
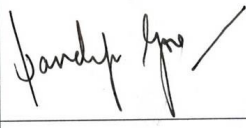
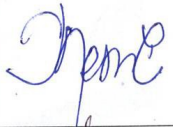



# Nectar Lifesciences Ltd.



## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Nectar Lifesciences Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	• CEO/Managing Director	
	• CFO	
	• Auditor of the company	
	• Audit Committee Chairman	

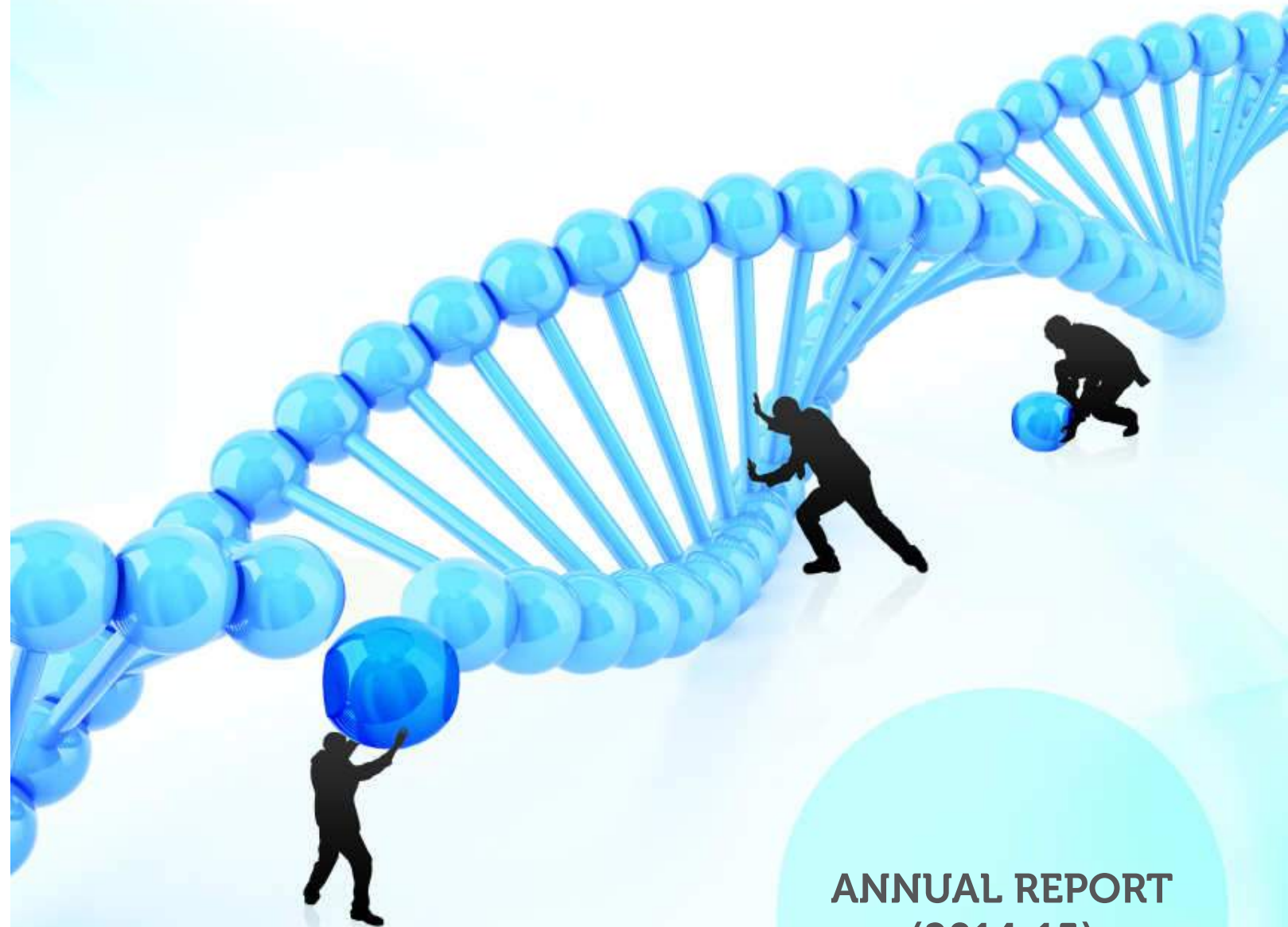
Corporate Office : S.C.O. 38-39, Sector 9-D, Chandigarh-160 009 (India) Tel. : +91-172-3047777 Fax : +91-172-3047755  
E-mail : sales@necLife.com Website : www.necLife.com  
CIN : L24232 PB1995 PLC 016664

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



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*Transforming* **Healthcare**



**ANNUAL REPORT  
(2014-15)**

## Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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**NOTICE**

**Nectar Lifesciences Limited**

(CIN: L24232PB1995PLC016664)

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

Email: [sunderlal@neclife.com](mailto:sunderlal@neclife.com), Website: [www.neclife.com](http://www.neclife.com)

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

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

**NOTICE IS HEREBY GIVEN THAT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING OF Nectar Lifesciences Limited will be held at the registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab on Wednesday, September 30, 2015 at 10.00 A.M. to transact the following business:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2015 and the Report of Auditors thereon.
2. To declare Final Dividend @10% i.e. Re. 0.10/- per equity share for the financial year ended on March 31, 2015.
3. To appoint a Director in place of Mr. Sanjiv Goyal (DIN – 00002841), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider, and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Datta Singla & Company, Chartered Accountants (ICAI Registration No. 006185N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company, at such remuneration plus service tax and other expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration of Rs. 2,00,000/- (Rupees Two lacs only) as decided by the Board of Directors, based on the recommendation of Audit committee, payable to V. KUMAR & ASSOCIATES (Firm registration no. 100137), Cost Accountants for conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if necessary, the consent of the members be and is hereby accorded to the revision of remuneration of Mr. Dinesh Dua, Wholetime Director designated as Chief Executive Officer & Director of the company from April 1, 2015 till the end of his tenure on the terms and conditions including remuneration as are set out hereinbelow:

- a. **Salary:** Rs. 1,222,637.00 (Rupees Twelve Lacs Twenty Two Thousand Six Hundred and Thirty Seven only) per month and inclusive of perquisites of medical reimbursement and leave travel.
- b. He is also entitling to bonus equivalent to his one month salary in a financial year, proportionately to his tenure in a year.
- c. **Other Perquisites:** He shall be entitled to personal accident insurance, club fees, company maintained car, telephone and such other perquisites in accordance with the company's rules,



the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 1.00 lacs per annum.

**FURTHER RESOLVED THAT** Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if necessary, the consent of the members be and is hereby accorded to the revision of remuneration of Mr. Harparkash Singh Gill, Wholtime Director designated as President (Operations) & Director of the company from April 1, 2015 till the end of his tenure on the terms and conditions including remuneration as are set out hereinbelow:

1. **Salary and Allowances:** Rs. 189141.00 (Rupees One Lac Eighty Nine Thousand One Hundred and Forty One only) per month or such other increment as may be decided by the Board of Directors from time to time.
2. **Perquisites:** He shall be entitled to medical reimbursement, Leave Travel and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 0.63 lacs per annum.
3. He is also entitling to bonus not exceeding Rs. 261500.00 in a financial year.

**FURTHER RESOLVED THAT** Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013.”

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

(Sunder Lal)  
Company Secretary

Date: August 14, 2015  
Place: Chandigarh

#### IMPORTANT NOTES:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent of the total share capital of the Company. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), which sets out details relating to Special Business at the meeting, is annexed hereto. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the AGM, also contained in Explanatory Statement pursuant to Section 102 of the Act. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. The register of members and the share transfer books of the company will remain closed from September 24, 2015 to September 30, 2015 (Both days inclusive) in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM and determining names of the shareholders eligible for dividend on equity shares, if declared. The dividend, if declared at the AGM, will be paid:

- (i) For equity shares held in physical form - those shareholders whose names will appear in the Register of Members on the close of the day on September 23, 2015.
- (ii) For equity shares held in dematerialised form - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on close of day on September 23, 2015.

4. Reserve Bank of India has introduced Electronic Clearing Service (NECS) for facilitating crediting of dividend directly to the shareholder's bank account. This facility eliminates loss of dividend warrants sent by post due to pilferage in transit, delay in receipt of dividend warrants and ensures quick credit of the dividend. Members holding shares in dematerialised form are requested to notify / update their ECS details to / with their respective Depository Participants. However, the Members holding shares in physical form may notify the same to the Registrar and Share



Transfer Agent of the Company.

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

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.

7. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.

8. Members may also note that the Notice of the 20<sup>th</sup> AGM and the Annual Report for 2014-15 will also be available on the Company's website [www.neclife.com](http://www.neclife.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.

10. Members desirous of having any information as regards accounts are requested to write to the company at least Seven days in advance so as to enable the Management to keep the information ready.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office, Corporate Office and Head Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. The details of above offices is given in this Annual Report.

12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act 1956, the amount of dividend remaining unclaimed upto the financial year 2006-2007 has been transferred, on due date, to the Investors Education & Protection Fund. Details of unpaid/unclaimed dividends lying with the Company as on the last AGM of the Company is available on the website of the Company.

13. Pursuant to Section 108 of Act read with Rule 20 of

Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' facility to exercise their right to vote at the 20<sup>th</sup> AGM by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by Karvy Computershare Private Limited ("Karvy"). The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Wednesday, September 23, 2015 (cut of date), i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Wednesday, September 23, 2015.

The remote e-voting facility will be available at the link <https://evoting.karvy.com> during the following voting period:  
Commencement of remote e-voting: FROM 9.00 a.m. on Saturday, September 26, 2015  
End of remote e-voting: TO 5.00 p.m. on Tuesday, September 29, 2015.

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

In terms of provisions of Section 107 of the Companies Act, 2013, since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through ballot / polling paper. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

The login ID and password for e-voting along with process and manner for generating or receiving the password and for casting of vote in a secure manner (remote e-voting instructions), is being sent alongwith this notice through permitted mode. Any person, who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date, may obtain the User Id and password in the manner as mentioned remote e-voting instructions. The persons, who have received this notice and e-voting details, ceased to be a Member as on the cut off date should treat this and e-voting details Notice for information purposes only. The remote e-voting instructions are also available on the website of the company at [www.neclife.com](http://www.neclife.com).

The Company has appointed Mr. Prince Chadha, Practising Company Secretary (C.P. No. 12409), as Scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.



The Scrutinizer, after scrutinizing the votes cast at the meeting (physical voting) and through remote e-voting, will, not exceeding three days of conclusion of the Meeting, make a consolidated scrutinizer's report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting. The results declared shall be available on the website of the Company ([www.necolife.com](http://www.necolife.com)) and on the website of the Karvy (<https://evoting.karvy.com>). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 3**

Mr. Sanjiv Goyal is aged 55 years and is commerce and law graduate and having more than 20 years of experience. Mr. Sanjiv Goyal started his career by setting up a proprietary concern by the name M/S Surya Narrow fabrics in Chandigarh in 1987. Mr. Sanjiv Goyal established Nectar Lifesciences Limited in 1995 and has been the managing director ever since. The company became fully operational in April 1997. He also got "Outstanding Entrepreneurship" award for 2014 from prestigious NGO 'Enterprise Asia' in Asia Pacific Entrepreneurship Awards, 2014.

He holds 76779000 Equity Share in the Company representing 34.24% of total paid up shares capital of the company. The details of number of Board meetings attended by him is given in Corporate Governance Report.

His Directorships are as under:

1. Nectar Organics Private Limited
2. Nectar Lifestyles Private Limited
3. Nectar Agricom Limited
4. SAS Pro Build Private Limited

He does not hold committee membership in any other company.

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

##### **Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment of V. KUMAR & ASSOCIATES (Firm registration no. 100137), Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 on the remuneration of Rs. 2 lacs. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

##### **Item No. 6.**

The Board of Directors vide resolution dated October 14, 2013 have appointed Mr. Dinesh Dua as a Wholtime Director designated as Chief Executive Officer. The appointment can be terminated by Mr. Dinesh Dua or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum equivalent to basic salary for the notice period or part thereof in case of shorter notice or on such other terms as Board of Directors may think.

The remuneration of Mr. Dua, during the financial year 2014-15, was Rs. 1,164,416.00 per month and inclusive of perquisites of medical reimbursement and leave travel. He was also entitled to bonus equivalent to his one month salary in a financial year, proportionately to his tenure in a year. He was also entitled to personal accident insurance, club fees, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 1.00 lac per annum.

As a part of annual increment of all employees and considering the prevailing industry scenario and on the recommendations of Nomination and Remuneration Committee, the remuneration of Mr. Dua is proposed to be increased by approximately 5% from April 1, 2015 as provided in the resolution. Other conditions of his appointment are remains the same.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution of the accompanying Notice for the approval of the Members.

Mr. Dinesh Dua is aged 60 years and MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 35 years plus in varied industries like Sanofi Aventis, Hitech Labs and Berger Paints in middle to senior management positions. He works as Senior & Top Management positions in Reliance Industries, Jubilant Organosys Ltd., Zydus Cadila Healthcare Ltd. & Wochardt Ltd, and was CEO of Nectar Lifesciences Limited from 2007 to 2012. His last penultimate position was with a US Pharma MNC Akorn India P. Ltd. as Managing Director for 14 Months.

He does not hold any equity share in the Company. He is also does not have directorship and committee membership in any other company. The details of number of Board meetings attended by him is given in Corporate Governance Report.



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

**Item No. 7**

Mr. Harparkash Singh Gill has joined the company in the year 2005. Based on his performance in the Company, the Board of Directors have appointed him as a Wholtime Director designated as President (Operations) & Director from November 1, 2012.

The remuneration of Mr. Singh, during the financial year 2014-15, was Rs. 176694.00 per month with perquisites of Rs. 0.63 Lacs per year. He was also be entitling to bonus equivalent to Rs. 249000/- in a financial year.

As a part of annual increment of all employees and considering the prevailing industry scenario and on the recommendations of Nomination and Remuneration Committee, the remuneration of Mr. Singh is proposed to be increased by approximately 7.04% from April 1, 2015 as provided in the resolution. Other conditions of his appointment are remains the same.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution of the accompanying Notice for the approval of the Members.

Mr. Harparkash Singh Gill, aged 61 years, holds a B.E. (Electrical) degree and was selected through UPSC, as Marketing Development Officer in Directorate and Marketing Inspection, Ministry of Agriculture and Rural Development, Govt. of India. He has worked with various companies at senior positions before moving to Nectar Lifesciences Limited in 2005. He has the experience of 36 years.

He does not hold any equity share in the Company. He is also does not have directorship and committee membership in any other company. The details of number of Board meetings attended by him is given in Corporate Governance Report.

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

By Order of the Board of Directors of  
**NECTAR LIFESCIENCES LIMITED**  
  
**(SUNDER LAL)**  
**COMPANY SECRETARY**

**August 14, 2015**  
**Place: Chandigarh**

**Route map of loaction of AGM.**

A – Ambala Chandigarh Expressway at Derabassi.

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







## Board of Directors' Report of Nectar Lifesciences Limited

Dear members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report together with the audited accounts of Nectar Lifesciences Limited ('NLL' or 'Neclife' or 'Nectar' or 'the Company') for the financial year ended March 31, 2015.

### Financial results

	March 31, 2015	March 31, 2014
Gross Turnover	17463.86	17203.55
Profit before interest and depreciation	2869.06	3003.96
Interest	1255.88	1379.87
Depreciation & Amortisation	765.64	841.86
Profit before tax	847.54	782.23
Tax Expenses	184.90	161.43
Profit after tax available for Appropriations	662.64	620.80
Final dividend 10% (Previous year 10%)	22.43	22.43
Tax on dividend	4.57	3.81
Depreciation relating to earlier years	321.06	--
Transfer to general reserve	--	--
Prior Period Adjustments	5.71	--
Balance c/f to balance sheet	314.58	594.56

Note: Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II/Accounting Standard issued by The Institute of Chartered Accountants of India. Accordingly, the unamortised carrying value is being depreciated/amortised over the revised / remaining useful life. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 (net of deferred tax) has been deducted from the Retained Earnings.

### Company's performance

Overall, Active Pharmaceutical Ingredients (APIs) witnessed a tremendous increase in business. However, compared with steep pharmaceuticals growth curve, Phytochemicals (Menthol) performance during FY 2014-15 witnessed a roller coaster ride which was consciously attributed to a strategic shift in business option. This de-growth in menthol was primarily owing to the following reasons:

- Company's decision to cater to high value Pharmaceutical products
- High Market fluctuations led to lower natural menthol demands.

Despite the, above, the Gross revenues increased to Rs. 17463.86 Million, a growth of around 1.51% against Rs. 17203.55 Million in the previous year. Profit before depreciation and taxation was Rs.

2869.06 Million against Rs. 3003.96 Million in the previous year. The Profit before Tax increased to Rs. 847.54 Million, a growth of around 8.35% against Rs. 782.23 Million in the previous year, due to effective cost management. The Profit after Tax increased to Rs. 662.64 Million, a growth of around 6.74% against Rs. 620.80 Million in the previous year.

The financial results of the company for the quarter ended on June 30, 2015 are available on the website of the company (URL: [www.neclife.com](http://www.neclife.com)).

### Management Discussion and Analysis Report

The details of the Company's various operations and state of affairs and nature of business are discussed under Management Discussion and Analysis Report. The Management Discussion and Analysis of financial condition and result of operations of the Company for the financial year 2014-15 as required under the Clause 49 of the Listing Agreement with the stock exchanges, is given as Annexure 1 and forms part of this report.

### Corporate Governance

The Company aimed to conduct its affairs in an ethical manner. A separate Report on Corporate Governance is given as Annexure 2 and forms part of this report. A certificate from the Company's Auditors regarding the Compliance of Conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is given in Annexure 3.

### Global Depository Receipts (GDRs)

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

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

### Subsidiary companies

The company has a wholly owned subsidiary namely Nectar Lifesciences UK Limited, incorporated in United Kingdom. During the year under review, the company has also incorporated Nectar Lifesciences US, LLC in United States. There are negligible



investments in these subsidiaries and no business activity has been carried out in these subsidiaries in financial year 2014-15 and till date in financial year 2015-16. Therefore, nothing is to report on the performance and financial position of these subsidiaries.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (hereinafter referred as 'Act'), a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Accounts. The separate financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary companies are also available on the website of your Company at [www.neclife.com](http://www.neclife.com).

#### **Consolidated financial results**

As required under Section 129 of the Act and Listing Agreement with the stock exchanges, a consolidated financial statements for the year ended on March 31, 2015 of the Company are attached.

#### **Dividend**

Your Directors are pleased to recommend a Final Dividend @ 10% i.e. Re. 0.10/- per equity shares of face value of Re. 1/- each aggregating to Rs. 22,426,097/- for the year ended 31st March, 2015. The final dividend, subject to the approval by the shareholders in the forthcoming Annual General Meeting and if declared, will be paid on or after October 4, 2015, to those members whose names appears in the register of members as on date of book closure. The register of members and the share transfer books of the Company will remain closed from September 24, 2015 to September 30, 2015 (Both days inclusive) for Annual General Meeting and payment of dividend, if declared, on equity shares.

Your Directors are not proposing to carry any amount to any reserve.

#### **Directors and Key Managerial Persons**

During the year under review, Mr. Aryan Goyal, Executive Director has resigned from Board with effect from November 12, 2014 and Mr. Basant Kumar Goswami IAS (Retd.), Independent Director has resigned from Board with effect from March 30, 2015.

Members may please note the pursuant to Facility Agreement, the Export and Import Bank of India have appointed Ms. Rima Marphatia as their nominee director on the Board of Directors of the company with effect from August 11, 2014 and withdrawn her nomination with effect from December 8, 2014.

Mr. Sanjiv Goyal, Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment.

Further, on February 13, 2015 Mrs. Neena Singh has been appointed as Additional Independent Director and vacates her office at the ensuing Annual General Meeting.

As on the date of this report, the company has right proportionate of Independent Directors viz a viz Non Independent Directors as per applicable provisions of Section 149 of the Act, and clause 49 of the Listing Agreement.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Sandeep Goel, Vice President (Finance) has been designated as Chief Financial Officer of the Company.

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the key managerial personnel of the Company are as under:

Mr. Sanjiv Goyal, Chairman & Managing Director  
Mr. Dinesh Dua, Wholetime Director designated as Chief Executive Officer & Director  
Mr. Harparkash Singh Gill, Wholetime Director designated as President (Operations) & Director  
Mr. Sandeep Goel, Chief Financial Officer  
Mr. Sunder Lal, Company Secretary

#### **Number of meetings of the board**

Four meetings of the board were held during the year. The details of Directors and meeting held during the financial year 2014-2015 are provided in Corporate Governance Report which forms and part of this report.

#### **Directors' responsibility statement**

The Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for



- safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
  - v) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
  - vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **Board evaluation**

Pursuant to the provisions of the Act, and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49"), the performance of the Board and committees was evaluated by the Board after seeking inputs from all the directors/ committee members on the basis of the criteria such as the Board/ committee composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **Policy on directors' appointment and remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

#### **Committees of the Board**

The Company constituted the Committees as per the provisions of Sections 177 and 178 of the Act and Clause 49 of the Listing Agreement. The composition, powers and duties of the Committees, during financial year 2014-15, are detailed out in the Corporate Governance Report. The Board of Directors accepted all recommendations of the Audit Committee.

#### **Internal financial control systems and their adequacy**

The company has adequate financial controls. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

#### **Auditors and Auditors' Report**

M/s Datta Singla & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. The Company has received a confirmation from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for re-appointment.

Since M/s Datta Singla & Co., Chartered Accountants, have been functioning as the auditors of the Company for more than 10 years, in accordance with the aforesaid rules, the Audit Committee and the Board of Directors have recommended the re-appointment of auditors for a period of one year.

Observations made in the Auditors' Report are self-explanatory and therefore do not call for any further explanation.

#### **Secretarial Auditor and Secretarial Audit Report**

During the year, Secretarial Audit was carried by Mr. Aseem Chhabra of Aseem Chhabra & Associates., Practicing Company Secretary, the Secretarial Auditor of the company for the Financial Year 2014-15. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit Report is appended as an Annexure 4 to this report.

#### **Cost Audit**

The company, with the approval of Central Government, has appointed Dr. Vimal Kumar (Membership No. 9982) prop. of M/s V. Kumar and Associates, SCO, 124-125, Sector 34A, Chandigarh, Cost and Works Accountants as the Cost Auditors of the Company for the financial year 2015-16.

The Cost Audit Reports for the financial year 2013-14 have been filed on September 29, 2014, being on due date.

The Due date for filing of Cost Audit Reports for the financial year 2014-15 is September 13, 2015. The report will be filed before due date.

#### **Prevention of Sexual Harassment at Workplace**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and



Rules made thereunder, your Company has constituted Complaints Committees. During the year, No complaint with allegations of sexual harassment was filed with the Company.

#### **Risk management**

The Board of the Company has formed a risk management committee:

- (a) to formulate and recommend to the Board, a Risk Management Policy which shall indicate the activities such as identification of risks and mitigation strategy thereof;
- (b) to recommend the Board about risk assessment and minimization procedures; and
- (c) monitoring and reviewing of the risk management plan to the Board.

The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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

#### **Particulars of loans, guarantees and investments**

The company has not given any loan or provide guarantee as per Section 186 of the Act. The investments under section 186 of the Act are given in the notes to the Financial Statements forming part of the Annual Report.

#### **Transactions with related parties**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 5 in Form AOC-2 and the same forms part of this report.

#### **Corporate social responsibility**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 6 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

#### **Extract of annual return**

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure 7 in the prescribed Form MGT-9, which forms part of this report.

#### **Employees**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 8. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

#### **Fixed deposits**

During the year under Report, your Company did not accept any deposits from the public in terms the provisions of Companies Act, 2013.

#### **Disclosure requirements**

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarization programme of the independent directors are available on the website of the Company (URL: [www.neclife.com](http://www.neclife.com)).

Policy for determining material subsidiaries of the Company is available on the website of the Company (URL: [www.neclife.com](http://www.neclife.com)).

Policy on dealing with related party transactions is available on the website of the Company (URL: [www.neclife.com](http://www.neclife.com)).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges. The Policy is available on: (URL: [www.neclife.com](http://www.neclife.com)).

#### **Energy, technology and foreign exchange**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure 9 to this Report.

#### **Acknowledgement**

Your Directors would like to express their sincere and grateful appreciation for the assistance and cooperation received from bankers and government authorities and also thank the



shareholders for the confidence reposed by them in the Company and looks forward to their valuable support in the future plans of the Company.

Your Directors also thank its agents, the medical professionals and

its customers for their continued patronage to the Company's products.

Place: Chandigarh

Dated: August 14, 2015

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

(Sanjiv Goyal)

Chairman and Managing Director

## Annexure 1 of Board of Directors' Report Management Discussions and Analysis

### Economy

In the emerging markets and developing economies, growth is due to stronger external demand from advanced economies which are seeing green shoots after several years of economic slowdown. The economic outlook in Emerging Asia remains robust over the medium term, anchored by the steady rise in domestic demand.

### Global Pharmaceutical Industry

Industry Outlook Global spending on medicines is expected to meet \$1.17 trillion by 2017, according to a report by Pharmaceutical market research firm, IMS Healthcare Informatics. Spending during this period will likely be marked by greater cost pressures and a higher bar for product innovation that reflects an increased demand for value from both regulators and payers. The next 5 years also sees a continuing growth split between developed and Pharmerging markets. IMS forecasts that the developed markets of North America, Europe and Japan will see modest single-digit spending during the next five years due to a combination of economic and healthcare austerity measures and savings realized from the growing availability of low cost generic versions of brands following patent expiry, and also on account of greatest impact from implementation of the Affordable Care Act in the USA. The high-potential "pharmerging" markets offer tremendous opportunities for pharmaceutical manufacturers that face mounting pressures in the mature markets. As more pharma companies target these new growth markets, they also face the challenge of an increasingly complex, demanding and fast changing logistics and regulatory environment. Traditional approaches to manufacturing and distribution are being challenged by shorter market cycles, outsourced production, and increasing government regulation. Globalization continues to have a profound impact on the pharma supply chain. As a growing amount of R&D and manufacturing migrates to Asia, the industry has to manage resources that are much more widely dispersed and to cope with greater potential for pandemics. Innovation, the ultimate engine of growth for the global provision of medicines, will see revival of activity through 2017, with increases in the number of global innovative launches since 2010.

