

Nectar Lifesciences Ltd.



Ref: NLL/CS/2016-169

Dated: 31-08-2016

To

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

Sub: Notice of Annual General Meeting, Annual Report and Remote e-voting Instructions.

Sirs,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and sDisclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the Annual Report for the financial year ended on 31.03.2016 (containing notice of Annual General Meeting, Standalone financial statements, Directors' and Auditors' Reports thereon and Corporate Governance Report, Management Discussion and Analysis Report and consolidated financial statements and Auditors Report thereon).

This is for your information and records please.

Thanking you,

For Nectar Lifesciences Limited

(Sunder Lal)

Company Secretary

Encl. as above.

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

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



Nectar Lifesciences Ltd.

2015-2016
ANNUAL REPORT



SERVING HUMANITY, SAVING LIVES

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the managements' 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, or estimated projected. We undertake no obligation to publicly update any forward-looking statements, whether as a results of new information, future events or otherwise.

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NOTICE

Nectar Lifesciences Limited

(Corporate Identification Number: L24232PB1995PLC016664)

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

Email: sunderlal@neclife.com, Website: 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 21ST 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 Friday, September 30, 2016 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, 2016 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2016 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, 2016.
3. To appoint a Director in place of Mr. Dinesh Dua (DIN - 02436706), 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 other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to V. KUMAR & ASSOCIATES (Firm registration no. 100137), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, amounting to Rs. 2 lacs (Rupees Two Lacs only) as also

the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 ('Act') and any other, applicable provisions of the Act and the Rules made thereunder including any statutory amendment(s) or re-enactment(s) thereof and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Guljit Chaudhri (DIN - 00669460), who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 29, 2015, in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independent as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto December 28, 2020, and not liable to retire by rotation."

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 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and Articles of Association of the Company, and subject to the requisite approval of the Central Government, if necessary, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Harparkash Singh Gill as a Wholtime Director designated as President (Operations) & Director of the company for a period of 2 years starting from November 1, 2015 on the terms and conditions including remuneration as are set out herein below:

1. With effect from November 1, 2015 till March 31, 2016:



- a. **Salary and Allowances:** Rs. 256132.00 (Rupees Two Lac Fifty Six Thousand One Hundred and Thirty two only) per month or such other increment as may be decided by the Board of Directors from time to time.
 - b. **Perquisites:** He shall be entitled to medical reimbursement, 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.
 - c. He is also entitling to bonus not exceeding Rs. 261500.00 in a financial year.
2. With effect from April 1, 2016 till end of his tenure:
- a. **Salary and Allowances:** Rs. 269201.00 (Rupees Two Lac Sixty Nine Thousand Two Hundred and One only) per month or such other increment as may be decided by the Board of Directors from time to time.
 - b. **Perquisites:** He shall be entitled to medical reimbursement, 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.
 - c. He is also entitling to bonus not exceeding Rs. 274500.00 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 the Act."

8. 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, 2016 till the end of his tenure on the terms and conditions including remuneration as are set out herein below:

- a. **Salary:** Rs. 1,283,769.00 (Rupees Twelve Lacs Eighty Three Thousand Seven Hundred and Sixty Nine 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."

By order of the Board of Directors of
Nectar Lifesciences Limited

Place: Chandigarh
Date: 23.08.2016

(Sunder Lal)
Company Secretary

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations') 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, 2016 to September 30, 2016 (Both days inclusive) in accordance with the provisions of the Companies Act, 2013 and the 'LODR Regulations' 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, 2016.



- (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, 2016.
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 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.
8. Members may also note that the Notice of the 21st AGM and the Annual Report for 2015-16 will also be available on the Company's website www.neclife.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
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 and Corporate Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. The details of above offices 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 2007-2008 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 21st 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 Friday, September 23, 2016 (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. Friday, September 23, 2016.

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 Monday, September 26, 2016

End of remote e-voting: TO 5.00 p.m. on Thursday, September 29, 2016.

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.

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.

After the conclusion of voting at the general meeting, the scrutiniser shall, immediately first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses (who shall not be in the employment of the Company). Thereafter, Scrutiniser shall give a consolidated report specifying the total votes cast in favour or against, if any, within forty eight hours of conclusion of the meeting, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (www.neclife.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. Dinesh Dua (Date of birth 02.10.1955) is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 36 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 last 14 Months. He rejoined the Nectar Lifesciences Limited as a CEO & WTD from October 14, 2013.

He does not hold any equity share in the Company.

His Directorships are as under:

Sr. No.	Name of the Company
1.	Chandigarh Industrial and Tourism Development Corporation Limited
2.	Nectar Lifesciences UK Limited

He does not hold committee membership in any other company. The details of number of Board and committee meetings attended by him are given in Corporate Governance Report.

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

Item No. 5

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, 2017 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, 2017.

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

Item No. 6.

Ms. Guljit Chaudhri has been appointed as Additional Director from December 29, 2015 and vacates her office at the ensuing Annual General Meeting. However, the company has received a notice under section 160 of the Companies Act, 2013, from a member signifying his intention to propose her candidature as a regular independent director of the company. Members are requested to consider and approve her appointment as regular independent director of the company for a period upto December 28, 2020, whose period of office shall not be liable to determination by retirement of directors by rotation.

Ms. Guljit Chaudhri, born on September 16, 1955, is an Economics (Hons.) graduate from Lady Shri Ram College Delhi University, full time MBA from Jamnalal Bajaj Institute, Mumbai University, Post Graduate diploma in international marketing from IIFT Delhi, and a PhD. fellowship from University of Pune.

She has a career spanning 35 years in international business, strategic alliances including joint ventures and domestic marketing of pharmaceuticals, polymers with leading corporates. From 2005 she has Founded Bioinnovat a Pharmaceutical Resource Organisation deeply engaged in contract research and drug development solutions working for 7 global pharma amongst the top twenty including clinical trials which have matured into 9 globally approved market authorisations.

She is promoter and Managing Director of Bioinnovat Research Services Private Limited and holds the Directorship in Synergy Network India Private Limited. She does not hold any shares in the Nectar Lifesciences Limited.

She does not hold committee membership in any other company. The details of number of Board meetings attended by her are given in Corporate Governance Report.

Except Ms. Guljit Chaudhri, none of the Directors and Key Managerial Personnel (KMPs) of the Company and their relatives is concerned or interested, financial or otherwise, in her re-appointment. She does not have any relation with any other directors or 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 Wholetime Director designated as President (Operations) & Director from November 1, 2012 for a period of three years. As a result, his tenure as a President (Operations) & Director has expired on October 30, 2015.



Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on October 30, 2015, have decided to re-appoint Mr. Harparkash Singh Gill as President (Operations) & Director of the Company for a period of 2 years with effect from November 1, 2015 on the terms and conditions as set out in the proposed resolution. Further, based on the recommendation of the Nomination and Remuneration Committee, the remuneration of Mr. Singh has been increased by 5.00% from the month of April, 2016 as part of annual increment of all employees, as set out in the proposed resolution, subject to the approval of the members.

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, born on October 14, 1954, 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 37 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 and committee meetings attended by him are 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.

Item No. 8

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 2015-16, was Rs. 1,222,637.00 per month and inclusive of perquisites of medical reimbursement and leave travel. He was also entitling 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 lacs 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, 2016 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.

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.

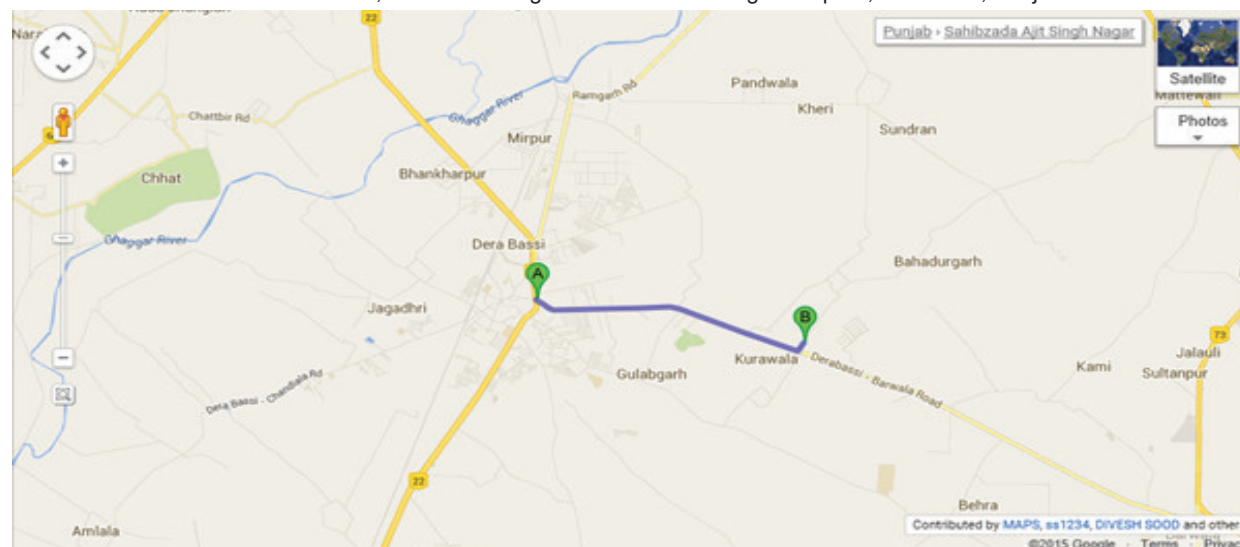
By order of the Board of Directors of
Nectar Lifesciences Limited

Place: Chandigarh
Date: 23.08.2016

(Sunder Lal)
Company Secretary

Route map of location of AGM.

- A - Ambala Chandigarh Expressway (NH-22) 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 21st 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, 2016.

Financial results

	(₹ in millions)	
	March 31, 2016	March 31, 2015
Gross Sales	17932.25	17463.86
Other Income	57.53	207.52
Profit before interest and depreciation	2803.76	2869.06
Interest	1225.02	1255.88
Depreciation & Amortisation	852.94	765.64
Profit before tax	725.80	847.54
Tax Expenses	132.96	184.90
Profit after tax available for Appropriations	592.84	662.64
Final dividend 10% (Previous year 10%)	22.43	22.43
Tax on dividend	4.57	4.57
Depreciation relating to earlier years	--	321.06
Transfer to general reserve	--	--
Prior Period Adjustments	42.05	5.71
Balance c/f to balance sheet	523.79	314.58

Company's performance

The overall performance of the company was at par of last year. Overall, Active Pharmaceutical Ingredients (APIs) witnessed an increase in business. However, Phytochemicals (Menthol) performance during FY 2015-16 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. 17932.25 Million, a growth of around 2.68% against Rs. 17463.86 Million in the previous year. Profit before depreciation and taxation was Rs. 2803.76 Million against Rs. 2869.06 Million in the previous year. The Profit before Tax was Rs. 725.80 Million against Rs. 847.54 Million in the previous year. The Profit after Tax was Rs. 592.84 Million against Rs. 662.64 Million in the previous year.

The marginal decrease in profits of the company was due to other income of Financial Year 2014-15 included Rs. 1484.47 lacs received as enhanced compensation including interest on the land acquired by the Punjab Government during the Financial Year 2009-10 as awarded by the Hon'ble Court and increased depreciation cost.

The financial results of the company for the quarter ended on June 30, 2016 are available on the website of the company (URL: 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 2015-16 as required under the SEBI (Listing Obligation and Disclosure

Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations') 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 LODR Regulations 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 subsidiaries namely Nectar Lifesciences UK Limited, incorporated in United Kingdom and Nectar Lifesciences US, LLC in United States. There are negligible investments in Nectar Lifesciences UK Limited and no business activity has been carried out in it in financial year 2015-16 and till date in financial year 2016-17. Therefore, nothing is to report on the performance and financial position of Nectar Lifesciences UK Limited.

However, the Nectar Lifesciences US, LLC commenced the business operations of trading of pharmaceutical products. Being the first year of operation, the company incurred the loss of US\$ 38455.11 during financial year 2015-16. Your directors hope for profitable operation in years to come.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (hereinafter referred as 'Act'), a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. 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.

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, 2016 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, 2016. 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, 2016, 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, 2016 to September 30, 2016 (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, Ms. Neena Singh, had vacated the office of Independent Director of the company as on the date of AGM i.e. September 30, 2015 and Mr. Raman Kapur, Independent Director has resigned from Board with effect from October 21, 2015.

Mr. Dinesh Dua (DIN - 02436706), Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment.

Further, on December 29, 2015 Ms. Guljit Chaudhri has been appointed as Additional Independent Director and vacates her office at the ensuing Annual General Meeting. However, the company has received a notice under section 160 of the Companies Act, 2013, from a member signifying his intention to propose her candidature as a regular director of the company. The Board recommends the appointment of Ms. Guljit Chaudhri as regular independent director for a period upto December 28, 2020.

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 LODR Regulations.

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 LODR Regulations.

Pursuant to the provisions of Section 203 of the Act, 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

Six meetings of the board were held during the year. The details of Directors and meeting held during the financial year 2015-2016 are provided in Corporate Governance Report which forms part of this report.

Directors' responsibility statement

The Directors confirm that:

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

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Board evaluation

Pursuant to the provisions of the Act, and the corporate governance requirements as prescribed by LODR Regulations, the performance of the Board and committees was evaluated by the Board after seeking inputs from all the directors/ committee members on the basis of the criteria such as the Board/ committee composition and structure, effectiveness of board processes, information and functioning, etc.

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

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 LODR Regulations. The composition, powers and duties of the Committees, during financial year 2015-16, 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 out by Mr. Aseem Chhabra of Aseem Chhabra & Associates., Practicing Company Secretary, the Secretarial Auditor of the company for the Financial Year 2015-16. 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 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 2016-17.

The Cost Audit Reports for the financial year 2014-15 have been filed on October 12, 2015, being within 30 days of date of report i.e. September 21, 2015.

The Cost Auditor shall forward the Cost Audit Report for the financial year 2015-16 by September 30, 2016. The report will be filed with Ministry of Corporate Affairs within 30 days of date of Cost Audit Report.

Risk management

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

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

Particulars of loans, guarantees and investments

The company has not given any loan or provide guarantee as per Section 186 of the Act. 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. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Fixed deposits

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

Disclosure requirements

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

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

Place: Chandigarh
Dated: 23.08.2016

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 strong 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 \$1.4 trillion by 2019, according to a report by Pharmaceutical market research firm, Deloitte. Pricing pressures in the United States and unstable economic conditions in Brazil, Russia, China and India which collectively drive 50 percent of global pharma revenue, have led to a slowdown in the pharma segment, as have tightening government health care budgets or reductions in out-of-pocket expenditures in these countries and others. Fortunately, the main factors driving health care demand -among them, aging populations, the rise of chronic diseases, and the advent of innovative and frequently expensive treatments (e.g., for cancer and Hepatitis C) - should lead to increased pharma spending in 2017 and subsequent years.

The next 5 years also see a continuous 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 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.

Pharmerging Markets

Pharmerging market has extended beyond Brazil, Russia, India & China (BRICS) & would worth \$500bn by 2020, according to a firm Reva Pharma. Demand for drugs in pharmerging markets will expand at a compound annual growth rate of 11% through 2018, according to a recent report by The IMS Institute for Healthcare Informatics. While

that would be a slight slowdown from the past five years, it's vastly faster than growth across the major markets in Europe and Japan, where growth is expected to be flat and up to 4%, respectively.
(Source: fortune.com)

Pharmerging markets will account for nearly 50% of absolute growth in drug spending in 2018. 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 Financial Year (FY) 2016-17 and is 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.
Source : IMS

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 increase in government spending and medical infrastructure, and new business models for rural areas. (Source: profit.ndtv.com)

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

Indian pharmaceutical industry is expected to touch \$55 billion by 2020 as against the current size of \$20 billion but the exports may slow down to grow at a CAGR of 7.98% in value terms due to tightening of regulatory mechanism in top exports markets of US, Russia and Africa.



- Domestic pharmaceutical market grew at a CAGR of 12 per cent year-on-year in February 2016, broadly in line with the average of 12.9 per cent since April 2015
- Indian pharmaceutical firms are eyeing acquisition opportunities in Japan's growing generic market as the Japanese government aims to increase the penetration of generic drugs to 60 per cent of the market by 2017 from 30 per cent in 2014, due to ageing population and rising health costs.
- Presently Indian pharmaceutical industry ranks 3rd in the world in terms of volume and 13th 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.
- India's biotechnology industry comprising biopharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues of Biotech Industry at Rs. 12,600 Crores (Cr.) (US\$ 1.9 billion).
- Indian pharmaceutical industry bags about 72% of revenue from generic version of drugs.
- The country's pharmaceuticals industry accounts for about 2.4% of the global Pharma industry by value and 10% by volume.
- 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 & Ibe

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.
- 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.

