Nectar Lifesciences Ltd.

NecLife

Ref: NLL/CS/2017-159

Dated: 03-10-2017

To

1. National Stock Exchange of India Limited
   'G' Block, Exchange Plaza, Bandra Kurla Complex,
   Bandra (East), MUMBAI - 400 051.

1. BSE Limited
   Phiroze Jeejeebhoy Towers, Dalal Street,
   MUMBAI - 400 001.

Sub: Compliance under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sirs,

Pursuant to captioned regulation, please find enclosed herewith copy of the Annual Report for the financial year ended on 31.03.2017 (containing notice of Annual General Meeting, statements of Accounts, Directors' and Auditors' Reports thereupon and Corporate Governance, Management Discussion and Analysis and consolidated financial statements).

This is for your information and records please.

Thanking you,

Yours Sincerely,

For Nectar Lifesciences Limited

Dinesh Dua
Chief Executive Officer & Director

Encl. as above

Corporate Office : S.C.O. 38-39, Sector 9-D, Chandigarh-160 009 (India) Tel. : +91-172-3047777 Fax : +91-172-3047755
E-mail : sales@neclife.com Website : www.neclife.com
CIN : L24232 PB1995 PLC 016664
Regd. Office & Works : Vill. Saidpura, Teh. Dera Bassi, Distt. Mohali (Punjab) Near Chandigarh (INDIA)
Tel. : +91-1762-308000, 308001 Fax : +91-1762-281187, 308135

NecLife®

Nectar Lifesciences Ltd.

ANNUAL REPORT 2016-2017

SERVING HUMANITY, SAVING LIVES

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the managements's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', '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 know or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially form those anticipated, or estimated projected. We undertake no obligation to publicity update any forward-looking statements, whether as a results of new information, future events or otherwise.

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NOTICE

Nectar Lifesciences Limited

(Corporate Identification Number: L24232PB1995PLC016664)

Registered Office: Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab
Email: cs@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 22nd 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 Thursday, September 28, 2017 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, 2017 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2017 and the Report of Auditors thereon.

2. To declare Final Dividend @5% i.e. Re. 0.05/- per equity share for the financial year ended on March 31, 2017.

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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s Ashwani K. Gupta & Associates, Chartered Accountants (ICAI Registration No. 003803N), be and are hereby appointed as the Auditors of the Company in place of the retiring auditors, M/s Datta Singla & Company, Chartered Accountants, for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual General Meeting of the Company to be held in the year 2022, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

   RESOLVED FURTHER THAT the appointment of M/s Ashwani K. Gupta & Associates, Chartered Accountants, as the Auditors of the Company shall be subject to ratification by the Members of the Company at every subsequent Annual General Meeting (as applicable under the Companies Act, 2013) held after this Meeting.

   RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to V. KUMAR & ASSOCIATES (Firm registration no. 100137), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, amounting to Rs. 2 lacs (Rupees Two Lacs only) as also the payment of Goods and Service Tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and Articles of Association and subject to the approval of Central Government, if necessary, the consent of the members be and is hereby accorded to the re-appointment of Mr. Sanjiv Goyal (DIN-00002841) as a Chairman & Managing Director of the company for a period of 5 years starting from June 1, 2017 on the terms and conditions including remuneration as are set out herein below:

   a) **Salary**: Rs. 1450,000/- (Rupees Fourteen Lacs Fifty Thousand only) per month plus an annual increment of Rs. 50,000/- w.e.f. April 1 of every year or such other increment as may be decided by the Board of Directors from time to time.

   b) **Perquisites**: He shall be entitled to medical reimbursement, club fees, personal accident insurance, 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. 10.00 lacs per annum

   RESOLVED FURTHER THAT in addition to the perquisites referred to above, he will be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

   a) Leave Encashment at the end of the tenure.

   b) Contributions to Provident Fund, Superannuation Fund or Annuity Fund, to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.

   c) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service

d) Any other perquisites, which is specifically provided in the Companies Act, to be excluded for the purpose of computation of the ceiling on remuneration.

RESOLVED FURTHER THAT Mr. Sanjiv Goyal shall have all the requisite powers and authority to enable him to manage the company on a day to day basis.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not to exceed the limits specified in the 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 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as, "the Act") and pursuant to the provisions of Memorandum and Articles of Association of the Company, and subject to the requisite approval of the Central Government, if necessary, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Harparkash Singh Gill (DIN-06414839) as a Wholetime Director designated as President (Operations) & Director of the company for a period of 2 years starting from November 1, 2017 on the terms and conditions including remuneration as are set out herein below:

a. **Salary and Allowances**: Rs. 269201.00 (Rupees Two Lac Sixty Nine Thousand Two Hundred and One only) per month or such other increment as may be decided by the Board of Directors from time to time.

b. **Perquisites:** He shall be entitled to medical reimbursement, Leave Travel and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 0.63 lacs per annum.

c. He is also entitling to bonus not exceeding Rs. 274500.00 in a financial year.

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

By order of the Board of Directors of
Nectar Lifesciences Limited

Date : 12.08.2017 **(Dinesh Dua)**
Place : Chandigarh **Chief Executive Officer & Director**

IMPORTANT NOTES:

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

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

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), which sets out details relating to Special Business at the meeting, is annexed hereto. Details under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations') in respect of the Directors seeking appointment/re-appointment at the AGM, also contained in Explanatory Statement pursuant to Section 102 of the Act. The Directors have furnished the requisite declarations for their appointment/re-appointment.

3. The register of members and the share transfer books of the company will remain closed from September 22, 2017 to September 28, 2017 (Both days inclusive) in accordance with the provisions of the Companies Act, 2013 and the LODR Regulations, for the purpose of AGM and determining names of the shareholders eligible for dividend on equity shares, if declared. The dividend, if declared at the AGM, will be paid:

   (i) For equity shares held in physical form - those shareholders whose names will appear in the Register of Members on the close of the day on September 21, 2017.

   (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 21, 2017.

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 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.

8. Members may also note that the Notice of the 22nd AGM and the Annual Report for 2016-17 will also be available on the Company's website www.neclife.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

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

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

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

12. Pursuant to the provisions of Section 124 and 125 of the Companies Act 2013, the amount of dividend remaining unclaimed upto the financial year 2008-2009 (Final) and 2009-2010 (Intrime) have 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 22nd 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 Thursday, September 21, 2017 (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. Thursday, September 21, 2017.

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

    Commencement of remote e-voting: FROM 9.00 a.m. on Monday, September 25, 2017

    End of remote e-voting: TO 5.00 p.m. on Wednesday, September 27, 2017.

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

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

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

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

    After the conclusion of voting at the general meeting, the scrutiniser shall, immediately first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses (who shall not be in the employment of the company). Thereafter, Scrutiniser shall give a consolidated report, specifying the total votes cast in favour or against, if any, within forty eight hours of conclusion of the meeting, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (www.neclife.com) and on the website of the Karvy (https:// evoting.karvy.com). The results shall simultaneously be communicated to the Stock Exchanges. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

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

Item No. 4

The Statement for this item is provided, though strictly not required, as per Section 102 of the Act.

In terms of Section 139 of the Act, the term of M/s Datta Singla & Company, Chartered Accountants, the current Statutory Auditors of the Company, will end at the conclusion of the 22nd Annual General Meeting (**"AGM"**) of the Company and the Company is required to appoint new Statutory Auditors to conduct the Statutory Audit of the books of accounts of the Company for the Financial Year 2017-18 onwards.

The Board of Directors recommend the appointment of M/s Ashwani K. Gupta & Associates, Chartered Accountants (ICAI Registration No. 003803N) as the Statutory Auditors of the Company, for a period of 5 years commencing from the conclusion of the 22nd AGM till the conclusion of the 27th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

The firm has been in existence for the last 34 years and has adequate

Professional Competence and infrastructure. Some of the main activities of the firm are Statutory Audit of Listed Companies and Manufacturing companies in different sectors including Pharmaceuticals, Statutory Audits of Scheduled Bank Branches, Statutory Audit of Government Companies (CAG Audits), Internal Audit, Stock Audit/ Concurrent Audit of Borrower Companies on behalf of the Bank and Income Tax Consultancy.

M/s Ashwani K. Gupta & Associates, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

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, 2018 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, 2018. The Board recommends the Ordinary Resolution set out at Item no. 5 of the Notice for the approval of the Members.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

Item No. 6

Mr. Sanjiv Goyal (DIN-00002841) has been re-appointed as a Chairman & Managing Director of the company w.e.f. June 01, 2012 for a period of 5 years. As a result, his tenure as a Managing Director has expired on May 31, 2017. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 30, 2017, has resolved to re-appoint Mr. Sanjiv Goyal as Chairman & Managing Director of the Company for a period of 5 years with effect from June 01, 2017 on the terms and conditions as set out in the proposed resolution, subject to the approval of the members.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution as per item no. 6 of the accompanying Notice for the approval of the Members.

Mr. Sanjiv Goyal, aged 57 years, is commerce and law graduate. Mr. Sanjiv Goyal established Nectar Lifesciences Limited in 1995 and had been the managing director ever since. The company became fully operational in April 1997. He was conferred with prestigious global award of "Entrepreneur of the Year" for financial year 2013-14, instituted by Asia Pacific Entrepreneurship Awards (APEA), a global NGO from Malaysia.

His Directorships were as under:

a) Nectar Organics Private Limited

b) Nectar Lifestyles Private Limited

c) SAS Pro Build Private Limited

His committee membership and the details of number of Board and committee meetings attended by him are given in Corporate Governance Report.

He holds 55555600 Equity Share in the Company representing 24.77% of total paid up shares capital of the company.

Except Mr. Sanjiv Goyal, 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 or KMPs.

Item No. 3 and 7

The Statement for item no. 3 is provided, though strictly not required, as per Section 102 of the Act.

Mr. Harparkash Singh Gill (DIN – 06414839), Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment as proposed in item no. 3

Mr. Harparkash Singh Gill has been re-appointed as a Wholetime Director designated as President (Operations) & Director from November 1, 2015 for a period of two years. As a result, his tenure, as a President (Operations) & Director, will expire on October 31, 2017. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 12, 2017, have decided to re-appoint Mr. Harparkash Singh Gill as President (Operations) & Director of the Company for a period of 2 years with effect from November 1, 2017 on the terms and conditions as set out in the proposed resolution.

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 item no. 7 of the accompanying Notice for the approval of the Members.

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. Mr. Harparkash Singh Gill, born in October, 1954, holds a B.E. (Electrical) degree and was selected through UPSC, as Marketing Development Officer in Directorate and Marketing Inspection, Ministry of Agriculture and Rural Development, Govt. of India. He has worked with various companies at senior positions before moving to Nectar Lifesciences Limited in 2005. He has the experience of 38 years.

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

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

By order of the Board of Directors of
Nectar Lifesciences Limited

Place : Chandigarh
Date : 12.08.2017

(Dinesh Dua)
Chief Executive Officer & Director

Board of Directors' Report of Nectar Lifesciences Limited

Dear members,

Your Directors have pleasure in presenting the 22nd 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, 2017.

Financial results

(Rs. in millions)

	March 31, 2017	March 31, 2016
Gross Sales	17436.27	17932.25
Other Income	226.57	57.78
Profit before interest and depreciation	2468.97	2452.23
Interest	1174.13	1233.06
Depreciation & Amortisation	622.51	573.89
Profit before tax	672.33	645.28
Tax Expenses	120.79	95.85
Profit after tax available for Appropriations	551.54	549.43

Company's performance

The overall performance of the company was at par of last year. The Turnover decreased by 2.77% over last year primarily on account of compression in domestic market on account of steep decline of Key Starting Raw Materials which is borne out by the fact that there was volume growth in exports of 5% in value & 10% in volume. There was marginal increase in profits over last financial year.

The company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued there under, from April 01, 2016 and accordingly, standalone and consolidated audited financial statements (including comparative figures for the year ended March 31, 2016) had been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and the other accounting principles generally accepted in India.

The financial results of the company for the quarter ended on June 30, 2017 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 year under review as required under Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), is given as Annexure 1 and forms and 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 and part of this report. A certificate from the Company's Auditors regarding the Compliance of Conditions of Corporate Governance as stipulated under LODR Regulations is given in Annexure 3.

Global Depository Receipts (GDRs)

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

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

Subsidiary companies

The company has a wholly owned subsidiaries namely Nectar Lifesciences UK Limited, incorporated in United Kingdom and Nectar Lifesciences US, LLC in United States. There are negligible investments in Nectar Lifesciences UK Limited and no business activity has been carried out in it in financial year 2016-17 and till date in financial year 2017-18. Therefore, nothing is to report on the performance and financial position of Nectar Lifesciences UK Limited.

However, the Nectar Lifesciences US, LLC commenced the business operations of trading of pharmaceutical products. The company's gained the profit of US$ 16077.72 during financial year 2016-17 as compared to loss of US$ 38455.11 in financial year 2015-16.

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

As required under Section 129 of the Act and LODR Regulations a consolidated financial statements for the year ended on March 31, 2017 of the Company are attached.

Dividend

Your Directors are pleased to recommend a Final Dividend @ 5% i.e. Re. 0.05 per equity shares of face value of Re. 1/- each aggregating to Rs. 11,213,048.50 for the year ended 31st March, 2017. 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 3, 2017, 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 22, 2017 to September 28, 2017 (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

Mr. Harparkash Singh Gill (DIN – 06414839), Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment as a Director.

Mr. Harparkash Singh Gill has been re-appointed as Wholetime Director designated as President (Operation) & Director by the Board of Directors in their meeting held on August 12, 2017 w.e.f. November 1, 2017 for a period of 2 years. The Board recommends his reappointment as a Wholetime Director.

Ms. Guljit Chaudhri has been appointed as regular independent director for a period upto December 28, 2020 in Annual General Meeting of your company held on September 30, 2016.

Mr. Sanjiv Goyal, Chairman & Managing Director has been re-appointed by the Board of Directors in their meeting held on May 30, 2017 w.e.f. June 1, 2017 for a period of 5 years. The Board recommends his reappointment.

As on the date of this report, the company has right proportionate of Independent Directors viz a viz Non-Independent Directors as per applicable provisions of Section 149 of the Act, and LODR Regulations.

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

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company during financial year 2016-17 are as under:

Mr. Sanjiv Goyal, Chairman & Managing Director

Mr. Dinesh Dua, Wholetime Director designated as Chief Executive Officer & Director

Mr. Harparkash Singh Gill, Wholetime Director designated as President (Operations) & Director

Mr. Sandeep Goel, Chief Financial Officer

Mr. Sunder Lal, Company Secretary

Number of meetings of the board

Six meetings of the board were held during the year. The details of Directors and meeting held during the financial year 2016-2017 are provided in Corporate Governance Report which forms and part of this report.

Directors' responsibility statement

The Directors confirm that:

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

Board evaluation

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

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

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

Policy on directors' appointment and remuneration and other details

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

Committees of the Board

The Company constituted the Committees as per the provisions of Sections 177 and 178 of the Act and LODR Regulations. The composition, powers and duties of the Committees, during financial year 2016-17, 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

In terms of the provisions of the Companies Act, 2013 (**'Act'**), statutory auditors need to be rotated on completion of two consecutive terms of five years each. For those of the companies that have firms audit their accounts for more than ten years as of April 1, 2014, the Act provided such companies a transition period of three years to comply with the provisions of the Act. The current statutory auditors, M/s Datta Singla & Company, Chartered Accountants completed two consecutive terms as of April 1, 2014 and hence the Company availed the benefit of the transition period which came to an end on March 31, 2017. Accordingly, the Company will need to appoint a new audit firm to audit its books of account for the year ending March 31, 2018 and onwards.

Based on the recommendation of the Audit Committee, the Board of Directors in their meeting held on August 12, 2017, proposed to appoint M/s Ashwani K. Gupta & Associates, Chartered Accountants (ICAI Registration No. 003803N) as the statutory auditors of the Company for a period of five years commencing from the conclusion of the forthcoming 22nd Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company to be held in the year 2022.

