

# Nectar Lifesciences Ltd.



Ref No. NLL/CS/2016-112

May 30, 2016

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

**Sub: Audited Financial Results.**

**Ref: Compliance under Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Sirs,

Pursuant to captioned Regulation, please find enclosed herewith a copy of the Audited Financial Results for the period ended on March 31, 2016, as approved by the Board of Directors in their meeting held on even date i.e. May 30, 2016. A copy of the Auditor's Report is also enclosed herewith for your record please. The declaration that audit reports do not contain any modified opinion is also attached.

Kindly acknowledge receipt of the same and oblige.

Thanking you,

Yours faithfully,

For NECTAR LIFESCIENCES LIMITED

  
Sunder Lal  
Company Secretary

Encl. as above

CC: - Societe de la Bourse de Luxembourg S.A.  
BP 165, L-2011 Luxembourg,  
Telephone: (00352) 47 79 38-1  
Fax: (00352) 47 32 98

Corporate Office : S.C.O. 38-39, Sector 9-D, Chandigarh-160 009 (India) Tel. : +91-172-3047777 Fax : +91-172-3047755  
E-mail : sales@neclife.com Website : www.neclife.com  
CIN : L24232 PB1995 PLC 016664

Regd. Office & Works : Vill. Saidpura, Teh. Dera Bassi, Distt. Mohali (Punjab) Near Chandigarh (INDIA)  
Tel. : +91-1762-308000, 308001 Fax : +91-1762-281187, 308135





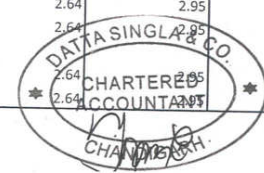
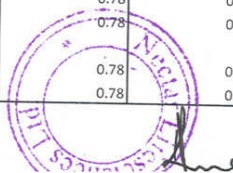
## NECTAR LIFESCIENCES LIMITED

Regd. Office: Vill. Saidpura, Tehsil Derabassi, Distt. Mohali, (Punjab), Corporate Identification Number: L24232PB1995PLC016664  
Tel. +91-17 62-30 8000, Fax +91-17 62-30 8135, Email : sunderlal@neclife.com, Website : www.neclife.com

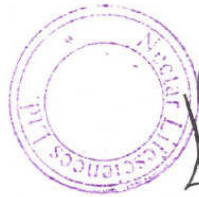
### Part I - Financial Results for the Quarter and the year ended 31.03.2016

(Rs in Lacs)