Challenges Facing Indian Pharmaceutical Industry

1. Compliance issues and good manufacturing practices:

This has somehow always been a problem for the Indian companies due to lack of state of art manufacturing facilities. The United States Food and Drug Administration seems to be trying to block the growth of the companies by imposing stringent regulations.

2. Highly fragmented industry:

The Indian pharma industry is highly fragmented. The market is overloaded with generic manufacturers.

3. Low margin of profits due to government pricing policies - Drug Price Control Order

The main issue raised by most of the pharma companies is that the profits which they earn are basically peanuts and this income is not sufficient enough. The companies sight that the reforms of the Government for the essential medicines has caused them to lower the price of drugs. This has been done by the Government for the betterment of the public. So the Government has to think of a way to promote the pharma companies as well. Funding for the pharma companies might be a way to move forward.

4. Low input for research and development due to pricing norms

The lower the profits for the companies, the lower the investments are. So the companies sight that due to the low income they are not able to develop products the way they want.



5. **Stronger IP regulations**

- IP regulation has always been a thorn in the skin for the companies, especially the foreign companies. The companies strongly feel that the rules have to be amended and the so-called victim of the lax regulations has been the foreign entrants.

- The solution to this answer might be provided by the IPR Think Tank formed by the Government to draft a stronger national IP policy.
Source: iipta.com

ABOUT NLL

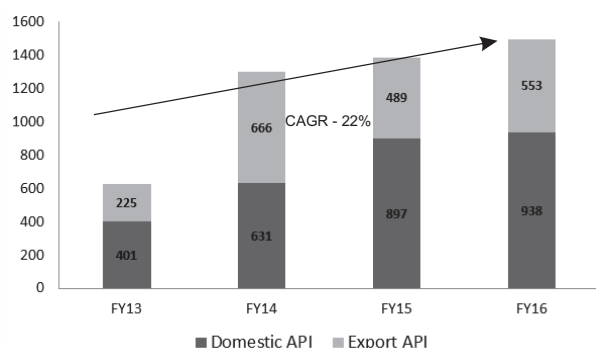
Nectar Lifesciences Limited ('NLL' or 'NECLIFE') is an integrated pharmaceutical organization incorporated in 1995 based in Chandigarh, Punjab India. NLL has developed fully integrated sustainable production systems to manufacture high quality Cephalosporin intermediates, -APIs and Formulations to meet the diverse requirements of its customer base in India and over 65 countries worldwide.

Active pharmaceutical ingredients (APIs)

With Global capacities of some of the Cephalosporin molecules and strong tie ups Nectar has been experiencing a 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 6% taking the turnover from Rs.1385 Cr. to Rs. 1491 Cr.

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 growth of 13% over the last year. Domestic sales also witnessed an increase by 4% 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 API sales.



Finished Dosage formulations (FDF)

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 an overall decline of 36% in FY 2015-16 as compared to the last year majorly due to the accomplishment of Venezuela Tender.
- Venezuela Tender contributed Rs 34 Cr. to FDF sales in FY 2014-15
- If considered without Venezuela Tender the FY 2015-16 FDF sale is almost level pegged at Rs. 54 Cr.

Total API and FDF Business in FY 2015-16

The pharmaceutical business of NLL registered a growth of 5% in FY 2015-16 with a total turnover of Rs.1545 Cr. as compared to previous year's Rs. 1471 Cr. As compared to FY 2012-13, NLL pharma business registered CAGR of 23.46%, 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.

Empty Hard Gelatin Capsules (EHGC)

Being the one of the largest manufacturer, the EHGC facility in Baddi has a capacity to produce approximately 6 Billion empty capsules & Print 1 million Capsules per annum. The EHGC Facility has approvals from ISO 9001:2008, KOSHER, HALAL, HACCAP & C-14.

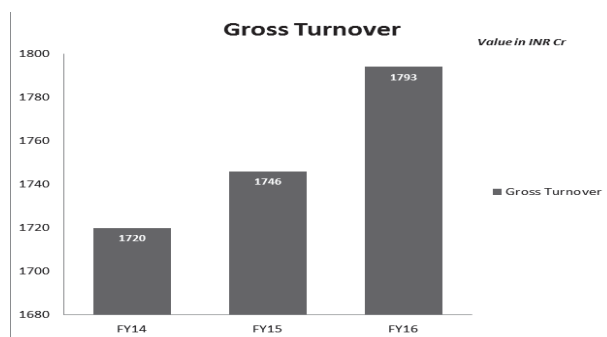


Regulatory Filings

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 2016-17. Currently NLL has filed 15 ANDA's in United States.

Discussion on Financial Performance with Respect to Operational Performance

	(Rs. in Cr.)	
	March 31, 2016	March 31, 2015
Gross Sales	1793.22	1746.39
Other Income	5.75	20.75
Profit before interest and depreciation	280.38	286.91
Interest	122.50	125.59
Depreciation & Amortisation	85.29	76.56
Profit before tax	72.58	84.75
Tax Expenses	13.30	18.49
Profit after tax available for Appropriations	59.28	66.26
Final dividend 10% (Previous year 10%)	2.24	2.24
Tax on dividend	0.46	0.46
Depreciation relating to earlier years	--	32.11
Transfer to general reserve	--	--
Prior Period Adjustments	4.21	0.57
Balance c/f to balance sheet	52.38	31.46



Highlights 2015-16:

- Closed the FY 2015-16 at Rs. 1793.22 Cr.
- ANVISA- cGMP approval granted to Derabassi API facility
- Outstanding export performance award by Pharmexcil
- National Energy conservation award (NECA) by GOI

Total domestic sale in 2015-16 is Rs. 1093.14 Cr. whereas export sale is Rs. 700.08 Million.

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 2016-17.

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.
- Strategic entry in Japan
- 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 R & D and work on new cephalosporin & Non-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

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.

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. NLL gives employees the opportunity to discuss Company decisions or actions which affect them.

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

- Strong Human Capital. Employee harmony is important.
- Defined roles for each & every employee by way of KRAs / Job Descriptions.
- Rewards, recognitions by way of Annual Performance Appraisal system for Professional growth.

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.

The total numbers of employees are provided in Annexure 8 of Board of Directors' Report.

Whistle Blower Policy

The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report, the instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the LODR Regulations. 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 Harassment 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. During the year, no complaint with allegations of sexual harassment was filed with the Company.

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 and Safety training and publicity week
- Personal protective equipment and 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. The Company has constituted a Risk Management Committee with Mr. Dinesh Dua as the Chairman and Mr. Harparkash Singh Gill and Mr. Sunder Lal as members, to:

- a) 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) 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; and Business Unit level in the risk management framework. All these components are interrelated and drive the Enterprise Wide Risk Management with focus on three key elements, viz. Risk Assessment, Risk Management and Risk Monitoring.

Risks Specific to the Company and the Mitigation Measures Adopted:

- 1) **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 has a well defined organization structure with well defined flow of information.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Proper inventory controls systems have been put in place along with effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios.

- 2) **Credit Risks:** Credit Risks involves risks in settlement of dues by dealers/customers and provision for bad and doubtful debts

Risk Mitigation Measures:

- Systems put in place for assessment of credit worthiness of dealers / customers and appropriate recovery management.



- Provision for bad and doubtful debts made to arrive at correct financial position of the Company.

3) **Market Risks / Industry Risks/ Product Risk:** These risks are categorized as Demand and Supply Risks, Quantities, Qualities, Suppliers, lead time, interest rate risks, Raw material rates and Interruption in the supply of Raw material

Risk Mitigation Measures:

- Raw materials are procured from different sources at competitive prices. The company enters into commodity derivatives, as and when required, to hedge the fluctuating prices.
- The Company plans its production and sales from the experience gained in the past and an on-going 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 etc.
- Proper inventory control systems have been put in place.

4) **Human Resource Risks:** These risks are categorized Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc. and unrest Risks due to Strikes and Lockouts.

Risk Mitigation Measures:

- Proper appraisal system for revision of compensation on a periodical basis has been followed.
- Employees are trained regularly to upgrade their skills and their welfare activities are undertaken.

- Labour problems are obviated by negotiations and conciliation.

5) **Disaster Risks:** Natural risks like Fire, Floods, and 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 and First aid training to personnel.

6) **Legal Risks:** These risks relate to Contract Risks, Contractual Liability, Judicial and Insurance Risks

Risk Mitigation Measures:

- The Legal department vets all legal and contractual documents with focus on contractual liabilities, deductions, penalties and interest conditions with legal advice from Legal retainers for different branches of legislation.
- Insurance policies are audited to avoid any later on disputes. Timely payment of insurance policies.

7) **Foreign Exchange and Interest Rate Risk Management:** The Company is both into imports as well as exports with a natural hedge to a larger extent. The Company takes forward covers for the remaining portion as per the policy of the company and advice of its bankers. The company does not enter into any forex derivatives for trading or speculation purpose.

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

Sanjiv Goyal
Chairman and Managing Director

Place: Chandigarh
Date: 23.08.2016



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 is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations').

The Company's compliance of Corporate Governance guidelines as per LODR Regulations 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 LODR Regulations. The Company had total 8 Directors on the Board as on March 31, 2016, comprising three directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining four are Non-Executive & Independent Directors (including a woman director).

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:

- Director in more than 20 companies or
- Director in more than 10 public companies including private companies which are holding or subsidiaries of public companies or
- Independent Director of more than 7 listed companies or
- Independent Director of more than 3 listed companies in case of director who is wholetime 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 2015-2016, Six Board meetings were held on May 29, 2015, August 14, 2015, October 30, 2015, November 13, 2015, January 21, 2016 and February 08, 2016.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2015-16 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	5	Not Present	4	Nil	N.A.
Mr. Dinesh Dua (Chief Executive Officer and Director)	Non Promoter & Executive Director	6	Present	1	Nil	N.A.
Mr. Vijay J. Shah (Director)	Independent & Non-executive Director	2	Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-executive Director	3	Not Present	5	3	1
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director)	Independent & Non-executive Director	6	Not Present	Nil	N.A.	N.A.
Mr. Raman Kapur (Director) Ceased to be a Director from October 21, 2015	Independent & Non-executive Director	1	Not Present	4	Nil	N.A.
Mr. Ajay Swaroop (Director)	Independent & Non-executive Director	6	Present	Nil	N.A.	N.A.
Mr. Harparkash Singh Gill (President (Operations) & Director)	Non Promoter & Executive Director	1	Present	Nil	N.A.	N.A.
Mrs. Neena Singh (Additional Director) Ceased to be a Director from September 30, 2015	Independent & Non-executive Director	2	Not Present	3	4	Nil
Ms. Guljit Chaudhri (Additional Director) Appointed on December 29, 2015	Independent & Non-executive Director	1	Not Applicable	2	Nil	N.A.



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.

The directors are not inter se related to each other.

II Code of Conduct

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

III. Audit Committee

In financial year 2015-16 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 23 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 LODR Regulations and other applicable laws, which, inter-alia, includes:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required being included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;



- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Valuation of undertakings or assets of the company, wherever, it is necessary.
- (21) Reviewing management discussion and analysis of financial condition and results of operations;
- (22) Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (23) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
- (24) Reviewing internal audit reports relating to internal control weaknesses; and
- (25) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (26) Reviewing statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice in terms of Regulation 32(7).

During the year under review, five meetings of the Audit Committee were held, the dates being May 28, 2015, August 13, 2015, November 12, 2015, February 06, 2016 and March 30, 2016.

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	5	5
Mr. Sanjiv Goyal	Managing Director	5	4
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.)	Independent & Non-executive Director	5	5

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

The Nomination and Remuneration Committee (NRC) of the company is constituted 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, 2016, three meetings were held of the committee on May 28, 2015, October 30, 2015 and December 28, 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	3	2
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.)	Independent & Non-executive Director	3	3
Mr. Ajay Swaroop	Independent & Non-executive Director	3	2

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

- i) to formulate the criteria for determining qualifications, positive attributes and independence of a director
- ii) to 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 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 determines 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 consults 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.

The performance evaluation criteria for Independent Directors are disclosed in Directors' report.

V. Stakeholders' Relationship Committee

The Stakeholders' Relationship committee of the company is



constituted with three directors including Mr. Ajay Swaroop as its Chairman and Mr. Sanjiv Goyal and 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, 2016, 99.999 of the Company's shares are held in electronic (demat) form.

Since, there was not any transfer, duplicate certificate, split or consolidation of certificates requests have been received during the financial year 2015-16, therefore, no meeting was held in that year.

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 2015-2016	Complaints resolved	Closing balance
Nil	51	51	Nil

Quarter-wise details of complaints during 2015-16:

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	3	3	Nil
July-September	Nil	26	26	Nil
October-December	Nil	10	10	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 confirm with the issued and paid-up equity shares capital of the Company.

Secretarial Compliance Certificate

As per the provisions of the LODR Regulations, the company has obtained the Secretarial Compliance Certificate on half-yearly basis from Practicing Company Secretaries, to the effect that all transfer of shares among others, were effected within the stipulated time. The certificate was submitted with the stock exchanges within the prescribed time limit.

Reporting as per para F of Schedule V of the LODR Regulations

As required under para F of Schedule V of the LODR Regulations, the details of shares in suspense account, i.e. shares issued pursuant to the public issues or any other issue which remain unclaimed are as under:

At the beginning of the year i.e. April 1, 2015	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, 2016	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. Sunder Lal (Member Secretary)	Three meetings of the management committee were held on October 1, 2015, December 24, 2015 and February 23, 2016 and attended by all its members.
Corporate Social Responsibility Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Dr. Maj. Gen. S. S. Chauhan, VSM (Member) 3. Mr. Dinesh Dua (Member)	Two meetings of the CSR committee were held on August 13, 2015 and February 8, 2016 and attended by all its members.
Risk Management Committee	1. Mr. Dinesh Dua (Chairman) 2. Mr. Harparkash Singh Gill (Member) 3. Mr. Sunder Lal (Member Secretary)	One meeting of the Risk Management committee was held on February 8, 2016 and attended by all its members.



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

VII. General Body meetings

Details of the last three Annual General Meetings held

- 20th Annual General Meeting: September 30, 2015 at 10.00 a.m. at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
- 19th 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
- 18th 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

Detail of special resolutions:

- At the 20th Annual General Meeting held on September 30, 2015, the following special resolutions were passed:
 - Revision in the remuneration of Mr. Dinesh Dua Chief Executive Officer & Director.
 - Revision in the remuneration of Mr. Harparkash Singh Gill, President (Operations) & Director.
- At the Extraordinary General Meeting held on December 30, 2014, the following special resolution was passed:
 - 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.
- At the 19th Annual General Meeting held on September 30, 2014, the following special resolutions were passed:
 - Change the term of Mr. Sanjiv Goyal as a Director liable to retire by rotation.
 - Change the term of Mr. Aryan Goyal as a Director liable to retire by rotation.
 - 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.
- 4. At the 18th 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.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. All the resolutions passed in the 18th Annual General Meetings were passed through show of hands. The resolutions of 19th and 20th 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 available on URL: www.neclife.com. 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 2015-16, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing 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, 2016

Name and designation of Director	Sitting fee (Rs.)	Salaries and perquisites (Rs.)	Period of service	Number of shares held as on March 31, 2016
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	16286627/-	5 years from June 01, 2012	76779000
Mr. Dinesh Dua, Chief Executive Officer & Director	N.A.	15875881/-	5 years from October 14, 2013	Nil
Mr. Harparkash Singh Gill, President Operations & Director	N.A.	2905629/-	3 years from November 01, 2012	Nil
Mr. Vijay J. Shah, Non-Executive Director	27000/-	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	70000/-	N.A.	5 years from September 30, 2014.	Nil
Mr. Raman Kapur, Non-Executive Director	10000/-	N.A.	5 years from September 30, 2014 and resigned from Board on October 21, 2015	N.A.
Mr. Ajay Swaroop, Non-Executive Director	62000/-	N.A.	5 years from September 30, 2014	Nil
Mrs. Neena Singh (Additional Director)	20000/-	N.A.	Appointed on February 13, 2015 and vacated her office at Annual General Meeting held on September 30, 2015	N.A.
Ms. Guljit Chaudhri (Additional Director)	10000/-	N.A.	Appointed on December 29, 2015 upto next Annual General Meeting	Nil

The salary of Mr. Sanjiv Goyal is inclusive of Rs. 810 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.

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

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

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

- Commodity price risk or foreign exchange risk and hedging activities.