### Pharmerging Markets

Innovation and technology will be important differentiators as pharmaceutical companies try to drive growth in emerging markets that face rapid growth of various chronic diseases like diabetes, hypertension, heart disease, and cancer. Emerging markets are predicted to account for a third of global pharmaceutical spend by the end of next year and seen as critical for the sustained growth of leading pharma companies. In India, for example, the prevalence of diabetes and cancer is projected to rise by 25-40 per cent over the next 10 years," the IMS report said. This shift gives pharma companies an opportunity to market their global products in emerging markets, backed by tested 'go-to-market' strategies and operating models.

Key barriers which need to be addressed in many emerging markets are the affordability and accessibility of medicines. Improvements in affordability will be driven by rising disposable incomes and increasing insurance coverage. Growth in accessibility will come from increases in government spending and medical infrastructure, and new business models for rural areas. (Source: profit.ndtv.com)

The acceptability of medicines is also expected to rise, as a result of the growth in chronic conditions and the resulting increase in the self-administration of drugs.

Pharmaceutical markets in developed countries may still be quite sizable, but past few years have been quite sluggish in terms of growth. Contrary to developed markets, the emerging economies have seen a significant amount of growth. (Source: IMS-Health)

### Indian Pharmaceutical Industry

The Indian pharmaceutical industry which is presently thriving at USD 16 Billion is set to reach approximately USD 55 Billion by 2020 in terms of business value.

- ▶ Presently Indian pharmaceutical industry ranks 3<sup>rd</sup> in the world in terms of volume and 13<sup>th</sup> in the world in terms of business value.
- ▶ India is expected to be the third-largest global generic



active pharmaceutical ingredient (API) merchant market by 2020, with a 7.2 per cent market share.

- ▶ Indian pharmaceutical industry bags about 72% of revenue from generic version of drugs.
- ▶ In terms of value, exports of pharmaceutical products from India increased at a CAGR of 25 percent to US\$ 14.1 Billion during FY06–15.
- ▶ The country's pharmaceuticals industry accounts for about 2.4% of the global Pharma industry by value and 10% by volume.
- ▶ Industry revenues are expected to expand at a CAGR of 12.1% during 2012-20 and reach USD 45 Billion.
- ▶ The healthcare sector in India is expected to grow to USD 250 Billion by 2020 from USD 65 Billion currently.
- ▶ The generics market is expected to grow to USD 28.1 Billion by 2018 from USD 11.3 Billion in 2011.

Source: Mckinsey

**Indian Pharmaceutical Industry in Advantage**

- a) India's cost of production is significantly lower than that of the USA and Europe.
- b) A skilled workforce as well as high managerial and technical competence.
- c) Economic prosperity is likely to improve affordability for generic drugs in the market.
- d) Approval time for new facilities has been drastically reduced.

Source: Make in India

**Indian Pharmaceutical Industry to the World**

- Indian manufacturing facilities have bagged highest number of USFDA approvals outside US i.e approximately 600.
- Approximately 3000 drugs from Indian companies have managed to get ANDA approvals, highest outside US.
- More than 1200 Indian companies hold European certificate of suitability (CEPs) with EDQM as of 2014.

Source: Make in India

**ABOUT NLL**

Nectar Lifesciences Limited ('NLL' or 'NECLIFE') is an integrated pharmaceutical organization incorporated in 1995 based in Chandigarh, Punjab India. NLL has developed fully integrated sustainable production systems to manufacture high quality Cephalosporin intermediates, –APIs and Formulations to meet the diverse requirements of its customer base in India and over 50 countries worldwide.

**NECLIFE: A NICHE PHARMACEUTICAL PLAYER**

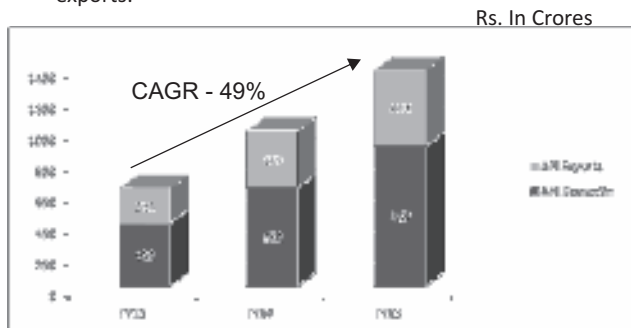
**Pharmaceuticals –APIs**

With Global capacities of some of the Cephalosporin molecules and strong tie ups Nectar has been experiencing a robust growth in this segment. With an expertise in R&D, Nectar is also working on new generation Cephalosporin molecules to be a globally dedicated Cephalosporin player. Overall, API's witnessed an increase of 39% taking the turnover from Rs. 9966 Millions to Rs. 13851 Millions

Our API facility has global regulatory accreditations like USFDA, EUGMP INFARMED, KFDA, PMDA, MCC, ANVISA Brazil and others. As a step up a strategic decision was made to optimize the international sales wherein NLL registered a robust growth of 34% was observed over the last year. Domestic sales also witnessed an increase by 42% as compared to last fiscal. Neclife with robust capacity over a year certainly leads Cephalosporins' in India & ROW markets.

The business has continued its leadership in Ceph's API sales.

- API exports witnessed a growth of 34% as compared to the last year.
- NLL's sales to regulated market contributed 27% of overall API exports:



**Pharmaceuticals – Finished Dosage formulations**

Finished dosage Formulations business is marked by a long gestation period in terms of registrations and its approval by various Health Authorities across the world. Significant numbers of filings have been done across the world in various geographies.

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

The Facility has already been inspected by USFDA and written approval of the same is expected soon.

- ▶ NLL's formulations business witnessed a growth of 73% in FY15



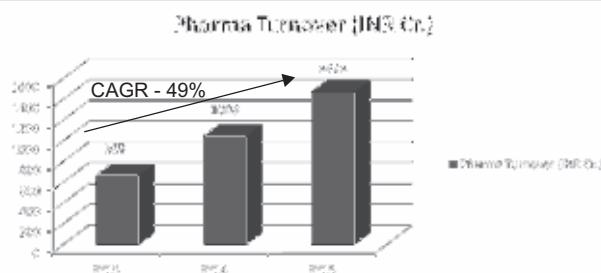
as compared to the last year.

- ▶ ROW-FDF business grew by more than 80% in FY15 as compared to the last fiscal, boosted by exports to emerging markets.

#### **Total Pharmaceutical Business in FY 14–15**

The pharmaceutical business of NLL registered a growth of 41% in FY 14–15 with a total turnover of Rs.1471 Cr. as compared to previous year's Rs. 1046 Cr.

As compared to FY-13, NLL pharma business registered CAGR of 49%, fuelled by growth in API business in exports as well as domestics and FDF business to emerging markets.



#### **Phytochemicals (Menthol)**

NLL entered the Menthol Business in 2006 and as in the past concentrated on value added pharmaceutical menthol business and succeeded in both domestic and international markets with good margins. Menthol business overall sales is Rs. 1994 Million in financial year 2014-15. Menthol's performance during FY 2014-15 witnessed a roller coaster ride which was consciously attributed to a strategic shift in business option. This de-growth in menthol was primarily owing to the following reasons:

- Company's decision to cater to high value Pharmaceutical products
- High Market fluctuations led to lower natural menthol demands.

#### **Other Non-API businesses**

- NLL also has high quality facilities for its other Non-API businesses like Empty Hard Gelatin Capsules, Generics & Diagnostics.
- **EHGC**– Being the one of the largest manufacturer, the EHGC facility in Baddi has a capacity to produce approximately 4 Billion empty capsules per annum. The EHGC Facility has approvals from ISO 9001:2008, KOSHER, HALAL, HACCAP & C-14.
- **Generics India Business**– The Company has more than 300 Stock Keeping Units (SKUs) in India with Pan India presence & about 1 Lac retailers are covered. This section is growing at the

rate of 36% YOY.

- **Diagnostics**– The business unit is known as Necpath, manufacturing various Diagnostics like:
  - Rapid tests
  - Pregnancy cards
  - HIV/ Malaria/Bio reagents
  - In-Vitro Diagnostic equipments etc.

#### **Regulatory Filings**

NLL has filed 44 Drug Master Files (DMFs) till date in highly regulated markets like US, EU, Japan, Korea, Canada and South Africa for its Cephalosporin APIs, intermediates, capsules shells and menthol. NLL has also filed a number of Formulations dossiers to some of the high-end markets and expects quick approvals for the same. NLL intends to file more ANDAs and EU dossiers for its cephalosporin range of products along with many more API DMFs in 2014-15. Currently NLL has filed 15 ANDA's in United States.

#### **Business & Earnings**

Our existing business operations are primarily concentrated on manufacturing and marketing of oral and sterile cephalosporin's, phytochemicals and allied products. We currently manufacture and sell a comprehensive range of cephalosporin's and Phytochemicals. We have the expertise in contract manufacturing of API's for major pharmaceutical players besides being into formulations, empty hard gelatin capsules, generics, OTC's and diagnostics business.

Total domestic sale in 2014-15 is Rs. 10664.01 Million whereas export sale is Rs. 6799.85 Million

#### **The Summary of Turnover Of Various Products Is As Follows**

Particulars	2014-15 (Rs. INR Millions)
<b>Pharmaceutical (API + FDF)</b>	
Domestic sales	9098.00
Export sales	5599.00
(A)	<b>14697.00</b>
<b>Phytochemicals + Allied Pharma (Surgicals, EHGC &amp; Diagnostics)</b>	
Domestic sales	1566.01
Export sales	1200.85
(B)	<b>2766.86</b>
<b>Total sales (A+B)</b>	<b>17463.86</b>

#### **Highlights 2014-15:**

- Closed the FY-15 at INR 17463.86 Million.
- ANVISA- cGMP approval granted to Derabassi API facility.
- EU-GMP (INFARMED) approval for API facility Unit-2, Dera Bassi.
- NLL was honored by CNBC TV 18 & State Bank of India as the fastest growing pharmaceutical company for 2014

#### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**



	March 31, 2015	March 31, 2014
Gross Turnover	17463.86	17203.55
Profit before interest and depreciation	2869.06	3003.96
Interest	1255.88	1379.87
Depreciation & Amortisation	765.64	841.86
Profit before tax	847.54	782.23
Tax Expenses	184.90	161.43
Profit after tax available for Appropriations	662.64	620.80
Final dividend 10% (Previous year 10%)	22.43	22.43
Tax on dividend	4.57	3.81
Depreciation relating to earlier years	321.06	--
Transfer to general reserve	--	--
Prior Period Adjustments	5.71	--
Balance c/f to balance sheet	314.58	594.56

#### **OPPORTUNITIES & OUTLOOK- NLL'S PATH AHEAD**

The company expects a positive outlook for the next year. NLL is expecting to continue its strategic entry in US and EU market with more filings in its Cephalosporin's range during 2015-16.

The U.S. is the single largest generics market. Regardless of the intense competition & pricing pressure the US segment will continue to be the single largest market, reaching between \$350 Billion to \$380 Billion. Europe forms the world's 2nd largest generic market, backed by Govt. reforms to curb healthcare cost and increased demand from ageing population.

Japanese generic market: With a view to reduce burgeoning healthcare costs and tackling rising cases of life-threatening diseases, the Japanese government is taking various measures to increase the adoption of generic drugs among people in the country. The Japanese generic drugs market, evolving to become the world's next generic hub, offers a wide range of opportunities to both domestic and international players. The patent expiry of a large number of branded drugs and active pharmaceutical ingredients are the major attractions for companies willing to enter the market. It is one of the most lucrative destinations for pharmaceutical player mainly because of the rapid ageing population & increasing incidence of western lifestyle diseases. NLL expects future value growth from this market for Cephalosporin products along with other regulated markets such as US and EU.

NLL also expects continued momentum from its domestic and export markets. Next few years will see NLL's ability to discover new markets & new opportunities gaining an invaluable advantage over competitors.

#### **Future Outlook**

- Enhance accessibility in the regulated generics business.
- Consolidate its presence in the API business by focusing on regulated markets & pharmerging markets.

- Expand relationships with marque clients with additional new products.
- Enhance market penetration with existing products.
- Focus on long-term partnerships with major pharma companies.
- Increase its operations in emerging markets.
- Focus on Cephalosporin's R & D and work on new cephalosporin molecules.

To unlock the true potential of huge investments made by NLL in Fixed Assets and Intellectual Property, NLL is at an inflection point of making strategic entry into highly regulated markets

#### **DEVELOPMENTS IN HUMAN RESOURCES**

We are a leading API manufacturing company and in doing so, revolutionize the practice of Good manufacturing & HR practices.

In order to execute this, our greatest asset clearly has to be our employees. We strive to employ the best-qualified people, give them the resources required to be successful, and encourage them to reach their greatest potential and goals. Our intention is to create an environment where respect for the individual is an integral part of our everyday life at work. We insist that communication channels remain open and ideas are shared. We also expect to work extremely hard, but we also take the time to celebrate our results. The total no. of employees are provided in Board of Directors' Report.

#### **Equal Opportunity Policy**

One of the major objectives of our Company is to maintain a reputation for high standards of business practices, as well as to comply with applicable laws. Consistent with this, NLL maintains a policy of non-discrimination with employees and applicants for employment. All aspects of employment within the Company are governed on the basis of merit, competence, and qualifications and are not influenced in any manner by religious creed, sex, marital status, protected disability as defined by law, sexual orientation, or any other basis protected by law.

We follow 'The Child Labour (Prohibition and Regulation) Act, 1986' which prohibits a child as any person who has not completed his fourteenth year of age to work in hazardous industry.

Decisions made with respect to recruiting, hiring, and promotions are made on the basis of individual qualifications, competencies and performance related to the requirements of the position. Likewise, the administration of other personnel matters such as compensation, benefits, transfers, reduction-in-force, training, education and social/recreational programs are free from any discriminatory practices. Additionally, it is the policy of the Company to provide a work environment that is free of harassment of a sexual or other discriminatory nature prohibited by law.





### **Open Door Policy**

NLL gives employees the opportunity to discuss Company decisions or actions which affect them. Many employee concerns are caused by misunderstandings and are best resolved by simply by way of communication.

### **Organisation Culture & Values at Nectar Lifesciences:**

In NLL we are having a strong culture of achievements, support and recognition. Our Cultural paradigm covers having:

- Strong Human Capital. Employee is valued as a person, as well as a worker. Employee harmony is important.
- Defined roles for each & every employee by way of KRAs / Job Descriptions.
- Professional growth of every employee is very important. Rewards, recognitions by way of strong Annual Performance Appraisal system are in place.
- A well defined processes, control systems and company policies & procedures are in place.
- Strong Leadership as role a model for others.
- A well defined Internal/External Communication channels are in place.

### **Safety Standards**

Regardless of where we work, there is a possibility that an accident can happen which could result in personal injury. To overcome this, the Company has established a safety, health and environment policy that is really nothing but a planned series of common sense controls and a few safety practices which need to be established for the protection of every employee.

NLL maintains a safe work place for its employees consistent with safety codes. However, this does not guarantee freedom from injury. The most important preventive measure is for each employee to perform his or her job in the safest possible manner.

### **Whistle Blower Policy**

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

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

intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure

### **Policy Against Sexual Harassment At Workplace**

The company has made the Anti Sexual Harassment Policy under THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL)ACT, 2013 for all individuals working for Nectar at all levels and grades, including senior executives, officers, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, staff, casual workers, interns. As per policy any aggrieved woman employee who feels and is being sexually harassed directly or indirectly may make a complaint of the alleged incident to any member of the Committee constituted for this purpose.

### **Employee Welfare**

NLL strongly believes in Nurturing & Enriching its Human capital & workforce. The efforts have delivered to win over employee's loyalty, satisfaction productivity and increase their morale.

NLL undertakes following activities as a part of Employee Welfare services:

- Safety Services
- Safety training and publicity week
- Personal protective equipment
- Basic Facilities for Welfare of Employees
- Ambulatory services at workplace
- Sports day

### **INTERNAL CONTROL SYSTEMS:**

NLL believes that sound internal control systems are necessary prerequisites to good and sound governance. The management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides assurance on the efficiency of the Company's operations and the security of its assets.

NLL's internal control systems and procedures are designed to enable the reliable reporting of financial statements, reporting timely feedback on the achievement of operational or strategic goals and ensure compliance with laws and regulations. In addition to the statutory audit, the financial and operating controls at various locations of the Company are reviewed through internal control. The report of significant findings, if any, is tabled before Audit Committee of the Board. Compliance with various laws and regulations are also monitored continuously.



The Company introduced prescribed procedures in all the important functions affecting the daily operations of the business. In order to avoid duplication, many of the activities are designed to meet the GMP/FDA/ISO/management's or other statutory requirements. The top management of the Company continuously monitors compliance with the procedures and introduces new systems from time to time, wherever necessary. The Company inter-linked its various departments in such way so that any discrepancy would be found promptly. The highlights of the internal control weaknesses and internal audit reports are placed before Audit Committee meeting along with the recommendations and responses of the management. The members of the Board deliberate and advise the management on improvements/compliance. Apart from above, the statutory auditors also present their concerns to the board members for improvements or developments

The Company has formed an Internal Audit Cell to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed by the audit committee. The internal audit plan aims at reviewing internal controls and risks in operations such as Material Management, accounting and finance, procurement, insurance,

The audit committee reviews audit reports submitted by the internal auditor. Suggestions, if any for improvement are considered and the audit committee follows up on corrective action.

#### **RISK MANAGEMENT FRAMEWORK**

Risk management is attempting to identify and then manage threats that could severely impact or bring down the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The Company has constituted a Risk Management Committee with Mr. Dinesh Dua as the Chairman and Mr. Harparkash Singh as a member. The main functions of committee are as under:

- a) to formulate and recommend to the Board, a Risk Management Policy which shall indicate the activities such as identification of risks and mitigation strategy thereof;
- b) to recommend the Board about risk assessment and minimization procedures; and
- c) monitoring and reviewing of the risk management plan to the Board.

We consider activities at all levels of the organization, viz., Enterprise level; Division level; Business Unit level; and Subsidiary level are considered in the risk management framework. All these components are interrelated and drive the Enterprise Wide Risk Management with focus on three key elements, viz.

(1) Risk Assessment

(2) Risk Management

(3) Risk Monitoring.

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

#### **Risks Specific to the Company and the Mitigation Measures Adopted**

**1) Business dynamics:** Variance in the demand and supply of the products in various areas.

Based on experience gained from the past and by following the market dynamics as they evolve, the Company is able to predict the demand during a particular period and accordingly supply is planned and adjusted.

**2) Business Operations Risks:** These risks relate broadly to the company's organization and management, such as planning, monitoring and reporting systems in the day to day management.

Risk mitigation measures taken:

- The Company functions under a well defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programme's.
- Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.

#### **3) Credit Risks:**

Credit Risks involves:

- Risks in settlement of dues by dealers/customers
  - Provision for bad and doubtful debts
- Risk Mitigation Measures:
- Systems put in place for assessment of credit worthiness of dealers/customers.
  - Provision for bad and doubtful debts made to arrive at correct financial position of the Company.
  - Appropriate recovery management and follow up.

#### **4) Logistics Risks:**

This risk is about use of outside transport sources.

Risk Mitigation Measures:

- Exploring possibility of an in-house logistic mechanism if the situation demands.
- Possibilities to optimize the operations, by having a combination of transportation through road/ rail and sea/air are explored.



- Company has a dedicated logistics group to handle all requirements relating to movement of raw materials, semi finished goods, finished goods, capital goods etc as and when necessary with a well defined system of allocation of vehicles based on priorities and time aspects. All the movement of goods is sufficiently covered by marine risk insurance.

#### 5) Market Risks / Industry Risks:

These risks are categorized as under:

- Demand and Supply Risks
- Quantities, Qualities, Suppliers, lead time, interest rate risks
- Raw material rates
- Interruption in the supply of Raw material

Risk Mitigation Measures:

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past and an ongoing study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's products.
- The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of de-bottlenecking procedures, enhancement of capacity utilisation in customer-plants etc.
- Proper inventory control systems have been put in place.

#### 6) Human Resource Risks:

These risks are categorized as under:

- a) Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.
- b) Unrest Risks due to Strikes and Lockouts.

Risk Mitigation Measures:

- Company has proper recruitment policy for recruitment of personnel at various levels in the organization.
- Proper appraisal system for revision of compensation on a periodical basis has been evolved and followed regularly.
- Employees are trained at regular intervals to upgrade their skills.
- Labor problems are obviated by negotiations and conciliation.
- Activities relating to the Welfare of employees are undertaken.
- Employees are encouraged to make suggestions and discuss any problems with their Superiors.

#### 7) Disaster Risks:

Natural risks like Fire, Floods, Earthquakes etc. are covered under this category

Risk Mitigation Measures:

- The properties of the company are insured against natural risks, like fire, flood, earthquakes, etc. with periodical review of adequacy, rates and risks covered under professional advice.
- Fire extinguishers have been placed at fire sensitive locations.
- First aid training is given to watch and ward staff and safety

personnel.

- Workmen of the company are covered under ESI, EPF, etc., to serve the welfare of the workmen.

#### 8) System Risks:

These risks are categorized as under:

- System capability
- Data integrity risks
- System reliability
- Coordinating and interfacing risks

Risk Mitigation Measures:

- EDP department maintains repairs and upgrades the systems on a continuous basis with personnel who are trained in software and hardware.
- Password protection is provided at different levels to ensure data integrity.
- Licensed software is being used in the systems.
- The Company ensures "Data Security", by having access control/restrictions.

#### 9) Legal Risks:

These risks relate to the following:

- Contract Risks
- Contractual Liability
- Frauds
- Judicial Risks
- Insurance Risks

Following are the Risk mitigation measures adopted by the Company to mitigate the risks relating to Legal aspects:

- A study of contracts with focus on contractual liabilities, deductions, penalties and interest conditions is undertaken on a regular basis.
- The Legal department vets all legal and contractual documents with legal advice from Legal retainers for different branches of legislation.
- Contracts are finalized as per the advice from legal professionals and Advocates.
- Insurance policies are audited to avoid any later disputes.
- Timely payment of insurance and full coverage of properties of the Company under insurance.
- Internal control systems for proper control on the operations of the Company and to detect any frauds.

#### 10) Foreign Exchange and Interest Rate Risk Management:

Foreign currency exposures are recognized from the time an import/export order/contract is signed and as per contractual maturity prior to opening of Letters of Credit and/or Purchase Orders by customers.

All exposures are considered month wise for the current year and quarter wise for later exposures. Besides, the cash flows are prepared and monitored for each currency separately.

The company's budgeted exchange rates are not be used for quotations or exposure management or performance evaluation of treasury.

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

(Sanjiv Goyal)  
Chairman and Managing Director

Place: Chandigarh  
Date: August 14, 2015



## Annexure 2 of Board of Directors' Report Report on Corporate Governance

### Nectar Lifesciences' philosophy on Corporate Governance

Nectar Lifesciences Limited believes in adopting the best practices in the area of Corporate Governance and follows the principles of full transparency and accountability. The Company is committed to maximise the wealth of its shareholders, besides catering to the interests of its customers, employees and associates, with the highest standards of professionalism, integrity, accountability, fairness, following its values, transparency at all levels, social responsiveness and business ethics.

The Company's governance practices go beyond the statutory and regulatory requirements as it tries its best endeavour to follow the spirit of good governance in addition to regulatory requirements.

The vision of the Company is: **"To become an integrated international pharmaceutical Company offering excellence in product quality standards, services and commitment"**.

The Company's compliance of Corporate Governance guidelines as per Clause 49 of the Listing Agreement is as follows:

#### I. Board of Directors

The size and composition of the Board commensurate with the Company's future growth plans and also conforms to the requirements of the Corporate Governance Code under the Listing Agreement. The Company had total 9 Directors on the Board as on March 31, 2015, comprising three directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining five are Non-Executive & Independent Directors.

The responsibilities of the Board include charting out business plans; devising corporate strategy; brand equity; formulation of policies; new initiatives; other management matters; performance review and control and ensuring that the targeted objectives are met on a consistent basis. In all, the Board of Directors of Nectar believes to ensure compliance of all the applicable laws of the land, in letter as well as in spirit.

None of the Directors on the Board holds the office of:

- i) Director in more than 20 companies or
- ii) Director in more than 10 public companies including private companies which are holding or subsidiaries of public companies or
- iii) Independent Director of more than 7 listed companies or
- iv) Independent Director of more than 3 listed companies in case of director who is wholtime director of a listed company or

- v) Memberships in Committees of the Board in more than 10 Committees or
- vi) Chairmanship of more than 5 Committees.

Apart from receiving sitting fee for attending the meetings of the Board/Committees, there were no pecuniary relationships or transactions between the Company and the Non-Executive and Independent Directors.

During the financial year 2014-2015, Four Board meetings were held on May 28, 2014, August 11, 2014, November 12, 2014 and February 13, 2015.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2014-15 and at the last Annual General Meeting, as also the number of directorship, committee memberships and committee chairmanship held by them in other companies are given below:

Name and designation of Directors	Category of Director	Number of Board Meetings attended	Attendance at the last AGM	Number of outside Directorship held	Number of Board Committees of other companies in which	
					Mem-ber	Chair-man
Mr. Sanjiv Goyal (Chairman and Managing Director)	Promoter & Executive Director	3	Not Present	4	Nil	N.A.
Mr. Aryan Goyal (Executive Director) Resigned on November 12, 2014	Promoter & Executive Director	2	Present	4	Nil	N.A.
Mr. Dinesh Dua (Chief Executive Officer and Director)	Non Promoter & Executive Director	4	Not Present	Nil	N.A.	N.A.
Mr. Basant Kumar Goswami, IAS (Retired) (Director) Resigned on March 30, 2015	Independent & Non-executive Director	2	Not Present	11	7	3
Mr. Vijay J. Shah (Director)	Independent & Non-executive Director	1	Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-executive Director	3	Not Present	7	3	1
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director)	Independent & Non-executive Director	4	Not Present	Nil	N.A.	N.A.
Mr. Raman Kapur (Director)	Independent & Non-executive Director	3	Not Present	4	Nil	N.A.
Mr. Ajay Swaroop (Director)	Independent & Non-executive Director	4	Not Present	Nil	N.A.	N.A.



Mr. Harparkash Singh Gill (President) (Operations) Director Non Promoter & Executive Director	Non Promoter & Executive Director	2	Not Present	Nil	N.A.	N.A.
Mrs. Rima Marphatia (Nominee Director of Export and Import Bank of India) Appointed on August 11, 2014 and Nomination withdrawn on December 8, 2014	Non-Independent & Non-executive	2	Not Present	Nil	N.A.	N.A.
Mr. Neena Singh (Additional Director) Independent & Non-executive Director Appointed on February 13, 2015	Independent & Non-executive Director	1	Not Applicable	3	4	Nil

Note: In case of Directors who are ceased to be the directors during the year, the directorship/ committee membership/ chairmanship is as disclosed by them upto their resignation.

