

Shaping ourselves for a  
*Healthier Future*



## Disclaimer

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

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## NOTICE

**NECTAR LIFESCIENCES LIMITED** (CIN: L24232PB1995PLC016664)

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

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

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

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

Notice is hereby given that the 19th 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 **Tuesday, 30th September, 2014 at 10.00 A.M.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend @10% i.e. Re. 0.10/- per equity share for the financial year ended on March 31, 2014.
3. To appoint a Director in place of Mr. Harparkash Singh Gill (DIN - 06414839), 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 Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement,, Mr. Basant Kumar Goswami, IAS (Retd.) (DIN - 00003782), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, of the Company to hold office for a term of five consecutive years up to September 29, 2019, and not liable to retire by rotation."

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, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. (Maj. Gen.) Shamsheer Singh Chauhan, VSM (Retd.) (DIN - 02954776), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he 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 his 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 five consecutive years up to September 29, 2019, 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 an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay Swaroop (DIN - 02291700), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he 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 his 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 five consecutive years up to September 29, 2019, and not liable to retire by rotation."



8. 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, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Raman Kapur (DIN - 02968020), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he 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 his 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 five consecutive years up to September 29, 2019, and not liable to retire by rotation."

9. 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, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay J. Shah (DIN - 00747226), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has submitted a declaration that he 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 his 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 five consecutive years up to September 29, 2019, and not liable to retire by rotation."

10. 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 152 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), Mr. Sanjiv Goyal (DIN - 00002841), the Chairman & Managing Director of the Company who is non retiring director in terms of the provisions of the erstwhile Companies Act, 1956 shall henceforth be a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

11. 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 152 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), Mr. Aryan Goyal (DIN - 00002869), the Executive Director of the Company who is non retiring director in terms of the provisions of the erstwhile Companies Act, 1956 shall henceforth be a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

**"RESOLVED THAT** Mr. Dinesh Dua (DIN - 02436706), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 14, 2013, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and from whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

13. 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 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) 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 appointment of Mr. Dinesh Dua (DIN - 02436706) as a Wholtime Director, designated as Chief Executive Officer & Director of the company for a period of 5 years w.e.f. October 14, 2013 on the terms and conditions including remuneration as are set out herein below:

1. With effect from October 14, 2013 till march 31, 2014:
  - a. Salary: Rs. 1,136,016.00 (Rupees Eleven Lacs Thirty Six Thousand and Sixteen 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 yearly average salary and tenure.
  - 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.

2. With effect from April 1, 2014 till end of his tenure :

- a. **Salary:** Rs. 1,164,416.00 (Rupees Eleven Lacs Sixty Four Thousand Four Hundred and Sixteen 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."

14. 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 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) 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 revision of remuneration of Mr. Harparkash Singh Gill (DIN - 06414839), President (Operations) & Director of the company from April 1, 2014 till the end of his tenure i.e. October 31, 2015 on the terms and conditions including remuneration as are set out herein below :

1. **Salary and Allowances:** Rs. 176694.00 (Rupees One Lac Seventy Six Thousand Six Hundred and Ninety Four only) per month or such other increment as may be decided by the Board of Directors from time to time.
2. **Perquisites:** He shall be entitled to medical reimbursement, Leave Travel and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 0.63 lacs per annum.
3. He is also entitling to bonus not exceeding Rs. 249000.00 in a financial year.

**FURTHER RESOLVED THAT** Board of Directors be and is hereby authorised to alter and vary such terms of appointment and

remuneration so as to not to exceed the limits specified in Schedule V to the Companies Act, 2013."

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

**"RESOLVED THAT** pursuant to Section 180(1)(c) and any other applicable provisions 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 consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, including temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 2000 crores (Rupees Two thousand Crores only).

**FURTHER RESOLVED THAT** consent and authority be and is hereby given to the Board to do all such acts, deeds, matters and things as it may at its discretion deem fit and proper including, if and when necessary, creation of such mortgage(s) and/or charge(s) in respect of the Securities or on the whole or substantially the whole of all or any of the undertaking(s) of the Company as contemplated by Section 180(1)(a) of the Companies Act, 2013, if applicable, in connection therewith and to execute all requisite documents or writings for giving effect to this Resolution.

**FURTHER RESOLVED THAT** the Board of directors of the Company be and is hereby authorized to delegate / sub-delegate such powers, privileges and authorisations to its committee / officer and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 188(1), 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification or re-enactment thereof for the time being in force, the consent of the Company be and is hereby accorded to Mr. Saurabh Goyal, who is a relative of Mr. Sanjiv Goyal and Mr. Aryan Goyal, Directors, to hold an office or place of profit under the Company from October 1, 2014, with such designation as the Board of Directors of the Company may, from time to time, decide, on the following terms and conditions :

- (1) **Salary:** Rs. 400,000/- (Rupees Four Lacs 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 25% per annum over the previous year and to be decided by Nomination & Compensation Committee.
- (2) **Perquisites and Allowances:**
  - (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.

**RESOLVED FURTHER THAT** other terms and conditions of his service are, as applicable to other employees, as per HR manual of the company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and they are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution."

17. 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the remuneration of Rs. 2,00,000/- (Rupees Two lacs only) as decided by the Board of Directors, based on the recommendation of Audit committee, payable to V. KUMAR & ASSOCIATES (Firm registration no. 100137), Cost Accountants for conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

**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."

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

PLACE : CHANDIGARH  
DATE : 11.08.2014

(SUNDER LAL)  
Company Secretary

#### IMPORTANT NOTES :

1. **A member entitled to attend and vote at the meeting 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 meeting.** 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, which sets out details relating to Special Business at the meeting, is annexed hereto. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, also contained in Explanatory Statement pursuant to Section 102 of the Companies Act, 2013. 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 **August 23, 2014 to August 31, 2014** (Both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting. In respect of shares held in Electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
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 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
8. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.neclife.com](http://www.neclife.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
10. Members desirous of having any information as regards accounts are requested to write to the company at least Seven days in advance so as to enable the Management to keep the information ready.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office 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 Annual General Meeting of the Company.
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 2005-2006 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 Annual General Meeting of the Company is available on the website of the Company.
13. Pursuant to Section 108 of Companies Act, 2013 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 19th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy"). The e-voting facility will be available at the link <https://evoting.karvy.com> during the following voting period: Commencement of e-voting: From 10 a.m. on Monday, September 22, 2014 to 5 p.m. on Tuesday, September 23, 2014.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the

Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

The Company has appointed Mr. Prince Chadha, Proprietor of P. Chadha & Associates, Practising Company Secretaries, as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.

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

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

Mr. Harparkash Singh Gill, aged 59 years, holds a B.E. (Electrical) degree and was selected through UPSC, as Marketing Development Officer in Directorate and Marketing Inspection, Ministry of Agriculture and Rural Development, Govt. of India. He has worked with various companies at senior positions before being moving to Nectar Lifesciences Limited in 2005. From 2005, he has worked at various positions in the Company.

He does not hold any equity share in the Company. He is also does not have directorship and committee membership in any other company.

Except Mr. Harparkash Singh Gill, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in his re-appointment.

#### **Item No. 5 to 9**

The members may please note that Mr. Basant Kumar Goswami, IAS (Retd.), Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (Retd.), Mr. Ajay Swaroop, Mr. Raman Kapur and Mr. Vijay J. Shah were appointed as Independent Directors pursuant to clause 49 of the Listing Agreement, whose period of office were liable to determination by retirement of directors by rotation.

Now, as per the provisions of Section 152 read with section 149 of the Companies Act, 2013 (the 'Act'), the independent director shall not be subject to retire by rotation and can be appointed as Independent Directors for a term upto 5 consecutive years on the Board.

To meet the recent modifications brought in by the Act and Listing Agreement, it is proposed to appoint/re-appoint Mr. Basant Kumar Goswami, IAS (Retd.), Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (Retd.), Mr. Ajay Swaroop, Mr. Raman Kapur and Mr. Vijay J. Shah as Independent Directors for a period of 5 consecutive years from the date of ensuing Annual General Meeting. The notices proposing their appointment/ re-appointment have been received from the members of the Company. Their period of office shall not be liable to determination by retirement of directors by rotation and they shall not be counted in the total strength of the Board for determination by retirement of directors by rotation. The Nominations Committee



has recommended the appointment of these directors as Independent Directors.

Mr. Basant Kumar Goswami, IAS (Retd.), Dr. (Maj. Gen.) Shamsheer Singh Chauhan, VSM (Retd.), Mr. Ajay Swaroop, Mr. Raman Kapur and Mr. Vijay J. Shah have given declarations to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act and clause 49 of the Listing Agreement, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Mr. Basant Kumar Goswami, IAS (Retd.), Dr. (Maj. Gen.) Shamsheer Singh Chauhan, VSM (Retd.), Mr. Ajay Swaroop, Mr. Raman Kapur and Mr. Vijay J. Shah respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

A brief profile of the Independent Directors to be appointed is given below:

- I. Basant Kumar Goswami, IAS (Retd.) (date of Birth 29.01.1935) is a senior retired I.A.S. officer of 1960 batch. During his tenure in civil services he has held various senior positions as Commissioner of various divisions and Chairman of various Government Boards.

#### Other directorship:

##### Sr. No. Name of the Company

1. Jai Prakash Associates Limited
2. Global Trust Capital Finance Limited
3. Mata Securities (P) Limited
4. New Kennilworth Hotels Limited
5. L.H. Sugar Factories Limited
6. J P Infratech
7. Conservation Corporation of India Limited
8. B & A Limited
9. Jaypee Development Corporation Limited
10. Simbhaoli Sugars Limited
11. Jaypee Meghalaya Power Limited

#### Committee Membership:

1. Member of Audit Committee - Jai Parkash Associates Ltd.
2. Member of Remuneration Committee - Jai Parkash Associates Ltd.
3. Chairman of Finance Committee - Jai Parkash Associates Ltd.
4. Chairman of Finance Committee-J.P Infratech Ltd.
5. Member of Audit Committee - J.P Infratech Ltd.
6. Member of Audit Committee- B&A Ltd.
7. Chairman of Audit Committee - Simbhaoli Sugars Ltd.

Mr. Goswami holds 1000 Equity Share in the Company on March 31, 2014.

- II. Dr. (Maj. Gen.) Shamsheer Singh Chauhan (date of Birth 01.06.1938), retired after holding the most prestigious and highest professional appointment of Senior Consultant of the medicine and Allied Specialties/ Super Specialties in the Armed Forces from Ministry of Defence and Army Hospital (Research and Referral) Delhi. He has joined Defence forces on March 29, 1963 and super - annuated on May 31, 1997.

He did his M.B.B.S. from Government M.G. Medical College Bhopal in 1961, did Advanced Course in Medicine from A.F.M.C. Pune in 1973, M.D. (Medicine) from Pune University in 1978 and F.I.C.P. from Indian College of Physicians Bombay in 1996. He also did management courses i.e., Medical Officers Senior Command Course from O.T.S.A.M.C. Centre Lucknow in 1977 and Senior Defence Management Course from College of Defence Management Secunderabad in 1993.

During his service tenure he was delegated twice as leader of the specialist's teams abroad. He has the distinction of active service in both 1965 and 1971 wars with Pakistan and also commanded the largest zonal hospital/ formation during insurgencies both in western and eastern threats. He had published over 30 papers/ articles in national and international journals. He was on the editorial boards of prestigious journal of Association of Physicians of India and Indian Academy of Clinical Medicine.

He does not hold any equity share in the Company on March 31, 2014. He also does not hold any directorship or committee membership in any other company.

- III. Mr. Ajay Swaroop, (Date of Birth 30.11.1949), holds B.Com., M.A. (Economics) and C.A.I.I.B. degrees. He has retired as Chief General Manager of Chandigarh circle of State Bank of India comprising of Punjab, Haryana, Himachal, Jammu & Kashmir and Chandigarh (U.T.) after 37 years of long and varied service. At the time of retirement, he was controlling Rs. 780,000 million of business, 1000 branches and 14000 employees.

He does not hold any equity share in the Company on March 31, 2014. He also does not hold any directorship or committee membership in any other company.

- IV. Mr. Vijay J. Shah, (Date of Birth 29.12.1963), is a holder of Bachelors Degree in Commerce and Diploma in Business Administration. He has rich experience in managing the affairs of the corporate entities and financial matters. He is presently director of following companies.

##### Sr. No. Name of the Company

1. Stallion Laboratories Pvt. Ltd.
2. Endurance Healthcare Ltd.
3. Gnana Lifesciences Pvt. Ltd.

He does not hold committee membership in any other company.

Mr. Vijay J. Shah holds 250 Equity Share in the Company on March 31, 2014.





- V. Mr. Raman Kapur (Date of Birth 21.01.1946) received a B.A. degree in economics from Columbia College, New York and a Master in Business Administration (MBA) degree in finance and international business from Columbia University, New York. He was Chairman and a partner of Global Pharmaceutical Services, LLC and Transition Patient Services, LLC which he co-founded after electing voluntary early retirement from Schering Plough Corporation effective January 1, 2005.

Mr. Kapur joined Schering-Plough as a financial analyst in 1975 serving in progressively more responsible finance, marketing and general management positions in the U.S. and internationally in Europe, Latin America, Middle East as well as India where he served for 5 years as Managing Director of Schering Plough's Indian subsidiary, Fulford India Ltd based in Mumbai.

Mr. Raman Kapur hold directorship in following companies:

Sr. No.	Name of the Company
1.	Innopharma Inc.,
2.	Catechin Bio Sciences Inc.,
3.	Transition Patent Services, LLC,
4.	Princeton Bio Pharma, LLC,
5.	Yale Specialty Pharma, LLC.

He does not hold committee membership in any Indian company.

He holds 1,000,000 (0.46%) equity shares in the Company on March 31, 2014.

#### Item No. 10

The members may please note that Mr. Sanjiv Goyal was re-appointed as Chairman & Managing Director from June 1, 2012 for a period of 5 years. His period of office is not liable to determination by retirement of directors by rotation.

Now, as per the provisions of Section 152 of the Companies Act, 2013, the independent director shall not be subject to retire by rotation and out of non - independent directors not less than 2/3rd of such directors, whose period of office shall be liable to determination by retirement of directors by rotation. In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of Managing/ Wholtime Directors is made liable to determination by retirement of directors by rotation. Therefore, keeping in the view of current composition of the Board, it is proposed that Mr. Sanjiv Goyal shall be a Director, whose period of office shall be liable to determination by retirement of directors by rotation.

Mr. Sanjiv Goyal is aged 54 years and is commerce and law graduate. Mr. Sanjiv Goyal started his career by setting up a proprietary concern by the name M/S Surya Narrow fabrics in Chandigarh in 1987. Mr. Sanjiv Goyal established M/s Nectar Lifesciences Limited in 1995 and has been the managing director ever since. The company became fully operational in April 1997. He also got "Outstanding Entrepreneurship" award for 2014 from prestigious NGO 'Enterprise Asia' in Asia Pacific Entrepreneurship Awards, 2014

He holds 76779000 Equity Share in the Company representing 34.24% of total paid up shares capital of the company.

His Directorships are as under:

Sr. No.	Name of the Company
1.	Nectar Organics Private Limited
2.	Nectar Lifestyles Private Limited
3.	Nectar Agricom Limited
4.	SAS Pro Build Private Limited

He does not hold committee membership in any other company.

Except Mr. Sanjiv Goyal and Mr. Aryan Goyal being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

#### Item No.11

The members may please note that Mr. Aryan Goyal was re-appointed as Executive Director from December 5, 2010 for a period of 5 years. His period of office is not liable to determination by retirement of directors by rotation.

Now, as per the provisions of Section 152 of the Companies Act, 2013, the independent director shall not be subject to retire by rotation and out of non - independent directors not less than 2/3rd of such directors, whose period of office shall be liable to determination by retirement of directors by rotation. In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of Managing/ Wholtime Directors is made liable to determination by retirement of directors by rotation. Therefore, keeping in the view of current composition of the Board, it is proposed that Mr. Aryan Goyal shall be a Director, whose period of office shall be liable to determination by retirement of directors by rotation.

Mr. Aryan Goyal is aged 31 years and holds Bachelor degree in Chemical Engineering with Minors in Economics and Management from Purdue University, West Lafayette Indiana - USA. He is being part of promoters group, associated with the company since 2005 and looking after day to day affairs of the company.

He holds 290000 Equity Share in the Company representing 0.13% of total paid up shares capital of the company.

His Directorships are as under:

Sr. No.	Name of the Company
1.	Nectar Organics Private Limited
2.	Nectar Agricom Limited
3.	SAS Pro Build Private Limited

He does not hold committee membership in any other company.

Except Mr. Aryan Goyal and Mr. Sanjiv Goyal being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.



**Item No. 12**

Mr. Dinesh Dua has been appointed as Additional Director and vacates his office at the ensuing Annual General Meeting. However, the company has received a notice under section 160 of the Companies Act, 2013, from him signifying his intention to propose his candidature as a regular director of the company. Members are requested to consider and approve his appointment as regular director of the company, whose period of office shall be liable to determination by retirement of directors by rotation.

Mr. Dinesh Dua (Date of Birth 02-10-1955) is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 34 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. He is also does not have directorship and committee membership in any other company.

Except Dinesh Dua, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 13**

The Board of Directors vide resolution dated October 14, 2013 have appointed Mr. Dinesh Dua as a Wholetime Director designated as Chief Executive Officer, subject to the approval of Members in their General Meeting. Further, the remuneration of Mr. Dua has been increased by 2.50% from the month of April, 2014 as part of annual increment of all employees.

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.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), 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 of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 14**

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. The remuneration of Mr. Singh, during the financial year 2013-14, was Rs. 164,840.00 per month with perquisites of Rs. 0.63 Lacs per year. He was also be entitling to bonus equivalent to Rs. 237081/- in a financial year.

Considering the prevailing industry scenario and the performance of the company, the remuneration of Mr. Singh was further increased by approximately 7.19%. 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 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution of the accompanying Notice for the approval of the Members.

Except Mr. Harparkash Singh Gill, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 15**

In an earlier Annual General Meeting of the company, the shareholders had resolved to authorize the Board of Directors of the company to borrow up to a sum of Rs. 2000 crores in the aggregate.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, including temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money that is to say, that money so borrowed and outstanding at any time shall not exceed Rs. 2000 crores (Rupees Two thousand crores only).

The said resolution is to empower the Board of Directors or its committee to cover all corporate requirements and contingencies to borrow monies for and in the best interest of the company and to create charge / mortgage to secure said borrowings. The Members are, therefore, requested to accord their approval by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 16**

Members may please note that Mr. Saurabh Goyal has resigned from the Board of Directors from February 11, 2014 to maintain the right proportionate of Independent Directors viz a viz Non Independent



Directors pursuant to clause 49 of the Listing Agreement. As an Executive Director, he was looking after Menthol, Generic and Diagnostic Divisions of the company. The business of company has been growing over the years. This growth would need to be supported by efficient controls and processes. Keeping in view of scale of operations, the Nomination & Compensation Committee and Board of Directors has proposed to appoint him as an employee on the terms and conditions as set out in the resolution from October 1, 2014. The remuneration proposed to be paid to Mr. Saurabh Goyal is commensurate with his experience and is in line with industry standards prevalent in India.