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

IX. Means of communication

Quarterly results

The details of quarterly results are published 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". The official news' are also displayed on the Company's website. Apart from the above, we also regularly provided the information to the Stock Exchanges as per the requirements of the LODR Regulations and the desired information can be accessed from the websites of the respective Stock Exchanges. Other than the annual accounts, the quarterly and half-yearly financial results are not sent to the household of each shareholder. The presentations made to institutional investors or analysts, if any, are also be disclosed to the Stock Exchanges, simultaneously and hosted on the website of the company.

X. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

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

XI. General Shareholder Information

- 21st Annual General Meeting

Date	Friday, September 30, 2016
Time	10.00 a.m.
Venue	Registered Office and Works: Village Saidpura Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab - 140507.
- Financial year

April 1, 2015 to March 31, 2016

- Date of book closure

September 24, 2016 to September 30, 2016 (Both days inclusive).



- iv. Dividend payment date By October 29, 2016
- 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:

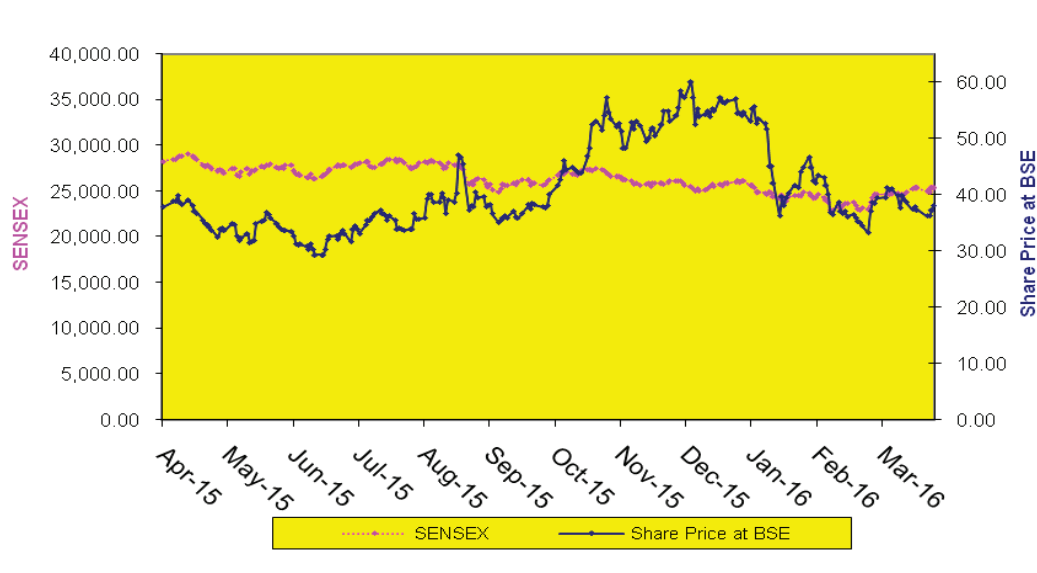
The high and low prices of the Company's share (of Re. 1/- each) at BSE and NSE from April 1, 2015 to March 31, 2016 were as below:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Total traded quantity	High (Rs.)	Low (Rs.)	Total traded quantity
April-15	40.80	31.55	34,57,769	40.90	32.00	8,349,345
May-15	38.35	30.20	32,72,655	38.45	30.10	10,048,727
June-15	34.30	28.35	30,91,627	34.70	28.45	8,789,333
July-15	38.80	32.20	44,75,664	38.00	32.10	14,018,896
August-15	49.40	34.50	1,56,64,676	49.40	34.45	45,967,890
September-15	39.80	33.95	33,10,415	39.70	33.85	9,314,068
October-15	58.70	37.85	1,80,16,136	58.65	37.65	50,918,063
November-15	56.90	46.05	86,32,183	57.00	46.00	27,398,033
December-15	60.90	52.15	8,983,391	60.90	52.10	36,065,586
January-16	57.40	35.35	59,65,884	57.40	35.05	19,695,913
February-16	47.85	32.30	26,17,715	47.85	32.00	8,553,303
March-16	42.30	33.30	41,18,861	42.25	33.30	12,448,721



XV Performance of the Company's share price with BSE Sensex and NSE Nifty

a. Performance of the Company's share price at BSE in comparison with BSE Sensex



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



- xvi. Registrar and Transfer Agents and contact person thereat Karvy Computershare Private Limited
Unit: Nectar Lifesciences Limited
Karvy House, 46, Avenue 4, Street no. 1 Banjara Hills,
Hyderabad - 500 034
Tel: (91-40) 23114058, Fax: (91-40) 23311968
Contact Person : Ms. Varalakshmi
E-mail: vlakshmi.p@karvy.com

**xvii. Address for correspondence at the Company**

Nectar Lifesciences Limited
SCO 38-39, Sector 9-D, Chandigarh -160 009
Ph. No. 0172-3047777,3047701
Fax No. 0172-3047755

xviii. Compliance Officer and contact person at the Company

Mr. Sunder Lal, Company Secretary
E-mail: sunderlal@neclife.com
Website : www.neclife.com

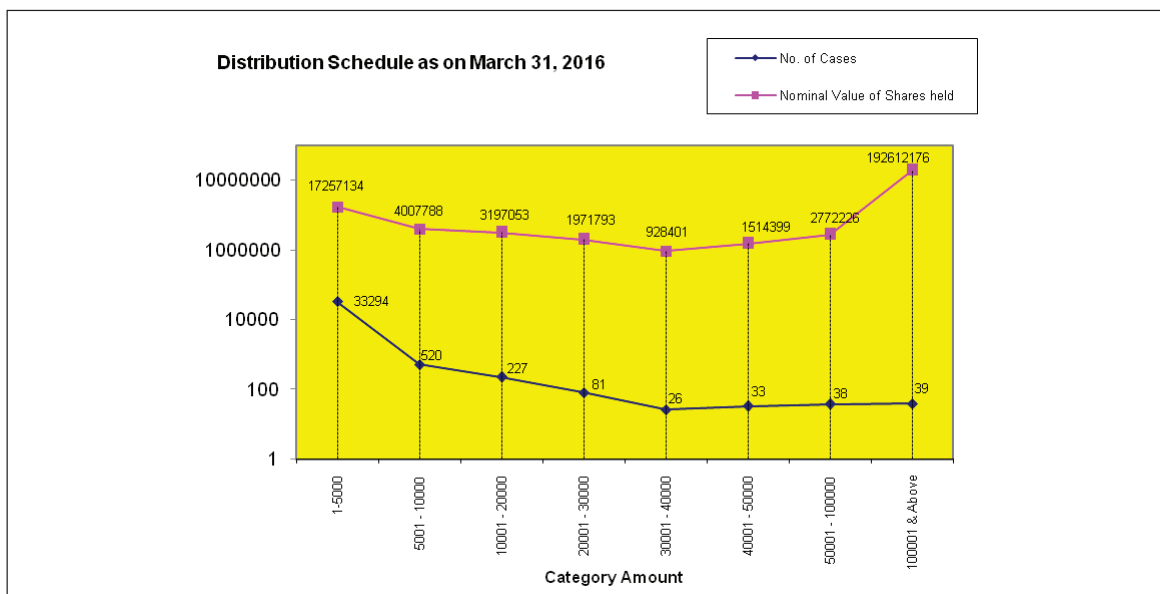
xix. Share transfer system

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.

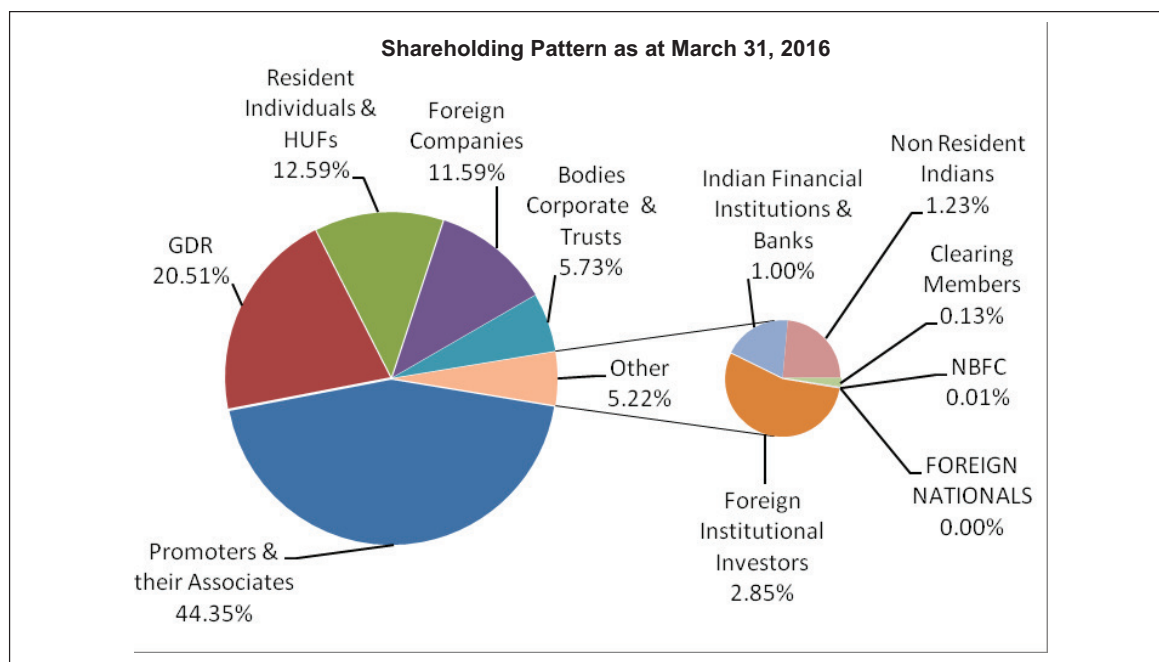
xx. Distribution of shareholding**a) Class-wise distribution of equity shares as on March 31, 2016**

Category (amount)	Number of cases	% of cases	Total shares	Nominal value of shares held (Rs.)	% of amount
1-5000	33294	97.19	17257134	17257134	7.70
5001- 10000	520	1.52	4007788	4007788	1.79
10001- 20000	227	0.66	3197053	3197053	1.43
20001- 30000	81	0.24	1971793	1971793	0.88
30001- 40000	26	0.08	928401	928401	0.41
40001- 50000	33	0.10	1514399	1514399	0.68
50001- 100000	38	0.11	2772226	2772226	1.24
100001& Above	39	0.11	192612176	192612176	85.89
Total	34258	100.00	224260970	224260970	100.00




b) Shareholding pattern as on March 31, 2016

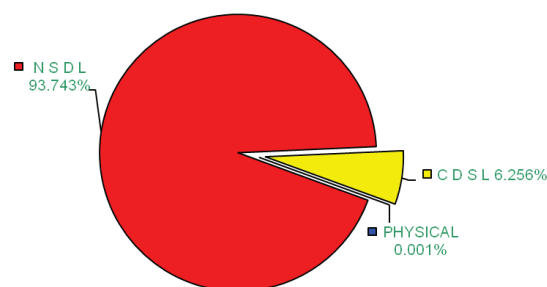
Category	Number of Cases	Total shares	% to equity
Promoters & their Associates	5	99468000	44.35
GDR	1	46000000	20.51
Resident Individuals & HUFs	33037	28239899	12.59
Foreign Companies	1	26000000	11.59
Bodies Corporate & Trusts	607	12848747	5.73
Foreign Institutional Investors	19	6400494	2.85
Indian Financial Institutions & Banks	5	2234481	1.00
Non Resident Indians	447	2754203	1.23
Clearing Members	131	301195	0.13
NBFC	4	12951	0.01
Foreign Nationals	1	1000	0.00
Total	34258	224260970	100.00


xxi Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form. Equity shares of the Company representing 99.999% of the Company's share capital were dematerialised as on March 31, 2016.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2016 was as under:-

Sr.	Category	Number of holders	Total shares	% to equity
1	PHYSICAL	13	2340	0.001
2	N S D L	21389	210229442	93.743
3	C D S L	12856	14029188	6.256
	TOTAL	34258	224260970	100.000



Distribution of Shareholding as on March 31, 2016



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)
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)

xxiv. Plant locations

XII. CEO / CFO certification

As required under LODR Regulations 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 30, 2016.

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 : 23.08.2016

(Sanjiv Goyal)
Chairman and Managing Director

Declaration to the Compliance with code of conduct as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Dinesh Dua, Chief Executive Officer & Director of Nectar Lifesciences Limited having its registered office at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab, do hereby certify that the Board of Directors has formulated the code of conduct as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Directors and Senior Management Personnel, which has been posted on the website of the company.

Further, it is hereby confirmed that all the Directors and 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 2015-16.

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

Place: Chandigarh
Date : 23.08.2016

Dinesh Dua
Chief Executive Officer & Director



Annexure 3 of Board of Directors' Report

Auditors' Report on Corporate Governance

The members of
Nectar Lifesciences Limited

We have examined the compliance of conditions of Corporate Governance by Nectar Lifesciences Limited for the year ended March 31, 2016, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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
Firm Regn. No. 006185N

Date: 30.05.2016
Place: Chandigarh

Yogesh Monga Partner
Membership no.: 99813

Annexure 4 of Board of Directors' Report

To,
The Members,
NECTAR LIFESCIENCES LIMITED

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of law, rules, regulations and happening of event etc.
5. The compliance of provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the 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: 30.05.2016

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



Form no. MR-3
SECRETARIAL AUDIT REPORT
for the Financial Year ended March 31, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

To,
The Members,
Nectar Lifesciences Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s NECTAR LIFESCIENCES 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, 2016 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 March 31, 2016 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, 1996 and Regulations and Bye-laws framed there under;
 4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercials Borrowings ;
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (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 with effective from July 1, 2015.
 - (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited
 - (iii) SEBI(Listing Obligation Disclosure Requirements) Regulations 2015

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines, Standards and there was no prosecution initiated against or show cause notice received by the Company under the Acts 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
- (ii) Narcotic Drugs & Psychotropic Substances Act 1985
- (iii) Air (Prevention and Controll of Pollution) Act, 1981
- (iv) The Water (Prevention and Controll of Pollution) Act, 1974
- (v) Solvent and Petroleum Products storage under Petroleum Act, 1934
- (vi) Electricity Act, 2003 and Rules and Regulations thereof.
- (vii) Factories Act, 1948
- (viii) The Environment (Protection) Act 1986
- (ix) Indian Boilers Act, 1923
- (x) Information Technology Act, 2000.
- (xi) 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.

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. One Board meeting was called on 21.01.2016 on shorter notice after due compliance and obtaining requisite consents to transact some urgent matter and the said meeting was attended by independent director of the Company .

We further report that majority decisions are 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 no specific events/actions has taken place which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

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

**Place: Chandigarh
Date: 30.05.2016**

**ASEEM CHHABRA
FCS 3813, CP 3113**



**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 arrangement or transaction with its related parties which is at arm's length during financial year 2015-16. However, the details of non - material contract or arrangement or transaction with its related parties which are at arm's length during financial year 2015-16, 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
Nectar Lifesciences Limited

Place : Chandigarh
Date : 23.08.2016

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

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 Chennai 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:	925.30
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	18.51
5.	Details of CSR spent during the financial year.	
a.	Total amount to be spent for the financial year	18.51
b.	Total amount spent for the financial year	19.94
c.	Amount unspent, if any:	N.A.

a) 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 Sub-heads: (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	10.00	9.79	9.79	Direct
2	Nectar Lifesciences Charitable Foundation	Promoting education and employment and women empowerment	Local at Derabassi, Distt. S.A.S. Nagar Punjab	2.05	2.05	2.05	Direct
3	Prime Minister National Relief Fund	Prime Minister National Relief Fund	PAN India	0.10	0.10	0.10	Direct
4.	Donation for Safe Drinking water	Safe Drinking Water	Chandigarh	0.16	0.16	0.16	Through implementing agency ⁱ
5.	Payment to Medical Institutions and Chennai Flood relief.	Promoting preventive healthcare	PAN India	6.71	6.71	6.71	Direct/ Through implementing agencies ⁱⁱ
6.	Payment for Gausewa	Animal Welfare	Haryana & Punjab	1.00	1.00	1.00	Through implementing agencies ⁱⁱⁱ
7.	Payment for Senior Citizens	Welfare of Senior Citizens	Punjab	0.13	0.13	0.13	Direct
	Direct Expenditure			20.15	19.94	19.94	
	Overheads				Nil	Nil	
	Total			20.15	19.94	19.94	



- I Expenditure incurred through Bharat Prakarsh Foundation.
- II Expenditure of Rs. 3.10 Millions to Shri Saibaba Sansthan Trust, Shirdi, Rs. 3.10 Millions to Sri Venkateswara Institute of Medical Sciences, Rs. 0.24 Millions to Sahayta Charitable Welfare Society, Rs. 0.05 Millions to Karuna Charitable Society and Rs. 0.12 Millions to Govt. Institute of Mentally Retarded children.
- III Expenditure incurred through Panchkula Gaushala Trust.

