mr. Sunil L Mundra & Mr. Sushil Kumar Mundra.

NOTE 16: LEASE LIABILITIES - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Rent Payable	102.39	-0.00

NOTE 17: PROVISIONS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
i) Provision for Employee Benefits		
a) Compensated absences (Earned Leave)	-	-
b) Provision for gratuity	52.38	-
Total	52.38	-

NOTE 18: DEFERRED TAX BALANCES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	-	-
Deferred tax liabilities	475.20	339.21
Total	475.20	339.21

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax (Liabilities)/Asset in relation to		
Property, Plant and equipment	-634.75	-546.21
Provision compensated absences and others	29.29	18.23
Provision for bad & doubtful debts	136.29	184.60
Others	-6.03	4.17
Total	-475.20	-339.21
Tax losses		
Net Deferred tax Assets/(Liability)	(475.20)	(339.21)

NOTE 19: SHORT TERM BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
i) Loan repayable on demand from Bank		
Secured Loan		
a) from Banks	2,957.60	2,920.09
ii) Current maturities of long-term debt	544.12	628.72
iii) Short Term Borrowings from Directors	-	-
Total	3,501.72	3,548.80

- 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 Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Dues of Micro Enterprises and Small Enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	3,423.49	2,793.29
Employee related	146.41	170.44
Disputed Dues of Micro Enterprises and Small Enterprises	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-
Total	3,569.91	2,963.72

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) MSME	-	-	-	-	-
(ii) Others	3,414.01	63.81	65.76	26.32	3,569.91
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2025	3,414.01	63.81	65.76	26.32	3,569.91

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) MSME	-	-	-	-	-
(ii) Others	2,845.48	98.26	12.53	7.45	2,963.72
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2024	2,845.48	98.26	12.53	7.45	2,963.72

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2025 and 31 March 2024. The details in respect of such dues are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount	-	-
Interest	-	-

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2024 and 31 March 2023. The details in respect of such dues are as follows: (Contd.)

Particulars	As at March 31, 2025	As at March 31, 2024
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	-	-
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 Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised Cost		
a) Current maturities of long-term debt		
b) Interest accrued but not due on borrowings		
c) Unclaimed dividends	5.94	7.86
d) Interest payable on MSME		
e) Financial guarantee liability		
f) Other Liabilities		
Lease Rent Payable		
Other liabilities	1.64	19.87
Total	7.58	27.73

NOTE 22: PROVISIONS -CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Compensated absences (Earned Leave)	14.80	18.39
b) Provision for gratuity	-	-
Total	14.80	18.39

NOTE 23: OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc.)	96.95	55.39
b) Advances and Deposits from Customers/others	106.88	130.47
c) Related to expenses	153.71	80.41
Total	357.54	266.26

NOTE 24: CURRENT TAX LIABILITIES (NET)

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current Taxation (Net of advance payments)	58.50	127.78

NOTE 25: REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Sale of Products	16,288.38	14,967.59
(b) Other operating revenues	505.44	413.04
Total	16,793.82	15,380.63

NOTE 26: OTHER INCOME

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Interest income		
On Bank Deposits at amortised cost	3.07	26.46
On Other deposits/Loans	370.67	196.20
(b) Dividend Income		
From equity investments designated	-	-
(b) Other gains or losses		
- Net gain arising on financial assets designated	-	-
- Net gain on foreign currency transaction	-	-
(c) Other non-operating income		
Operating lease rent remeasurement	-	-
Profit on sale of Assets	-	-
Miscellaneous income	49.80	91.92
	423.54	314.57

NOTE 27: COST OF MATERIAL CONSUMED

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the beginning of the year	468.85	156.90
Purchases during the year	8,749.01	8,643.56
Inventories at the end of the year	705.74	468.85
Total	8,512.12	8,331.61

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Stock:		
Finished goods		
Capsules	975.05	517.81
Work in progress		
Capsules	299.58	143.41
	1,274.63	661.22

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Closing Stock:		
Finished goods		
Capsules	1,346.35	975.05
Work in progress		
Capsules	41.73	299.58
	1,388.08	1,274.63
Decrease/(Increase) in stocks	-113.45	-613.40
Net change (Increase)/Decrease	-113.45	-613.40

NOTE 29: COST OF TRADED RAW MATERIALS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cost of raw materials sold	-	-

NOTE 30: EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Salaries, Wages and Bonus	1,151.75	1,019.77
(b) Contribution to Provident and other Funds	36.33	35.60
(c) Director Remuneration	145.35	136.95
(d) Workmen and Staff welfare expenses	40.51	39.47
Total	1,373.94	1,231.79

NOTE 31: FINANCE COST

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Interest costs		
(a) Bank Loans and others	433.94	432.37
(b) Government Loans	-	-
(ii) Other borrowing costs - on Lease	14.33	1.96
(iii) Other Interest and Finance charges	142.74	60.49
Total	591.01	494.83

NOTE 32: DEPRECIATION AND AMORTISATION EXPENSE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation/amortisation on		
a) Property, Plant and Equipment	756.33	771.45
b) Intangible Assets	47.53	63.48
c) Right of use Asset - (Lease)	29.00	21.92
Total	832.85	856.85

NOTE 33: OTHER EXPENSES

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spare parts	336.32	368.40
Power and Fuel	1,583.44	1,518.95
Repairs and Maintenance -Buildings	53.91	75.94
Repairs and Maintenance-Machinery	227.24	161.15
Repairs and Maintenance -Others	81.39	76.55
Bad Debts	52.02	6.20
Insurance	29.40	21.50
Exchange Rate Difference	-17.04	-112.65
Rates and Taxes	15.27	40.64
Freight & Clearing Expenses	1,320.85	818.44
Directors Sitting fees	9.15	5.70
Auditor's Remuneration	7.50	7.50
Travelling Expenses - Foreign	38.09	38.46
Travelling and Conveyance	99.32	101.26
Professional Fees	109.36	122.83
Commission	50.82	42.67
Provision for Doubt full Debts	-	23.59
Sundry Provisions - Write Back	-	-50.00
NSE Listing Fee	11.75	-
CSR expenditure	39.76	44.05
Security Charges	31.91	28.37
Contract Labour Charges	666.24	575.52
Postage and Courier	18.84	20.81
Communication Expenses	10.34	8.94
Business Promotion Expenses	66.19	56.26
Research & Development Expenditure - Revenue in Nature	159.91	207.96
Bank Charges	18.03	14.09
Printing and Stationery	26.84	24.42
Miscellaneous Expenses	20.21	19.81
Sundry Assets Written off	-	-
Discount & Rebate	24.17	86.69
Commission to Directors	-	-
Total	5,091.23	4,354.06

NOTE 34: EXCEPTIONAL ITEMS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Audit Fees	7.50	7.50
b) Fees for other services	0.50	0.50
Total	8.00	8.00

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	130.75	132.42
Contribution to provident and other funds	3.47	3.75
Consumption of materials, Stores and spare parts	5.00	49.38
Lab Expenses	15.98	14.88
Power and Fuel	1.17	4.15
Rent paid for RD Staff Qtrs	3.54	3.38
Total	159.91	207.96

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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Not later than one year	36.46	6.81
Later than one year and not later than five years	141.81	-
Later than five years	-	-
Total	178.27	6.81

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 1, 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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
for Current year	207.39	197.13
for Previous years	-84.84	-

NOTE 38: INCOME TAXES RELATING TO CONTINUING OPERATIONS (Contd.)

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Deferred tax		
for Current year	135.99	61.84
Total	343.38	258.97

Reconciliation of current tax Expense

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit or loss before tax	929.66	1,039.47
Income tax rate (%) applicable to the Company #	25.17%	25.17%
Income tax calculated at income tax rate	233.98	261.61
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expense that are not deductible	43.29	10.73
Effect of on account Depreciation	-21.46	-67.79
Tax effect on - other deductible expenses	-48.42	-7.41
Income tax expense recognised in statement of Profit and Loss	207.39	197.13

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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Basic Earnings per share	6.43	8.67
Diluted Earnings per share	6.43	8.67

39.1 Basic Earnings per share

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit after Taxation	632.62	806.58
Earnings used in the calculation of basic earnings per share	632.62	806.58
Equivalent Number of equity shares of 10 each outstanding at the beginning of the year after considering the party paid shares	93.32	92.76
Equivalent Number of equity shares of 10 each outstanding at the end of the year after considering the party paid shares	103.41	93.32
Average number of Equity Shares	98.36	93.04

39.2 Diluted Earnings per share

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Earnings used in the calculation of basic earnings per share	632.62	806.58
Adjustments (if any)	-	-
Earnings used in the calculation of diluted earnings per share	632.62	806.58

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

Particulars	₹ In Lakhs	
	Year ended March 31, 2025	Year ended March 31, 2024
Average number of equity shares used in calculation of basic earnings per share	98.36	93.04
Shares deemed to be issued for no consideration	-	-
Average number of equity shares used in calculation of diluted earnings per share	98.36	93.04

* For the calculation of EPS, average number of equity shares have been considered as at the year ended.

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 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.