Mr. Saurabh Goyal, aged 28 years, holds a Masters degree in International Management from King's College London, United Kingdom. He will look after Menthol, Generic and Diagnostic Divisions of the company and further he will work in a department/project as may be decided by Chairman & Managing Director and under his superintendence and control.

Since, he is son of Mr. Sanjiv Goyal, Chairman and Managing Director and brother of Mr. Aryan Goyal, Executive Director of the Company and this appointment covered under Section 188 (1) of the Companies Act, 2013, therefore, prior approval of the shareholders by way of special resolution at their General Meeting is required. The Board recommends this special resolution.

Except Mr. Sanjiv Goyal and Mr. Aryan Goyal being his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

#### Item No. 17

The Articles of Association ("AoA") of the Company as presently in force were amended in September 2010 from what they were when the Company was incorporated in 1995. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares including therein provisions of Investment Agreement entered into between Company and M/s NSR Direct PE Mauritius, LLC. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

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

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during business normal hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

#### Item No. 18

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, 2015 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, 2015.

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

By order of the Board of Directors  
of Nectar Lifesciences Limited

(SUNDER LAL)  
Company Secretary

PLACE : CHANDIGARH  
DATE : 11.08.2014



## Board of Directors' Report of M/s Nectar Lifesciences Limited

Dear members,

Your Directors have pleasure in presenting the 19th 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, 2014.

### Financial results

(Rs. in millions)

	March 31, 2014	March 31, 2013
Sales and other income	17203.55	16907.24
Profit before interest and depreciation	3003.96	3061.20
Interest	1379.87	1154.89
Depreciation & Amortisation	841.86	759.56
Profit before tax	782.23	1146.75
Tax Expenses	161.43	290.09
Profit after tax available for Appropriations	620.80	856.66
Final dividend 10% (Previous year 10%)	22.43	22.43
Tax on dividend	3.81	3.64
Transfer to general reserve	--	--
Balance c/f to balance sheet	594.56	830.59

During the Year:

Sales and other income are up by 1.10%.

Profit before interest and depreciation is down by 1.87%.

Profit after tax is down by 27.53%.

### Management Discussion and Analysis Report

The details of the Company's various operations 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 2013-14 as required under the Clause 49 of the Listing Agreement with the stock exchanges, is given as Annexure III.

### Global Depository Receipts (GDRs)

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

Luxembourg Stock Exchange/ LuxSE

Société de la Bourse de Luxembourg S.A.

B.P. 165, L-2011 Luxembourg

Siège social, 11, av de la Porte-Neuve,

Telephone: (352) 47 79 36 - 1, Fax: (352) 47 32 98

### Subsidiary companies

The company has a wholly owned subsidiary namely M/s Nectar Lifesciences UK Limited, incorporated United Kingdom. As of now no business activity has been carried out in this subsidiary.

In terms of the Circular no.2/ 2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not required to be attached with the Balance Sheet of the company. Therefore, we have not attached said documents with this Annual Report. The said documents/details shall be made available upon request to any member of the Company and will also be made available for inspection by any member of the Company at the registered office of the Company during working hours up to the date of Annual General Meeting.

However, the statement pursuant to Sections 212 of the Companies Act, 1956, in respect of the subsidiaries is given below:



Name of Subsidiary Company	Financial year ending of the Subsidiary	Date from which it become subsidiary	Number of equity shares held and Extent of Holding	For financial year of the Subsidiary as at 31.03.2014		For the previous financial years since it become a subsidiary	
				Profits/ (losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 6)	Profits/ (losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company	Profits/(losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 8)	Profits/ (losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
M/s Nectar Lifesciences UK Limited	March 31, 2014	March 1, 2011	1 ordinary share of GBP1  100%	NIL	NIL	NIL	(-) 58575

### Consolidated financial results

As required under the Listing Agreement with the stock exchanges, a consolidated financial statements for the year ended on March 31, 2014 of the Company are attached.

### Dividend

During the current financial year the Board of Directors has recommended the final Dividend @ 10% i.e. Re. 0.10/- per equity shares aggregating to Rs. 22,426,097/-, subject to the approval by the shareholders in the forthcoming Annual General Meeting. The register of members and the share transfer books of the Company will remain closed from August 23, 2013 to August 31, 2013 (both days inclusive) for Annual General Meeting and payment of dividend, if declared, on equity shares.

### Directors

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

The independent Directors of the Company Mr. Vijay J. Shah, Mr. B.K. Goswami IAS (Retd.), Mr. Vivek Sett, Mr. Raman Kapur, Dr. (Maj Gen.) S.S. Chauhan, Mr. Ajay Swaroop were liable to retire by rotation in terms of Provisions of articles of association. However, as per provisions of the Companies Act, 2013, the independent Directors are required to be appointed by Shareholders and for a term upto five consecutive years and they shall not be liable to retire by

rotation. Accordingly, it is proposed to appoint them for a term of five consecutive years.

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 Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

As per the provisions of Section 152 of the Companies Act, 2013, the independent director shall not be subject to retire by rotation and out of non - independent directors not less than 2/3rd of such directors, whose period of office shall be liable to determination by retirement of directors by rotation. In the light of above-referred provisions of the Companies Act, 2013 it is desirable that the period of office of Managing/ Wholtime Directors is made liable to determination by retirement of directors by rotation. Therefore, keeping in the view of current composition of the Board, it is proposed that Mr. Sanjiv Goyal and Mr. Aryan Goyal shall be the Directors, whose period of office shall be liable to determination by retirement of directors by rotation.

Further, on October 14, 2013 Mr. Dinesh Dua has been appointed as Additional Director and vacates his office at the ensuing Annual General Meeting. However, the company has received a notice under section 160 of the Companies Act, 2013, from him signifying his intention to propose his candidature as a regular director of the company. Mr. Dua has also been appointed as Wholtime Director designated as Chief Executive Officer & Director, subject to the approval of members in their ensuing Annual General Meeting.



The Board recommends the appointment of Mr. Dinesh Dua as regular director as well as Wholtime Director designated as Chief Executive Officer & Director of the company.

Members may please note the pursuant to Facility Agreement, the Export and Import Bank of India have appointed Ms. Rima Marphatia as their nominee director on the Board of Directors of the company.

Ms. Rima Marphatia, born on May 19, 1968, is a Commerce Graduate and also holds a Post Graduate Diploma in Business Management from IIM, Bangalore. She has over two decades of work experience in the areas of credit, treasury operations, accounts and risk management.

The appointment of Ms. Rima Marphatia is also satisfy the requirement of appointment of woman director on the Board as per section 149 (1) of the Companies Act, 2013.

She does not hold any equity share in the Company. She is also does not have directorship and committee membership in any other company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

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

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' responsibility statement, your Directors confirm:

- (i) That in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

#### **Auditors**

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 Companies Act, 2013 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.

#### **Auditors' Report**

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

#### **Cost Audit**

The company, with the approval of Central Government, has appointed Dr. Vimal Kumar (Membership No. 9982) prop. of M/s V. Kumar and Associates, SCO, 124-125, Sector 34A, Chandigarh, Cost and Works Accountants as the Cost Auditors of the Company for the financial year 2014-15.

The Cost Audit Reports for the financial year 2012-13 have been filed on September 30, 2013, being on due date.

The Due date for filing of Cost Audit Reports for the financial year 2013-14 is September 30, 2014. The report will be filed before due date.

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

The Company constituted the Committees as per the provisions of Sections 177 and 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition, powers and duties of the Committees during financial year 2013-14, are detailed out in the Corporate Governance Report. The Board of Directors accepted all recommendations of the Audit Committee.

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

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I and forms a part of this Report.

#### **Personnel**

Information pursuant to section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, forms part of the Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and accounts are being sent to the share holders excluding statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining the copy of the said statement, may write to Secretarial Department at the corporate office of the company.



The Company enjoyed cordial relations with its employees at all levels.

#### Fixed deposits

During the year under Report, your Company did not accept any deposits from the public in terms the provisions of Sections 58A and 58AA of the Companies Act, 1956.

#### Corporate Governance

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

#### 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**

(Sanjiv Goyal)  
Chairman and Managing Director

Place : Chandigarh  
Dated: August 11, 2014

## Annexure I to Directors' Report

### Statement of particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

#### A) Conservation of energy

##### a) Energy conservation measures taken

The company's behavioral focused energy conservation approach is unique and committed towards it. NLL's first step toward energy savings is the strong and clear management policy for energy conservation. The company has agro based 6MW captive power plant and a standby power plant with same specifications. Both the plants are eco friendly which helps NLL to reduce overall manufacturing cost. In addition, it reduced the environmental emission thereby establishing a strong foundation for a corporate green house gas management program.

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

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

A strong, corporate-wide energy management program is

essential and therefore NLL is continuously working in this stream.

##### b) Additional investments/proposals, if any, for the reduction of energy consumption

NLL has majorly completed the process of putting up another Agro Based Captive Power generation Plant with a capacity to generate 6 MW electrical power at Village Basouli, Lalru, Dist. S.A.S. Nagar (Pb). The power so generated would cater to the power requirement and would reduce the energy cost of the company.

The Company got Energy audit done from Confederation of Indian Industries (CII). Most of the proposals made by CII to save energy have already been implemented.

##### c) Impact of measures taken and impact on cost of production of goods

The captive power plants cater the company's energy requirements. Nectar gets carbon credit for this clean energy production technique which it can trade in international market at any point of time.

##### d) Total energy consumption and energy consumption per unit of production



## FORM - A

### Form for disclosure of particulars with respect to conservation of energy

A. Power and fuel consumption	2013-14	2012-13
<b>1. Electricity</b>		
(a) Purchased		
Unit	15362878	16192591
Total amount (Rs.)	99886309.00	95401055.00
Rate / unit (Rs.)	6.50	5.89
(b) Own generation		
(i) Through diesel generator		
Unit	2114462	6831274
Total amount (Rs.)	33281430.76	74583072.00
Rate / unit (Rs.)	15.74	10.92
(ii) Through stream turbine/generator		
Unit	42052128	31375443
Total amount (Rs.)	132267399.24	90322370.00
Rate / unit (Rs.)	3.15	2.88
<b>2. Coal</b>		
Quantity (tones)	-	-
Total Costs (Rs.)	-	-
Average Rate (Rs.)	-	-
<b>3. Furnace oil</b>		
Quantity (MT)	266.04	609.27
Total costs (Rs.)	11675934.35	25410501.00
Average rate (Rs.)	43887.89	41706.47
<b>4. Others/ internal generation</b>		
Quantity	-	-
Total costs (Rs.)	-	-
Average rate (Rs.)	-	-
B. Consumption per unit (MT) of production	2013-14	2012-13
Electricity (Units)	6444.32	7471.34
Coal (MT)	-	-
Furnace oil (Liters)	35.85	101.90
Others/ internal generation	-	-

## B) Technology absorption

The information required to be disclosed under Rule 2 aforesaid Rules is given hereunder in Form - B

## FORM - B

### Form for disclosure of particulars with respect to absorption

#### I) Research and development

##### 1. Specific areas in which R & D is being carried out by the Company

Nectar has rich experience of 14 years in dealing with Beta-lactams manufacturing & process research. Nectar has invested consistently in research teams and

infrastructure. Our team comprises qualified scientists (PhDs & Post grads) in Analytical & chemical research including patent holders in Cephalosporin range supported by a state of the Art facility (DSIR Approved).

Main objectives of the R&D program are :

- Pursuing a significant increase in its R&D efforts to build its specialty ingredients portfolio.
- Increase the sales growth from development of higher-performing product.
- Cost effective processes through yield improvement.
- To develop novel and non-infringing processes for regulated market.





- To develop eco friendly processes.
- Filing patent application to protect in-house invention.
- Synthesis of impurities for drug substances and their characterization as per regulatory requirements.
- Filing of dossiers in different countries around the globe for existing molecule.
- To develop Non- Cephalosporin Intermediaries & APIs.

## 2. Benefits derived as a result of the above R & D

Different measures and innovative processes leading to filing of process patent applications.

Some of the key achievements of R&D are as follows:

1. API synthetic processes developed and validated -
  - 4 new processes have been developed successfully at lab scale.
  - 3 processes have been validated successfully at plant scale.
  - 3 new processes are under development and expected to complete by 2014-15.
2. Formulations developed and validated :
  - 3 new formulations have been developed successfully at lab scale.
  - 4 new formulations processes/ developments have been validated at plant scale.
  - 4 new formulation developments and validations are planned in 2014-15.

## 3. Future plan of action

NLL is extensively involved in R&D to be cost effective and create IP asset.

- Number of API and formulations R&D projects planned are 8.
- NLL is actively working on evaluating options to foray into Non Cephs Therapeutic areas.

## 4. Expenditure on R & D

Total R & D expenditure as a percentage of total turnover: 3.28

## II) Technology absorption, adaptation and innovation

### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation

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

### 2. Benefits derived as a result of above efforts, e.g. product improvement, cost reduction and product development, among others

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.

### 3. Information in case of imported technology (imports during last five years)

Not applicable

## C) Foreign exchange earnings and outgo

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

(Rs. in Millions)

2.	a)	Foreign exchange earnings during the financial year ended on March 31, 2014	7486.29 Millions
	b)	Foreign exchange outgo during the financial year ended on March 31, 2014	4750.88 Millions

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

(Sanjiv Goyal)  
Chairman and Managing Director

Place : Chandigarh  
Dated: August 11, 2014



## Annexure II to Directors' Report

### Auditor's Report on Corporate Governance

The members

**M/s Nectar Lifesciences Limited**

We have examined the compliance of conditions of Corporate Governance by M/s Nectar Lifesciences Limited for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

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

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

For **Datta Singla & Co.**  
Chartered Accountants

Date : May 28, 2014

Place : Chandigarh

Name : **Yogesh Monga**

Partner

Membership no.: 99813

## Annexure III to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Forward – Looking Statement

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

#### Global Pharmaceutical Industry

The global pharmaceutical industry stands at USD 1 trillion as of 2012-13 and is expected to grow to USD 1.5 trillion by 2016. The global pharmaceutical industry revenue is forecasted to reach an estimated \$1,226.0 billion by 2018, with good growth over the next five years (2013-2018). (Source: Research and Markets).

A distinct shift is expected in market shares across the globe, with the US and EU share of global spending declining.

Meanwhile, 17 high growth emerging markets including China, India, Brazil, Russia, and Mexico will contribute 30 % of spending by 2015-16.

#### Active Pharmaceutical Ingredients (APIs):

Active Pharmaceutical Ingredients (API) or bulk drugs are the principal ingredients for finished pharmaceutical products. The global API market can broadly be divided into regulated and semi-regulated markets. The semi-regulated markets offer low entry barriers in terms of regulatory requirements and intellectual property rights.

The highly regulated markets, like the United States, Europe and Japan have high entry barriers in terms of intellectual property rights and regulatory requirements, including facility approvals. As a result, there is a premium for quality and regulatory compliance, along with relatively greater stability for both volumes and prices.

The API growth will be fuelled by rise in demand of generics and biological drugs. The API market was valued at US\$ 118.08 billion in 2013, and is expected to grow at a CAGR of 8% from 2012 to 2018.



Globally, Asia-Pacific is the third largest regional market for APIs by revenue after the US and Europe. (Source: IMS)

**Global Generics Market :** Branded products accounted for nearly two-thirds of global pharmaceutical spending. However, as patents expire in developed markets, that share is expected to decline. Spending on generic drugs is driving most of the growth in the leading emerging markets, which will contribute to the increase in the share of generic spending. Global generic spending is expected to increase from current level of ~USD 270-280 billion to USD 500 billion by 2017, of which USD 224-244 billion (70%) of the increase is from low-cost generics in emerging markets.

Source : BCC Report

#### Generic Market Drivers :

Mandatory INN (the indication of the non-proprietary name) prescribing

- Generic first dispensing and prescribing
- Large price differential between generic and originator
- Reimbursement levels
- Patient Co-payments
- Incentives for dispensing/prescribing generics

**US Generics Market :** The US is the world's largest generics market, estimated at USD 85 billion as of 2013 and is expected to grow to USD 120 billion by 2018 at a CAGR of 7.9%. Drugs worth USD 90 billion are going off patent between 2012 and 2016. The US government's healthcare bill provides affordable healthcare to 33 million previously Un-insured Americans, which means increased use of generic drugs due to cost and viability factor, accelerating generic growth in the coming years. Moreover, as of 2011, 75% American prescriptions are for generic drugs, which is a positive sign for the generics market.

**EU Generics Market :** The European generics market is valued at USD 50-55 billion as of 2013 and is expected to grow to USD 72 billion by 2018 at a CAGR of 7 to 8%. It is expected that, in the near future, there will not be any significant increase in the share of innovative medicines as governments in Central Europe (Poland, Romania, Bulgaria, Hungary, Slovakia and Czech Republic) have been promoting generic consumption, resulting in limited expenditure on branded medicines. Moreover, with an ageing population and member states' healthcare budget under pressure, generic medicines are now a key element of sustainable healthcare.

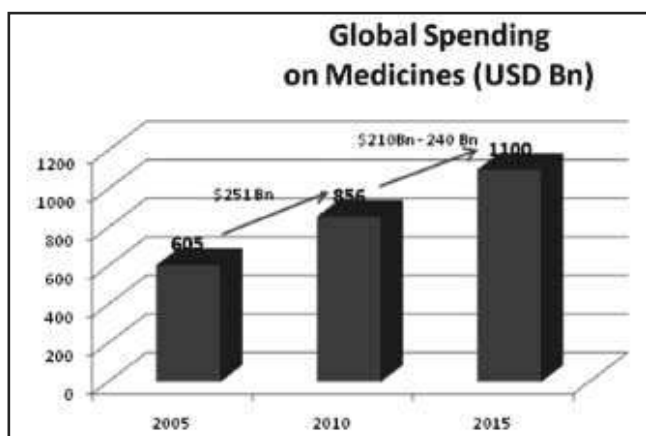
**Japanese Generics Market :** As of 2013, this market is valued at USD ~9.5 billion and is expected to reach ~USD 16 billion by 2016 at a CAGR of 10%. The government in Japan has taken several initiatives to ensure growth and promotion of generics industry in the country aimed at reducing healthcare expenditure. Japan's generic market constitutes 22.8% of its pharmaceutical market (volume-wise) (in 2012) but the implementation of numerous supportive measures in 2012 - including additional premiums for practices that prescribe generics - will see this figure rise to approximately 60% by 2017. Moreover, strong promotional activities, numerous impending drug

patent expiries and Japan's ageing population are expected to drive growth. Further, the bilateral free-trade agreement signed in February 2011(the FTA will abolish 90% of trade duties for 10 years) will provide a stimulus for exports to Japan.