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: 23.08.2016

Dinesh Dua
Chief Executive Officer & Director
Member CSR Committee)

Sanjiv Goyal
Chairman & Managing Director
(Chairman CSR Committee)

Annexure 7 of Board of Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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 - 500 034 Tel. (91 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:-

Sr. no.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company.
1	Drugs and Pharmaceuticals	2100	90

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. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity) Category-wise Share Holding

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% 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	-
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0	0	-
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	-
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	-
(e)	Others	0	0	0	0	0	0	0	0	-
	Sub-Total A(1) :	99468000	-	99,468,000	44.35	99,468,000	-	99,468,000	44.35	-
2	FOREIGN									-
(a)	Individuals (NRIs/Foreign Individuals)	0	0	-	0	-	0	-	0	-
(b)	Bodies Corporate	0	0	-	0	-	0	-	0	-
(c)	Institutions	0	0	-	0	-	0	-	0	-
(d)	Qualified Foreign Investor	0	0	-	0	-	0	-	0	-
(e)	Others	0	0	-	0	-	0	-	0	-
	Sub-Total A(2) :	0	0	-	0	-	0	-	0	-
	Total A=A(1)+A(2)	99468000	-	99,468,000	44.35	99,468,000	-	99,468,000	44.35	-



(B)	PUBLIC SHAREHOLDING									-
1	INSTITUTIONS									-
(a)	Mutual Funds /UTI	0	0	0	0	0	0	0	0	-
(b)	Financial Institutions /Banks	68305	0	68305	0.03	134481	0	134481	0.06	0.03
(c)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	-
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	-
(e)	Insurance Companies	2800000	0	2800000	1.25	2100000	0	2100000	0.94	-0.31
(f)	Foreign Institutional Investors	3809256	0	3809256	1.70	6400494	0	6400494	2.85	1.16
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	-
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	-
(i)	Others : Foreign Company	26000000	0	26000000	11.59	26000000	0	26000000	11.59	-
	Sub-Total B(1) :	32677561	0	32677561	14.57	34634975	0	34634975	15.44	0.87
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	14998976	510	14999486	6.69	12813862	510	12814372	5.71	-0.97
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	23150352	1845	23152197	10.32	26131740	1830	26133570	11.65	1.33
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5258684	0	5258684	2.34	2106329	0	2106329	0.94	-1.41
(c)	Others									
	CLEARING MEMBERS	461855	0	461855	0.21	301195	0	301195	0.13	-0.07
	FOREIGN NATIONAL	0	0	0	-	1000	0	1000	0.00	0.00
	NON RESIDENT INDIANS	2209637	0	2209637	0.99	2754203	0	2754203	1.23	0.24
	TRUSTS	33550	0	33550	0.01	34375	0	34375	0.02	0.00
	NBFCs registered with RBI	0	0	0	-	12951	0	12951	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	-	0	0	0	-	-
	Sub-Total B(2) :	46113054	2355	46115409	20.56	44155655	2340	44157995	19.69	-0.87
	Total B=B(1)+B(2) :	78790615	2355	78792970	35.13	78790630	2340	78792970	35.13	-
	Total (A+B) :	178258615	2355	178260970	79.49	178258630	2340	178260970	79.49	-
(C)	Shares held by custodians, against which Depository Receipts have been issued									
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	-
2	Public	46000000	0	46000000	20.51	46000000	0	46000000	20.51	-
	GRAND TOTAL (A+B+C) :	224258615	2355	224260970	100.00	224258630	2340	224260970	100.00	-



ii) Share Holding of Promoters

Sr. 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	-	-
	Total	99468000	44.35	-	99468000	44.35	24.77	-

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 2015-16. 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):

Sr. no.	Name of the Share Holder	Date	Type	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				8603231	3.84
		08/05/2015	Sale	-114223	(0.05)	8489008	3.79
		22/05/2015	Purchase	50480	0.02	8539488	3.81
		29/05/2015	Sale	-30000	(0.01)	8509488	3.79
		12/06/2015	Purchase	1000	0.00	8510488	3.79
		19/06/2015	Sale	-12111	(0.01)	8498377	3.79
		26/06/2015	Sale	-9369	(0.00)	8489008	3.79
		07/08/2015	Sale	-64400	(0.03)	8424608	3.76
		14/08/2015	Purchase	15500	0.01	8440108	3.76
		21/08/2015	Sale	-17000	(0.01)	8423108	3.76



		16/10/2015	Sale	-100000	(0.04)	8323108	3.71		
		23/10/2015	Sale	-150500	(0.07)	8172608	3.64		
		30/10/2015	Sale	-99949	(0.04)	8072659	3.60		
		06/11/2015	Purchase	1500	0.00	8074159	3.60		
		13/11/2015	Sale	-3000	(0.00)	8071159	3.60		
		20/11/2015	Purchase	2500	0.00	8073659	3.60		
		27/11/2015	Sale	-53000	(0.02)	8020659	3.58		
		04/12/2015	Sale	-181970	(0.08)	7838689	3.50		
		11/12/2015	Sale	-119030	(0.05)	7719659	3.44		
		25/12/2015	Purchase	6800	0.00	7726459	3.45		
		08/01/2016	Sale	-108000	(0.05)	7618459	3.40		
		05/02/2016	Sale	-4800	(0.00)	7613659	3.39		
		04/03/2016	Sale	-51	(0.00)	7613608	3.39		
		11/03/2016	Sale	-50000	(0.02)	7563608	3.37		
		18/03/2016	Sale	-50000	(0.02)	7513608	3.35		
		25/03/2016	Sale	-200000	(0.09)	7313608	3.26		
		Closing Balance					7313608	3.26	
		3	GENERAL INSURANCE CORPORATION OF INDIA	Opening Balance				2800000	1.25
				04/09/2015	Sale	-76887	(0.03)	2723113	1.21
25/09/2015	Sale			-23113	(0.01)	2700000	1.20		
30/10/2015	Sale			-300000	(0.13)	2400000	1.07		
11/12/2015	Sale			-100000	(0.04)	2300000	1.03		
18/12/2015	Sale			-60417	(0.03)	2239583	1.00		
25/12/2015	Sale			-39583	(0.02)	2200000	0.98		
05/02/2016	Sale			-100000	(0.04)	2100000	0.94		
Closing Balance						2100000	0.94		
4	INGAIN TRADERS, LLC	Opening Balance		Nil movement during the year	2387012	1.06			
		Closing Balance			2387012	1.06			
5	LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP #	Opening Balance				0	0.00		
		30/10/2015	Purchase	576145	0.26	576145	0.26		
		06/11/2015	Purchase	294955	0.13	871100	0.39		
		05/02/2016	Purchase	244455	0.11	1115555	0.50		
		12/02/2016	Purchase	120045	0.05	1235600	0.55		
		Closing Balance				1235600	0.55		

6	SOURABH H BORA	Opening Balance				1153364	0.51
		17/04/2015	Purchase	54300	0.02	1207664	0.54
		22/05/2015	Sale	-55000	(0.02)	1152664	0.51
		10/07/2015	Sale	-43000	(0.02)	1109664	0.49
		17/07/2015	Purchase	111508	0.05	1221172	0.54
		17/07/2015	Sale	-111508	(0.05)	1109664	0.49
		18/09/2015	Sale	-6200	(0.00)	1103464	0.49
		18/12/2015	Sale	-1990	(0.00)	1101474	0.49
		Closing Balance				1101474	0.49
		7	RAMAN KAPUR #^	Opening Balance		Nil movement during the year	
Closing Balance				1000000	0.45		
8	MALTI SECURITIES PVT LTD	Opening Balance		Nil movement during the year		900000	0.40
		Closing Balance				900000	0.40
9	GOVERNMENT OF THE PROVINCE OF ALBERTA MANAGED BY COMGEST S.A. #	Opening Balance				0	0.00
		30/10/2015	Purchase	394946	0.18	394946	0.18
		06/11/2015	Purchase	106764	0.05	501710	0.22
		Closing Balance				501710	0.22
10	PHILIP KOSHY #	Opening Balance				0	0.00
		30/10/2015	Purchase	4105	0.00	4105	0.00
		06/11/2015	Purchase	7358	0.00	11463	0.01
		13/11/2015	Purchase	28633	0.01	40096	0.02
		20/11/2015	Purchase	41966	0.02	82062	0.04
		27/11/2015	Purchase	14000	0.01	96062	0.04
		04/12/2015	Purchase	7492	0.00	103554	0.05
		11/12/2015	Purchase	226376	0.10	329930	0.15
		18/12/2015	Purchase	42193	0.02	372123	0.17
		25/12/2015	Purchase	66228	0.03	438351	0.20
		31/12/2015	Purchase	91716	0.04	530067	0.24
		01/01/2016	Purchase	3359	0.00	533426	0.24
		08/01/2016	Sale	-2900	(0.00)	530526	0.24
		15/01/2016	Purchase	32	0.00	530558	0.24
		22/01/2016	Purchase	1870	0.00	532428	0.24
		29/01/2016	Sale	-3002	(0.00)	529426	0.24
		05/02/2016	Sale	-10000	(0.00)	519426	0.23
		26/02/2016	Purchase	12198	0.01	531624	0.24
		11/03/2016	Sale	-45198	(0.02)	486426	0.22
		18/03/2016	Purchase	7700	0.00	494126	0.22
		31/03/2016	Sale	-30000	(0.01)	464126	0.21
		Closing Balance				464126	0.21



11	VISARIA SECURITIES PVT LTD *	Opening Balance				450000	0.20
		10/04/2015	Sale	-63750	(0.03)	386250	0.17
		08/05/2015	Sale	-22673	(0.01)	363577	0.16
		15/05/2015	Sale	-63577	(0.03)	300000	0.13
		22/05/2015	Sale	-55172	(0.02)	244828	0.11
		05/06/2015	Sale	-44828	(0.02)	200000	0.09
		12/06/2015	Sale	-17887	(0.01)	182113	0.08
		26/06/2015	Sale	-107113	(0.05)	75000	0.03
		10/07/2015	Sale	-75000	(0.03)	0	0.00
		Closing Balance				0	0.00
12	ELM PARK FUND LIMITED *	Opening Balance				423580	0.19
		19/06/2015	Sale	-50000	(0.02)	373580	0.17
		26/06/2015	Sale	-50000	(0.02)	323580	0.14
		03/07/2015	Sale	-123580	(0.06)	200000	0.09
		07/08/2015	Sale	-50000	(0.02)	150000	0.07
		21/08/2015	Sale	-50000	(0.02)	100000	0.04
		23/10/2015	Sale	-50000	(0.02)	50000	0.02
		04/12/2015	Sale	-22000	(0.01)	28000	0.01
		11/12/2015	Sale	-28000	(0.01)	0	0.00
		Closing Balance				0	0.00
13	NITA SHAILESH KUMAR MEHTA *	Opening Balance				385350	0.17
		07/08/2015	Sale	-30000	(0.01)	355350	0.16
		14/08/2015	Sale	-20000	(0.01)	335350	0.15
		21/08/2015	Sale	-50000	(0.02)	285350	0.13
		09/10/2015	Sale	-20000	(0.01)	265350	0.12
		16/10/2015	Sale	-5000	(0.00)	260350	0.12
		23/10/2015	Sale	-25000	(0.01)	235350	0.10
		30/10/2015	Sale	-30000	(0.01)	205350	0.09
		Closing Balance				205350	0.09
14	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC *	Opening Balance		Nil movement during the year		345731	0.15
		Closing Balance				345731	0.15

* Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

^ Mr. Raman Kapur ceased to be director on 21-10-2015; therefore, he was included in top 10 list of shareholders as on 31.03.2016


v) Shareholding of Directors and Key Managerial Personnel:

Sr. no.		Shareholding at the		Cumulative Shareholding	
		Beginning of the year		during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjiv Goyal, Chairman & Managing Director				
	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.	Mr. Vijay J Shah, Director				
	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.	Mr. Raman Kapur, Director				
	At the beginning of the year	1000000	0.44	1000000	0.44
	Bought during the year	-	-	1000000	0.44
	Sold during the year	-	-	1000000	0.44
	At the date of resignation i.e. October 21, 2015	1000000	0.44	1000000	0.44
4.	Mr. Sandeep Goel, CFO				
	At the beginning of the year	6756	0.00	6760	0.00
	Bought during the year i.e. March 4, 2016	4	0.00	6760	0.00
	Sold during the year	-	-	6760	0.00
	At the end of the year	6760	0.00	6760	0.00
5.	Mr. Sunder Lal, Company Secretary				
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,231.97	15.80	-	9,247.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38.96	-	-	38.96
Total (i+ii+iii)	9,270.93	15.80	-	9,286.73
Change in Indebtedness during the financial year				
· Addition	1,128.18	13.66	-	1,141.84
· Reduction	(774.55)	(4.66)	-	(779.21)
Net Change	353.63	9.00	-	362.63
Indebtedness at the end of the financial year				
i) Principal Amount	9,596.30	24.80	-	9,621.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.26	-	-	28.26
Total (i+ii+iii)	9,624.56	24.80	-	9,649.36



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rupees in Lacs

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Sanjiv Goyal	Dinesh Dua	H. P. Singh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	162.00	158.31	28.66	348.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.86	0.45	0.40	1.71
	(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 (A)	162.86	158.76	29.06	350.68
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				762.33

B. Remuneration to other directors:

Rupees in Lacs

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Ajay Swaroop	Dr. (Maj Gen) SS Chauhan	Raman Kapur	Mijay J Shah	Neena Singh	
1	Independent Directors						
	· Fee for attending board committee meetings	0.62	0.70	0.10	0.27	0.20	1.89
	· Commission	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-
	Total (1)	0.62	0.70	0.10	0.27	0.20	1.89
2.	Other Non-Executive Directors	Vivek Sett		Guljit Chaudhri			
	· Fee for attending board committee meetings	0.30		0.10			0.40
	· Commission	-		-			-
	· Others, please specify	-		-			-
	Total (2)	0.30		0.10			0.40
	Total (B)=(1+2)						2.29
	Total Managerial Remuneration						352.97
	Overall Ceiling as per the Act (@ 11% of profits calculated under Section 198 of the Companies Act, 2013)						838.57

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

Rupees in Lacs

Sr. no.	Particulars of Remuneration	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	19.72	25.83	45.55
	(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	19.72	25.83	45.55

**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, 2016.

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

**Place: Chandigarh
Date : 23.08.2016**

**Sanjiv Goyal
Chairman and Managing Director**

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 Wholetime Director to the median remuneration of the Employees of the Company for the Financial Year 2015-16, the percentage increase in remuneration of Managing Director, Wholetime Directors (WTD), Chief Financial Officer and Company Secretary during the Financial Year 2015-16

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	78:1	4.07%
2.	Dinesh Dua	WTD & CEO	76:1	5.01%
3.	Harprakash Singh Gill	WTD & President (Operations)	14:1	20.62%
4.	Sandeep Goel	Chief Financial Officer	Not Applicable	5.13%
5.	Sunder Lal	Company Secretary	Not Applicable	5.17%

Note:

- a) The Non- Executive Directors of the Company are entitled for sitting fee only as per the statutory provisions. The details of remuneration of Non- Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non- Executive Directors Remuneration is therefore not considered for the purpose above.
 - b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2015-2016.
2. The percentage increase in the median remuneration of Employees for the financial year was 8.55%.
3. The Company has 2167 permanent Employees on the rolls of Company as on 31st March 2016.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 8.33% whereas the increase in the managerial remuneration was approximately 5.70%. The average increases every year is an outcome of Company's market competitiveness as well as prevailing market scenario. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
5. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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

**Place: Chandigarh
Date : 23.08.2016**

**Sanjiv Goyal
Chairman and Managing Director**



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 two 6MW each, agro based captive power plants. Both the plants are eco friendly as they reduce the environmental emission thereby establishing a strong foundation for a corporate green house gas management program. These units also reduce the manufacturing cost.

Company's R&D team is fully dedicated towards the delivery of improved processes so as to device mechanism which minimize energy consumption and wastage. Energy audits are conducted by Process Engineering Team periodically.

NLL Unit II at Derabassi, Punjab has been awarded the second prize at the National Energy Conservation Awards 2015, in the Drugs and Pharmaceuticals sector, by the Bureau of Energy Efficiency (BEE). Mr. Sanjiv Goyal Chairman and Managing Director of the company received this prestigious award from Hon'ble Union Minister of State (IC) for Power, Coal and New and Renewable Energy, Shri Piyush Goyal on December 14, 2015.