S. No	PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended	Year ended	Year ended
		31-03-16	31-12-15	31-03-15	31-03-16	31-03-15	31-03-16	31-03-15
		Audited (Stand-alone)	Unaudited (Stand-alone)	Audited (Stand-alone)	Audited (Stand-alone)	Audited (Stand-alone)	Audited (Consolidated)	Audited (Consolidated)
1.	<b>Income from Operations</b>							
	(a) Gross Sales	50,633.08	43,380.52	45,164.55	179,322.55	174,638.61	179,259.25	174,638.61
	Less : Excise Duty	3,163.66	3,653.14	2,818.70	11,690.50	10,349.72	11,690.50	10,349.72
	Net Sales	47,469.42	39,727.37	42,345.85	167,632.05	164,288.89	167,568.75	164,288.89
	(b) Other Operating Income	9.46	1.10	13.82	12.23	75.30	12.23	75.30
	<b>Total Income from Operations (net)</b>	<b>47478.88</b>	<b>39728.47</b>	<b>42359.67</b>	<b>167644.28</b>	<b>164364.19</b>	<b>167580.99</b>	<b>164364.19</b>
2.	<b>Expenses</b>							
	(a) Cost of Materials consumed	36,023.99	25,999.48	33,097.02	114,076.56	112,990.38	114,084.97	112,990.38
	(b) Purchase of Stock in Trade	1,819.74	429.28	282.30	4,142.20	3,960.61	4,142.20	3,960.61
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,644.92)	121.09	(3,898.49)	(2,393.71)	(2,817.56)	(2,458.26)	(2,817.56)
	(d) Employee benefits expense	1,819.09	1,794.10	1,918.47	7,016.94	6,270.67	7,016.94	6,270.67
	(e) Depreciation and amortisation expense	1,953.94	2,202.68	1,938.14	8,529.39	7,656.43	8,529.39	7,656.43
	(f) Other expenses	4,653.88	4,131.90	5,372.40	17,327.73	17,269.38	17,329.56	17,269.38
	<b>Total Expenses</b>	<b>43625.73</b>	<b>34678.53</b>	<b>38709.84</b>	<b>148699.11</b>	<b>145329.91</b>	<b>148644.79</b>	<b>145329.91</b>
3.	<b>Profit from Operations before Other Income, finance costs and exceptional Items (1-2)</b>	<b>3853.14</b>	<b>5049.94</b>	<b>3649.83</b>	<b>18945.17</b>	<b>19034.28</b>	<b>18936.20</b>	<b>19034.28</b>
4.	Other Income	137.44	171.89	1,281.62	563.06	1,999.88	563.06	1,999.88
5.	<b>Profit before finance costs and exceptional Items (3+4)</b>	<b>3990.58</b>	<b>5221.83</b>	<b>4931.45</b>	<b>19508.23</b>	<b>21034.16</b>	<b>19499.26</b>	<b>21034.16</b>
6.	Finance costs	3,398.83	3,035.96	2,687.66	12,250.23	12,558.79	12,250.23	12,558.79
7.	<b>Profit after finance costs but before exceptional Items (5-6)</b>	<b>591.76</b>	<b>2185.86</b>	<b>2243.79</b>	<b>7258.00</b>	<b>8475.37</b>	<b>7249.03</b>	<b>8475.37</b>
8.	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.	<b>Profit from ordinary activities before tax (7+8)</b>	<b>591.76</b>	<b>2185.86</b>	<b>2243.79</b>	<b>7258.00</b>	<b>8475.37</b>	<b>7249.03</b>	<b>8475.37</b>
10.	Tax Expense	(122.74)	445.78	572.76	1,329.64	1,848.98	1,329.64	1,848.98
11.	<b>Net Profit from ordinary activities after tax (9-10)</b>	<b>714.50</b>	<b>1740.08</b>	<b>1671.03</b>	<b>5928.35</b>	<b>6626.39</b>	<b>5919.38</b>	<b>6626.39</b>
12.	Extraordinary Item (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13.	<b>Net Profit for the period (11-12)</b>	<b>714.50</b>	<b>1740.08</b>	<b>1671.03</b>	<b>5928.35</b>	<b>6626.39</b>	<b>5919.38</b>	<b>6626.39</b>
14.	Paid up Equity Share Capital (Face Value per share : Re.1/-)	2242.61	2242.61	2242.61	2242.61	2242.61	2242.61	2242.61
15.	Reserves excluding Revaluation Reserves				98,790.09	93,552.29	98,766.02	93,552.29
16.i	<b>Earnings per Share (EPS) (before extraordinary items)</b>							
	a) Basic	0.32	0.78	0.75	2.64	2.95	2.64	2.95
	b) Diluted	0.32	0.78	0.75	2.64	2.95	2.64	2.95
16.ii	<b>Earnings per Share (EPS) (after extraordinary items)</b>							
	a) Basic	0.32	0.78	0.75	2.64	2.95	2.64	2.95
	b) Diluted	0.32	0.78	0.75	2.64	2.95	2.64	2.95



Part II Select Information for the Quarter and Year Ended 31.03.2016							
A Particulars of shareholding							
1. Public Shareholding							
- Number of Shares	124,792,970	124,792,970	124,792,970	124,792,970	124,792,970	124,792,970	124,792,970
- Percentage of Shareholding	55.65	55.65	55.65	55.65	55.65	55.65	55.65
2. Promoters and Promoter Group Shareholding							
a) Pledged/Encumbered							
- Number of Shares	55,555,600	55,555,600	55,555,600	55,555,600	55,555,600	55,555,600	55,555,600
- Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)	55.85	55.85	55.85	55.85	55.85	55.85	55.85
- Percentage of Shares ( as a % of the total share capital of the company)	24.77	24.77	24.77	24.77	24.77	24.77	24.77
b) Non-encumbered							
- Number of Shares	43,912,400	43,912,400	43,912,400	43,912,400	43,912,400	43,912,400	43,912,400
- Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)	44.15	44.15	44.15	44.15	44.15	44.15	44.15
- Percentage of Shares ( as a % of the total share capital of the company)	19.58	19.58	19.58	19.58	19.58	19.58	19.58
B Investor Complaints							
				3 Months ended 31.03.2016			
Pending at the beginning of Quarter				0			
Received During the Quarter				12			
Disposed Off During the Quarter				12			
Pending at the end of Quarter				0			
Statement of Assets and Liabilities							
(Rs in Lacs)							
PARTICULARS	As at	As at	As at	As at			
	31-03-16	31-03-15	31-03-16	31-03-15			
	Audited	Audited	Audited	Audited			
	(Stand-alone)	(Stand-alone)	(Consolidated)	(Consolidated)			
<b>SHAREHOLDERS' FUND</b>							
(i) Capital							
(ii) Reserves and Surplus	2,242.61	2,242.61	2,242.61	2,242.61			
<b>NON CURRENT LIABILITIES</b>	98,790.09	93,552.29	98,766.02	93,552.29			
(i) Long Term Liabilities							
(ii) Deffered Tax Liability	24,539.70	26,552.92	24,539.70	26,552.92			
(ii) Other Long Term Liabilities	12,257.35	11,019.28	12,257.35	11,019.28			
(iii) Long Term Provisions	1,642.48	1,518.72	1,642.48	1,518.72			
<b>CURRENT LIABILITIES</b>	691.31	601.13	691.31	601.13			
(i) Short Term Borrowings							
(ii) Trade Payables	62,724.29	59,529.78	62,724.29	59,529.78			
(iii) Other Current Liabilities	49,678.13	45,557.72	49,678.13	45,557.72			
(iv) Short Term Provisions	10,794.21	9,050.00	10,794.21	9,050.00			
	1,068.29	1,422.15	1,068.29	1,422.15			
	264,428.47	251,046.60	264,404.39	251,046.60			
<b>NON CURRENT ASSETS</b>							