**Global CRAMS Market :** The global pharmaceutical outsourcing market was estimated at USD 75-80 billion as of 2013 and is expected to reach USD 120 billion by 2018, growing at 10% annually over the five-year period.

#### Global Spending on Medicines

Spending on medicines will reach nearly \$ 1,100 Bn in 2015, reflecting a slowing growth rate of 3-6% over the five year period compared to 6.2% annual growth over the past five years. The U.S. share of global spending will decline from 41% in 2005 to 31% in 2015, while share of spending from the top 5 European countries will decline from 20% to 13% over the same period. Meanwhile, 17 high growth emerging markets led by China, will contribute 28% of total spending by 2015, up from only 12% in 2005. The next five years will also see an accelerating shift in spending towards generics, rising to 39% of spending in 2015, up from 20% in 2005.



Source : IMS

#### Pharmerging markets will grow by \$150-165 Billion over five years :

- Rising incomes, combined with continued low costs of medicines, will drive significant increases in affordability of basic medicines.
- Pharmerging countries are expected to nearly double their pharmaceutical spending, adding upto \$150-165Billion by 2016.
- Generic and other products will account for approximately 83% of the increase.
- Patients face substantial out-of-pocket costs in these markets, with a few exceptions, which limit the usage of brands and expensive newer medicines.
- Government-supported or funded programs will continue to increase access to medicines, limit patients' exposure to costs and encourage greater use of medicines.



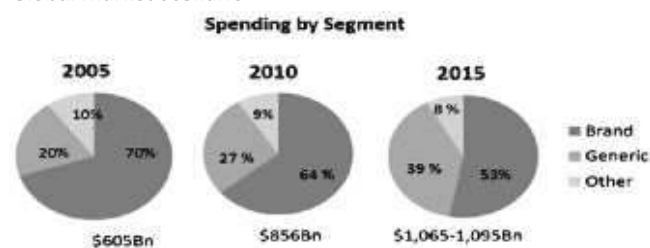
Pharmaceutical markets in developed countries may still be quite sizable, but in 2011-12 they were mostly stagnant-or worse. Not so

in emerging economies, which is becoming the industry's best hope for growth.

Total BRIC BRIC %	\$ 496.1 Bn \$ 25.9 Bn 5%		Total BRIC BRIC %	\$ 711.3 Bn \$ 96.6 Bn 14%		Total BRIC BRIC %	\$ 812-952 Bn \$ 244-284 Bn 30%	
2005			2010			2016		
Ranks	Country	Size (USD Bn)	Ranks	Country	Size (USD Bn)	Ranks	Country	Size (USD Bn)
1	USA	249.2	1	USA	322	1	USA	350-380
2	Japan	84.9	2	Japan	111.2	2	China	155-165
3	France	33.3	3	China	66.7	3	Japan	105-135
4	Germany	33.1	4	Germany	45	4	Brazil	42-52
5	Italy	21.3	5	France	41.3	5	Germany	39-49
6	UK	16.4	6	Brazil	29.9	6	France	32-42
7	Spain	16.1	7	Italy	28.6	7	Italy	23-33
8	Canada	15.9	8	Spain	22.7	8	India	24-34
9	China	14.1	9	Canada	22.4	9	Russia	23-33
10	Brazil	11.8	10	UK	21.5	10	Canada	19-29

Source : IMS - Health

#### Global Market Scenario



Source : IMS Market Prognosis, Apr. 2011

#### Indian Pharmaceutical Market:

India's pharmaceutical sector is poised to grow from the present US\$ 15.6 billion, to US\$ 35.9 billion by 2017. (Source-IMS-Health)

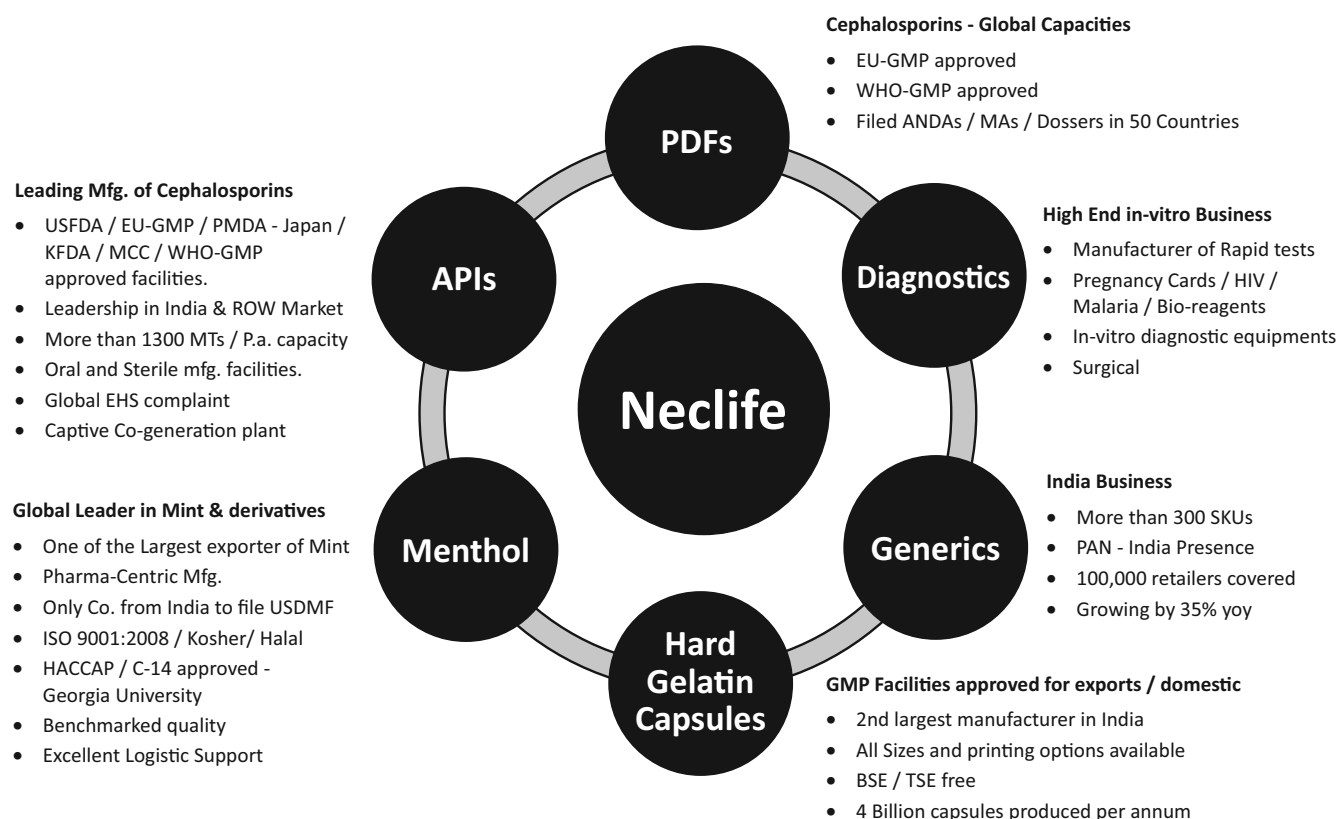
- IPI manufactures over 60,000 generic brands across 60 therapeutic categories.
- Over 120 US FDA and 84 UK MHRA approved manufacturing facilities in India.
- The top 10 therapy areas of the IPM contribute to approximately 90% of the IPM sales.

Chronic therapies (cardio, gastro, CNS and anti-diabetic) have been outperforming the market for the past four years and have grown at a rate of 14%, faster than acute therapies (anti-infectives, respiratory, pain and gynecology) which grew at 9.6%. The contribution of chronic therapies to the IPM has gone up from 27% in 2010 to 30% in 2013. Growth in the acute segment will be driven by Tier III cities and rural penetration.

#### About Nectar

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

**Neclife** : A focused Cephalosporin Player :



#### ADVANTAGE NECTAR INDIA :

<b>Global Scale</b>	<ul style="list-style-type: none"> <li>• NecLife is attractively placed with regards to scale which adds to 10%-20% cost advantage viz a viz other competitors.</li> </ul>
<b>Efficient R&amp;D</b>	<ul style="list-style-type: none"> <li>• R&amp;D has helped NecLife for process optimization of existing products &amp; development of new processes.</li> <li>• Till date NecLife's R &amp; D has filed 28 patents.</li> </ul>
<b>Flexibility</b>	<ul style="list-style-type: none"> <li>• Scale provides flexibility to focus on volume game through a growing presence in key 3rd &amp; 4th generation Ceph's molecules</li> </ul>
<b>Bargaining Power</b>	<ul style="list-style-type: none"> <li>• NecLife is able to exploit scale to get lower purchase cost for raw materials, intermediates with benefits passing on to the partners.</li> </ul>
<b>Automation &amp; Operations Mgt.</b>	<ul style="list-style-type: none"> <li>• Process optimization initiatives across all manufacturing sites enhancing savings as an ongoing phenomenon.</li> </ul>
<b>Operational Excellence</b>	<ul style="list-style-type: none"> <li>• NecLife has also embarked upon Six Sigma which has been rechristened as OE from Global Innovator.</li> </ul>



#### NLL GROWTH DRIVERS :



#### WHERE THE RUPEE IS EARNED

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

Total domestic sale in 2013-14 is Rs. 9595.55 million whereas export sale is Rs. 7486.29 million.

The summary of turnover of various products is as follows :

Rs. INR millions	
Particulars	2013-14
<b>Bulk drugs</b>	
Domestic sales	6310.15
Export sales	3656.06
<b>(A)</b>	<b>9966.21</b>
<b>Phytochemicals</b>	
Domestic sales	2393.33
Export sales	3454.25
<b>(B)</b>	<b>5847.58</b>
<b>Generic, formulations, Diagnostics and EHGC</b>	
Domestic sales	892.07
Export sales	375.98
<b>(C)</b>	<b>1268.05</b>
<b>Total sales (A+B+C)</b>	<b>17081.84</b>

#### STRONG AND SUSTAINABLE BUSINESS

##### APIs

With Global capacities of some of the Cephalosporin molecules and

strong tie ups Nectar has been experiencing robust growth in this segment. With an expertise in R&D , Nectar is also working on new generation Cephalosporin molecules to be a Globally dedicated Cephalosporins player.

Overall, API's witnessed an increase of 59.30 % taking the turnover from Rs 625.64 Cr to Rs. 996.62 Cr.

Our API facility has global regulatory accreditations like USFDA, EUGMP, KFDA, PMDA, MCC and others.

Due to continuous weakening of rupee a strategic decision was made to optimize the international sales so a growth of more than 141Cr was observed over the last year.

Domestic sales have witnessed an increase of 229.98 Cr as compared to last fiscal.

#### Finished Dosage formulations/ EHGC/ Generics/ Diagnostics

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

Overall the non-API pharmaceutical business consisting of finished dosages, EHGC, Generics and Diagnostics contributed Rs. 126.81 Cr during this year.

#### Regulatory Filings/ Approvals:

NLL has filed 36 DMFs till date (Drug Master Files) 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 2013-14.

#### Menthol:

NLL entered in the Menthol Business in 2006 and as in the past has concentrated on value added pharmaceutical menthol business and met with great success both in domestic and international markets with good bottom line. NLL has a DMF filed for Menthol Crystals & have tied up with mercantile houses, global industry leaders. Menthol business overall sales is 584.76 Cr in financial year 2013-14.

#### Highlights 2012-13:

- Outstanding Entrepreneurship award in Asia Pacific Entrepreneurship Awards
- Closed the FY at 1708 INR Cr
- Submitted 3 more ANDA's USFDA making the total ANDA submissions to 12 till 2013-14.
- The state of the art Cephalosporin FDF facility was successfully inspected by USFDA Authority and INFARMED (Portugal).
- In Pharmerging markets, Nectar has submitted more than 200 products dossiers and received 150 product registrations.



#### OPPORTUNITIES AND 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 a number of filings for its Cephalosporin's range during 2014-15.

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 \$320 Bn to \$350 Bn. 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 reducing 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 rapidly 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 NLLs ability to discover new markets & new opportunities gaining an invaluable advantage over competitors.

#### FUTURE OUTLOOK:

##### Strategic Direction:

- Enhance accessibility in the regulated generics business.
- Consolidate its presence in the API business by focusing on regulated markets & pharmerging markets.
- Expand relationships with marque clients with additional new products.
- Enhance market penetration with existing products.
- Focus on long-term partnerships with major pharma companies.
- Increase its operations in emerging markets.
- Focus on Cephalosporin's R & D and work on new cephalosporin molecules.

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

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

(Rs. in millions)

	March 31, 2014	March 31, 2013
Sales and other income	17203.55	16907.24
Profit before interest and depreciation	3003.96	3061.20
Interest	1379.87	1154.89
Depreciation & Amortisation	841.86	759.56
Profit before tax	782.23	1146.75
Tax Expenses	161.43	290.09
Profit after tax available for Appropriations	620.80	856.66
Final dividend 10% (Previous year 10%)	22.43	22.43
Tax on dividend	3.81	3.64
Transfer to general reserve	--	--
Balance c/f to balance sheet	594.56	830.59

During the Year:

Sales and other income are up by 1.10%.

Profit before interest and depreciation is down by 1.87%.

Profit after tax is down by 27.53%.

#### Material developments in human resources/industrial relations front, including number of people employed

At Nectar Lifesciences we believe in maintaining a healthy and supportive work environment where employees can realize their potential to the fullest. Nectar Lifesciences' pool of approximately 1800 employees forms base of varied organizational backgrounds. This fact is strongly supported by the following key elements :

- o **Talent management at Nectar** : Talent management describes the process through which employers of all kinds - firms, governments and non-profits - anticipate their human capital needs and set about meeting them. It involves getting the right people with the right skills into the right jobs. We at Nectar, ensure that we employ the best. It is necessary to define the role before the hiring is done. Keeping this in mind, we have well defined job responsibilities, in hand, for better clarity of role. Failures in talent management may be more recognizable than the concept itself: Too many employees, leading to layoffs and restructurings on the one hand and not enough talent, leading to talent crunches on the other. We recognize the importance of this fact and thereby have manpower budgets in place, so that we don't hire, when it's really not required.
- o **Open door policy** : We at Nectar believe in the open door policy, whereby the management is flexible, taking suggestions from employees on various business issues. The employees are entitled to hold open discussions with key elements, promoting



healthy and supportive culture in the organization. Different policies have been formulated and implemented in order to ensure system transparency. Superiors are not just 'bosses' at Nectar, but 'mentors'. The subordinates are treated with respect and equality.

- o Well defined hierarchy: At Nectar, we believe in having a simple well-defined structure in order to reduce the ambiguities. We have a well-defined organizational structure at all locations. The system provides a clear pathway to the subordinates regarding their reporting, as well as their pathway to higher roles.
- o Fewer crossovers: The organizational structure provides minimum crossovers. The management allows the flexibility for discussions and positive criticism. Employees are at liberty to approach the management for any issues faced in critical tasks.
- o Flexibility in project work: Employees at Nectar have the freedom to introduce innovative ideas and suggestions for system improvement. The management is supportive and quite flexible, welcoming anything good for the organization. This approach allows more flexibility in project implementation.

#### **Whistle Blower Policy:**

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

- a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- b) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.
- c) Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further Protected Disclosure.

#### **Policy against SEXUAL HARASSMENT at Workplace**

The company has made the Anti Sexual Harassment Policy under THE SEXUAL 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.

#### **Corporate Social Responsibility**

At Nectar we assume Social Responsibility as the commitment to contribute to sustainable economic development working with employees, their families, the local community, and society. To comply the section 135 of Companies Act, 2013, the company has constituted the Corporate Social Responsibility Committee of the Board with following terms of reference:

- (a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) to monitor the Corporate Social Responsibility Policy of the company from time to time.

The due course of Corporate Social Responsibility will be taken on the recommendations of committee.

Apart from above legal requirements, the company has undertaken the following activities:

#### **Nectar Polytechnic for Women**

As a part of corporate social responsibility Nectar Lifesciences limited (NLL) has been proactive in social projects.

NLL has opened a charitable Foundation which runs an institute under the name of Nectar Polytechnic for Women in Derabassi, Punjab providing opportunity to the underprivileged girls who have the desire to fly high.

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..

It also aims at providing them the support to participate effectively in the progress of the country.

The program focuses on enrolling girls belonging to underprivileged section of society, other backward classes, migrant laborers and the ones below poverty line.

Courses offered at NPW include MSC FT, BSC FT, Diploma in Fashion Designing, Computer Application, Stitch and Sew, Spoken English and Personality Development

#### **Employee Welfare**

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

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





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

### Social Activities

An essential component of NLLs Social responsibility policy is Care for the Community. NLL endeavors to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

NLL has undertaken the following social initiatives:

- o Blood Donation Camps at regular intervals
- o Donate dresses, school shoes, stationary & books along with educational CD's to under privileged children.
- o Eye check up camp for the underprivileged.
- o Donate sewing machines for financially weak women.
- o Organized campaigns to provide awareness towards HIV /STD diseases.
- o Free Dental check up.
- o Free medicine distribution in local hospitals
- o Free medical camps
- o NLL solemnized marriage of an orphan girl

### Internal Control Systems:

Neclife 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.

NECLIFE'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.

### Threat and Risk Management

Risk represents the face of business uncertainty, affecting corporate performance and prospects. Risk management is an integral part of the Neclife's plans, business strategies, monitoring systems and results. It takes in all organizational processes geared to early risk detection, identification and timely implementation of appropriate counter measures. The objective is to identify risks as early as possible and initiate suitable measures to mitigate them and limit business losses. Risks affecting Company's business may be Stringent Regulatory norms, Economic and Geopolitical issues, delay in regulatory approvals, patent litigations, market risks, Competitive pressure, Exchange rate fluctuations, Pricing guidelines etc.

Neclife's integrated risk management approach comprises prudential norms, structured reporting and controls. This approach conforms to the Company's strategic direction and is consistent with stakeholders' desired total returns, credit rating and risk appetite.

Review of compliance monitoring systems, application risk management system in the business units, periodic assessment of regulatory compliance, risk assessments in multiple areas such as talent management, information security and intellectual property are done regularly. The risk management activities also include assessment and review of financial risks, such as currency risks, credit risks and liquidity.

The management has a proven ability to successfully take on challenges. Efforts are on to become even more proactive in recognizing and managing risks through a more structured framework. The magnitude of the recent financial crisis, as well as its significant repercussions on the world economy and on many of the customers and suppliers highlighted more than ever the need to have a broad and comprehensive risk management approach.

As per clause 49 of the Listing Agreement, the company has also constituted the risk Management committee to formulate the Risk Management Policy



The terms of reference of the committee are, inter-alia:

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

The due course of risk management will be taken on the recommendations of committee.