## II. Code of Conduct

The Board of Directors adopted the Code of Conduct as per the provisions under Clause 49 of the Listing Agreement. The same has been posted on the Company's website [www.neclife.com](http://www.neclife.com). All Board members and senior management personnel affirmed compliance with the Code. A declaration to this effect signed by Mr. Dinesh Dua, Chief Executive Officer & Director is attached to this Report.

## III. Audit Committee

In financial year 2014-15 the Audit Committee comprised of three directors including Mr. Vijay J. Shah as Chairman with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Mr. Sanjiv Goyal as Members.

Mr. Vijay J. Shah holds the bachelors degree in Commerce and Diploma in business administration. He has rich experience in managing the affairs of the corporate entity and is currently working as the Managing Director of leading pharmaceutical companies. He fulfils the requirement that the Audit Committee Chairman must have financial expertise.

Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) retired after holding the most prestigious and highest professional appointment of Senior Consultant Medicine as Head of the medicine and Allied Specialties/ Super Specialties in the Armed Forces from Ministry of Defence and Army Hospital (Research and Referral) Delhi. Apart from holding many medical degrees, he also did Senior Defence Management Course from College of Defence Management Secunderabad in 1993. Mr. Sanjiv Goyal, Promoter Director of the Company, is a law and commerce graduate and has more than 22 years of

experience in the Industry. Thus, the members are well versed with financial systems and have the ability to read and understand basic financial statements i.e. balance sheet, profit & loss account and statement of cash flows.

The terms of reference to the Audit Committee are in compliance to Section 177 of Companies Act, 2013 and Clause 49 of the Listing agreement.

During the year under review, four meetings of the Audit Committee were held, the dates being May 27, 2014, August 11, 2014, November 11, 2014 and February 12, 2015.

The attendance of the members/permanent invitee at the Audit Committee meetings was as follows:

Name	Category of Member of Committee	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Mr. Vijay J. Shah (Chairman)	Independent & Non-executive Director	4	4
Mr. Sanjiv Goyal	Managing Director	4	3
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.)	Independent & Non-executive Director	4	4

Mr. Sandeep Goel, Chief Financial Officer and Mr. Ravi Kant Aggarwal, Vice President (Accounts) of the Company and representatives from M/s Datta Singla & Co., Chartered Accountants, statutory auditors of the Company, as considered appropriate, attended the meetings as permanent invitees, while Mr. Sunder Lal, Company Secretary, acts as the Secretary to the Committee.

## IV. Nomination and Remuneration Committee

As on April 1, 2014 the Company has Compensation (Remuneration) Committee with Mr. Vijay J. Shah as Chairman with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Mr. Sanjiv Goyal as Members. However, so as to comply the Section 178 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, the Board of Directors in their meeting held on May 28, 2014 have changed its nomenclature as Nomination and Remuneration Committee (NRC) and re-constituted it with three directors including Mr. Vijay J. Shah as Chairman with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Mr. Ajay Swaroop as Members. Mr. Sunder Lal, Company Secretary acts as a secretary of the committee.



During the financial year ended on March 31, 2015, four meetings were held of the committee on May 27, 2014, August 11, 2014, November 11, 2014 and February 12, 2015.

The attendance of the members of Nomination and Remuneration Committee meetings was as follows:

Name	Category of member of Committee	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Mr. Vijay J. Shah (Chairman)	Independent & Non-executive Director	4	4
Mr. Sanjiv Goyal	Managing Director	1	1
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.)	Independent & Non-executive Director	4	4
Mr. Ajay Swaroop	Independent & Non-executive Director	3	3

The terms of reference Nomination and Remuneration Committee are as under:

- i) to formulate the criteria for determining qualifications, positive attributes and independence of a director to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating the policy ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- iii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iv) Devising a policy on Board diversity;
- v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and

removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The remuneration policy is formulated by the Nomination and Remuneration Committee and approved by the Board. The brief contents of the policy are, as under:

#### Appointment of Directors/ Key Managerial Personnel (KMPs)/Senior Officials

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

#### Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and

#### Representational skills;

- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal

#### Integrity and probity;

- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.



#### Remuneration of Directors, KMPs and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The NRC will determine individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee will consult with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman will be recommended by the Committee to the Board of the Company.

(i) Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

(ii) Statutory Requirements:

The NRC will look into statutory requirements while deciding the remuneration of Directors and KMPs.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

The details of remuneration of Directors are given in disclosures part of this Report.

#### V. Stakeholders' Relationship Committee

As on April 1, 2014 the Company has Transfer-cum-Shareholders' / Investors' Grievance Committee with Mr. Vijay J. Shah as its Chairman and Mr. Sanjiv Goyal and Mr. Aryan Goyal as its members. However, so as to comply the Section 178 of the Companies Act, 2013 and amended clause 49 of the Listing Agreement, the Board of Directors in their meeting held on May 28, 2014 have changed its nomenclature as Stakeholders' Relationship committee and re-constituted it with three directors including Mr. Ajay Swaroop as its Chairman and Mr. Sanjiv Goyal and Mr. Aryan Goyal as its members. Due to the resignation of Mr. Aryan Goyal from the Board of Directors, he is also ceased to be member of the committee. Therefore, the Board of Directors have in their meeting held on February 13, 2015 have inducted Mr. Dinesh Dua as a member of the committee.

As on March 31, 2015, the Stakeholders' Relationship Committee comprised of three directors including Mr. Ajay Swaroop as its Chairman and Mr. Sanjiv Goyal and Mr. Dinesh Dua as its members.

Mr. Sunder Lal, Company Secretary, acts as the Secretary of the Committee and also the Compliance officer of the Company. The Committee focuses on strengthening investor relations and performs the following functions

- (i) Approves and monitors transfers, transmission, splitting and consolidation of securities, issue of share certificate upon rematerialisation requests and issue of duplicate share certificates
- (ii) Looks into various issues relating to shareholders including redressal of complaints relating to transfer of shares, non-receipt of annual reports and dividends, among others
- (iii) Ensures compliance of the Code of Conduct for prevention of insider trading formulated by the Company as per the Securities and Exchange Board of India Regulations

As on March 31, 2015, 99.999 of the Company's shares are held in electronic (demat) form.

During the financial year ended on March 31, 2015, two meetings were held of the committee on February 13, 2015 and February 23, 2015.

The attendance of the members of Stakeholders' Relationship Committee meetings was as follows:



Name	Category of member of Committee	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Mr. Ajay Swaroop	Independent & Non-executive Director	2	1
Mr. Sanjiv Goyal	Managing Director	2	2
Mr. Aryan Goyal	Executive Director	Nil	N.A.
Mr. Dinesh Dua	Chief Executive Officer & Director	1	1

All the complaints received during the year were duly redressed to the complete satisfaction of the respective shareholders expeditiously. The detail of complaints received and redressed follows:

Opening balance	Received during the financial year 2014-2015	Complaints resolved	Closing balance
Nil	47	47	Nil

#### Quarter-wise details of complaints during 2014-15:

Quarter	Complaints pending at the beginning of quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of quarter
April-June	Nil	5	5	Nil
July-September	Nil	17	17	Nil
October-December	Nil	13	13	Nil
January-March	Nil	12	12	Nil

#### Reconciliation of share capital Audit

The Company conducts a Reconciliation of Share Capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Reg. 1996 and SEBI Circular No. D&CC/ FITTC/ Cir-16/2002 dated 31.12.2002. The Practicing Company Secretaries were appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Report, which was submitted to the stock exchanges within the stipulated period, inter-alia certifies that the Company's equity shares held in the dematerialised form and in the physical form conform with the issued and paid-up equity shares capital of the Company.

#### Secretarial Compliance Certificate

As per the provisions of the Clause 47 (c) of the Listing Agreement entered with the BSE Limited and the National Stock Exchange of India Limited by the Company, the company has obtained the Secretarial Compliance Certificate on half-yearly basis from Practicing Company Secretaries, to the effect that all transfer of

shares among others, were effected within the stipulated time. The certificate was submitted with the stock exchanges within the prescribed time limit.

#### Reporting as per Clause 5A of the Listing Agreement

As required under Clause 5A of the Listing Agreement, the details of shares in suspense account, i.e. shares issued pursuant to the public issues or any other issue which remain unclaimed are as under:

At the beginning of the year i.e. April 1, 2014	Aggregate number of shareholders	28
	Outstanding shares in the suspense account	7110 equity shares of Re. 1/- each
Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Nil
Number of shareholders to whom shares were transferred from suspense account during the year		Nil
At the end of the year i.e. March 31, 2015	Aggregate number of shareholders	28
	Outstanding shares in the suspense account	7110 equity shares of Re. 1/- each

Further, the voting rights on these shares will remain frozen till the rightful owner of such shares claims the shares.

#### VI. Other committees

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

Name of the Committee	Members	Details
Management Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Mr. Dinesh Dua (Member) 3. Mr. Aryan Goyal Member (upto Nov. 12, 2014)	3 Meetings held during the FY 2014 - 15 and are attended by all members of the committee held during their respective tenure.  Dates of meetings: 1. June 21, 2014 2. July 18, 2014 3. March 18, 2015
Corporate Social Responsibility Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Member) 3. Mr. Dinesh Dua (Member)	2 Meetings held during the FY 2014 - 15 and are attended by all members of the committee.  Dates of meetings: 1. November 11, 2014 2. February 13, 2015
Risk Management Committee	1. Mr. Dinesh Dua (Chairman) 2. Mr. Harparkash Singh Gill (Member) 3. Mr. Aryan Goyal Member (upto Nov. 12, 2014)	1 Meeting held during the FY 2014 - 15 and is attended by all members of the committee held during their respective tenure.  Date of meeting: 1. February 13, 2015





The meetings of above committees are held as and when its members think appropriate or necessary to discuss the matters within their terms of reference.

## VII. General Body meetings

Details of the last three Annual General Meetings held

1. 19<sup>th</sup> Annual General Meeting: September 30, 2014 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
2. 18<sup>th</sup> Annual General Meeting: September 30, 2013 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
3. 17<sup>th</sup> Annual General Meeting: September 29, 2012 at 9.30 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab

Detail of special resolutions:

1. At the Extraordinary General Meeting held on December 30, 2014, the following special resolution was passed:
  - i. Appointment of Mr. Aryan Goyal, who is a relative of Director, as an employee (i.e. to hold an office or place of profit under the Company) under Section 188 of the Companies Act, 2013.
2. At the 19<sup>th</sup> Annual General Meeting held on September 30, 2014, the following special resolutions were passed:
  - i) Change the term of Mr. Sanjiv Goyal as a Director liable to retire by rotation.
  - ii) Change the term of Mr. Aryan Goyal as a Director liable to retire by rotation.
  - iii) Appointment of Mr. Dinesh Dua as a Wholetime Director designated as Chief Executive Officer & Director and to approve his remuneration.
  - iv) Revision in the remuneration of Mr. Harparkash Singh Gill, President (Operations) & Director.
  - v) According consent to the Board for Borrowings u/s 180 (1)(c) of the Companies Act, 2013 and to create security for Borrowings u/s 180 (1)(a) of the Companies Act, 2013.
  - vi) Appointment of Mr. Saurabh Goyal, who is a relative of Directors, to hold an office or place of profit under the Company under Section 188 of the Companies Act, 2013.
  - vii) Alteration of Articles of Associations of the Company under Section 14 of the Companies Act, 2013.
3. At the 18<sup>th</sup> Annual General Meeting held on September 30, 2013, the following special resolution was passed:

- i. For the appointment of Mr. Harparkash Singh Gill as Wholetime Director designated as President (Operations) & Director and fixation of his remuneration.
4. At the 17<sup>th</sup> Annual General Meeting held on September 29, 2012, the following two special resolutions were passed:
    - i. For the re-appointment of Mr. Sanjiv Goyal Goyal as a Chairman & Managing Director.
    - ii. For commencement of new business stated in 'other objects' clause at Sl. Nos. (21), (22) and (23) in subparagraph C of paragraph III of the memorandum of association of the company.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. All the resolutions passed in the 17<sup>th</sup> and 18<sup>th</sup> Annual General Meetings were passed through show of hands. The resolutions of 19<sup>th</sup> Annual General Meeting and Extraordinary General Meeting held on December 30, 2014 are passed through e-voting as per section 108 of the Companies Act, 2013 and polling at the venue of General Meeting as per Section 109 of the Companies Act, 2013, in case of those members who did not participated by e-voting.

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

No special resolution to be passed through postal ballot is proposed at the ensuing Annual General Meeting.

## VIII Disclosures

- a. There were no materially significant transactions made by the Company with its promoters, Directors or the management and their subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large. However, the general related party disclosures are given in the Notes on Accounts.
- b. There was not any material non-compliance by the Company and no penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- c. The Company had adopted the whistle blower policy during 2014-15. The policy is placed on the website of the company. No employee has been denied access to the audit committee.
- d.
  - i) Details of compliance with mandatory requirements: Given elsewhere in this Report
  - ii) Adoption of the non-mandatory requirements of this Clause: Given elsewhere in this Report
- e. **Related Party Transactions:** The details of all transactions, if any, with related parties are placed



before the Audit committee and Board and wherever necessary approval of members has also obtained in their General Meeting.

- f. **Disclosure of accounting treatment:** In the preparations of financial statements, the Company followed the accounting standards issued under Companies (Accounting Standard) Rules, 2006, as amended upto date, to the extent applicable.
- g. **Disclosure of risk management:** The Company regularly informed the Board of Directors about the risk assessment, if any, along with recommendations to reduce the risk.
- h. **Remuneration of Directors: The Non-Executive Directors are entitled to sitting fee of Rs. 10,000 per board meeting attended by them. The sitting fee of Rs. 1000 is paid to them for every Committee meeting attended by them. Apart for the sitting fee, the Non-Executive Directors did not have any materially pecuniary relationship with the Company.**

During the financial year 2014-15, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director, Mr. Aryan Goyal, Executive Director, Mr. Dinesh Dua, Chief Executive Officer & Director and Mr. Harparkash Singh Gill, President (Operation) & Director on the terms and conditions of their respective resolutions passed by the Board of Directors and members. The Company is not paying any sitting fee to its Executive Directors.

The details of Directors' remuneration for the financial year ended March 31, 2015

Name and designation of Director	Sitting fee (Rs.)	Salaries and perquisites (Rs.)	Period of service	Number of shares held as on March 31, 2015
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	15,650,219/-	5 years from June 01, 2012	76779000
Mr. Aryan Goyal, Executive Director	N.A.	4,737,533/-	5 years from December 05, 2010 and resigned on November 12, 2014	N.A.
Mr. Dinesh Dua, Chief Executive Officer & Director	N.A.	15,118,008/-	5 years from October 14, 2013	Nil
Mr. Harparkash Singh Gill, President Operations & Director	N.A.	2,408,863/-	3 years from November 01, 2012	Nil
Mr. Basant Kumar Goswami, IAS (Retired), Non-Executive Director	20000/-	N.A.	5 years from September 30, 2014 and resigned on March 30, 2015	N.A.

Mr. Vijay J. Shah, Non-Executive Director	18000/-	N.A.	5 years from September 30, 2014	250
Mr. Vivek Sett, Non-Executive Director	30000/-	N.A.	Non rotational Director	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Non-Executive Director	50000/-	N.A.	5 years from September 30, 2014.	Nil
Mr. Raman Kapur, Non-Executive Director	30000/-	N.A.	5 years from September 30, 2014	1000000
Mr. Ajay Swaroop, Non-Executive Director	44000/-	N.A.	5 years from September 30, 2014	Nil
Mrs. Rima Marphatia (Nominee Director of Export and Import Bank of India)	20000/-	N.A.	Appointed on August 11, 2014 and Nomination withdrawn on December 8,	N.A.
Mrs. Neena Singh (Additional Director)	10000/-	N.A.	Appointed on February 13, 2015 upto the next Annual General Meeting	Nil

The salary of Mr. Sanjiv Goyal is inclusive of Rs. 780 Million i.e. performance based incentive of 2% on Net Profit of the company or equivalent to his monthly salary, **whichever is lower.**

The Company did not provide any stock option to its directors and employees.

## IX. Means of communication

### Quarterly results

The details of quarterly results are published are as under:

Quarter	English daily	Punjabi daily
April-June	Business Standard – All Editions	Des Sewak
July-September	Business Standard – All Editions	Des Sewak
October-December	Business Standard – All Editions	Des Sewak
January - March	Business Standard – All Editions	Des Sewak

The results are also displayed on the company's website "[www.neclife.com](http://www.neclife.com)". The official news' are also displayed on the Company's website. Apart from the above, we also regularly provided the information to the Stock Exchanges as per the requirements of the Listing Agreement and the desired information can be accessed from the websites of the respective Stock Exchanges. Other than the annual accounts, the quarterly and half-yearly financial results are not sent to the household of each shareholder.

## X. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The required information of directors on their appointment/ re-appointments is given in the explanatory statement under section 102 of the Companies Act, 2013, of Notice of ensuing Annual General Meeting.



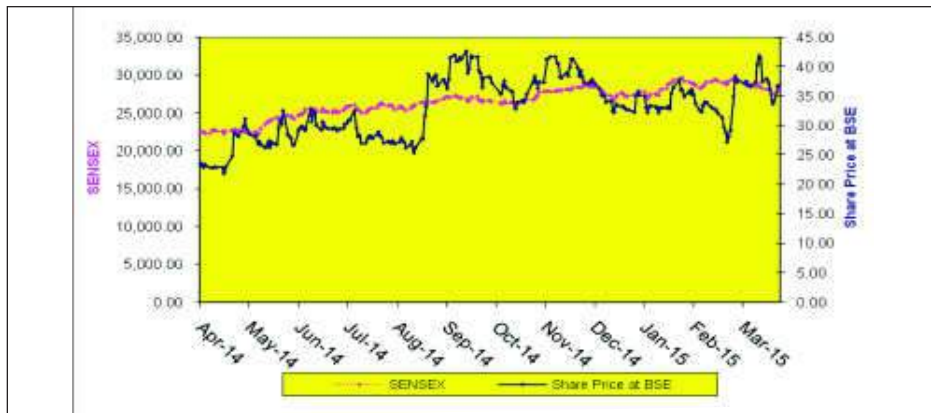
## XI. General Shareholder Information

- i. 20<sup>th</sup> Annual General Meeting  
 Date Wednesday September 30, 2015  
 Time 10.00 am  
 Venue Registered Office and Works: Village Saidpura Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab – 140507.
- ii. Financial year April 1, 2014 to March 31, 2015
- iii. Date of book closure September 24, 2015 to September 30, 2015 (Both days inclusive).
- iv. Dividend payment date By October 29, 2015
- v. The equity shares of Re. 1/-each of the Company are listed on  
 1. The National Stock Exchange of India Limited (NSE)  
 Regd Office : “Exchange Plaza”, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India  
 Tel : 91-22-26598100, 56418100  
 Fax : 91-22-26598237/38, 26598120  
 2. BSE Limited (BSE)  
 New Trading Ring, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001, Maharashtra, India  
 Tel : 91-22-22721233, 22721234,  
 Fax : 91-22-22723677, 22722082/ 3132
- vi. Global Depository Receipts (GDRs) listed on  
 Luxembourg Stock Exchange/ LuxSE  
 Société de la Bourse de Luxembourg S.A.  
 B.P. 165, L-2011 Luxembourg  
 Siège social, 11, av de la Porte-Neuve,  
 Telephone: (00352) 47 79 36 – 1,  
**Fax** : (00352) 47 32 98
- vii. Listing fee  
 The annual listing fees have been paid to the above exchanges and there is no outstanding payment towards the exchanges, as on date.
- viii. Equity shares’ stock code / symbol  
 BSE Code : 532649  
 NSE Symbol : NECLIFE
- ix. GDRs common code 039031680
- x. ISIN of Company’s equity shares: INE023H01027
- xi. ISIN of Company’s GDRs US63975T1051
- xii. CUSIP of Company’s GDRs 63975T 105
- xiii. Corporate Identification Number (CIN) L24232PB1995PLC016664
- xiv. Market price data:  
 The high and low prices of the Company’s share (of Re. 1/- each) at BSE and NSE from April 1, 2014 to March 31, 2015 were as below:

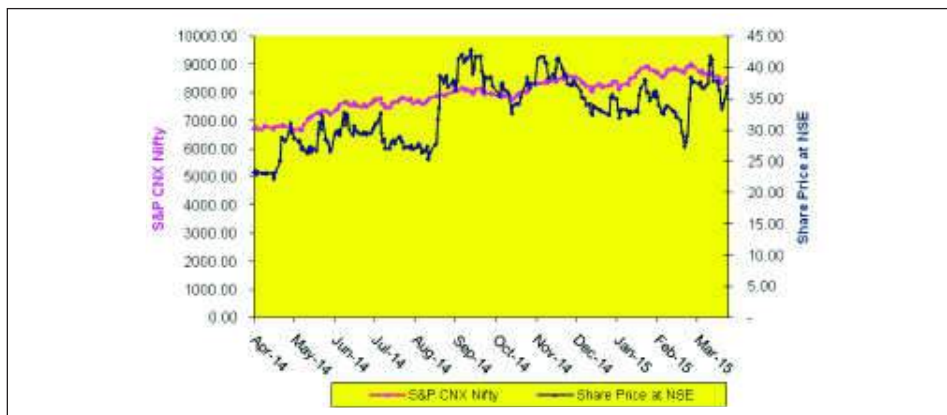
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Total traded quantity	High (Rs.)	Low (Rs.)	Total traded quantity
April-14	32.85	21.30	4,728,983	32.80	21.30	10,580,353
May-14	33.90	25.55	3,171,359	33.90	25.90	7,125,012
June-14	35.00	26.90	4,670,692	34.95	26.05	12,556,909
July-14	33.20	26.50	3,136,923	33.00	26.50	6,983,924
August-14	40.50	24.60	90,78,059	40.50	24.55	26,548,336
September-14	44.65	35.05	10,067,044	44.70	34.95	27,343,576
October-14	40.00	31.90	2,647,408	40.00	31.55	6,220,316
November-14	44.40	37.05	7,831,304	44.40	37.00	16,288,187
December-14	38.70	31.25	3,712,152	38.65	31.20	6,144,956
January-15	39.65	31.95	3,119,686	39.70	31.85	8,615,369
February-15	37.50	27.00	2,970,029	37.60	27.00	6,500,069
March-15	44.00	29.45	11,252,258	43.95	29.40	27,002,951



- xv. Performance of the Company's share price with BSE Sensex and NSE Nifty  
 a. Performance of the Company's share price at BSE in comparison with BSE Sensex



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



- |        |  |  |
|--------|--|--|
| xvi.   | Registrar and Transfer Agents and contact person thereat | Karvy Computershare Private Limited<br>Unit: Nectar Lifesciences Limited<br>Karvy House, 46, Avenue 4, Street no. 1 Banjara Hills,<br>Hyderabad - 500 034<br>Tel: (91-40) 23114058, Fax: (91-40) 23311968<br>Contact Person : Mr. V. K. Jayaraman<br>E-mail: <a href="mailto:jayaramanvk@karvy.com">jayaramanvk@karvy.com</a>                        |
| xvii.  | Address for correspondence at the Company                | Nectar Lifesciences Limited<br>SCO 38-39, Sector 9-D, Chandigarh -160 009<br>Ph. No. 0172-3047777,3047701<br>Fax No. 0172-3047755  |
| xviii. | Compliance Officer and contact person at the Company     | Mr. Sunder Lal, Company Secretary<br>E-mail: <a href="mailto:sunderlal@neclife.com">sunderlal@neclife.com</a><br>Website : <a href="http://www.neclife.com">www.neclife.com</a>  |
| xix.   | Share transfer system                                    | Almost 99.999% of the shares of the Company are held in dematerialised form . Transfers of these dematerialised shares are done through the depositories with no involvement of the Company . As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrar and Share Transfer Agent of the Company . |

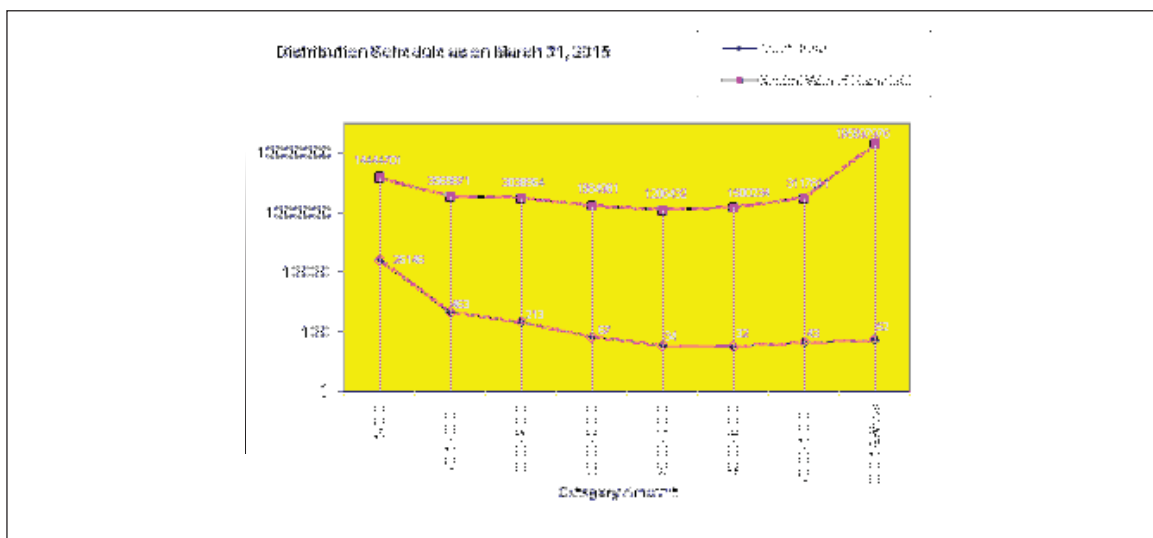


Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if documents are complete in all respects. The Stakeholders' Relationship Committee approves the transfer and transmission of shares.