Particulars	₹ In Lakhs	
	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent by the Company during the year	37.01	36.25
Amount of expenditure incurred on:		
Construction/acquisition of any asset	-	-
On purpose other than above	36.68	33.62
Shortfall at the end of the year	0.33	2.63
Amount Transferred to unspent CSR account	-	-
Amount to be Transferred to specified fund Account	0.33	2.63

NOTE 41:

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 Mundra - 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
Relative of Key Managerial Personnel	Mr. Shrey 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 Lakhs	
		2024-25	2023-24
Key Management Personnel			
Mr. Sunil Laxminarayana Mundra - Managing Director	Salary Paid	58.20	54.65
Mr. Laxminarayana Mundra - Whole Time Director	Salary Paid	39.20	38.68
Mr. Sathyanarayana Mundra - Whole Time Director	Salary Paid	47.95	44.95
Mr. Raj Kishore Prasad - Chief Financial Officer	Salary Paid	14.82	14.35
Mrs. Shilpa Burman - Company Secretary	Salary Paid	7.03	6.81
Other Related Parties			
Mr. Sushil Kumar Mundra - Director	Sitting Fees Paid	0.75	0.90
Mrs. Jyothi Mundra - Director	Sitting Fees Paid	1.05	0.90
Relative of Key Managerial Personnel			
Mr. Shrey Mundra - General Manager (Relative of Managing Director)	Salary Paid	22.64	19.80
Enterprise In Which Directors Having Significant Control			
M/S. Sonia Organics	Lease rent recd	4.67	4.67
M/S. Mm Shankala	Purchase of Equipment	12.41	21.79
Subsidiary companies			
Natural Phyto Pharma Private Limited (Formerly National Drug Discoveries Pvt Ltd)	Advance Paid	-	0.00
Natural Biogenex Pvt. Ltd	Unsecured Loan	3,208.17	1,003.37
	Share Appl Money Paid		-
	Advance Recd		1,002.77
	Interest on Loan recd	370.68	196.20
Payables/Receivable			
Mr. Sunil Laxminarayana Mundra	Payable	-	-
Mr. Laxminarayana Mundra	Payable	-	-
Mr. Sathyanarayana Mundra	Payable	-	0.85
Mundra Enterprises	Payable	8.53	6.28
Natural Phyto Pharma Private Limited	Receivable	1.03	1.03
Natural Biogenex Private Limited	Receivable	5,815.61	2,236.16
Sonia Organics	Receivable	2.53	1.17

NOTE 42 A:**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 ₹ 57.25 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, 2025. 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 42 B:

₹ In Lakhs

Particulars	Gratuity (Funded)	
	2024-25	2023-24
Present value of obligations at the beginning of the year	179.40	206.57
Current service cost	19.04	11.62
Interest Cost	12.37	15.29
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	9.43	1.89
- Actuarial gains and losses arising from experience adjustment	29.86	-36.01
Benefit Payments from Plan Assets	-15.27	-19.94
Present value of obligations at the end of the year	234.83	179.40
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	182.27	172.63
Interest income	12.65	12.95
Return on plan assets		
Contributions by the employer	2.01	24.67
Re-measurement (gains)/losses:	0.80	-8.04
Benefits paid	-15.27	-19.94
Fair value of plan assets at the end of the year	182.46	182.27
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	234.83	179.40
Less: share of obligation pertaining to Associate Company under common Gratuity Trust		
Fair value of plan assets at end of the year	182.46	182.27
Funded status of the plans - Liability recognized in the balance sheet	52.38	(2.87)

NOTE 42 B: (Contd.)

₹ In Lakhs

Particulars	Gratuity (Funded)	
	2024-25	2023-24
Components of defined benefit cost recognized in profit or loss		
Current service cost	19.04	11.62
Net interest Cost	0.28	(2.34)
Net cost in Profit or Loss	19.32	9.28
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	9.43	1.89
- Actuarial gains and losses arising from experience adjustment	29.86	(36.01)
Return on plan assets	(0.80)	8.04
Net Cost	38.49	(26.09)
Less: Allocation to Associate Company under common gratuity trust		0.00
Net Cost in other Comprehensive Income	38.49	(26.09)

Particulars	2024-25	2023-24
Assumptions		
Discount rate	6.53%	7.20%
Expected rate of salary increase	7.00%	7.00%
Average age of members	44.90	45.29
Average remaining working Life	13.31	12.71
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 42 C:**Note (i) Experience Adjustments****Experience Adjustments**

₹ In Lakhs

Particulars	For the period ending	
	March 31, 2025	March 31, 2024
(Gain)/Loss on Plan Liabilities	29.86	(36.01)
% of Opening Plan Liabilities	16.64%	-17.43%
Gain/(Loss) on Plan Assets	(0.80)	8.04
% of Opening Plan Assets	-0.44%	4.66%

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:

₹ In Lakhs		
Particulars	March 31, 2025	March 31, 2024
Under Base Scenario	234.83	179.40
Salary Escalation (Up by 1%)	249.18	189.55
Salary Escalation (Down by 1%)	221.88	170.66
Withdrawal Rates (Up by 1%)	234.27	179.82
Withdrawal Rates (Down by 1%)	235.40	179.48
Discount Rates (Up by 1%)	221.41	170.46
Discount Rates (Down by 1%)	250.04	190.02
Mortality Rates (Up by 10%)	235.02	179.55
Mortality Rates (Down by 10%)	234.65	179.26

NOTE 43:**43.1 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 leverage 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 Lakhs		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Equity	16,631.84	13,186.26
Debt	5,407.05	5,130.23
Cash and cash equivalents	66.80	219.47
Net debt	5,473.85	5,349.70
Total capital (Equity + Net debt)	22,105.69	18,535.95
Net debt to capital ratio	0.25	0.29

43.2 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.

43.3 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 31 March 2025:

₹ In Lakhs					
Particulars	Carrying amount	Less than 1 year	1-3 years	More than 3 years	As at 31 st March 2025
(i) MSME	-	-	-	-	-
(ii) Others	3,569.91	3,414.01	129.57	26.32	3,569.91
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2025	3,569.91	3,414.01	129.57	26.32	3,569.91

The table below provides details of financial assets at at 31st March 2025:

₹ In Lakhs		
Particulars	Carrying amount 2024-25	Carrying amount 2023-24
Trade receivables	6,131.13	5,355.70
Other Financial assets	8,596.87	5,655.76

NOTE 43 B:

Fair value Hierarchy

₹ In Lakhs						
Particulars	As at March 31, 2025			As at March 31, 2024		
	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	6,131.13			5,355.70		
Cash and cash equivalents	66.80			219.47		
Bank balances other than cash and cash equivalents	204.13			705.04		
Loans	-			-		
Other Financial Assets	-			-		
Security Deposit (Unsecured considered good)	187.58			173.47		
Rental Deposit	-			-		
Term Deposit	-			-		
Interest Receivable On Deposits	-			-		
Financial Liabilities:						
Borrowings - Bank OD	5,500.95			6,195.33		
Trade payables	3,569.91			2,963.72		
Other Financial Liability	1.64			19.87		
Unclaimed dividend	5.94			7.86		

Fair value Hierarchy (Contd.)

₹ In Lakhs

Promoter Name	As at March 31, 2025			As at March 31, 2024		
	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	2,001.00			2,001.00		
Investments in government securities						
Investment in Preference shares						
Other Investments	273.00			273.00		
Derivatives not designated as hedges						
Financial liabilities:						
Derivatives not designated as hedges						
Derivatives designated as hedges						

NOTE 43 C:

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

₹ In Lakhs

Particulars	Fair value hierarchy	As at March 31, 2025		As at March 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 3	6,131.13	6,131.13	5,355.70	5,355.70
Cash and cash equivalents	Level 2	66.80	66.80	219.47	219.47
Bank balances other than cash and cash equivalents	Level 2	204.13	204.13	705.04	705.04
Other financial assets	Level 3	2,510.32	2,510.32	2,495.09	2,495.09

₹ In Lakhs

Particulars	Fair value hierarchy	As at March 31, 2025		As at March 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	5,500.95	5,500.95	6,195.33	6,195.33
Trade payables	Level 3	3,569.91	3,569.91	2,963.72	2,963.72
Other financial liabilities	Level 3	7.58	7.58	27.73	27.73

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 44: ADDITIONAL REGULATORY INFORMATION

a. Analytical Ratios

Ratio	Numerator	Denominator	31.03.2025	31.03.2024	% Variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.28	1.31	-2%	-
Debt - equity Ratio	Total Debt	Shareholder's Equity	61.18%	75.38%	-19%	Increase in share Capital
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	202.86%	185.47%	9%	Due to increase in debt and decrease in net profit for the year
Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.04	0.06	-33%	Due to decrease in net profit
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	10.40	11.69	-11%	Due to increase in inventory and decrease in sales
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	2.92	2.91	0%	-
Trade Payables Turnover Ratio	Net Credit Purchases = Gross purchases - Purchase return	Average Trade Payables	2.81	3.22	-13%	Due to decrease in trade payable

a. Analytical Ratios (Contd.)