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

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

Place : Chandigarh  
Dated: August 11, 2014

## Report on Corporate Governance

### Nectar Lifesciences' philosophy on Corporate Governance

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

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

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

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

#### I. Board of Directors

The size and composition of the Board commensurate with the Company's future growth plans and also conforms to the requirements of the Corporate Governance Code under the Listing Agreement. The Company had total 10 Directors on the Board as on March 31, 2014, comprising four directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining five are Non-Executive & Independent Directors.

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

None of the Directors on the Board holds the office of Director in more than 15 public limited companies or memberships in Committees of the Board in more than 10 Committees or 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 2013-2014, Four Board meetings were held on May 15, 2013, August 13, 2013, November 13, 2013 and February 11, 2014.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2013-14 and at the last Annual General Meeting, as also the number of directorship, committee memberships and committee chairmanship held by them in other companies is 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	
					Member	Chairman
Mr. Sanjiv Goyal (Chairman and Managing Director)	Promoter & Executive Director	4	Not Present	4	Nil	N.A.
Mr. Aryan Goyal (Executive Director)	Promoter & Executive Director	4	Present	4	Nil	N.A.
Mr. Saurabh Goyal* (Executive Director)	Promoter & Executive Director	2	Not Present	N.A.	Nil	N.A.
Mr. Dinesh Dua (Chief Executive Officer and Director)**	Non Promoter & Executive Director	2	Not Applicable	Nil	N.A.	N.A.
Mr. Basant Kumar Goswami, IAS (Retired) (Director)	Independent & Non-executive Director	3	Not Present	11	7	3
Mr. Vijay J. Shah (Director)	Independent & Non-executive Director	1	Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-executive Director	4	Not Present	6	2	Nil.
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director)	Independent & Non-executive Director	4	Not Present	Nil	N.A.	N.A.
Mr. Raman Kapur (Director)	Independent & Non-executive Director	4	Not Present	5	Nil	N.A.
Mr. Ajay Swaroop (Director)	Independent & Non-executive Director	4	Not Present	Nil	N.A.	N.A.
Mr. Harparkash Singh Gill	Non Promoter & Executive Director	1	Not Present	Nil	N.A.	N.A.

\* Mr. Saurabh Goyal had resigned from the company with effect from February 11, 2014.

\*\* Mr. Dinesh Dua has been inducted on the Board as Director as well as Wholetime Director designated as Chief Executive Officer, with effect from October 14, 2013.

## II. Code of Conduct

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

## III. Audit Committee

In financial year 2012-13 the Audit Committee comprised of three directors including Mr. Vijay J. Shah as Chairman with Mr. Basant Kumar Goswami, IAS (Retd.) and Mr. Sanjiv Goyal as Members. Mr. Basant Kumar Goswami, IAS (Retd.) being a resident of Delhi and at times was not able to attend the Audit Committee Meetings due to his pre-occupations. Therefore, the Board of Directors has re-constituted the Audit Committee with induction of Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) as a member from financial year 2013-14 and onwards.



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 21 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 approved by the Board are in compliance to Section 292A of the Companies Act, 1956 upto financial year ended March 31, 2013 and Section 177 of Companies Act, 2013 thereafter and Clause 49 of the Listing agreement, which includes the following:

- Review the Company's financial statements, before submission to and approval by, the Board of Directors
- Review the Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible

improprieties in matters of financial reporting, financial control or other matters

- Review the management's and the internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management
- Monitor the integrity of the Company's internal financial controls
- Assess the scope and effectiveness of the systems established by the management to identify, assess, manage and monitor financial and non-financial risks
- Review the internal audit program and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company
- Receive a report on the results of the internal auditor's work on a periodic basis
- Review and monitor management's responsiveness to the internal auditor's findings and recommendations
- Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.

During the year under review, four meetings of the Audit Committee were held, the dates being May 14, 2013, August 12, 2013, November 12, 2013 and February 10, 2014.

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

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

Mr. Sandeep Goel, Vice President (Finance) 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. Compensation Committee

The Company constituted the Compensation (Remuneration) Committee though it is not mandatory as per the provisions of Clause 49 of the Listing Agreement. The Compensation (Remuneration) Committee was reconstituted from 2013-14 and onwards, with replacement of Mr. Basant Kumar Goswami, IAS (Retd.) with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.). The said 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. Sunder Lal, Company Secretary acts as a secretary of the committee.

During the financial year ended on March 31, 2014, two meeting were held of the committee on May 14, 2013 and October 11, 2013, which were attended by all its members.

The Compensation Committee reviews the overall compensation



structure, including managerial remuneration and related policies aimed at attracting, motivating and retaining personnel. The Compensation Committee has the authority to determine the compensation packages of Executive Directors and senior management and to determine the parameters and supervise the operation of the bonus schemes of the Company. The Committee also empowered to evaluate the possibilities of stock options to employees. The Compensation Committee reviews recommendations made to it by the Company and others and is authorised to investigate any activity within its terms of reference, seek any information from any employee of the Company and obtain independent professional advice.

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

#### V. Share Transfer-cum-Shareholders' / Investors' Grievance Committee

The Transfer-cum-Shareholders' / Investors' Grievance Committee comprised of three directors including Mr. Vijay J. Shah as Chairman with Mr. Sanjiv Goyal and Mr. Aryan Goyal as 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, 2014, 99.999 of the Company's shares are held in electronic (demat) form.

During the financial year ended on March 31, 2014, one meeting was held of the committee on November 30, 2013, which was attended by all its members.

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 2013-2014	Complaints resolved	Closing balance
Nil	56	56	Nil

#### Quarter-wise details of complaints during 2013-14:

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	6	6	Nil
July-September	Nil	18	18	Nil
October-December	Nil	15	15	Nil
January-March	Nil	17	17	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 Clause 47 (c) of the Listing Agreement entered with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited by the Company, the company has obtained the Secretarial Compliance Certificate on half-yearly basis from Practicing Company Secretaries, to the effect that all transfer of shares among others, were effected within the stipulated time. The certificate was submitted with the stock exchanges within the prescribed time limit.

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

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



At the beginning of the year i.e. April 1, 2013	Aggregate number of shareholders	<b>28</b>
	Outstanding shares in the suspense account	<b>7110 equity shares of Re. 1/- each</b>
Number of shareholders who approached issuer for transfer of shares from suspense account during the year		<b>Nil</b>
Number of shareholders to whom shares were transferred from suspense account during the year		<b>Nil</b>
At the end of the year i.e. March 31, 2014	Aggregate number of shareholders	<b>28</b>
	Outstanding shares in the suspense account	<b>7110 equity shares of Re. 1/- each</b>

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

## VI. General Body meetings

### Details of the last three Annual General Meetings held

- 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
- 17th Annual General Meeting** : September 29, 2012 at 9.30 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
- 16th Annual General Meeting** : September 30, 2011 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 18th Annual General Meeting held on September 30, 2013, the following special resolution was passed :
  - For the appointment of Mr. Harparkash Singh Gill as Wholetime Director designated as President (Operations) & Director and fixation of his remuneration.
- At the 17th Annual General Meeting held on September 29, 2012, the following two special resolutions were passed :
  - For the re-appointment of Mr. Sanjiv Goyal Goyal as a Chairman & Managing Director.
  - For commencement of new business stated in 'other objects' clause at Sl. Nos. (21), (22) and (23) in subparagraph C of paragraph III of the memorandum of association of the company.
- At the 16th Annual General Meeting held on September 30, 2011, the following two special resolutions were passed:
  - For the re-appointment of Mr. Aryan Goyal as a Wholetime Director designated as Executive Director.
  - For the revision of remuneration of Mr. Dinesh Dua as

a Wholetime Director designated as Chief Executive Officer & Director.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. All the resolutions passed in the above General Meetings were passed through show of hands.

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.

## VII. Disclosures

- 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.
- 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.
- The Company did not adopt the whistle blower policy during 2013-14, as it is a non-mandatory requirement. However, any personnel can approach the Audit Committee/ Chairman & Managing Director, for his grievance about the affairs of the Company.
- Details of compliance with mandatory requirements: Given elsewhere in this Report
  - Adoption of the non-mandatory requirements of this Clause: Given elsewhere in this Report
- Related Party Transactions: The details of all transactions, if any, with related parties are placed before the Audit committee on quarterly basis.
- 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 2013-14, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director, Mr. Aryan Goyal, Executive Director, Mr. Saurabh Goyal, Executive Director, Mr. Dinesh Dua, Chief Executive Officer & Director and Mr. Harparkash Singh Gill, President (Operation) & Director on the terms and conditions of their respective resolutions passed by the Board of Directors and members. The Company is not paying any sitting fee to its Executive Directors.

The details of Directors' remuneration for the financial year ended March 31, 2014

Name and designation of Directors	Sitting fee (Rs.)	Salaries and perquisites (Rs.)	Commission (Rs.)	Period of service	Number of shares held as on March 31, 2014
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	7565965/-	7500000/-	5 years from June 01, 2012	76779000/-
Mr. Aryan Goyal, Executive Director	N.A.	7469100/-	N.A.	5 years from December 05, 2010	290000
Mr. Dinesh Dua, Chief Executive Officer & Director**	N.A.	6503928/-	N.A.	5 years from October 14, 2013	Nil
Mr. Saurabh Goyal, Executive Director*	N.A.	2777830/-	N.A.	From August 11, 2010 to February 11, 2014	243000/-
Mr. Harparkash Singh Gill, President Operations & Director	N.A.	2254761/-	N.A.	3 years from November 01, 2012	Nil
Mr. Basant Kumar Goswami, IAS (Retired), Non-Executive Director	30000/-	N.A.	N.A.	N.A.	1000/-
Mr. Vijay J. Shah, Non-Executive Director	17000/-	N.A.	N.A.	N.A.	250/-
Mr. Vivek Sett, Non-Executive Director	40000/-	N.A.	N.A.	N.A.	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Non-Executive Director	46000/-	N.A.	N.A.	N.A.	Nil
Mr. Raman Kapur, Non-Executive Director	40000/-	N.A.	N.A.	N.A.	1000000/-
Mr. Ajay Swaroop, Non-Executive Director	40000/-	N.A.	N.A.	N.A.	Nil

\* Mr. Saurabh Goyal had resigned from the company with effect from February 11, 2014.

\*\* Mr. Dinesh Dua has been inducted on the Board as Director as well as Wholetime Director designated as Chief Executive Officer, with effect from October 14, 2013

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

## VIII. Means of communication

### Quarterly results

The details of quarterly results are published are as under :



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

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

#### IX. 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. However information of nominee director, Ms. Rima on her appointment is given in Directors' Report under the section of Directors.

#### X. General Shareholder Information

- i. 19th Annual General Meeting
  - Date September 30, 2014
  - Time 10.00 am
  - Venue Registered Office and Works: Village Saidpura Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab - 140507.
- ii. Financial year April 1, 2013 to March 31, 2014
- iii. Date of book closure August 23, 2014 to August 31, 2014 (both days inclusive)
- iv. Dividend payment date By October 29, 2014
- 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. The Bombay Stock Exchange 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





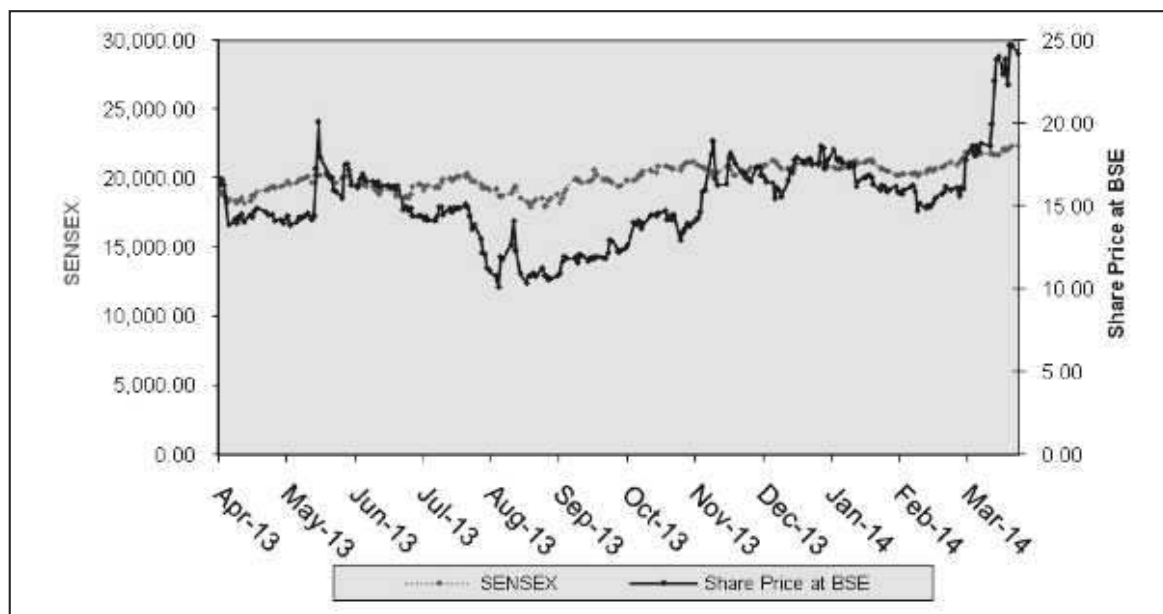
- ix. GDRs common code 039031680
- x. ISIN of Company's equity shares: INE023H01027
- xi. ISIN of Company's GDRs US63975T1051
- xii. CUSIP of Company's GDRs 63975T 105
- xiii. Corporate Identification Number (CIN) L24232PB1995PLC016664
- xiv. Market price data

The high and low prices of the Company's share (of Re. 1/- each) at BSE and NSE from April 1, 2013 to March 31, 2014 were as below :

Month	BSE			NSE		
	High (Rs.)	Low (Rs.) quantity	Total traded	High (Rs.) quantity	Low (Rs.)	Total traded
April-13	16.90	13.40	484,983	17.30	12.70	1,293,382
May-13	20.70	13.75	3,419,982	20.60	13.75	4,918,682
June-13	17.25	13.85	1,340,737	17.30	13.90	1,412,902
July-13	15.40	11.65	554,530	16.50	11.50	1,088,232
August-13	14.70	9.65	755,465	14.65	9.90	2,004,453
September-13	13.20	10.55	504,417	13.45	10.60	1,173,150
October-13	15.30	12.02	1,122,767	15.30	12.00	1,860,457
November-13	19.66	13.51	2,495,255	19.60	13.45	5,850,443
December-13	19.10	15.25	1,439,969	19.10	15.30	3,283,614
January-14	19.25	15.60	2,063,088	19.30	15.70	2,840,470
February-14	17.05	14.40	580,592	17.05	14.40	1,238,800
March-14	25.25	15.40	5,559,508	16.00	15.55	8,860,581

**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 : Mr. V. K. Jayaraman  
E-mail: jayaramanvk@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.

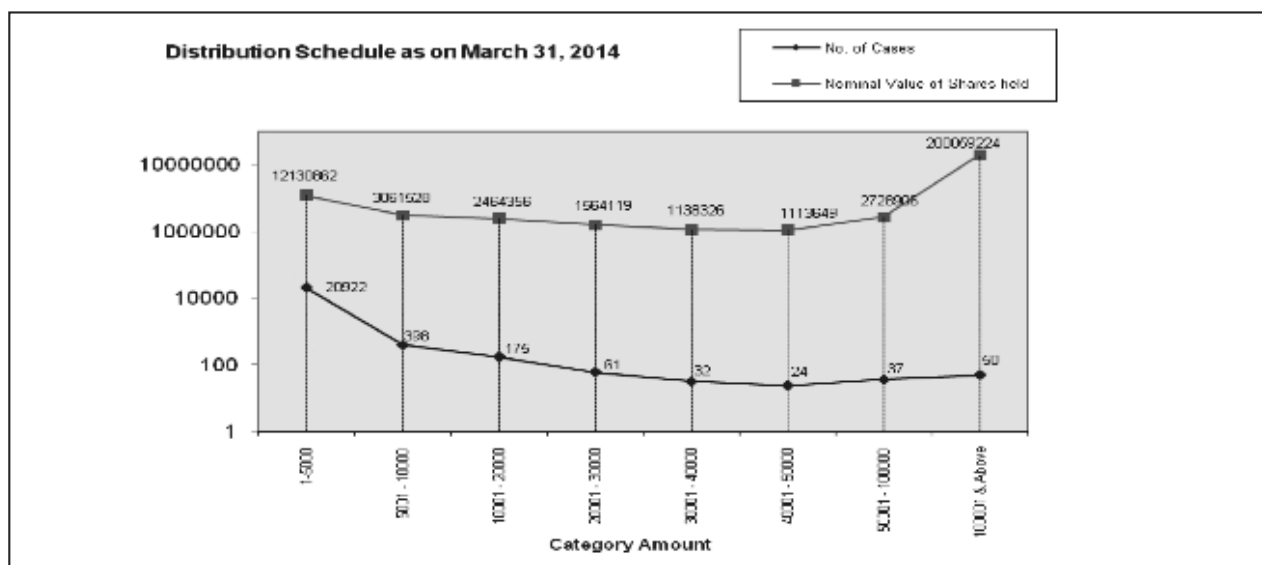
Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if documents are complete in all respects. The Shareholders'/Investors' Grievance Committee approves the transfer and transmission of shares.



xx. Distribution of shareholding

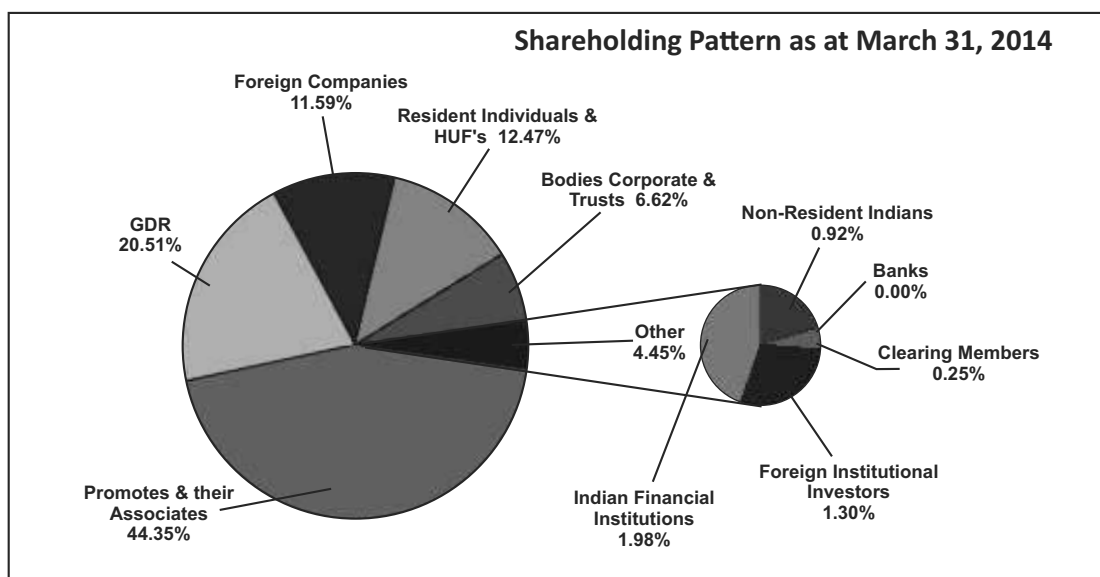
a) Class-wise distribution of equity shares as on March 31, 2014