(i) Fixed Assets (Incl CWIP)	102,474.72	102,504.37	102,474.72	102,504.37
(ii) Non Current Investments	60.03	15.01	27.01	15.01
(iii) Long Term Loans & Advances	8,670.76	8,034.27	8,670.76	8,034.27
(iv) Other Non Current Assets	6,789.48	3,591.24	6,789.48	3,591.24
<b>CURRENT ASSETS</b>				
(i) Current Investments				
(ii) Inventories	52.29	43.51	52.29	43.51
(iii) Trade Receivables	83,606.42	79,097.46	83,670.97	79,097.46
(iv) Cash & Bank Balances	49,224.22	44,649.64	49,144.73	44,649.64
(v) Short Term Loans & Advances	3,640.86	3,338.20	3,664.74	3,338.20
(vi) Other Current Assets	7,324.14	8,143.15	7,324.14	8,143.15
	2,585.54	1,629.75	2,585.54	1,629.75
<b>Total</b>	<b>264,428.47</b>	<b>251,046.60</b>	<b>264,404.39</b>	<b>251,046.60</b>

**Notes:**

- The above financial results were reviewed by Audit Committee on 30.05.2016 and approved by the Board in its meeting held on 30.05.2016 and further Audited by the Statutory Auditors of the Company. The Board of Directors hereby declare that audit reports do not contain any modified opinion.
- The company is exclusively in the pharmaceutical business segment.
- The Board of Directors has recommended the Final Dividend of Re. 0.10/- per equity share (10% on the face value of Re. 1/- per equity share) for the financial year 2015-16, subject to the approval of Members at their Annual General Meeting.
- Previous year figures have been regrouped and reclassified wherever necessary to make them comparable with current period.
- The figures of the last quarter for the current year and for the previous year are the balancing figures between the audited figure in respect of the full financial year ended 31st March and the unaudited published year to date figures upto the third quarter ended 31st December which was subject to limited review.
- Other income of Financial Year 2014-15 included Rs. 1484.47 lacs received as enhanced compensation including interest on the land acquired by the Punjab Government during the Financial Year 2009-10 as awarded by the Hon'ble Court.

Dated: 30.05.2016  
Place: Chandigarh

By Order of the Board of Directors  
of Nectar Lifescience Limited  
(Dinesh Dua)  
Chief Executive Officer & Director



Ref No. NLL/CS/2016-113

May 30, 2016

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

**Sub: Declaration under 2<sup>nd</sup> proviso 33(3) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015..**


Sirs,

I, Dinesh Dua, Chief Executive Officer & Director of Nectar Lifesciences Limited, do hereby declare that the Auditor's Report on the financial statements for the financial year 2015-16, do not contain any modified opinion.

This is for your information and record please.