The firm has been in existence for the last 34 years and has adequate Professional Competence and infrastructure. Some of the main activities of the firm are Statutory Audit of Listed Companies and Manufacturing companies in different sectors including Pharmaceuticals, Statutory Audits of Scheduled Bank Branches, Statutory Audit of Government Companies (CAG Audits), Internal Audit, Stock Audit/ Concurrent Audit of Borrower Companies on behalf of the Bank and Income Tax Consultancy.

The Firm has also obtained Peer Review Certificate from the Institute of Chartered Accountants of India.

M/s Ashwani K. Gupta & Associates, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of section 143 of the Act.

The Board seeks your support in approving the appointment of Ashwani K. Gupta & Associates, Chartered Accountants as the new statutory auditor of the Company.

M/s Datta Singla & Company, Chartered Accountants, are the auditors of the Company and will hold office until the conclusion of the ensuing AGM. On your behalf and on our own behalf we place on record our sincere appreciation for the services rendered by them during their long association with the Company.

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

Secretarial Auditor and Secretarial Audit Report

During the year, Secretarial Audit was carried out by Mr. Prince Chadha of P. Chadha & Associates., Practicing Company Secretary, the Secretarial Auditor of the company for the Financial Year 2016-17. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company. The Secretarial Audit Report is appended as an Annexure 4 to this report.

Cost Audit

The company has appointed Dr. Vimal Kumar (Membership No. 9982) prop. of M/s V. Kumar and Associates, SCO 124-125, Sector 34A, Chandigarh, Cost and Works Accountants as the Cost Auditors of the Company for the financial year 2017-18.

The Cost Audit Reports for the financial year 2015-16 have been filed on September 20, 2016, being within 30 days of date of report i.e. August 23, 2016.

The Cost Auditor shall forward the Cost Audit Report for the financial year 2016-17 by September 30, 2017. The report will be filed with Ministry of Corporate Affairs within 30 days of date of Cost Audit Report.

Risk management

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

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

Particulars of loans, guarantees and investments

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

Transactions with related parties

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

Corporate social responsibility

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

Extract of annual return

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

Employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 8. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Fixed deposits

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

Disclosure requirements

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

Energy, technology and foreign exchange

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

Acknowledgement

Your Directors would like to express their sincere and grateful appreciation for the assistance and cooperation received from bankers and government authorities and also thank the shareholders for the confidence reposed by them in the Company and looks forward to their valuable support in the future plans of the Company.

Your Directors also thank its agents, the medical professionals and its customers for their continued patronage to the Company's products.

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

Place : Chandigarh
Dated : 12.08.2017

Sanjiv Goyal
Chairman and Managing Director

Annexure 1 of Board of Directors' Report
Management Discussion and Analysis

Economy

Global growth in 2016 is estimated at a post-crisis low of 2.3% and is projected to rise to 2.7% in 2017. Growth in emerging market and developing economies (EMDEs) is expected to pick up in 2017, reflecting receding obstacles to activity in commodity exporters and continued solid domestic demand in commodity importers. http://www.worldbank.org

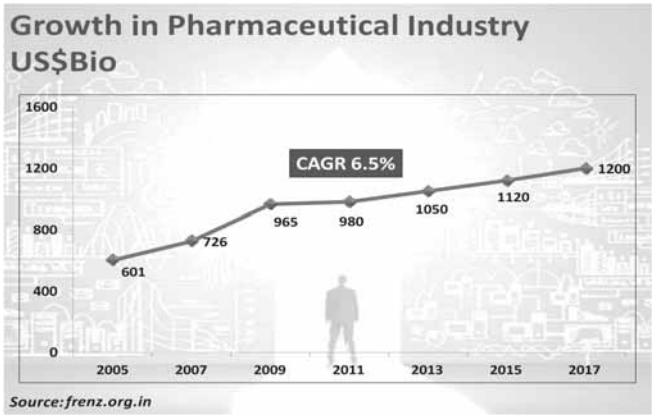
India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18.

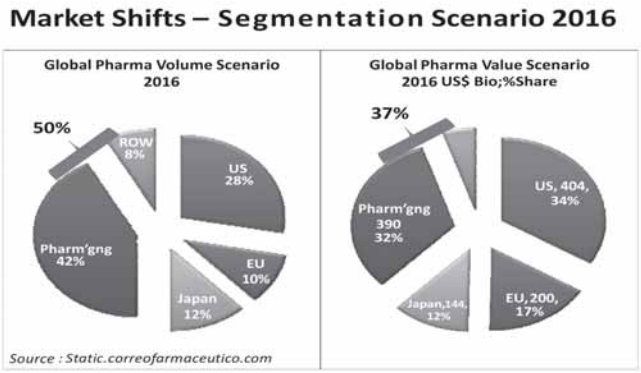
Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

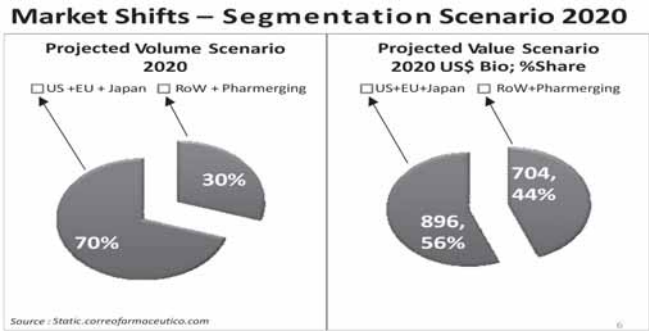
Source: ***IBEF***

Global Pharmaceutical Industry

Market research firm Evaluate Pharma, in its annual World Preview report, projects a global growth rate for the Pharma industry of 6.3% CAGR through 2022, up from the 5% CAGR it predicted last year for the 2014-2020 period. Nevertheless, for investors, the "spectacular four-year bull run" of Pharma and biotech valuations during 2011-2015 might be coming to an end, with uncertainties over Brexit and the US presidential election, in an atmosphere of rising skepticism over the worth of Pharma products at ever-escalating prices.







R&D spend growth flattens

During the 2008-2015 period, the compound annual growth rate of global R&D spending was 1.7%; during the 2016-2022 period, the rate will grow at 2.8%. Overall spending will reach $182 billion in 2022. By 2022, the biggest-selling global branded drug will be Opdivo (nivolumab) from BMS and Ono Pharma, with sales projected to go from $1.119 billion in 2015 to $14,634 billion, and overtaking the current No. 1 drug, AbbVie's and Eisai's Humira (adalimumab), currently at $14.359 billion and dropping slightly to $13.645 billion in 2022. However, among the Top 50 drugs in the market currently, the largest growth will be seen by J&J's Darzalex (daratumumab), an anti-CD38 antibody for multiple myeloma, projected to rise from $9 million now to $4.9 billion by 2022, a 146% growth.

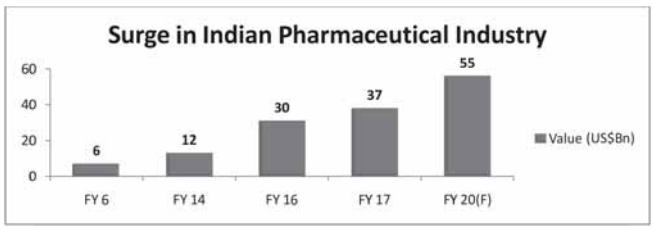
Source: http://Pharmaceuticalcommerce.com

Indian Pharmaceutical Industry

The Indian Pharmaceuticals market increased at a CAGR of 17.46 per cent during 2005-16 with the market increasing from US$ 6 billion in 2005 to US$ 36.7 billion in 2016 and is expected to expand at a CAGR of 15.92 per cent to US$ 55 billion by 2020. Indian Pharmaceutical Industry continues to surge both in Exports & Domestic.

Indian Pharma industry in spite of demonetization & FDC imbroglio in FY 2016-17 is expected to grow over 15 per cent per annum between 2017 and 2020, will outperform the global Pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US$ 55 billion by 2020, thereby emerging as the sixth largest Pharmaceutical market globally by absolute size, as stated by Mr. Arun Singh, Indian Ambassador to the US. Branded generics dominate the Pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in Pharmaceutical exports with a year-on-year growth of 11.44 per cent to US$ 16.23 billion in FY 2016-17, according to data from the Ministry of Commerce and Industry. In addition, Indian Pharmaceutical exports are poised to grow between 8-10 per cent in FY 2017-18.



Source: IBEF

Generic drugs form the largest segment

- With 70 per cent of market share (in terms of revenues), generic drugs form the largest segment of the Indian pharmaceutical sector.
- India supply 20 per cent of global generic medicines market exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years.
- Over the Counter (OTC) medicines and patented drugs constitute 21 per cent and 9 per cent, respectively, of total market revenues of US$ 20 billion.

ABOUT NECTAR LIFESCIENCES LIMITED

Nectar Lifesciences Limited ('NLL' or 'NECLIFE') is an integrated pharmaceutical organization incorporated in 1995 based in Chandigarh, Punjab India. NLL has developed fully integrated sustainable production systems to manufacture high quality Cephalosporin intermediates, –APIs and Formulations to meet the diverse requirements of its customer base in India and over 84 countries worldwide. NLL's API & FDF Business contribute to more than 85% of the total revenue

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. in millions)

	March 31, 2017	March 31, 2016
Gross Sales	17436.27	17932.25
Other Income	226.57	57.78
Profit before interest and depreciation	2468.97	2452.23
Interest	1174.13	1233.06
Depreciation & Amortisation	622.51	573.89
Profit before tax	672.33	645.28
Tax Expenses	120.79	95.85
Profit after tax available for Appropriations	551.54	549.43

Company's performance

The overall performance of the company was at par of last year. The Turnover decreased by 2.77% over last year primarily on account of compression in domestic market on account of steep decline of Key Starting Raw Materials which is borne out by the fact that there was volume growth in exports of 5% in value & 10% in volume. There was marginal increase in profits over last financial year.

The company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued there under, from April 01, 2016 and accordingly, standalone and consolidated audited financial statements (including comparative figures for the year ended March 31, 2016) had been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting".

NECLIFE: A NICHE PHARMACEUTICAL PLAYER

Pharmaceuticals –APIs

With leading Global capacities of some of the Cephalosporin molecules and strong tie ups Nectar has been experiencing a growth in this segment. With an expertise in R&D, Nectar is also working on new generation Cephalosporin molecules to be a globally dedicated Cephalosporin player.

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

Pharmaceuticals – Finished Dosage formulations

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

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

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

Sub-Judice status of Fixed Dose Combinations also actively contributed to a dive in Domestic API Business.

NLL's major breakthrough was its strategic step towards making an entry in Europe through its formulations. NLL has filed two of its major Cephalosporin Formulations in Europe and expect commercialization in the beginning of FY 19.

Both Unit-2(API) & Uni-6(FDF) were audited for EuGMP Certification by Infarmed which was handsomely cleared.

Pharmaceuticals Menthol

NLL entered the Menthol Business in 2006 and as in the past concentrated on value added pharmaceutical menthol business and succeeded in both domestic and international markets with good margins.

Other Non-API Pharmaceuticals businesses

NLL also has high quality facilities for its other Non-API businesses like Empty Hard Gelatin Capsules (EHGC), Generics & Diagnostics.

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

Generics India Business – The Company has more than 300 Stock Keeping Units (SKUs) in India with Pan India presence & about 1 Lac retailers are covered.

Diagnostics– The business unit is known as Necpath, manufacturing various Diagnostics like:

– Rapid tests
– Pregnancy cards
– HIV/ Malaria/Bio reagents
– In-Vitro Diagnostic equipments etc.

Regulatory Filings

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

range of products along with many more API DMFs in 2017-19. Currently NLL has filed 15 ANDA's in United States.

Highlights 2016-17:

- Nectar Lifesciences has been ranked #1 Drugs and Pharmaceutical company by Fortune Next 500 amongst Mid-Sized Indian Pharmaceutical companies.
- Nectar Lifesciences has been ranked #37th amongst Pharmaceutical and Lifesciences pace in Asia-Pacific by Biospectrum Asia Pacific
- Ranked 419th among Indian companies by Business World Journal 2017.

OPPORTUNITIES & OUTLOOK- NLL'S PATH AHEAD

The company expects a positive outlook for the next year. NLL is expecting to continue its strategic entry in US. NLL has already filed in Europe and will be expecting commercialization of formulation in Early FY-19 or Late FY 18

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

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

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

Future Outlook

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

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

Concerns & Threats

Biggest concern for NLL going forwards will be acute dependence of the country in terms of KSM like 7ACA and about 6 or 7 Strategic and critical chemicals which are not being produced in India. NLL along with PDMA as well as Pharmexcil has taken up very strongly in respect of providing a level playing field to the Indian companies to ensure that we can become self- sufficient in terms of these KSM as well as Chemicals so that one doesn't have to depend on china which can geo-politically as well as otherwise particularly because of pollution threats etc can become a negative outlook going forwards. The technology for KSM's and Chemicals is available in India, it's just that India currently is not competitive primary on the account of cost of power, utilities and incentivisation that china provides to its industry in very clever manner by virtue of which it is very difficult to prove a case against china under the WTO in terms of reference for providing incentive in form of kind and otherwise in a manner which cannot be proven.

DEVELOPMENTS IN HUMAN RESOURCES

We strive to employ the best-qualified people, give them the resources required to be successful, and encourage them to reach their greatest potential and goals. The total numbers of employees are provided in Board of Directors' Report.

NLL maintains a policy of non-discrimination with employees and applicants for employment. All aspects of employment within the Company are governed on the basis of merit, competence, and qualifications and are not influenced in any manner by religious creed, sex, marital status, protected disability as defined by law, sexual orientation, or any other basis protected by law.

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

Organisation Culture & Values at Nectar Lifesciences:

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

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

Safety Standards

The Company has established a safety, health and environment policy that is a planned series of controls and a few safety practices which need to be established for the protection of every employee.

Whistle Blower Policy

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

a) No unfair treatment will be meted out to a Whistle Blower by

virtue of his/her having reported a Protected Disclosure under this Policy.

b) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.

c) Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure

Policy Against Sexual Harassment At Workplace

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

Employee Welfare

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

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

INTERNAL CONTROL SYSTEMS:

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

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

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

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

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

RISK MANAGEMENT FRAMEWORK

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

The Company has constituted a Risk Management Committee with Mr. Dinesh Dua as the Chairman and Mr. Harparkash Singh as a member to, 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.

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

(1) Risk Assessment, (2) Risk Management and (3) Risk Monitoring.

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

Risks Specific to the Company and the Mitigation Measures Adopted

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

2) **Business Operations Risks:**

- The Company functions under a well defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Proper policies are followed in relation to maintenance of

inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programme's.

- Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.

3) Credit Risks:

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

4) Logistics Risks:

- Exploring possibility of an in-house logistic mechanism if the situation demands.
- Possibilities to optimize the operations, by having a combination of transportation through road/ rail and sea/ air are explored.
- Company has a dedicated logistics group to handle all requirements relating to movement of raw materials, semi finished goods, finished goods, capital goods etc as and when necessary with a well defined system of allocation of vehicles based on priorities and time aspects. All the movement of goods is sufficiently covered by marine risk insurance.

5) Market Risks / Industry Risks:

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

6) Human Resource Risks:

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

7) Disaster Risks:

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

8) System Risks:

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

9) Legal Risks:

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

10) Foreign Exchange and Interest Rate Risk Management:

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

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

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

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

Place : Chandigarh
Dated : 12.08.2017

Sanjiv Goyal
Chairman and Managing Director

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

Nectar Lifesciences' philosophy on Corporate Governance

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

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

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

The company is in compliance with corporate governance requirements specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'LODR Regulations').

The Company's compliance of Corporate Governance guidelines as per LODR Regulations is as follows:

I. Board of Directors

The size and composition of the Board commensurate with the Company's future growth plans and also conforms to the requirements of the Corporate Governance Code under the LODR Regulations. The Company had total 8 Directors on the Board as on March 31, 2017, comprising three directors (including the Chairman) who are Executive Directors, one Non-Independent & Non-Executive director and remaining four are Non-Executive & Independent Directors (including a woman director).