xx. Distribution of shareholding

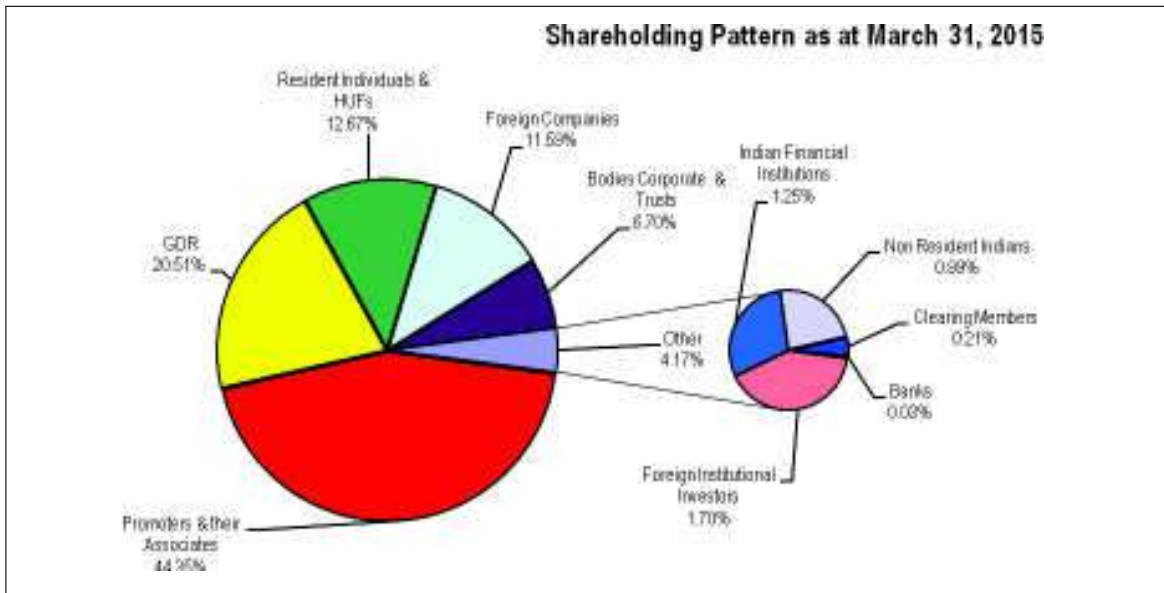
a) Class-wise distribution of equity shares as on March 31, 2015

Category (amount)	Number of cases	% of cases	Total shares	Nominal value of shares held (Rs.)	% of amount
1-5000	26146	96.66	14444701	14444701	6.44
5001- 10000	463	1.71	3569871	3569871	1.59
10001- 20000	213	0.79	3038964	3038964	1.36
20001- 30000	67	0.25	1684981	1684981	0.75
30001- 40000	34	0.13	1206432	1206432	0.54
40001- 50000	32	0.12	1500234	1500234	0.67
50001- 100000	43	0.16	3117811	3117811	1.39
100001& Above	52	0.19	195697976	195697976	87.26
<b>Total</b>	<b>27050</b>	<b>100.00</b>	<b>224260970</b>	<b>224260970</b>	<b>100.00</b>



b) Shareholding pattern as on March 31, 2015

Category	Number of Cases	Total shares	% to equity
PROMOTERS	5	99468000	44.35
GDR	1	46000000	20.51
RESIDENT INDIVIDUALS	25200	26891737	11.99
FOREIGN CORPORATE BODIES	1	26000000	11.59
BODIES CORPORATES	564	14999486	6.69
FOREIGN INSTITUTIONAL INVESTORS	11	3809256	1.70
INSURANCE COMPANIES	1	2800000	1.25
NON RESIDENT INDIANS	342	2209637	0.99
H U F	770	1519144	0.68
CLEARING MEMBERS	149	461855	0.21
BANKS	4	68305	0.03
TRUSTS	2	33550	0.01
<b>Total</b>	<b>27050</b>	<b>224260970</b>	<b>100.00</b>

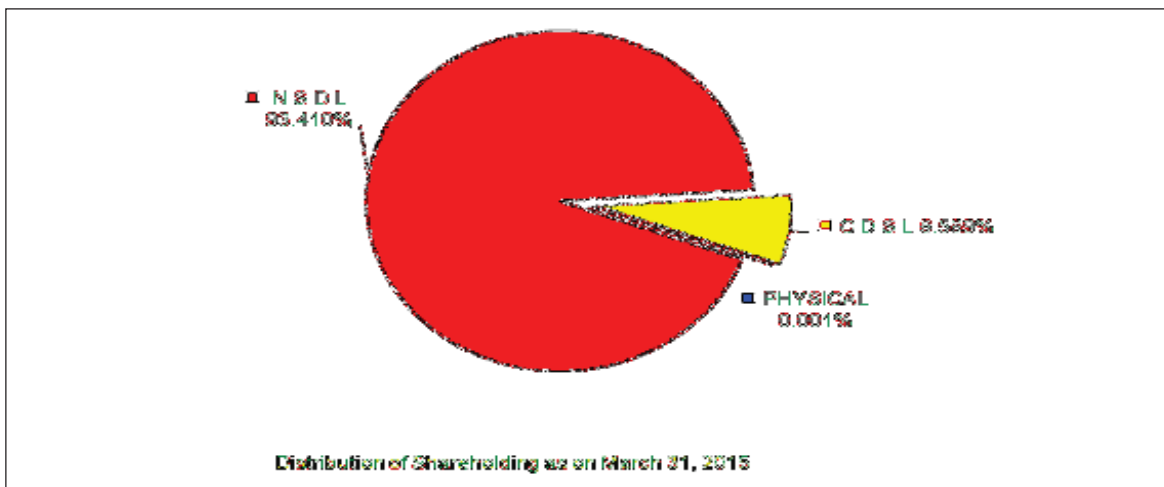


xxi. Dematerialisation of shares and liquidity

The Company's shares are compulsory traded in dematerialized form. Equity shares of the Company representing 99.999% of the Company's share capital were dematerialised as on March 31, 2015.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2015 was as under:

Sr.	Category	Number of holders	Total shares	% to equity
1	PHYSICAL	14	2355	0.001
2	N S D L	17304	209481427	93.410
3	C D S L	9732	14777188	6.589
	<b>Total</b>	<b>27050</b>	<b>224260970</b>	<b>100.000</b>



The Company's shares are regularly traded on the National Stock Exchange of India Limited (NSE) and the BSE limited (BSE), in electronic form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE023H01027.



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

**GDRs:** The Company has issued and allotted 46,000,000 equity shares of Re. 1/- each underlying 46,000,000 Global Depository Receipts (GDRs) of US\$ 0.76 each on 26.02.2010. The total proceeds from the GDRs issue was US\$ 34.96 Million. The GDRs are listed on:

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

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

xxiii.	Registered office location	Nectar Lifesciences Limited Village: Saidpura, Tehsil Derabassi, District Mohali (Punjab)
xxiv.	Plant locations	1. Nectar Lifesciences Limited unit I Village: Saidpura, Tehsil Derabassi, Distt. Mohali (Punjab)
		2. Nectar Lifesciences Limited unit II Village: Saidpura, Tehsil Derabassi, District Mohali (Punjab)
		3. Empty Hard Gelatin Capsule Unit Village Bhatoli Kalan, Pargana Dharmpur, Tehsil Nalagarh District Solan, (Himachal Pradesh)
		4. Formulation unit Village Bhatoli Kalan, Pargana Dharmpur, Tehsil Nalagarh District Solan, (Himachal Pradesh)
		5. Narbada Industries Plot No. 2, Lane No. 4, Phase II, SIDCO INDUSTRIAL COMPLEX Bari Brahmana, Jammu (J & K)

**XII. CEO / CFO certification**

As required under Clause 49 of the Listing Agreement the certificates duly signed by Chief Executive Officer & Director and Chief Financial Officer, were placed at the meeting of the Board of Directors held on May 29, 2015.

**XIII. Auditor's certificate on compliance of conditions of Corporate Governance**

Certificate from the auditors on compliance of conditions on Corporate Governance is enclosed along with the Directors' Report.

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

Place: Chandigarh  
Date: August 14, 2015

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

**Declaration to the Compliance with code of conduct as per clause 49 of the Listing Agreement**

I, Dinesh Dua, Chief Executive Officer & Director of Nectar Lifesciences Limited having its registered office at Village Saidpura, Tehsil Derabassi, Distt. Mohali (Punjab) do hereby certify that the Board of Directors has formulated the code of conduct as per the provisions of clause 49 of the Listing Agreement for the Directors and Senior Management Personnel, which has been posted on the website of the company.

Further, it is hereby confirmed that all the Directors and Senior Management Personnel have complied with the code of conduct and a confirmation to this effect has been obtained from Directors and Senior Management Personnel for the financial year 2014-15.

Place: Chandigarh  
Date: May 29, 2015

For and on behalf of the Board of Directors  
of Nectar Lifesciences Limited  
Sd/-  
(Dinesh Dua)  
Chief Executive Officer & Director



## **Annexure 3 of Board of Directors' Report Auditor's Report on Corporate Governance**

The members  
M/s Nectar Lifesciences Limited

We have examined the compliance of conditions of Corporate Governance by M/s Nectar Lifesciences Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

Based on the records maintained & certified by the Secretary of the Company, there are no investor grievances pending against the Company for a period exceeding one month.

We further state that such compliance 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 **Datta Singla & Co.**  
Chartered Accountants

Date: 29.05.2015  
Place: Chandigarh

Name: Yogesh Monga Partner  
Membership no.: 99813

## **Annexure 4 of Board of Directors' Report**

To,  
The Members,  
NECTAR LIFE SCIENCE LIMITED  
Chandigarh

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 as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of law, rules, regulations and happening of event etc.
5. The compliance of provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verifications of procedures on test basis.
6. The Secretarial Audit reports is neither an assurances as to the future viability of Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For ASEEM CHHABRA & ASSOCIATES  
PRACTISING COMPANY SECRETARY**

**Place: Chandigarh  
Date: 16.07.2015**

**(ASEEM CHHABRA)  
FCS 3813, CP 3113**





**Form no. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**for the Financial Year ended March 31, 2015**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]**

**To,**  
**The Members,**  
**Nectar Life Science Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s NECTAR LIFESCIENCE LIMITED (hereinafter called ' the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Companies books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with statutory provisions listed hereunder and also that company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- (A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by Nectar Lifesciences Limited (' the company') for the financial year ended on March 31, 2015 According to the provisions of:
1. The Companies Act, 2013 (The Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
  2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  3. The Depositories Act, 1956 and Regulations and Bye-laws framed there under;
  4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings ;
  5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider trading) Regulations, 1992; and
    - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (B) We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial standards issued by the institute of company Secretaries of India approved by the Central Government to be effective from July 1, 2015, hence compliance thereof is not to be considered/not required to be certified.
  - (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, the provision of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; and
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

During the period under review, the Company has complied with the provision of the following acts and as reported to us there is no material proceedings, litigation pending in any Court or Department in respect of these Acts and no penalty has been imposed on Company under the following Act:

- (i) Drugs and Cosmetics Act, 1940 (HEALTH)



- (ii) Control and Prevention under Water Act, 1974 and Air Act, 1981 (POLLUTION)
- (iii) Solvent and Petroleum Products storage under Petroleum Act, 1934 (EXPLOSIVES)
- (iv) Electricity Rules and Regulations Act, 2003 (PSPCL)
- (v) Under Factory Act, 1948 (DIRECTOR OF FACTORY)
- (vi) The Environment (Protection) Act, 1986 (MOEF)
- (vii) Indian Boilers Act, 1923 (DIRECTOR OF BOILERS)
- (viii) Information Technology Act, 2000.
- (ix) Standards of Weights & Measure Act, 1976

We further report that the board of directors of the company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the relevant act.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and process in the company commensurate with the size and operations the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

We further report that during the audit period company has specific events/actions as detailed in Annexure A to this Report having impact on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For ASEEM CHHABRA & ASSOCIATES  
PRACTISING COMPANY SECRETARY**

**Place: Chandigarh  
Date: 16.07.2015**

**(ASEEM CHHABRA)  
FCS 3813, CP 3113**

**Annexure- A to Secretarial Audit Report**

**TABLE SHOWING SPECIFIC EVENTS AND ACTIONS OF NECTAR LIFE SCIENCE LIMITED FOR FINANCIAL YEAR 2014-2015**

Sr. No.	Particulars of the Events	Date of Board Resolution/ Committee of Directors	Date of General Meeting/ Postal Ballot Resolutions
1	To borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business and to create such mortgage and/or charge (s) in respect of the securities or on the whole or substantially whole of all or any of the under taking (s) of the company under Section 180(1) ( c ) and 180(1) ( a ) of the Companies Act,2013	NA	Annual General Meeting dated 30.09.2014

**For ASEEM CHHABRA & ASSOCIATES  
PRACTISING COMPANY SECRETARY**

**(ASEEM CHHABRA)  
FCS 3813, CP 3113**

**Place: Chandigarh  
Date: 16.07.2015**



## Annexure 5 of Board of Directors' Report Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship:	Mr. Aryan Goyal Relative of Director	Mr. Saurabh Goyal Relative of Director
(b) Nature of contracts/arrangements/transactions:	Remuneration	Remuneration
(c) Duration of the contracts / arrangements/transactions:	He has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment	He has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(1) Salary: Rs. 650,000/- (Rupees Six Lacs and Fifty Thousand only) per month and be broken into various components as per HR policy of the company, with a provision for increase in salary of not more than Rs. 25000/- per annum over the previous year. (2) Perquisites: As per company's policy but not more than RS. 5 lacs in a year.	Salary: Rs. 400,000/- (Rupees Four Lacs only) per month, with a provision for increase in salary of not more than 25% per annum. (2) Perquisites: (a) Medical and accident insurance premium as per company rules. (b) Provision of car for official use. (c) Leaves/ Leave encashment in accordance with the leave rules of the Company from time to time. (d) Gratuity as per company policy.
(e) Justification for entering into such contracts or arrangements or transactions	He was Executive Director in the company for last 9 years and has resigned from Board to maintain the right proportionate of Independent Directors viz a viz Non Independent Directors. Keeping in view of scale of operations, the company has retained him as an employee	He was Executive Director in the company for last 4 years and has resigned from Board to maintain the right proportionate of Independent Directors viz a viz Non Independent Directors. Keeping in view of scale of operations, the company has retained him as an employee
(f) Date(s) of approval by the Board:	November 12, 2014	August 11, 2014
(g) Amount paid as advances, if any:	Not applicable	Not applicable
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	December 30, 2014	September 30, 2014

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

The company has not entered into any material contract or transaction with its related parties which is at arm's length during financial year 2014-15. However, the details of non - material contract or arrangement or transaction with its related parties which are at arm's length during financial year 2014-15, has been given in the notes to the Financial Statements forming part of the Annual Report.

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

Place: Chandigarh  
Date: August 14, 2015

(Sanjiv Goyal)  
Chairman and Managing Director



## **Annexure 6 of Board of Directors' Report**

### **REPORT ON CSR ACTIVITIES**

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

Nectar Lifesciences Limited (hereinafter referred as NLL or 'the Company') believes that the actions of the organization and its community are highly inter-dependent. Through constant and collaborative interactions with our external stakeholders, NLL strives to become an asset in the communities. As our CSR we actively implement Projects and initiatives for the betterment of society, communities, and the environment.

Company's Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link:

[http://www.necLife.com/projects/necLife/common/uploaded\\_files/userfiles/Nectar%20CSR%20Policy.pdf](http://www.necLife.com/projects/necLife/common/uploaded_files/userfiles/Nectar%20CSR%20Policy.pdf)

The objective of this policy is to do continuously and consistently:

- Initiate projects that benefit communities;
- Encourage an increased commitment from employees towards CSR activities and volunteering.
- Generate goodwill in communities where NLL operates or are likely to operate;

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

- (i) **Environment sustainability:** The company has identified the renewable energy project as one of its major project of CSR activities. This helps in improving energy efficiency and to reduce environmental emissions thereby establishing a strong foundation for a corporate green house gas management programme. In order to achieve this mission of reducing environmental emissions, the company started its power plant also called as Neclife Biomass Cogeneration Project. This agro-based power generation plant runs on husk and can be switched over to 10 other feed stocks if the need.
- (ii) **Nectar Lifesciences Charitable Foundation** which is engaged in promoting education and employment enhancing vocational skills among women to help them in earning their livelihood. It runs an institute under the name of Nectar Polytechnic for Women in Derabassi, Punjab providing opportunity to the underprivileged girls.  
  
The mission of the institute is to elevate its status to a centre of excellence in women's technical education by a conscious & consistent enhancement of its performance. The company's indirect aim is also to bring about an improvement in boys and girls sex ratio in Punjab. The program focuses on enrolling girls belonging to underprivileged section of society, other backward classes, migrant laborers and the ones below poverty line.
- (iii) **Safe Drinking Water:** The lack of safe drinking water is a major public health issue, particularly in developing countries where majority of diseases are waterborne. Under this project, the company is identifying areas and provides necessary equipments for safe drinking water.
- (iv) **Relief/ Donations:** Your Company has always been at the forefront in responding to its call for national duty and has contributed generous amounts for preventive healthcare and for areas hit by natural disasters such as J&K floods. Last year, your Company also made a donation to 'Prime Minister National Relief Fund'.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act.

2. The composition of the CSR Committee.

Please refer to Corporate Governance Report for composition of CSR committee



Rs. in Millions

3.	Average net profit of the company for last three financial years:	931.94
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	18.64
5.	Details of CSR spent during the financial year.	
a.	Total amount to be spent for the financial year	18.64
b.	Total amount spent for the financial year	36.33
c.	Amount unspent, if any:	N.A.

d. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Renewable Energy Project	Environmental sustainability, ecological balance and conservation of natural resources	Local at Derabassi, Distt. S.A.S. Nagar Punjab	25.00	24.51	24.51	Direct
2	Nectar Lifesciences Charitable Foundation	Promoting education and employment and women empowerment	Local at Derabassi, Distt. S.A.S. Nagar Punjab	1.42	1.42	1.42	Direct
3	Prime Minister National Relief Fund	Prime Minister National Relief Fund	PAN India	1.00	1.00	1.00	Direct
4.	Donation for Safe Drinking water	Safe Drinking Water	Jammu, J&K	2.93	2.93	2.93	Through implementing agency <sup>I</sup>
5.	Payment to Medical Institutions and J&K Flood relief.	Promoting preventive healthcare	PAN India	6.47	6.47	6.47	Direct/ Through implementing agencies <sup>II</sup>
	Direct Expenditure			36.82	36.33	36.33	
	Overheads				Nil	Nil	
	<b>Total</b>			<b>36.82</b>	<b>36.33</b>	<b>36.33</b>	

I Expenditure incurred through Mata Vaishno Devi Shrine Board

II Expenditure of Rs. 3.10 Millions to Shri Saibaba Sansthan Trust, Shirdi, Rs. 3.10 Millions to Sri Venkateswara Institute of Medical Sciences and Rs. 0.24 Millions to Sahayta Charitable Welfare Society.

**6. RESPONSIBILITY STATEMENT**

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

For Nectar Lifesciences Limited

Place: Chandigarh  
Date: August 14, 2015Mr. Sanjiv Goyal,  
Chairman & Managing Director  
(Chairman CSR Committee)Mr. Dinesh Dua,  
Chief Executive Officer & Director



## Annuxer 7 of Board of Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

1	CIN:	L24232PB1995PLC016664
2	Registration Date	June 27, 1995
3	Name of the Company	NECTAR LIFESCIENCES LIMITED
4	Category / Sub-Category of the Company	Public Limited Company
5	Address of the Registered Office and contact details	VILLAGE SAIDPURA, TEHSIL DERABASSI, DISTT. S.A.S NAGAR, MOHALI (PUNJAB), Ph.01762-308000
6	Whether listed company Yes / No	YES
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Private Limited Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034Tel. (9 40) 23114058, Fax: (91 40) 23311968

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Drugs and Pharmaceuticals	304.1	86.80%
2	Menthol (Phytochemicals)	305.4	11.35%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Nectar Lifesciences UK Limited	N.A	Subsidiary	100	2(87)
2	Nectar Lifesciences US LLC	N.A	Subsidiary	100	2(87)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR	
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	99468000	0	99468000	44.35	99468000	0	99468000	44.35	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00



(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>99468000</b>	<b>0</b>	<b>99468000</b>	<b>44.35</b>	<b>99468000</b>	<b>0</b>	<b>99468000</b>	<b>44.35</b>	<b>0.00</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>99468000</b>	<b>0</b>	<b>99468000</b>	<b>44.35</b>	<b>99468000</b>	<b>0</b>	<b>99468000</b>	<b>44.35</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	6085	0	6085	0.00	68305	0	68305	0.03	-0.03
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	4431505	0	4431505	1.98	2800000	0	2800000	1.25	0.73
(f)	Foreign Institutional Investors	2910592	0	2910592	1.30	3809256	0	3809256	1.70	-0.40
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	26000000	0	26000000	11.59	26000000	0	26000000	11.59	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>33348182</b>	<b>0</b>	<b>33348182</b>	<b>14.87</b>	<b>32677561</b>	<b>0</b>	<b>32677561</b>	<b>14.57</b>	<b>0.30</b>
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	14827905	510	14828415	6.61	14998976	510	14999486	6.69	-0.08
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	19387272	1795	19389067	8.65	23150352	1845	23152197	10.32	-1.67
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	8570000	0	8570000	3.82	5258684	0	5258684	2.34	1.48
(c)	Others									
	CLEARING MEMBERS	571195	0	571195	0.25	461855	0	461855	0.21	0.04
	NON RESIDENT INDIANS	2065061	0	2065061	0.92	2209637	0	2209637	0.99	-0.06
	TRUSTS	21050	0	21050	0.01	33550	0	33550	0.01	-0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00



	Sub-Total B(2) :	45442483	2305	45444788	20.26	46113054	2355	46115409	20.56	-0.30
	Total B=B(1)+B(2) :	78790665	2305	78792970	35.13	78790615	2355	78792970	35.13	0.00
	Total (A+B) :	178258665	2305	178260970	79.49	178258615	2355	178260970	79.49	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	46000000	0	46000000	20.51	46000000	0	46000000	20.51	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>224258665</b>	<b>2305</b>	<b>224260970</b>	<b>100.00</b>	<b>224258615</b>	<b>2355</b>	<b>224260970</b>	<b>100.00</b>	

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sanjiv Goyal	76779000	34.24	-	76779000	34.24	24.77	-
2	Mrs. Raman Goyal	21584000	9.62	-	21584000	9.62	-	-
3	Sanjiv(HUF)	572000	0.26	-	572000	0.26	-	-
4	Mr. Aryan Goyal	290000	0.13	-	290000	0.13	-	-
5	Mr. Saurabh Goyal	243000	0.11	-	243000	0.11	-	-
	<b>Total</b>	<b>99468000</b>	<b>44.35</b>	<b>-</b>	<b>99468000</b>	<b>44.35</b>	<b>24.77</b>	<b>-</b>

Note: The Promoters have pledged 55555600 equity shares representing 24.77% of Share Capital of the Company in June, 2014.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

There are no changes in the Promoters shareholding during the Financial year 2014-15. However, the Promoters have pledged 55555600 equity shares representing 24.77% of Share Capital of the Company in June, 2014.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. no.	Name of the Share Holder	Date	Reason	Increase/Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
1	NSR DIRECT PE MAURITIUS LLC	Opening Balance		Nil movement during the year		26000000	11.59
		Closing Balance				26000000	11.59
2	RELIGARE FINVEST LTD	Opening Balance				8696241	3.88
		25/04/2014	Sale	(500)	(0.00)	8695741	3.88
		13/06/2014	Sale	(3,000)	(0.00)	8692741	3.88
		20/06/2014	Sale	(1,000)	(0.00)	8691741	3.88





		01/08/2014	Sale	(35,310)	(0.02)	8656431	3.86
		22/08/2014	Sale	(3,500)	(0.00)	8652931	3.86
		29/08/2014	Sale	(1,000)	(0.00)	8651931	3.86
		07/11/2014	Sale	(20,500)	(0.01)	8631431	3.85
		21/11/2014	Purchase	5,000	0.00	8636431	3.85
		28/11/2014	Sale	(5,000)	(0.00)	8631431	3.85
		05/12/2014	Purchase	7,500	0.00	8638931	3.85
		19/12/2014	Sale	(7,500)	(0.00)	8631431	3.85
		06/02/2015	Sale	(28,200)	(0.01)	8603231	3.84
		13/02/2015	Purchase	762	0.00	8603993	3.84
		20/02/2015	Sale	(762)	(0.00)	8603231	3.84
		Closing Balance				8603231	3.84
3	GENERAL INSURANCE CORPORATION OF INDIA	Opening Balance				4431505	1.98
		30/05/2014	Sale	(292,912)	(0.13)	4138593	1.85
		06/06/2014	Sale	(374,343)	(0.17)	3764250	1.68
		13/06/2014	Sale	(332,745)	(0.15)	3431505	1.53
		05/09/2014	Sale	(400,000)	(0.18)	3031505	1.35
		31/10/2014	Sale	(199,640)	(0.09)	2831865	1.26
		07/11/2014	Sale	(31,865)	(0.01)	2800000	1.25
		Closing Balance				2800000	1.25
4	SOURABH H BORA	Opening Balance				2784748	1.24
		04/04/2014	Purchase	91,353	0.04	2876101	1.28
		04/04/2014	Sale	(889,000)	(0.40)	1987101	0.89
		25/04/2014	Purchase	100,000	0.04	2087101	0.93
		09/05/2014	Sale	(265,000)	(0.12)	1822101	0.81
		16/05/2014	Sale	(160,000)	(0.07)	1662101	0.74
		30/05/2014	Sale	(135,000)	(0.06)	1527101	0.68
		01/08/2014	Purchase	200,000	0.09	1727101	0.77
		22/08/2014	Sale	(199,944)	(0.09)	1527157	0.68
		12/09/2014	Purchase	29,000	0.01	1556157	0.69
		19/09/2014	Purchase	158,000	0.07	1714157	0.76
		30/09/2014	Purchase	108,000	0.05	1822157	0.81
		03/10/2014	Purchase	202,000	0.09	2024157	0.90
		10/10/2014	Purchase	218,494	0.10	2242651	1.00
		07/11/2014	Sale	(200,000)	(0.09)	2042651	0.91
		14/11/2014	Sale	(500,000)	(0.22)	1542651	0.69
		21/11/2014	Sale	(49,171)	(0.02)	1493480	0.67
		28/11/2014	Sale	(110,000)	(0.05)	1383480	0.62
		19/12/2014	Sale	(167,000)	(0.07)	1216480	0.54
		31/12/2014	Purchase	26,249	0.01	1242729	0.55
		31/12/2014	Sale	(187,000)	(0.08)	1055729	0.47
		09/01/2015	Purchase	41,000	0.02	1096729	0.49



