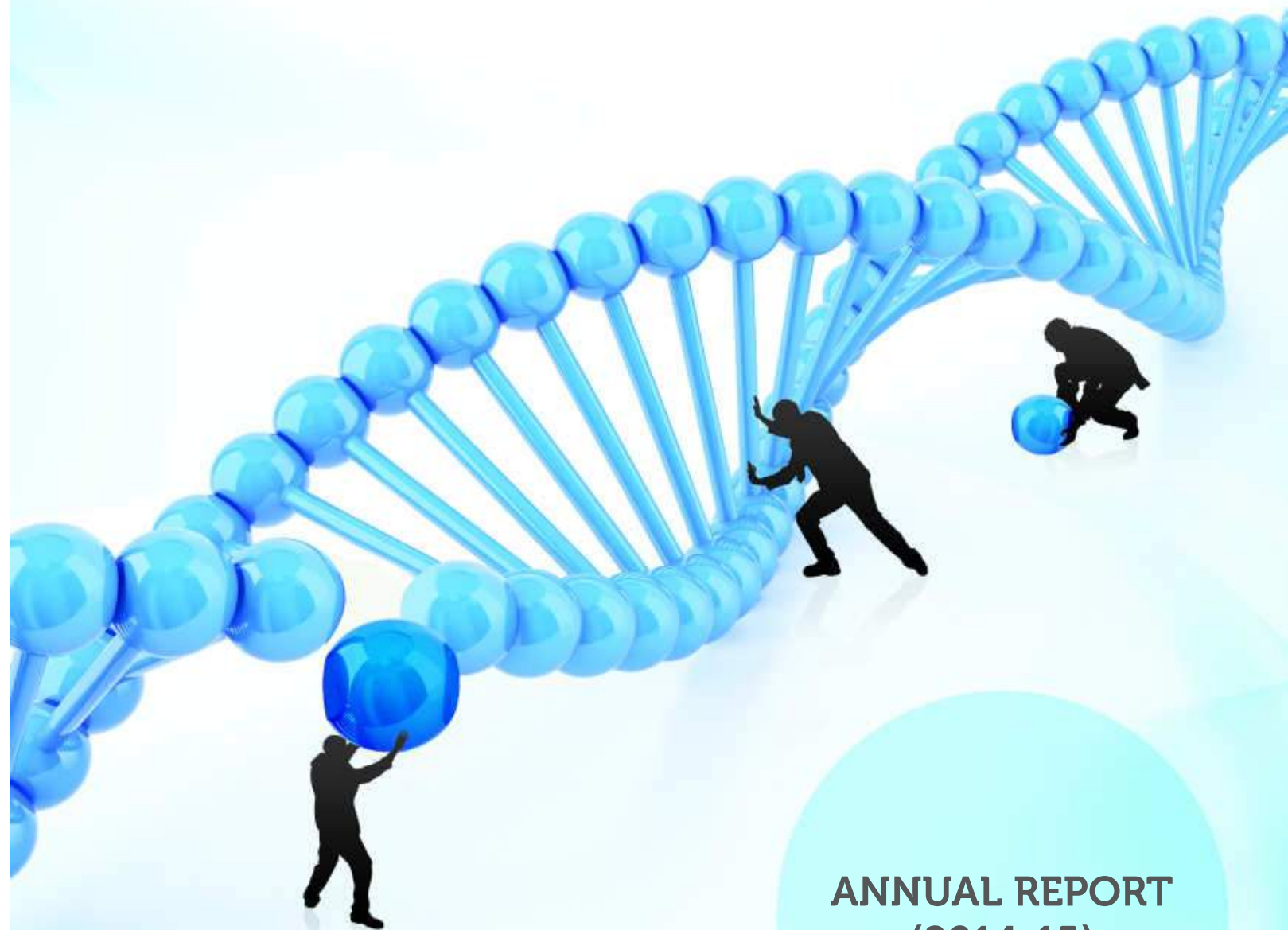


Expanding Horizons
Transforming **Healthcare**



**ANNUAL REPORT
(2014-15)**

Disclaimer

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

Contents

▮ Notice	01	▮ Director's Report	06	▮ Management Discussion Analysis	10
▮ Report on Corporate Governance	17	▮ Auditor's Report	47	▮ Balance Sheet	49
▮ Profit & Loss Account	50	▮ Cash Flow Statement	51	▮ Accounting Policies	52
▮ Notes	54	▮ Consolidated Accounts	66	▮ Statement of Subsidiary Companies	86



NOTICE

Nectar Lifesciences Limited

(CIN: L24232PB1995PLC016664)

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

Email: sunderlal@neclife.com, Website: www.neclife.com

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

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

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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



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

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

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

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

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

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

By order of the Board of Directors of
Nectar Lifesciences Limited

(Sunder Lal)
Company Secretary

Date: August 14, 2015
Place: Chandigarh

IMPORTANT NOTES:

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

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

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

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

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

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



Transfer Agent of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Item No. 3

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

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

His Directorships are as under:

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

He does not hold committee membership in any other company.

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

Item No. 5

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

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

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

Item No. 6.

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

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

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

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

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

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



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

Item No. 7

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

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

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

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

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

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

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

By Order of the Board of Directors of

NECTAR LIFESCIENCES LIMITED

**(SUNDER LAL)
COMPANY SECRETARY**

**August 14, 2015
Place: Chandigarh**

Route map of loaction of AGM.

A – Ambala Chandigarh Expressway at Derabassi.

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





Board of Directors' Report of Nectar Lifesciences Limited

Dear members,

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

Financial results

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

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

Company's performance

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

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

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

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

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

Management Discussion and Analysis Report

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

Corporate Governance

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

Global Depository Receipts (GDRs)

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

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

Subsidiary companies

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



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

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

Consolidated financial results

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

Dividend

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

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

Directors and Key Managerial Persons

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

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

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

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

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

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

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

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

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

Number of meetings of the board

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

Directors' responsibility statement

The Directors confirm that:

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



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

Board evaluation

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

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

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

Policy on directors' appointment and remuneration and other details

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

Committees of the Board

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

Internal financial control systems and their adequacy

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

Auditors and Auditors' Report

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

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

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

Secretarial Auditor and Secretarial Audit Report

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

Cost Audit

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

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

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

Prevention of Sexual Harassment at Workplace

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