The Unit II has achieved 8% reduction in electrical and 6% reduction in thermal energy consumption in the year 2015-16 over 2014-15 figures by adopting various initiatives as use of mechanical compression system in place of liquid nitrogen, optimization of centrifugal pumps, use of VAM (Vapor absorption chillers) and AVAM (ammonia absorption chiller) in place of vapor compression chillers, Variable frequency drives, use of dry vacuum pumps in place of steam jet ejectors etc.

(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 (Punjab), to cater to the power requirement besides reducing the energy bill.

(iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments: Rs. 6.46 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. 360.22 Millions

C) Foreign exchange earnings and outgo

1. During the year 2015-16, the Company had exported its pharmaceutical and phytochemicals products to 65 countries. Further, the Company is making all efforts to export its products to new countries & new markets and to expand its export portfolio.

2. a) Foreign exchange earned in terms of actual inflow during the financial year ended on: March 31, 2016	Rs. 7155.14 Millions
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b) Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2016:	Rs. 6527.98 Millions
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**For and on behalf of the Board of Directors
of Nectar Lifesciences Limited**

**Sanjiv Goyal
Chairman and Managing Director**

**Place: Chandigarh
Dated: 23.08.2016**



INDEPENDENT AUDITORS' REPORT

To the Members of NECTAR LIFESCIENCES LIMITED

1. Report on the Standalone Financial Statements.

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

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

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

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

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

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

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

4. Opinion

In our opinion and to the best of our information and, according to

the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:

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

5. Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act,
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.33 to the financial statements;
 - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts;
 - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(YOGESH MONGA)
Partner
M. No. 099813

PLACE: CHANDIGARH
DATE: 30.05.2016



ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED ON THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventory:

- (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. Inventories as at 31st March 2016 were also physically verified and valued by an independent firm of chartered accountants.
- (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.

3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

5. In our opinion and according to the information and explanations given to us, the Company has not invited any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.

6. We have broadly reviewed the cost records maintained by the Company, pursuant to the Rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, customs duty, service tax, excise duty, cess, value added tax and other material statutory dues as with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of, Wealth Tax, Sales Tax, Value Added Tax, cess and Custom Duty, which are outstanding as at 31st March, 2016 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of excise duty, Income Tax and service tax have not been deposited by the Company on account of disputes as detailed below:

Statute	Nature of the Dues	Amount Rs. In Millions*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.51	Assessment Year 2001 - 02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2.34	Assessment Year 2001 - 02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 2003 - 04	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.19	Assessment Year 2004 - 05	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	TDS	0.39	Assessment Year 2010-2013	CIT Appeals
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	96.97**	Financial Year 2007-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	5.58	Financial Year 2005-2006	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	0.43	Financial Year 2010-2011	Deptt. Of Revenue, Ministry of Finance
Central Excise Act, 1944	Excise Duty	111.51**	Financial Year 2003-04 to 2006-07	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	8.92**	Financial Year 2007-2008	CESTAT, Delhi
Service Tax, 1994	Service Tax	12.77**	Financial Year 2009-10	CESTAT, Delhi
Service Tax, 1994	Service Tax	0.84	Financial Year 2011-12	CESTAT, Delhi

* Net of amounts deposited under protest.

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



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

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

(YOGESH MONGA)

Partner

M. No. 099813

PLACE: CHANDIGARH

DATE: 30.05.2016

Annexure "B" to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of NECTAR LIFESCIENCES LIMITED ("the

Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets, that could have a material effect on the financial statements.

Inherent Limitations Of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls

over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

Opinion

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

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

(YOGESH MONGA)
Partner
M. No. 099813

PLACE: CHANDIGARH
DATE: 30.05.2016

Balance Sheet as at 31st March 2016

Particulars	NOTE	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Share holders' Fund			
Share Capital	2.1	224.26	224.26
Reserves & Surplus	2.2	9,879.01	9,355.22
		10,103.27	9,579.48
Non Current Liabilities			
Long Term Borrowings	2.3	2,453.97	2,655.29
Deferred Tax Liability(net)	2.4	1,225.73	1,101.93
Other Long Term Liabilities	2.5	164.25	151.87
Long Term Provisions	2.6	69.13	60.11
		3,913.08	3,969.21
Current Liabilities			
Short Term Borrowings	2.7	6,272.43	5,952.98
Trade Payables	2.8	4,967.81	4,555.77
Other Current Liabilities	2.9	1,079.42	905.00
Short Term Provisions	2.10	106.82	142.22
		12,426.49	11,555.96
Total		26,442.85	25,104.66
ASSETS			
Non Current Assets			
Fixed Assets			
- Tangible Assets	2.11	9,253.95	9,337.31
- Capital Work in Progress		993.53	913.12
Non Current Investments	2.12	6.00	1.50
Long Term Loans and Advances	2.13	867.08	803.43
Other Non Current Assets	2.14	678.95	359.12
		11,799.50	11,414.49
Current Assets			
Current Investments	2.15	5.23	4.35
Inventories	2.16	8,360.64	7,909.75
Trade Receivables	2.17	4,922.42	4,464.96
Cash & Bank Balances	2.18	364.09	333.82
Short Term Loans & Advances	2.19	732.41	814.32
Other Current Assets	2.20	258.55	162.97
		14,643.35	13,690.17
Total		26,442.85	25,104.66
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholetime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

R. K. Aggarwal
V.P. Accounts

Yogesh Monga
Partner
M. No. 099813

As per our report of even date
For **DATTA SINGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No.006185N

Place : Chandigarh
Dated : 30.05.2016

Statement of Profit and Loss For the Year Ended 31st March 2016

Particulars	NOTE	Year Ended March 31, 2016	Year Ended March 31, 2015
INCOME			
Revenue From Operations	2.21	17,932.25	17,463.86
Less : Excise Duty		<u>1,169.05</u>	<u>1,034.97</u>
		16,763.21	16,428.89
Operating Income	2.22	1.22	7.53
Other Income	2.23	56.31	199.99
		<u>16,820.73</u>	<u>16,636.41</u>
EXPENDITURE			
Raw Material Consumed	2.24	11,407.66	11,299.04
Purchase of Stock in Trade (Traded Goods)		414.22	396.06
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.25	(239.37)	(281.76)
Employees Benefits Expense	2.26	701.69	627.07
Finance Cost	2.27	1,225.02	1,255.88
Depreciation & Amortisation	2.11 & 2.14	852.94	765.64
Other Expenses	2.28	1,732.77	1,726.94
		<u>16,094.93</u>	<u>15,788.87</u>
PROFIT BEFORE TAX		725.80	847.54
Tax Expense		132.96	184.90
PROFIT AFTER TAX		<u>592.84</u>	<u>662.64</u>
EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.)		2.64	2.95
Diluted (Rs.)		2.64	2.95
Significant Accounting Policies	1		
Notes to Financial Statements	2		
For NECTAR LIFESCIENCES LIMITED			
Sanjiv Goyal Chairman & Managing Director	Dinesh Dua CEO & Wholetime Director	As per our report of even date For DATTA SINGLA & CO. CHARTERED ACCOUNTANTS Firm Regn. No.006185N	
Sandeep Goel Chief Financial Officer	Sunder Lal Company Secretary	R. K. Aggarwal V.P. Accounts	Yogesh Monga Partner M. No. 099813
Place : Chandigarh			
Dated : 30.05.2016			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

Particulars	As at March 31, 2016	As at March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	725.80	847.54
Adjustments For :		
Depreciation	781.11	765.57
Misc. Expenditure W/Off	71.82	0.08
Provision for Doubtful debts	1.42	1.93
Provision for Employees Retirement Benefits	8.53	13.01
Provision for Excise Duty On Finished Goods	(20.58)	15.51
Loss on Sale of Fixed Assets	1.45	0.42
Loss/ (Profit) on Sale / Restatement of Investment	-	(1.32)
Interest on Borrowings	1,225.02	1,255.88
Other Non-Operating Income	(56.31)	(198.66)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,738.28	2,699.94
Adjustments For :		
(Increase)/Decrease in Current Assets	(923.48)	(1,083.51)
Increase/(Decrease) in Current Liabilities	331.26	105.90
Increase/(Decrease) in Long Term Liabilities	12.38	143.80
(Increase)/ Decrease in Non Current Assets	(391.57)	(359.12)
CASH GENERATED FROM OPERATIONS	1,766.86	1,507.00
Direct Taxes Paid	(132.26)	(62.90)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	1,634.60	1,444.10
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,634.60	1,444.10
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(780.35)	(805.03)
Purchase of Investments	(4.50)	-
Interest Received	56.31	198.65
Dividend Received	0.00	0.01
Sale of Fixed Assets	0.74	0.82
Capital Subsidy received during the year	-	10.00
Sale/(Purchase) of Investments	(0.88)	0.11
Long Term Loans and Advances Received/ (Paid)	(1.49)	0.10
NET CASH USED IN INVESTING ACTIVITIES (B)	(730.17)	(595.33)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	44.88	504.93
Proceeds/(Repayment) from Working Capital Limits from Banks	319.45	154.56
Proceeds/(Repayment) from Unsecured Loans from Banks	9.14	3.22
Proceeds/(Repayment) of Inter Corporate Deposits	(0.14)	0.87
Dividend Paid	(22.47)	(22.43)
Interest Paid	(1,225.02)	(1,255.88)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(874.16)	(614.72)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	30.27	234.04
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	333.82	99.78
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	364.09	333.82

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

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholetime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

R. K. Aggarwal
V.P. Accounts

Yogesh Monga
Partner
M. No. 099813

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

Place : Chandigarh
Dated : 30.05.2016



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 capitalized.

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, 2016	As at March 31, 2015
NOTE - 2.1 "SHARE CAPITAL"		
Authorised Share Capital		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
Issued, Subscribed & Paid up Capital		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26
(Also Refer Note 2.29)	224.26	224.26
NOTE - 2.2 "RESERVES & SURPLUS"		
Security Premium Reserve		
Opening Balance	3,287.98	3,287.98
(A)	3,287.98	3,287.98
General Reserves	141.02	141.02
(B)	141.02	141.02
Surplus in Statement of Profit & Loss		
Opening Balance	5,926.22	5,617.35
Transferred From Statement of Profit & Loss	592.84	662.64
Appropriations :	6,519.05	6,279.99
Depreciation relating to Earlier Years	-	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	4.57
Expenses related to Earlier Years	42.05	5.71
(C)	6,450.00	5,926.22
Total (A+B+C)	9,879.01	9,355.22

Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
NOTE - 2.3 - "LONG TERM BORROWINGS"				
SECURED	Non Current Portion		Current Maturities	
Term Loans				
-From Banks	2,434.39	2,643.59	889.48	635.40
UNSECURED				
Other Loans				
-From Banks	13.81	3.76	3.05	3.96
-From Others	5.77	7.95	2.17	0.14
(Also Refer Note 2.30)	2,453.97	2,655.29	894.70	639.50

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.4 - "DEFERRED TAX LIABILITIES"		
Deferred Tax Liabilities arising on account of:		
- Depreciation	3,211.24	3,210.14
- Depreciation relating to earlier years	-	477.05
- Deferred Revenue Expenditure	678.95	359.12
TOTAL A	3,890.19	4,046.31
Deferred Tax Assets arising on account of:		
- Employees Retirement Benefits	73.26	64.73
- Unabsorbed Depreciation and Carried Forward Losses	-	-
- Other Expenses & Provisions	109.66	108.24
TOTAL B	182.92	172.97
DEFERRED TAX LIABILITIES (A-B)	3,707.27	3,873.34
TAX IMPACT	1,225.73	1,256.71
Less Tax Impact On Depreciation Relating To Earlier Years	-	154.78
NET DEFERRED TAX	1,225.73	1,101.93
NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"		
Security from Customers	2.55	11.87
Others	161.70	140.00
	164.25	151.87
NOTE - 2.6 - "LONG TERM PROVISIONS"		
Provision for Employees Retirement Benefits	69.13	60.11
	69.13	60.11
NOTE - 2.7 - "SHORT TERM BORROWINGS"		
SECURED		
Working Capital Limits		
- From Banks	5,870.03	5,952.98
UNSECURED		
- From Banks	402.40	-
	6,272.43	5,952.98
NOTE - 2.8 "TRADE PAYABLES"		
- Due to Micro ,Small & Medium Enterprises	11.51	12.33
- Due to Others	4,956.30	4,543.44
	4,967.81	4,555.77
NOTE - 2.9 "OTHER CURRENT LIABILITIES"		
Current Maturities of Long Term Debts	889.48	635.40
Current Maturities of Other Loans	5.22	4.10
Interest Accrued but not due on Borrowings	28.26	38.96
Advances From Customers	46.11	88.99
Other Payables	110.34	137.55
	1,079.42	905.00
NOTE - 2.10 "SHORT TERM PROVISIONS"		
Proposed Dividend	22.47	22.47
Tax on Proposed Dividend	4.57	4.57
Provision for Income Tax (Net of Advance Tax & TDS)	65.99	80.32
Provision for Excise Duty On Finished Goods	9.66	30.24
Provision for Employee Retirement Benefits	4.13	4.61
	106.82	142.22

Note 2.11 "FIXED ASSETS" - Tangible Assets

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As At April 1, 2015	Additions	Sale/ Deletion	As At March 31, 2016	Up To March 31, 2015	Retained Earnings	During the Year	Deletion / Adjustments	Up To March 31, 2016	As At March 31, 2016	As At March 31, 2015
Freehold Land & Site Development	945.45	10.08	-	955.52	-	-	-	-	-	955.52	945.45
Leasehold Land	3.27	-	-	3.27	0.28	-	0.04	-	0.33	2.95	2.99
Buildings	1,591.01	18.27	-	1,609.28	313.72	-	49.34	-	363.06	1,246.22	1,277.29
Tube Well	13.01	5.19	-	18.20	9.30	-	1.63	-	10.93	7.28	3.72
Plant & Machinery *	7,822.95	421.25	-	8,244.19	2,843.84	-	270.96	-	3,114.80	5,129.39	4,979.11
Plant & Machinery (R & D)	2,472.53	-	-	2,472.53	1,217.51	-	367.89	-	1,585.40	887.13	1,255.02
Boiler	170.70	(0.00)	-	170.70	65.28	-	8.93	-	74.22	96.48	105.42
Pollution Control Equipment	75.25	0.00	-	75.25	38.88	-	3.52	-	42.40	32.85	36.37
Laboratory	90.11	10.71	-	100.81	46.75	-	9.58	-	56.33	44.49	43.36
Miscellaneous Fixed Assets	1,120.30	206.39	-	1,326.69	522.97	-	45.87	-	568.84	757.86	597.33
Furniture & Fixture	87.91	10.43	-	98.33	43.04	-	10.05	-	53.09	45.24	44.86
Motor Vehicles	80.47	15.34	3.51	92.30	44.55	-	8.92	1.31	52.15	40.15	35.92
Computer	41.25	2.30	-	43.55	30.76	-	4.39	-	35.15	8.40	10.49
GRAND TOTAL	14,514.20	699.94	3.51	15,210.63	5,176.89	-	781.11	1.31	5,956.69	9,253.95	9,337.31
Previous Year	13,411.54	1,114.54	11.88	14,514.20	3,936.11	477.05	765.57	1.84	5,176.89	9,337.31	9,475.43

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 87.52 Millions (Previous Year 52.99 Mns)

Particulars	As at March 31, 2016	As at March 31, 2015
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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
51950 Equity Share (Previous year 1 Equity Share) of 1 USD Fully Paid Up In Nectar Lifesciences USA LLC [(Previous Year Absolute amount Rs. 62)]	3.30	0.00
In Others		
2,20,000 (Previous Year 1,00,000) Equity Shares of Rs. 10/- each Fully paid up In Mohali Green Environment Private Limited	2.20	1.00
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50
A	6.00	1.50

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
B	0.00	0.00
Total (A+B)	6.00	1.50

NOTE - 2.13 "LONG TERM LOANS & ADVANCES"

Security Deposits	15.60	15.73
MAT Credit Entitlement	806.75	744.59
Unsecured Loans & Advances to others - Considered Good	44.73	43.10
	867.08	803.43

NOTE - 2.14 "OTHER NON CURRENT ASSETS"

Preliminary Expenses	-	0.08
Deferred Revenue Expenditure Opening Balance	359.12	-
Deferred Revenue Expenditure Incurred During the Year	391.65	359.12
	750.77	359.20
Less :- Written Off During the Year	71.82	0.08
	678.95	359.12