Ratio	Numerator	Denominator	31.03.2025	31.03.2024	% Variance	Reason for variance (+/- >25%)
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	7.94	7.09	12%	Due to increase in working capital and decrease in sales
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	4.00%	5.07%	-21%	Due to lower sales realisation
Return on Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	6.73%	7.78%	-14%	Due to lower earning
Return on Investment	Net return	Initial Investment	NA	NA	NA	-

NOTE 45:

₹ In Lakhs

Particulars	2024-25	2023-24
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances.	524.79	561.65
Other monies for which the Company is contingently liable		
a) Bank Guarantees issued for loans and others	7000.00	7000.00
b) Disputed Income tax demands which are under various stages of appeal	38.67	56.84
c) Disputed Sales tax, Excise Duty, Service tax, Urban land tax, Electricity matters and Customs demands.	44.16	44.16

The Company has given a financial guarantee amounting to 7000 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 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 2024-25	No. of shares 2023-24
No of Options Granted During the year	45,000	0
Options Vested During the year	45,000	-
Options Outstanding at the Beginning of the year	180,000	180,000
Options Exercised During the year	92,500	-
Number of Options cancelled	62,500	-
Number of options lapsed	-	-
Options Outstanding at the End of the year	70,000	180,000

The following table summarises the assumptions used in calculating the grant date fair value for instrument granted in the year ended March 31, 2025.

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	10 th Nov 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: 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 55:

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 56:

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyanaarayana 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, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally

accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit 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.	Evaluation of uncertain Tax positions 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.	Obtained details of completed tax assessments and demands for the year ended March 31, 2025 from management. Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes; Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
2.	Trade receivables 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.	For trade receivables and managements estimation for trade receivables, impairment provisions, our key audit procedure includes the following: We obtained management confirmation on trade receivables outstanding; We analyzed the ageing of trade receivables; and 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; 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

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 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, 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group Company does not have any pending litigations which would impact its financial position other than the items disclosed under Note No. 44.
- 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. No dividend proposed in the previous year, declared and paid by the Company during the year, hence this clause is not as applicable.
- vi. The Group Company has used accounting software(s) for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. 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.

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

Arun R.

Partner

Membership No.: 208425

UDIN No.: 25208425BBIKIS1658

Place: Bangalore

Date: 29th May, 2025

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of **Natural Capsules Limited** ("the Holding Company") as of 31 March 2025, 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.

AUDITORS' 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, 2025, 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.

For P. Chandrasekar LLP

Chartered Accountants

Firm Registration No.: 000580S/S200066

Arun R.

Partner

Membership No.: 208425

UDIN No.: 25208425BBIKIS1658

Place: Bangalore

Date: 29th May, 2025

Consolidated Balance Sheet

As at 31st March, 2025

₹ In Lakhs

Sr. No.	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A	ASSETS			
	Non-Current Assets			
	(a) Property, Plant and equipment	2	28,233.19	10,224.46
	(b) Capital Work in Progress		0.00	14,380.99
	(c) Right-of-use assets		129.79	4.49
	(d) Investment Property			
	(e) Intangible Assets	3	0.00	47.53
	(f) Financial Assets			
	(i) Investments	4	273.00	273.00
	(ii) Trade Receivables			
	(iii) Loans			
	(iv) Other financial assets	5	336.28	336.02
	(g) Deferred Tax Assets (Net)			
	(h) Other Non-Current Assets	6	4.16	9.21
	Total non-Current Assets		28,976.42	25,275.69
	Current Assets			
	(a) Inventories	7	2,545.72	1,903.56
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	8	6,224.11	5,446.95
	(iii) Cash and Cash Equivalents	9	68.89	225.48
	(iv) Bank balances other than (iii) above	10	459.53	1,108.51
	(v) Loans		-	-
	(vi) Other Financial assets		-	-
	(c) Current tax assets (Net)		-	-
	(d) Other current Assets	11	3,660.48	3,692.32
	Total Current Assets		12,958.73	12,376.83
	TOTAL ASSETS		41,935.15	37,652.52
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	12	1,034.12	933.18
	(b) Other Equity	13	22,259.50	19,446.83
	(c) Non Controlling Interest		2,422.49	2,500.41
	Total Equity		25,716.10	22,880.42
	Liabilities			
	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	5,640.13	6,793.31
	(ia) Lease Liabilities	15	102.39	-
	(ii) Trade Payables			
	(iii) Other Financial Liabilities		-	-
	(b) Provisions	16	52.38	-
	(c) Deferred Tax Liabilities	17	424.89	330.07
	(d) Other Non-Current liabilities			
	Total Non-Current Liabilities		6,220	7,123
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	18	4,740.47	4,106.16
	(ia) Lease Liabilities		36.46	1.33
	(ii) Trade Payables			
	Dues of micro enterprises and small enterprises	19	-	-
	Dues of creditors other than micro enterprises and small enterprises		3,850.70	3,041.84
	(iii) Other Financial Liabilities	20	776.38	29.22
	(b) Other Current Liabilities	22	500.89	324.87
	(c) Provisions	21	37.46	18.39
	(d) Current tax liabilities (Net)	23	56.92	126.91
	Total Current Liabilities		9,999.28	7,648.72
	Total Liabilities		16,219.05	14,772.10
	TOTAL EQUITY AND LIABILITIES		41,935.15	37,652.52

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyanarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Consolidated Statement of Profit and Loss

For the year ended 31st March, 2025

₹ In Lakhs

Sr. No.	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I	Revenue from Operations	24	16,920.55	15,542.00
II	Other Income	25	70.36	193.62
III	Total Income (I+II)		16,990.92	15,735.62
IV	Expenses:			
	Cost of materials consumed	26	8,688.02	8,400.39
	Changes in Inventories of finished goods, work-in-progress and stock in trade	27	-197.47	-681.50
	Cost of materials Goods Traded	28	-	147.97
	Employee benefit expense	29	1,412.74	1,237.20
	Finance costs	30	631.31	512.94
	Depreciation and amortisation expense	31	911.80	866.78
	Other expenses	32	5,265.42	4,446.65
	Total Expenses (IV)		16,711.82	14,930.43
V	Profit before exceptional items and Tax (III-IV)		279.10	805.19
VI	Exceptional items - Income/(Expenses)	33	-	-
VII	Profit before Tax (V-VI)		279.10	805.19
VIII	Tax Expense:			
	1) Current tax		207.39	197.13
	2) Tax for earlier Years		-84.84	-
	3) Deferred tax		94.81	52.71
	Total Tax expenses		217.36	249.84
IX	Profit for the year (VII-VIII)		61.74	555.35
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Re-measurement of the defined benefit plan		-39.01	26.09
	b) Equity instruments through other comprehensive income			
			-39.01	26.09
	ii) Income tax relating to items that will not be re-classified 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))		-39.01	26.09
XI	Total Comprehensive Income (IX+X)		22.73	581.43
XII	Earnings Per Equity Share (Nominal value per share ₹ 10/-)			
	(a) Basic	38	0.23	6.25
	(b) Diluted		0.23	6.25

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

Sathyanarayana Mundra
Whole Time Director
DIN: 00214349

P. Chandrasekaran
Partner
Membership No.: 026037

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Raj Kishore Prasad
Chief Financial Officer

Place: Bengaluru
Date: 29-05-2025

Consolidated Cash Flow Statement

For the year ended 31st March, 2025

₹ In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
Profit before tax	279.10	805.19
Adjustments for:		
Adjustments for depreciation and amortisation expense	911.80	866.78
Adjustments for finance costs	631.31	512.94
Profit on sale of Fixed Assets (net)	-	-
Interest Income	-14.55	-91.83
Bad Debts	76.15	29.80
ESOP	29.31	11.12
Profit on sale of investments	-	-
Remeasurement (losses)/gains in Lease rent	-	-
Re-measurement of the defined benefit plan	-39.01	26.09
Unrealised exchange (gain)/loss		
	1,595.00	1,354.89
Operating profit before working capital changes	-	1,874.10
Changes in working capital		
Adjustments for increase/(decrease) in		
Adjustments for decrease (increase) in trade receivables, current	-853.32	-263.82
Adjustments for decrease (increase) in inventories	-642.15	-1,018.68
Adjustments for other bank balances	648.99	-564.08
Adjustments for decrease (increase) in other current assets	31.85	-331.68
Adjustments for decrease (increase) in other non-current assets	5.05	-6.22
Adjustments for other financial assets, non-current	-0.26	-60.35
Adjustments for increase (decrease) in trade payables, current	808.86	299.16
Adjustments for increase (decrease) in other current liabilities	176.02	-120.59
Adjustments for increase (decrease) in other non-current liabilities	-	-
Adjustments for provisions, current	-50.92	-71.03
Adjustments for provisions, non-current	137.22	-15.01
Adjustments for other financial liabilities, current	747.16	-646.00
Adjustments for other financial liabilities, non-current		-
	1,008.49	-2,798.32
Cash generated from operations	2,882.59	-638.24
Income taxes paid (refund)	207.39	197.13
Net cash generated from operating activities	2,675.21	-835.38
B. Cash flow from investing activities		
Purchase of property, plant and equipment	-4,463.02	-7,162.84
Movements in Intangible Assets	-	63.48
Movement in Right Use of Assets		21.92
Proceeds from sales of property, plant and equipment		-
Proceeds from sales of investment	-	-
Changes in Financial assets- Advance paid	-	-
Investment made	-	-273.00
Interest received	14.55	91.83
Dividends received		
	-4,448.47	-7,258.61
Net cash used in investing activities	-4,448.47	-7,258.61
C. Cash flow from Financing activities		
Proceeds from issue of Shares including premium	2,783.65	7,556.23
Proceeds from borrowings	-518.88	1,246.13
Repayments of borrowings	-	-
Interest paid	-631.31	-512.94
Proceeds from changes in ownership interests in subsidiaries		-
Dividends paid	-	-92.98
Payments of finance lease liabilities	-16.78	-24.75
	1,616.67	8,171.69
Net cash used in financing activities	1,616.67	8,171.69
Net (decrease)/increase in cash and cash equivalents (A+B+C)	-156.59	77.71
Reconciliation		
Cash and cash equivalents as at beginning of the year	225.48	147.77
Cash and cash equivalents as at end of the year	68.89	225.48
Net increase/(decrease) in cash and cash equivalents	-156.59	77.71