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

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

i) Director in more than 20 companies or

ii) Director in more than 10 public companies including private companies which are holding or subsidiaries of public companies or

iii) Independent Director of more than 7 listed companies or

iv) Independent Director of more than 3 listed companies in case of director who is wholetime director of a listed company or

v) Memberships in Committees of the Board in more than 10 Committees or

vi) Chairmanship of more than 5 Audit Committees and Stakeholders Relationship 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 2016-2017, Six Board meetings were held on May 30, 2016, June 29, 2016, August 23, 2016, December 14, 2016, February 14, 2017 and March 25, 2017.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2016-17 and at the last Annual General Meeting, as also the number of directorship, committee memberships and committee chairmanship held by them in other companies are given below:

Name and designation of Directors	Category of Director	Number of Board Meetings attended	Attendance at the last AGM	Number of outside Directorship held	Number of Board Committees of other companies in which	
					Member	Chairman
Mr. Sanjiv Goyal (Chairman and Managing Director)	Promoter & Executive Director	4	Not Present	3	Nil	N.A.
Mr. Dinesh Dua (Chief Executive Officer and Director)	Non Promoter & Executive Director	6	Present	2	Nil	N.A.
Mr. Vijay J. Shah (Director)	Independent & Non-executive Director	1	Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-executive Director	2	Not Present	4	1	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director)	Independent & Non-executive Director	6	Not Present	Nil	N.A.	N.A.
Mr. Ajay Swaroop (Director)	Independent & Non-executive Director	6	Present	Nil	N.A.	N.A.
Mr. Harparkash Singh Gill (President (Operations) & Director)	Non Promoter & Executive Director	1	Present	Nil	N.A.	N.A.
Ms. Guljit Chaudhri (Director)	Independent & Non-executive Director	4	Not Present	2	Nil	N.A.

The directors are not inter se related to each other.

II. Code of Conduct

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

III. Audit Committee

In financial year 2016-17 the Audit Committee comprised of three directors including Mr. Vijay J. Shah as Chairman with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Mr. Sanjiv Goyal as Members.

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

Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) retired after holding the most prestigious and highest professional appointment of Senior Consultant Medicine as Head of the medicine and Allied Specialties/ Super Specialties in the Armed Forces from Ministry of Defence and Army Hospital (Research and Referral) Delhi. Apart from holding many medical degrees, he also did Senior Defence Management Course from College of Defence Management Secunderabad in 1993. Mr. Sanjiv Goyal, Promoter Director of the Company, is a law and commerce graduate and has more than 24 years of experience in the Industry. Thus, the members are well versed with financial systems and have the ability to read and understand basic financial statements i.e. balance sheet, profit & loss account and statement of cash flows.

The terms of reference to the Audit Committee are in compliance to Section 177 of Companies Act, 2013 and LODR Regulations and other applicable laws, which, inter-alia, includes:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) Matters required being included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) Major accounting entries involving estimates based on the exercise of judgment by management;

   (d) Significant adjustments made in the financial statements arising out of audit findings;

   (e) Compliance with listing and other legal requirements relating to financial statements;

   (f) Disclosure of any related party transactions;

   (g) Modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Valuation of undertakings or assets of the company, wherever, it is necessary.

(21) Reviewing management discussion and analysis of financial condition and results of operations;

(22) Reviewing statement of significant related party transactions (as defined by the audit committee), submitted by management;

(23) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;

(24) Reviewing internal audit reports relating to internal control weaknesses;

(25) Reviewing the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(26) Reviewing statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

During the year under review, four meetings of the Audit Committee were held, the dates being May 30, 2016, August 22, 2016, December 13, 2016 and February 13, 2017.

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

IV. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the company is constituted with three directors including Mr. Vijay J. Shah as Chairman with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Mr. Ajay Swaroop as Members. Mr. Sunder Lal, Company Secretary acts as a secretary of the committee.

During the financial year ended on March 31, 2017, two meetings were held of the committee on May 30, 2016 and August 22, 2016.

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

Name	Category of member of Committee	Number of meetings held during the tenure of each member	Number of meetings attended during the year
Mr. Vijay J. Shah (Chairman)	Independent & Non-executive Director	2	2
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.)	Independent & Non-executive Director	2	2
Mr. Ajay Swaroop	Independent & Non-executive Director	2	2

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

i) to formulate the criteria for determining qualifications, positive attributes and independence of a director

ii) to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and while formulating the policy ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

iii) Formulation of criteria for evaluation of Independent Directors and the Board;

iv) Devising a policy on Board diversity;

v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

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

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

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

Personal specifications:

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;

- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

Remuneration of Directors, KMPs and Senior Management

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

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

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

(i) Remuneration:

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

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

(ii) Statutory Requirements:
The NRC will look into statutory requirements while deciding the remuneration of Directors and KMPs.

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

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

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

V. Stakeholders' Relationship Committee

The Stakeholders' Relationship committee of the company is constituted with three directors including Mr. Ajay Swaroop as its Chairman and Mr. Sanjiv Goyal and Mr. Dinesh Dua as its members.

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

(i) Approves and monitors transfers, transmission, splitting and consolidation of securities, issue of share certificate upon rematerialisation requests and issue of duplicate share certificates

(ii) Looks into various issues relating to shareholders including redressal of complaints relating to transfer of shares, non-receipt of annual reports and dividends, among others

(iii) Ensures compliance of the Code of Conduct for prevention of insider trading formulated by the Company as per the Securities and Exchange Board of India Regulations

As on March 31, 2017, 99.999 of the Company's shares are held in electronic (demat) form.

Since, there was not any transfer, duplicate certificate, split or consolidation of certificates requests have been received during the financial year 2016-17, therefore, no meeting was held in that year.

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

Opening balance as on 01.04.2016	Received during the year	Complaints resolved duning the year	Closing balance as on 31.03.2017
Nil	37	37	Nil

Quarter-wise details of complaints during 2016-17:

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	4	4	Nil
July-September	Nil	14	14	Nil
Oct-Dec	Nil	11	11	Nil
January-March	Nil	8	8	Nil

Reconciliation of share capital Audit

The Company conducts a Reconciliation of Share Capital audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Reg. 1996 and SEBI Circular No. D&CC/ FITTC/ Cir-16/2002 dated 31.12.2002. The Practicing Company Secretaries were appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Report, which was submitted to the stock exchanges within the stipulated

period, inter-alia certifies that the Company's equity shares held in the dematerialised form and in the physical form confirm with the issued and paid-up equity shares capital of the Company.

Secretarial Compliance Certificate

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

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

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

At the beginning of the year i.e. April 1, 2016	Aggregate number of shareholders	**28**
	Outstanding shares in the suspense account	**7110 equity shares of Re. 1/- each**
Number of shareholders who approached issuer for transfer of shares from suspense account during the year		**Nil**
Number of shareholders to whom shares were transferred from suspense account during the year		**Nil**
At the end of the year i.e. March 31, 2017	Aggregate number of shareholders	**28**
	Outstanding shares in the suspense account	**7110 equity shares of Re. 1/- each**

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

VI. Other committees

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

Name of the Committee	Members	Details
Management Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Mr. Dinesh Dua (Member) 3. Mr. Sunder Lal (Member Secretary)	Six meetings of the management committee were held on May 02, 2016, July 27, 2016, September 5, 2016, October 13, 2016, January 3, 2017 and March 22, 2017 and attended by all its members.
Corporate Social Responsibility Committee	1. Mr. Sanjiv Goyal (Chairman) 2. Dr. Maj. Gen. S. S. Chauhan, VSM (Member) 3. Mr. Dinesh Dua (Member)	Two meetings of the CSR committee were held on May 30, 2016 and February 14, 2017 and attended by all its members.
Risk Management Committee	1. Mr. Dinesh Dua (Chairman) 2. Mr. Harparkash Singh Gill (Member) 3. Mr. Sunder Lal (Member Secretary)	One meeting of the Risk Management committee was held on August 22, 2016 and attended by all its members.

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

VII. General Body meetings

Details of the last three Annual General Meetings held

1. 21st Annual General Meeting: September 30, 2016 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
2. 20th Annual General Meeting: September 30, 2015 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab
3. 19th Annual General Meeting: September 30, 2014 at 10.00 am at the registered office and works of the Company i.e. Village Saidpura, Tehsil Derabassi, District S.A.S. Nagar (Mohali) Punjab

Detail of special resolutions:

1. At the 21st Annual General Meeting held on September 30, 2016, the following special resolutions were passed:
   - i) Re-appointment and revision in the remuneration of Mr. Harparkash Singh Gill, President (Operations) & Director.
   - ii) Revision in the remuneration of Mr. Dinesh Dua Chief Executive Officer & Director.
2. At the 20th Annual General Meeting held on September 30, 2015, the following special resolutions were passed:
   - i) Revision in the remuneration of Mr. Dinesh Dua Chief Executive Officer & Director.
   - ii) Revision in the remuneration of Mr. Harparkash Singh Gill, President (Operations) & Director.
3. At the Extraordinary General Meeting held on December 30, 2014, the following special resolution was passed:
   - i) Appointment of Mr. Aryan Goyal, who is a relative of Director, as an employee (i.e. to hold an office or place of profit under the Company) under Section 188 of the Companies Act, 2013.
4. At the 19th Annual General Meeting held on September 30, 2014, the following special resolutions were passed:
   - i) Change the term of Mr. Sanjiv Goyal as a Director liable to retire by rotation.
   - ii) Change the term of Mr. Aryan Goyal as a Director liable to retire by rotation.
   - iii) Appointment of Mr. Dinesh Dua as a Wholetime Director designated as Chief Executive Officer & Director and to approve his remuneration.
   - iv) Revision in the remuneration of Mr. Harparkash Singh

Gill, President (Operations) & Director.

v) According consent to the Board for Borrowings u/s 180 (1)(c) of the Companies Act, 2013 and to create security for Borrowings u/s 180 (1)(a) of the Companies Act, 2013.

vi) Appointment of Mr. Saurabh Goyal, who is a relative of Directors, to hold an office or place of profit under the Company under Section 188 of the Companies Act, 2013.

vii) Alteration of Articles of Associations of the Company under Section 14 of the Companies Act, 2013.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. The resolutions of 19th, 20th and 21st Annual General Meeting and Extraordinary General Meeting held on December 30, 2014 are passed through e-voting as per section 108 of the Companies Act, 2013 and polling at the venue of General Meeting as per Section 109 of the Companies Act, 2013, in case of those members who did not participated by e-voting.

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

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

VIII Disclosures

a. There were no materially significant transactions made by the Company with its promoters, Directors or the management and their subsidiaries or relatives, among others, that may have potential conflict with the interests of the Company at large. However, the general related party disclosures are given in the Notes on Accounts.

b. There was not any material non-compliance by the Company and no penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the 2014-15, 2015-16 and 2016-17.

c. The Company had adopted the whistle blower policy during 2014-15. The policy is available on URL: www.neclife.com. No employee has been denied access to the audit committee.

d. i) Details of compliance with mandatory requirements: Given elsewhere in this Report

ii) Adoption of the non-mandatory requirements of this Clause: Given elsewhere in this Report

e. **Related Party Transactions:** The details of all transactions, if any, with related parties are placed before the Audit committee and Board and wherever necessary approval of members has also obtained in their General Meeting.

f. **Disclosure of accounting treatment:** In the preparations of financial statements, the Company followed the accounting standards issued under Companies (Indian Accounting Standards) Rules, 2015, 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 2016-17, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director, Mr. Dinesh Dua, Chief Executive Officer & Director and Mr. Harparkash Singh Gill, President (Operation) & Director on the terms and conditions of their respective resolutions passed by the Board of Directors and members. The Company is not paying any sitting fee to its Executive Directors.

The details of Directors' remuneration for the financial year ended March 31, 2017:

Name and designation of Director	Sitting fee (Rs.)	Salaries and perquisites (Rs.)	*Period of service*	Number of shares held as on March 31, 2017
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	16849600/-	5 years from June 01, 2012	55555600
Mr. Dinesh Dua, Chief Executive Officer & Director	N.A.	16665597/-	5 years from Oct. 14, 2013	Nil
Mr. Harparkash Singh Gill, President Operations & Director	N.A.	3504863/-	2 years from November 01, 2015	Nil
Mr. Vijay J. Shah, Non-Executive Director	16000/-	N.A.	5 years from September 30, 2014	250
Mr. Vivek Sett, Non-Executive Director	20000/-	N.A.	Non rotational Director	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.), Non-Executive Director	68000/-	N.A.	5 years from September 30, 2014.	Nil
Mr. Ajay Swaroop, Non-Executive Director	62000/-	N.A.	5 years from September 30, 2014	Nil
Ms. Guljit Chaudhri (Additional Director)	40000/-	N.A.	Upto December 28, 2020.	Nil

The salary of Mr. Sanjiv Goyal is inclusive of Rs. 8.40 Million i.e. performance based incentive of 2% on Net Profit of the company or equivalent to his monthly salary, **whichever is lower**.

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

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

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

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

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

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

IX. Means of communication

Quarterly results

The details of quarterly results are published 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 LODR Regulations and the desired information can be accessed from the websites of the respective Stock Exchanges. Other than the annual accounts, the quarterly and half-yearly financial results are not sent to the household of each shareholder. The presentations made to institutional investors or analysts, if any, are also be disclosed to the Stock Exchanges, simultaneously and hosted on the website of the company.

X. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

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

XI. General Shareholder Information

i. 22nd Annual General Meeting

Date : Thursday September 28, 2017

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, 2016 to March 31, 2017

iii. Date of book closure : September 22, 2017 to September 28, 2017 (Both days inclusive).

iv. Dividend payment date : By October 27, 2017

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, IndiaTel : 91-22-26598100, 56418100 Fax : 91-22-26598237/38, 26598120
2. BSE Limited (BSE)New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, IndiaTel : 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 Siége 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

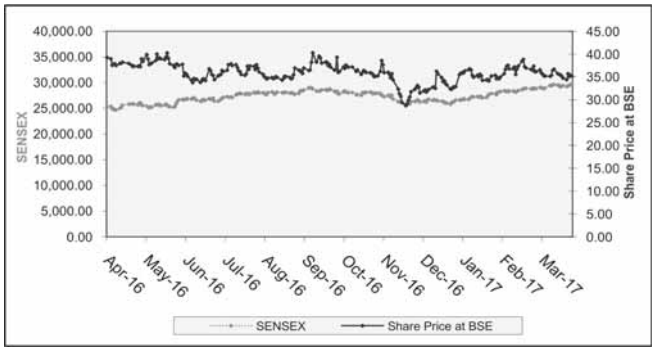
xiii. Corporate Identification Number (CIN) : L24232PB1995PLC016664

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, 2016 to March 31, 2017 were as below:

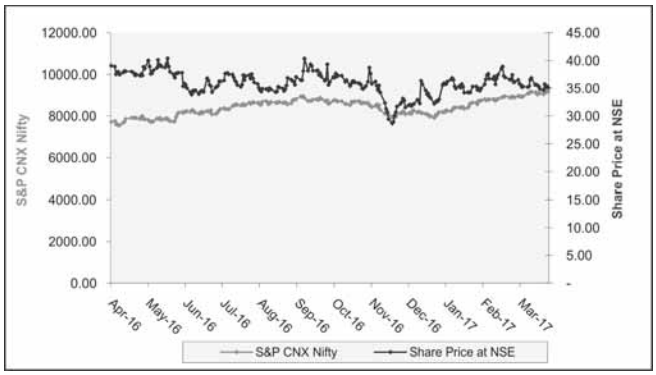
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Total traded quantity	High (Rs.)	Low (Rs.)	Total traded quantity
April-16	40.00	37.00	2,241,608	39.95	37.00	8,137,909
May-16	41.10	34.30	2,951,444	41.00	33.40	10,774,101
June-16	37.50	33.40	2,111,991	37.45	33.45	7,983,547
July-16	38.90	35.20	2,493,307	38.85	35.10	8,752,406
August-16	38.85	34.05	1,978,450	38.85	34.05	8,303,830
September-16	41.40	33.60	4,942,518	41.50	34.70	18,159,659
October-16	38.50	34.85	1,926,248	38.40	34.80	7,390,524
November-16	40.60	28.55	3,490,017	40.55	28.50	12,814,788
December-16	37.40	31.10	2,604,735	37.40	31.45	9,676,220
January-17	37.45	33.05	1,540,747	37.50	33.00	5,385,488
February-17	39.65	34.25	2,702,941	39.80	34.15	9,918,704
March-17	38.00	34.25	44,940,430	38.05	34.55	5,950,396