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.15 "CURRENT INVESTMENTS"		
NON TRADE		
QUOTED		
5 EQUITY SHARE OF RS. 1/- each fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 EQUITY SHARES OF RS. 5/- EACH fully paid up In Parsvanath Developers Ltd.	1.31	1.31
SBI PSU Fund	1.00	1.00
3000 BONDS OF IFCI @ RS 1000/- EACH	3.00	3.00
PRINCIPAL EMERGING BLUECHIP FUND	1.30	0.30
Total "A"	6.61	5.61
UN-QUOTED		
2,500 EQUITY SHARES OF RS. 10/- EACH (PREVIOUS YEAR SHARE APPLICATION MONEY) fully paid up In Saraswat Co-operative Bank Ltd.	0.03	0.03
Total "B"	0.03	0.03
Less: Provision for Loss on Investment	"C" 1.41	1.28
Net "A"+"B"-"C"	5.23	4.35

Market value of Quoted Investment Rs. 5.46 Millions (Previous Year Rs. 4.36 Millions)

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

Raw Material	945.29	752.47
Work In Progress	6,951.18	6,501.60
Finished Goods	193.38	361.01
Stock in Trade	81.85	124.43
Other Miscellaneous Stocks	188.94	170.24
	8,360.64	7,909.75

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.17 "TRADE RECEIVABLES"		
Unsecured		
Debts outstanding for a period exceeding six months from due date of payment		
-Considered Good	218.21	184.11
-Considered Doubtful	88.52	85.70
	306.73	269.81
Less: Provision For Doubtful Debts	88.52	85.70
	218.21	184.11
Other Debts		
-Considered Good	4,704.21	4,280.85
	4,922.42	4,464.96
NOTE - 2.18 "CASH & BANK BALANCES"		
Balance With Banks		
In Current Accounts	151.98	71.85
Fixed Deposits	191.02	246.37
In Unclaimed Dividend & Share Application Money Accounts	0.38	0.49
Cash In Hand (Incl Staff Imprest)	20.71	15.12
	364.09	333.82
NOTE - 2.19 "SHORT TERM LOANS & ADVANCES"		
Balances with Revenue Authorities	152.28	127.32
Other Loans & Advances, considered good		
- To Others	580.13	686.99
	732.41	814.32
NOTE - 2.20 "OTHER CURRENT ASSETS"		
Export and Other Incentives Accrued	257.90	129.22
Income Tax Refund Due	-	31.80
Insurance Claim Receivable :		
-Considered Good	0.65	1.96
-Considered Doubtful	21.15	22.54
	279.70	185.52
Less: Provision for Doubtful Insurance Claim	21.15	22.54
	258.55	162.97

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufactured Products		
- Export	6,798.78	6,569.33
- Domestic	10,528.96	10,211.29
Trading Sale		
- Export	202.05	230.52
- Domestic	402.46	452.72
	17,932.25	17,463.86
NOTE - 2.22 "OPERATING INCOME"		
Outsourcing Income	0.35	2.04
Carbon Credit	0.87	5.49
	1.22	7.53
NOTE - 2.23 "OTHER INCOME "		
Interest On Fixed Deposits	6.41	6.76
Interest Others	49.90	151.66
Dividend From Investments (Absolute Amount Rs. 23)	0.00	0.01
Compensation on Sale of Land	-	40.23
Profit on Sale / Restatement of Investment	-	1.32
	56.31	199.99
NOTE - 2.24 "RAW MATERIAL CONSUMED"		
Opening Stock	752.47	744.38
Add:- Purchase of Raw Material	11,600.48	11,307.12
	12,352.95	12,051.51
Less :- Closing Stock	945.29	752.47
	11,407.66	11,299.04
NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE"		
Inventory (At Close)		
Finished Goods	193.38	361.01
Stock in Process	6,951.18	6,501.60
Stock in Trade	81.85	124.43
	7,226.41	6,987.04
Inventory (At Commencement)		
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
	239.37	281.76

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"		
Salaries & Wages	546.83	487.86
Remuneration To Directors	34.96	37.77
Contribution to Provident and Other Funds	43.02	35.55
Staff Welfare	76.88	65.88
	701.69	627.07
NOTE - 2.27 "FINANCIAL EXPENSES"		
Interest Expenses	861.88	881.25
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	363.15	374.63
	1,225.02	1,255.88
NOTE - 2.28 "OTHER EXPENSES"		
Manufacturing Expenses		
Consumable Stores	124.48	123.44
Power, Fuel & Steam Expenses	810.74	794.13
Chemical Testing Expenses	21.46	17.31
Packing Expenses	132.11	113.05
Repairs & Maintenance		
- Electricals	3.61	6.50
- Machinery	97.25	92.17
- Building	6.36	6.92
Total (A)	1,196.01	1,153.52
Administrative Expenses		
Travelling & Conveyance	38.98	50.46
Advertisement & Subscription	1.32	0.76
Books & Periodicals	0.38	0.05
Business Promotion	7.43	9.51
Insurance	32.86	32.69
Electricity Expenses (Office)	1.94	1.86
Postage, Telephone, Telegram	12.31	12.33
Printing & Stationery	15.64	13.99
Professional Fees	23.22	30.83
Rate, Fees & Taxes	17.44	16.42
Vehicle Running & Maintenance	9.44	11.14
Rent	13.49	12.18
Audit Fees	2.50	2.50
Office Expenses	7.13	2.98
Diwali & Pooja Expenses	3.87	3.55
Donation	11.11	13.37
Directors' Sitting Fees	0.24	0.22
Loss on Sale/ Restatement of Investment	0.12	-
Loss on Sale of Fixed Assets	1.45	0.42
Total (B)	200.87	215.27
Selling & Distribution Expenses		
Discount & Samples	12.84	53.37
Freight & Cartage Outward	143.68	165.96
Sales Commission	177.95	122.93
Provision for Doubtful Debts/ Insurance claim	1.42	15.90
Total (C)	335.90	358.15
Grand Total (A+B+C)	1,732.77	1,726.94



2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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 31st March, 2016	As at 31st March, 2015
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.

Corporate Loans from Financial Institution 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/pledging of equity shares 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	834.18
2-5	1600.21
>5	Nil

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	5.35
2-5	10.94
>5	3.29

- II. Working Capital Limits are secured by way of First Pari Passu Charge on all the current assets of the Company and further secured by way of Second Pari Passu Charge on all the fixed assets of the Company and personal guarantee of

directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.

2.31 CURRENT ASSETS, LOANS & ADVANCES

In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

2.32 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2016 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 11.51 million (previous year Rs. 12.33 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 1.19million (previous year Rs.1.33 million) is remaining unpaid as of 31st March 2016. The principal amount that remained unpaid as at 31st March 2015 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the auditors.

- II. Investor Education and Protection Fund

Other liabilities include Rs. 0.38 million (previous year Rs. 0.49 million) which relates to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.15 million (Previous Year 0.04 million) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.

2.33 CONTINGENT LIABILITIES AND COMMITMENTS

S.No	Particulars	31.03.2016	31.03.2015
(Rs. in million)			
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts:-*		
	-Income Tax matters**	6.78	5.97
	-Excise matters***	232.26	112.95
	-Service Tax matters****	13.71	16.22
ii)	Bank Guarantees	15.42	11.75
iii)	Bills Discounted	70.95	80.70
iv)	Letter of Credit (Foreign / Inland)	227.79	249.75
v)	Other money for which Company is contingently liable	-	19.11
a)	Differential amount of custom duty in respect of machinery imported under EPCG Scheme		
b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	39.65	7.80

* 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. 3.43 million

*** Amount deposited under protest Rs. 11.11 million

**** Amount deposited under protest Rs. 0.09 million



2.34 PAYMENT TO AUDITORS

(Rs. In Million)		
Particulars	2015-16	2014-15
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.36	0.31

2.35 INCOME TAX

Current Tax

Provision for Current Income Tax has been made as per Income-tax Act, 1961.

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. 123.81 million (Previous Year Rs. 137.78 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.

2.36 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. 13.49 million (Previous Year Rs. 12.18 millions).

2.37 DEFERRED REVENUE EXPENDITURE:

During the year, Company incurred an amount of Rs. 391.65 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.

2.38 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 2015	40.32	24.40
Acquisition adjustment	-	-
Interest Cost	3.23	1.95
Past Service Cost	-	-
Current Service Cost	9.16	11.98
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(4.09)	(4.55)
Actuarial (gain)/loss on obligations	(2.22)	(6.93)
Present Value of obligations as at 31st March 2016	46.40	26.85

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

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2015	-	-
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 2016	-	-

Fair Value of Plan Assets (Rs. in millions)		
	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2015	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2016	-	-
Funded Status	(46.40)	(26.85)

Actuarial Gain/Loss Recognized (Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year - Obligation	2.22	6.93
Actuarial gain/(loss) for the year - Plan Assets	-	-
Total (gain)/ loss for the year	2.22	6.93
Actuarial (gain)/ loss recognized in the year	(2.22)	(6.93)
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 31st March 2016	46.40	26.85
Fair value of plan assets as at 31st March 2016	-	-
Funded Status	(46.40)	(26.85)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(46.40)	(26.85)

Expenses recognized in the Statement of Profit & Loss

(Rs. in millions)		
	Gratuity	Earned leave
Current service cost	9.16	11.98
Past service cost	-	-
Interest cost	3.22	1.95
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	(2.21)	(6.93)
Expenses recognized in the Statement of Profit & Loss	10.17	7.00

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.

2.39 TAX EXPENSE COMPRISES OF:

	2015-2016	2014-2015
(Rs. in Millions)		
- Current Tax	71.31	99.57
- Previous Year Tax	-	-
- Deferred Tax	123.81	137.78
- MAT Credit Entitlement	(62.16)	(52.45)
	132.96	184.90

2.40 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 2006as amended up to date.

ii) Secondary Segment (By Geographical Segment)

S.No	Particulars	31.03.2016	31.03.2015
(a)	India	10931.42	10664.01
(b)	Outside India	7000.83	6799.85
	Total Sales	17932.25	17463.86

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

2.41 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
(Inoperative during the year)
Nectar Lifesciences USA, LLC

ii) Joint Ventures and Associates

None

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

Sh. Sanjiv Goyal
Sh. Dinesh Dua
Sh. Harprakash Singh Gill
Sh. Sandeep Goel, Chief Financial Officer
Sh. Sunder Lal, Company Secretary

iv) Relatives of the Key Management Personnel**

Sh. Saurabh Goyal
Sh. Aryan Goyal

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

Surya Narrow Fabrics
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

S.No.	PARTICULARS	31.03.2016	31.03.2015
i.	Investments during the year *(Previous Year Rs. 62) Balance at year end *(Previous Year Rs 137)	3.30 7.95	-* -*
ii.	Sale during the year	21.64	-

ii) Key Management Personnel and their relatives

S. No.	Particulars	31.03.2016	31.03.2015
i	Director Remuneration & Perquisites*	35.07	37.91
ii.	Salary & Perquisites*	18.26	11.24

*Includes Taxable Perquisites as per Income Tax Act 1961

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

S. No.	Particulars	31.03.2016	31.03.2015
i	Rent	0.96	0.96
ii	Donation Paid	2.05	1.42

2.42 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.

2.43 EARNINGS PER SHARE (EPS)

Particulars	Unit	Year Ended 31.03.2016	Year Ended 31.03.2015
Profit After Tax	Rs. in millions	592.84	662.64
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.	2.64	2.95
-Diluted	Rs.	2.64	2.95

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



2.44 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs.43.51 millions (Previous Year net loss of Rs. 27.64 millions)

2.45 Fixed Deposits with Banks include an amount of Rs. 81.02 millions (Previous Year Rs. 69.11 millions) on account of FDRs held as Margin Money

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

a) RAW MATERIAL CONSUMED

(Rs. in millions)

S.No	Particulars	2015-2016		2014-2015	
		Amount	(%age)	Amount	(%age)
1.	Imported	7023.18	61.57	6644.67	58.81
2.	Indigenous	4384.48	38.43	4654.37	41.19

b) STORES & SPARES CONSUMED

(Rs. in millions)

S.No	Particulars	2015-2016		2014-2015	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.73	0.59	2.42	1.96
2.	Indigenous	123.75	99.41	121.02	98.04

2.47 OTHER INFORMATION

(Rs. in millions)

Particulars		2015-2016	2014-2015
(a) CIF Value of Imports			
1.	Raw Material	6501.30	6115.18
2.	Traded Goods	157.60	10.76
3.	Capital Goods, Stores & Spares & Packing Material etc.	42.75	92.30
(b) Expenditure in Foreign Currency			
1.	Travelling Expenses	12.08	14.98
2.	Export Commission	107.16	90.36
3.	Other Expenses	29.31	46.50
(c) Remittances in Foreign Currency			
1.	Raw Material	6194.61	6187.37
2.	Traded Goods	127.70	10.76
3.	Capital Goods and Stores & Spares	57.12	68.48
(d) Expenditure in Foreign Currency on account of dividend			
Particulars		2015-2016	2014-2015
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	2014-15	2013-14
(e) Earning in Foreign Currency			
Particulars		2015-2016	2014-2015
	FOB Value of Exports	6881.79	6714.62

2.48 Corporate Social Responsibility Expenses

Donation includes an amount of Rs. 10.15 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs 9.79 million capital expenditure incurred / advances given on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 19.94 million on CSR activities against the requirement of Rs. 18.51 million.

2.49 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

Yogesh Monga
Partner
M. No. 099813

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholetime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

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

Place : Chandigarh
Dated : 30.05.2016



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 Holding Company"), and its subsidiary companies (Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC (collectively referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2016, 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 (herein referred to as 'the consolidated financial statements').

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in the requirement of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the 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, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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, 2016,
- (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 subsidiary Companies namely Nectar Lifesciences UK Limited, United Kingdom (dormant/inoperative during the year) and Nectar Lifesciences USA LLC. We have relied on the unaudited financial statements of the subsidiaries whose financial statements reflect total assets of Rs.8.84 millions as at March 31, 2016, total revenues of Rs.15.31 millions and net cash inflows amounting Rs.2.38 millions for the year ended on that date, as considered in the consolidated financial statements. 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 Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement 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 maintained for the purpose of preparation of consolidated financial statement,
- (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 as on 31 March 2016 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, 2016 from being appointed as a Director of that Company00 in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the

Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 the consolidated financial position in its financial statements as referred to in Note 2.33 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 Holding Company.