Category (amount)	Number of cases	% of cases	Total shares	Nominal value of shares held (Rs.)	% of amount
1-5000	20922	96.42	12130862	12130862	5.41
5001- 10000	398	1.83	3061528	3061528	1.37
10001- 20000	175	0.81	2464356	2464356	1.10
20001- 30000	61	0.28	1564119	1564119	0.70
30001- 40000	32	0.15	1138326	1138326	0.51
40001- 50000	24	0.11	1113649	1113649	0.50
50001- 100000	37	0.17	2728906	2728906	1.22
100001& Above	50	0.23	200059224	200059224	89.21
<b>Total</b>	<b>21699</b>	<b>100.00</b>	<b>224260970</b>	<b>224260970</b>	<b>100.00</b>



b) Shareholding pattern as on March 31, 2014

Category	Number of Cases	Total shares	% to equity
PROMOTERS	5	99468000	44.35
GDR	1	46000000	20.51
RESIDENT INDIVIDUALS	20061	26573788	11.85
FOREIGN CORPORATE BODIES	1	26000000	11.59
BODIES CORPORATES	463	14828415	6.61
INSURANCE COMPANIES	1	4431505	1.98
FOREIGN INSTITUTIONAL INVESTORS	2	2910592	1.30
NON RESIDENT INDIANS	238	2065061	0.92
H U F	718	1385279	0.62
CLEARING MEMBERS	207	571195	0.25
TRUSTS	1	21050	0.01
BANKS	1	6085	0.00
<b>TOTAL</b>	<b>21699</b>	<b>224260970</b>	<b>100.00</b>

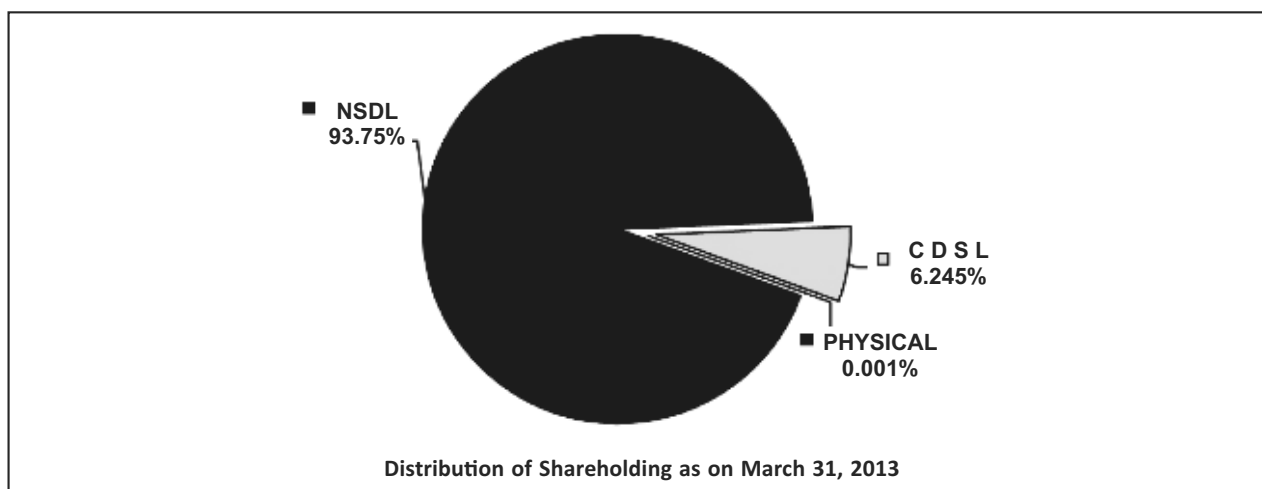


**xxi. Dematerialisation of shares and liquidity**

The Company's shares are compulsory traded in dematerialized form. Equity shares of the Company representing 99.999% of the Company's share capital were dematerialised as on March 31, 2014.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2014 was as under:

Sr. No.	Category	Number of holders	Total shares	% to equity
1	PHYSICAL	14	2305	0.001
2	N S D L	14365	210254396	93.754
3	C D S L	7320	14004269	6.245
	<b>Total</b>	<b>21699</b>	<b>224260970</b>	<b>100.000</b>



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

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



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

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

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

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

**xxiii. Registered office location**

Nectar Lifesciences Limited  
 Village: Saidpura, Tehsil Derabassi, District Mohali (Punjab)

**xxiv. Plant locations**

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

**XI. CEO / CFO certification**

As required under Clause 49 of the Listing Agreement the certificates duly signed by Chairman & Managing Director and Vice-President (Finance)- CFO, were placed at the meeting of the Board of Directors held on May 27, 2014.

**XII. 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**

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

Place : Chandigarh  
 Dated: August 11, 2014

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

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

Further, it is hereby confirmed that all the Directors and Senior Management Personnel have complied with the code of conduct and a confirmation to this effect has been obtained from Directors and Senior Management Personnel for the financial year 2013-14.

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

Sd/-  
 (Dinesh Dua)  
**Chief Executive Officer & Director**

Place : Chandigarh  
 Dated : May 27, 2014



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
**NECTAR LIFESCIENCES LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), which comprise of the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

### Opinion

In our opinion and to the best of our information and, according to the explanations given to us, the 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 accounts 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 accounts.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

**PLACE : CHANDIGARH**  
**DATE : 28.05.2014**



## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status 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 2014 were also physically verified and valued by an independent firm of chartered accountants.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has during the year neither granted nor taken any loans, secured or unsecured, to/from Companies, Firms or other Parties Listed in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts and arrangements referred to in point (a) above and exceeding the value of Rs.5 lakh with any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for the purchases of certain items of inventories which are for Company's specialized requirements and similarly for sale of certain goods for the specialized requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanation provided, the same appear reasonable.
6. In our opinion and according to the information and explanations given to us, the company has not invited any deposits from public attracting the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed cost records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government U/s 209(1) (d) of the Companies Act, 1956 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.
9. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India and has generally been regular in depositing undisputed statutory dues including tax deducted at source with the appropriate authorities. We are informed that there are no undisputed statutory dues as at the end of the year which are outstanding for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us and records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax and Custom Duty, which are outstanding as at 31st March, 2014, which have not been deposited on account of any dispute. The particulars of various statutory dues as at 31<sup>st</sup> March, 2014 which have not been deposited on account of disputes are as follows: -



Statute	Nature of the Dues	Amount Rs. in Millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.41	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	Income Tax	12.50	Assessment Year 2011-12	Commissioner of Income Tax Appeal
Central Excise Act, 1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act, 1944	Excise Duty	5.63	Financial Year 2006-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	6.51	Financial Year 2008-11	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	97.12	Financial Year 2007-09	CESTAT, Delhi
Central Excise Act, 1944	Excise Duty	1.14	Financial Year 2011-12	Commissioner (Appeal) CE, Chandigarh
Service Tax, 1994	Service Tax	1.18	Financial Year 2009-12	Additional Commissioner, CE Chandigarh-II
Service Tax, 1994	Service Tax	12.77	Financial Year 2009-10	CESTAT, Delhi
Employees' State Insurance Act, 1948	ESI	3.54	Various Years	Additional Civil Judge (Sr. Division)

10. The Company does not have accumulated losses as at 31st March, 2014 and it has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. 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.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi or a mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
14. In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us and based on overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long term investment other than temporary deployment pending application.
18. During the year the Company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year and there are no debentures outstanding as at the year end.
20. During the year, the Company has not raised any money through public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

**PLACE : CHANDIGARH**  
**DATE : 28.05.2014**



## Balance Sheet as at 31st March 2014

Particulars	NOTE	(Rs. in Millions)			
		As At March 31, 2014		As At March 31, 2013	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Share holders' Fund</b>					
Share Capital	2.1	224.26		224.26	
Reserves & Surplus	2.2	<u>9,046.36</u>	9,270.62	<u>8,451.80</u>	8,676.06
<b>Non Current Liabilities</b>					
Long Term Borrowings	2.3	2,233.38		2,609.61	
Deffered Tax Liability(net)	2.4	1,118.93		957.56	
Other Long Term Liabilities	2.5	8.08		10.30	
Long Term Provisions	2.6	<u>49.00</u>	3,409.38	<u>37.89</u>	3,615.36
<b>Current Liabilities</b>					
Short Term Borrowings	2.7	5,798.42		5,091.11	
Trade Payables	2.8	4,400.61		3,825.19	
Other Current Liabilites	2.9	867.15		1,312.76	
Short Term Provisions	2.10	<u>194.48</u>	11,260.66	<u>219.96</u>	10,449.02
<b>Total</b>			<u><b>23,940.66</b></u>		<u><b>22,740.43</b></u>
<b><u>ASSETS</u></b>					
<b>Non Current Assets</b>					
Fixed Assets					
- Tangible Assets	2.11	9,475.43		9,138.39	
- Capital Work in Progress		1,222.64		1,385.70	
Non Current Investments	2.12	0.50		0.50	
Long Term Loans and Advances	2.13	868.67		704.86	
Other Non Current Assets	2.14	<u>0.08</u>	11,567.31	<u>0.15</u>	11,229.60
<b>Current Assets</b>					
Current Investments	2.15	3.14		3.19	
Inventories	2.16	7,584.27		6,760.00	
Trade Receivables	2.17	3,766.49		3,493.86	
Cash & Bank Balances	2.18	99.78		62.40	
Short Term Loans & Advances	2.19	658.29		868.43	
Other Current Assets	2.20	<u>261.40</u>	12,373.35	<u>322.94</u>	11,510.83
			<u><b>23,940.66</b></u>		<u><b>22,740.43</b></u>
<b>Significant Accounting Policies</b>	<b>1</b>				
<b>Notes to Financial Statements</b>	<b>2</b>				

For NECTAR LIFESCIENCES LIMITED

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

**Sanjiv Goyal**  
 Chairman & Managing Director

**Dinesh Dua**  
 CEO & Whole Time Director

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

**Sandeep Goel**  
 Chief Finance Officer

**Sunder Lal**  
 Company Secretary

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

Place : Chandigarh  
 Dated : 28.05.2014

## Statement of Profit and Loss For the Year Ended 31st March 2014

Particulars	NOTE	(Rs. in Millions)	
		Year Ended March 31, 2014	Year Ended March 31, 2013
INCOME			
Revenue From Operations	2.21	17,081.84	16,732.47
Less : Excise Duty		<u>704.15</u>	<u>484.33</u>
		16,377.69	16,248.14
Operating Income	2.22	5.43	14.37
Other income	2.23	116.27	160.40
		<u>16,499.40</u>	<u>16,422.91</u>
EXPENDITURE			
Raw Material Consumed	2.24	11,726.71	11,465.22
Purchase of Stock in Trade (Traded Goods)		398.23	599.98
Changes in inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.25	(578.11)	(644.02)
Employees Benefits Expense	2.26	513.29	486.11
Finance Cost	2.27	1,379.87	1,154.89
Depreciation & Amortisation	2.11 & 2.14	841.86	759.56
Other Expenses	2.28	1,435.31	1,454.42
		<u>15,717.17</u>	<u>15,276.16</u>
PROFIT BEFORE TAX		782.23	1,146.75
Tax Expense		161.43	290.09
PROFIT AFTER TAX		<u>620.80</u>	<u>856.66</u>
EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.)		2.77	3.82
Diluted (Rs.)		2.77	3.82
Significant Accounting Policies	1		
Notes to Financial Statements	2		

For NECTAR LIFESCIENCES LIMITED

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

**Sanjiv Goyal**  
 Chairman & Managing Director

**Dinesh Dua**  
 CEO & Whole Time Director

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

**Sandeep Goel**  
 Chief Finance Officer

**Sunder Lal**  
 Company Secretary

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

Place : Chandigarh  
 Dated : 28.05.2014

## Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & Extra Ordinary Items	782.23	1,146.75
Adjustments For :		
Depreciation	841.78	759.49
Misc. Expenditure W/Off	0.08	0.08
Provision for Doubtful debts	6.79	39.56
Provision for Doubtful Insurance Claim	(1.07)	4.26
Provision for Employees Retirement Benefits	9.14	(0.25)
Provision for Excise Duty On Finished Goods	9.30	(1.86)
Loss on Sale of Fixed Assets	0.01	0.27
Loss on Sale / Restatement of Investment	(0.21)	0.23
Interest on Borrowings	1,379.87	1,154.89
Other non-operating Income	(116.27)	(160.40)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,911.65</b>	<b>2,943.01</b>
Adjustments For :		
(Increase)/Decrease in Current Assets	(830.92)	(1,253.06)
Increase/(Decrease) in Current Liabilities	670.01	1,945.35
Increase/(Decrease) in Long Term Liabilities	(2.22)	(9.27)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,748.51</b>	<b>3,626.03</b>
Direct Taxes Paid	(199.78)	(18.25)
<b>CASH FLOW BEFORE EXTRA-ORDINARY ITEMS</b>	<b>2,548.73</b>	<b>3,607.78</b>
Extra-Ordinary Items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>2,548.73</b>	<b>3,607.78</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,015.82)	(1,206.01)
Purchase of Investments	-	-
Interest Received	116.26	160.40
Dividend Received	0.01	0.01
Sale of Fixed Assets	0.05	2.23
Sale/(Purchase) of Investments	0.27	(2.00)
Long Term loans and Advances	(0.71)	56.39
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(899.94)</b>	<b>(988.99)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Term Loans from Banks	(919.78)	(1,075.62)
Proceeds/(Repayment) from Working Capital Limits from Banks	707.31	(361.00)
Proceeds/(Repayment) from Unsecured Loans from Banks	(0.98)	(200.28)
Repayment of Inter Corporate Deposits	4.33	(1.41)
Repayment of FCCB including Interest	-	-
Dividend Paid	(22.43)	(22.43)
Interest Paid	(1,379.87)	(1,154.89)
<b>NET CASH USED FROM FINANCING ACTIVITIES (C)</b>	<b>(1,611.42)</b>	<b>(2,815.63)</b>

## Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	37.37	(196.84)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	62.40	259.25
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	99.78	62.40

For NECTAR LIFESCIENCES LIMITED

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

**Sanjiv Goyal**  
Chairman & Managing Director

**Dinesh Dua**  
CEO & Whole Time Director

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

**Sandeep Goel**  
Chief Finance Officer

**Sunder Lal**  
Company Secretary

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

Place : Chandigarh

Dated : 28.05.2014



## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- i) The financial statements of **Nectar Lifesciences Limited** ("the Company") have been prepared and presented to comply with the historical cost conventions in accordance with the Indian Generally Accepted Accounting Principles (GAAP), mandatory Accounting Standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of Section 642 read with sub-section (3C) of Section 211 & sub-section (1) of Section 210 A to the extent applicable and the provisions of the Companies Act, 1956 and on the basis of going concern.
- ii) All the incomes & expenditures are recognized on accrual basis.

### 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.
- ii) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- iii) 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.  
Contributions 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 employees 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 earning 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. 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.

## 14. 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	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

## 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
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(Also Refer Note 2.29)	<b>224.26</b>	<b>224.26</b>
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## NOTE - 2.2 "RESERVES & SURPLUS"

### Security Premium Reserve

3,287.98	3,287.98
----------	----------

(A)	<b>3,287.98</b>	<b>3,287.98</b>
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### General Reserves

141.02	141.02
--------	--------

(B)	<b>141.02</b>	<b>141.02</b>
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### Profit & Loss Account

Opening Balance	5,022.79	4,192.20
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Transferred From Statement of Profit & Loss	620.80	856.66
---	--------	--------

<b>5,643.59</b>	<b>5,048.86</b>
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### Appropriations :

Proposed Dividend on Equity Shares	22.43	22.43
------------------------------------	-------	-------

Tax On Proposed Dividend	3.81	3.64
--------------------------	------	------

<b>5,617.35</b>	<b>5,022.79</b>
-----------------	-----------------

(C)	<b>5,617.35</b>	<b>5,022.79</b>
-----	-----------------	-----------------

Total (A+B+C)	<b>9,046.36</b>	<b>8,451.80</b>
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PARTICULARS	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
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## NOTE - 2.3 - "LONG TERM BORROWINGS"

### SECURED

Term Loans				
- From Banks	2,225.88	2,604.81	548.17	1,089.02

### UNSECURED

Other Loans				
-From Banks	1.64	3.43	2.85	2.04
-From Others	5.86	1.36	1.36	1.52

(Also Refer Note 2.30)	<b>2,233.38</b>	<b>2,609.61</b>	<b>552.38</b>	<b>1,092.58</b>
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PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

#### NOTE - 2.4 - "DEFERRED TAX LIABILITIES"

Deferred Tax Liabilities Arising On Account Of Depreciation	3,670.48	3,241.99
<b>TOTAL A</b>	<b>3,670.48</b>	<b>3,241.99</b>
Deferred Tax Assets Arising On Account Of		
- Employees Retirement Benefits	51.72	42.58
- Unabsorbed Depreciation and Carried Forward Losses	44.51	102.22
- Other Expenses & Provisions	125.56	145.85
<b>TOTAL B</b>	<b>221.78</b>	<b>290.65</b>
<b>NET DEFERRED TAX LIABILITY (A-B)</b>	<b>3,448.70</b>	<b>2,951.34</b>
<b>TAX IMPACT</b>	<b>1,118.93</b>	<b>957.56</b>

#### NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"

Security from Customers	8.08	10.30
	<b>8.08</b>	<b>10.30</b>

#### NOTE - 2.6 - "LONG TERM PROVISIONS"

Provision for Employees Retirement Benefits	49.00	37.89
	<b>49.00</b>	<b>37.89</b>

#### NOTE - 2.7 - "SHORT TERM BORROWINGS"

<b>SECURED</b>		
Working Capital Limits		
- From Banks	5,798.42	5,091.11
	<b>5,798.42</b>	<b>5,091.11</b>



PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

#### NOTE - 2.8 "TRADE PAYABLES"

- Due to Micro, Small & Medium Enterprises	11.64	6.56
- Due to Others	4,388.97	3,818.62
	<b>4,400.61</b>	<b>3,825.19</b>

#### NOTE - 2.9 "OTHER CURRENT LIABILITIES"

Current Maturities of Long Term Debts	548.17	1,089.02
Current Maturities of Other Loans	4.21	3.56
Interest accrued but not due on borrowings	26.60	21.05
Advances From Customers	59.04	38.57
Other Payables	229.12	160.56
	<b>867.15</b>	<b>1,312.76</b>