		13/02/2015	Sale	(10,000)	(0.00)	1086729	0.48
		27/02/2015	Sale	(30,000)	(0.01)	1056729	0.47
		20/03/2015	Sale	(56)	(0.00)	1056673	0.47
		27/03/2015	Sale	(13,309)	(0.01)	1043364	0.47
		31/03/2015	Purchase	110,000	0.05	1153364	0.51
		Closing Balance				1153364	0.51
5	INGAIN TRADERS, LLC	Opening Balance		Nil movement during the year		2387012	1.06
		Closing Balance				2387012	1.06
6	AVENSIS EXPORTS PVT LTD*	Opening Balance				1672594	0.75
		25/04/2014	Sale	(47,496)	(0.02)	1625098	0.72
		02/05/2014	Sale	(111,832)	(0.05)	1513266	0.67
		13/06/2014	Sale	(123,000)	(0.05)	1390266	0.62
		22/08/2014	Sale	(524,028)	(0.23)	866238	0.39
		29/08/2014	Sale	(114,000)	(0.05)	752238	0.34
		05/09/2014	Sale	(200,000)	(0.09)	552238	0.25
		12/09/2014	Sale	(99,000)	(0.04)	453238	0.20
		19/09/2014	Sale	(240,338)	(0.11)	212900	0.09
		07/11/2014	Sale	(140,000)	(0.06)	72900	0.03
		21/11/2014	Sale	(39,000)	(0.02)	33900	0.02
		Closing Balance				33900	0.02
7	MALTI SECURITIES PVT LTD #	Opening Balance				100000	0.04
		11/04/2014	Purchase	117,521	0.05	217521	0.10
		18/04/2014	Purchase	32,479	0.01	250000	0.11
		25/04/2014	Purchase	351,000	0.16	601000	0.27
		02/05/2014	Purchase	159,000	0.07	760000	0.34
		23/05/2014	Purchase	500	0.00	760500	0.34
		13/06/2014	Sale	(500)	(0.00)	760000	0.34
		06/02/2015	Purchase	140,000	0.06	900000	0.40
		Closing Balance				900000	0.40
8	RAKHI SOURABH BORA*	Opening Balance				586014	0.26
		04/04/2014	Sale	(281,277)	(0.13)	304737	0.14
		25/04/2014	Purchase	39,439	0.02	344176	0.15
		30/05/2014	Sale	(25,000)	(0.01)	319176	0.14
		22/08/2014	Sale	(38,959)	(0.02)	280217	0.12
		29/08/2014	Purchase	62,500	0.03	342717	0.15
		31/10/2014	Sale	(88,282)	(0.04)	254435	0.11
		31/12/2014	Sale	(36,900)	(0.02)	217535	0.10
		20/03/2015	Sale	(24,698)	(0.01)	192837	0.09
		27/03/2015	Sale	(2,422)	(0.00)	190415	0.08
		Closing Balance				190415	0.08
9	ELM PARK FUND LIMITED	Opening Balance				523580	0.23



		29/08/2014	Sale	(50,000)	(0.02)	473580	0.21
		30/09/2014	Sale	(50,000)	(0.02)	423580	0.19
		Closing Balance				423580	0.19
10	TANISH PROJECT PVT LTD*	Opening Balance				500000	0.22
		04/04/2014	Sale	(500,000)	(0.22)	0	0.00
		27/03/2015	Purchase	232,000	0.10	232000	0.10
		31/03/2015	Sale	(200,000)	(0.09)	32000	0.01
		Closing Balance				32000	0.01
11	ASHWIN KUMAR SUMANLAL MEHTA*	Opening Balance				482360	0.22
		23/05/2014	Sale	(19,475)	(0.01)	462885	0.21
		30/05/2014	Sale	(2,975)	(0.00)	459910	0.21
		13/06/2014	Sale	(16,134)	(0.01)	443776	0.20
		04/07/2014	Sale	(7,000)	(0.00)	436776	0.19
		22/08/2014	Sale	(35,000)	(0.02)	401776	0.18
		05/09/2014	Sale	(10,000)	(0.00)	391776	0.17
		12/09/2014	Sale	(10,000)	(0.00)	381776	0.17
		30/09/2014	Sale	(20,000)	(0.01)	361776	0.16
		14/11/2014	Sale	(10,000)	(0.00)	351776	0.16
		20/03/2015	Sale	(15,000)	(0.01)	336776	0.15
		Closing Balance				336776	0.15
12	VISARIA SECURITIES PVT LTD #	Opening Balance				0	0.00
		09/05/2014	Purchase	7,647	0.00	7647	0.00
		16/05/2014	Purchase	107,215	0.05	114862	0.05
		23/05/2014	Purchase	257,938	0.12	372800	0.17
		06/06/2014	Purchase	27,200	0.01	400000	0.18
		20/06/2014	Purchase	50,000	0.02	450000	0.20
		Closing Balance				450000	0.20
13	NITA SHAILESHKUMAR MEHTA #	Opening Balance				475350	0.21
		29/08/2014	Sale	(40,000)	(0.02)	435350	0.19
		05/09/2014	Sale	(20,000)	(0.01)	415350	0.19
		30/09/2014	Sale	(20,000)	(0.01)	395350	0.18
		14/11/2014	Sale	(10,000)	(0.00)	385350	0.17
		Closing Balance				385350	0.17
14	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC #	Opening Balance				0	0.00
		30/09/2014	Purchase	242,811	0.11	242811	0.11
		10/10/2014	Purchase	102,918	0.05	345729	0.15
		17/10/2014	Purchase	2	0.00	345731	0.15
		Closing Balance				345731	0.15

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

# Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.



## v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
1.	<b>Sanjiv Goyal, Chairman &amp; Managing Director</b>				
	At the beginning of the year	76779000	34.24	76779000	34.24
	Bought during the year	-	-	76779000	34.24
	Sold during the year	-	-	76779000	34.24
	At the end of the year	76779000	34.24	76779000	34.24
2.	<b>Mr. Vijay J Shah, Director</b>				
	At the beginning of the year	250	0.00	250	0.00
	Bought during the year	-	-	250	0.00
	Sold during the year	-	-	250	0.00
	At the end of the year	250	0.00	250	0.00
3.	<b>Mr. Raman Kapur, Director</b>				
	At the beginning of the year	1000000	0.004	1000000	0.004
	Bought during the year	-	-	1000000	0.004
	Sold during the year	-	-	1000000	0.004
	At the end of the year	1000000	0.004	1000000	0.004
4.	<b>Mr. Sandeep Goel, CFO</b>				
	At the beginning of the year	6756	0.00	6756	0.00
	Bought during the year	-	-	6756	0.00
	Sold during the year	-	-	6756	0.00
	At the end of the year	6756	0.00	6756	0.00
5.	<b>Mr. Sunder Lal, Company Secretary</b>				
	At the beginning of the year	20	0.00	20	0.00
	Bought during the year	-	-	20	0.00
	Sold during the year	-	-	20	0.00
	At the end of the year	20	0.00	20	0.00

## V. INDEBTEDNESS

## Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Rupees in Millions			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8572.47	11.71	-	8584.18
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26.60	-	-	26.60
<b>Total (i+ii+iii)</b>	<b>8599.07</b>	<b>11.71</b>	<b>-</b>	<b>8610.78</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	1154.56	9.52	-	1164.08
· Reduction	(482.70)	(5.43)	-	(4881.29)
<b>Net Change</b>	<b>671.86</b>	<b>4.09</b>	<b>-</b>	<b>675.95</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9231.97	15.80	-	9247.77
ii) Interest due but not paid	-	-	-	-



iii) Interest accrued but not due	38.96	-	-	38.96
<b>Total (i+ii+iii)</b>	9270.93	15.80	-	9286.73

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Rupees in Lacs	
		Sanjiv Goyal	Dinesh Dua	H.P. Singh	Aryan Goyal (resigned on 12.11.14)	Total Amount	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	156.00	150.74	23.69	47.13	377.56	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.50	0.44	0.40	0.24	1.58	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	
2.	Stock Option	-	-	-	-	-	
3.	Sweat Equity	-	-	-	-	-	
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	
5.	Others, please specify	-	-	-	-	-	
	<b>Total (A)</b>	156.50	151.18	24.09	47.37	379.14	
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)						844.18

**B. Remuneration to other directors:**

Sr. no.	Particulars of Remuneration	Name of Directors						Rupees in Lacs	
		B. K. Goswami	Ajay Swaroop	Dr. (Maj Gen) SS Chauhan	Raman Kapur	Vijay J Shah	Neena Singh	Total Amount	
1.	Independent Directors								
	· Fee for attending board committee meetings	0.20	0.44	0.50	0.30	0.18	0.10	1.72	
	· Commission	-	-	-	-	-	-	-	
	· Others, please specify	-	-	-	-	-	-	-	
	<b>Total (1)</b>	0.20	0.44	0.50	0.30	0.18	0.10	1.72	
2.	Other Non-Executive Directors								
	· Fee for attending board committee meetings				0.30			0.20	0.50
	· Commission				-			-	
	· Others, please specify				-			-	
	<b>Total (2)</b>				0.30			0.20	0.50
	<b>Total (B)=(1+2)</b>								2.22
	<b>Total Managerial Remuneration</b>								381.36
	Overall Ceiling as per the Act (@ 11% of profits calculated under Section 198 of the Companies Act, 2013)								928.60



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Rupees in Lacs		
		Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.75	24.57	43.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...			
5.	Others, please specify			
	Total	18.75	24.57	43.32

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences for breach of any section of Companies Act against the company or its directors or other officers in default, if any, during the year ended March 31, 2015.

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

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

Place: Chandigarh  
Date: August 14, 2015



## Annexure 8 of Board of Directors' Report

### (Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. Ratio of the remuneration of each Wholtime Director to the median remuneration of the Employees of the Company for the Financial Year 2014-15, the percentage increase in remuneration of Managing Director, Wholtime Directors (WTD), Chief Financial Officer and Company Secretary during the Financial Year 2014-15.

S. No.	Name of the Director/ KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1.	Sanjiv Goyal	Chairman & Managing Director	81:1	3.88%
2.	Dinesh Dua*	WTD & CEO	78:1	2.50%
3.	Aryan Goyal**	ED (resigned on Nov.12, 2014)	-	-
4.	Harparkash Singh Gill	WTD & President (Operations)	12:1	6.83%
5.	Sandeep Goel	Chief Financial Officer	Not Applicable	5.00%
6.	Sunder Lal	Company Secretary	Not Applicable	5.00%

\* Since he is employed part of previous financial year, the %age increase in his remuneration is calculated on the basis of his monthly salary in financial year 2014-15 viz a viz monthly salary in financial year 2013-14.

\*\* Since this information is for part of the financial year 2014-15, the same is not comparable.

Note:

- The Non- Executive Directors of the Company are entitled for sitting fee only as per the statutory provisions. The details of remuneration of Non- Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non- Executive Directors Remuneration is therefore not considered for the purpose above.
  - Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2014-2015.
2. The percentage increase in the median remuneration of Employees for the financial year was 10.06%.
3. The Company has **2053** permanent Employees on the rolls of Company as on 31<sup>st</sup> March 2015.
4. **Relationship between average increase in remuneration and Company's performance:**  
The Profit before Tax for the year ended March 31, 2015 increased by 8.35% and on an average, employees received an annual increase of 6.48%. The individual increments varied on individual performance.
5. **Comparison of the remuneration of the key Managerial Personnel against the performance of the Company:**

	Rs. In millions
Aggregate remuneration of key managerial personnel (KMP) in FY15	42.25
Gross Turnover	17463.86
Remuneration of KMPs (as % of sales and other income)	0.24
Profit before Tax (PBT)	847.54
Remuneration of KMPs (as % of PBT)	4.98

6. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation*	8,275,229,793	5,415,902,426	52.80
Price Earnings Ratio	2.95	2.77	6.50

\* Market capitalization as per NSE prices

7. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2015	July 18, 2005 (IPO)	July 18, 2005 (IPO)*	% Change
Market Price (BSE)	36.90	240	24	53.75
Market Price (NSE)	36.90	240	24	53.75

\*Adjusted for Stock Split in 2008



- 8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 6.48% whereas the increase in the managerial remuneration was approximately 5%. The average increases every year is an outcome of Company's market competitiveness as well as prevailing market scenario. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.

- 9. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Particulars	Sanjiv Goyal	Dinesh Dua	H. P. Singh	Aryan Goyal (resigned on 12.11.14)	Sandeep Goel	Sunder Lal
Remuneration in FY15	15.65	15.12	2.41	4.74	2.46	1.88
Gross Turnover				17463.86		
Remuneration of as % of sales and other income	0.09	0.09	0.01	--**	0.01	0.01
Profit before Tax (PBT)	847.54					
Remuneration as % of PBT	1.85	1.78	0.28	---**	0.29	0.22

\*\* Since this information is for part of the financial year 2014-15, the same is not comparable.

- 10. The key parameters for any variable component of remuneration availed by the Directors:**

In terms of his appointment, Mr. Sanjiv Goyal, Chairman & Managing Director, is entitled to performance based incentive of 2% on Net Profit of the company or equivalent to his fixed monthly salary, whichever is lower.

As per the terms of their appointments, other Wholtime Directors are getting fixed salaries and are not entitled to performance based incentives. The Non Executive Directors including independent Directors are entitled for sitting fee only and are not getting any performance based incentive.

- 11. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

Not Applicable.

- 12.** It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

(Sanjiv Goyal)  
Chairman and Managing Director

Place: Chandigarh  
Date: August 14, 2015





## Annexure 9 of Board of Directors' Report (Statement of particulars as prescribed under Rule 8 (3) of the Companies (Account) Rules, 2014)

### A) Conservation of energy

#### (i) Steps taken or impact on Conservation of energy

The company has agro based 6MW captive power plant and a standby power plant with same specifications. Both the plants are eco friendly which helps NLL to reduce overall manufacturing cost. In addition, it reduced the environmental emission thereby establishing a strong foundation for a corporate green house gas management program.

In order to further improve the efficiency of power plant downstream extraction has been increased by installing chilled water VAM machines and hence lowering the cost of power generation.

NLL's R&D team is fully dedicated towards the delivery of improved processes so as to device mechanism which minimize energy consumption and wastage.

A strong, corporate-wide energy management program is essential and therefore NLL is continuously working in this stream.

Earlier in Unit-I & II, at Derabassi, Punjab, the company was using Liquid Nitrogen as cooling media and after cooling in the process the Liquid Nitrogen gets converted in to gases but still at low temp. of -60°C to -80°C was escaping in the atmosphere, thus resulting in to energy losses. We have substituted Liquid Nitrogen system with Mechanical Refrigeration System where Ammonia is compressed mechanically liquified and used for heat transfer and vaporised Ammonia gas recirculated thus resulting in efficient use of energy and no loss to atmosphere.

Energy audit was conducted by Process Engineering Team which is a on going process with us and damaged / degraded insulation have been upgraded to limit losses of Brine, Chilled Water and Steam.

Variable Frequency Drives (VFDs) have been provided with large motors in order to save power and few more large motors have been identified in Power Plant as well as Process Plant to save electrical energy.

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

The company is in process of putting up another Agro Based Captive Power generation Plant with a capacity to

generate 6MW electrical power at Village Basouli, Lalru, Dist. S.A.S. Nagar (Pb). The power so generated would cater to the power requirement and would reduce the energy cost of the company.

#### (iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments:Rs. 26.91 Millions

### B) Technology absorption

#### (i) Efforts made towards technology absorption

The developed technologies and processes were used to manufacture APIs and FDFs for domestic, ROW, and High end markets of EU, US and Japan.

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

New products were launched and developed for regular commercial production which expands the company's product portfolio, leading the organization to the platform of a research-based organization.

#### (iii) Information in case of imported technology (imports during last three years)

Not applicable

#### (iv) Expenditure on R & D

Total expenditure incurred on Research and Development: Rs. 309.05 Millions

### C) Foreign exchange earnings and outgo

1. During the year, the Company exported its pharmaceutical and phytochemicals and its allied products. The Company is further making efforts to export new products in the new markets and in the current year the Company, further, expects to enhance its export sales.

2.	a)	Foreign exchange earned in terms of actual inflow during the financial year ended on March 31, 2015:	6613.92 Millions
	b)	Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2015:	6414.90 Millions

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

Chandigarh  
Dated: August 14, 2015

(Sanjiv Goyal)  
Chairman and Managing Director



## INDEPENDENT AUDITORS' REPORT

**To the Members of  
NECTAR LIFESCIENCES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of NECTAR LIFESCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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.

### **Management's Responsibility for the 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.

### **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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

### **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, 2015;
- (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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("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 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 those 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 2.34 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.

**For DATTA SINGLA & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 006185N**

**(YOGESH MONGA)**  
**Partner**  
**M. No. 099813**

**PLACE: CHANDIGARH**  
**DATE: 29.05.2015**



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015.

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 all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
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 2015 were also physically verified and valued by an independent firm of chartered accountants.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. As explained to us, the discrepancies noticed on physical verification 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 company, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii)(a)&(b) of the Companies (Auditor Reports) Order 2015 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us and having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
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 cost records maintained by the Company, pursuant to the Rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess, value added tax and other material statutory dues as applicable with the appropriate authorities in India and has generally been regular in depositing undisputed statutory dues including tax deducted at source with the appropriate authorities. 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 records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax, Value Added Tax and Custom Duty, which are outstanding as at 31st March, 2015, which have not been deposited on

account of any dispute. The particulars of various statutory dues as at 31st March, 2015 which have not been deposited on account of disputes are as follows:

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
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	1.80	Financial Year 2006-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	0.63	Financial Year 2008-11	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	96.97	Financial Year 2007-09	CESTAT, Delhi
Service Tax, 1994	Service Tax	1.18	Financial Year 2009-12	Additional Commissioner, CE Chandigarh-II
Service Tax, 1994	Service Tax	12.77	Financial Year 2009-10	CESTAT, Delhi
Service Tax, 1994	Service Tax	0.20	Financial Year 2011-12	Commissioner (Appeals) Chandigarh

\* net of amount deposited under protest

- (c) During the year, an amount of Rs. 0.04 million (Previous year Nil) was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, the same has been duly deposited.
8. The Company does not have accumulated losses as at 31st March, 2015 and the Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
9. 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.
10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such cases by the management.

**For DATTA SINGLA & CO.**  
Chartered Accountants  
Firm Regn. No. 006185N

**(YOGESH MONGA)**  
Partner  
M. No. 099813

**PLACE: CHANDIGARH**  
**DATE: 29.05.2015**

## Balance Sheet as at 31st March 2015

Particulars	NOTE	As At March 31, 2015		As At March 31, 2014	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Share holders' Fund</b>					
Share Capital	2.1	224.26		224.26	
Reserves & Surplus	2.2	9,355.22	9,579.48	9,046.36	9,270.62
<b>Non Current Liabilities</b>					
Long Term Borrowings	2.3	2,655.29		2,233.38	
Deffered Tax Liability(net)	2.4	1,101.93		1,118.93	
Other Long Term Liabilities	2.5	151.87		8.08	
Long Term Provisions	2.6	60.11	3,969.21	49.00	3,409.38
<b>Current Liabilities</b>					
Short Term Borrowings	2.7	5,952.98		5,798.42	
Trade Payables	2.8	4,555.77		4,400.61	
Other Current Liabilites	2.9	905.00		867.15	
Short Term Provisions	2.10	142.22	11,555.97	194.48	11,260.66
<b>Total</b>			<b>25,104.66</b>		<b>23,940.66</b>
<b><u>ASSETS</u></b>					
<b>Non Current Assets</b>					
Fixed Assets					
- Tangible Assets	2.11	9,337.31		9,475.43	
- Capital Work in Progress		913.12		1,222.64	
Non Current Investments	2.12	0.50		0.50	
Long Term Loans and Advances	2.13	804.43		868.67	
Other Non Current Assets	2.14	359.12	11,414.49	0.08	11,567.31
<b>Current Assets</b>					
Current Investments	2.15	4.35		3.14	
Inventories	2.16	7,909.75		7,584.27	
Trade Receivables	2.17	4,464.96		3,766.49	
Cash & Bank Balances	2.18	333.82		99.78	
Short Term Loans & Advances	2.19	814.32		658.29	
Other Current Assets	2.20	162.97	13,690.17	261.40	12,373.35
			<b>25,104.66</b>		<b>23,940.66</b>
<b>Significant Accounting Policies</b>	1				
<b>Notes to Financial Statements</b>	2				

As per our report of even date

For NECTAR LIFESCIENCES LIMITED

For DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTSSanjiv Goyal  
Chairman & Managing DirectorDinesh Dua  
CEO & Whole Time Director

Firm Regn. No. 006185N

Sandeep Goel  
Chief Financial OfficerSunder Lal  
Company SecretaryR.K. Aggarwal  
V.P. AccountsYogesh Monga  
Partner  
M. No. 099813Place : Chandigarh  
Dated : 29.05.2015

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## Statement of Profit and Loss For the Year Ended on 31st March 2015

Particulars	NOTE	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>INCOME</b>			
Revenue From Operations	2.21	17,463.86	17,081.84
Less : Excise Duty		1,034.97	704.15
		16,428.89	16,377.69
Operating Income	2.22	7.53	5.43
Other income	2.23	199.99	116.49
		<b>16,636.41</b>	<b>16,499.61</b>
<b>EXPENDITURE</b>			
Raw Material Consumed	2.24	11,299.04	11,726.71
Purchase of Stock in Trade (Traded Goods)		396.06	398.23
Changes in inventories of Finished Goods,	2.25	(281.76)	(578.11)
Stock-in-Process and Stock in Trade			
Employees Benefits Expense	2.26	627.07	513.29
Finance Cost	2.27	1,255.88	1,379.87
Depreciation & Amortisation	2.11 & 2.14	765.64	841.86
Other Expenses	2.28	1,726.94	1,435.52
		<b>15,788.87</b>	<b>15,717.38</b>
<b>PROFIT BEFORE TAX</b>		847.54	782.23
<b>Tax Expense</b>		184.90	161.43
<b>PROFIT AFTER TAX</b>		<b>662.64</b>	<b>620.80</b>
<b>EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)</b>			
Basic (Rs.)		2.95	2.77
Diluted (Rs.)		2.95	2.77

Significant Accounting Policies 1

Notes to Financial Statements 2

As per our report of even date

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal  
Chairman & Managing Director

Dinesh Dua  
CEO & Whole Time Director

Sandeep Goel  
Chief Financial Officer

Sunder Lal  
Company Secretary

R.K. Aggarwal  
V.P. Accounts

For DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS

Firm Regn. No. 006185N

Yogesh Monga  
Partner  
M. No. 099813

Place : Chandigarh  
Dated : 29.05.2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015**

PARTICULARS	As At	As At
	March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & Extra Ordinary Items	847.54	782.23
Adjustments For :		
Depreciation	765.57	841.78
Misc. Expenditure W/Off	0.08	0.08
Provision for Doubtful debts	0.44	6.79
Provision for Doubtful Insurance Claim	1.49	(1.07)
Provision for Employees Retirement Benefits	13.01	9.14
Provision for Excise Duty On Finished Goods	15.51	9.30
Loss on Sale of Fixed Assets	0.42	0.01
Loss on Sale / Restatement of Investment	(1.32)	(0.21)
Interest on Borrowings	1,255.88	1,379.87
Other non-operating Income	(198.66)	(116.27)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,699.94</b>	<b>2,911.65</b>
Adjustments For :		
(Increase)/Decrease in Current Assets	(1,083.51)	(830.92)
Increase/(Decrease) in Current Liabilities	105.90	670.01
Increase/(Decrease) in Long Term Liabilities	143.80	(2.22)
Increase/(Decrease) in Non Current Assets	(359.12)	
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,507.00</b>	<b>2,748.51</b>
Direct Taxes Paid	(62.90)	(199.78)
<b>CASH FLOW BEFORE EXTRA-ORDINARY ITEMS</b>	<b>1,444.10</b>	<b>2,548.73</b>
Extra-Ordinary Items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,444.10</b>	<b>2,548.73</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(805.03)	(1,015.82)
Purchase of Investments	-	-
Interest Received	198.65	116.26
Dividend Received	0.01	0.01
Sale of Fixed Assets	0.82	0.05
Capital Subsidy recd during the year	10.00	-
Sale/(Purchase) of Investments	0.11	0.27
Long Term loans and Advances	0.10	(0.71)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(595.33)</b>	<b>(899.94)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Term Loans from Banks	504.93	(919.78)
Proceeds/(Repayment) from Working Capital Limits from Banks	154.56	707.31
Proceeds/(Repayment) from Unsecured Loans from Banks	3.22	(0.98)
Repayment of Inter Corporate Deposits	0.87	4.33
Repayment of FCCB including Interest	-	-
Dividend Paid	(22.43)	(22.43)
Interest Paid	(1,255.88)	(1,379.87)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(614.72)</b>	<b>(1,611.42)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>234.04</b>	<b>37.37</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	99.78	62.40
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	333.82	99.78

**Notes to Financial Statements****For NECTAR LIFESCIENCES LIMITED**

**Sanjiv Goyal**  
Chairman & Managing Director

**Dinesh Dua**  
CEO & Whole Time Director

**Sandeep Goel**  
Chief Financial Officer

**Sunder Lal**  
Company Secretary

**R.K. Aggarwal**  
V.P. Accounts

**For DATTA SINGLA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No. 006185N

**Yogesh Monga**  
Partner  
M. No. 099813

Place : Chandigarh  
Dated : 29.05.2015



## SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**
  - i) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in millions.
  - ii) All the incomes & expenditures are recognized on accrual basis, except if stated otherwise.
2. **FIXED ASSETS AND DEPRECIATION**
  - i) Fixed Assets have been stated at cost, net of cenvat/value added tax availed, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on fixed assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013 /as per Accounting Standard issued by The Institute of Chartered Accountants of India.
  - ii) Cost of leasehold assets is amortized over the period of the lease.
3. **INVESTMENTS**

Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value.
4. **INVENTORIES**
  - i) Raw materials, Stores and Spares and Packing material  
Lower of cost and net realizable value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition.
  - ii) Finished Goods and work in process  
Lower of cost and net realizable value. Cost includes direct material, labour and proportionate manufacturing overheads. Cost of finished goods includes excise duty.
  - iii) Traded goods  
Lower of Cost and Net Realizable Value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
5. **FOREIGN EXCHANGE TRANSACTIONS**
  - i) Initial Recognition  
Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
  - ii) Conversion  
Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.
  - iii) Exchange Differences  
Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year.
6. **REVENUE RECOGNITION**
  - i) Revenue from product sales is stated exclusive of returns, inter-division transfers, sales tax but includes excise duty.
  - ii) Dividend income is recognized as and when the right to receive is established.
  - iii) Export benefits and other benefits are accounted for on accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.
7. **EMPLOYEE BENEFITS**
  - i) **Short Term Employee Benefits:**  
Employee benefits payable fully within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.  
Contribution to the Provident Fund, which is a defined contribution scheme, is recognized as an expense in the profit and loss account in the period in which the contribution is due.
  - ii) **Long Term Employee Benefits**  
**Post Employment Benefits (Defined Benefit Plans)**  
The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service cost are recognized immediately in the profit and loss account.  
Long term employee benefit also comprises of compensated absences. These are measured based on an actuarial valuations carried out by an independent actuary using the projected unit method at balance sheet date unless they are insignificant. Actuarial gains and losses and past service cost are recognized immediately in the profit and loss account.
8. **BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.
9. **LEASES**

Leases, where the lessor retains substantially all the risks and benefits of the ownership of the leased item are classified as operating leases. Lease rentals for assets taken on operating lease are charged to the profit and loss account in accordance with Accounting Standard 19 on leases.
10. **GOVERNMENT GRANTS AND SUBSIDIES**

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions will be complied with. When the grant or



subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

11. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

12. **MISCELLANEOUS EXPENDITURE**

Preliminary expenses are written off over a period of 10 years.