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

(YOGESH MONGA)
Partner
M. No. 099813

PLACE: CHANDIGARH
DATE: 30.05.2016

Annexure "A" to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended as of 31 March 2016, we have audited the internal financial controls over financial reporting of NECTAR LIFESCIENCES LIMITED ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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



as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets, that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of change in conditions, or that the degree of compliance with the policies or procedure may deteriorate

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies, which are companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

YOGESH MONGA
Partner
M. No. 099813

Place : Chandigarh
Date : 30.05.2016

Consolidated Balance Sheet as at 31st March 2016

Particulars	NOTE	As at March 31, 2016	As at March 31, 2015
<u>EQUITY AND LIABILITIES</u>			
Share holders' Fund			
Share Capital	2.1	224.26	224.26
Reserves & Surplus	2.2	9,876.60	9,355.22
		10,100.86	9,579.48
Non Current Liabilities			
Long Term Borrowings	2.3	2,453.97	2,655.29
Deferred Tax Liability(net)	2.4	1,225.73	1,101.93
Other Long Term Liabilities	2.5	164.25	151.87
Long Term Provisions	2.6	69.13	60.11
		3,913.08	3,969.21
Current Liabilities			
Short Term Borrowings	2.7	6,272.43	5,952.98
Trade Payables	2.8	4,967.81	4,555.77
Other Current Liabilities	2.9	1,079.42	905.00
Short Term Provisions	2.10	106.82	142.22
		12,426.49	11,555.96
Total		26,440.43	25,104.66
<u>ASSETS</u>			
Non Current Assets			
Fixed Assets			
- Tangible Assets	2.11	9,253.95	9,337.31
- Capital Work in Progress		993.53	913.12
Non Current Investments	2.12	2.70	1.50
Long Term Loans and Advances	2.13	867.08	803.43
Other Non Current Assets	2.14	678.95	359.12
		11,796.20	11,414.49
Current Assets			
Current Investments	2.15	5.23	4.35
Inventories	2.16	8,367.10	7,909.75
Trade Receivables	2.17	4,914.47	4,464.96
Cash & Bank Balances	2.18	366.47	333.82
Short Term Loans & Advances	2.19	732.41	814.32
Other Current Assets	2.20	258.55	162.97
		14,644.24	13,690.17
Total		26,440.43	25,104.66
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing DirectorDinesh Dua
CEO & Wholetime DirectorSandeep Goel
Chief Financial OfficerSunder Lal
Company SecretaryR. K. Aggarwal
V.P. AccountsAs per our report of even date
For **DATTA SINGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No.006185NYogesh Monga
Partner
M. No. 099813Place : Chandigarh
Dated : 30.05.2016

Consolidated Statement of Profit and Loss For the Year Ended 31st March 2016

Particulars	NOTE	Year Ended March 31, 2016	Year Ended March 31, 2015
INCOME			
Revenue From Operations	2.21	17,925.92	17,463.86
Less : Excise Duty		<u>1,169.05</u>	<u>1,034.97</u>
		16,756.88	16,428.89
Operating Income	2.22	1.22	7.53
Other income	2.23	56.31	199.99
		<u>16,814.40</u>	<u>16,636.41</u>
EXPENDITURE			
Raw Material Consumed	2.24	11,408.50	11,299.04
Purchase of Stock in Trade (Traded Goods)		414.22	396.06
Changes in inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.25	(245.83)	(281.76)
Employees Benefits Expense	2.26	701.69	627.07
Finance Cost	2.27	1,225.02	1,255.88
Depreciation & Amortisation	2.11 & 2.14	852.94	765.64
Other Expenses	2.28	1,732.96	1,726.94
		<u>16,089.50</u>	<u>15,788.87</u>
PROFIT BEFORE TAX		724.90	847.54
Tax Expense		132.96	184.90
PROFIT AFTER TAX		<u>591.94</u>	<u>662.64</u>
EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.)		2.64	2.95
Diluted (Rs.)		2.64	2.95

Significant Accounting Policies 1
Notes to Financial Statements 2

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director

Sandeep Goel
Chief Financial Officer

Place : Chandigarh
Dated : 30.05.2016

Dinesh Dua
CEO & Wholetime Director

Sunder Lal
Company Secretary

As per our report of even date
For **DATTA SINGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No.006185N

R. K. Aggarwal
V.P. Accounts

Yogesh Monga
Partner
M. No. 099813

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

Particulars	As at March 31, 2016	As at March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	724.90	847.54
Adjustments For :		
Depreciation	781.11	765.57
Misc. Expenditure W/Off	71.82	0.08
Provision for Doubtful debts	1.42	1.93
Provision for Employees Retirement Benefits	8.53	13.01
Provision for Excise Duty On Finished Goods	(20.58)	15.51
Loss on Sale of Fixed Assets	1.45	0.42
Loss/ (Profit) on Sale / Restatement of Investment	-	(1.32)
Interest on Borrowings	1,225.02	1,255.88
Other Non-Operating Income	(56.31)	(198.66)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,737.39	2,699.94
Adjustment For :		
(Increase)/Decrease in Current Assets	(921.99)	(1,083.51)
Increase/(decrease) in Current Liabilities	331.26	105.90
Increase/(Decrease) in Long Term Liabilities	12.38	143.80
(Increase)/Decrease in Non Current Assets	(391.57)	(359.12)
CASH GENERATED FROM OPERATIONS	1,767.46	1,507.00
Direct Taxes Paid	(133.77)	(62.90)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	1,633.68	1,444.10
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,633.68	1,444.10
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(780.35)	(805.03)
Purchase of Investments	(1.20)	-
Interest Received	56.31	198.65
Dividend Received	0.00	0.01
Sale of Fixed Assets	0.74	0.82
Capital Subsidy received during the year	-	10.00
Sale/(Purchase) of Investments	(0.88)	0.11
Long Term Loans and Advances Received/ (Paid)	(1.49)	0.10
NET CASH USED IN INVESTING ACTIVITIES (B)	(726.87)	(595.33)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	44.88	504.93
Proceeds/(Repayment) from Working Capital Limits from Banks	319.45	154.56
Proceeds/(Repayment) from Unsecured Loans from Banks	9.14	3.22
Proceeds/(Repayment) of Inter Corporate Deposits	(0.14)	0.87
Dividend Paid	(22.47)	(22.43)
Interest Paid	(1,225.02)	(1,255.88)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	(874.16)	(614.72)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	32.65	234.04
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	333.82	99.78
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	366.47	333.82

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

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholetime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

R. K. Aggarwal
V.P. Accounts

Yogesh Monga
Partner
M. No. 099813

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

Place : Chandigarh
Dated : 30.05.2016



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, 2016	As at March 31, 2015
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NOTE - 2.1 "SHARE CAPITAL"**Authorised Share Capital**

35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
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Issued, Subscribed & Paid up Capital

22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26
(Also Refer Note 2.29)	224.26	224.26

NOTE - 2.2 "RESERVES & SURPLUS"**Security Premium Reserve**

Opening balance	3,287.98	3,287.98
(A)	3,287.98	3,287.98

Foreign Exchange Translation Reserve	(1.51)	-
(B)	(1.51)	-

General Reserves	141.02	141.02
(C)	141.02	141.02

Surplus in Consolidated Statement of Profit & Loss

Opening Balance	5,926.22	5,617.35
Transferred From Consolidated Statement of Profit & Loss	591.94	662.64
	6,518.16	6,279.99

Appropriations :

Depreciation relating to Earlier Years	-	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	4.57
Expenses related to Earlier Years	42.05	5.71
(D)	6,449.11	5,926.22

Total (A+B+C+D)	9,876.60	9,355.22
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Particulars	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
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NOTE - 2.3 - "LONG TERM BORROWINGS"

	Non Current Portion		Current Maturities	
SECURED-				
Term Loans				
-From Banks	2,434.39	2,643.59	889.48	635.40
UNSECURED				
Other Loans				
-From Banks	13.81	3.76	3.05	3.96
-From Others	5.77	7.95	2.17	0.14
(Also Refer Note 2.30)	2,453.97	2,655.29	894.70	639.50

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.4 - "DEFERRED TAX LIABILITIES"		
Deferred Tax Liabilities Arising on account of:		
-Depreciation	3,211.24	3,210.14
-Depreciation relating to earlier years	-	477.05
-Deferred Revenue Expenditure	678.95	359.12
TOTAL A	3,890.19	4,046.31
Deferred Tax Assets Arising on account of:		
- Employees Retirement Benefits	73.26	64.73
- Un absorbed Depreciation and Carried Forward Losses	-	-
- Other Expenses & Provisions	109.66	108.24
TOTAL B	182.92	172.97
DEFERRED TAX LIABILITY (A-B)	3,707.27	3,873.34
TAX IMPACT	1,225.73	1,256.71
Less Tax Impact On Depreciation Relating To Earlier Years	-	154.78
NET DEFERRED TAX LIABILITY	1,225.73	1,101.93
NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"		
Security from Customers	2.55	11.87
Others	161.70	140.00
	164.25	151.87
NOTE - 2.6 - "LONG TERM PROVISIONS"		
Provision for Employees Retirement Benefits	69.13	60.11
	69.13	60.11
NOTE - 2.7 - "SHORT TERM BORROWINGS"		
SECURED		
Working Capital Limits		
-From Banks	5,870.03	5,952.98
UNSECURED		
Working Capital Limits		
-From Banks	402.40	-
	6,272.43	5,952.98
NOTE - 2.8 "TRADE PAYABLES"		
- Due to Micro ,Small & Medium Enterprises	11.51	12.33
- Due to Others	4,956.30	4,543.44
	4,967.81	4,555.77
NOTE - 2.9 "OTHER CURRENT LIABILITIES"		
Current Maturities of Long Term Debts	889.48	635.40
Current Maturities of Other Loans	5.22	4.10
Interest Accrued but not due on Borrowings	28.26	38.96
Advances From Customers	46.11	88.99
Other Payables	110.34	137.55
	1,079.42	905.00
NOTE - 2.10 "SHORT TERM PROVISIONS"		
Proposed Dividend	22.47	22.47
Tax on Proposed Dividend	4.57	4.57
Provision for Income Tax (Net of Advance Tax & TDS)	65.99	80.32
Provision for Excise Duty On Finished Goods	9.66	30.24
Provision for Employee Retirement Benefits	4.13	4.61
	106.82	142.22

Note : 2.11 “FIXED ASSETS” - Tangible Assets

Particulars	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As At April 1, 2015	Additions	Sale/ Deletion	As At March 31, 2016	Up To March 31, 2015	Retained Earning	During the Year	Deletion / Adjustments	Up To March 31, 2016	As At March 31, 2016	As at March 31, 2015
Freehold Land & Site Development	945.45	10.08	-	955.52	-	-	-	-	-	955.52	945.45
Leasehold Land	3.27	-	-	3.27	0.28	-	0.04	-	0.33	2.95	2.99
Buildings	1,591.01	18.27	-	1,609.28	313.72	-	49.34	-	363.06	1,246.22	1,277.29
Tube Well	13.01	5.19	-	18.20	9.30	-	1.63	-	10.93	7.28	3.72
Plant & Machinery *	7,822.95	421.25	-	8,244.19	2,843.84	-	270.96	-	3,114.80	5,129.39	4,979.11
Plant & Machinery (R & D)	2,472.53	-	-	2,472.53	1,217.51	-	367.89	-	1,585.40	887.13	1,255.02
Boiler	170.70	(0.00)	-	170.70	65.28	-	8.93	-	74.22	96.48	105.42
Pollution Control Equipment	75.25	0.00	-	75.25	38.88	-	3.52	-	42.40	32.85	36.37
Laboratory	90.11	10.71	-	100.81	46.75	-	9.58	-	56.33	44.49	43.36
Miscellaneous Fixed Assets	1,120.30	206.39	-	1,326.69	522.97	-	45.87	-	568.84	757.86	597.33
Furniture & Fixture	87.91	10.43	-	98.33	43.04	-	10.05	-	53.09	45.24	44.86
Motor Vehicles	80.47	15.34	3.51	92.30	44.55	-	8.92	1.31	52.15	40.15	35.92
Computer	41.25	2.30	-	43.55	30.76	-	4.39	-	35.15	8.40	10.49
GRAND TOTAL	14,514.20	699.94	3.51	15,210.63	5,176.89		781.11	1.31	5,956.69	9,253.95	9,337.31
Previous Year	13,411.54	1,114.54	11.88	14,514.20	3,936.11	477.05	765.57	1.84	5,176.89	9,337.31	9,475.43

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 87.52 Millions (Previous Year 52.99 Mns)

Particulars	As at March 31, 2016	As at March 31, 2015
NOTE - 2.12 "NON CURRENT INVESTMENTS"		
2,20,000 (Previous Year 1,00,000) Equity Shares of Rs. 10/- each Fully paid up in Mohali Green Environment Private Limited	2.20	1.00
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50
A	2.70	1.50
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
B	0.00	0.00
Total (A+B)	2.70	1.50
NOTE - 2.13 "LONG TERM LOANS & ADVANCES"		
Security Deposits	15.60	15.73
MAT Credit Entitlement	806.75	744.59
Unsecured Loans & Advances to others		
- Considered Good	44.73	43.10
	867.08	803.43
NOTE - 2.14 "OTHER NON CURRENT ASSETS"		
Preliminary Expenses	-	0.08
Deferred Revenue Expenditure Opening Balance	359.12	-
Deferred Revenue Expenditure Incurred During the Year	391.65	359.12
	750.77	359.20
Less :- Written Off During the Year	71.82	0.08
	678.95	359.12

Particulars	As at March 31, 2016	As at March 31, 2015
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NOTE - 2.15 "CURRENT INVESTMENTS"**NON TRADE
QUOTED**

5 EQUITY SHARE OF RS. 1/- each fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
4,700 EQUITY SHARES OF RS. 5/- EACH fully paid up In Parsvanath Developers Ltd.	1.31	1.31
SBI PSU Fund	1.00	1.00
3000 BONDS OF IFCI @ RS 1000/- EACH	3.00	3.00
PRINCIPAL EMERGING BLUECHIP FUND	1.30	0.30
Total "A"	6.61	5.61

UN-QUOTED

2,500 EQUITY SHARES OF RS. 10/- EACH (PREVIOUS YEAR SHARE APPLICATION MONEY) fully paid up In Saraswat Co-operative Bank Ltd.	0.03	0.03
Total "B"	0.03	0.03
Less: Provision for Loss on Investment "C"	1.41	1.28
Net "A"+"B"-"C"	5.23	4.35

Market value of Quoted Investment Rs. 5.46 Millions (Previous Year Rs. 4.36 Millions)

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

Raw Material	945.29	752.47
Work In Progress	6,951.18	6,501.60
Finished Goods	199.84	361.01
Stock in Trade	81.85	124.43
Other Miscellaneous Stocks	188.94	170.24
	8,367.10	7,909.75

Particulars	As at March 31, 2016	As at March 31, 2015
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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	218.21	184.11
-Considered Doubtful	88.52	85.70
	306.73	269.81
Less: Provision For Doubtful Debts	88.52	85.70
	218.21	184.11
Other Debts		
-Considered Good	4,704.21	4,280.85
	4,922.42	4,464.96

NOTE - 2.18 "CASH & BANK BALANCES"

Balance With Banks

In Current Accounts	154.37	71.85
Fixed Deposits	191.02	246.37
In Unclaimed Dividend & Share Application Money Accounts	0.38	0.49
Cash In Hand (Incl Staff Imprest)	20.71	15.12
	366.47	333.82

NOTE - 2.19 "SHORT TERM LOANS & ADVANCES"

Balances with Revenue Authorities	152.28	127.32
Other Loans & Advances, considered good - - To Others	580.13	686.99
	732.41	814.32

NOTE - 2.20 "OTHER CURRENT ASSETS"

Export and Other Incentives Accrued	257.90	129.22
Income Tax Refund Due	-	31.80
Insurance Claim Receivable :		
-Considered Good	0.65	1.96
-Considered Doubtful	21.15	22.54
	279.70	185.52
Less: Provision for Doubtful Insurance Claim	21.15	22.54
	258.55	162.97

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufactured Products		
- Export	6,792.45	6,569.33
- Domestic	10,528.96	10,211.29
Trading Sale		
- Export	202.05	230.52
- Domestic	402.46	452.72
	17,925.92	17,463.86
NOTE - 2.22 "OPERATING INCOME"		
Outsourcing Income	0.35	2.04
Carbon Credit	0.87	5.49
	1.22	7.53
NOTE - 2.23 "OTHER INCOME "		
Interest On Fixed Deposits	6.41	6.76
Interest Others	49.90	151.66
Dividend From Investments (Absolute Amount Rs. 23)	0.00	0.01
Compensation on Sale of Land	-	40.23
Profit on Sale / Restatement of Investment	-	1.32
	56.31	199.99
NOTE - 2.24 "RAW MATERIAL CONSUMED"		
Opening Stock	752.47	744.38
Add:- Purchase of Raw Material	11,601.32	11,307.12
	12,353.79	12,051.51
Less :- Closing Stock	945.29	752.47
	11,408.50	11,299.04
NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE"		
Inventory (At Close)		
Finished Goods	199.84	361.01
Stock in Process	6,951.18	6,501.60
Stock in Trade	81.85	124.43
	7,232.87	6,987.04
Inventory (At Commencement)		
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
	245.83	281.76

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
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NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"

Salaries & Wages	546.83	487.86
Remuneration To Directors	34.96	37.77
Contribution to Provident and Other Funds	43.02	35.55
Staff Welfare	76.88	65.88
	701.69	627.07

NOTE - 2.27 "FINANCIAL EXPENSES"

Interest Expenses	861.88	881.25
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	363.15	374.63
	1,225.02	1,255.88

NOTE - 2.28 "OTHER EXPENSES"**Manufacturing Expenses**

Consumable Stores	124.48	123.44
Power, Fuel & Steam Expenses	810.74	794.13
Chemical Testing Expenses	21.46	17.31
Packing Expenses	132.11	113.05
Repairs & Maintenance		
- Electricals	3.61	6.50
- Machinery	97.25	92.17
- Building	6.36	6.92
Total (A)	1,196.01	1,153.52

Administrative Expenses

Travelling & Conveyance	38.98	50.46
Advertisement & Subscription	1.32	0.76
Books & Periodicals	0.38	0.05
Business Promotion	7.43	9.51
Insurance	32.86	32.69
Electricity Expenses (Office)	1.94	1.86
Postage, Telephone, Telegram	12.31	12.33
Printing & Stationery	15.64	13.99
Professional Fees	23.41	30.83
Rate,Fees & Taxes	17.44	16.42
Vehicle Running & Maintenance	9.44	11.14
Rent	13.49	12.18
Audit Fees	2.50	2.50
Office Expenses	7.13	2.98
Diwali & Pooja Expenses	3.87	3.55
Donation	11.11	13.37
Directors' Sitting Fees	0.24	0.22
Loss on Sale/ Restatement of Investment	0.12	-
Loss on Sale of Fixed Assets	1.45	0.42
Total (B)	201.05	215.27

Selling & Distribution Expenses

Discount & Samples	12.84	53.37
Freight & Cartage Outward	143.68	165.96
Sales Commission	177.95	122.93
Provision for Doubtful Debts /Insurance claim	1.42	15.90
Total (C)	335.90	358.15
Grand Total (A+B+C)	1,732.96	1,726.94



2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	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 st March, 2016	As at 31 st March, 2015
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 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 /pledging of equity shares 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	834.18
2-5	1600.21
>5	Nil

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	5.35
2-5	10.94
>5	3.29

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

2.31 CURRENT ASSETS, LOANS & ADVANCES

In the opinion of the management of the Company, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business and are subject to confirmation/reconciliation.