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyanarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer

Consolidated Segment Wise Revenue, Results & Capital Employed

₹ In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Segment Revenue		
(a) Capsules	16,793.82	15,380.63
(b) API	126.73	162.08
(c) Unallocated	-	-
Total	16,920.55	15,542.70
Less: Inter Segment Revenue	-	-
Income from Operations	16,920.55	15,542.70
2. Segment Results, Profit(+)/Loss (-) before tax and interest from each segment		
(a) Capsules	1,149.99	1,323.37
(b) API	-239.59	-16.62
(c) Unallocated	-	-
Total	910.41	1,306.75
Less: (i) Interest	631.31	501.56
(ii) Other Un-allocable Expenditure	-	-
(iii) Un-allocable Income	-	-
Total Profit Before Tax	279.10	805.19
3. Segment Assets		
(a) Capsules	18,989.89	18,887.22
(b) API	22,945.26	18,765.30
(c) Unallocated	-	-
(d) Others	-	-
Total	41,935.15	37,652.52
4. Segment Liabilities		
(a) Capsules	4,623.71	3,728.46
(b) API	1,214.75	144.17
(c) Unallocated	-	-
(d) Others	-	-
Total	5,838.46	3,872.63
5. Capital Employed (Segment Assets-Segment Liabilities)		
(a) Capsules	14,366.18	15,158.76
(b) API	21,730.51	18,621.13
(c) Unallocated	-	-
(d) Others	-	-
Total	36,096.69	33,779.89

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

Sathyannarayana Mundra
Whole Time Director
DIN: 00214349

P. Chandrasekaran
Partner
Membership No.: 026037

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Raj Kishore Prasad
Chief Financial Officer

Place: Bengaluru
Date: 29-05-2025

Statement of Changes in Equity Share Capital and Other Equity

For the year ended 31st March, 2025

EQUITY SHARE CAPITAL

As on 31st March 2025

Balances at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
933.18	100.94	1,034.12

As on 31st March 2024

Balances at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
927.55	5.62	933.18

OTHER EQUITY

Particulars	Share application money pending allotment	Equity component of financial instruments	Capital Reserve	Reserves and Surplus	Others - General Reserve	Retained earnings	Share based payment Reserve Account	Compulsorily Convertible Preference Shares	Effective portion of cashflow hedges	Revaluation surplus	Exchange rate differences on translating the financial statements of a foreign operation	Instruments through other Comprehensive income	Equity items of other comprehensive income - Actuarial Gain/ Loss	Money received against share warrant	Total
Current Reporting Period															
Balance at March 31, 2024	-	-	146.40	6,609.42	183.80	7,809.82	11.12	4,666.67	-	-	-	-	19.60	-	19,446.83
Profit for the year						61.74									61.74
Additions during the year			6.42	2,676.29			29.31						-39.01		2,673.01
Total comprehensive Income/Expenses for the current year															-
Transferred to Retained earnings															-
Transfer to minority interest						77.92									77.92
Payment of Dividend															-
Balance at March 31, 2025	-	-	152.82	9,285.71	183.80	7,949.48	40.42	4,666.67	-	-	-	-	-19.41	-	22,259.50
Balance at March 31, 2023	-	-	146.40	3,725.48	183.80	7,345.86	-	-	-	-	-	-	-6.48	-	11,395.06
Profit for the year													26.09		26.09
Additions during the year			-	2,883.94	-	555.35	11.12	4,666.67							8,117.07
Total comprehensive Income/Expenses for the current year															-
Transferred to Retained earnings															-

OTHER EQUITY (Contd.)

Particulars	Share application money pending allotment	Equity component of component financial instruments	Capital Reserve	Securities Premium	Others - General Reserve	Retained earnings	Share based payment Reserve Account	Compulsorily Convertible Preference Shares	Effective portion of cashflow hedges	Revaluation surplus	Exchange rate differences on translating the financial statements of a foreign operation	Instruments through other Comprehensive income	Items of other comprehensive income - Actuarial Gain/ Loss	Money received against share warrant	Total
Transfer to minority interest						1.59									1.59
Payment of Dividend						-92.98									-92.98
Balance at March 31, 2024	-	-	146.40	6,609.42	183.80	7,809.82	11.12	4,666.67	-	-	-	-	19.60	-	19,446.83

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

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

P. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L. Munda
Managing Director
DIN: 00214304

Sathyannarayana Munda
Whole Time Director
DIN: 00214349

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Raj Kishore Prasad
Chief Financial Officer

Notes to the Consolidated Financial Statements

2.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Consolidated Financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The Consolidated Financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The Consolidated Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities financial statements.

The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the financial statements.

Non-controlling interests in the net assets of subsidiaries is identified and presented in the Balance Sheet separately within equity.

Non-controlling interests in the net assets of subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

(b) Basis of measurement

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

(c) Basis of Consolidation

The consolidated financial statements Comprise of the financial statements of Natural Capsules Limited ("the Company") and its subsidiaries Natural Biogenex Pvt Ltd and Natural Phyto Pharma Pvt Ltd are incorporated in India and the Company's ownership interest and voting power is 69.23% and 100% respectively as at the balance sheet date. The Consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and unrealized profit or losses.

These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Company of its investment over the Company's portion of equity as at the date of investment is treated as Goodwill on consolidation. The financial statements of the subsidiaries companies which are included in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2025. The financial statements of the subsidiaries included in consolidation are audited.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.2 USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates. Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.3 SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition:

• Revenue from sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

• Income from export incentives

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis.

• Income from services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discount, volume rebates and GST. Revenue is recognized when it is probable that the associated economic benefits will flow to the Company and the revenue can be measured reliably. Revenue can be recognized by following the five step model as under:

- i. **Identification of contract with a customer** - There must be a contract having commercial substance which creates enforceable rights and obligations between parties to contract and it is probable that economic benefits associated with the transaction will flow to the entity.
- ii. **Identification of performance obligations** - There must be a promise in the contract to transfer either goods or services or a bundle of goods or services, that is distinct or a series of distinct goods or services that are

substantially the same and have a pattern of transfer to the customer. Timing of revenue recognition is based on satisfaction of performance obligation rather than the contract as a whole.

- iii. **Determination of Transaction price** - It is the amount of consideration to which an entity expects to be entitled in exchange for transferring of goods and services.
- iv. **Allocation of transaction price to performance obligation** - To each performance obligation (for distinct goods or service) in proportion to its stand-alone selling price.
- v. **Revenue recognition upon satisfaction of performance obligation** - Revenue may be recognised either at a point in time (when the customer obtains control over the promised goods or service) or over a period of time (as the customer obtains control over the promised goods or service).

• Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding applying effective interest rate.

• Dividend Income and Interest Income:

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from Export Incentives

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.

A Rental income from investment property is recognized as part of other income in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Rental income from sub leasing is also recognized in a similar manner and included under other income.

Other items of income are recognized as and when the right to receive arises. Interest income is recognized using the effective interest rate (EIR) method.

(b) Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards

of ownership to the lessee. All other leases are classified as operating leases.

• The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

• The Group as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/(losses).

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

• Functional Currency

The consolidated financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Holding Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

(d) Employee benefits

Retirement benefit costs and termination benefits

Employee benefits include provident fund, employee state insurance scheme, pension, gratuity, superannuation and compensated absences. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the Return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are Categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employee's upto the reporting date.

(e) Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(f) Property, Plant and equipment:

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under

Schedule II to the Companies Act, 2013 with the exception of the following:

- Plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management.
- Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(h) Intangible assets:

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Design	-	10 years
Know-how	-	10 years
Computer software	-	3 years

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite-life intangibles mainly consist of brands/trademarks. The assessment of indefinite life is reviewed annually to

determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for business combinations. These assets are not amortised but are tested for impairment annually.

(i) inventories:

Inventories are valued at the lower of cost and net realizable value. Cost is computed on a weighted average basis. Cost of finished goods and work- in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The financial obligation towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

(k) Dividends

Dividends 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. Such dividends are disclosed in the notes to the financial statements.

(l) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares,

other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(m) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting.

- Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "Other un allocable corporate expenditure".
- Income that relates to the Company as a whole and not allocable to segments is included in "Unallocable income".
- Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(n) Operating cycle

Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as one year. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

(o) Cash Flow Statement

Cash flow Statement is prepared under the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of

past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

(p) Cash and Cash equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

(q) Assets held for sale:

Non-current assets or disposal Company's comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded Within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal Company's classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

(a) Financial instruments: Financial assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition Value of the financial asset.

Financial assets are subsequently classified as measured at:

- Amortised cost.
- Fair value through profit and loss (FVTPL).
- Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for Managing financial assets.

Capital Work in Progress:

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Capital advances given towards purchase/acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-Current Assets.

Trade Receivables and loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of Financial instrument.

Debt instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow.

Characteristics of the financial asset.

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any

The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

- (a) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.
- (b) **Measured at fair value through profit or loss:** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as 'other income' in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the

investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial asset:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(g) Expenditure

Expenses are accounted on accrual basis.