13. **DEFERRED REVENUE EXPENDITURE:**

Cost incurred on product development, product approvals, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related research and development expenses are recognized as deferred revenue expenditure and the same is amortized on a straight line basis over a period of succeeding five years. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

14. **IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

15. **DEFERRED TAX**

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are reviewed at each balance sheet date and are restated to reflect the amount that is reasonably certain to be released/ payable.



Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.1 "SHARE CAPITAL"</b>		
<b>Authorised Share Capital</b>		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up (Also Refer Note 2.29)	224.26	224.26
	<b>224.26</b>	<b>224.26</b>
<b>NOTE - 2.2 "RESERVES &amp; SURPLUS"</b>		
<b>Security Premium Reserve</b>		
Opening balance	3,287.98	3,287.98
	<b>(A) 3,287.98</b>	<b>3,287.98</b>
<b>General Reserves</b>		
	141.02	141.02
	<b>(B) 141.02</b>	<b>141.02</b>
<b>Profit &amp; Loss Account</b>		
Opening Balance	5,617.35	5,022.79
Transferred From Statement of Profit & Loss	662.64	620.80
Appropriations :	6,279.99	5,643.59
Depreciation relating to Earlier Years (Refer Note - 2.31)	322.27	-
Depreciation relating to earlier years written back	(1.21)	-
Proposed Dividend on Equity Shares	22.43	22.43
Tax On Proposed Dividend	4.57	3.81
Previous Year Adjustments	5.71	-
	5,926.22	5,617.35
	<b>(C) 5,926.22</b>	<b>5,617.35</b>
<b>Total (A+B+C)</b>	<b>9,355.22</b>	<b>9,046.36</b>

Particulars	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.3 - "LONG TERM BORROWINGS"</b>				
	<b>Non Current Portion</b>		<b>Current Maturities</b>	
<b>SECURED</b>				
<b>Term Loans</b>				
-From Banks & Financial Institutions	2,643.59	2,225.88	635.40	548.17
<b>UNSECURED</b>				
<b>Other Loans</b>				
-From Banks	3.76	1.64	3.96	2.85
-From Others	7.95	5.86	0.14	1.36
<b>(Also Refer Note 2.30)</b>	<b>2,655.29</b>	<b>2,233.38</b>	<b>639.50</b>	<b>552.38</b>

Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.4 - "DEFERRED TAX LIABILITIES"</b>		
Deferred Tax Liabilities Arising On Account Of		
Depreciation	3,210.14	3,670.48
Depreciation relating to earlier years	477.05	-
Deferred Revenue Expenditure	359.12	-
TOTAL <b>A</b>	<b>4,046.31</b>	<b>3,670.48</b>
Deferred Tax Assets Arising On Account Of		
- Employees Retirement Benefits	64.73	51.72
- Unabsorbed Depreciation and Carried Forward Losses	-	44.51
- Other Expenses & Provisions	108.24	125.56
TOTAL <b>B</b>	<b>172.97</b>	<b>221.78</b>
<b>DEFERRED TAX LIABILITY (A-B)</b>	<b>3,873.34</b>	<b>3,448.70</b>
<b>TAX IMPACT</b>	<b>1,256.71</b>	<b>1,118.93</b>
Less Tax Impact On Depreciation Relating To Earlier Years (Refer Note 2.31)	154.78	-
<b>NET DEFERRED TAX LIABILITY</b>	<b>1,101.93</b>	<b>1,118.93</b>
<b>NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"</b>		
Security from Customers	11.87	8.08
Others	140.00	-
	<b>151.87</b>	<b>8.08</b>
<b>NOTE - 2.6 - "LONG TERM PROVISIONS"</b>		
Provision for Employees Retirement Benefits	60.11	49.00
	<b>60.11</b>	<b>49.00</b>
<b>NOTE - 2.7 - "SHORT TERM BORROWINGS"</b>		
<b>SECURED</b>		
<b>Working Capital Limits</b>		
-From Banks	5,952.98	5,798.42
	<b>5,952.98</b>	<b>5,798.42</b>
<b>NOTE - 2.8 "TRADE PAYABLES"</b>		
- Due to Micro ,Small & Medium Enterprises	12.33	11.64
- Due to Others	4,543.44	4,388.97
	<b>4,555.77</b>	<b>4,400.61</b>
<b>NOTE - 2.9 "OTHER CURRENT LIABILITIES"</b>		
Current Maturities of Long Term Debts	635.40	548.17
Current Maturities of Other Loans	4.10	4.21
Interest accrued but not due on borrowings	38.96	26.60
Advances From Customers	88.99	59.04
Other Payables	137.55	229.12
	<b>905.00</b>	<b>867.15</b>
<b>NOTE - 2.10 "SHORT TERM PROVISIONS"</b>		
Proposed Dividend	22.48	22.43
Tax on Proposed Dividend	4.57	3.81
Provision for Income Tax (Net of Advance Tax & TDS)	80.32	150.79
Provision for Excise Duty On Finished Goods	30.24	14.74
Provision for Employee Retirement Benefits	4.61	2.72
	<b>142.22</b>	<b>194.48</b>

**NOTE - 2.11 "FIXED ASSETS" - Tangible Assets**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At April 1, 2014	Additions	Sale/ Deletion	As At March 31, 2015	Up To March 31, 2014	Retained Earnings	During the Year	Deletion / Adjustments	Up To March 31, 2015	As At March 31, 2015	As At March 31, 2014
Freehold Land & Site Development	943.04	2.41	-	945.45	-	-	-	-	-	945.45	943.04
Leasehold Land	3.27	-	-	3.27	0.24	-	0.04	-	0.28	2.99	3.03
Buildings	1,410.28	180.73	-	1,591.01	267.33	-	46.39	-	313.72	1,277.29	1,142.95
Tube Well	10.40	2.62	-	13.01	2.05	5.00	2.25	-	9.30	3.72	8.35
Plant & Machinery *	7,061.22	771.73	10.00	7,822.95	2,596.17	-	248.87	1.21	2,843.84	4,979.11	4,465.04
Plant & Machinery (R & D)	2,472.53	-	-	2,472.53	381.91	467.72	367.89	-	1,217.51	1,255.02	2,090.62
Boiler	170.70	(0.00)	-	170.70	56.35	-	8.93	-	65.28	105.42	114.35
Pollution Control Equipment	75.25	0.00	-	75.25	34.87	0.49	3.52	-	38.88	36.37	40.38
Laboratory	88.18	1.93	-	90.11	26.49	1.16	19.11	-	46.75	43.36	61.69
Miscellaneous Fixed Assets	986.54	133.76	-	1,120.30	482.06	-	40.91	-	522.97	597.33	504.49
Furniture & Fixture	84.95	2.96	-	87.91	29.52	0.27	13.25	-	43.04	44.86	55.43
Motor Vehicles	69.98	12.36	1.88	80.47	36.47	0.14	8.56	0.63	44.55	35.92	33.51
Computer	35.20	6.05	-	41.25	22.65	2.26	5.84	-	30.76	10.49	12.55
<b>GRAND TOTAL</b>	<b>13,411.54</b>	<b>1,114.54</b>	<b>11.88</b>	<b>14,514.20</b>	<b>3,936.11</b>	<b>477.05</b>	<b>765.57</b>	<b>1.84</b>	<b>5,176.89</b>	<b>9,337.31</b>	<b>9,475.43</b>
<b>Previous Year</b>	<b>12,233.12</b>	<b>1,178.88</b>	<b>0.46</b>	<b>13,411.54</b>	<b>3,094.73</b>	<b>-</b>	<b>841.78</b>	<b>0.40</b>	<b>3,936.11</b>	<b>9,475.43</b>	<b>9,138.39</b>

\*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 52.99 Millions (Previous Year 146.79) and sales includes Rs. 10 Millions for capital subsidy received during the year

Particulars	As At March 31, 2015	As At March 31, 2014
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**NOTE - 2.12 "NON CURRENT INVESTMENTS"****TRADE****UNQUOTED****In Subsidiary Companies -**

1 Equity Share Of 1 GBP fully Paid Up In Nectar Lifesciences UK Ltd.-England [Absolute amount Rs. 75 (Previous Year Rs. 75)]	0.00	0.00
--	------	------

1 Equity Share of 1 USD fully Paid Up In Nectar Lifesciences USA LLC [Absolute amount Rs. 62 (Previous Year Rs. Nil)]	0.00	-
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<b>A</b>	<b>0.00</b>	<b>0.00</b>
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**NON TRADE****UNQUOTED**

20 Equity Shares of Rs. 50/- each in The Thane Janta Sahakari Bank Ltd [Absolute amount Rs. 1000(Previous Year Rs.1000)]	0.00	0.00
--	------	------

50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50
--	------	------

<b>B</b>	<b>0.50</b>	<b>0.50</b>
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<b>Total (A+B)</b>	<b>0.50</b>	<b>0.50</b>
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**NOTE - 2.13 "LONG TERM LOANS & ADVANCES"**

Security Deposits	15.73	15.83
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MAT Credit Entitlement	744.59	808.74
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Unsecured Loans & Advances to Related Parties		
- Considered Good	-	-

- Considered Doubtful	-	-
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Unsecured Loans & Advances to others		
- Considered Good	44.10	44.10

<b>804.43</b>	<b>868.67</b>
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**NOTE - 2.14 "OTHER NON CURRENT ASSETS"**

Preliminary Expenses	0.08	0.15
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Deferred Revenue Expenditure incurred during the year	359.12	-
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359.20	0.15
--------	------

Less :- Written off During the Year	0.08	0.08
-------------------------------------	------	------

<b>359.12</b>	<b>0.08</b>
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Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.15 "CURRENT INVESTMENTS"</b>		
<b>NON TRADE</b>		
<b>QUOTED</b>		
1,600 EQUITY SHARES OF RS. 10/- EACH fully paid up In Vijaya Bank.	-	0.04
1,271 EQUITY SHARES OF RS. 10/- EACH fully paid up In Yes Bank Ltd.	-	0.06
5 EQUITY SHARE OF RS. 1/- each (PREVIOUS YEAR 1 EQUITY SHARE OF RS. 5 EACH) fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 EQUITY SHARES OF RS. 5/- EACH (PREVIOUS YEAR 2350 EQUITY SHARES OF RS. 10 EACH) fully paid up In Parsvanath Developers Ltd.	1.31	1.31
12,267 EQUITY SHARES OF RS. 10/- EACH fully paid up in Punjab Alkalies & Chemicals Ltd.	-	0.33
SHARE APPLICATION MONEY IN SARASWAT CO-OP BANK LTD 2500 Equity Shares @ 10 each	0.03	-
SBI PSU Fund	1.00	1.00
3000 BONDS OF IFCI @ RS 1000/- EACH	3.00	-
PRINCIPAL EMERGING BLUECHIP FUND	0.30	-
PRINCIPAL PNB ASSET MANAGEMENT CO.P.LTD.	-	2.00
	<b>5.64</b>	<b>4.74</b>
Less: Provision for Loss on Investment	1.28	1.60
	<b>4.35</b>	<b>3.14</b>

Market value of Quoted Investment Rs. 4.36 Millions (Previous Year Rs. 4.02 Millions)

**NOTE - 2.16 "INVENTORIES"****(As Certified by The Management)**

Raw Material	752.47	744.38
Work In Progress	6,501.60	6,277.09
Finished Goods	361.01	266.38
Stocks in Trade	124.43	161.82
Other Miscellaneous Stocks	170.24	134.60
	<b>7,909.75</b>	<b>7,584.27</b>

Particulars	As At March 31, 2015	As At March 31, 2014
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**NOTE - 2.17 "TRADE RECEIVABLES"****(Unsecured)**

Debts outstanding for a period exceeding six months from due date of payment

-Considered Good	184.11	123.48
-Considered Doubtful	85.70	85.25
	<b>269.81</b>	<b>208.74</b>
Less: Provision For Doubtful Debts	85.70	85.25
	<b>184.11</b>	<b>123.48</b>
Other Debts		
-Considered Good	4,280.85	3,643.00
	<b>4,464.96</b>	<b>3,766.49</b>

**NOTE - 2.18 "CASH & BANK BALANCES"****Balance With Banks**

In Current Accounts	318.22	96.40
In Unclaimed Dividend & Share Application Money Accounts	0.49	0.34
Cash In Hand (Incl Staff Imprest)	15.12	3.04
	<b>333.82</b>	<b>99.78</b>

**NOTE - 2.19 "SHORT TERM LOANS & ADVANCES"**

Excise Balances	127.32	121.56
Other Loans & Advances, considered good -		
- To Related Parties	-	-
- To Others	686.99	536.73
	<b>814.32</b>	<b>658.29</b>

**NOTE - 2.20 "OTHER CURRENT ASSETS"**

Export and Other Incentives Accrued	129.22	229.40
Income Tax Refund Due	31.80	31.86
Insurance Claim Receivable :		
-Considered Good	1.96	0.13
-Considered Doubtful	22.54	21.06
	185.52	282.45
Less: Provision for Doubtful Insurance Claim	22.54	21.06
	<b>162.97</b>	<b>261.40</b>

Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.21 "REVENUE FROM OPERATIONS"</b>		
Sale of Manufactured Products		
- Export	6,569.33	7,441.68
- Domestic	10,211.29	9,011.50
Trading Sale		
- Export	230.52	44.61
- Domestic	452.72	584.05
	<b>17,463.86</b>	<b>17,081.84</b>
<b>NOTE - 2.22 "OPERATING INCOME"</b>		
Outsourcing Income	2.04	0.14
Carbon Credit	5.49	5.29
	<b>7.53</b>	<b>5.43</b>
<b>NOTE - 2.23 "OTHER INCOME "</b>		
Interest On Fixed Deposits	6.76	0.53
Interest Others	151.66	115.73
Dividend From Investments	0.01	0.01
Compensation on Sale of Land	40.23	-
Profit on Sale / Restatement of Investment	1.32	0.21
	<b>199.99</b>	<b>116.49</b>
<b>NOTE - 2.24 "RAW MATERIAL CONSUMED"</b>		
Opening Stock	744.38	538.53
Add:- Purchase of Raw Material	11,307.12	11,932.57
	12,051.51	12,471.10
Less :- Closing Stock	752.47	744.38
	<b>11,299.04</b>	<b>11,726.71</b>
<b>NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS &amp; STOCK IN TRADE"</b>		
<b>Inventory (At Close)</b>		
Finished Goods	361.01	266.38
Stock in Process	6,501.60	6,277.09
Stock in Trade	124.43	161.82
	6,987.04	6,705.29
<b>Inventory (At Commencement)</b>		
Finished Goods	266.38	187.93
Stock in Process	6,277.09	5,703.89
Stock in Trade	161.82	235.36
	6,705.29	6,127.18
	<b>281.76</b>	<b>578.11</b>

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"</b>		
Salaries & Wages	487.86	398.26
Remuneration To Directors	37.77	33.60
Contribution to Provident and Other Funds	35.55	28.50
Staff Welfare	65.88	52.92
	<b>627.07</b>	<b>513.29</b>
<b>NOTE - 2.27 "FINANCIAL EXPENSES"</b>		
Interest Expenses	881.25	881.27
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	374.63	498.61
	<b>1,255.88</b>	<b>1,379.87</b>
<b>NOTE - 2.28 "OTHER EXPENSES"</b>		
<b>Manufacturing Expenses</b>		
Consumable Stores	123.44	106.87
Oil & Lubricants	32.62	30.50
Power, Fuel & Steam Expenses	761.51	628.53
Chemical Testing Expenses	17.31	7.59
Packing Expenses	113.05	123.77
Repairs & Maintenance		
- Electricals	6.50	4.80
- Machinery	92.17	71.58
- Building	6.92	8.65
<b>Total (A)</b>	<b>1,153.52</b>	<b>982.29</b>
<b>Administrative Expenses</b>		
Travelling & Conveyance	50.46	40.22
Advertisement & Subscription	0.76	0.94
Books & Periodicals	0.05	0.39
Business Promotion	9.51	16.34
Insurance	32.69	43.22
Electricity Expenses (Office)	1.86	1.97
Postage, Telephone, Telegram	12.33	15.07
Printing & Stationery	13.99	12.09
Professional Fees	30.83	37.51
Rate, Fees & Taxes	16.42	15.91
Vehicle Running & Maintenance	11.14	12.46
Rent	12.18	11.45
Audit Fees	2.50	2.50
Office Expenses	2.98	5.12
Diwali & Pooja Expenses	3.55	3.02
Donation	13.37	13.76
Directors' Sitting Fees	0.22	0.21
Loss on Sale of Fixed Assets	0.42	0.01
Provision For Doubtful Insurance Claims	1.49	(1.07)
<b>Total (B)</b>	<b>216.76</b>	<b>231.11</b>
<b>Selling &amp; Distribution Expenses</b>		
Discount / Samples	53.37	43.04
Freight & Cartage Outward	165.96	138.15
Sales Commission	122.93	48.65
Bad Debts Written Off / Provision for Doubtful Debts Reversed (Net)	14.41	(7.71)
<b>Total (C)</b>	<b>356.67</b>	<b>222.13</b>
<b>Grand Total (A+B+C)</b>	<b>1,726.94</b>	<b>1,435.52</b>





## 2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

Particulars	As at 31 <sup>st</sup> March,2015		As at 31 <sup>st</sup> March,2014	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	76779000	34.24	76779000	34.24
NSR Direct PE Mauritius,LLC	26000000	11.59	26000000	11.59
Mrs. Raman Goyal	21584000	9.62	21584000	9.62
Depository of GDRs	46000000	20.51	46000000	20.51

### Note:

Since, the equity shares underlying GDRs are held by Deutsche Bank Trust Company Americas being depository of GDRs, hence disclosed per se.

### Reconciliation of the number of shares outstanding:

Particulars	As at 31 <sup>st</sup> March,2015	As at 31 <sup>st</sup> March,2014
Equity shares at the beginning of the year	224260970	224260970
Add: Shares issued during the year	Nil	Nil
Equity shares at the end of the year	224260970	224260970

## 2.30 SECURED LOANS

- I. Term Loans from various banks are secured by way of First Pari Passu Charge on all the fixed assets of the Company and further secured by way of Second Pari Passu Charge on all the current assets of the Company and personal guarantee of directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.
- II. Corporate Loans from Financial Institution are secured by way of First PariPassu Charge on all the fixed assets of the Company and further secured by way of Second PariPassu Charge on all the current assets of the Company and personal guarantee of directors / relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal

### Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. In Millions)
1-2	755.21
2-5	1773.87
>5	114.51

Term Loans availed by the Company, include term loans from various Banks/Financial Institutions.

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

### Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (Rs. In Millions)
1-2	3.53
2-5	7.94
>5	0.24

- III. Working Capital Limits are secured by way of First PariPassu Charge on all the current assets of the Company and further secured by way of Second PariPassu Charge on all the fixed assets of the Company and personal guarantee of directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.

## 2.31 DEPRECIATION

In terms of Schedule II to the Companies Act, 2013 read together with Accounting Standard 6 (AS – 6) “Depreciation Accounting”, the management of the Company has applied the estimated useful lives as specified in Schedule II with effect from 1<sup>st</sup>April, 2014, as disclosed in Accounting Policy on Fixed Assets and Depreciation. In terms of these evaluations, the useful lives of certain assets required changes from their previous estimates. As a result, the charge for depreciation in respect of fixed assets held as at 1<sup>st</sup>April, 2014 is lower by Rs. 143.51million for the year ended 31<sup>st</sup>March, 2015. Further, the written down value of Fixed Assets where the remaining useful life of the assets was determined to be nil as at 1<sup>st</sup>April, 2014 has been adjusted in the opening balance of Profit and Loss Account under Reserves and Surplus (net of deferred tax of Rs. 154.78 million) aggregating to Rs. 322.27million.

## 2.32 CURRENT ASSETS, LOANS & ADVANCES

- a) During the month of March 2015, there was a fire in one of the production facilities of the Company (Unit I), which affected stock of goods as well as a part of fixed assets of the Company. The Company has intimated insurance company about the fire and the insurance company appointed surveyor to assess the extent of damage caused by the said fire. The Company is in the process of filing claim for the said loss and no financial impact of the same has been taken in the books of accounts for the year ended 31.03.2015, pending completion of work by the surveyor. The management of the Company is of the opinion that the loss caused by the said fire is completely recoverable by the insurance claim to be filed and the shortfall, if any, would not have any material impact on the financials of the Company. The statutory auditors have relied upon the opinion of the management in this regard.
- b) In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

## 2.33 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31<sup>st</sup> March 2015 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” was Rs. 12.33 million (previous year Rs. 11.64 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 1.33million (previous year Rs. 0.52 million) remained unpaid as at 31<sup>st</sup> March 2015. The principal amount that remained unpaid as at 31<sup>st</sup> March 2014 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the statutory auditors.
- II. Investor Education and Protection Fund

Other liabilities include Rs. 0.49 million (previous year Rs. 0.37 million) which relate to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.04 million (Previous Year Nil) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.



### 2.34 CONTINGENT LIABILITIES AND COMMITMENTS

S.No.	Particulars	31.03.2015	31.03.2014
<b>a)</b>	<b>Contingent Liabilities</b>		
i)	Claims not acknowledged as debts:- *		
	-Income Tax matters**	5.97	18.47
	-Excise matters***	112.95	111.45
	-Service Tax matters****	16.22	13.95
	-ESI matters	-	3.54
ii)	Bank Guarantees	11.75	9.22
iii)	Bills Discounted	80.70	105.55
iv)	Letter of Credit (Foreign/ Inland)	249.75	171.77
v)	Other money for which Company is contingently liable		
	a) Differential amount of custom duty in respect of machinery imported under EPCG Scheme	19.11	0.39
<b>b)</b>	<b>Commitments</b>		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	7.80	8.71

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

\*\* Amount deposited under protest Rs. 3.01 million

\*\*\* Amount deposited under protest Rs. 14.58 million

\*\*\*\* Amount deposited under protest Rs. 2.08 million

### 2.35 PAYMENT TO AUDITORS (Rs. In Million)

Particulars	2014-15	2013-14
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.31	0.31

### 2.36 INCOME TAX

#### Current Tax

Provision for Current Income Tax has been made as per Income-tax Act, 1961, based on legal opinion obtained by the Company from its income tax consultant and the statutory auditors have relied upon the said legal opinion for the purpose of current income tax.

#### Deferred Tax

In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies Accounting standards) Rule 2006, as amended upto date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 137.78 million (Previous Year Rs.161.37 million) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

### 2.37 LEASES

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases.

Lease payments recognized in the Statement of Profit & Loss are Rs.12.18 million (Previous Year Rs. 11.45 millions).

### 2.38 DEFERRED REVENUE EXPENDITURE:

During the year, Company incurred an amount of Rs. 359.12 million on product development, product approval, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related research and development expenses, recognized as deferred revenue expenditure in the books of accounts, and the same is amortized on a straight line basis over a period of succeeding five years.

2.39 Other Income during the year includes an amount of Rs. 148.45 million on account of additional compensation including interest received from Greater Mohali Area Development Authority (GMADA). Since GMADA has filed an appeal in the Punjab & Haryana High Court, hence the compensation has been accounted for in the year of receipt.

### 2.40 EMPLOYEE RETIREMENT BENEFITS

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

#### Changes in Present Value of Obligations (Rs. in millions)

	Gratuity	Earned leave
Present Value of Obligations as at 1st April 2014	32.9	18.82
Acquisition adjustment	-	-
Interest Cost	2.63	1.5
Past Service Cost	-	-
Current Service Cost	8.1	10.82
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(2.55)	(4.1)
Actuarial (gain)/loss on obligations	(0.75)	(2.64)
Present Value of obligations as at 31st March 2015	40.32	24.40

#### Changes in the Fair Value of Plan Assets (Rs. in Millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2014	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain/ (loss) on Plan Assets	-	-
Fair Value of Plan Assets as at 31st March 2015	-	-

#### Fair Value of Plan Assets (Rs. in Millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2014	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2015	-	-
Funded Status	(40.32)	(24.4)

**Actuarial Gain/Loss Recognized (Rs. in Millions)**

	Gratuity	Earned leave
Actuarial gain/(loss) for the year - Obligation	0.75	2.64
Actuarial gain/(loss) for the year - Plan Assets	-	-
Total (gain)/ loss for the year	0.75	2.64
Actuarial (gain)/ loss recognized in the year	(0.75)	(2.64)
Unrecognized actuarial (gains) / losses at the end of year	-	-

**Amount Recognized in the Balance Sheet (Rs. in Millions)**

	Gratuity	Earned leave
Present value of obligations as at 31 <sup>st</sup> March 2015	40.32	24.4
Fair value of plan assets as at 31 <sup>st</sup> March 2015	-	-
Funded Status	(40.32)	(24.4)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(40.32)	(24.4)

**Expenses Recognized in the Statement of Profit & Loss (Rs. in Millions)**

	Gratuity	Earned leave
Current service cost	8.10	10.82
Past service cost	-	-
Interest cost	2.63	1.5
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	(0.75)	(2.64)
Expenses recognized in the Statement of Profit & Loss	9.98	9.69

**Valuation Assumptions**

Discount Rate	8%
Estimated rate of increase in compensation levels	6%

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

**2.41 TAX EXPENSE COMPRISES OF:**

	(Rs. In Millions)	
	2014-2015	2013-2014
- Current Tax	99.57	163.10
- Previous Year Tax	-	0.06
- Deferred Tax	137.78	161.37
- MAT Credit Entitlement	(52.45)	(163.10)
	<u>184.90</u>	<u>161.43</u>

**2.42 SEGMENT REPORTING****i) Primary Segment (Business Segment)**

The Company operates only in the business segment of "Pharmaceuticals Products", and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and reward. As such the activities are identified as single segment in accordance with the Accounting Standard (AS-17) issued under Companies (Accounting Standards) Rule 2006 as amended up to date.