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 Selenium, Tower – B, Plot No. 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032
Tel: (91-40) 6716527,
Fax: (91-40) 23420814
Contact Person : Ms. Varalakshmi
E-mail: *vlakshmi.p@karvy.com*

xvii. Address for correspondence at the Company : Nectar Lifesciences Limited, SCO 38-39, Sector 9-D, Chandigarh-160009
Ph. No. 0172-3047777, 3047701
Fax No. 0172-3047755

xviii. Compliance Officer and contact person at the Company : Company Secretary
E-mail: cs@neclife.com
Website : *www.neclife.com*

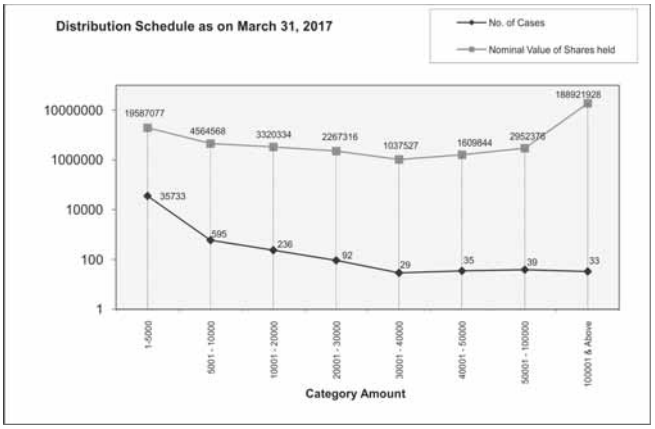
xix. Share transfer system

Almost 99.999% of the shares of the Company are held in dematerialised form. Transfers of these dematerialised shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrar and Share Transfer Agent of the Company.Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if documents are complete in all respects. The Stakeholders' Relationship Committee approves the transfer and transmission of shares.

xx. Distribution of shareholding

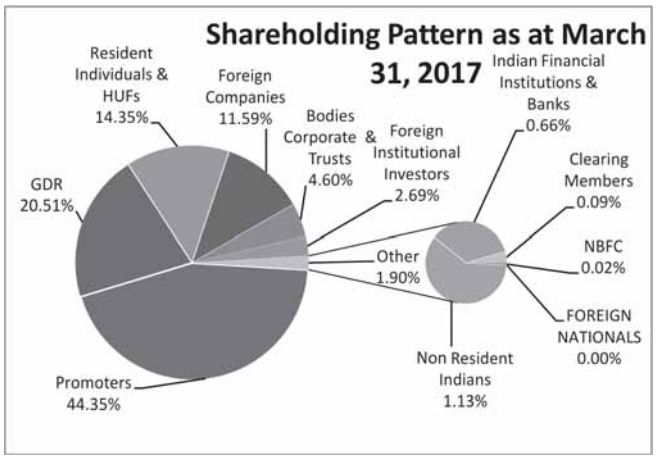
a) Class-wise distribution of equity shares as on March 31, 2017

Category (amount)	Number of cases	% of cases	Total shares	Nominal value of shares held (Rs.)	% of amount
1-5000	35733	97.12	19587077	19587077	8.73
5001- 10000	595	1.62	4564568	4564568	2.04
10001- 20000	236	0.64	3320334	3320334	1.48
20001- 30000	92	0.25	2267316	2267316	1.01
30001- 40000	29	0.08	1037527	1037527	0.46
40001- 50000	35	0.10	1609844	1609844	0.72
50001- 100000	39	0.11	2952376	2952376	1.32
100001& Above	33	0.09	188921928	188921928	84.24
Total	36792	100.00	224260970	224260970	100.00



b) Shareholding pattern as on March 31, 2017

Category	Number of Cases	Total shares	% to equity
Promoters	5	99468000	44.35
GDR	1	46000000	20.51
Resident Individuals & HUFs	35639	32189129	14.35
Foreign Companies	1	26000000	11.59
Bodies Corporate & Trusts	568	10308495	4.60
Foreign Institutional Investors	15	6039214	2.69
Non Resident Indians	475	2545022	1.13
Indian Financial Institutions & Banks	5	1481578	0.66
Clearing Members	78	192732	0.09
NBFC	4	35800	0.02
Foreign Nationals	1	1000	0.00
Total	**36792**	**224260970**	**100.00**

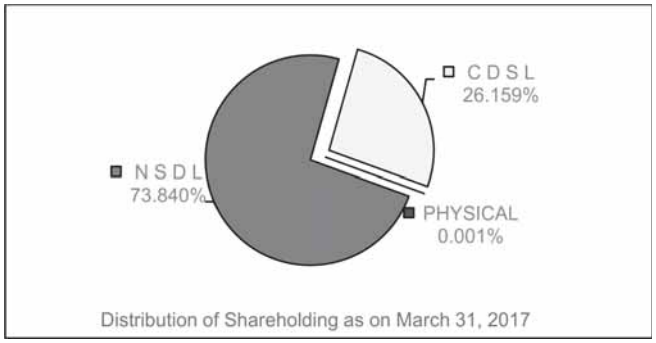


xxi. Dematerialisation of shares and liquidity

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, 2017.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2017 was as under:

Sr.	Category	Number of holders	Total shares	% to equity
1	PHYSICAL	13	2340	0.001
2	N S D L	22302	165593420	73.840
3	C D S L	14477	58665210	26.159
	TOTAL	**36792**	**224260970**	**100.000**



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

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

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

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

Luxembourg Stock Exchange/ LuxSE
Société de la Bourse de Luxembourg S.A.B.P. 165,
L-2011 Luxembourg Siége 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 S.A.S. Nagar (Mohali) Punjab

xxiv. Plant locations

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

XII. CEO / CFO certification

As required under LODR Regulations the certificates duly signed by Chief Executive Officer & Director and Chief Financial Officer, were placed at the meeting of the Board of Directors held on June 27, 2017.

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

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

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

Place : Chandigarh
Dated : 12.08.2017

Sanjiv Goyal
Chairman and Managing Director

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

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

Further, it is hereby confirmed that all the Directors and Senior Management Personnel have complied with the code of conduct and a confirmation to this effect has been obtained from Directors and Senior Management Personnel for the financial year 2016-17.

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

Place : Chandigarh
Date : 27.06.2017

(Dinesh Dua)
Chief Executive Officer & Director

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

The members of
Nectar Lifesciences Limited

We have examined the compliance of conditions of Corporate Governance by Nectar Lifesciences Limited for the year ended March 31, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place : Chandigarh
Date : 27-06-2017

Name: Gaganpreet Garg
Membership no.: 539158

Annexure 4 of Board of Directors' Report

To,
The Members,
NECTAR LIFESCIENCES LIMITED

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

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

For P. CHADHA & ASSOCIATES
PRACTISING COMPANY SECRETARY

Place : Chandigarh
Date : 27-06-2017

(PRINCE CHADHA)
ACS 32856, CP 12409

Form no. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014]

To,
The Members,
Nectar Lifesciences Limited

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

Based on our verification of the Companies books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with statutory provisions listed hereunder and also that company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by Nectar Lifesciences Limited ('the company') for the financial year ended March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (The Act) and the rules made there under;
2. The Securities Contract (Regulation) Act,1956 ('SCRA') and the rules made there under;
3. The Depositories Act,1996 and Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercials Borrowings ;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with clients;

(B) We have also examined compliance with the applicable clauses of the following:

(i) Secretarial standards issued by the institute of company Secretaries of India approved by the Central Government with effective from July 1, 2015.

(ii) The Securities and Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations 2015

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines and Standards and there was no prosecution initiated against or show cause notice received by the Company under the Acts as mentioned above.

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

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;

(iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations,2014; and

(v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

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

(i) Drugs and Cosmetics Act, 1940

(ii) Narcotic Drugs & Psychotropic Substances Act 1985

(iii) Air (Prevention and Control of Pollution) Act, 1981

(iv) The Water (Prevention and Control of Pollution) Act, 1974

(v) Solvent and Petroleum Products storage under Petroleum Act, 1934

(vi) Electricity Act, 2003 and Rules and Regulations thereof.

(vii) Factories Act, 1948

(viii) The Environment (Protection) Act 1986

(ix) Indian Boilers Act, 1923

(x) Standards of Weights & Measure Act ,1976

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

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Two Board meetings were called on June 29, 2016 and March 25, 2017 on shorter notice after due compliance and obtaining requisite consents to transact some urgent matter and the said meeting was attended by independent director of the Company .

We further report that majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

For P. CHADHA & ASSOCIATES
PRACTISING COMPANY SECRETARY

(PRINCE CHADHA)
ACS 32856, CP 12409

Place : Chandigarh
Date : 27-06-2017

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

(Pursuant to *clause (h) of sub-section (3)of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

(a) Name(s) of the related party and nature of relationship:	Mr. Aryan Goyal Relative of Director	Mr. Saurabh Goyal Relative of Director
(b) Nature of contracts/ arrangements/ transactions:	Remuneration	Remuneration
(c) Duration of the contracts / arrangements/transactions:	He has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment	He has been appointed under a contract of employment pursuant to which he may function according to directions as may be given by the Company from time to time. Contract will continue as long as he remains an employee as per the contract of employment
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(1) Salary: Rs. 650,000/- (Rupees Six Lacs and Fifty Thousand only) per month and be broken into various components as per HR policy of the company, with a provision for increase in salary of not more than Rs. 25000/- per annum over the previous year. (2) Perquisites: As per company's policy but not more than Rs. 5 lacs in a year.	Salary: Rs. 400,000/- (Rupees Four Lacs only) per month, with a provision for increase in salary of not more than 25% per annum.(2) Perquisites: (a) Medical and accident insurance premium as per company rules. (b) Provision of car for official use. (c) Leaves/ Leave encashment in accordance with the leave rules of the Company from time to time. (d) Gratuity as per company policy.
(e) Justification for entering into such contracts or arrangements or transactions	He was Executive Director in the company for last 9 years and has resigned from Board to maintain the right proportionate of Independent Directors viz a viz Non Independent Directors. Keeping in view of scale of operations, the company has retained him as an employee	He was Executive Director in the company for last 4 years and has resigned from Board to maintain the right proportionate of Independent Directors viz a viz Non Independent Directors. Keeping in view of scale of operations, the company has retained him as an employee
(f) Date(s) of approval by the Board:	November 12, 2014	August 11, 2014
(g) Amount paid as advances, if any:	Not applicable	Not applicable
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	December 30, 2014	September 30, 2014
(i) Other details	Pursuant to authority granted by the Shareholders, the Nomination and Remuneration Committee and Board of Directors increased the monthly salary to Rs. 675000/- Per month from April 1, 2016, with bonus not exceeding of equivalent to his one month gross salary in a year as per HR manuals of the company and other terms and conditions will remain the same.	Pursuant to authority granted by the Shareholders, the Nomination and Remuneration Committee and Board of Directors increased the monthly salary to Rs. 500000/- Per month from April 1, 2016, with bonus not exceeding of equivalent to his one month gross salary in a year as per HR manuals of the company and other terms and conditions will remain the same.

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

The company has not entered into any material contract or arrangement or transaction with its related parties which is at arm's length during financial year 2016-17. However, the details of non - material contract or arrangement or transaction with its related parties which are at arm's length during financial year 2016-17, has been given in the notes to the Financial Statements forming part of the Annual Report.

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

Place : Chandigarh
Date : 12.08.2017

(Sanjiv Goyal)
Chairman and Managing Director

Annexure 6 of Board of Directors' Report

REPORT ON CSR ACTIVITIES

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

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

   Company's Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: http://www.neclife.com/projects/necLife/common/uploaded_files/userfiles/Nectar%20CSR%20Policy.pdf

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

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

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

   (i) Environment sustainability: The Company has identified the renewable energy project as one of its major project of CSR activities. This helps in improving energy efficiency and to reduce environmental emissions thereby establishing a strong foundation for a corporate green house gas management programme. In order to achieve this mission of reducing environmental emissions, the company started its **power plant** also called as NecLife Biomass Cogeneration Project. This agro-based power generation plant runs on husk and can be switched over to 10 other feed stocks if the need.

   (ii) Nectar Lifesciences Charitable Foundation which is engaged in promoting education and employment enhancing vocational skills among women to help them in earning their livelihood. It runs an institute under the name of Nectar Polytechnic for Women in Derabassi, Punjab providing opportunity to the underprivileged girls.

   The mission of the institute is to elevate its status to a centre of excellence in women's technical education by a conscious & consistent enhancement of its performance. The company's indirect aim is also to bring about an improvement in boys and girls sex ratio in Punjab. The program focuses on enrolling girls belonging to underprivileged section of society, other backward classes, migrant laborers and the ones below poverty line.

   (iii) Safe Drinking Water: The lack of safe drinking water is a major public health issue, particularly in developing countries where majority of diseases are waterborne. Under this project, the company is identifying areas and provides necessary equipments for safe drinking water.

   (iv) Relief/ Donations: Your Company has always been at the forefront in responding to its call for national duty and has contributed generous amounts for preventive healthcare and welfare for Senior Citizen and animals.

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

2. The composition of the CSR Committee.

   Please refer to Corporate Governance Report for composition of CSR committee.

Rs. in Millions

3.	Average net profit of the company for last three financial years:	771.93
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	15.44
5.	Details of CSR spent during the financial year.	
	a. Total amount to be spent for the financial year	15.44
	b. Total amount spent for the financial year	22.34
	c. Amount unspent, if any:	N.A.
	d. Manner in which the amount spent during the financial year is detailed below:	

1	2	3	4	5	6	7	8
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative expenditure upto to the reporting period**	**Amount spent:Direct or through implementing agency**
1	Renewable Energy Project	Environmental sustainability, ecological balance and conservation of natural resources	Local at Derabassi, Distt. S.A.S. Nagar Punjab	10.00	8.81	8.81	Direct
2	Nectar Lifesciences Charitable Foundation	Promoting education and employment and women empowerment	Local at Derabassi, Distt. S.A.S. Nagar Punjab	1.46	1.46	1.46	Direct
3	Payment to Govt. and Trusts.	Eradicating hunger, poverty and malnutrition.	PAN India	0.64	0.64	0.64	Through implementing agency [I]
4.	Donation for Safe Drinking water	Safe Drinking Water	PAN India	1.39	1.39	1.39	Direct/ Through implementing agency [II]
5.	Payment to Medical Institutions.	Promoting preventive healthcare	PAN India	9.11	9.11	9.11	Through implementing agencies [III]
6.	Payment for Gausewa	Animal Welfare	Haryana & Punjab	0.79	0.79	0.79	Through implementing agencies [IV]
7.	Payment for Senior Citizens	Welfare of Senior Citizens	Punjab	0.14	0.14	0.14	Direct
	Direct Expenditure			22.53	22.34	22.34	
	Overheads				Nil	Nil	
	Total			22.53	**22.34**	**22.34**	

I Expenditure of Rs. 0.50 Millions to Shri Agrasen Foundation and Rs. 0.14 Millions to Govt. Institute of Mentally Retarded children.

II Expenditure through Mata Vaishno Devi Shrine Board, Katra and Aganwadis.

III Expenditure of Rs. 3.10 Millions to Shri Saibaba Sansthan Trust, Shirdi, Rs. 3.10 Millions to Sri Venkateswara Institute of Medical Sciences, Rs. 0.24 Millions to Sahayta Charitable Welfare Society, Rs. 1.67 Millions to Shiromani Gurudwara Parbhandhak Committee, Amritsar and Rs. 1.00 Millions to Mata Vaishno Devi Shrine Board, Katra.

IV Expenditure incurred through Panchkula Gaushala Trust.