(l) Impairment of Non-Financial Assets:

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose

of assessing impairment, the smallest identifiable Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or Company's assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment Loss as an expense in the Statement of Profit and Loss. The impairment loss is allocated first to reduce the carrying amount of any goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, basis the assessment a reversal of an impairment loss for an asset other than goodwill is recognised in the Statement of Profit and Loss account.

(r) Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

(s) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Long term investments.

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognize a decline other than of a temporary nature. Current investments are stated at lower of cost or fair value.

Profit/loss on sale of investments are recognized with reference to the cost of the investment.

(t) Investments in Subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

(u) Accounting For Interests in Associates, Joint Venture And Joint Arrangements

An associate is an entity over which the Company has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties Sharing control. Investments in Joint ventures are accounted at cost less provision for impairment.

(v) Events After Reporting Date

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

(w) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share.

However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

(x) Research and development:

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. An internally-generated intangible asset arising from development is recognised if and only if all of the following have been demonstrated:

- Development costs can be measured reliably;
- The product or process is technically and commercially feasible;
- Future economic benefits are probable; and the Company intends to and has sufficient resources;
- Ability to complete development and to use or sell the asset.

The expenditure to be capitalized includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

The consideration for acquisition of intangible asset which is based on reaching specific milestone that are dependent on the Company's future activity is recognised only when the activity requiring the payment is performed. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All other expenditures are recognised in the statement of profit and loss as incurred.

Amortization is recognised on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life and amortization method are reviewed at the end of each reporting period.

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

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Freehold land	82.65	82.65
lease Hold Land	351.80	351.80
Building	8,721.11	1,976.08
Building- Others	52.04	54.06
Plant and Equipment	18,762.79	7,450.93
Computers	103.24	82.39
Furniture and Fixtures	139.20	203.51
Vehicles	17.19	19.67
Office Equipment	3.16	3.36
Right-of-use assets	129.79	4.49
Total	28,362.98	10,228.95
Capital work-in-progress	0.00	14,380.99
	28,362.98	24,609.94

Particulars	Freehold land	Lease Hold Land	Building	Building - Others	Plant and Equipment	Computers	Furniture and fixtures	Vehicles	Office Equipment	Right-of- use assets	Total
Cost											
Balance at March 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
Additions/Modifications	-	-	360.41	-	828.41	83.07	194.99	-	-	-	1,466.88
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2024	82.65	351.80	2,758.28	60.62	12,286.08	206.23	237.97	52.45	15.70	157.67	16,209.45
Additions/Modifications	-	-	6,834.70	-	12,008.22	55.37	-	-	0.54	154.30	19,053.12
Disposals	-	-	-	-	-	-	54.81	-	-	-	54.81
Balance at March 2025	82.65	351.80	9,592.98	60.62	24,294.30	261.60	183.16	52.45	16.24	311.96	35,207.76

Particulars	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											-
Balance at March 2023	-	-	703.19	4.54	4,155.28	111.02	30.04	30.29	11.59	131.26	5,177.20
Depreciation expenses	-	-	79.02	2.02	679.87	12.82	4.42	2.49	0.76	21.92	803.30
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2024	-	-	782.20	6.56	4,835.15	123.84	34.46	32.78	12.34	153.17	5,980.50
Depreciation expenses	-	-	89.66	2.02	696.36	34.52	9.49	2.49	0.73	29.00	864.27
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at March 2025	-	-	871.87	8.58	5,531.51	158.36	43.95	35.26	13.08	182.17	6,844.78
Carrying amount as on Mar 31, 2024	82.65	351.80	1,976.08	54.06	7,450.93	82.39	203.51	19.67	3.36	4.49	10,228.95
Carrying amount as on Mar 31, 2025	82.65	351.80	8,721.11	52.06	18,762.79	103.24	139.20	17.19	3.16	129.79	28,362.98

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 Knowledge & Patent
Cost or Deemed cost	
Balance at March 31, 2023	192.93
Additions	-
Disposals	-
Balance at March 31, 2024	192.93
Additions	-
Disposals	-
Balance at March 31, 2025	192.93

Intangible Assets

Particulars	Technical Knowledge & Patent
Accumulated depreciation and impairment	
Balance at March 31, 2023	81.92
Disposals	-
Depreciation expenses	63.48
Balance at March 31, 2024	145.41
Disposals	-
Depreciation expenses	47.53
Balance at March 31, 2025	192.94
Carrying amount as on March 31, 2024	47.53
Carrying amount as on March 31, 2025	-0.00

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 - 31st March 2025

Capital Work In Progress	Amt. in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Capital-WIP - 31st March 2024

Capital Work In Progress	Amt. in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,548.21	6,932.75	1,550.75	349.28	14,380.99
Projects temporarily suspended	-	-	-	-	-

NOTE 3: INTANGIBLE ASSETS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amounts of:		
Balance at the beginning of the year - Software and licenses	192.93	192.93
Additions - Patent & RD		
Balance at end of the year	192.93	192.93

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Accumulated depreciation and impairment		
Balance at the beginning of the year	145.41	81.92
Depreciation expenses	47.53	63.48
Balance at end of the year	192.93	145.41
Carrying amount at the end of year	0.00	47.53

NOTE 4: INVESTMENTS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
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 9,999 @ ₹ 10 Per Share)		
Investment in equity shares of M/s.Natural Biogenex Private Limited (Fully Paid Equity Shares 2,00,00,000@ ₹ 10 Per Share)		
Other Investments		
Investment in O2 Renewable Energy VIII Pvt Ltd Fully Paid Equity Shares (170,455 having face value ₹ 10 Per Share) Partly Paid Equity Shares (1,160,249 having face value of ₹ 10 Per Share)	273.00	273.00
Advance paid for Investment in Naari Pharma Private Limited		
Less: Diminution in value of investments		
Total aggregate of un-quoted Investments		
Aggregate book value of unquoted investments		
Aggregate market value of quoted investments		
Aggregate amount of impairment in value of the investments	273.00	273.00

NOTE 5: OTHER FINANCIAL ASSETS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortized Cost		
a) Security Deposit (Unsecured considered good)	262.36	247.55
b) Prepaid Rent deposit	-	-
c) Term Deposit	-	-
d) Dividend from Associate/Subsidiary	-	-
Less: Provision for Doubtful advances	-	-

NOTE 5: OTHER FINANCIAL ASSETS - NON CURRENT (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
e) Interest Receivable On Deposits	-	-
Secured, Considered good	-	-
Unsecured, Considered good	73.92	88.47
Doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
f) Other receivable	-	-
Total	336.28	336.02

NOTE 6: OTHER ASSETS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Security Deposit	-	-
a) Capital Advances	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
b) Advances other than Capital Advances	-	-
i) Security Deposits	-	-
ii) Advances to Related parties - Subsidiary	-	-
c) Export incentive receivable	4.16	9.21
Total	4.16	9.21

NOTE 7: INVENTORIES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lower of Cost or Net realisable value		
a) Raw Materials	966.33	553.62
b) Work-in-Process	46.03	367.67
c) Finished goods	1,494.16	975.05
d) Stock in trade (acquired for trading)	-	-
e) Stores and spares	39.20	7.23
f) Branch Stock	-	-
Less: Provision for Stock Reserve	-	-
Total	2,545.72	1,903.56

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 29 and 30 as purchases of stock in trade in statement of P&L.
- 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 8: TRADE RECEIVABLES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Secured, Considered good	-	-
Unsecured, Considered good	6,867.66	6,108.45
Doubtful	-	-
Allowance for doubtful debts (Expected Credit Loss)	-643.55	-661.50
	6,224.11	5,446.95
Current	6,224.11	5,446.95
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, 2025

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,638.93	-	-	-	-	5,638.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	431.87	237.22	80.39	479.25	1,228.73
(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						-
Total	5,638.93	431.87	237.22	80.39	479.25	6,867.66

As at March 31, 2024

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,067.46	-	-	-	-	5,067.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	379.49	167.34	42.91	451.26	1,040.99
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables – considered good						-

As at March 31, 2024 (Contd.)