**ii) Secondary Segment (By Geographical Segment)**

(Rs. In millions)

S. No	Particulars	31.03.2015	31.03.2014
(a)	India	10664.01	9595.55
(b)	Outside India	6799.85	7486.29
	Total Sales	17463.86	17081.84

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

**2.43 RELATED PARTY DISCLOSURES**

Related party disclosures as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued under Companies (Accounting Standards) Rule 2006, as amended upto date, are given below: -

**a) Relationship****i) Subsidiary Companies**

Nectar Lifesciences UK Limited, United Kingdom\*  
Nectar Lifesciences USA, LLC (incorporated on 29<sup>th</sup> Oct, 2014)\*

\*No transactions during the financial year 2014-15

**ii) Joint Ventures and Associates**

None

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

Sh. Sanjiv Goyal  
Sh. Aryan Goyal (till 11<sup>th</sup> Nov, 2014)  
Sh. Dinesh Dua  
Sh. Harprakash Singh Gill  
Sh. Sandeep Goel  
Sh. Sunder Lal

**iv) Relatives of the Key Management Personnel\*\***

Sh. Saurabh Goyal  
Sh. Aryan Goyal (w.e.f 12<sup>th</sup> Nov, 2014)

\*\* With whom the company had transactions during the year.

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

Surya Narrow Fabrics  
Nectar Lifestyles Private Limited  
Nectar Organics Private Limited  
Nectar Lifesciences Charitable Foundation

\* With whom the company had transactions during the year.

**b) The following transactions were carried out with related parties in the ordinary course of business.****i) Subsidiary Companies**

(Rs. In millions)

Sr. No.	PARTICULARS	31.03.2015	31.03.2014
i.	Investments during the year (* Absolute Amount Rs. 62 (Previous Year Rs. Nil) Balance at year end (* Absolute Amount Rs. 137 (Previous Year Rs 75)	-*	Nil
		-*	-*

**ii) Key Management Personal and their relatives (Rs. In millions)**

Sr. No.	PARTICULARS	31.03.2015	31.03.2014
i.	Director Remuneration & Perquisites	37.91	33.60
ii.	Salary & Perquisites	11.24	4.51



iii) **Entities over which key management personnel/their relative are able to exercise significant influence** (Rs. In millions)

Sr. No.	PARTICULARS	31.03.2015	31.03.2014
i.	Loans & Advances received back during the year	-	61.45
ii.	Rent	0.96	0.96
iii.	Donation Paid	1.42	1.38

**2.44 DERIVATIVES**

Currency derivatives

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts and currency options is governed by Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

**2.45 EARNINGS PER SHARE (EPS)**

PARTICULARS	UNIT	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Profit After Tax	Rs in million	662.64	620.80
No of Shares Outstanding	Nos.	224260970	224260970
No of Weighted Average equity shares	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
Nominal value of equity shares	Re.	1.00	1.00
Earnings per Share			
-Basic	Rs.	2.95	2.77
-Diluted	Rs.	2.95	2.77

**2.46 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs.27.64 millions(Previous Year net loss of Rs. 147.06 millions)**

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

**a) RAW MATERIAL CONSUMED** (Rs. In millions)

S. No	Particulars	2014-2015		2013-2014	
		Amount	(%age)	Amount	(%age)
1.	Imported	6644.67	58.81	4116.14	35.10
2.	Indigenous	4654.37	41.19	7610.58	64.90

**b) STORES & SPARES CONSUMED** (Rs. In millions)

S. No	Particulars	2014-2015		2013-2014	
		Amount	(%age)	Amount	(%age)
1.	Imported	2.42	1.96	0.65	0.61
2.	Indigenous	121.02	98.04	106.22	99.39

**2.48**

**OTHER INFORMATION**

(Rs. In millions)

	Particulars	2014-2015	2013-2014
<b>(a)</b>	<b>CIF Value of Imports</b>		
1.	Raw Material	6118.6	4290.81
2.	Traded Goods	10.76	135.83
3.	Capital Goods, Stores & Spares etc.	85.43	10.22
<b>(b)</b>	<b>Expenditure in Foreign Currency</b>		
1.	Travelling Expenses	14.98	8.40
2.	Export Commission	90.36	27.76
3.	Other Expenses	46.50	46.82
<b>(c)</b>	<b>Remittances in Foreign Currency</b>		
1.	Raw Material	6187.37	4611.19
2.	Traded Goods	10.76	128.13
3.	Capital Goods and Stores & Spares	64.93	11.56
<b>(d)</b>	<b>Expenditure in Foreign Currency on account of dividend</b>		
	<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid (ii) Year to which dividend relates	7.2 2013-14	7.2 2012-13
<b>(e)</b>	<b>Earning in Foreign Currency</b>		
	<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
	FOB Value of Exports	6799.85	7486.29

**2.49**

**Corporate Social Responsibility Expenses**

Donation includes an amount of Rs. 11.82 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs 24.51 million capital expenditure incurred on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 36.33 million on CSR activities against the requirement of Rs. 18.64 million.

**2.50**

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

FOR NECTAR LIFESCIENCES LIMITED

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

Sanjiv Goyal  
Chairman & Managing Director

Dinesh Dua  
CEO & Whole time Director

Yogesh Monga  
Partner  
M. No. 099813

Sandeep Goel  
Chief Financial Officer

Sunder Lal  
Company Secretary

R.K. Aggarwal  
V.P. (Accounts)

Place : Chandigarh  
Dated : 29.05.2015



## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**NECTAR LIFESCIENCES LIMITED**

### **1. Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), and its subsidiary companies (Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated 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 Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group 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 Group and for preventing and detecting frauds and other irregularities, selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 thereunder.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 consolidated 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 consolidated financial statements.

### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the unaudited financial statements of Nectar Lifesciences UK Limited and Nectar Lifesciences USA LLC, duly certified by the management, the aforesaid consolidated 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 Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2015,
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date, and
- (c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

### **5. Other Matters**

We have not carried out the audit of the subsidiaries namely Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC (dormant/inoperative during the year). We have relied on the unaudited financial statements of the subsidiaries. These unaudited financial statements, as approved by the Board of Directors of the subsidiary companies, have been furnished to us by the management, and our report, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on such approved unaudited financial statements. However, the size of the subsidiaries is insignificant.

Our opinion is not qualified in respect of Other Matters.

### **6. Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("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 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 Group so far as it appears from our examination of those books
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Consolidated 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 of the Holding Company taken on record by the Board of Directors of the Holding Company and the declaration of the management in the case of Subsidiary Companies, none of the directors of the Group is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.34 to the financial statements.
  - ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For DATTA SINGLA & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 006185N**

**(YOGESH MONGA)**  
**Partner**  
**M. No. 099813**

**PLACE: CHANDIGARH**  
**DATE: 29.05.2015**

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**ANNEXURE REFERRED TO IN PARAGRAPH 6 OF OUR REPORT TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2015.**

1. In respect of its fixed assets:
  - (a) The Group 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 all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
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 2015 were also physically verified and valued by an independent firm of chartered accountants.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Group and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Group has maintained proper records of its inventories and no material discrepancies were noticed on physical verification. As explained to us, the discrepancies noticed on physical verification between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. The Group has not granted any loan, secured or unsecured, to company, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii)(a)&(b) of the Companies (Auditor Reports) Order 2015 are not applicable.
4. In our opinion and according to the information and explanations given to us and having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control procedure commensurate with the size of the Group and the nature of its business with regard to the purchase of inventory, fixed assets and sale of goods and services. Further, on the basis of our examination of the books and records of the Group, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, the group 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 cost records maintained by the Group, pursuant to the Rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Group has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess, value added tax and other material statutory dues as applicable with the appropriate authorities in India and has generally been regular in depositing undisputed statutory dues including tax deducted at source with the appropriate authorities. 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 records of the Group examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax, Value Added Tax and Custom Duty, which are outstanding as at 31st March, 2015, which



have not been deposited on account of any dispute. The particulars of various statutory dues as at 31st March, 2015 which have not been deposited on account of disputes are as follows:

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
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	1.80	Financial Year 2006-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	0.63	Financial Year 2008-11	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	96.97	Financial Year 2007-09	CESTAT, Delhi
Service Tax, 1994	Service Tax	1.18	Financial Year 2009-12	Additional Commissioner, CE Chandigarh-II
Service Tax, 1994	Service Tax	12.77	Financial Year 2009-10	CESTAT, Delhi
Service Tax, 1994	Service Tax	020	Financial Year 2011-12	Commissioner(Appeals) Chandigarh

\*net of amount deposited under protest

- (c) During the year, an amount of Rs. 0.04 million (Previous year Nil) was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under, the same has been duly deposited.
8. The Group does not have accumulated losses as at 31st March, 2015 and the Group has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
  9. According to the records of the Group examined by us and the information and explanations given to us, the Group has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
  10. In our opinion and according to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions during the year.
  11. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
  12. During the course of our examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Group, noticed or reported during the year, nor we have been informed of any such cases by the management.

**For DATTA SINGLA & CO.**  
**Chartered Accountants**  
**Firm Regn. No. 006185N**

**(YOGESH MONGA)**

**Partner**

**M. No. 099813**

**PLACE: CHANDIGARH**

**DATE: 29.05.2015**

## Consolidated Balance Sheet as at 31st March 2015

Particulars	NOTE	As At		As At	
		March 31, 2015		March 31, 2014	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Share holders' Fund</b>					
Share Capital	2.1	224.26		224.26	
Reserves & Surplus	2.2	9,355.22	9,579.48	9,046.36	9,270.62
<b>Non Current Liabilities</b>					
Long Term Borrowings	2.3	2,655.29		2,233.38	
Deferred Tax Liability(net)	2.4	1,101.93		1,118.93	
Other Long Term Liabilities	2.5	151.87		8.08	
Long Term Provisions	2.6	60.11	3,969.21	49.00	3,409.38
<b>Current Liabilities</b>					
Short Term Borrowings	2.7	5,952.98		5,798.42	
Trade Payables	2.8	4,555.77		4,400.61	
Other Current Liabilities	2.9	905.00		867.15	
Short Term Provisions	2.10	142.22	11,555.97	194.48	11,260.66
	<b>Total</b>		<b>25,104.66</b>		<b>23,940.66</b>
<b><u>ASSETS</u></b>					
<b>Non Current Assets</b>					
Fixed Assets					
- Tangible Assets	2.11	9,337.31		9,475.43	
- Capital Work in Progress		913.12		1,222.64	
Non Current Investments	2.12	0.50		0.50	
Long Term Loans and Advances	2.13	804.43		868.67	
Other Non Current Assets	2.14	359.12	11,414.49	0.08	11,567.31
<b>Current Assets</b>					
Current Investments	2.15	4.35		3.14	
Inventories	2.16	7,909.75		7,584.27	
Trade Receivables	2.17	4,464.96		3,766.49	
Cash & Bank Balances	2.18	333.82		99.78	
Short Term Loans & Advances	2.19	814.32		658.29	
Other Current Assets	2.20	162.97	13,690.17	261.40	12,373.35
			<b>25,104.66</b>		<b>23,940.66</b>
Significant Accounting Policies	1				
Notes to Financial Statements	2				

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

For DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTSSanjiv Goyal  
Chairman & Managing DirectorDinesh Dua  
CEO & Whole Time Director

Firm Regn. No. 006185N

Sandeep Goel  
Chief Financial OfficerSunder Lal  
Company SecretaryR.K. Aggarwal  
V.P. AccountsYogesh Monga  
Partner  
M. No. 099813Place : Chandigarh  
Dated : 29.05.2015



## Consolidated Statement of Profit and Loss For the Year Ended on 31st March 2015

Particulars	NOTE	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>INCOME</b>			
Revenue From Operations	2.21	17,463.86	17,081.84
Less : Excise Duty		1,034.97	704.15
		<u>16,428.89</u>	<u>16,377.69</u>
Operating Income	2.22	7.53	5.43
Other income	2.23	199.99	116.49
		<u>16,636.41</u>	<u>16,499.61</u>
<b>EXPENDITURE</b>			
Raw Material Consumed	2.24	11,299.04	11,726.71
Purchase of Stock in Trade (Traded Goods)		396.06	398.23
Changes in inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.25	(281.76)	(578.11)
Employees Benefits Expense	2.26	627.07	513.29
Finance Cost	2.27	1,255.88	1,379.87
Depreciation & Amortisation	2.11 & 2.14	765.64	841.86
Other Expenses	2.28	1,726.94	1,435.47
		<u>15,788.87</u>	<u>15,717.33</u>
<b>PROFIT BEFORE TAX</b>		847.54	782.28
<b>Tax Expense</b>		184.90	161.43
<b>PROFIT AFTER TAX</b>		<u>662.64</u>	<u>620.86</u>
<b>EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)</b>			
Basic (Rs.)		2.95	2.77
Diluted (Rs.)		2.95	2.77

Significant Accounting Policies	1
Notes to Financial Statements	2

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

For DATTA SINGLA &amp; CO.

CHARTERED ACCOUNTANTS

Firm Regn. No. 006185N

<b>Sanjiv Goyal</b>	<b>Dinesh Dua</b>
Chairman & Managing Director	CEO & Whole Time Director

<b>Sandeep Goel</b>	<b>Sunder Lal</b>	<b>R.K. Aggarwal</b>	<b>Yogesh Monga</b>
Chief Financial Officer	Company Secretary	V.P. Accounts	Partner
			M. No. 099813

Place : Chandigarh

Dated : 29.05.2015

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	As At March 31, 2015	As At March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & Extra Ordinary Items	847.54	782.23
Adjustments For :		
Depreciation	765.57	841.78
Misc. Expenditure W/Off	0.08	0.08
Provision for Doubtful debts	0.44	6.79
Provision for Doubtful Insurance Claim	1.49	(1.07)
Provision for Employees Retirement Benefits	13.01	9.14
Provision for Excise Duty On Finished Goods	15.51	9.30
Loss on Sale of Fixed Assets	0.42	0.01
Loss on Sale / Restatement of Investment	(1.32)	(0.21)
Interest on Borrowings	1,255.88	1,379.87
Other non-operating Income	(198.66)	(116.27)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,699.94</b>	<b>2,911.65</b>
Adjustments For :		
(Increase)/Decrease in Current Assets	(1,083.51)	(830.92)
Increase/(Decrease) in Current Liabilities	105.90	670.01
Increase/(Decrease) in Long Term Liabilities	143.80	(2.22)
Increase/(Decrease) in Non Current Assets	(359.12)	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,507.00</b>	<b>2,748.51</b>
Direct Taxes Paid	(62.90)	(199.78)
<b>CASH FLOW BEFORE EXTRA-ORDINARY ITEMS</b>	<b>1,444.10</b>	<b>2,548.73</b>
Extra-Ordinary Items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>1,444.10</b>	<b>2,548.73</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(805.03)	(1,015.82)
Purchase of Investments	-	-
Interest Received	198.65	116.26
Dividend Received	0.01	0.01
Sale of Fixed Assets	0.82	0.05
Capital Subsidy recd during the year	10.00	-
Sale/(Purchase) of Investments	0.11	0.27
Long Term loans and Advances	0.10	(0.71)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(595.33)</b>	<b>(899.94)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Term Loans from Banks	504.93	(919.78)
Proceeds/(Repayment) from Working Capital Limits from Banks	154.56	707.31
Proceeds/(Repayment) from Unsecured Loans from Banks	3.22	(0.98)
Repayment of Inter Corporate Deposits	0.87	4.33
Repayment of FCCB including Interest	-	-
Dividend Paid	(22.43)	(22.43)
Interest Paid	(1,255.88)	(1,379.87)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(614.72)</b>	<b>(1,611.42)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>234.04</b>	<b>37.37</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	99.78	62.40
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	333.82	99.78

## Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal  
Chairman & Managing DirectorDinesh Dua  
CEO & Whole Time DirectorSandeep Goel  
Chief Financial OfficerSunder Lal  
Company SecretaryR.K. Aggarwal  
V.P. AccountsFor DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 006185NYogesh Monga  
Partner  
M. No. 099813Place : Chandigarh  
Dated : 29.05.2015



## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- i) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in millions.
- ii) All the incomes & expenditures are recognized on accrual basis, except if stated otherwise.

### 2. FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets have been stated at cost, net of cenvat/value added tax availed, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on fixed assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013 /as per Accounting Standard issued by The Institute of Chartered Accountants of India.
- ii) Cost of leasehold assets is amortized over the period of the lease.

### 3. INVESTMENTS

Investments are classified into current and long term investments. Long Term Investments are stated at cost and provision for diminution in value is made if decline is other than temporary in the opinion of the management. Current Investments are valued at cost and provision is made for decline in market value.

### 4. INVENTORIES

- i) Raw materials, Stores and Spares and Packing material  
Lower of cost and net realizable value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition.
- ii) Finished Goods and work in process  
Lower of cost and net realizable value. Cost includes direct material, labour and proportionate manufacturing overheads. Cost of finished goods includes excise duty.
- iii) Traded goods  
Lower of Cost and Net Realizable Value. Cost includes the purchase price and other associated costs directly incurred in bringing the inventory to its present location. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 5. FOREIGN EXCHANGE TRANSACTIONS

- i) Initial Recognition  
Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

- ii) Conversion

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

- iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise. The exchange difference on foreign currency denominated long term borrowings relating to the acquisition of depreciable capital assets are adjusted in the carrying cost of such assets for current year.

### 6. REVENUE RECOGNITION

- i) Revenue from product sales is stated exclusive of returns, inter-division transfers, sales tax but includes excise duty.
- ii) Dividend income is recognized as and when the right to receive is established.
- iii) Export benefits and other benefits are accounted for on accrual basis. Export entitlements are recognized as reduction from material consumption when the right to receive credit is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 7. EMPLOYEE BENEFITS

- i) Short Term Employee Benefits:

Employee benefits payable fully within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

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

- ii) Long Term Employee Benefits

Post Employment Benefits (Defined Benefit Plans)

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

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



**8. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**9. LEASES**

Leases, where the lessor retains substantially all the risks and benefits of the ownership of the leased item are classified as operating leases. Lease rentals for assets taken on operating lease are charged to the profit and loss account in accordance with Accounting Standard 19 on leases.

**10. GOVERNMENT GRANTS AND SUBSIDIES**

Grants and Subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**11. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

**12. MISCELLANEOUS EXPENDITURE**

Preliminary expenses are written off over a period of 10 years.

**13. DEFERRED REVENUE EXPENDITURE:**

Cost incurred on product development, product approvals, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related research and development expenses are recognized as deferred revenue expenditure and the same is amortized on a straight line basis over a period of succeeding five years. Development costs of products are charged to the Profit and Loss Statement unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

**14. IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value of future cash flows expected to arise from the continuing use of the assets and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

**15. DEFERRED TAX**

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets and liabilities are reviewed at each balance sheet date and are restated to reflect the amount that is reasonably certain to be released/ payable.

Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.1 "SHARE CAPITAL"</b>		
<b>Authorised Share Capital</b>		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up (Also Refer Note 2.29)	224.26	224.26
	<b>224.26</b>	<b>224.26</b>
<b>NOTE - 2.2 "RESERVES &amp; SURPLUS"</b>		
<b>Security Premium Reserve</b>		
Opening balance	3,287.98	3,287.98
	<b>(A)</b>	<b>3,287.98</b>
<b>General Reserves</b>	141.02	141.02
	<b>(B)</b>	<b>141.02</b>
<b>Profit &amp; Loss Account</b>		
Opening Balance	5,617.35	5,022.73
Transferred From Statement of Profit & Loss	662.64	620.86
Appropriations :	6,279.99	5,643.59
Depreciation relating to Earlier Years (Refer Note - 2.31)	322.27	-
Depreciation relating to earlier years written back	(1.21)	-
Proposed Dividend on Equity Shares	22.43	22.43
Tax On Proposed Dividend	4.57	3.81
Previous Year Adjustments	5.71	-
	5,926.22	5,617.35
	<b>(C)</b>	<b>5,926.22</b>
<b>Total (A+B+C)</b>	<b>9,355.22</b>	<b>9,046.36</b>

Particulars	As At	As At	As At	As At
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>NOTE - 2.3 - "LONG TERM BORROWINGS"</b>				
	Non Current Portion		Current Maturities	
<b>SECURED</b>				
<b>Term Loans</b>				
-From Banks	2,643.59	2,225.88	635.40	548.17
<b>UNSECURED</b>				
<b>Other Loans</b>				
-From Banks	3.76	1.64	3.96	2.85
-From Others	7.95	5.86	0.14	1.36
<b>(Also Refer Note 2.30)</b>	<b>2,655.29</b>	<b>2,233.38</b>	<b>639.50</b>	<b>552.38</b>

Particulars	As At March 31, 2015	As At March 31, 2014
<b>NOTE - 2.4 - "DEFERRED TAX LIABILITIES"</b>		
Deferred Tax Liabilities Arising On Account Of		
Depreciation	3,210.14	3,670.48
Depreciation relating to earlier years	477.05	-
Deferred Revenue Expenditure	359.12	-
<b>TOTAL A</b>	<b>4,046.31</b>	<b>3,670.48</b>
Deferred Tax Assets Arising On Account Of		
- Employees Retirement Benefits	64.73	51.72
- Unabsorbed Depreciation and Carried Forward Losses	-	44.51
- Other Expenses & Provisions	108.24	125.56
<b>TOTAL B</b>	<b>172.97</b>	<b>221.78</b>
<b>DEFERRED TAX LIABILITY (A-B)</b>	<b>3,873.34</b>	<b>3,448.70</b>
<b>TAX IMPACT</b>	<b>1,256.71</b>	<b>1,118.93</b>
Less Tax Impact On Depreciation Relating To Earlier Years (Refer Note 2.31)	154.78	
<b>NET DEFERRED TAX LIABILITY</b>	<b>1,101.93</b>	<b>1,118.93</b>
<b>NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"</b>		
Security from Customers	11.87	8.08
Others	140.00	-
	<b>151.87</b>	<b>8.08</b>
<b>NOTE - 2.6 - "LONG TERM PROVISIONS"</b>		
Provision for Employees Retirement Benefits	60.11	49.00
	<b>60.11</b>	<b>49.00</b>
<b>NOTE - 2.7 - "SHORT TERM BORROWINGS"</b>		
<b>SECURED</b>		
<b>Working Capital Limits</b>		
-From Banks	5,952.98	5,798.42
	<b>5,952.98</b>	<b>5,798.42</b>
<b>NOTE - 2.8 "TRADE PAYABLES"</b>		
- Due to Micro ,Small & Medium Enterprises	12.33	11.64
- Due to Others	4,543.44	4,388.97
	<b>4,555.77</b>	<b>4,400.61</b>
<b>NOTE - 2.9 "OTHER CURRENT LIABILITIES"</b>		
Current Maturities of Long Term Debts	635.40	548.17
Current Maturities of Other Loans	4.10	4.21
Interest accrued but not due on borrowings	38.96	26.60
Advances From Customers	88.99	59.04
Other Payables	137.55	229.12
	<b>905.00</b>	<b>867.15</b>
<b>NOTE - 2.10 "SHORT TERM PROVISIONS"</b>		
Proposed Dividend	22.48	22.43
Tax on Proposed Dividend	4.57	3.81
Provision for Income Tax (Net of Advance Tax & TDS)	80.32	150.79
Provision for Excise Duty On Finished Goods	30.24	14.74
Provision for Employee Retirement Benefits	4.61	2.72
	<b>142.22</b>	<b>194.48</b>

**NOTE - 2.11 "FIXED ASSETS" - Tangible Assets**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At April 1, 2014	Additions	Sale/ Deletion	As At March 31, 2015	Up To March 31, 2014	Retained Earnings	During the Year	Deletion / Adjustments	Up To March 31, 2015	As At March 31, 2015	As At March 31, 2014
Freehold Land & Site Development	943.04	2.41	-	945.45	-	-	-	-	-	945.45	943.04
Leasehold Land	3.27	-	-	3.27	0.24	-	0.04	-	0.28	2.99	3.03
Buildings	1,410.28	180.73	-	1,591.01	267.33	-	46.39	-	313.72	1,277.29	1,142.95
Tube Well	10.40	2.62	-	13.01	2.05	5.00	2.25	-	9.30	3.72	8.35
Plant & Machinery *	7,061.22	771.73	10.00	7,822.95	2,596.17	-	248.87	1.21	2,843.84	4,979.11	4,465.04
Plant & Machinery (R & D)	2,472.53	-	-	2,472.53	381.91	467.72	367.89	-	1,217.51	1,255.02	2,090.62
Boiler	170.70	(0.00)	-	170.70	56.35	-	8.93	-	65.28	105.42	114.35
Pollution Control Equipment	75.25	0.00	-	75.25	34.87	0.49	3.52	-	38.88	36.37	40.38
Laboratory	88.18	1.93	-	90.11	26.49	1.16	19.11	-	46.75	43.36	61.69
Miscellaneous Fixed Assets	986.54	133.76	-	1,120.30	482.06	-	40.91	-	522.97	597.33	504.49
Furniture & Fixture	84.95	2.96	-	87.91	29.52	0.27	13.25	-	43.04	44.86	55.43
Motor Vehicles	69.98	12.36	1.88	80.47	36.47	0.14	8.56	0.63	44.55	35.92	33.51
Computer	35.20	6.05	-	41.25	22.65	2.26	5.84	-	30.76	10.49	12.55
<b>GRAND TOTAL</b>	<b>13,411.54</b>	<b>1,114.54</b>	<b>11.88</b>	<b>14,514.20</b>	<b>3,936.11</b>	<b>477.05</b>	<b>765.57</b>	<b>1.84</b>	<b>5,176.89</b>	<b>9,337.31</b>	<b>9,475.43</b>
<b>Previous Year</b>	<b>12,233.12</b>	<b>1,178.88</b>	<b>0.46</b>	<b>13,411.54</b>	<b>3,094.73</b>	<b>-</b>	<b>841.78</b>	<b>0.40</b>	<b>3,936.11</b>	<b>9,475.43</b>	<b>9,138.39</b>