6. RESPONSIBILITY STATEMENT

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

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

Mr. Dinesh Dua
Chief Executive Officer & Director

Mr. Sanjiv Goyal
Chairman & Managing Director (Chairman CSR Committee)

Place : Chandigarh
Date : 12.08.2017

Annexure 7 of Board of Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L24232PB1995PLC016664
2	Registration Date	June 27, 1995
3	Name of the Company	NECTAR LIFESCIENCES LIMITED
4	Category / Sub-Category of the Company	Public Limited Company
5	Address of the Registered Office and contact details	VILLAGE SAIDPURA, TEHSIL DERABASSI, DISTT. S.A.S. NAGAR, MOHALI (PUNJAB), Ph.01762-308000
6	Whether listed company Yes / No	YES
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Karvy Computershare Private Limited Karvy Selenium, Tower – B, Plot No. 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Tel. (91 40) 6716527, Fax: (91 40) 23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. no.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Drugs and Pharmaceuticals	2100	87.84

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Share Holding

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DURING THE YEAR
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
1	INDIAN									
(a)	Individual /HUF	99468000	0	99468000	44.35	99468000	0	99468000	44.35	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**99468000**	**-**	**99468000**	**44.35**	**99468000**	**-**	**99468000**	**44.35**	0.00
2	FOREIGN									0.00
(a)	Individuals (NRIs/Foreign Individuals)	0	0	-	0	-	0	-	0	0.00
(b)	Bodies Corporate	0	0	-	0	-	0	-	0	0.00
(c)	Institutions	0	0	-	0	-	0	-	0	0.00

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DURING THE YEAR
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(d)	Qualified Foreign Investor	0	0	-	0	-	0	-	0	0.00
(e)	Others	0	0	-	0	-	0	-	0	0.00
	Sub-Total A(2) :	**0**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	0.00
	Total A=A(1)+A(2)	**99468000**	**-**	**99468000**	**44.35**	**99468000**	**-**	**99468000**	**44.35**	0.00
(B)	**PUBLIC SHAREHOLDING**									-
1	INSTITUTIONS									-
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/Banks	134481	0	134481	0.06	181578	0	181578	0.08	0.02
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(e)	Insurance Companies	2100000	0	2100000	0.94	1300000	0	1300000	0.58	-0.36
(f)	Foreign Institutional Investors	6400494	0	6400494	2.85	6039214	0	6039214	2.69	-0.16
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(i)	Others : Foreign Company	26000000	0	26000000	11.59	26000000	0	26000000	11.59	-
	Sub-Total B(1) :	**34634975**	**0**	**34634975**	**15.44**	**33520792**	**0**	**33520792**	**14.95**	**-0.50**
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	12813862	510	12814372	5.71	10302160	510	10302670	4.59	-1.12
(b)	Individuals									
(i)	Individuals holding nominal share capital upto Rs.1 lakh	26131740	1830	26133570	11.65	29853346	1830	29855176	13.31	1.66
(ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	2106329	0	2106329	0.94	2333953	0	2333953	1.04	0.10
(c)	Others									
	CLEARING MEMBERS	301195	0	301195	0.13	192732	0	192732	0.09	-0.05
	FOREIGN NATIONAL	1000	0	1000	0.00	1000	0	1000	0.00	0
	NON RESIDENT INDIANS	2754203	0	2754203	1.23	2545022	0	2545022	1.13	-0.09
	TRUSTS	34375	0	34375	0.02	5825	0	5825	0.00	-0.01
	NBFCs registered with RBI	12951	0	12951	0.01	35800	0	35800	0.02	0.01
(d)	Qualified Foreign Investor	0	0	0	-	0	0	0	0.00	0
	Sub-Total B(2) :	**44155655**	**2340**	**44157995**	**19.69**	**45269838**	**2340**	**45272178**	**20.19**	**0.50**
	Total B=B(1)+B(2) :	**78790630**	**2340**	**78792970**	**35.13**	**78790630**	**2340**	**78792970**	**35.13**	**0.00**
	Total (A+B) :	**178258630**		**178260970**	**79.49**	**178258630**		**178260970**	**79.49**	**-**
(C)	Shares held by custodians, against which Depository Receipts have been issued									
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	-
2	Public	46000000	0	46000000	**20.51**	46000000	0	46000000	**20.51**	-
	GRAND TOTAL (A+B+C) :	**224258630**	**2340**	**224260970**	**100**	**224258630**	**2340**	**224260970**	**100**	**-**

ii) Shareholding of Promoters

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Mr. Sanjiv Goyal	76779000	34.24	24.77	55555600	24.77	24.77	-9.46
2	Mrs. Raman Goyal	21584000	9.62	-	-	-	-	-9.62
3	Sanjiv(HUF)	572000	0.26	-	43379400	19.34	-	19.09
4	Mr. Aryan Goyal	290000	0.13	-	290000	0.13	-	-
5	Mr. Saurabh Goyal	243000	0.11	-	243000	0.11	-	-
	Total	**99468000**	**44.35**	**-**	**99468000**	**44.35**	**24.77**	**-**

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

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

As such there is no change in overall promoters' holdings, however, there was inter-se transfer between promoter/ promoter group entities as reflected above in (ii) by way of purchase and sale through block deal window of BSE Limited on March 28, 2017 pursuant to internal restructuring of promoters' Holdings.

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

Sr. no.	Name of the Share Holder	Date	Type	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
1	NSR DIRECT PE MAURITIUS LLC	Opening Balance		Nil movement during the year		26000000	11.59
		Closing Balance				26000000	11.59
2	RELIGARE FINVEST LTD	Opening Balance				7313608	3.26
		08-04-16	Sale	-25121	-0.01	7288487	3.25
		15-04-16	Sale	-24879	-0.01	7263608	3.24
		13-05-16	Sale	-100000	-0.04	7163608	3.19
		15-07-16	Sale	-57300	-0.03	7106308	3.17
		22-07-16	Sale	-100000	-0.04	7006308	3.12
		29-07-16	Sale	-47471	-0.02	6958837	3.10
		05-08-16	Sale	-51408	-0.02	6907429	3.08
		12-08-16	Sale	-126000	-0.06	6781429	3.02
		19-08-16	Sale	-100000	-0.04	6681429	2.98
		26-08-16	Sale	-130000	-0.06	6551429	2.92
		02-09-16	Sale	-120000	-0.05	6431429	2.87
		09-09-16	Sale	-199947	-0.09	6231482	2.78
		16-09-16	Sale	-120000	-0.05	6111482	2.73
		23-09-16	Sale	-20000	-0.01	6091482	2.72
		30-09-16	Sale	-10000	0.00	6081482	2.71
		07-10-16	Sale	-53538	-0.02	6027944	2.69
		28-10-16	Sale	-33324	-0.01	5994620	2.67
		04-11-16	Sale	-354000	-0.16	5640620	2.52
		06-01-16	Sale	-3120	0.00	5637500	2.51
		03-03-17	Sale	-50000	-0.02	5587500	2.49
		24-03-17	Sale	-65484	-0.03	5522016	2.46
		31-03-17				5522016	2.46
		Closing Balance				5522016	2.46

Sr. no.	Name of the Share Holder	Date	Type	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
3	GENERAL INSURANCE CORPORATION OF INDIA	Opening Balance				2100000	0.94
		22-04-16	Sale	-100000	-0.04	2000000	0.89
		29-04-16	Sale	-70000	-0.03	1930000	0.86
		06-05-16	Sale	-30000	-0.01	1900000	0.85
		23-09-16	Sale	-100000	-0.04	1800000	0.80
		30-09-16	Sale	-186840	-0.08	1613160	0.72
		07-10-16	Sale	-113160	-0.05	1500000	0.67
		04-11-16	Sale	-22293	-0.01	1477707	0.66
		17-02-17	Sale	-70000	-0.03	1407707	0.63
		24-02-17	Sale	-107707	-0.05	1300000	0.58
		31-03-17				1300000	0.58
		Closing Balance				1300000	0.58
4	INGAIN TRADERS, LLC	Opening Balance		Nil movement during the year		2387012	1.06
		Closing Balance				2387012	1.06
5	LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP #	Opening Balance		Nil movement during the year		1235600	0.55
		Closing Balance				1235600	0.55
6	SOURABH H BORA	Opening Balance				1101474	0.49
		27-05-16	Sale	-10550	0.02	1090924	0.49
		10-06-16	Sale	-4621	-0.02	1086303	0.48
		15-07-16	Sale	-3000	-0.02	1083303	0.48
		16-09-16	Sale	-2972	0.05	1080331	0.48
		30-09-16	Sale	-390	-0.05	1079941	0.48
		09-12-16	Sale	-6588	0	1073353	0.48
		31-03-17	Sale	-117808	0	955545	0.43
		Closing Balance				955545	0.43
7	RAMAN KAPUR	Opening Balance		Nil movement during the year		1000000	0.45
		Closing Balance				1000000	0.45
8	MALTI SECURITIES PVT LTD	Opening Balance		Nil movement during the year		900000	0.40
		Closing Balance				900000	0.40
9	GOVERNMENT OF THE PROVINCE OF ALBERTA MANAGED BY COMGEST S.A.	Opening Balance		Nil movement during the year		501710	0.22
		Closing Balance				501710	0.22
10	PHILIP KOSHY #	Opening Balance				464126	0.21
		08-04-16	Sale	-3114	0.00	461012	0.21
		15-04-16	Sale	-2789	0.00	458223	0.20
		06-05-16	Purchase	7501	0.00	465724	0.21
		13-05-16	Purchase	10499	0.00	476223	0.21
		20-05-16	Sale	-16101	-0.01	460122	0.21
		10-06-16	Purchase	5204	0.00	465326	0.21
		24-06-16	Sale	-48310	-0.02	417016	0.19
		15-07-16	Purchase	2000	0.00	419016	0.19
		22-07-16	Purchase	4002	0.00	423018	0.19
		26-08-16	Sale	-3000	0.00	420018	0.19
		02-09-16	Purchase	5450	0.00	425468	0.19

Sr. no.	Name of the Share Holder	Date	Type	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
		09-09-16	Sale	-3000	0.00	422468	0.19
		16-09-16	Sale	-2699	0.00	419769	0.19
		30-09-16	Sale	-28000	-0.01	391769	0.17
		07-10-16	Sale	-2342	0.00	389427	0.17
		21-10-16	Sale	-50911	-0.02	338516	0.15
		28-10-16	Sale	-88508	-0.04	250008	0.11
		04-11-16	Sale	-25000	-0.01	225008	0.10
		25-11-16	Purchase	4000	0.00	229008	0.10
		02-12-16	Sale	-5000	0.00	224008	0.10
		09-12-16	Sale	-3288	0.00	220720	0.10
		16-12-16	Purchase	3005	0.00	223725	0.10
		16-12-16	Sale	-20725	-0.01	203000	0.09
		23-12-16	Purchase	166014	0.07	369014	0.16
		30-12-16	Sale	-17000	-0.01	352014	0.16
		31-12-16	Sale	-5004	0.00	347010	0.15
		06-01-17	Sale	-7000	0.00	340010	0.15
		13-01-17	Sale	-69998	-0.03	270012	0.12
		20-01-17	Sale	-30003	-0.01	240009	0.11
		27-01-17	Sale	-160999	-0.07	79010	0.04
		03-02-17	Sale	-2000	0.00	77010	0.03
		10-02-17	Purchase	25000	0.01	102010	0.05
		03-03-17	Sale	-9094	0.00	92916	0.04
		10-03-17	Purchase	7999	0.00	100915	0.04
		10-03-17	Sale	-200	0.00	100715	0.04
		31-03-17	Sale	-10000	0.00	90715	0.04
		Closing Balance				90715	0.04
11	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC*	Opening Balance				345731	0.15
		10-03-17	Purchase	59079	0.03	404810	0.18
		Closing Balance				404810	0.18

 # Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

** Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.*

v) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sr. no.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	**Sanjiv Goyal, Chairman & Managing Director** At the beginning of the year	76779000	34.24	76779000	34.24
	Bought during the year	-	-	76779000	34.24
	Sold during the year	-21223400	-	55555600	24.77
	At the end of the year	55555600	34.24	55555600	24.77
2.	**Mr. Vijay J Shah, Director** At the beginning of the year	250	0.00	250	0.00

Sr. no.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	Bought during the year	-	-	250	0.00
	Sold during the year	-	-	250	0.00
	At the end of the year	250	0.00	250	0.00
3.	**Mr. Sandeep Goel, CFO** At the beginning of the year	6760	0	6760	0.00
	Bought during the year	-	-	6760	0.00
	Sold during the year	-	-	6760	0.00
	At the end of the year	6760	0	6760	0.00
4.	**Mr. Sunder Lal, Company Secretary** At the beginning of the year	20	0.00	20	0.00
	Bought during the year	-	-	20	0.00
	Sold during the year	-	-	20	0.00
	At the end of the year	20	0.00	20	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment **Rupees in Millions**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,596.30	24.80	-	9,621.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.26	-	-	28.26
Total (i+ii+iii)	9,624.56	24.80	-	9,649.36
Change in Indebtedness during the financial year				
• Addition	119.90	15.33	-	135.23
• Reduction	(963.25)	(5.90)	-	(969.15)
Net Change	(843.35)	9.43	-	(833.92)
Indebtedness at the end of the financial year				
i) Principal Amount	8,746.81	34.23	-	8,781.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	34.40	-	-	34.40
Total (i+ii+iii)	8,781.21	34.23	-	8,815.44

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sanjiv Goyal	**Dinesh Dua**	**H.P. Singh**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	168.00	166.26	35.05	369.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.50	0.40	-	0.90
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	- -	- -	- -	- -
5	Others, please specify	-	-	-	-
	Total (A)	168.50	166.66	35.05	370.21
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				555.73

B. Remuneration to other directors: **Rupees in Lacs**

Sr. no.	Particulars of Remuneration	Name of Directors				TotalAmount
		Ajay Swaroop	Dr. (Maj Gen) SS Chauhan	Vijay J Shah	Guljit Chaudhri	
1.	Independent Directors					
	• Fee for attending board and committee meetings	0.62	0.68	0.16	0.40	1.86
	• Commission	-	-	-		-
	• Others, please specify	-	-	-		-
	Total (1)	0.62	0.68	0.16	0.40	1.86
2.	Other Non-Executive Directors				Vivek Sett	
	• Fee for attending board and committee meetings				0.20	0.20
	• Commission				-	-
	• Others, please specify				-	-
	Total (2)				0.20	0.20
	Total (B)=(1+2)					2.06
	Total Managerial Remuneration					372.27
	Overall Ceiling as per the Act (@ 11% of profits calculated under Section 198 of the Companies Act, 2013)					611.30

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.43	27.15	51.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
	- others, specify…			
5.	Others, please specify	-	-	-
	Total	24.43	27.15	51.58

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences for breach of any section of Companies Act against the company or its directors or other officers in default, if any, during the year ended March 31, 2017.

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

Place : Chandigarh
Date : 12.08.2017

(Sanjiv Goyal)
Chairman and Managing Director

Annexure 8 of Board of Directors' Report

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

1. Ratio of the remuneration of each Wholetime Director to the median remuneration of the Employees of the Company for the Financial Year 2016-17, the percentage increase in remuneration of Managing Director, Wholetime Directors (WTD), Chief Financial Officer and Company Secretary during the Financial Year 2016-17.

S. No.	Name of the Director/ KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1.	Sanjiv Goyal	Chairman & Managing Director	75:1	3.46%
2.	Dinesh Dua	WTD & CEO	74:1	4.97%
3.	Harparkash Singh Gill	WTD & President (Operations)	16:1	20.62%
4.	Sandeep Goel	Chief Financial Officer	Not Applicable	5.12%
5.	Sunder Lal	Company Secretary	Not Applicable	23.89%

Note:

a) The Non- Executive Directors of the Company are entitled for sitting fee only as per the statutory provisions. The details of remuneration of Non- Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non- Executive Directors Remuneration is therefore not considered for the purpose above.

b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2016-2017.

2. The percentage increase in the median remuneration of Employees for the financial year was 7.02%.

3. The Company has 1949 permanent Employees on the rolls of Company as on 31st March 2017.

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

   Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 4.18% whereas the increase in the managerial remuneration was approximately 5.57%. The average increases every year is an outcome of Company's market competitiveness as well as prevailing market scenario. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.

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

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

Place : Chandigarh
Date : 12.08.2017

(Sanjiv Goyal)
Chairman and Managing Director

Annexure 9 of Board of Directors' Report

Statement of particulars as prescribed under Rule 8 (3) of the Companies (Account) Rules, 2014

A) Conservation of energy

(i) Steps taken or impact on Conservation of energy

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

The company has also commissioned another Agro Based Captive Power generation Plant with a capacity to generate 6MW electrical power at Village Basouli, Lalru, Dist. S.A.S. Nagar (Punjab), to cater to the power requirement besides reducing the energy bill.