Thanking you,

Yours faithfully,  
For Nectar Lifesciences Limited



Dinesh Dua  
(Chief Executive Officer & Director)

Encl. as above



**DATTA SINGLA & CO.**  
Chartered Accountants

SCO 2935-36, Level 1, Sector 22-C,  
Chandigarh - 160 022 (INDIA)  
Tele : +91-172-2707065, 5086551 / 52  
Fax : +91-172-5019550

Independent Auditor's Report  
To the Board of Directors of  
Nectar Lifesciences Limited

We have audited the accompanying Statement of Consolidated Financial Results of Nectar Lifesciences Limited (the Company) for the year ended March 31, 2018 ('the Statement') being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's management and approved by the board of directors, has been prepared on the basis of the related standalone financial statements which is in accordance with Accounting Standards prescribed, under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- (i) include the results of the following entities:

List of Subsidiaries:

1. Nectar Lifesciences UK Limited
2. Nectar Lifesciences USA LLC



- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (iii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the company for the year ended March 31, 2016.

For Datta Singla & Co.  
Chartered Accountants  
Firm Regn. No. 006185N



Place: Chandigarh  
Date: 30.05.2016



## **DATTA SINGLA & CO.**

*Chartered Accountants*

Independent Auditor's Report  
To the Board of Directors of  
Nectar Lifesciences Limited

SCD 2935-36, Level 1, Sector 22-C,  
Chandigarh - 160 022 (INDIA)  
Tele : +91-172-2707065, 5086551 / 52  
Fax : +91-172-5019550

We have audited the accompanying Statement of Standalone Financial Results of Nectar Lifesciences Limited (the Company) for the year ended March 31, 2016 ('the Statement') being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's management and approved by the board of directors, has been prepared on the basis of the related standalone financial statements which is in accordance with Accounting Standards prescribed, under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the Statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the company for the year ended March 31, 2016.





The Statement includes the results for the quarter ended March 31, 2016, being the balancing figure between audited figure in respect of the full financial year and the audited year to date figures upto the third quarter of current financial year.

For Datta Singla & Co.  
Chartered Accountants  
Firm Regn. No. 099813



Place: Chandigarh  
Date: 30.05.2016



**DATTA SINGLA & CO.**  
Chartered Accountants

SCO 2935-36, Level 1, Sector 22-C,  
Chandigarh - 160 022 (INDIA)  
Tele : +91-172-2707065, 5086551 / 52  
Fax : +91-172-5019550

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**NECTAR LIFESCIENCES LIMITED**

### 1. Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### 4. Opinion

In our opinion and to the best of our information and, according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

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

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 these books,
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) in our opinion, the aforesaid 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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"; and
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.33 to the financial statements ;
  - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts ;
  - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



PLACE: CHANDIGARH  
DATE: 30.05.2016

ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED ON THE STANDLONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016;

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
  - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. Inventories as at 31st March 2016 were also physically verified and valued by an independent firm of chartered accountants.
  - (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the cost records maintained by the Company and are of the opinion that the same are in compliance with the provisions made by the Central Government U/s 148(1) of the Companies Act, 2013.



that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 7.(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, customs duty, service tax, excise duty, cess, value added tax and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of, Wealth Tax, Sales Tax, Value Added Tax, cess and Custom Duty, which are outstanding as at 31st March, 2016 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of excise duty, Income Tax and service tax have not been deposited by the Company on account of disputes as detailed below:

Statute	Nature of the Dues	Amount Rs. In Millions*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.51	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2.34	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 2003-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.19	Assessment Year 2004-05	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	TDS	0.39	Assessment Year 2010-2013	CIT Appeals
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	96.97**	Financial Year 2007-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	5.58	Financial Year 2005-2006	CESTAT, Delhi



Central Act,1944	Excise	Excise Duty	0.43	Financial Year 2010-2011	Deptt. Of Revenue, Ministry of Finance
Central Act,1944	Excise	Excise Duty	111.51**	Financial Year 2003-04 to 2006-07	CESTAT, Delhi
Central Act,1944	Excise	Excise Duty	8.92**	Financial Year 2007-2008	CESTAT, Delhi
Service Tax,1994		Service Tax	12.77**	Financial Year 2009-10	CESTAT, Delhi
Service Tax,1994		Service Tax	0.84	Financial Year 2011-12	CESTAT, Delhi

\* net of amounts deposited under protest

\*\* Stay orders have been received against the amounts disputed and not deposited.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(ii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable .
16. According to information and explanations given to us,the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.



PLACE: CHANDIGARH  
DATE: 30.05.2016



## **Annexure "B" to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **NECTAR LIFESCIENCES LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the 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 change in conditions, or that the degree of compliance with the policies or procedure may deteriorate

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: CHANDIGARH  
DATE: 30.05.2016

For DATTA SINGLA & CO.  
Chartered Accountants  
Firm Regn. No. 006185N  
  
DATTASINGLA & CO.  
CHARTERED ACCOUNTANTS  
Partner  
CHANDIGARH