\*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 52.99 Millions (Previous Year 146.79) and sales includes Rs. 10 Millions for capital subsidy received during the year

Particulars	As At March 31, 2015	As At March 31, 2014
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**NOTE - 2.12 "NON CURRENT INVESTMENTS"****NON TRADE  
UNQUOTED**

20 Equity Shares of Rs. 50/- each in The Thane Janta Sahakari Bank Ltd [Absolute amount Rs. 1000(Previous Year Rs.1000)]	0.00	0.00
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50
<b>B</b>	<b>0.50</b>	<b>0.50</b>

**NOTE - 2.13 "LONG TERM LOANS & ADVANCES"**

Security Deposits	15.73	15.83
MAT Credit Entitlement	744.59	808.74
Unsecured Loans & Advances to Related Parties		
- Considered Good	-	-
- Considered Doubtful	-	-
Unsecured Loans & Advances to others		
- Considered Good	44.10	44.10
	<b>804.43</b>	<b>868.67</b>

**NOTE - 2.14 "OTHER NON CURRENT ASSETS"**

Preliminary Expenses	0.08	0.15
Deferred Revenue Expenditure incurred during the year	359.12	-
	359.20	0.15
Less :- Written off During the Year	0.08	0.08
	<b>359.12</b>	<b>0.08</b>



Particulars	As At March 31, 2015	As At March 31, 2014
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**NOTE - 2.15 "CURRENT INVESTMENTS"****NON TRADE****QUOTED**

1,600 EQUITY SHARES OF RS. 10/- EACH fully paid up In Vijaya Bank.	-	0.04
1,271 EQUITY SHARES OF RS. 10/- EACH fully paid up In Yes Bank Ltd.	-	0.06
5 EQUITY SHARE OF RS. 1/- each (PREVIOUS YEAR 1 EQUITY SHARE OF RS. 5 EACH) fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 EQUITY SHARES OF RS. 5/- EACH (PREVIOUS YEAR 2350 EQUITY SHARES OF RS. 10 EACH) fully paid up In Parsvanath Developers Ltd.	1.31	1.31
12,267 EQUITY SHARES OF RS. 10/- EACH fully paid up in Punjab Alkalies & Chemicals Ltd.	-	0.33
SHARE APPLICATION MONEY IN SARASWAT CO-OP BANK LTD 2500 Equity Shares @ 10 each	0.03	-
SBI PSU Fund	1.00	1.00
3000 BONDS OF IFCI @ RS 1000/- EACH	3.00	-
PRINCIPAL EMERGING BLUECHIP FUND	0.30	-
PRINCIPAL PNB ASSET MANAGEMENT CO.P.LTD.	-	2.00
	<b>5.64</b>	<b>4.74</b>
Less: Provision for Loss on Investment	1.28	1.60
	<b>4.35</b>	<b>3.14</b>

Market value of Quoted Investment Rs. 4.36 Millions (Previous Year Rs. 4.02 Millions)

**NOTE - 2.16 "INVENTORIES"****(As Certified by The Management)**

Raw Material	752.47	744.38
Work In Progress	6495.43	6,277.09
Finished Goods	367.18	266.38
Stocks in Trade	124.43	161.82
Other Miscellaneous Stocks	170.24	134.60
	<b>7,909.75</b>	<b>7,584.27</b>

Particulars	As At March 31, 2015	As At March 31, 2014
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**NOTE - 2.17 "TRADE RECEIVABLES"****(Unsecured)**

Debts outstanding for a period exceeding six months from due date of payment

-Considered Good	184.11	123.48
-Considered Doubtful	85.70	85.25
	<b>269.81</b>	<b>208.74</b>
Less: Provision For Doubtful Debts	85.70	85.25
Other Debts	<b>184.11</b>	<b>123.48</b>
-Considered Good	4,280.85	3,643.00
	<b>4,464.96</b>	<b>3,766.49</b>

**NOTE - 2.18 "CASH & BANK BALANCES"****Balance With Banks**

In Current Accounts	318.22	96.40
In Unclaimed Dividend & Share Application Money Accounts	0.49	0.34
Cash In Hand (Incl Staff Imprest)	15.12	3.04
	<b>333.82</b>	<b>99.78</b>

**NOTE - 2.19 "SHORT TERM LOANS & ADVANCES"**

Excise Balances	127.32	121.56
Other Loans & Advances, considered good -		
- To Related Parties	-	-
- To Others	686.99	536.73
	<b>814.32</b>	<b>658.29</b>

**NOTE - 2.20 "OTHER CURRENT ASSETS"**

Export and Other Incentives Accrued	129.22	229.40
Income Tax Refund Due	31.80	31.86
Insurance Claim Receivable :		
-Considered Good	1.96	0.13
-Considered Doubtful	22.54	21.06
	185.52	282.45
Less: Provision for Doubtful Insurance Claim	22.54	21.06
	<b>162.97</b>	<b>261.40</b>

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE - 2.21 "REVENUE FROM OPERATIONS"</b>		
Sale of Manufactured Products		
- Export	6,569.33	7,441.68
- Domestic	10,211.29	9,011.50
Trading Sale		
- Export	230.52	44.61
- Domestic	452.72	584.05
	<b>17,463.86</b>	<b>17,081.84</b>
<b>NOTE - 2.22 "OPERATING INCOME"</b>		
Outsourcing Income	2.04	0.14
Carbon Credit	5.49	5.29
	<b>7.53</b>	<b>5.43</b>
<b>NOTE - 2.23 "OTHER INCOME "</b>		
Interest On Fixed Deposits	6.76	0.53
Interest Others	151.66	115.73
Dividend From Investments	0.01	0.01
Compensation on Sale of Land	40.23	-
Profit on Sale / Restatement of Investment	1.32	0.21
	<b>199.99</b>	<b>116.49</b>
<b>NOTE - 2.24 "RAW MATERIAL CONSUMED"</b>		
Opening Stock	744.38	538.53
Add:- Purchase of Raw Material	11,307.12	11,932.57
	12,051.51	12,471.10
Less :- Closing Stock	752.47	744.38
	<b>11,299.04</b>	<b>11,726.71</b>
<b>NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS &amp; STOCK IN TRADE"</b>		
<b>Inventory (At Close)</b>		
Finished Goods	367.18	266.38
Stock in Process	6495.43	6,277.09
Stock in Trade	124.43	161.82
<b>Inventory (At Commencement)</b>	6,987.04	6,705.29
Finished Goods	266.38	187.93
Stock in Process	6,277.09	5,703.89
Stock in Trade	161.82	235.36
	6,705.29	6,127.18
	<b>281.76</b>	<b>578.11</b>

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"</b>		
Salaries & Wages	487.86	398.26
Remuneration To Directors	37.77	33.60
Contribution to Provident and Other Funds	35.55	28.50
Staff Welfare	65.88	52.92
	<b>627.07</b>	<b>513.29</b>
<b>NOTE - 2.27 "FINANCIAL EXPENSES"</b>		
Interest Expenses	881.25	881.27
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	374.63	498.61
	<b>1,255.88</b>	<b>1,379.87</b>
<b>NOTE - 2.28 "OTHER EXPENSES"</b>		
<b>Manufacturing Expenses</b>		
Consumable Stores	123.44	106.87
Oil & Lubricants	32.62	30.50
Power, Fuel & Steam Expenses	761.51	628.53
Chemical Testing Expenses	17.31	7.59
Packing Expenses	113.05	123.77
Repairs & Maintenance		
- Electricals	6.50	4.80
- Machinery	92.17	71.58
- Building	6.92	8.65
	<b>1,153.52</b>	<b>982.29</b>
<b>Administrative Expenses</b>	<b>Total (A)</b>	
Travelling & Conveyance	50.46	40.22
Advertisement & Subscription	0.76	0.94
Books & Periodicals	0.05	0.39
Business Promotion	9.51	16.34
Insurance	32.69	43.22
Electricity Expenses (Office)	1.86	1.97
Postage, Telephone, Telegram	12.33	15.07
Printing & Stationery	13.99	12.09
Professional Fees	30.83	37.51
Rate, Fees & Taxes	16.42	15.91
Vehicle Running & Maintenance	11.14	12.46
Rent	12.18	11.45
Audit Fees	2.50	2.50
Office Expenses	2.98	5.12
Diwali & Pooja Expenses	3.55	3.02
Donation	13.37	13.76
Directors' Sitting Fees	0.22	0.21
Loss on Sale of Fixed Assets	0.42	0.01
Provision For Doubtful Insurance Claims	1.49	(1.07)
	<b>216.76</b>	<b>231.11</b>
<b>Selling &amp; Distribution Expenses</b>		
Discount / Samples	53.37	42.98
Freight & Cartage Outward	165.96	138.15
Sales Commission	122.93	48.65
Bad Debts Written Off / Provision for Doubtful Debts Reversed (Net)	14.41	(7.71)
	<b>356.67</b>	<b>222.07</b>
<b>Total (C)</b>		
	<b>356.67</b>	<b>222.07</b>
<b>Grand Total (A+B+C)</b>	<b>1,726.94</b>	<b>1435.47</b>



## 2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

Particulars	As at 31 <sup>st</sup> March,2015		As at 31 <sup>st</sup> March,2014	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	76779000	34.24	76779000	34.24
NSR Direct PE Mauritius,LLC	26000000	11.59	26000000	11.59
Mrs. Raman Goyal	21584000	9.62	21584000	9.62
Depository of GDRs	46000000	20.51	46000000	20.51

**Note:**

Since, the equity shares underlying GDRs are held by Deutsche Bank Trust Company Americas being depository of GDRs, hence disclosed per se.

**Reconciliation of the number of shares outstanding:**

Particulars	As at 31 <sup>st</sup> March,2015	As at 31 <sup>st</sup> March,2014
Equity shares at the beginning of the year	224260970	224260970
Add: Shares issued during the year	Nil	Nil
Equity shares at the end of the year	224260970	224260970

## 2.30 SECURED LOANS

- I. Term Loans from various banks are secured by way of First PariPassu Charge on all the fixed assets of the Company and further secured by way of Second Pari Passu Charge on all the current assets of the Company and personal guarantee of directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.
- II. Corporate Loans from Financial Institution are secured by way of First PariPassu Charge on all the fixed assets of the Company and further secured by way of Second PariPassu Charge on all the current assets of the Company and personal guarantee of directors / relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.

**Repayment Schedule of Term Loans:**

Year of Repayment	Amount (Rs. In Millions)
1-2	755.21
2-5	1773.87
>5	114.51

Term Loans availed by the Company, include term loans from various Banks/Financial Institutions.

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

**Repayment Schedule of Vehicle Loans:**

Year of Repayment	Amount (Rs. In Millions)
1-2	3.53
2-5	7.94
>5	0.24

- III. Working Capital Limits are secured by way of First PariPassu Charge on all the current assets of the Company and further secured by way of Second PariPassu Charge on all the fixed assets of the Company and personal guarantee of directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.

## 2.31 DEPRECIATION

In terms of Schedule II to the Companies Act, 2013 read together with Accounting Standard 6 (AS – 6) “Depreciation Accounting”, the management of the Company has applied the estimated useful lives as specified in Schedule II with effect from 1<sup>st</sup>April, 2014, as disclosed in Accounting Policy on Fixed Assets and Depreciation. In terms of these evaluations, the useful lives of certain assets required changes from their previous estimates. As a result, the charge for depreciation in respect of fixed assets held as at 1<sup>st</sup>April, 2014 is lower by Rs. 143.51million for the year ended 31<sup>st</sup>March, 2015. Further, the written down value of Fixed Assets where the remaining useful life of the assets was determined to be nil as at 1<sup>st</sup>April, 2014 has been adjusted in the opening balance of Profit and Loss Account under Reserves and Surplus (net of deferred tax of Rs. 154.78 million) aggregating to Rs. 322.27million.

## 2.32 CURRENT ASSETS, LOANS & ADVANCES

- a) During the month of March 2015, there was a fire in one of the production facilities of the Company (Unit I), which affected stock of goods as well as a part of fixed assets of the Company. The Company has intimated insurance company about the fire and the insurance company appointed surveyor to assess the extent of damage caused by the said fire. The Company is in the process of filing claim for the said loss and no financial impact of the same has been taken in the books of accounts for the year ended 31.03.2015, pending completion of work by the surveyor. The management of the Company is of the opinion that the loss caused by the said fire is completely recoverable by the insurance claim to be filed and the shortfall, if any, would not have any material impact on the financials of the Company. The statutory auditors have relied upon the opinion of the management in this regard.
- b) In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

## 2.33 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31<sup>st</sup> March 2015 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” was Rs. 12.33 million (previous year Rs. 11.64 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 1.33million (previous year Rs. 0.52 million) remained unpaid as at 31<sup>st</sup> March 2015. The principal amount that remained unpaid as at 31<sup>st</sup> March 2014 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the statutory auditors.
- II. Investor Education and Protection Fund  
Other liabilities include Rs. 0.49 million (previous year Rs. 0.37 million) which relate to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.04 million (Previous Year Nil) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.

**2.34 CONTINGENT LIABILITIES AND COMMITMENTS**

S.No.	Particulars	31.03.2015	31.03.2014
<b>a)</b>	<b>Contingent Liabilities</b>		
i)	Claims not acknowledged as debts:- *		
	-Income Tax matters**	5.97	18.47
	-Excise matters***	112.95	111.45
	-Service Tax matters****	16.22	13.95
	-ESI matters	-	3.54
ii)	Bank Guarantees	11.75	9.22
iii)	Bills Discounted	80.70	105.55
iv)	Letter of Credit (Foreign/ Inland)	249.75	171.77
v)	Other money for which Company is contingently liable		
	a) Differential amount of custom duty in respect of machinery imported under EPCG Scheme	19.11	0.39
<b>b)</b>	<b>Commitments</b>		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	7.80	8.71

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

\*\* Amount deposited under protest Rs. 3.01 million

\*\*\* Amount deposited under protest Rs. 14.58 million

\*\*\*\* Amount deposited under protest Rs. 2.08 million

**2.35 PAYMENT TO AUDITORS (Rs. In Million)**

Particulars	2014-15	2013-14
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.31	0.31

**2.36 INCOME TAX****Current Tax**

Provision for Current Income Tax has been made as per Income-tax Act, 1961, based on legal opinion obtained by the Company from its income tax consultant and the statutory auditors have relied upon the said legal opinion for the purpose of current income tax.

**Deferred Tax**

In compliance with Accounting Standard (AS-22) relating to "Accounting for Taxes on Income" issued under Companies (Accounting standards) Rule 2006, as amended upto date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 137.78 million (Previous Year Rs.161.37 million) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

**2.37 LEASES**

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases.

Lease payments recognized in the Statement of Profit & Loss are Rs.12.18 million (Previous Year Rs. 11.45 millions).

**2.38 DEFERRED REVENUE EXPENDITURE:**

During the year, Company incurred an amount of Rs. 359.12 million on product development, product approval, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related research and development expenses, recognized as deferred revenue expenditure in the books of accounts, and the same is amortized on a straight line basis over a period of succeeding five years.

**2.39** Other Income during the year includes an amount of Rs. 148.45 million on account of additional compensation including interest received from Greater Mohali Area Development Authority (GMADA). Since GMADA has filed an appeal in the Punjab & Haryana High Court, hence the compensation has been accounted for in the year of receipt.

**2.40 EMPLOYEE RETIREMENT BENEFITS**

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

**Changes in Present Value of Obligations (Rs. in millions)**

	Gratuity	Earned leave
Present Value of Obligations as at 1st April 2014	32.9	18.82
Acquisition adjustment	-	-
Interest Cost	2.63	1.5
Past Service Cost	-	-
Current Service Cost	8.1	10.82
Curtailed Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(2.55)	(4.1)
Actuarial (gain)/loss on obligations	(0.75)	(2.64)
Present Value of obligations as at 31st March 2015	40.32	24.40

**Changes in the Fair Value of Plan Assets**

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2014	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain/ (loss) on Plan Assets	-	-
Fair Value of Plan Assets as at 31st March 2015	-	-

**Fair Value of Plan Assets** (Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2014	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2015	-	-
Funded Status	(40.32)	(24.4)

**Actuarial Gain/Loss Recognized** (Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year - Obligation	0.75	2.64
Actuarial gain/(loss) for the year - Plan Assets	-	-
Total (gain)/ loss for the year	0.75	2.64
Actuarial (gain)/ loss recognized in the year	(0.75)	(2.64)
Unrecognized actuarial (gains) / losses at the end of year	-	-

**Amount recognised in the Balance Sheet** (Rs. in millions)

	Gratuity	Earned leave
Present value of obligations as at 31 <sup>st</sup> March 2015	40.32	24.4
Fair value of plan assets as at 31 <sup>st</sup> March 2015	-	-
Funded Status	(40.32)	(24.4)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(40.32)	(24.4)

**Expenses recognized in the Statement of Profit & Loss** (Rs. in millions)

	Gratuity	Earned leave
Current service cost	8.10	10.82
Past service cost	-	-
Interest cost	2.63	1.5
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognised in the period	(0.75)	(2.64)
Expenses recognised in the Statement of Profit & Loss	9.98	9.69

**Valuation Assumptions**

Discount Rate	8%
Estimated rate of increase in compensation levels	6%

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

**2.41 TAX EXPENSE COMPRISES OF:** (Rs. In Millions)

	2014-2015	2013-2014
-Current Tax	99.57	163.10
-Previous Year Tax	-	0.06
-Deferred Tax	137.78	161.37
- MAT Credit Entitlement	(52.45)	(163.10)
	<u>184.90</u>	<u>161.43</u>

**2.42 SEGMENT REPORTING****i) Primary Segment (Business Segment)**

The Company operates only in the business segment of "Pharmaceuticals Products", and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and reward. As such the activities are identified as single segment in accordance with the Accounting Standard (AS-17) issued under Companies (Accounting Standards) Rule 2006 as amended up to date.

**ii) Secondary Segment (By Geographical Segment)**

S.No	Particulars	31.03.2015	31.03.2014
(a)	India	10664.01	9595.55
(b)	Outside India	6799.85	7486.29
	Total Sales	17463.86	17081.84

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

**2.43 RELATED PARTY DISCLOSURES**

Related party disclosures as required under Accounting Standard (AS-18) on "Related Party Disclosures" issued under Companies (Accounting Standards) Rule 2006, as amended upto date, are given below: -

**a) Relationship**

- i) Joint Ventures and Associates**  
None
- ii) Key Management Personnel (Managing Director/Whole-time directors/CFO/Company Secretary)**  
Sh. Sanjiv Goyal  
Sh. Aryan Goyal (till 11<sup>th</sup> Nov, 2014)  
Sh. Dinesh Dua  
Sh. Harprakash Singh Gill  
Sh. Sandeep Goel  
Sh. Sunder Lal
- iii) Relatives of the Key Management Personnel\*\***  
Sh. Saurabh Goyal  
Sh. Aryan Goyal (w.e.f 12<sup>th</sup> Nov, 2014)

\*\* With whom the company had transactions during the year.

- iv) Entities over which key management personal/their relatives are able to exercise significant influence\***  
Surya Narrow Fabrics  
Nectar Lifestyles Private Limited  
Nectar Organics Private Limited  
Nectar Lifesciences Charitable Foundation

\* With whom the company had transactions during the year.

**b) The following transactions were carried out with related parties in the ordinary course of business.****i) Key Management Personnel and their relatives** (Rs. In Millions)

Sr.No.	PARTICULARS	31.03.2015	31.03.2014
i.	Director Remuneration & Perquisites	37.91	33.60
ii.	Salary & Perquisites	11.24	4.51



ii) Entities over which key management personnel/their relatives are able to exercise significant influence (Rs. In Millions)

Sr.No.	PARTICULARS	31.03.2015	31.03.2014
i.	Loans & Advances received back during the year	-	61.45
ii.	Rent	0.96	0.96
iii.	Donation Paid	1.42	1.38

2.44 DERIVATIVES

Currency derivatives

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts and currency options is governed by Company's strategy. The Company does not use forward contracts and currency options for speculative purposes.

2.45 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Profit After Tax	Rs in million	662.64	620.80
No of Shares Outstanding	Nos.	224260970	224260970
No of Weighted Average equity shares	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
Nominal value of equity shares	Re.	1.00	1.00
Earnings per Share			
-Basic	Rs.	2.95	2.77
-Diluted	Rs.	2.95	2.77

2.46 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs. 27.64 millions (Previous Year net loss of Rs. 147.06 millions)

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

a) RAW MATERIAL CONSUMED (Rs. In million)

S.No	Particulars	2014-2015		2013-2014	
		Amount	(%age)	Amount	(%age)
1.	Imported	6644.67	58.81	4116.14	35.10
2.	Indigenous	4654.37	41.19	7610.58	64.90

b) STORES & SPARES CONSUMED (Rs. In millions)

S.No	Particulars	2014-2015		2013-2014	
		Amount	(%age)	Amount	(%age)
1.	Imported	2.42	1.96	0.65	0.61
2.	Indigenous	121.02	98.04	106.22	99.39

2.48 OTHER INFORMATION

(Rs. In millions)

	Particulars	2014-2015	2013-2014
(a)	<b>CIF Value of Imports</b>		
1.	Raw Material	6118.6	4290.81
2.	Traded Goods	10.76	135.83
3.	Capital Goods, Stores & Spares etc.	85.43	10.22
(b)	<b>Expenditure in Foreign Currency</b>		
1.	Travelling Expenses	14.98	8.40
2.	Export Commission	90.36	27.76
3.	Other Expenses	46.50	46.82
(c)	<b>Remittances in Foreign Currency</b>		
1.	Raw Material	6187.37	4611.19
2.	Traded Goods	10.76	128.13
3.	Capital Goods and Stores & Spares	64.93	11.56
(d)	<b>Expenditure in Foreign Currency on account of dividend</b>		
	<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid	7.2	7.2
	(ii) Year to which dividend relates	2013-14	2012-13
(e)	<b>Earning in Foreign Currency</b>		
	<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
	FOB Value of Exports	6799.85	7486.29

2.49 Corporate Social Responsibility Expenses

Donation includes an amount of Rs. 11.82 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs 24.51 million capital expenditure incurred on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 36.33 million on CSR activities against the requirement of Rs. 18.64 million.

2.50 The Company has re-grouped previous year's figures to conform to current year's classification.

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal  
Chairman & Managing Director

Dinesh Dua  
CEO & Whole Time Director

Sandeep Goel  
Chief Financial Officer

Sunder Lal  
Company Secretary

R.K. Aggarwal  
V.P. Accounts

For DATTA SINGLA & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 006185N

Yogesh Monga  
Partner  
M. No. 099813

Place : Chandigarh  
Dated : 29.05.2015





**Form AOC-1**

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures  
[Pursuant to the first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014].**

Amt. In Rs.

Name of Subsidiary	Nectar Lifesciences UK Limited	Nectar Lifesciences USA, LLC
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP and Exchange rate is INR 92.47 for 1 GBP	US\$ and Exchange rate is INR 62.369 for 1 US\$
Share Capital	75	62
Reserves and Surplus	-	-
Total Assets	75	62
Total Liabilities	75	62
Investments (other than in subsidiaries and jointly controlled entities)	-	-
Turnover	-	-
Profit/(Loss) before Taxation	-	-
Provision for taxation	-	-
Profit/(Loss) after Taxation	-	-
Proposed Dividend	-	-
% of Shareholding	100	100



**Form No. MGT-11**

**Proxy form**

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

CIN: L24232PB1995PLC016664

Name of the company: NECTAR LIFESCIENCES LIMITED

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

Name of the member (s): \_\_\_\_\_ DP ID: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Folio No/ Client Id: \_\_\_\_\_  
Registered address: \_\_\_\_\_

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

1. Name \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him  
2. Name \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him  
3. Name \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Registered address: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual general meeting of the company, to be held on the September 30, 2015 At 10.00 a.m. at registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) (Punjab) and at any adjournment thereof in respect of all or such resolutions as are indicated below:

Resolution Nos.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

**Affix  
Revenue  
Stamp**

Dated:

Signature of shareholder :

\_\_\_\_\_

Signature of Proxy holder(s):

\_\_\_\_\_

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



# Corporate Information

## Board of Directors

1. Mr. Sanjiv Goyal	:	Chairman and Managing Director
2. Mr. Dinesh Dua	:	Chief Executive Officer and Director
3. Mr. Harprakash Singh Gill	:	President (Operation) & Director
4. Mr. Ajay Swaroop	:	Independent Director
5. Mrs. Neena Singh	:	Independent Director
6. Mr. Raman Kapur	:	Independent Director
7. Dr. (Maj Gen) S.S. Chauhan, VSM (Retd)	:	Independent Director
8. Mr. Vijay J. Shah	:	Independent Director
9. Mr. Vivek Sett	:	Director

## Chief Financial Officer

Mr. Sandeep Goel

## Vice President (Accounts)

Mr. RK Aggarwal

## Vice President & Company Secretary

Mr. Sunder Lal

## Auditors

Datta Singla & Co, Chartered Accountant  
SCO 2935-36, 1st Floor, Sector-22 -C, Chandigarh

## Bankers

- I. Punjab National Bank, Sec 16-D, Chandigarh
- II. State Bank Of India, Specialized Commercial Branch  
Sector-17 B, Chandigarh
- III. State Bank Of Bikaner & Jaipur, Delhi
- IV. Saraswati Bank, Delhi
- V. IFCI Ltd, Chandigarh
- VI. EXIM Bank, Mumbai

## REGISTERED OFFICE

Village Saidupura, Tehsil Derabassi,  
Distt. S.A.S. Nagar (Punjab), INDIA  
Ph:01762-308000, 308001 Fax: 01762-281187

## CORPORATE OFFICE

SCO-38-39, Sec-9-D, Chandigarh 160009 (UT), INDIA  
Ph: 0172-3047777, 3047701 Fax: 0172-3037755  
Website: <http://www.neclife.com>

## HEAD OFFICE

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

## COMMERCIAL OFFICE

E303-304, Crystal Plaza, New Andheri Link Road  
Opp Infinity Mall, Andheri (W), Mumbai-400053  
Ph:91-22-32060173

## Plant Locations

### I. Nectar Lifesciences Limited-Unit-I

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

### II. Nectar Lifesciences Limited-Unit-II

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

### III. Empty Hard Gelatin Capsule Unit

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

### IV. Formulation Unit

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

### V. Narbada Industries

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

## Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
Unit: Nectar Lifesciences Ltd  
Karvy House, 46, Avenue 4, Street No.1,  
Banjara Hills, Hyderabad-500034  
Ph: 91-40-23114058 Fax: 91-40-23311968