The Unit II has achieved 5% reduction in electrical and 2 % reduction in thermal energy consumption in the year 2016-17 over 2015-16 figures by adopting various energy savings projects like use of mechanical compression system in place of liquid nitrogen system, optimization of centrifugal pumps, use of AVAM (ammonia vapor absorption chiller) in place of vapor compression chillers, Variable frequency drives, use of dry vacuum pumps in place of steam jet ejectors / water ring vacuum pumps and use of powder transfer system in place manual handling of powders .

One more additional energy saving project work of replacing liquid nitrogen with mechanical compression system in another block is going on at final stage.

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

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

(iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments: Rs. 8.98 Millions

B) Technology absorption

(i) Efforts made towards technology absorption

In pharmaceuticals technology upgradation is a way of life and your company is not different.

Technologies are continuously developed and implemented without changing critical parameters. The company has informally tied up with global institutions for upgradation of Technologies.

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

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

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

Not applicable

(iv) Expenditure on R & D

Total expenditure incurred on Research and Development: Rs. 86.22 Millions

C) Foreign exchange earnings and outgo

1. During the year 2016-17, the Company had exported its pharmaceutical products to 65 countries. Further, the Company is making all efforts to export its products to new countries & new markets and to expand its export portfolio.

2.

a)	Foreign exchange earned in terms of actual inflow during the financial year ended on March 31, 2017:	Rs. 7561.45 Millions
b)	Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2017:	Rs. 6205.47 Millions

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

Place : Chandigarh
Date : 12.08.2017

(Sanjiv Goyal)
Chairman and Managing Director

Standalone Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
NECTAR LIFESCIENCES LIMITED

1. Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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

3. Auditors' Responsibility

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

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

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

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

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

4. Opinion

In our opinion and to the best of our information and, according to the explanations given to us, the aforesaid standalone Ind AS 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, including;

(a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2017;

(b) In the case of the Statement of Profit and Loss including Other Comprehensive Income, of the Profit of the Company for the year ended on that date,

(c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date, and

(d) In the case of Statement of Changes in Equity, changes in equity for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

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

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account,

(d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,

(e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act,

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements as referred to in Note 2.33 to the standalone Ind AS financial statements,

ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts,

iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and,

iv) the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 2.49 to the standalone Ind AS financial statements.

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

GAGANPREET GARG
(Partner)
M. No. 539158

PLACE : CHANDIGARH
DATE : 27.06.2017

ANNEXURE "A" TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5 OF OUR REPORT TO THE MEMBERS OF NECTAR LIFESCIENCES LIMITED ONTHE STANDLONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

1. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In respect of its inventory:
   (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. Inventories as at 31st March 2017 were also physically verified and valued by an independent firm of chartered accountants.
   (b) As explained to us, the discrepancies noticed between the physical stocks and the books records were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.Accordingly, provisions of clause 3 (iii) of the Companies (Auditor Reports) Order 2016 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits attracting the provisions of sections 73 to 76, or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the cost records maintained by the Company, pursuant to therules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty, Cess, Value Added Tax and other material statutory dues as applicable with the appropriate authorities in India. We are informed that there are no undisputed statutory dues as at the end of the year, which are outstanding for a period of more than six months from the date they became payable.

Statute	Nature of the Dues	Amount (Rs. in Millions*)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.51	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2.34	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 2003-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.19	Assessment Year 2004-05	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	TDS	0.39	Assessment Year2010-2013	CIT Appeals
Central Excise Act,1944	Excise Duty	1.05	FinancialYear 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act,1944	Excise Duty	5.58	Financial Year2005-2006	CESTAT, Chandigarh
Central Excise Act,1944	Excise Duty	0.43	Financial Year2010-2011	Deptt. of Revenue, Ministry of Finance
Central Excise Act,1944	Excise Duty	8.92	Financial Year2007-2008	CESTAT, Chandigarh
Central Excise Act,1944	Excise Duty	168.23**	Financial Year2007-2010	Punjab & Haryana High Court
Central Excise Act,1944	Excise Duty	236.14**	Financial Year2007-2010	Punjab & Haryana High Court
Service Tax,1994	Service Tax	5.78**	FinancialYear 2009-10	CESTAT, Chandigarh
Service Tax,1994	Service Tax	0.84	FinancialYear 2011-12	CESTAT, Chandigarh
Service Tax,1994	Service Tax	0.07	Financial Year 2010	CESTAT, Chandigarh
Service Tax,1994	Service Tax	0.04	Financial Year 2010	CESTAT, Chandigarh
Service Tax,1994	Service Tax	0.08	Financial Year 2011-2012	CESTAT, Chandigarh

***** net of amounts deposited under protest

****** In case demand is confirmed, penalty upto equivalent amount may be imposed.

(b) According to the information and explanation given to us and as per records of the Company examined by us, there are no dues of, Wealth Tax, Sales Tax, Value Added Tax, Cess and Custom Duty, which are outstanding as at 31st March, 2017 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of Excise duty, Income Tax and Service Tax have not been deposited by the Company on account of disputes as detailed below:

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

9. In our opinion and according to the information and explanations given to us, during the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.

10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable .

16. According to information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

GAGANPREET GARG
(Partner)
M. No. 539158

PLACE : CHANDIGARH
DATE : 27.06.2017

ANNEXURE "B" TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **NECTAR LIFESCIENCES LIMITED** ("the Company") as on 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and directors of the Company; and

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

Inherent Limitations Of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

GAGANPREET GARG
(Partner)
M. No. 539158

PLACE : CHANDIGARH
DATE : 27.06.2017

Nectar Lifesciences Limited (Rs. in Millions)

BALANCE SHEET As At 31st March 2017

Particulars	NOTE	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.2	8,237.97	8,375.83	8,091.09
Capital work-in-progress		1,021.14	993.53	913.12
Intangible assets	2.3	574.43	679.95	797.56
Financial assets				
Investments	2.4	6.00	6.00	1.50
Other financial assets	2.5	43.10	43.10	43.10
Other non-current assets	2.6	941.12	824.06	760.39
Total Non Current Assets		**10,823.76**	**10,922.46**	**10,606.76**
Current assets				
Inventory	2.7	8,541.30	8,360.64	7,909.75
Financial assets				
Investments	2.4	4.08	5.23	4.35
Trade receivables	2.8	5,034.41	4,922.42	4,464.96
Cash and cash equivalents	2.9	128.10	364.09	333.82
Loans	2.10	3.17	0.63	1.55
Other financial assets	2.5	644.40	426.29	343.96
Other current assets	2.11	631.27	563.97	631.72
Total Current Assets		**14,986.74**	**14,643.27**	**13,690.11**
Total Assets		**25,810.50**	**25,565.72**	**24,296.88**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	224.26	224.26	224.26
Other equity	2.13	9,843.00	9,318.46	8,796.03
Total Equity		**10,067.27**	**9,542.72**	**9,020.29**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	2.14	1,638.00	2,453.97	2,655.29
Other financial liabilities	2.15	187.82	164.25	151.87
Other Non-Current Liability	2.16	9.21	9.46	9.71
Provisions	2.17	84.92	69.13	60.11
Deferred tax liabilities (net)	2.18	1,036.69	926.70	836.99
Total Non-current liabilities		**2,956.64**	**3,623.51**	**3,713.97**
Current liabilities				
Financial liabilities				
Borrowings	2.14	6,303.41	6,272.43	5,952.98
Trade payables	2.19	5,280.98	4,967.81	4,589.41
Other financial liabilities	2.15	1,003.08	1,033.36	816.06
Other current liabilities	2.20	65.73	46.11	88.99
Provisions	2.17	12.28	13.79	34.86
Current tax liabilities (net)		121.11	65.99	80.32
Total Current liabilities		**12,786.59**	**12,399.49**	**11,562.61**
Total equity and liabilities		**25,810.50**	**25,565.72**	**24,296.88**
Significant Accounting Policies	**1**			
Notes to Financial Statements	**2**			

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

(Rs. in Millions)

STATEMENT OF PROFIT AND LOSS For the Year Ended 31st March 2017

Particulars	NOTE	As At March 31, 2017	As At March 31, 2016
Continuiung Operations			
Revenue from Operations	2.21	17,436.27	17,932.25
Other Income (Net)	2.22	226.57	57.78
		17,662.84	**17,990.03**
Expenses			
Raw Material Consumed	2.23	11,333.32	11,571.97
Purchase of Stock in Trade (Traded Goods)		125.00	414.22
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	83.37	(239.37)
Excise duty on sale of Goods		1,002.88	1,169.05
Employees Benefits Expense	2.25	792.36	818.72
Finance Cost	2.26	1,174.13	1,233.06
Depreciation & Amortization	2.2 & 2.3	622.51	573.89
Other Expenses	2.27	1,857.15	1,809.34
		16,990.72	**17,350.88**
Profit before exceptional items & tax		**672.13**	**639.15**
Exceptional items		-	-
Profit/(Loss) before tax		**672.13**	**639.15**
Tax Expenses		120.79	95.85
Profit for the period		**551.34**	**543.30**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset (Net of Tax)		0.20	6.12
Total Comprehensive income for the period		**551.54**	**549.43**
Earnings per equity share (Equity Shares of Re.1/- each fully paid up))			
Basic (Rs.)		2.46	2.42
Diluted (Rs.)		2.46	2.42
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

(Rs. in Millions)

CASH FLOW STATEMENT For the Year Ended 31st March 2017

Particulars	As At March 31, 2017	As At March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	672.44	648.30
Adjustments For :		
Depreciation	622.51	573.89
Provision for Doubtful debts/ Insurance Claims	1.04	1.42
Provision for Employees Retirement Benefits	17.95	8.53
Provision for Excise Duty On Finished Goods	(3.67)	(20.58)
Loss/ (Profit) on Sale of Fixed Assets	(155.75)	1.45
Loss/ (Profit) on Sale / Restatement of Investment	(0.15)	0.12
Interest on Borrowings	1,174.13	1,233.06
Other Non-Operating Income	(67.91)	(56.31)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,260.61**	**2,389.89**
Adjustments For :		
(Increase)/Decrease in Current Assets	(582.40)	(923.46)
Increase/(Decrease) in Current Liabilities	357.57	297.62
Increase/(Decrease) in Long Term Liabilities	23.57	12.38
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	(1.12)	(1.44)
CASH GENERATED FROM OPERATIONS	**2,057.98**	**1,774.74**
Direct Taxes Paid	(71.74)	(85.64)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**1,986.24**	**1,689.09**
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**1,986.24**	**1,689.09**
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets	(533.77)	(823.61)
Interest Received	67.90	56.31
Dividend Received	0.00	0.00
Sale of Fixed Assets	283.53	0.74
Sale/(Purchase) of Investments	1.29	(5.50)
Other Financial Assets Received/ (Paid)	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(181.04)**	**(772.06)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	(880.47)	44.88
Proceeds/(Repayment) from Working Capital Limits from Banks	30.98	319.45
Proceeds/(Repayment) from Vehicle Loans	9.42	9.00
Dividend Paid	(26.99)	(27.04)
Interest Paid	(1,174.13)	(1,233.06)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(2,041.18)**	**(886.76)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(235.98)**	**30.27**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	364.09	333.82
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	128.10	364.09

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

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Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in millions.

The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations of Balance Sheet as at 01.04.2015 and as at 31.03.2016 along with Statement of Profit & Loss for the year ended 31.03.2016 has been summarized in Note no. 2.28.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

1.3 PROPERTY, PLANT & EQUIPMENT

i) Property, Plant & Equipment have been stated at cost, net of cenvat/value added tax availed, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013

ii) Cost of leasehold assets is amortized over the period of the lease.

1.4 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

1.5 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, if any.

1.6 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.

1.7 FINANCIAL INSTRUMENTS

A. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

B. Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both

collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

v. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

D. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized

1.8 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.

1.9 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. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

1.10 EMPLOYEE BENEFITS

i) Short Term Employee Benefits:

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

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

ii) Long Term Employee Benefits

Post-Employment Benefits (Defined Benefit Plans)

The employee gratuity scheme is a defined benefit plan. The present value of the obligation under such defined

benefit plan is determined at Balance Sheet date based on an actuarial valuation carried out by an independent actuary using the projected unit credit method. Actuarial gains and losses and past service cost are recognized immediately in other comprehensive income.

Long term employee benefit also comprises of compensated absences. These are measured based on 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 other comprehensive income.

1.11 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.12 DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders.

1.13 OTHER INCOME

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

1.14 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.

1.15 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 Indian Accounting Standard (Ind AS 19) on “Leases”.

1.16 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, such grant is recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

1.17 EARNINGS PER SHARE

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

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

1.18 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.

1.19 INCOME TAXES

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. NOTES TO FINANCIAL STATEMENTS

2.1 COMPANY OVERVIEW

Nectar Lifesciences Limited (CIN: L24232PB1995PLC 016664) is an integrated pharmaceutical organization, incorporated in 1995, having its corporate office in Chandigarh and works in the states of Punjab and Himachal Pradesh. The Company has sustainable production systems to manufacture APIs and Formulations. With an expertise in R&D, the Company has been experiencing growth in this segment. The Company is also in the Menthol business and succeeded in both domestic and international markets.

The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

(Rs. in Millions)

NOTE - 2.2 "PROPERTY, PLANT AND EQUIPMENT"

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01-Apr-16	Additions	Sale/ Deletion	As At 31-Mar-17	Up To 31-Mar-16	Retained Earnings	During the Year	Deletion/ Adjustments	Up To 31-Mar-17	As At 31-Mar-17	As At 31-Mar-16
Freehold Land & Site Development	955.52	4.90	6.52	953.91	-	-	-	-	-	953.91	955.52
Leasehold Land	3.27	-	-	3.27	0.33	-	0.04	-	0.37	2.91	2.95
Buildings	1,609.28	6.12	7.75	1,607.65	363.06	-	49.70	0.29	412.46	1,195.19	1,246.22
Tube Well	18.20	3.55	-	21.75	10.93	-	2.19	-	13.12	8.63	7.28
Plant & Machinery *	8,252.99	279.56	84.35	8,448.20	3,114.58	-	294.30	4.74	3,404.14	5,044.06	5,138.40
Boiler	170.70	0.00	-	170.70	74.22	-	8.93	-	83.15	87.55	96.48
Pollution Control Equipment	75.25	-	-	75.25	42.40	-	10.82	-	53.22	22.03	32.85
Laboratory	100.81	4.31	-	105.12	56.33	-	10.29	-	66.61	38.51	44.49
Miscellaneous Fixed Assets	1,326.69	101.23	4.97	1,422.95	568.84	-	60.33	0.37	628.80	794.16	757.86
Furniture & Fixture	98.33	1.33	-	99.66	53.09	-	10.33	-	63.42	36.24	45.24
Motor Vehicles	92.30	18.48	1.02	109.76	52.15	-	8.06	0.18	60.04	49.72	40.15
Computer	43.55	0.47	-	44.01	35.15	-	3.80	-	38.95	5.06	8.40
Grand Total	**12,746.89**	**419.94**	**104.60**	**13,062.24**	**4,371.07**	**-**	**458.79**	**5.58**	**4,824.27**	**8,237.97**	**8,375.83**
Previous Year	12,050.46	699.94	3.51	12,746.89	3,959.37	-	413.01	1.31	4,371.07	8,375.83	8,091.09