#### NOTE - 2.10 "SHORT TERM PROVISIONS"

Proposed Dividend	22.43	22.43
Tax on Proposed Dividend	3.81	3.64
Provision for Income Tax (Net of Advance Tax & TDS)	150.79	183.77
Provision for Excise Duty On Finished Goods	14.74	5.43
Provision for Employee Retirement Benefits	2.72	4.69
	<b>194.48</b>	<b>219.96</b>

(Rs. in Millions)

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

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions*	Sale / Deletion	As At March 31, 2014	Up To March 31, 2013	During the Year	Deletion / Adjustments	Up To March 31, 2014	As At March 31, 2014	As At March 31, 2013
Freehold Land & Site Development	941.27	1.77	-	943.04	-	-	-	-	943.04	941.27
Leasehold Land	3.27	-	-	3.27	0.20	0.04	-	0.24	3.03	3.07
Buildings	1,389.90	20.38	-	1,410.28	220.84	46.49	-	267.33	1,142.95	1,169.06
Tube Well	10.40	(0.00)	-	10.40	1.70	0.35	-	2.05	8.35	8.70
Plant & Machinery	6,553.16	508.05	-	7,061.22	2,032.85	563.33	-	2,596.17	4,465.04	4,520.32
Plant & Machinery (R & D)	1,912.03	560.50	-	2,472.53	295.16	86.75	-	381.91	2,090.62	1,616.86
Boiler	170.70	(0.00)	-	170.70	39.06	17.29	-	56.35	114.35	131.64
Pollution Control Equipment	75.25	-	-	75.25	31.29	3.57	-	34.87	40.38	43.95
Laboratory	86.00	2.18	-	88.18	22.39	4.10	-	26.49	61.69	63.61
Miscellaneous Fixed Assets	914.12	72.43	-	986.54	377.04	105.01	-	482.06	504.49	537.07
Furniture & Fixture	82.99	1.96	-	84.95	24.25	5.27	-	29.52	55.43	58.74
Motor Vehicles	62.40	8.04	0.46	69.98	31.27	5.61	0.40	36.47	33.51	31.13
Computer	31.63	3.58	-	35.20	18.68	3.98	-	22.65	12.55	12.95
<b>Total</b>	<b>12,233.12</b>	<b>1,178.88</b>	<b>0.46</b>	<b>13,411.54</b>	<b>3,094.73</b>	<b>841.78</b>	<b>0.40</b>	<b>3,936.11</b>	<b>9,475.43</b>	<b>9,138.39</b>
Previous Year	10,914.66	1,321.66	3.20	12,233.12	2,335.94	759.49	0.70	3,094.73	9,138.39	8,578.71

\*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 146.79 Millions (Previous Year Nil)

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

## NOTE - 2.12 "NON CURRENT INVESTMENTS"

### TRADE

#### UNQUOTED

In Subsidiary Companies	-	-
1 Equity Share Of 1 USD fully Paid Up		
In Nectar Capital Ltd.-Mauritius	-	-
[Absolute amount Nil (Previous year Rs. 45)]		
1 Equity Share Of 1 GBP fully Paid Up		
In Nectar Lifesciences UK Ltd.-England	0.00	0.00
[Absolute amount Rs. 75 (Previous Year Rs. 75)]		
<b>A</b>	<b>0.00</b>	<b>0.00</b>

### NON TRADE

#### UNQUOTED

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

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

Security Deposits	15.83	15.59
MAT Credit Entitlement	808.74	645.63
Unsecured Loans & Advances to Related Parties		
- Considered Good	-	0.06
- Considered Doubtful	-	16.40
Unsecured Loans & Advances to others		
- Considered Good	44.10	43.58
	<b>868.67</b>	<b>721.26</b>
Less: Provision for Doubtful Advances	-	16.40
	<b>868.67</b>	<b>704.86</b>

## NOTE - 2.14 "OTHER NON CURRENT ASSETS"

Misc Expenses (to the extent not written off or adjusted)	0.15	0.23
Less :- Written off During the Year	0.08	0.08
	<b>0.08</b>	<b>0.15</b>

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

## NOTE - 2.15 "CURRENT INVESTMENTS"

### NON TRADE

#### QUOTED

1,600 EQUITY SHARES OF RS. 10/- EACH fully paid up In Vijaya Bank.	0.04	0.04
1,271 EQUITY SHARES OF RS. 10/- EACH fully paid up In Yes Bank Ltd.	0.06	0.06
1 EQUITY SHARE OF RS. 10/- each fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00
2,350 EQUITY SHARES OF RS. 10/- EACH fully paid up In Parsvanath Developers Ltd.	1.31	1.31
12,267 EQUITY SHARES OF RS. 10/- EACH fully paid up in Punjab Alkalies & Chemicals Ltd.	0.33	0.33
PNB - Principal Income Fund	-	2.00
SBI PSU Fund	1.00	1.00
PRINCIPAL PNB ASSET MANAGEMENT CO. P. LTD.	2.00	-
	<b>4.74</b>	<b>4.74</b>
Less: Provision for Loss on Investment	1.60	1.55
	<b>3.14</b>	<b>3.19</b>

Market value of Quoted Investment Rs. 4.02 Millions (Previous Year Rs. 3.89 Millions)

## NOTE - 2.16 "INVENTORIES"

(As Certified by The Management)

Raw Material	744.38	538.53
Work In Progress	6,277.09	5,703.89
Finished Goods	266.38	187.93
Stocks in Trade	161.82	235.36
Other Miscellaneous Stocks	134.60	94.30
	<b>7,584.27</b>	<b>6,760.00</b>

## NOTE - 2.17 "TRADE RECEIVABLES"

### (Unsecured)

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

- Considered Good	123.48	195.40
- Considered Doubtful	85.25	78.46
	<b>208.74</b>	<b>273.86</b>
Less : Provision For Doubtful Debts	85.25	78.46
	<b>123.48</b>	<b>195.40</b>

Other Debts

- Considered Good	3,643.00	3,298.46
	<b>3,766.49</b>	<b>3,493.86</b>

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

#### NOTE - 2.18 "CASH & BANK BALANCES"

##### Balance With Banks

In Current Accounts	96.40	60.60
In Unclaimed Dividend & Share Application Money Accounts	0.34	0.28
Cash In Hand (Incl Staff Imprest)	3.04	1.53
	<b>99.78</b>	<b>62.40</b>

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

Excise Balances	121.56	77.85
Other Loans & Advances, considered good -		
- To Related Parties	-	45.05
- To Others	536.73	745.53
	<b>658.29</b>	<b>868.43</b>

#### NOTE - 2.20 "OTHER CURRENT ASSETS"

Export and Other Incentives Accrued	229.40	258.83
Income Tax Refund Due	31.86	39.87
Insurance Claim Receivable :		
- Considered Good	0.13	24.23
- Considered Doubtful	21.06	22.12
	282.45	345.06
Less: Provision for Doubtful Insurance Claim	21.06	22.12
	<b>261.40</b>	<b>322.94</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

#### NOTE - 2.21 "REVENUE FROM OPERATIONS"

Sale of Manufactured Products		
- Export	7,441.68	9,884.53
- Domestic	9,011.50	6,136.38
Trading Sale		
- Export	44.61	25.50
- Domestic	584.05	686.07
	<b>17,081.84</b>	<b>16,732.47</b>

#### NOTE - 2.22 "OPERATING INCOME"

Outsourcing Income	0.14	7.83
Carbon Credit	5.29	6.54
	<b>5.43</b>	<b>14.37</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

#### NOTE - 2.23 "OTHER INCOME"

Interest On Fixed Deposits	0.53	0.10
Interest Others	115.73	160.30
Dividend From Investments	0.01	0.01
	<b>116.27</b>	<b>160.40</b>

#### NOTE - 2.24 "RAW MATERIAL CONSUMED"

Opening Stock	538.53	330.03
Add:- Purchase of Raw Material	11,932.57	11,673.72
	12,471.10	12,003.75
Less :- Closing Stock	744.38	538.53
	<b>11,726.71</b>	<b>11,465.22</b>

#### NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE"

Inventory (At Close)		
Finished Goods	266.38	187.93
Stock in Process	6,277.09	5,703.89
Stock in Trade	161.82	235.36
	6,705.29	6,127.18
Inventory (At Commencement)		
Finished Goods	187.93	346.52
Stock in Process	5,703.89	4,922.74
Stock in Trade	235.36	213.91
	6,127.18	5,483.16
	<b>578.11</b>	<b>644.02</b>

#### NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"

Salaries & Wages	398.26	396.46
Remuneration To Directors	33.60	29.70
Contribution to Provident and Other Funds	28.50	20.61
Staff Welfare	52.92	39.35
	<b>513.29</b>	<b>486.11</b>

#### NOTE - 2.27 "FINANCIAL EXPENSES"

Interest Expenses	881.27	1,048.65
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	498.61	106.25
	<b>1,379.87</b>	<b>1,154.89</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

**NOTE - 2.28 "OTHER EXPENSES"**

**Manufacturing Expenses**

Consumable Stores	106.87	104.00
Oil & Lubricants	30.50	23.92
Power, Fuel & Steam Expenses	628.53	584.12
Chemical Testing Expenses	7.59	5.89
Packing Expenses	123.77	135.64
Repairs & Maintenance		
- Electricals	4.80	2.11
- Machinery	71.58	77.15
- Building	8.65	4.37
<b>Total</b>	<b>982.29</b>	<b>937.19</b>

(A)

**Administrative Expenses**

Travelling & Conveyance	40.22	41.45
Advertisement & Subscription	0.94	2.80
Books & Periodicals	0.39	0.40
Business Promotion	16.34	15.40
Insurance	43.22	36.94
Electricity Expenses (Office)	1.97	1.40
Postage, Telephone, Telegram	15.07	10.49
Printing & Stationery	12.09	9.23
Professional Fees	37.51	27.48
Rate, Fees & Taxes	15.91	9.05
Vehicle Running & Maintenance	12.46	11.21
Rent	11.45	8.73
Audit Fees	2.50	2.20
Office Expenses	5.12	4.40
Diwali & Pooja Expenses	3.02	3.47
Donation	13.76	12.63
Directors' Sitting Fees	0.21	0.21
Loss on Sale of Fixed Assets	0.01	0.27
Loss (Profit) on Sale / Restatement of Investment	(0.21)	0.23
Provision For Doubtful Insurance Claims	(1.07)	4.26
<b>Total</b>	<b>230.89</b>	<b>202.24</b>

(B)

**Selling & Distribution Expenses**

Discount / Samples	43.04	41.01
Freight & Cartage Outward	138.15	185.81
Sales Commission	48.65	53.34
Bad Debts Written Off / Provision for Doubtful Debts Reversed (Net)	(7.71)	34.82
<b>Total</b>	<b>222.13</b>	<b>314.99</b>
<b>Grand Total</b>	<b>1,435.31</b>	<b>1,454.42</b>

(C)

(A+B+C)

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

	As at 31st March, 2014		As at 31st March, 2013	
Particulars	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 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, 2014	As at 31st March, 2013
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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

Corporate Loans 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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

**Repayment Schedule of Term Loans:**

Year of Repayment	Amount (Rs. In Millions)
1-2	442.60
2-5	1287.07
> 5	496.22

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

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	2.32
2-5	4.32
> 5	0.86

- 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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

**2.31 FIXED ASSETS**

A sum of Rs. 560.50 millions (previous year Rs. 358.41 Millions) has been capitalized under the head Plant & Machinery (Research & Development). The company has been regularly working on modernization and development of its existing technological system



and development of new products & processes. As such, there has been loss of capacity utilization because of the development of new product and processes. In the opinion of management, the above process will yield benefits in the coming years in the shape of more demand in the international market as well as better price.

## 2.32 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.

## 2.33 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31<sup>st</sup> March 2014 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” are Rs. 11.64 millions (previous year Rs. 6.56 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 0.52 millions (previous year Rs 0.13 millions) is remaining unpaid as of 31<sup>st</sup> March 2014. The principal amount that remained unpaid as at 31<sup>st</sup> March 2013 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. 0.37 million (previous year Rs. 0.34 million) which relates to unclaimed dividend and share application money refundable. Out of it, no amount has become due for deposit to Investor Education and Protection Fund as at balance sheet date.

During the year, an amount of Nil (Previous Year Rs. 0.28 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.

## 2.34 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2014	31.03.2013
<b>a)</b>	<b>Contingent Liabilities</b>		
i)	Claims not acknowledged as debts :- **		
	— Income Tax matters	18.47	5.97
	— Excise matters	111.45	108.06
	— Service Tax matters	13.95	13.93
	— ESI matters	3.54	3.54
ii)	Bank Guarantees	9.22	8.70
iii)	Bills Discounted	105.55	144.41
iv)	Letter of Credit (Foreign / Inland)	171.77	398.01
v)	Other money for which Company is contingently liable		
	a) Differential amount of custom duty in respect of machinery imported under EPCG Scheme	0.39	0.29
<b>b)</b>	<b>Commitments</b>		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	8.71	53.18

\*\* 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.

**2.35 PAYMENT TO AUDITORS**

(Rs. In Millions)

Particulars	2013-14	2012-13
Statutory Audit and Limited Review Fees	2.10	1.90
Tax Audit Fee	0.40	0.30
Service Tax	0.31	0.27

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

Provision for 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. 161.37 million (Previous Year Rs. 327.34 million) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

**2.37 LEASES**

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

Lease payments recognized in the Statement of Profit & Loss are Rs. 11.45 millions (Previous Year Rs. 8.73 millions).

**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 2013	26.04	16.54
Acquisition adjustment	-	-
Interest Cost	2.34	1.49
Past Service Cost	-	-
Current Service Cost	6.69	8.19
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(2.54)	(3.18)
Actuarial (gain)/loss on obligations	0.36	(4.22)
Present Value of obligations as at 31st March 2014	32.90	18.82

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

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Fair Value of Plan Assets as at 1st April 2013	-	-
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 2014	-	-

**Fair Value of Plan Assets**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Fair Value of Plan Assets as at 1st April 2013	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2014	-	-
Funded Status	(32.90)	(18.82)

**Actuarial Gain/Loss Recognized**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Actuarial gain/(loss) for the year - Obligation	(0.36)	4.22
Actuarial gain/(loss) for the year - Plan Assets	-	-
Total (gain)/ loss for the year	0.36	(4.22)
Actuarial (gain)/ loss recognized in the year	0.36	(4.22)
Unrecognized actuarial (gains) / losses at the end of year	-	-

**Amount recognised in the Balance Sheet**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Present value of obligations as at 31st March 2014	32.90	18.82
Fair value of plan assets as at 31st March 2014	-	-
Funded Status	(32.90)	(18.82)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(32.90)	(18.82)

**Expenses recognized in the Statement of Profit & Loss**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Current service cost	6.69	8.19
Past service cost	-	-
Interest cost	2.34	1.48
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognised in the period	0.36	(4.22)
Expenses recognised in the Statement of Profit & Loss	9.39	5.46

## NECTAR LIFESCIENCES LIMITED

### Valuation Assumptions

Discount Rate	9%
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)
	2013-2014	2012-2013
- Current Tax	163.10	229.44
- Previous Year Tax	0.06	(37.25)
- Deferred Tax	161.37	327.34
- MAT Credit Entitlement	(163.10)	(229.44)
	<b>161.43</b>	<b>290.09</b>

### 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 2006 as amended upto date.

#### ii) Secondary Segment (By Geographical Segment)

Secondary Segment (By Geographical Segment)			(Rs. In millions)
S. No	Particulars	31.03.2014	31.03.2013
(a)	India	9595.55	6822.44
(b)	Outside India	7486.29	9910.03
	Total Sales	17081.84	16732.47

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.

##### ii) Joint Ventures and Associates

None

##### iii) Key Management Personnel (Managing Director/Whole-time directors)

Sh. Sanjiv Goyal

Sh. Aryan Goyal

Sh. Dinesh Dua (appointed w.e.f. 14th Oct., 2013)

Sh. Saurabh Goyal (upto 10th Feb., 2014)

Sh. Harprakash Singh Gill

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

Sh. Saurabh Goyal (w.e.f 11th Feb., 2014)

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

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

Surya Narrow Fabrics - New Delhi

Nectar Lifestyles Private Limited- New Delhi

## NECTAR LIFESCIENCES LIMITED

Nectar Organics Private Limited - New Delhi

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

### b) The following transactions were carried out with related parties in the ordinary course of business.

#### i) Subsidiary Companies

(Rs. In millions)

Sr. No.	PARTICULARS	31.03.2014	31.03.2013
i.	Investments during the year	Nil	Nil
	Balance at year end	_*	_*
	(*Absolute Amount Rs. 75 (Previous Year Rs 75))		

#### ii) Key Management Personnel and their relatives

(Rs. In millions)

Sr. No.	PARTICULARS	31.03.2014	31.03.2013
i.	Remuneration & Perquisites	34.07	29.70
ii.	Salary	0.39	Nil

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

Sr.No.	PARTICULARS	31.03.2014	31.03.2013
i.	Loans & Advances received back during the year (Net)	61.45	53.39
	Balance at year end	-	61.45
ii.	Rent	0.96	0.96

## 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 31.03.2014	YEAR ENDED 31.03.2013
Profit After Tax	Rs in million	620.80	856.66
No of Shares Outstanding	Nos.	224260970	224260970
<b>No of Weighted Average equity shares</b>	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
<b>Nominal value of equity shares</b>	Re.	1.00	1.00
<b>Earnings per Share</b>			
— Basic	Rs.	2.77	3.82
— Diluted	Rs.	2.77	3.82

## 2.44 Other Borrowing Costs include Loss on account of foreign exchange fluctuation (net) amounting to Rs. 147.06 millions (Previous Year gain of Rs. 221.25 millions)

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

**a) RAW MATERIAL CONSUMED**

(Rs. In millions)

Sr. No.	Particulars	Amount	2013-2014 (%age)	Amount	2012-2013 (%age)
1.	Imported	4116.14	35.10	2920.88	25.48
2.	Indigenous	7610.58	64.90	8544.34	74.52

**b) STORES & SPARES CONSUMED**

(Rs. In millions)

Sr. No.	Particulars	Amount	2013-2014 (%age)	Amount	2012-2013 (%age)
1.	Imported	0.65	0.61	5.70	5.48
2.	Indigenous	106.22	99.39	98.30	94.52

**2.46 OTHER INFORMATION**

(Rs. In millions)

	Particulars	2013-2014	2012-2013
<b>(a)</b>	<b>CIF Value of Imports</b>		
1.	Raw Material	4290.81	3119.80
2.	Traded Goods	135.83	120.41
3.	Capital Goods, Stores & Spares etc.	10.22	29.67
<b>(b)</b>	<b>Expenditure in Foreign Currency</b>		
1.	Travelling Expenses	8.40	6.80
2.	Export Commission	27.76	35.64
3.	Other Expenses	46.82	37.89
<b>(c)</b>	<b>Remittances in Foreign Currency</b>		
1.	Raw Material	4611.19	2550.60
2.	Traded Goods	128.13	109.51
3.	Capital Goods and Stores & Spares	11.56	28.03
<b>(d)</b>	<b>Expenditure in Foreign Currency on account of dividend</b>		
	<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid	7.2	7.2
	(ii) Year to which dividend relates	2012-13	2011-12
<b>(e)</b>	<b>Earning in Foreign Currency</b>		
	<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	FOB Value of Exports	7486.29	9910.03

## NECTAR LIFESCIENCES LIMITED

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

**For NECTAR LIFESCIENCES LIMITED**

**Sanjiv Goyal**  
Chairman & Managing Director

**Dinesh Dua**  
CEO & Whole Time Director

**Sandeep Goel**  
Chief Finance Officer

**Sunder Lal**  
Company Secretary

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

**Place : Chandigarh**

**Dated : 28.05.2014**

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

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



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
**NECTAR LIFESCIENCES LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), and its subsidiary company (Nectar Lifesciences UK Limited, United Kingdom) which comprise the Consolidated Balance Sheet as at 31st March, 2014, 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.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 the internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### 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 audited financial statements of Nectar Lifesciences Limited and unaudited financial statements of Nectar Lifesciences UK Limited, duly certified by the management, the 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 Company and its subsidiary as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Company and its subsidiary for the year ended on that date, and
- (c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company and its subsidiary for the year ended on that date.