₹ In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-
Total	5,067.46	379.49	167.34	42.91	451.26	6,108.45

NOTE 9: CASH AND CASH EQUIVALENTS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with banks		
(i) In Current account	15.98	193.81
(ii) In Deposit account with original maturity less than 3 Months	-	-
(iii) In EEFC account	50.25	0.69
(iv) In Escrow account	2.60	30.23
b) Cash on hand	0.06	0.76
c) Cheques, drafts on hand		
Total	68.89	225.48

NOTE 10: OTHER BANK BALANCES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Deposit Accounts	453.56	1,100.63
b) Earmarked Balances with banks	-	-
(i) In unpaid Dividend account	5.94	7.86
(ii) In margin money accounts for Bank Guarantee issued	0.02	0.02
Total	459.53	1,108.51

NOTE 11: OTHER CURRENT ASSETS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Advances	598.58	1,243.67
b) Advance to Related parties	-	-0.00
c) Advances to Employees	-	-
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	34.63	15.16
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
d) Export incentive receivable	-	-
e) Balance with Customs and Central excise/GST authorities	2,430.87	1,914.50

NOTE 11: OTHER CURRENT ASSETS (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
f) Advance to suppliers	-	-
(i) Secured, Considered good	-	-
(ii) Unsecured and Considered good	406.75	416.59
(iii) Considered doubtful	-	-
Less: Allowance for doubtful debts (Expected Credit Loss)	-	-
g) Prepaid Expenses	52.69	24.83
h) Preliminary Expenses	46.19	46.62
i) Other Advances	61.47	9.15
j) Unamortised Expenses on Bank borrowings	9.70	18.93
Less: Provision for Doubtful advances	-	-
k) Gratuity	19.60	2.87
Total	3,660.48	3,692.32

NOTE 12: EQUITY SHARE CAPITAL

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
AUTHORISED		
Equity Shares:		
1,50,00,000 (1,50,00,000) Equity shares of ₹ 10 each	1,500.00	1,500.00
ISSUED & SUBSCRIBED		
1,03,54,467 (93,49,050) Equity Shares of ₹ 10/- each	1,035.45	934.91
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,03,41,154 (93,21,578) Equity Shares of ₹ 10/- each	1,034.12	932.16
ISSUED, SUBSCRIBED AND PARTLY PAID UP		
(13,273 Equity Shares of ₹ 10/- each partly paid up - ₹ 5 each & 14,199 Equity Shares of ₹ 10 Each party paid up- ₹ 2.50 each - Rights issue)	-	1.02
Total	1,034.12	933.18

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

Reconciliation	2024-2025		2023-2024	
	No. of shares	₹ In lakhs	No. of shares	₹ In lakhs
a) Equity Shares of ₹ 10 each fully paid up				
At the beginning of the period	9,349,050	933.18	9,349,050	927.55
Add: Issued during the period	1,005,417	101.17	-	5.62
Less: Forfeited during the year	13,313	0.23		
At the end of the period	10,341,154	1,034.12	9,349,050	933.18

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

Reconciliation	2024-2025		2023-2024	
	No. of shares	%	No. of shares	%
Tajos Investments Pvt. Ltd.	1,253,500	12.20%	1,253,500	13.41%
Nandhi Synthetics Pvt. Ltd.	919,354	8.89%	919,354	9.83%
Sunil L Mundra	589,004	5.77%	589,004	6.30%
Sushil Kumar Mundra	509,012	4.92%	509,012	5.44%

12.3 Shares held by Promoters as at the end of the year:

Sr. No.	Promoter Name	As on 31.03.2025			As on 31.03.2024		
		No of shares	% of total	% change during the year	No of shares	% of total	% change during the year
1	Sunil Laxminaryan Mundra	589,004	5.77%	-0.53%	589,004	6.30%	0.00%
2	Sushil Kumar Mundra	509,012	4.92%	-0.52%	509,012	5.44%	0.00%
3	Indra Mundra	391,800	3.79%	-0.40%	391,800	4.19%	0.00%
4	Jyoti Mundra	306,694	2.97%	-0.31%	306,694	3.28%	0.00%
5	Sharada Mundra	265,036	2.56%	-0.27%	265,036	2.83%	0.00%
6	Laxminarayan Moondra	240,441	2.33%	-0.24%	240,441	2.57%	0.00%
7	Radha S Mundra	239,400	2.32%	-0.24%	239,400	2.56%	0.00%
8	Satyanarayan Mundra	184,882	1.79%	-0.19%	184,882	1.98%	0.00%
9	Madhav Mundra	165,155	1.60%	-0.17%	165,155	1.77%	0.00%
10	Shrey Mundra	165,150	1.60%	-0.17%	165,150	1.77%	0.00%
11	Jyotsna Daga	37,789	0.37%	-0.03%	37,789	0.40%	0.00%
12	Nidhi Sethia	18,484	0.18%	-0.02%	18,484	0.20%	0.00%

12.4 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 issued 92500 equity shares under ESOP (Employee Stock Option).

NOTE 13: OTHER EQUITY

Particulars	₹ In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Capital Reserve	152.82	146.40
Securities Premium Account:	9,285.71	6,609.42
General Reserve	183.80	183.80
CCPS	4,666.67	4,666.67
Share based payment Reserve Account	40.42	11.12
Effective interest rate		
Deferred tax adjustment		
Reserve for equity instruments through other comprehensive income		
Actuarial movement through other comprehensive income (net of tax)	-19.41	19.60
Retained earnings (surplus in profit or loss account)	7,949.48	7,809.82
Total	22,259.50	19,446.83

Note:

- i) **Capital reserve:** on account of forfeiture of amount paid on convertible shares warrants allotted to non promoters share holders.
- ii) **Securities Premium reserve:** The amount received in excess of Face value of the equity shares is recognised as securities premium reserve.
- iii) **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.
- iv) **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 Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Capital Reserve		
Opening balance	146.40	146.40
Add: Additions	6.42	
Closing Balance	152.82	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	6,609.42	3,725.48
Add: Additions	2,676.29	2,883.94
Closing Balance	9,285.71	6,609.42
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	19.60	-6.48
Additions/(Deletions)	-39.01	26.09
Closing Balance	-19.41	19.60
e) Share based payment Reserve Account		
Opening balance	11.12	-
Additions/(Deletions)	29.31	11.12
Closing Balance	40.42	11.12
f) Retained Earnings		
Opening balance	7,809.82	7,345.86
Profit/(Loss) for the year	61.74	555.35
Restatment of right of use of Assets		
Less: Transfer to Capital Redemption Reserve		
Less: Dividend on Equity Shares		-92.98
Less: Transfer to Minority Interest	77.92	1.59
Less: Transfer to Reserves		
Less: IND AS Adjustment		
Closing Balance	7,949.48	7,809.82
g) Compulsorily Convertible Preference Shares		
Opening balance	4,666.67	-
Additions/(Deletions)	-	4,666.67
Closing Balance	4,666.67	4,666.67
Total Other Equity	22,259.50	19,446.83

NOTE 14: NON-CURRENT BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured - at amortised cost		
i) Bonds/Debentures		
ii) Term Loans from Banks	6,592.10	6,832.34
iii) Term Loans from others	93.90	1,065.10
less: Current Maturities of Long Term Debt	-1,045.88	-1,104.13
Grand Total	5,640.13	6,793.31

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 ₹ 16,40,000 and 60 Instalments of ₹ 33,44,000.

HDFC Bank: The Loan is payable in 96 equal instalments of ₹ 25,00,000/-.

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

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 Kumar Mundra.

NOTE 15: LEASE LIABILITIES - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Rent Payable	102.39	1.33

NOTE 16: PROVISIONS - NON CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
i) Provision for Employee Benefits		
a) Compensated absences (Earned Leave)	-	
b) Provision for gratuity	52.38	-
Total	52.38	-

NOTE 17: DEFERRED TAX BALANCES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	-	-
Deferred tax liabilities	424.89	330.07
Total	424.89	330.07

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax (Liabilities)/Asset in relation to		
Property, Plant and equipment	-588.56	-537.08
Provision compensated absences and others	29.29	18.23
Provision for bad & doubtful debts	140.42	184.60
Others	-6.03	4.17
Total	-424.89	-330.07
Tax losses		
Net Deferred tax Assets/(Liability)	-424.89	-330.07

NOTE 18: SHORT TERM BORROWINGS

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
i) Loan repayable on demand from Bank		
Secured Loan		
a) from Banks	3,694.59	3,002.03
ii) Current maturities of long-term debt	1,045.88	1,104.13
iii) Short Term Borrowings from Directors	-	-
Total	4,740.47	4,106.16

- 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 19: TRADE PAYABLES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
Dues of Micro Enterprises and Small Enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	3,631.12	2,829.07
Employee related	219.59	212.78
Disputed Dues of Micro Enterprises and Small Enterprises	-	-
Disputed Dues of creditors other than micro enterprises and small enterprises	-	-
Total	3,850.70	3,041.84

NOTE 19: TRADE PAYABLES (Contd.)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) MSME	-	-	-	-	-
(ii) Others	3,659.45	97.40	67.53	26.32	3,850.70
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2025	3,659.45	97.40	67.53	26.32	3,850.70

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) MSME	-	-	-	-	-
(ii) Others	2,923.60	98.26	12.53	7.45	3,041.84
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2024	2,923.60	98.26	12.53	7.45	3,041.84

The Company has amounts due to Micro and Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2024. The details in respect of such dues are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount	-	-
Interest	-	-
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	-	-
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 20: OTHER FINANCIAL LIABILITIES - CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
At Amortised Cost		
a) Current maturities of long-term debt	-	-
b) Interest accrued but not due on borrowings	-	-
c) Unclaimed dividends	5.94	7.86
d) Interest payable on MSME	-	-

NOTE 20: OTHER FINANCIAL LIABILITIES - CURRENT (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
e) Financial guarantee liability	-	-
f) Other Liabilities	-	-
Payable for capital Goods Purchased	767.40	-
Other liabilities	3.03	21.36
Total	776.38	29.22

NOTE 21: PROVISIONS -CURRENT

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Compensated absences (Earned Leave)	23.61	18.39
b) Provision for gratuity	13.85	-
c) Provision for Income Tax [net of TDS and Advance Tax]	-	-
Total	37.46	18.39

NOTE 22: OTHER CURRENT LIABILITIES

₹ In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
a) Statutory remittances (Contributions to PF, ESIC, TDS, GST, VAT, Service tax etc.)	124.39	71.72
b) Advances and Deposits from Customers/others	106.88	130.47
c) Related to expenses	269.61	122.68
Total	500.89	324.87

NOTE 23: CURRENT TAX LIABILITIES (NET)

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current Taxation (Net of advance payments)	56.92	126.91

NOTE 24: REVENUE FROM OPERATIONS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Sale of Products	16,415.12	15,128.97
(b) Other operating revenues	505.44	413.04
Total	16,920.55	15,542.00

NOTE 25: OTHER INCOME

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Interest income	-	-
On Bank Deposits at amortised cost	14.55	91.83
On other deposits	-	-

NOTE 25: OTHER INCOME (Contd.)