*includes deletion on account of foreign exchange fluctuation on ECB amounting to Rs. 17.85 Millions (Previous Year addition of Rs. 87.52 Mns)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01-Apr-15	Additions	Sale/ Deletion	As At 31-Mar-16	Up To 31-Mar-15	Retained Earnings	During the Year	Deletion/ Adjustments	Up To 31-Mar-16	As At 31-Mar-16	As At 31-Mar-15
Freehold Land & Site Development	945.45	10.08	-	955.52	-	-	-	-	-	955.52	945.45
Leasehold Land	3.27	-	-	3.27	0.28	-	0.04	-	0.33	2.95	2.99
Buildings	1,591.01	18.27	-	1,609.28	313.72	-	49.34	-	363.06	1,246.22	1,277.29
Tube Well	13.01	5.19	-	18.20	9.30	-	1.63	-	10.93	7.28	3.72
Plant & Machinery *	7,831.74	421.25	-	8,252.99	2,843.84	-	270.74	-	3,114.58	5,138.40	4,987.90
Boiler	170.70	-	-	170.70	65.28	-	8.93	-	74.22	96.48	105.42
Pollution Control Equipment	75.25	-	-	75.25	38.88	-	3.52	-	42.40	32.85	36.37
Laboratory	90.11	10.71	-	100.81	46.75	-	9.58	-	56.33	44.49	43.36
Miscellaneous Fixed Assets	1,120.30	206.39	-	1,326.69	522.97	-	45.87	-	568.84	757.86	597.33
Furniture & Fixture	87.91	10.43	-	98.33	43.04	-	10.05	-	53.09	45.24	44.86
Motor Vehicles	80.47	15.34	3.51	92.30	44.55	-	8.92	1.31	52.15	40.15	35.92
Computer	41.25	2.30	-	43.55	30.76	-	4.39	-	35.15	8.40	10.49
Grand Total	**12,050.46**	**699.94**	**3.51**	**12,746.89**	**3,959.37**	**-**	**413.01**	**1.31**	**4,371.07**	**8,375.83**	**8,091.09**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.3 "INTANGIBLE ASSETS"			
Opening Gross Block	**1,089.68**	**1,046.41**	**1,046.41**
Additions during the year	86.22	43.27	-
Deletions during the year	28.77	-	-
Closing Gross Block	**1,147.13**	**1,089.68**	**1,046.41**
Opening Accumlated amortization	**409.74**	**248.85**	**248.85**
Amortization during the year	162.96	160.89	-
Closing Accumlated amortization	**572.70**	**409.74**	**248.85**
Carrying value as of March 31, 2017	**574.43**	**679.95**	**797.56**
NOTE - 2.4 "INVESTMENTS"			
Non Current Investments			
Investment in Equity Instruments			
UNQUOTED			
In Subsidiary Companies			
1 Equity Share of 1 GBP Fully Paid Up In Nectar Lifesciences UK Ltd.-England [Absolute amount Rs. 75 (Previous Year Rs. 75)]	0.00	0.00	0.00
51,950 Equity Shares (Previous year 51,950 Equity Shares) of 1 USD Fully Paid Up In Nectar Lifesciences USA LLC	3.30	3.30	0.00
In Others			
2,20,000 (Previous Year 2,20,000) Equity Shares of Rs. 10/- each Fully paid up In Mohali Green Environment Private Limited	2.20	2.20	1.00
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50	0.50
20 Equity Shares of Rs. 50/- each in The Thane Janta Sahakari Bank Ltd [Absolute amount Rs. 1,000 (Previous Year Rs.1,000)]	0.00	0.00	0.00
Total - "A"	**6.00**	**6.00**	**1.50**
Current Investments			
Investment in Equity Instruments			
QUOTED			
5 Equity Shares of Re. 1/- each, Fully Paid Up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00	0.00
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31	1.31
SBI PSU Fund	1.00	1.00	1.00
3,000 Bonds of IFCI @ Rs. 1,000/- Each	3.00	3.00	3.00
Principal Emerging Bluechip Fund	-	1.30	0.30
UNQUOTED			
2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03	0.03

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
Total - "B"	**5.34**	**6.64**	**5.64**
Provision for Loss on Investment **"C"**	1.25	1.41	1.28
Net Current Investments "D" ("B" - "C")	**4.08**	**5.23**	**4.35**
Total Investment "A" + "D"	**10.09**	**11.23**	**5.85**
Market value of Quoted Investment Rs. 4.87 Millions (Previous Year Rs. 5.46 Millions)			
NOTE - 2.5 "OTHER FINANCIAL ASSETS"			
Non Current			
Balances Recoverable from Revenue Authorities	43.10	43.10	43.10
Total - "A"	**43.10**	**43.10**	**43.10**
Current			
Export and Other Incentives Accrued	310.45	270.91	181.87
Balances with Revenue Authorities	174.60	152.28	159.12
Other Recoverables	3.81	2.45	1.01
Insurance Claim Receivable :			
Considered Good	155.54	0.65	1.96
Considered Doubtful	21.15	21.15	22.54
	665.55	447.44	366.51
Less: Provision for Doubtful Insurance Claim	21.15	21.15	22.54
Total - "B"	**644.40**	**426.29**	**343.96**
Total Other Financial Assets ("A" + "B")	**687.50**	**469.40**	**387.06**
NOTE - 2.6 "OTHER NON-CURRENT ASSETS"			
Security Deposits	16.27	15.68	15.79
MAT Credit Entitlement	922.69	806.75	744.59
Others	2.16	1.63	-
	941.12	**824.06**	**760.39**
NOTE - 2.7 "INVENTORY"			
(As Certified by The Management)			
Raw Material	1,211.33	945.29	752.47
Work In Progress	6,915.57	6,951.18	6,501.60
Finished Goods	161.45	193.38	361.01
Stock in Trade	66.01	81.85	124.43
Other Miscellaneous Stocks	186.92	188.94	170.24
	8,541.30	**8,360.64**	**7,909.75**
NOTE - 2.8 "TRADE RECEIVABLES"			
Unsecured			
Debts outstanding for a period exceeding six months			
Considered Good	171.70	218.21	184.11
Considered Doubtful	89.56	88.52	85.70
	261.27	306.73	269.81
Less: Provision For Doubtful Debts	89.56	88.52	85.70
	171.70	218.21	184.11
Other Debts			
Considered Good	4,862.71	4,704.21	4,280.85
	5,034.41	**4,922.42**	**4,464.96**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.9 "CASH & CASH EQUIVALENTS"			
Balance with Banks	37.54	151.98	71.85
Fixed Deposits	86.77	191.02	246.37
Balances in Dividend Accounts	0.36	0.38	0.49
Cash In Hand (Incl Staff Imprest)	3.43	20.71	15.12
	128.10	**364.09**	**333.82**
NOTE - 2.10 "LOANS"			
Loans & Advances to Staff	3.17	0.63	1.55
	3.17	**0.63**	**1.55**
NOTE - 2.11 "OTHER CURRENT ASSETS"			
Advances other than capital advances			
Payment to vendors for supply of goods	562.29	522.59	583.85
Others	68.98	41.38	47.87
	631.27	**563.97**	**631.72**
NOTE - 2.12 "EQUITY SHARE CAPITAL"			
Authorised Share Capital			
35,00,00,000 Equity Shares of Re. 1/- Each.	350.00	350.00	350.00
Issued, Subscribed & Paid up Capital			
22,42,60,970 Equity Shares of Re. 1/- Each Fully Paid up	224.26	224.26	224.26
(Also Refer Note 2.29)	**224.26**	**224.26**	**224.26**

NOTE - 2.13 "OTHER EQUITY"

Statement of Change in Equity (FY 2016-17)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as at April 1, 2016	**224.26**	**3,287.98**	**141.02**	**5,889.46**	**9,542.72**
Changes in equity for the year ended March 31, 2017					-
Dividends (including corporate dividend tax)	-	-	-	(27.00)	(27.00)
Profit for the period	-	-	-	551.54	551.54
Balance as at March 31, 2017	**224.26**	**3,287.98**	**141.02**	**6,414.00**	**10,067.27**
Statement of Change in Equity (FY 2015-16)					
Balance as at April 1, 2015	**224.26**	**3,287.98**	**141.02**	**5,367.02**	**9,020.29**
Changes in equity for the year ended March 31, 2016					-
Dividends (including corporate dividend tax)	-	-	-	(26.99)	(26.99)
Profit for the period	-	-	-	549.43	549.43
Balance as at March 31, 2016	**224.26**	**3,287.98**	**141.02**	**5,889.46**	**9,542.72**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.14 "BORROWINGS"			
Non Current			
Secured			
Term Loans			
From Banks	1,612.00	2,434.39	2,643.59
Unsecured			
Vehicle Loans			
From Banks	21.75	13.81	3.76
From Others	4.25	5.77	7.95
(Also Refer Note 2.30)	**1,638.00**	**2,453.97**	**2,655.29**
Current			
Secured			
Working Capital Limits			
From Banks	5,800.97	5,870.03	5,952.98
Unsecured			
From Banks	502.44	402.40	-
	6,303.41	**6,272.43**	**5,952.98**
Total Borrowings	**7,941.40**	**8,726.40**	**8,608.27**
NOTE - 2.15 "OTHER FINANCIAL LIABILITIES"			
Non Current			
Security from Customers	2.05	2.55	11.87
Other Capital Advances	185.77	161.70	140.00
	187.82	**164.25**	**151.87**
Current			
Current Maturities of Long Term Debts	831.41	889.48	635.40
Current Maturities of Other Loans	8.23	5.22	4.10
Interest Accrued but not due on Borrowings	34.40	28.26	38.96
Unpaid Dividends	0.36	0.38	0.49
Accrued Compensation to Employees	58.36	57.10	47.76
Statutory dues payable	42.91	43.49	74.28
Accrued Expenses	27.41	9.43	15.08
	1,003.08	**1,033.36**	**816.06**
Total Other Financial Liabilities	**1,190.90**	**1,197.60**	**967.93**
NOTE - 2.16 "OTHER NON CURRENT LIABILITIES"			
Non Current			
Deferred Income	9.21	9.46	9.71
	9.21	**9.46**	**9.71**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.17 "PROVISIONS"			
Non Current			
Provision for Employees Retirement Benefits	84.92	69.13	60.11
	84.92	**69.13**	**60.11**
Current			
Provision for Excise Duty On Finished Goods	6.00	9.66	30.24
Provision for Employee Retirement Benefits	6.29	4.13	4.61
	12.28	**13.79**	**34.86**
Total Provisions	**97.21**	**82.92**	**94.97**
NOTE - 2.18 "DEFERRED TAX LIABILITY"			
Deferred Tax Liabilities arising on account of:			
Depreciation	3,188.39	2,976.61	2,752.68
Total - "A"	**3,188.39**	**2,976.61**	**2,752.68**
Deferred Tax Assets arising on account of:			
Employees Retirement Benefits	91.21	73.26	64.73
Other Expenses & Provisions	110.71	109.66	108.24
Total - "B"	**201.92**	**182.92**	**172.97**
Deferred Liability ("A" - "B")	**2,986.47**	**2,793.69**	**2,579.72**
Tax Impact	**1,033.56**	**923.68**	**836.99**
Deferred Tax Liablity	**1,033.56**	**923.68**	**836.99**
Impact of Other Comprehensive Income	3.13	3.02	-
Net Deferred Tax Liablity	**1,036.69**	**926.70**	**836.99**
NOTE - 2.19 "TRADE PAYABLES"			
Due to Micro, Small & Medium Enterprises	16.33	11.51	12.33
Due to Others	5,264.65	4,956.30	4,577.08
	5,280.98	**4,967.81**	**4,589.41**
NOTE - 2.20 "OTHER CURRENT LIABILITIES"			
Advances from customers	65.73	46.11	88.99
	65.73	**46.11**	**88.99**

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufatured Products		
Export	7,635.35	6,798.78
Domestic	9,614.14	10,528.96
Trading Sale		
Export	9.42	202.05
Domestic	177.36	402.46
	17,436.27	**17,932.25**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.22 "OTHER INCOME"		
Operating Income		
Outsourcing Income	2.67	0.35
Deferred Income - Govt. Grants	0.25	0.25
Carbon Credit	-	0.87
Other Income		
Interest On Fixed Deposits	5.99	6.41
Interest Others	61.91	49.90
Dividend From Investments	0.00	0.00
Profit on Sale / Restatement of Fixed Assets	11.98	-
Compensation on Sale of Land	143.77	-
	226.57	**57.78**
NOTE - 2.23 "RAW MATERIAL CONSUMED"		
Opening Stock	945.29	752.47
Add:- Purchase of Raw Material	11,599.36	11,764.80
	12,544.65	12,517.26
Less :- Closing Stock	1,211.33	945.29
	11,333.32	**11,571.97**
NOTE - 2.24 "CHANGES IN FINISHED GOODS, STOCKS IN PROCESS & STOCK IN TRADE"		
Inventory (At Close)		
Finished Goods	161.45	193.38
Stock in Process	6,915.57	6,951.18
Stock in Trade	66.01	81.85
	7,143.04	7,226.41
Inventory (At Commencement)		
Finished Goods	193.38	361.01
Stock in Process	6,951.18	6,501.60
Stock in Trade	81.85	124.43
	7,226.41	6,987.04
	(83.37)	**239.37**
NOTE - 2.25 "EMPLOYEE BENEFIT EXPENSES"		
Salaries & Wages	633.53	654.71
Remuneration To Directors	36.94	34.96
Contribution to Provident and Other Funds	32.46	43.02
Staff Welfare	89.43	86.03
	792.36	**818.72**
NOTE - 2.26 "FINANCIAL EXPENSES"		
Interest Expenses	939.61	869.91
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	234.52	363.15
	1,174.13	**1,233.06**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.27 "OTHER EXPENSES"		
Manufacturing Expenses		
Consumable Stores	139.45	124.48
Power, Fuel & Steam Expenses	751.62	876.91
Chemical Testing Expenses	22.44	22.33
Packing Expenses	196.58	132.11
Repairs & Maintenance		
Electricals	8.92	3.61
Machinery	145.32	97.25
Building	11.32	6.36
Total - "A"	**1,275.67**	**1,263.05**
Administrative Expenses		
Travelling & Conveyance	34.95	38.98
Advertisement & Subscription	0.68	1.32
Books & Periodicals	0.08	0.38
Business Promotion	9.53	16.57
Insurance	22.70	32.86
Electricity Expenses (Office)	2.79	1.94
Postage, Telephone, Telegram	11.73	12.31
Printing & Stationery	15.85	15.64
Professional Fees	32.47	23.22
Rate,Fees & Taxes	21.00	17.82
Vehicle Running & Maintenance	9.13	9.44
Rent	13.80	13.49
Audit Fees	2.50	2.50
Office Expenses	5.76	7.13
Diwali & Pooja Expenses	2.52	3.87
Donation	13.90	11.11
Directors' Sitting Fees	0.21	0.24
Loss on Sale/ Restatement of Investment	(0.15)	0.12
Loss on Sale of Fixed Assets	-	1.45
Total - "B"	**199.46**	**210.39**
Selling & Distribution Expenses		
Discount & Samples	84.99	12.84
Freight & Cartage Outward	166.76	143.68
Sales Commission	128.03	177.95
Provision for Doubtful Debts/ Insurance claim	2.24	1.42
Total - "C"	**382.02**	**335.90**
Grand Total ("A" + "B" + "C")	**1,857.15**	**1,809.34**

(Rs. in Millions)

NOTE - 2.28 "RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS"