### Other Matters

We have not carried out the audit of the subsidiary namely Nectar Lifesciences UK Limited, United Kingdom (dormant during the year).

We have relied on the unaudited financial statements of the subsidiary. These unaudited financial statements, as approved by the Board of Directors of the subsidiary company, 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 subsidiary, is based solely on such approved unaudited financial statements. However, the size of the subsidiary is insignificant.

Our opinion is not qualified in respect of Other Matters.

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

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

**PLACE : CHANDIGARH**  
**DATE : 28.05.2014**



## Consolidated Balance Sheet as at 31st March 2014

Particulars	NOTE	(Rs. in Millions)			
		As At March 31, 2014		As At March 31, 2013	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b>Share holders' Fund</b>					
Share Capital	2.1	224.26		224.26	
Reserves & Surplus	2.2	<u>9,046.36</u>	9,270.62	<u>8,451.74</u>	8,676.00
<b>Non Current Liabilities</b>					
Long Term Borrowings	2.3	2,233.38		2,609.61	
Deffered Tax Liability(net)	2.4	1,118.93		957.56	
Other Long Term Liabilities	2.5	8.08		10.30	
Long Term Provisions	2.6	<u>49.00</u>	3,409.38	<u>37.89</u>	3,615.36
<b>Current Liabilities</b>					
Short Term Borrowings	2.7	5,798.42		5,091.11	
Trade Payables	2.8	4,400.61		3,825.19	
Other Current Liabilites	2.9	867.15		1,312.76	
Short Term Provisions	2.10	<u>194.48</u>	11,260.66	<u>219.96</u>	10,449.02
<b>Total</b>			<u><b>23,940.66</b></u>		<u><b>22,740.37</b></u>
<b><u>ASSETS</u></b>					
<b>Non Current Assets</b>					
Fixed Assets					
- Tangible Assets	2.11	9,475.43		9,138.39	
- Capital Work in Progress		1,222.64		1,385.70	
Non Current Investments	2.12	0.50		0.50	
Long Term Loans and Advances	2.13	868.67		704.80	
Other Non Current Assets	2.14	<u>0.08</u>	11,567.31	<u>0.15</u>	11,229.54
<b>Current Assets</b>					
Current Investments	2.15	3.14		3.19	
Inventories	2.16	7,584.27		6,760.00	
Trade Receivables	2.17	3,766.49		3,493.86	
Cash & Bank Balances	2.18	99.78		62.40	
Short Term Loans & Advances	2.19	658.29		868.43	
Other Current Assets	2.20	<u>261.40</u>	12,373.35	<u>322.94</u>	11,510.83
			<u><b>23,940.66</b></u>		<u><b>22,740.37</b></u>
Significant Accounting Policies	1				
Notes to Financial Statements	2				

For NECTAR LIFESCIENCES LIMITED

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

**Sanjiv Goyal**  
 Chairman & Managing Director

**Dinesh Dua**  
 CEO & Whole Time Director

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

**Sandeep Goel**  
 Chief Finance Officer

**Sunder Lal**  
 Company Secretary

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

Place : Chandigarh  
 Dated : 28.05.2014

## Consolidated Statement of Profit and Loss For the Year Ended 31st March 2014

Particulars	NOTE	(Rs. in Millions)	
		Year Ended March 31, 2014	Year Ended March 31, 2013
INCOME			
Revenue From Operations	2.21	17,081.84	16,732.47
Less : Excise Duty		<u>704.15</u>	<u>484.33</u>
		16,377.69	16,248.14
Operating Income	2.22	5.43	14.37
Other income	2.23	116.27	160.40
		<u><u>16,499.40</u></u>	<u><u>16,422.91</u></u>
EXPENDITURE			
Raw Material Consumed	2.24	11,726.71	11,465.22
Purchase of Stock in Trade (Traded Goods)		398.23	599.98
Changes in inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.25	(578.11)	(644.02)
Employees Benefits Expense	2.26	513.29	486.11
Finance Cost	2.27	1,379.87	1,154.89
Depreciation & Amortisation	2.11 & 2.14	841.86	759.56
Other Expenses	2.28	1,435.25	1,453.65
		<u><u>15,717.11</u></u>	<u><u>15,275.40</u></u>
PROFIT BEFORE TAX		782.28	1,147.51
Tax Expense		161.43	290.09
PROFIT AFTER TAX		<u><u>620.86</u></u>	<u><u>857.42</u></u>
EARNINGS PER SHARE (Equity Shares of Re.1/- each fully paid up)			
Basic (Rs.)		2.77	3.82
Diluted (Rs.)		2.77	3.82

For NECTAR LIFESCIENCES LIMITED

**Sanjiv Goyal**  
Chairman & Managing Director

**Dinesh Dua**  
CEO & Whole Time Director

**Sandeep Goel**  
Chief Finance Officer

**Sunder Lal**  
Company Secretary

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

Place : Chandigarh  
Dated : 28.05.2014

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

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

## Consolidated Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & Extra Ordinary Items	782.28	1,147.51
Adjustments For :		
Depreciation	841.78	759.49
Misc. Expenditure W/Off	0.08	0.08
Provision for Doubtful debts	6.79	39.56
Provision for Doubtful Insurance Claim	(1.07)	4.26
Provision for Employees Retirement Benefits	9.14	(0.25)
Provision for Excise Duty On Finished Goods	9.30	(1.86)
Loss on Sale of Fixed Assets	0.01	0.27
Loss on Sale / Restatement of Investment	(0.21)	0.23
Interest on Borrowings	1,379.87	1,154.89
Other non-operating Income	(116.27)	(160.40)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,911.70</b>	<b>2,943.77</b>
Adjustments For :		
(Increase)/Decrease in Current Assets	(830.92)	(1,253.00)
Increase/(Decrease) in Current Liabilities	670.01	1,945.09
Increase/(Decrease) in Long Term Liabilities	(2.22)	(9.27)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,748.56</b>	<b>3,626.59</b>
Direct Taxes Paid	(199.78)	(18.25)
<b>CASH FLOW BEFORE EXTRA-ORDINARY ITEMS</b>	<b>2,548.79</b>	<b>3,608.33</b>
Extra-Ordinary Items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>2,548.79</b>	<b>3,608.33</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,015.82)	(1,206.01)
Interest Received	116.26	160.40
Dividend Received	0.01	0.01
Sale of Fixed Assets	0.05	2.23
Sale/(Purchase) of Investments	0.27	(2.00)
Long Term loans and Advances	(0.77)	55.82
Foreign Exchange Translation Reserve for the year	-	0.01
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(900.00)</b>	<b>(989.55)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Term Loans from Banks	(919.78)	(1,075.62)
Proceeds/(Repayment) from Working Capital Limits from Banks	707.31	(361.00)
Proceeds/(Repayment) from Unsecured Loans from Banks	(0.98)	(200.28)
Repayment of Inter Corporate Deposits	4.33	(1.41)
Repayment of FCCB including Interest	-	-
Dividend Paid	(22.43)	(22.43)
Interest Paid	(1,379.87)	(1,154.89)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(1,611.42)</b>	<b>(2,815.63)</b>

## Consolidated Cash Flow Statement For The Year Ended 31st March, 2014

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	37.37	(196.84)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	62.40	259.25
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	99.78	62.40

For NECTAR LIFESCIENCES LIMITED

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

**Sanjiv Goyal**  
Chairman & Managing Director

**Dinesh Dua**  
CEO & Whole Time Director

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

**Sandeep Goel**  
Chief Finance Officer

**Sunder Lal**  
Company Secretary

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

**Place : Chandigarh**  
**Dated : 28.05.2014**



## SIGNIFICANT ACCOUNTING POLICIES

### 1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

- i) The financial statements of **Nectar Lifesciences Limited** ("the Company") have been prepared and presented to comply with the historical cost conventions in accordance with the Indian Generally Accepted Accounting Principles (GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 and on the basis of going concern.
- ii) The financial statements of the subsidiary used in consolidation are drawn upto the same reporting period as that of the Company, namely 31 March, 2014.
- iii) All the incomes & expenditures are recognized on accrual basis.
- iv) Figures have been taken nearest to million rupees.

### 1.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of Nectar Lifesciences Ltd., the parent company, and its subsidiary company - Nectar Lifesciences UK Limited.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of the items of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and resulting unrealized profit in full.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS- 21) - "Consolidated Financial Statements issued by The Institute of Chartered Accountants of India".

### 1.3 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 asset to their working condition for their intended use, less depreciation and impairment loss, if any.
- ii) Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- iii) Cost of leasehold assets is amortized over the period of the lease.

### 1.4 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.

### 1.5 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.

### 1.6 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.

- iv) Reporting Currency

Indian Rupee is the reporting currency for the Nectar Lifesciences Ltd. However, the local currency of the overseas subsidiary is different from the reporting



currency of the Nectar Lifesciences Ltd. The translation of local currency in Indian Rupees is performed for assets and liabilities (excluding share capital and fixed assets), using the exchange rate at the balance sheet date, for revenues, costs and expenses using average rate during the reporting period. Fixed assets have been translated at the rate prevailing at the time of acquisition. The resultant currency translation exchange gain/loss is carried as "Foreign Currency Translation Reserve" under Reserves and Surplus.

### 1.7 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.

### 1.8 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.  
Contributions to the Provident Fund, which is a defined contribution scheme, is recognized as an expense in the statement of profit & loss in the period in which the contribution is due.
- ii) Long Term Employee Benefits  
Post Employment Benefits (Defined Benefit Plans)  
The employees 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 statement of profit and loss.  
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 statement of profit and loss.

### 1.9 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.

### 1.10 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 statement of profit & loss in accordance with Accounting Standard 19 on leases.

### 1.11 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.

### 1.12 EARNINGS PER SHARE

Basic earning 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.

### 1.13 MISCELLANEOUS EXPENDITURE

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

### 1.14 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.

### 1.15 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.

## Notes on Consolidated Financial Statements

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

<b>NOTE - 2.1 "SHARE CAPITAL"</b>		
<b>Authorised Share Capital</b>		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26
(Also Refer Note 2.29)	<b>224.26</b>	<b>224.26</b>

<b>NOTE - 2.2 "RESERVES &amp; SURPLUS"</b>		
<b>Security Premium Reserve</b>		
Opening balance	3,287.98	3,287.98
(A)	<b>3,287.98</b>	<b>3,287.98</b>
<b>General Reserves</b>		
	141.02	141.02
(B)	<b>141.02</b>	<b>141.02</b>
<b>Profit &amp; Loss Account</b>		
Opening Balance	5,022.73	4,191.36
Transferred From Statement of Profit & Loss	620.86	857.42
	<b>5,643.59</b>	<b>5,048.77</b>
Appropriations :		
Proposed Dividend on Equity Shares	22.43	22.43
Tax On Proposed Dividend	3.81	3.64
	<b>5,617.35</b>	<b>5,022.71</b>
Add : Transfer from Foreign Currency Translation Reserve	-	0.03
(C)	<b>5,617.35</b>	<b>5,022.73</b>
<b>Foreign Currency Translation Reserve</b>		
Opening Balance	-	0.01
Add: Transfer During The Year	-	0.01
	-	0.03
Less : Transfer To Statement of Profit & Loss	-	0.03
(D)	-	-
<b>Total</b>	<b>9,046.36</b>	<b>8,451.74</b>
	<b>(A+B+C+D)</b>	

PARTICULARS	(Rs. in Millions)			
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>NOTE - 2.3 - "LONG TERM BORROWINGS"</b>				
	Non Current Portion		Current Maturities	
<b>SECURED</b>				
Term Loans				
- From Banks	2,225.88	2,604.81	548.17	1,089.02
<b>UNSECURED</b>				
Other Loans				
- From Banks	1.64	3.43	2.85	2.04
- From Others	5.86	1.36	1.36	1.52
<b>(Also Refer Note 2.30)</b>	<b>2,233.38</b>	<b>2,609.61</b>	<b>552.38</b>	<b>1,092.58</b>

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

**NOTE - 2.4 - "DEFERRED TAX LIABILITIES"**

Deferred Tax Liabilities Arising On Account Of Depreciation	3,670.48	3,241.99
<b>TOTAL A</b>	<b>3,670.48</b>	<b>3,241.99</b>
Deferred Tax Assets Arising On Account Of		
- Employees Retirement Benefits	51.72	42.58
- Unabsorbed Depreciation and Carried Forward Losses	44.51	102.22
- Other Expenses & Provisions	125.56	145.85
<b>TOTAL B</b>	<b>221.78</b>	<b>290.65</b>
<b>NET DEFERRED TAX LIABILITY (A-B)</b>	<b>3,448.70</b>	<b>2,951.34</b>
<b>TAX IMPACT</b>	<b>1,118.93</b>	<b>957.56</b>

**NOTE - 2.5 - "OTHER LONG TERM LIABILITIES"**

Security from Customers	8.08	10.30
	<b>8.08</b>	<b>10.30</b>

**NOTE - 2.6 - "LONG TERM PROVISIONS"**

Provision for Employees Retirement Benefits	49.00	37.89
	<b>49.00</b>	<b>37.89</b>

**NOTE - 2.7 - "SHORT TERM BORROWINGS"**

<b>SECURED</b>		
Working Capital Limits		
- From Banks	5,798.42	5,091.11
	<b>5,798.42</b>	<b>5,091.11</b>



PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

**NOTE - 2.8 "TRADE PAYABLES"**

- Due to Micro, Small & Medium Enterprises	11.64	6.56
- Due to Others	4,388.97	3,818.62
	<b>4,400.61</b>	<b>3,825.19</b>

**NOTE - 2.9 "OTHER CURRENT LIABILITIES"**

Current Maturities of Long Term Debts	548.17	1,089.02
Current Maturities of Other Loans	4.21	3.56
Interest accrued but not due on borrowings	26.60	21.05
Advances From Customers	59.04	38.57
Other Payables	229.12	160.56
	<b>867.15</b>	<b>1,312.76</b>

**NOTE - 2.10 "SHORT TERM PROVISIONS"**

Proposed Dividend	22.43	22.43
Tax on Proposed Dividend	3.81	3.64
Provision for Income Tax (Net of Advance Tax & TDS)	150.79	183.77
Provision for Excise Duty On Finished Goods	14.74	5.43
Provision for Employee Retirement Benefits	2.72	4.69
	<b>194.48</b>	<b>219.96</b>

(Rs. in Millions)

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

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions*	Sale / Deletion	As At March 31, 2014	Up To March 31, 2013	During the Year	Deletion / Adjustments	Up To March 31, 2014	As At March 31, 2014	As At March 31, 2013
Freehold Land & Site Development	941.27	1.77	-	943.04	-	-	-	-	943.04	941.27
Leasehold Land	3.27	-	-	3.27	0.20	0.04	-	0.24	3.03	3.07
Buildings	1,389.90	20.38	-	1,410.28	220.84	46.49	-	267.33	1,142.95	1,169.06
Tube Well	10.40	(0.00)	-	10.40	1.70	0.35	-	2.05	8.35	8.70
Plant & Machinery	6,553.16	508.05	-	7,061.22	2,032.85	563.33	-	2,596.17	4,465.04	4,520.32
Plant & Machinery (R & D)	1,912.03	560.50	-	2,472.53	295.16	86.75	-	381.91	2,090.62	1,616.86
Boiler	170.70	(0.00)	-	170.70	39.06	17.29	-	56.35	114.35	131.64
Pollution Control Equipment	75.25	-	-	75.25	31.29	3.57	-	34.87	40.38	43.95
Laboratory	86.00	2.18	-	88.18	22.39	4.10	-	26.49	61.69	63.61
Miscellaneous Fixed Assets	914.12	72.43	-	986.54	377.04	105.01	-	482.06	504.49	537.07
Furniture & Fixture	82.99	1.96	-	84.95	24.25	5.27	-	29.52	55.43	58.74
Motor Vehicles	62.40	8.04	0.46	69.98	31.27	5.61	0.40	36.47	33.51	31.13
Computer	31.63	3.58	-	35.20	18.68	3.98	-	22.65	12.55	12.95
<b>Total</b>	<b>12,233.12</b>	<b>1,178.88</b>	<b>0.46</b>	<b>13,411.54</b>	<b>3,094.73</b>	<b>841.78</b>	<b>0.40</b>	<b>3,936.11</b>	<b>9,475.43</b>	<b>9,138.39</b>
Previous Year	10,914.66	1,321.66	3.20	12,233.12	2,335.94	759.49	0.70	3,094.73	9,138.39	8,578.71

\*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 146.79 Millions (Previous Year Nil)

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

## NOTE - 2.12 "NON CURRENT INVESTMENTS"

### NON TRADE UNQUOTED

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

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

Security Deposits	15.83	15.59
MAT Credit Entitlement	808.74	645.63
Unsecured Loans & Advances to Related Parties		
- Considered Good	-	-
- Considered Doubtful	-	16.40
Unsecured Loans & Advances to others		
- Considered Good	44.10	43.58
	<b>868.67</b>	<b>721.20</b>
Less: Provision for Doubtful Advances	-	16.40
	<b>868.67</b>	<b>704.80</b>

## NOTE - 2.14 "OTHER NON CURRENT ASSETS"

Misc Expenses (to the extent not written off or adjusted)	0.15	0.23
Less :- Written off During the Year	0.08	0.08
	<b>0.08</b>	<b>0.15</b>