2.32 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31st March 2016 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs.11.51 million (previous year Rs. 12.33 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs.1.19million (previous year Rs.1.33 million) is remaining unpaid as of 31st March 2016. The principal amount that remained unpaid as at 31st March 2015 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and have been relied upon by the auditors.

- II. Investor Education and Protection Fund

Other liabilities include Rs. 0.38 million (previous year Rs. 0.49 million) which relates to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.15 million (Previous Year 0.04 million) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.



2.33 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in million)

S.No.	Particulars	31.03.2016	31.03.2015
a)	Contingent Liabilities		
i)	Claims not acknowledged as debts:- *		
	-Income Tax matters **	6.78	5.97
	-Excise matters***	232.26	112.95
	-Service Tax matters****	13.71	16.22
ii)	Bank Guarantees	15.42	11.75
iii)	Bills Discounted	70.95	80.70
iv)	Letter of Credit (Foreign / Inland)	227.79	249.75
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
b)	Commitments		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	39.65	7.80

* 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.3.43 million

*** Amount deposited under protest Rs. 11.11 million

**** Amount deposited under protest Rs. 0.09 million

2.34 PAYMENT TO AUDITORS

(Rs.in Million)

Particulars	2015-16	2014-15
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.36	0.31

2.35 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. 123.81 million (Previous Year Rs.137.78 million) and it has been recognized in the Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

2.36 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.13.49 million (Previous Year Rs. 12.18 millions).

2.37 DEFERRED REVENUE EXPENDITURE:

During the year, Company incurred an amount of Rs. 391.65 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.

2.38 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 2015	40.32	24.40
Acquisition adjustment	-	-
Interest Cost	3.23	1.95
Past Service Cost	-	-
Current Service Cost	9.16	11.98
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(4.09)	(4.55)
Actuarial (gain)/loss on obligations	(2.22)	(6.93)
Present Value of obligations as at 31 st March 2016	46.40	26.85

Changes in the Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2015	-	-
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 2016	-	-

Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April, 2015	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March, 2016	-	-
Funded Status	(46.40)	(26.85)

**Actuarial Gain/Loss Recognized**

	(Rs. in millions)	
	Gratuity	Earned leave
Actuarial gain/(loss) for the year	2.22	6.93
Obligation	-	-
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total (gain)/ loss for the year	2.22	6.93
Actuarial (gain)/ loss recognized in the year	(2.22)	(6.93)
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 31st March 2016	46.40	26.85
Fair value of plan assets as at 31st March 2016	-	-
Funded Status	(46.40)	(26.85)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognized in the balance sheet	(46.40)	(26.85)

Expenses recognised in the Statement of Profit & Loss

	(Rs. in millions)	
	Gratuity	Earned leave
Current service cost	9.16	11.98
Past service cost	-	-
Interest cost	3.22	1.95
Expected return on plan assets	-	-
Curtailement cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	(2.21)	(6.93)
Expenses recognized in the Statement of Profit & Loss	10.17	7.00

Valuation Assumption

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.

2.39 TAX EXPENSE COMPRISES OF:

	(Rs. in Millions)	
	2015-2016	2014-2015
- Current Tax	71.31	99.57
- Previous Year Tax	-	-
- Deferred Tax	123.81	137.78
- MAT Credit Entitlement	(62.16)	(52.45)
	132.96	184.90

2.40 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 2006as amended up to date.

ii) Secondary Segment (By Geographical Segment)

		(Rs. in millions)	
S.No	Particulars	31.03.2016	31.03.2015
(a)	India	10931.42	10664.01
(b)	Outside India	6994.50	6799.85
	Total Sales	17925.92	17463.86

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

2.41 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 up to 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. Dinesh Dua
Sh. Harprakash Singh Gill
Sh. Sandeep Goel, Chief Financial Officer
Sh. Sunder Lal, Company Secretary

iv) Relatives of the Key Management**

Sh. Aryan Goyal
Sh. Saurabh Goyal

** 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) Key Management Personnel and their relatives**

		(Rs. in millions)	
Sr.No.	PARTICULARS	31.03.2016	31.03.2015
i.	Director Remuneration & Perquisites*	35.07	37.91
ii.	Salary & Perquisites*	18.26	11.24

* Includes Taxable Perquisites as per Income Tax Act, 1961.



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

(Rs. In millions)			
Sr.No.	PARTICULARS	31.03.2016	31.03.2015
i.	Rent	0.96	0.96
ii	Donation Paid	2.05	1.42

2.42 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.

2.43 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Profit After Tax	Rs in million	591.94	662.64
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.	2.64	2.95
-Diluted	Rs.	2.64	2.95

2.44 Other Borrowing Costs include loss on account of foreign exchange fluctuation (net) amounting to Rs. 43.51 millions (Previous Year net loss of Rs. 27.64 millions)

2.45 Fixed Deposits with Banks include an amount of Rs. 81.02 millions (Previous Year Rs.9.11 millions) on account of FDRs held as Margin Money

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

a) RAW MATERIAL CONSUMED

(Rs. in millions)

S.No	Particulars	2015-2016		2014-2015	
		Amount	(%age)	Amount	(%age)
1.	Imported	7023.18	61.57	6644.67	58.81
2.	Indigenous	4385.32	38.43	4654.37	41.19

b) STORES & SPARES CONSUMED

(Rs. in millions)

S.No	Particulars	2015-2016		2014-2015	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.73	0.59	2.42	1.96
2.	Indigenous	123.75	99.41	121.02	98.04

2.47 OTHER INFORMATION

(Rs. in millions)

Particulars		2015-2016	2014-2015
(a) CIF Value of Imports			
1.	Raw Material	6501.30	6115.18
2.	Traded Goods	157.60	10.76
3.	Capital Goods, Stores & Spares etc.	42.75	92.30
(b) Expenditure in Foreign Currency			
1.	Travelling Expenses	12.08	14.98
2.	Export Commission	107.16	90.36
3.	Other Expenses	29.31	46.50
(c) Remittances in Foreign Currency			
1.	Raw Material	6194.61	6187.37
2.	Traded Goods	127.70	10.76
2.	Capital Goods and Stores & Spares	57.12	68.48
(d) Expenditure in Foreign Currency on account of dividend			
Particulars		2015-2016	2014-2015
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	2014-15	2013-14
(e) Earning in Foreign Currency			
Particulars		2015-2016	2014-2015
	FOB Value of Exports	6881.79	6714.62

2.48 Corporate Social Responsibility Expenses

Donation includes an amount of Rs. 10.15 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs 9.79 million capital expenditure incurred / advances given on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 19.94 million on CSR activities against the requirement of Rs. 18.51 million.

2.49 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

Yogesh Monga
Partner
M. No. 099813

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholtime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

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

Place : Chandigarh
Dated : 30.05.2016



Nectar Lifesciences Limited
(CIN: L24232PB1995PLC016664)
Registered Office: Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab
Email: sunderlal@neclife.com, Website: www.neclife.com
Phone: +91-01762-308000, Fax: +91-01762- 308135

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Nectar Lifesciences UK Limited	Nectar Lifesciences USA, LLC
1.	Name of the subsidiary	Nectar Lifesciences UK Limited	Nectar Lifesciences USA, LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	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 95.2096 for 1 GBP	US\$ and Exchange rate is INR 66.2558 for 1 US\$
4.	Share capital	75	3,301,942
5.	Reserves & surplus	-	(2,407,827)
6.	Total assets	75	8,843,560
7.	Total Liabilities	-	7,949,445
8.	Investments	-	-
9.	Turnover	-	15,306,351
10.	Profit/ (Loss) before taxation	-	(897,339)
11.	Provision for taxation	-	-
12.	Profit after taxation	-	(897,339)
13.	Proposed Dividend	-	-
14.	% of shareholding	100	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations:
 - Nectar Lifesciences UK Limited
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	N.A.	N.A.
1. Latest audited Balance Sheet Date	N.A.	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	N.A.	N.A.
No		N.A.
Amount of Investment in Associates/Joint Venture	N.A.	N.A.
Extend of Holding%	N.A.	N.A.
3. Description of how there is significant influence	N.A.	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.	N.A.
5. Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.	N.A.
6. Profit/Loss for the year	N.A.	N.A.
i. Considered in Consolidation	N.A.	N.A.
ii. Not Considered in Consolidation	N.A.	N.A.
1. Names of associates or joint ventures which are yet to commence operations:	N.A.	
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.		

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Wholetime Director

Sandeep Goel
Chief Financial Officer

Sunder Lal
Company Secretary

R. K. Aggarwal
V.P. Accounts

Yogesh Monga
Partner
M. No. 099813

Place : Chandigarh
Dated : 30.05.2016

As per our report of even date
For **DATTA SINGLA & CO.**
CHARTERED ACCOUNTANTS
Firm Regn. No.006185N

[illegible]



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 21st Annual general meeting of the company, to be held on the September 30, 2016 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 (Operations) & Director
4. Mr. Ajay Swaroop	:	Independent Director
5. Ms. Guljit Chaudhri	:	Independent Director
6. Dr. (Maj Gen) S.S. Chauhan, VSM (Retd)	:	Independent Director
7. Mr. Vijay J. Shah	:	Independent Director
8. Mr. Vivek Sett	:	Director

Chief Financial Officer

Mr. Sandeep Goel

Vice President (Accounts)

Mr. R.K Aggarwal

Vice President & Company Secretary

Mr. Sunder Lal

Auditors

Datta Singla & Co, Chartered Accountants
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. Saraswat Bank, Delhi
- V. EXIM Bank, Mumbai
- VI. IFCI Ltd, Chandigarh

REGISTERED OFFICE

Village Saidpura, 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

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

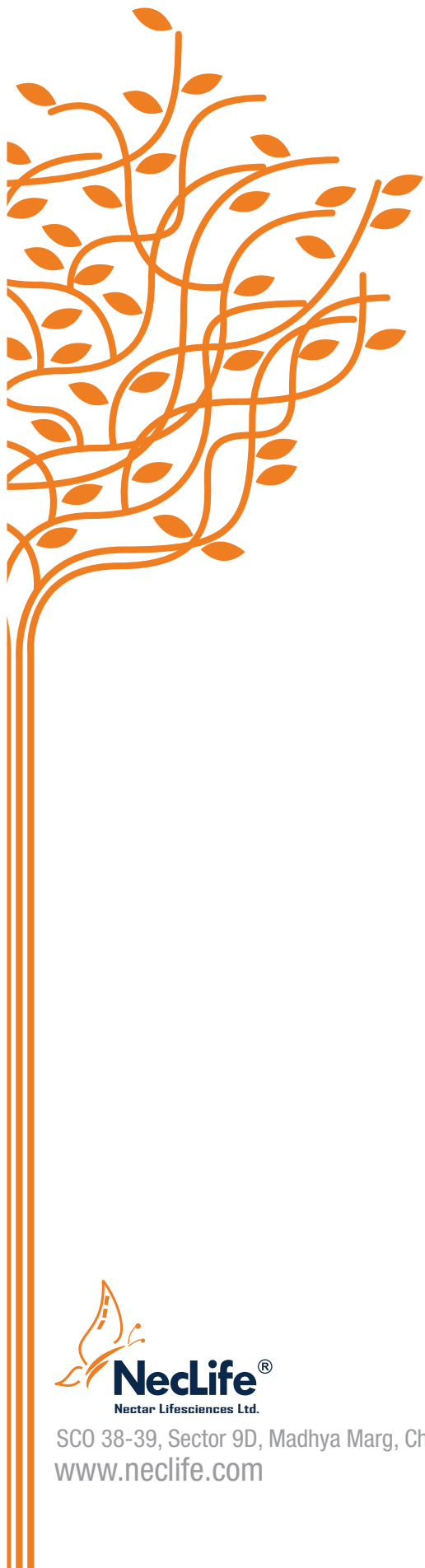
Village Bhatoli Kalan, Pargana Dharampur
Tehsil Nalagarh, Distt. Solan (H.P)

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



SCO 38-39, Sector 9D, Madhya Marg, Chandigarh 160009 (India)
www.neclife.com

NECTAR LIFESCIENCES LIMITED

CIN: L24232PB1995PLC016664

Regd. Office: Village Saidpura, Tehsil – Derabassi, Distt. S.A.S Nagar (Mohali) Punjab – 140507, India.

Ph: 01762-308000, 308001; Fax: 01762-308135, Email: sunderlal@neclife.com, Website: www.neclife.com

ATTENDANCE SLIP

Sr. No.:

Registered Folio No. / DP No. / Client No. : XXXXXXXXXX

Name and Address of the Shareholder : XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

Name(s) of the Joint Holder(s) if any : XXXXXXXXXX

No. of shares held : XXXXXXXXXX

Full name of Proxy (IN BLOCK LETTERS) :

I hereby record my presence at the ANNUAL GENERAL MEETING (AGM) of the Company held on Friday, September 30, 2016 at Vill. Saidpura, Tehsil Derabassi, Distt. S.A.S Nagar (Mohali) Punjab – 140507, at 10.00 a.m.

Member's / Proxy Signature

Notes:

1. Members/Proxy holders are requested to produce the attendance slip duly signed for entry to the AGM hall.
2. Members are requested to bring their copy of AGM Notice for the reference at the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN(E Voting Event Number)	User ID	PASSWORD
2618	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>

GENERAL INSTRUCTIONS

1. The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Friday, September 23, 2016 (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.
2. The voting rights of the Members for e-voting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the cut-off date i.e. Friday, September 23, 2016.
3. The Board has appointed Mr. Prince Chadha of M/s. P. Chadha & Associates, Company Secretaries, Chandigarh as a Scrutinizer to scrutinize the physical voting and 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.
4. After the conclusion of voting at the general meeting, the scrutinizer shall, immediately first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses (who shall not be in the employment of the company). Thereafter, Scrutinizer shall give a consolidated report, specifying the total votes cast in favour or against, if any, within forty eight hours of conclusion of the meeting, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (www.neclife.com) and on the website of the Karvy ([https:// evoting.karvy.com](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.

Instructions and other information relating to remote e-voting (e-voting) are as under:

1. The remote e-voting facility will be available at the link <https://evoting.karvy.com> during the following voting period:

Commencement of remote e-voting: FROM 9.00 a.m. on Monday, September 26, 2016.

End of remote e-voting: TO 5.00 p.m. on Thursday, September 29, 2016.

2. In case a Member receives an email from Karvy (for Members whose email Ids are registered with the Company/Depository Participant(s)):

a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.

b) Enter the login credentials (i.e. User id and password mentioned in e-mail). Your Folio No./ DP ID / Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

c) After entering these details appropriately, click on "LOGIN".

d) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. *It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.*

e) You need to login again with the new credentials.

f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Nectar Lifesciences Limited.

g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off Date under each of the heading of the resolution and cast your vote by choosing the "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.

h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

j) You may then cast your vote by selecting an appropriate option and click on "Submit".

k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**

l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF / JPEG Format) of the Board Resolution / Authority Letter etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id: prince.chadha88@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

3. In case a Member receives physical copy of the Annual General Meeting Notice by courier (for members whose email Ids are not registered with the Company/Depository Participant(s)).

a) User ID and initial password are provided overleaf.

b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (1) above, to cast your vote.

4. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.

5. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.

6. The facility for ballot / polling paper shall be made available at the Annual General Meeting (AGM) and the members attending AGM who have not cast their vote by e-voting shall be able to vote at the AGM through ballot / polling paper. The members who have cast their vote by e-voting may also attend AGM, but shall not be entitled to cast their vote again.

7. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Friday, September 23, 2016 may obtain the User Id and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS:

MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91-9212993399

Example for NSDL: MYEPWD<SPACE>IN12345612345678

Example for CDSL: MYEPWD<SPACE>1402345612345678

Example for Physical: MYEPWD<SPACE>XXXX1234567890

b) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c) Member may Call Karvy's Toll free number 1-800-3454-001

d) Member may send an e-mail request to evoting@karvy.com

If the member is already registered with Karvy for e-voting, he can use his existing User ID and password for casting the vote through e-voting.