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(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 remeasurement	-	-
Profit on sale of Assets	-	-
Miscellaneous income	55.81	101.79
	70.36	193.62

NOTE 26: COST OF MATERIAL CONSUMED

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the beginning of the year	553.62	206.28
Purchases during the year	9,100.73	8,747.72
Inventories at the end of the year	966.33	553.62
Total	8,688.02	8,400.39

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Stock:		
Finished goods		
Capsules	975.05	517.81
Work in progress		
Capsules	367.67	143.41
	1,342.72	661.22
Closing Stock:		
Finished goods		
Capsules	1,494.16	975.05
Work in progress		
Capsules	46.03	367.67
	1,540.19	1,342.72
Decrease/(Increase) in stocks	-197.47	-681.50
Net change (Increase)/Decrease	-197.47	-681.50

NOTE 28: COST OF TRADED RAW MATERIALS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cost of raw materials sold	-	147.97

NOTE 29: EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Salaries, Wages and Bonus	1,190.55	1,025.18
(b) Contribution to Provident and other Funds	36.33	35.60
(c) Director Remuneration	145.35	136.95
(d) Workmen and Staff welfare expenses	40.51	39.47
Total	1,412.74	1,237.20

NOTE 30: FINANCE COST

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(i) Interest costs		
(a) Bank Loans and others	433.94	432.37
(b) Government Loans	-	-
(ii) Other borrowing costs - on Lease	14.33	1.96
(iii) Other Interest and Finance charges	183.03	78.60
Total	631.31	512.94

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation/amortisation on		
a) Property, Plant and Equipment	835.28	781.38
b) Intangible Assets	47.53	63.48
c) Right of use Asset - (Lease)	29.00	21.92
Total	911.80	866.78

NOTE 32: OTHER EXPENSES

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spare parts	352.03	368.71
Power and Fuel	1,583.44	1,518.95
Rent	-	-
Repairs and Maintenance -Buildings	53.91	75.94
Repairs and Maintenance-Machinery	227.88	161.49
Repairs and Maintenance -Others	85.05	78.99
Bad Debts	52.09	6.20
Insurance	29.87	21.50
Exchange Rate Difference	-11.91	-112.65
Rates and Taxes	15.27	40.64
Freight & Clearing Expenses	1,329.17	818.44
Directors Sitting fees	11.85	7.35

NOTE 32: OTHER EXPENSES (Contd.)

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Auditor's Remuneration	10.50	10.50
Travelling Expenses - Foreign	38.09	38.46
Travelling and Conveyance	156.98	133.41
Professional Fees	115.36	142.76
Commission	50.82	42.67
Provision for Doubt full Debts	24.06	23.59
Sundry Provisions - Write Back	-	-50.00
NSE Listing Fee	11.75	-
CSR expenditure	39.76	44.05
Security Charges	31.91	28.37
Contract Labour Charges	666.24	575.52
Postage and Courier	20.09	20.90
Communication Expenses	11.56	8.94
Business Promotion Expenses	66.41	56.26
Research & Development Expenditure - Revenue in Nature	159.91	207.96
Bank Charges	22.39	14.09
Printing and Stationery	32.45	27.60
Miscellaneous Expenses	54.33	49.30
Discount & Rebate	24.17	86.69
Commission to Directors	-	-
Total	5,265.42	4,446.65

NOTE 33: EXCEPTIONAL ITEMS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Exceptional items of (Debit)		
Prior Period expenses	-	-
Exceptional items of (Credit)		
Profit on sale of Investments	-	-
Exceptional items (Net)	-	-

NOTE 34: PAYMENT TO AUDITORS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Audit Fees	10.50	10.50
b) Fees for other services	0.50	0.50
Total	11.00	11.00

NOTE 35: RESEARCH AND DEVELOPMENT EXPENDITURE INCLUDED IN THE STATEMENT OF PROFIT AND LOSS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	130.75	132.42
Contribution to provident and other funds	3.47	3.75
Consumption of materials, Stores and spare parts	5.00	49.38
Lab Expenses	15.98	14.88
Power and Fuel	1.17	4.15
Rent	3.54	3.38
Repairs and maintenance		
Total	159.91	207.96

NOTE 36: 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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Not later than one year	36.46	6.81
Later than one year and not later than five years	141.81	-
Later than five years	-	-
Total	178.27	6.81

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 1, 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 37: INCOME TAXES RELATING TO CONTINUING OPERATIONS

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
for Current year	207.39	197.13
for Previous years	-84.84	-
Deferred tax		
for Current year	94.81	52.71
Total	217.36	249.84

Reconciliation of current tax Expense

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit or loss before tax	279.10	805.19
Income tax rate (%) applicable to the company [#]	25.17%	25.17%
Income tax calculated at income tax rate	70.24	202.65
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Effect of expense that are not deductible	207.02	69.69
Effect of on account Depreciation	-21.46	-67.79
Effect of interest payable on short fall in Advance tax	-48.42	-7.41
Income tax expense recognised in statement of Profit and Loss	207.39	197.13

[#] 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 38: EARNINGS PER SHARE

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Basic Earnings per share	0.23	6.25
Diluted Earnings per share	0.23	6.25

38.1 Basic Earnings per share

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit after Taxation	22.73	581.43
Earnings used in the calculation of basic earnings per share	22.73	581.43
Equivalent Number of equity shares of 10 each outstanding at the beginning of the year after considering the party paid shares	93.32	92.76
Equivalent Number of equity shares of 10 each outstanding at the end of the year after considering the party paid shares	103.41	93.32
Average number of Equity Shares	98.36	93.04

38.2 Diluted Earnings per share

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Earnings used in the calculation of basic earnings per share	22.73	581.43
Adjustments (if any)	-	-
Earnings used in the calculation of diluted earnings per share	22.73	581.43

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

₹ In Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Average number of equity shares used in calculation of basic earnings per share	98.36	93.04
Shares deemed to be issued for no consideration	-	-
Average number of equity shares used in calculation of diluted earnings per share	98.36	93.04

* For the calculation of EPS, average number of equity shares have been considered as at the year ended.

NOTE 39: 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 Lakhs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount required to be spent by the Company during the year	37.01	36.25
Amount of expenditure incurred on:		
Construction/acquisition of any asset		
On purpose other than above	36.68	33.62
Shortfall at the end of the year	0.33	2.63
Amount Transferred to unspent CSR account	-	-
Amount to be Transferred to specified fund Account	0.33	2.63

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 Mundra - 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
Relative of Key Managerial Personnel	Mr. Shrey 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 M/s. MM Shankala

Details of Transactions With

Particulars		₹ In Lakhs	
		2024-25	2023-24
Key Management Personnel			
Mr. Sunil Laxminarayana Mundra - Managing Director	Salary Paid	58.20	54.65
Mr. Laxminarayana Mundra - Whole Time Director	Salary Paid	39.20	38.68
Mr. Sathyanarayana Mundra - Whole Time Director	Salary Paid	47.95	44.95
Mr. Raj Kishore Prasad - Chief Financial Officer	Salary Paid	14.82	14.35
Mrs. Shilpa Burman - Company Secretary	Salary Paid	7.03	6.81

Details of Transactions With (Contd.)

Particulars		₹ In Lakhs	
		2024-25	2023-24
Other Related Parties			
Mr. Sushil Kumar Mundra - Director	Sitting Fees Paid	0.75	0.90
Mrs. Jyothi Mundra - Director	Sitting Fees Paid	1.05	0.90
Relative Of Key Managerial Personnel			
Mr. Shrey Mundra - General Manager (Relative Of Managing Director)	Salary Paid	22.64	19.80
Enterprise In Which Directors Having Significant Control			
M/S. Sonia Organics	Lease rent recd	4.67	4.67
	Job work charges		8.46
M/S. Mundra Enterprises	Purchase of RM	0.12	21.79
M/S. Mm Shankala	Purchase of Equipment	66.38	4.16
Subsidiary Companies			
Natural Phyto Pharma Private Limited (Formerly National Drug Discoveries Pvt Ltd)	Advance Paid	-	0.00
Natural Biogenex Pvt. Ltd.	Unsecured Loan	3,208.17	1,003.37
	Share Appl Money Paid		-
	Advance Recd		1,002.77
	Interest on Loan recd	370.68	196.20
Payables/Receivable			
Mr. Sunil Laxminarayana Mundra	Payable	-	-
Mr. Laxminarayana Mundra	Payable	-	-
Mr. Sathyanarayana Mundra	Payable	-	0.85
Mundra Enterprises	Payable	8.53	6.28
Mm Shankala	Payable	22.40	1.15
Natural Phyto Pharma Private Limited	Receivable	1.03	1.03
Natural Biogenex Private Limited	Receivable	5,815.61	2,236.16
Sonia Organics	Receivable	2.53	1.25

NOTE 41 A:**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 ₹ 36.33 Lakhs 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, 2025. 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 Lakhs

Particulars	Gratuity (Funded)	
	2024-25	2023-24
Present value of obligations at the beginning of the year	183.78	206.57
Current service cost	27.69	15.99
Interest Cost	12.67	15.29
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	9.92	1.89
- Actuarial gains and losses arising from experience adjustment	29.88	-36.01
Benefit Payments from Plan Assets	-15.27	-19.94
Present value of obligations at the end of the year	248.68	183.78
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	182.27	172.63
Interest income	12.65	12.95
Return on plan assets		
Contributions by the employer	2.01	24.67
Re-measurement (gains)/losses:	0.80	-8.04
Benefits paid	-15.27	-19.94
Fair value of plan assets at the end of the year	182.46	182.27
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	248.68	183.78
Less: share of obligation pertaining to Associate Company under common Gratuity Trust		
Fair value of plan assets at end of the year	182.46	182.27
Funded status of the plans - Liability recognized in the balance sheet	66.22	1.51

NOTE 41 B: (Contd.)