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

## NOTE - 2.15 "CURRENT INVESTMENTS"

### NON TRADE

#### QUOTED

1,600 EQUITY SHARES OF RS. 10/- EACH fully paid up In Vijaya Bank.	0.04	0.04
1,271 EQUITY SHARES OF RS. 10/- EACH fully paid up In Yes Bank Ltd.	0.06	0.06
1 EQUITY SHARE OF RS. 10/- each fully paid up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]		
2,350 EQUITY SHARES OF RS. 10/- EACH fully paid up In Parsvanath Developers Ltd.	1.31	1.31
12,267 EQUITY SHARES OF RS. 10/- EACH fully paid up in Punjab Alkalies & Chemicals Ltd.	0.33	0.33
PNB - Principal Income Fund	-	2.00
SBI PSU Fund	1.00	1.00
PRINCIPAL PNB ASSET MANAGEMENT CO. P. LTD.	2.00	-
	<b>4.74</b>	<b>4.74</b>
Less: Provision for Loss on Investment	1.60	1.55
	<b>3.14</b>	<b>3.19</b>

Market value of Quoted Investment Rs. 4.02 Millions (Previous Year Rs. 3.89 Millions)

## NOTE - 2.16 "INVENTORIES"

(As Certified by The Management)

Raw Material	744.38	538.53
Work In Progress	6,277.09	5,703.89
Finished Goods	266.38	187.93
Stocks in Trade	161.82	235.36
Other Miscellaneous Stocks	134.60	94.30
	<b>7,584.27</b>	<b>6,760.00</b>

## NOTE - 2.17 "TRADE RECEIVABLES"

### (Unsecured)

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

- Considered Good	123.48	195.40
- Considered Doubtful	85.25	78.46
	<b>208.74</b>	<b>273.86</b>
Less : Provision For Doubtful Debts	85.25	78.46
	<b>123.48</b>	<b>195.40</b>

Other Debts

- Considered Good	3,643.00	3,298.46
	<b>3,766.49</b>	<b>3,493.86</b>

PARTICULARS	(Rs. in Millions)	
	As At March 31, 2014	As At March 31, 2013

#### NOTE - 2.18 "CASH & BANK BALANCES"

##### Balance With Banks

In Current Accounts	96.40	60.60
In Unclaimed Dividend & Share Application Money Accounts	0.34	0.28
Cash In Hand (Incl Staff Imprest)	3.04	1.53
	<b>99.78</b>	<b>62.40</b>

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

Excise Balances	121.56	77.85
Other Loans & Advances, considered good -		
- To Related Parties	-	45.05
- To Others	536.73	745.53
	<b>658.29</b>	<b>868.43</b>

#### NOTE - 2.20 "OTHER CURRENT ASSETS"

Export and Other Incentives Accrued	229.40	258.83
Income Tax Refund Due	31.86	39.87
Insurance Claim Receivable :		
- Considered Good	0.13	24.23
- Considered Doubtful	21.06	22.12
	282.45	345.06
Less: Provision for Doubtful Insurance Claim	21.06	22.12
	<b>261.40</b>	<b>322.94</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

#### NOTE - 2.21 "REVENUE FROM OPERATIONS"

Sale of Manufactured Products		
- Export	7,441.68	9,884.53
- Domestic	9,011.50	6,136.38
Trading Sale		
- Export	44.61	25.50
- Domestic	584.05	686.07
	<b>17,081.84</b>	<b>16,732.47</b>

#### NOTE - 2.22 "OPERATING INCOME"

Outsourcing Income	0.14	7.83
Carbon Credit	5.29	6.54
	<b>5.43</b>	<b>14.37</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

#### NOTE - 2.23 "OTHER INCOME"

Interest On Fixed Deposits	0.53	0.10
Interest Others	115.73	160.30
Dividend From Investments	0.01	0.01
	<b>116.27</b>	<b>160.40</b>

#### NOTE - 2.24 "RAW MATERIAL CONSUMED"

Opening Stock	538.53	330.03
Add:- Purchase of Raw Material	11,932.57	11,673.72
	12,471.10	12,003.75
Less :- Closing Stock	744.38	538.53
	<b>11,726.71</b>	<b>11,465.22</b>

#### NOTE - 2.25 "CHANGE IN FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE"

Inventory (At Close)		
Finished Goods	266.38	187.93
Stock in Process	6,277.09	5,703.89
Stock in Trade	161.82	235.36
	6,705.29	6,127.18
Inventory (At Commencement)		
Finished Goods	187.93	346.52
Stock in Process	5,703.89	4,922.74
Stock in Trade	235.36	213.91
	6,127.18	5,483.16
	<b>578.11</b>	<b>644.02</b>

#### NOTE - 2.26 "EMPLOYEES BENEFITS EXPENSE"

Salaries & Wages	398.26	396.46
Remuneration To Directors	33.60	29.70
Contribution to Provident and Other Funds	28.50	20.61
Staff Welfare	52.92	39.35
	<b>513.29</b>	<b>486.11</b>

#### NOTE - 2.27 "FINANCIAL EXPENSES"

Interest Expenses	881.27	1,048.65
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	498.61	106.25
	<b>1,379.87</b>	<b>1,154.89</b>

PARTICULARS	(Rs. in Millions)	
	Year Ended March 31, 2014	Year Ended March 31, 2013

**NOTE - 2.28 "OTHER EXPENSES"**

**Manufacturing Expenses**

Consumable Stores	106.87	104.00
Oil & Lubricants	30.50	23.92
Power, Fuel & Steam Expenses	628.53	584.12
Chemical Testing Expenses	7.59	5.89
Packing Expenses	123.77	135.64
Repairs & Maintenance		
- Electricals	4.80	2.11
- Machinery	71.58	77.15
- Building	8.65	4.37
<b>Total</b>	<b>(A) 982.29</b>	<b>937.19</b>

**Administrative Expenses**

Travelling & Conveyance	40.22	41.45
Advertisement & Subscription	0.94	2.80
Books & Periodicals	0.39	0.40
Business Promotion	16.34	15.40
Insurance	43.22	36.94
Electricity Expenses (Office)	1.97	1.40
Postage, Telephone, Telegram	15.07	10.49
Printing & Stationery	12.09	9.23
Professional Fees	37.51	28.04
Rate, Fees & Taxes	15.91	9.05
Vehicle Running & Maintenance	12.46	11.21
Rent	11.45	8.73
Audit Fees	2.50	2.20
Office Expenses	5.12	4.40
Diwali & Pooja Expenses	3.02	3.47
Donation	13.76	12.63
Directors' Sitting Fees	0.21	0.21
Loss on Sale of Fixed Assets	0.01	0.27
Loss (Profit) on Sale / Restatement of Investment	(0.21)	0.23
Provision For Doubtful Insurance Claims	(1.07)	4.26
<b>Total</b>	<b>(B) 230.89</b>	<b>202.79</b>

**Selling & Distribution Expenses**

Discount / Samples	42.98	41.01
Freight & Cartage Outward	138.15	185.81
Sales Commission	48.65	53.34
Bad Debts Written Off / Provision for Doubtful Debts Reversed (Net)	(7.71)	33.51
<b>Total</b>	<b>(C) 222.07</b>	<b>313.67</b>
<b>Grand Total</b>	<b>(A+B+C) 1,435.25</b>	<b>1,453.65</b>

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

	As at 31st March, 2014		As at 31st March, 2013	
Particulars	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 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, 2014	As at 31st March, 2013
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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

Corporate Loans 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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

**Repayment Schedule of Term Loans:**

Year of Repayment	Amount (Rs. In Millions)
1-2	442.60
2-5	1287.07
> 5	496.22

Term Loans availed by the Company, include term loans from various Banks. 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	2.32
2-5	4.32
> 5	0.86

- 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 namely Sh. Sanjiv Goyal & Sh. Aryan Goyal.

**2.31 FIXED ASSETS**

A sum of Rs. 560.50 millions (previous year Rs. 358.41 Millions) has been capitalized under the head Plant & Machinery (Research & Development). The company has been regularly working on modernization and development of its existing technological system



and development of new products & processes. As such, there has been loss of capacity utilization because of the development of new product and processes. In the opinion of management, the above process will yield benefits in the coming years in the shape of more demand in the international market as well as better price.

## 2.32 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.

## 2.33 CURRENT LIABILITIES

- I. The principal amount remaining unpaid as at 31<sup>st</sup> March 2014 in respect of enterprises covered under the “Micro, Small and Medium Enterprises Development Act, 2006” are Rs. 11.64 millions (previous year Rs. 6.56 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 0.52 millions (previous year Rs 0.13 millions) is remaining unpaid as of 31<sup>st</sup> March 2014. The principal amount that remained unpaid as at 31<sup>st</sup> March 2013 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. 0.37 million (previous year Rs. 0.34 million) which relates to unclaimed dividend and share application money refundable. Out of it, no amount has become due for deposit to Investor Education and Protection Fund as at balance sheet date.

During the year, an amount of Nil (Previous Year Rs. 0.28 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.

## 2.34 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2014	31.03.2013
<b>a)</b>	<b>Contingent Liabilities</b>		
i)	Claims not acknowledged as debts :- **		
	— Income Tax matters	18.47	5.97
	— Excise matters	111.45	108.06
	— Service Tax matters	13.95	13.93
	— ESI matters	3.54	3.54
ii)	Bank Guarantees	9.22	8.70
iii)	Bills Discounted	105.55	144.41
iv)	Letter of Credit (Foreign / Inland)	171.77	398.01
v)	Other money for which Company is contingently liable		
	a) Differential amount of custom duty in respect of machinery imported under EPCG Scheme	0.39	0.29
<b>b)</b>	<b>Commitments</b>		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	8.71	53.18

\*\* 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.

**2.35 PAYMENT TO AUDITORS**

(Rs. In Millions)

Particulars	2013-14	2012-13
Statutory Audit and Limited Review Fees	2.10	1.90
Tax Audit Fee	0.40	0.30
Service Tax	0.31	0.27

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

Provision for 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. 161.37 million (Previous Year Rs. 327.34 million) and it has been recognized in the Statement of Profit & Loss. In accordance with clause 29 of Accounting Standard (AS 22) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

**2.37 LEASES**

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

Lease payments recognized in the Statement of Profit & Loss are Rs. 11.45 millions (Previous Year Rs. 8.73 millions).

**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 2013	26.04	16.54
Acquisition adjustment	-	-
Interest Cost	2.34	1.49
Past Service Cost	-	-
Current Service Cost	6.69	8.19
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(2.54)	(3.18)
Actuarial (gain)/loss on obligations	0.36	(4.22)
Present Value of obligations as at 31st March 2014	32.90	18.82

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

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Fair Value of Plan Assets as at 1st April 2013	-	-
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 2014	-	-

**Fair Value of Plan Assets**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Fair Value of Plan Assets as at 1st April 2013	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2014	-	-
Funded Status	(32.90)	(18.82)

**Actuarial Gain/Loss Recognized**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Actuarial gain/(loss) for the year - Obligation	(0.36)	4.22
Actuarial gain/(loss) for the year - Plan Assets	-	-
Total (gain)/ loss for the year	0.36	(4.22)
Actuarial (gain)/ loss recognized in the year	0.36	(4.22)
Unrecognized actuarial (gains) / losses at the end of year	-	-

**Amount recognised in the Balance Sheet**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Present value of obligations as at 31st March 2014	32.90	18.82
Fair value of plan assets as at 31st March 2014	-	-
Funded Status	(32.90)	(18.82)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(32.90)	(18.82)

**Expenses recognized in the Statement of Profit & Loss**

(Rs. in millions)

	<b>Gratuity</b>	<b>Earned leave</b>
Current service cost	6.69	8.19
Past service cost	-	-
Interest cost	2.34	1.48
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognised in the period	0.36	(4.22)
Expenses recognised in the Statement of Profit & Loss	9.39	5.46

## NECTAR LIFESCIENCES LIMITED

### Valuation Assumptions

Discount Rate	9%
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)
	2013-2014	2012-2013
- Current Tax	163.10	229.44
- Previous Year Tax	0.06	(37.25)
- Deferred Tax	161.37	327.34
- MAT Credit Entitlement	(163.10)	(229.44)
	<b>161.43</b>	<b>290.09</b>

### 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 2006 as amended upto date.

#### ii) Secondary Segment (By Geographical Segment)

Secondary Segment (By Geographical Segment)			(Rs. In millions)
S. No	Particulars	31.03.2014	31.03.2013
(a)	India	9595.55	6822.44
(b)	Outside India	7486.29	9910.03
	Total Sales	17081.84	16732.47

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) Joint Ventures and Associates

None

##### ii) Key Management Personnel (Managing Director/Whole-time directors)

Sh. Sanjiv Goyal

Sh. Aryan Goyal

Sh. Dinesh Dua (appointed w.e.f. 14th Oct., 2013)

Sh. Saurabh Goyal (upto 10th Feb., 2014)

Sh. Harprakash Singh Gill

##### iii) Relatives of the Key Management Personnel\*

Sh. Saurabh Goyal (w.e.f 11th Feb., 2014)

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

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

Surya Narrow Fabrics - New Delhi

Nectar Lifestyles Private Limited- New Delhi

Nectar Organics Private Limited - New Delhi

\* 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	31.03.2014	31.03.2013
i.	Remuneration & Perquisites	34.07	29.70
ii.	Salary	0.39	Nil

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

(Rs. In millions)

Sr.No.	PARTICULARS	31.03.2014	31.03.2013
i.	Loans & Advances received back during the year (Net)	61.45	53.39
	Balance at year end	-	61.45
ii.	Rent	0.96	0.96

## 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 31.03.2014	YEAR ENDED 31.03.2013
Profit After Tax	Rs in million	620.86	857.42
No of Shares Outstanding	Nos.	224260970	224260970
<b>No of Weighted Average equity shares</b>	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
<b>Nominal value of equity shares</b>	Re.	1.00	1.00
<b>Earnings per Share</b>			
— Basic	Rs.	2.77	3.82
— Diluted	Rs.	2.77	3.82

2.44 Other Borrowing Costs include Loss on account of foreign exchange fluctuation (net) amounting to Rs. 147.06 millions (Previous Year gain of Rs. 221.25 millions)

## 2.45 DETAIL OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED

a) RAW MATERIAL CONSUMED

(Rs. In millions)

Sr. No.	Particulars	Amount	2013-2014 (%age)	Amount	2012-2013 (%age)
1.	Imported	4116.14	35.10	2920.88	25.48
2.	Indigenous	7610.58	64.90	8544.34	74.52

b) STORES & SPARES CONSUMED

(Rs. In millions)

Sr. No.	Particulars	Amount	2013-2014 (%age)	Amount	2012-2013 (%age)
1.	Imported	0.65	0.61	5.70	5.48
2.	Indigenous	106.22	99.39	98.30	94.52

2.46 OTHER INFORMATION

(Rs. In millions)

	Particulars	2013-2014	2012-2013
<b>(a)</b>	<b>CIF Value of Imports</b>		
1.	Raw Material	4290.81	3119.80
2.	Traded Goods	135.83	120.41
3.	Capital Goods, Stores & Spares etc.	10.22	29.67
<b>(b)</b>	<b>Expenditure in Foreign Currency</b>		
1.	Travelling Expenses	8.40	6.80
2.	Export Commission	27.76	35.64
3.	Other Expenses	46.82	37.89
<b>(c)</b>	<b>Remittances in Foreign Currency</b>		
1.	Raw Material	4611.19	2550.60
2.	Traded Goods	128.13	109.51
3.	Capital Goods and Stores & Spares	11.56	28.03
<b>(d)</b>	<b>Expenditure in Foreign Currency on account of dividend</b>		
	<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid	7.2	7.2
	(ii) Year to which dividend relates	2012-13	2011-12
<b>(e)</b>	<b>Earning in Foreign Currency</b>		
	<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
	FOB Value of Exports	7486.29	9910.03

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

For NECTAR LIFESCIENCES LIMITED

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

Sanjiv Goyal  
Chairman & Managing Director

Dinesh Dua  
CEO & Whole Time Director

Yogesh Monga  
Partner  
M. No. 099813

Sandeep Goel  
Chief Finance Officer

Sunder Lal  
Company Secretary

R.K. Aggarwal  
V.P. Accounts

Place : Chandigarh  
Dated : 28.05.2014



**Detail of Subsidiary Company**

S No.	Particulars	Nectar Lifesciences UK Limited
1	Financial year Ended On	31-3-2014
2	Capital	0.00010
3	Reserves	NIL
4	Total Assets	0.00010
5	Total Liabilities	0.00010
6	Details of Investments (except in case of investment in the subsidiaries)	NIL
7	Turnover	NIL
8	Profit before Taxation	0
9	Provision for Taxation	NIL
10	Profit after Taxation	0
11	Proposed Dividend	NIL

**List of Foreign Subsidiaries, Name of Foreign Currency in which accounts were prepared and exchange rate used for converting the figures in Indian Rupees in the Statement**

Sr. No.	Company	Accounts consolidation upto	Currency in which accounts prepared	Conversion Rate
1.	Nectar Lifesciences UK Ltd	31-3-2014	GBP	1 GBP = Rs 99.89



## 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 19th Annual general meeting of the company,  
to be held on the **30th day of September 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. | 10. |
| 2. | 11. |
| 3. | 12. |
| 4. | 13. |
| 5. | 14. |
| 6. | 15. |
| 7. | 16. |
| 8. | 17. |
| 9. | 18. |

Dated:

Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

**Affix  
Revenue  
Stamp**

**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. Aryan Goyal	: Executive Director
3. Mr. Vivek Sett	: Director
4. Mr. Vijay J. Shah	: Independent Director
5. Mr. B.K. Goswami, IAS (Retd.)	: Independent Director
6. Dr. (Maj Gen) S.S. Chauhan, VSM (Retd.)	: Independent Director
7. Mr. Raman Kapur	: Independent Director
8. Mr. Ajay Swaroop	: Independent Director
9. Mr. Dinesh Dua	: CEO & Director
10. Mr. H.P. Singh	: Director & President (Operations)
11. Ms. Rima Marphatia	: Nominee 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, Sector 16-D, Chandigarh
- II. State Bank of India, Specialised Commercial Branch, Sector 17-B, Chandigarh
- III. Vijaya Bank, Barakhamba Road, New Delhi
- IV. Exim Bank, Mumbai
- V. HSBC, Barakhamba Road, New Delhi

## 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, Sector 9-D, Chandigarh 160 009 (U.T.) INDIA  
Ph.: 0172-3047777, 3047701 Fax: 0172-3037755  
Website: <http://www.neclife.com>

## Delhi Office

F-66, 6th Floor, Himalaya House, 23 KG Marg,  
C.P., New Delhi - 110001 Ph. No. 011-42403311/22

## 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 (HP)

### IV. Formulation Unit

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

### 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 Limited  
Karvy House, 46, Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad - 500 034  
Tel.: (91-40) 23114058 Fax: (91-40) 23311968