₹ In Lakhs

Particulars	Gratuity (Funded)	
	2024-25	2023-24
Components of defined benefit cost recognized in profit or loss		
Current service cost	27.69	15.99
Net interest Cost	(0.03)	(2.34)
Net cost in Profit or Loss	27.66	13.66
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		
- Actuarial gains and losses arising from experience adjustment	9.92	1.89
Return on plan assets	29.88	(36.01)
Net Cost	(0.80)	8.04
Less: Allocation to Associate Company under common gratuity trust	39.01	(26.09)
Net Cost in other Comprehensive Income	0.00	0.00
	39.01	(26.09)

Particulars	2024-25	2023-24
Assumptions		
Discount rate	6.53%	7.20%
Expected rate of salary increase	7.00%	7.00%
Average age of members	44.9	45.29
Average remaining working Life	13.31	12.71
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**

₹ In Lakhs

Particulars	For the period ending	
	March 31, 2025	March 31, 2024
(Gain)/Loss on Plan Liabilities	29.88	(36.01)
% of Opening Plan Liabilities	16.64%	-17.43%
Gain/(Loss) on Plan Assets	(0.80)	8.04
% of Opening Plan Assets	-0.44%	4.66%

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:

₹ In Lakhs		
Particulars	March 31, 2025	March 31, 2024
Under Base Scenario	248.68	183.78
Salary Escalation (Up by 1%)	264.91	194.54
Salary Escalation (Down by 1%)	234.15	174.52
Withdrawal Rates (Up by 1%)	247.83	184.11
Withdrawal Rates (Down by 1%)	249.53	183.95
Discount Rates (Up by 1%)	233.70	174.33
Discount Rates (Down by 1%)	265.79	195.02
Mortality Rates (Up by 10%)	248.87	183.92
Mortality Rates (Down by 10%)	248.49	183.64

NOTE 42 A:**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 Lakhs		
Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Equity	25,716.10	22,880.42
Debt	10,380.59	10,899.47
Cash and cash equivalents	68.89	225.48
Net debt	10,311.70	10,673.99
Total capital (Equity + Net debt)	36,027.80	33,554.41
Net debt to capital ratio	0.29	0.32

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 31 March 2025:

₹ In Lakhs					
Particulars	Carrying amount	Less than 1 year	1-3 years	More than 3 years	As at 31 st March 2025
(i) MSME	-	-	-	-	-
(ii) Others	3,850.70	3,659.45	164.93	26.32	3,850.70
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total as at 31st March 2025	3,850.70	3,659.45	164.93	26.32	3,850.70

The table below provides details of financial assets at at 31st March 2025:

₹ In Lakhs		
Particulars	Carrying amount 2024-25	Carrying amount 2023-24
Trade receivables	6,224.11	5,446.95
Other Financial assets	1,137.70	1,943.01

NOTE 42 B:

Fair value Hierarchy

₹ In Lakhs						
Particulars	As at March 31, 2025			As at March 31, 2024		
	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	6,224.11			5,446.95		
Cash and cash equivalents	68.89			225.48		
Bank balances other than cash and cash equivalents	459.53			1,108.51		
Loans	-			-		
Other Financial Assets	-			-		
Security Deposit (Unsecured considered good)	262.36			247.55		
Rental Deposit	-			-		
Term Deposit	-			-		
Interest Receivable On Deposits	73.92			88.47		
Financial Liabilities:						
Borrowings- Bank OD	10,380.59			10,899.47		
Trade payables	3,850.70			3,041.84		
Other Financial Liability	3.03			21.36		
Unclaimed dividend	5.94			7.86		

Fair value Hierarchy (Contd.)

₹ In Lakhs

Particulars	As at March 31, 2025			As at March 31, 2024		
	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						
Other Investments	273.00			273.00		
Mutual funds						
Derivatives not designated as hedges:						
Financial liabilities						
Derivatives not designated as hedges						
Derivatives designated as hedges						

NOTE 42 C:

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

₹ In Lakhs

Particulars	Fair value hierarchy	As at March 31, 2025		As at March 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Financial assets at amortised cost:					
Trade receivables	Level 3	6,224.11	6,224.11	5,446.95	5,446.95
Cash and cash equivalents	Level 2	68.89	68.89	225.48	225.48
Bank balances other than cash and cash equivalents	Level 2	459.53	459.53	1,108.51	1,108.51
Other financial assets	Level 3	609.28	609.28	609.02	609.02

₹ In Lakhs

Particulars	Fair value hierarchy	As at March 31, 2025		As at March 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities					
Financial liabilities at amortised cost:					
Borrowings	Level 2	10,380.59	10,380.59	10,899.47	10,899.47
Trade payables	Level 3	3,850.70	3,850.70	3,041.84	3,041.84
Other financial liabilities	Level 3	776.38	776.38	29.22	29.22

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	31.03.2025	31.03.2024	% Variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.30	1.62	-19.91%	
Debt - Equity Ratio	Total Debt	Shareholder's Equity	63.07%	64.56%	-2.31%	
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	99.52%	117.77%	-15.49%	
Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.00	0.03	-96.97%	Due to decrease in net profit
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	7.46	10.95	-31.89%	Due to increase in inventory and decrease in sales
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	2.90	2.92	-0.56%	
Trade Payables Turnover Ratio	Net Credit Purchases = Gross credit purchases - Purchase return	Average Trade Payables	2.82	3.23	-12.88%	

a. Analytical Ratios (Contd.)

Ratio	Numerator	Denominator	31.03.2025	31.03.2024	% Variance	Reason for variance (+/- >25%)
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	5.72	3.29	73.93%	Due to increase in working capital and decrease in sales
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	0.36%	3.57%	-89.79%	Due to lower sales realisation
Return on Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	2.49%	3.86%	-35.49%	Due to lower earning
Return on Investment	Net return	Initial Investment	NA	NA	NA	

NOTE 44: NET ASSETS AND PROFIT PERCENTAGE

₹ In Lakhs

Name of the Entity	Net Assets as on 31.03.2025		Net Assets as on 31.03.2024	
	Amount	% of Consolidated net Assets	Amount	% of Consolidated net Assets
Parent				
Natural Capsules Ltd	16,631.84	64.67%	13,186.26	57.63%
Subsidiaries				
Natural Biogenex Pvt Ltd	9,083.26	35.32%	9,693.16	42.36%
Natural Phyto Pharma Pvt Ltd	1.00	0.00%	1.00	0.00%
Total	25,716.10	100.00%	22,880.42	100.00%

₹ In Lakhs

Name of the Entity	Share in Profit or Loss as on 31.03.2025		Share in Profit or Loss as on 31.03.2024	
	Amount	% of Consolidated Profit or Loss	Amount	% of Consolidated Profit or Loss
Parent				
Natural Capsules Ltd	261.95	1152.35%	595.65	102.45%
Subsidiaries				
Natural Biogenex Pvt Ltd	-239.22	-1052.35%	-14.22	-2.45%
Natural Phyto Pharma Pvt Ltd	-	0.00%	-	0.00%
Total	22.73	100.00%	581.43	100.00%

NOTE 45:

₹ In Lakhs

Particulars	2024-25	2023-24
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	1430.48	4310.39
Other monies for which the Company is contingently liable		
a) Bank Guarantees issued for loans and others	7000.00	7000.00
b) Disputed Income tax demands which are under various stages of appeal	38.67	56.84
c) Disputed Sales tax, Excise Duty, Service tax, Urban land tax, Electricity matters and Customs demands	44.16	44.16

The Company has given a financial guarantee amounting to 7000.00 lakhs.

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

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 2024-25	No. of shares 2023-24
No of Options Granted During the year	45,000	0
Options Vested During the year	45,000	-
Options Outstanding at the Beginning of the year	180,000	180,000
Options Exercised During the year	92,500	-
Number of Options cancelled	62,500	-
Number of options lapsed	-	-
Options Outstanding at the End of the year	70,000	180,000

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	10 th Nov 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: 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 55:

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 56:

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. Chandrasekaran
Partner
Membership No.: 026037

Place: Bengaluru
Date: 29-05-2025

For and on behalf of the Board

Sunil L Mundra
Managing Director
DIN: 00214304

Pranjal Deshmukh
Company Secretary
Membership No.: A66119

Sathyanarayana Mundra
Whole Time Director
DIN: 00214349

Raj Kishore Prasad
Chief Financial Officer



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