Particulars	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	9,337.31	(1,246.22)	8,091.09	9,253.95	(878.12)	8,375.83
Capital work-in-progress	913.12	-	913.12	993.53	-	993.53
Intangible assets	-	797.56	797.56	-	679.95	679.95
Financial assets						
Investments	1.50	-	1.50	6.00	-	6.00
Loans	43.10	-	43.10	43.10	-	43.10
Other financial assets	760.33	0.06	760.39	823.97	0.08	824.06
Deferred tax assets (net)	-	-	-	-	-	-
Other non-current assets	359.12	(359.12)	-	678.95	(678.95)	-
Total non - current Assets	**11,414.49**	**(807.72)**	**10,606.76**	**11,799.50**	**(877.04)**	**10,922.46**
Current assets						
Inventory	7,909.75	-	7,909.75	8,360.64	-	8,360.64
Financial assets						
Investments	4.35	-	4.35	5.23	-	5.23
Trade receivables	4,464.96	-	4,464.96	4,922.42	-	4,922.42
Cash and cash equivalents	333.82	-	333.82	364.09	-	364.09
Loans	1.55	-	1.55	0.63	-	0.63
Other financial assets	343.96	-	343.96	426.29	-	426.29
Other current assets	631.78	(0.06)	631.72	564.05	(0.08)	563.97
Total current assets	**13,690.17**	**(0.06)**	**13,690.11**	**14,643.35**	**(0.08)**	**14,643.27**
Total Assets	**25,104.66**	**(807.78)**	**24,296.88**	**26,442.85**	**(877.12)**	**25,565.72**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	224.26	-	224.26	224.26	-	224.26
Other equity	9,355.22	(559.19)	8,796.03	9,879.01	(560.55)	9,318.46
Total equity	**9,579.48**	**(559.19)**	**9,020.29**	**10,103.27**	**(560.55)**	**9,542.72**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	2,655.29	-	2,655.29	2,453.97	-	2,453.97
Other financial liabilities	151.87	-	151.87	164.25	-	164.25
Other Non-Current Liability	-	9.71	9.71	-	9.46	9.46
Provisions	60.11	-	60.11	69.13	-	69.13
Deferred tax liabilities (net)	1,101.93	(264.94)	836.99	1,225.73	(299.03)	926.70
Total non - current liabilities	**3,969.21**	**(255.23)**	**3,713.97**	**3,913.08**	**(289.57)**	**3,623.51**
Current liabilities						
Financial liabilities						
Borrowings	5,952.98	-	5,952.98	6,272.43	-	6,272.43
Trade payables	4,555.77	33.64	4,589.41	4,967.81	-	4,967.81
Other financial liabilities	816.01	0.05	816.06	1,033.31	0.05	1,033.36
Other current liabilities	88.99	-	88.99	46.11	-	46.11
Provisions	61.90	(27.05)	34.86	40.83	(27.04)	13.79
Income tax liabilities (net)	80.32	-	80.32	65.99	-	65.99
Total current liabilities	**11,555.97**	**6.64**	**11,562.61**	**12,426.49**	**(27.00)**	**12,399.49**
Total equity and liabilities	**25,104.66**	**(807.78)**	**24,296.88**	**26,442.84**	**(877.12)**	**25,565.72**

(Rs. in Millions)

NOTE 2.28 "RECONCILIATION STATEMENT OF PROFIT & LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS"

Particulars	Year Ended March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS
Continuiung Operations			
Revenue from Operations	17,932.25	-	17,932.25
Other Income (Net)	57.53	0.25	57.78
	17,989.78	**0.25**	**17,990.03**
Expenses			
Raw Material Consumed	11,407.66	164.31	11,571.97
Purchase of Stock in Trade (Traded Goods)	414.22	-	414.22
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	(239.37)	0.00	(239.37)
Excise duty on sale of Goods	1,169.05	-	1,169.05
Employees Benefits Expense	701.69	117.03	818.72
Finance Cost	1,225.02	8.04	1,233.06
Depreciation & Amortisation	852.94	(279.04)	573.89
Other Expenses	1,732.77	76.57	1,809.34
	17,263.98	**86.90**	**17,350.88**
Profit before exceptional items & tax	**725.80**	**(86.65)**	**639.15**
Exceptional items		-	-
Profit/(Loss) before tax	**725.80**	**(86.65)**	**639.15**
Tax Expenses	132.96	(37.12)	95.85
Profit for the period "A"	**592.84**	**(49.53)**	**543.30**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	-	6.12	6.12
Equity instruments through other comprehensive income	-	-	-
Total Comprehensive income for the period "A" + "B"	**592.84**	**(43.41)**	**549.43**

2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	55555600	24.77	76779000	34.24
NSR Direct PE Mauritius, LLC	26000000	11.59	26000000	11.59
Mrs. Raman Goyal	-	-	21584000	9.62
Depository of GDRs	46000000	20.51	46000000	20.51
Sanjiv (HUF)	43379400	19.34	572000	0.26

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

Reconciliation of the number of shares outstanding:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Equity shares at the beginning of the year	224260970	224260970
Add: Shares issued during the year	Nil	Nil
Equity shares at the end of the year	224260970	224260970

2.30 SECURED LOANS

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

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

Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. In Millions)
1–2	743.80
2–5	868.20
>5	Nil

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

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

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (Rs. In Millions)
1–2	8.02
2–5	16.49
>5	1.49

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

2.31 CURRENT ASSETS, LOANS & ADVANCES

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

2.32 CURRENT LIABILITIES

I. The principal amount remaining unpaid as at 31st March 2017 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 16.33 million (previous year Rs. 11.51 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 0.98 million (previous year Rs. 1.19 million) is remaining unpaid as of 31st March 2017. The principal amount that remained unpaid as at 31st March 2016 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. 0.36 million (previous year Rs. 0.38 million) which relates to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.07 million (Previous Year 0.15 million) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.

2.33 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2017	31.03.2016
a)	**Contingent Liabilities**		
i)	Claims not acknowledged as debts:- *		
	- Income Tax matters**	6.78	6.78
	- Excise matters***	430.20#	232.26
	- Service Tax matters****	7.33#	13.71
ii)	Bank Guarantees	17.90	15.42
iii)	Bills Discounted	30.31	70.95
iv)	Letter of Credit (Foreign / Inland)	266.91	227.79
b)	**Commitments**		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	12.65	39.65

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

** Amount deposited under protest Rs.3.43 million,

*** Amount deposited under protest Rs. 13.16million

**** Amount deposited under protest Rs. 0.52million

\# In case demand is confirmed, penalty upto equivalent amount may be imposed.

2.34 PAYMENT TO AUDITORS

(Rs. in millions)

Particulars	2016-17	2015-16
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.38	0.36

2.35 INCOME TAX

Current Tax

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

Deferred Tax

In compliance with Indian Accounting Standard (Ind AS 12) relating to "Income Taxes" issued under Companies (Indian Accounting Standards) Rules, 2016 as amended upto date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 109.88 million (Previous Year Rs. 86.69 million) and it has been recognized in the Statement of Profit& Loss. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

2.36 LEASES

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases. Lease payments recognized in the Statement of Profit & Loss are Rs.13.80 million (Previous Year Rs. 13.49 millions).

2.37 INTANGIBLE ASSETS

During the year, Company incurred an amount of Rs. 86.22 million on product development, product approval, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related development expenses, recognized as Intangible Assets in the books of accounts, and the same is amortized on a straight line basis over a period of seven years.

2.38 EMPLOYEE RETIREMENT BENEFITS

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

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

	Gratuity	Earned leave
Present Value of Obligations as at 1st April 2016	46.40	26.85
Acquisition adjustment	-	-
Interest Cost	3.24	1.88
Past Service Cost	-	-
Current Service Cost	9.88	13.12
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(4.23)	(5.63)
Actuarial (gain)/loss on obligations	3.72	(4.03)
Present Value of obligations as at 31st March 2017	59.01	32.19

Changes in the Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2016	-	-
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 2017	-	-

Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2016	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2017	-	-
Funded Status	(59.01)	(32.19)

Actuarial Gain/Loss Recognized (Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	(3.72)	4.03
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total (gain)/ loss for the year	3.72	(4.03)
Actuarial (gain)/ loss recognized in the year	3.72	(4.03)
Unrecognized actuarial (gains) / losses at the end of year	-	-

Amount recognized in the Balance Sheet

(Rs. in millions)

	Gratuity	Earned leave
Present value of obligations as at 31st March 2017	59.01	32.19
Fair value of plan assets as at 31st March 2017	-	-
Funded Status	(59.01)	(32.19)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(59.01)	(32.19)

Expenses recognized in the Statement of Profit &Loss

(Rs. in millions)

	Gratuity	Earned leave
Current service cost	9.88	13.11
Past service cost	-	-
Interest cost	3.24	1.88
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	3.72	(4.03)
Expenses recognized in the Statement of Profit & Loss	16.85	10.96

Valuation Assumptions

Discount Rate	7%
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)

	2016-17	2015-16
- Current Tax	126.86	71.31
- Deferred Tax	109.88	86.69
- MAT Credit Entitlement (net)	(115.95)	(62.15)
	120.79	95.85

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 Indian Accounting Standard (Ind AS 108) issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date.

ii) Secondary Segment (By Geographical Segment)

(Rs. In millions)

S.No.	Particulars	31.03.2017	31.03.2016
(a)	India	9791.51	10931.42
(b)	Outside India	7644.76	7000.83
	Total Sales	17436.27	17932.25

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 Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" issued under Companies (Indian Accounting Standards) Rule 2016, as amended upto date, are given below: -

a) Relationship

i) Subsidiary Companies

Nectar Lifesciences UK Limited, United Kingdom (Inoperative during the year)

Nectar Lifesciences USA, LLC

ii) Joint Ventures and Associates

None

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

Sh. Sanjiv Goyal

Sh. Dinesh Dua

Sh. Harprakash Singh Gill

Sh. Sandeep Goel, Chief Financial Officer

Sh. Sunder Lal, Company Secretary (upto 31.05.2017)

iv) Relatives of the Key Management Personnel*

Sh. Saurabh Goyal

Sh. Aryan Goyal

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

Surya Narrow Fabrics

Nectar Lifesciences Charitable Foundation

* With whom the Company had transactions during the year.

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

i) Subsidiary Companies **(Rs. In millions)**

S.No.	Particulars	31.03.2017	31.03.2016
i.	Investments during the year	-	3.30
	Balance at year end	21.97	7.95
ii.	Sale during the year	84.25	21.64

ii) Key Management Personnel and their relatives

(Rs. In millions)

S.No.	Particulars	31.03.2017	31.03.2016
i.	Director Remuneration & Perquisites*	37.02	35.07
ii.	Salary & Perquisites*	20.49	18.26

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

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

(Rs. In millions)

S.No.	Particulars	31.03.2017	31.03.2016
i.	Rent	0.96	0.96
ii	Donation Paid	1.46	2.05

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 31.03.2017	YEAR ENDED 31.03.2016
Profit After Tax, before OCI	Rs. in million	551.34	543.30
No of Shares Outstanding	Nos.	224260970	224260970
No of Weighted Average equity shares	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
Nominal value of equity shares	Rs.	1.00	1.00
Earnings per Share			
- Basic	Rs.	2.46	2.42
- Diluted	Rs.	2.46	2.42

2.44 Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to Rs. 115.08 millions (Previous Year net loss of Rs. 43.51 millions)

2.45 Fixed Deposits with Banks include an amount of Rs. 86.77 millions (Previous Year Rs. 81.02 millions) on account of FDRs held as Margin Money.

2.46 Corporate Social Responsibility Expenses

Donation includes an amount of Rs. 13.53 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs. 8.81 million capital expenditure incurred / advances given on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 22.34 million on CSR activities against the requirement of Rs. 15.44 million.

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

a) Raw Material Consumed **(Rs. In millions)**

S. No.	Particulars	2016-2017		2015-2016	
		Amount	(%age)	Amount	(%age)
1.	Imported	6460.87	57.01	7023.18	60.69
2.	Indigenous	4872.45	42.99	4548.79	39.31

b) Stores & Spares Consumed **(Rs. In millions)**

S. No.	Particulars	2016-2017		2015-2016	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.10	0.07	0.73	0.59
2.	Indigenous	139.35	99.93	123.75	99.41

2.48 OTHER INFORMATION

(Rs. In millions)

S. No.	Particulars	2016-17	2015-16
(a)	**CIF Value of Imports**		
1.	Raw Material	6283.30	6501.30
2.	Traded Goods	3.06	157.60
3.	Capital Goods, Store &Spares, Packing Material etc.	21.59	42.75
(b)	**Expenditure in Foreign Currency**		
1.	Travelling Expenses	11.27	12.08
2.	Export Commission	110.78	107.16
3.	Other Expenses	55.49	29.31
(c)	**Remittances in Foreign Currency**		
1.	Raw Material	6005.56	6194.61
2.	Traded Goods	3.06	127.7
2.	Capital Goods and Stores & Spares	19.31	57.12
(d)	**Expenditure in Foreign Currency on account of dividend**		
	Particulars	**2016-2017**	**2015-2016**
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	2015-16	2014-15
(e)	**Earning in Foreign Currency**		
	Particulars	**2016-2017**	**2015-2016**
	FOB Value of Exports	7546.16	6881.79

2.49 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the company had specified bank notes and other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31,2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8,2016 to December 31, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	20.08	0.54	20.62
(+) Permitted Receipts/ Bank withdrawal	**0.33****	**0.34**	**0.68**
(-) Permitted Payments	**-**	**(0.06)**	**(0.06)**
(-) Amount deposited in Banks *** Absolute Amount Rs. 1,220/-	(20.41)	(0.00)***	(20.41)
Closing cash in hand as on December 30, 2016	**-**	**0.82**	**0.82**

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.
**includes staff imprest

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

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole time Director

R.K. Aggarwal
Vice President Accounts

Sandeep Goel
Chief Financial Officer

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
NECTAR LIFESCIENCES LIMITED

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **NECTAR LIFE SCIENCES LIMITED** ("the Holding Company"), and its subsidiary companies (Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC (collectively referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows of the Group and changes in equity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

The Board of Directors of the Holding Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the unaudited financial statements of Nectar Lifesciences UK Limited and Nectar Lifesciences USA LLC, duly certified by the management, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2017,

(b) in the case of the Consolidated Statement of Profit and Loss including Other Comprehensive Income, of the Profit of the Group for the year ended on that date,

(c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date, and

(d) in the case of Statement of Changes in Equity, changes in equity for the year ended on that date.

5. Other Matters

We have not carried out the audit of the subsidiary Companies namely Nectar Lifesciences UK Limited, United Kingdom (dormant/inoperative during the year) and Nectar Lifesciences USA LLC. We have relied on the unaudited financial statements of the subsidiaries whose financial statements reflect total assets of Rs.24.16 million as at March 31, 2017 (Previous year Rs.8.84 million), total revenues of Rs.87.87 million (Previous year Rs.15.31 million) and net cash inflows amounting Rs.1.32 million for the year ended on that date (Previous year Rs.2.38 million), as considered in the consolidated financial statements. These unaudited financial statements, as approved by the Board of Directors of the subsidiary companies, have been furnished to us by the management, and our report, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on such approved unaudited financial statements. However, the size of the subsidiaries is insignificant.

Our opinion is not qualified in respect of Other Matters.

6. Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept by the Group so far as it appears from our examination of those books

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statement,

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the declaration of the management in the case of Subsidiary Companies, none of the directors of the Holding Company is disqualified as on 31st March, 2017 from being appointed as a Director of that Company in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) the Group has disclosed the impact of pending litigations on the consolidated financial position in consolidated Ind AS financial statements as referred to in Note 2.33 to the financial statements.

ii) the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

iv) the Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company. Refer Note 2.49 to the consolidated Ind AS financial statements.

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

GAGANPREET GARG
(Partner)
M. No. 539158

PLACE : Chandigarh
DATE : 27.06.2017

ANNEXURE "A" TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended as of 31 March 2017, we have audited the internal financial controls over financial reporting of **NECTAR LIFESCIENCES LIMITED** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and

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

Inherent Limitations Of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies, which are companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

GAGANPREET GARG
(Partner)
M. No. 539158

PLACE : Chandigarh
DATE : 27.06.2017

(Rs. in Millions)

CONSOLLIDATED BALANCE SHEET As At 31st March 2017

Particulars	NOTE	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.2	8,237.97	8,375.83	8,091.09
Capital work-in-progress		1,021.14	993.53	913.12
Intangible assets	2.3	574.43	679.95	797.56
Financial assets				
Investments	2.4	2.70	2.70	1.50
Other financial assets	2.5	43.10	43.10	43.10
Other non-current assets	2.6	941.12	824.06	760.39
Total Non Current Assets		**10,820.46**	**10,919.16**	**10,606.76**
Current assets				
Inventory	2.7	8,546.53	8,367.10	7,909.75
Financial assets				
Investments	2.4	4.08	5.23	4.35
Trade receivables	2.8	5,027.39	4,914.47	4,464.96
Cash and cash equivalents	2.9	131.81	366.47	333.82
Loans	2.10	3.17	0.63	1.55
Other financial assets	2.5	644.40	426.29	343.96
Other current assets	2.11	631.27	563.97	631.72
Total Current Assets		**14,988.65**	**14,644.16**	**13,690.11**
Total Assets		**25,809.11**	**25,563.32**	**24,296.88**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	224.26	224.26	224.26
Other equity	2.13	9,842.50	9,316.55	8,796.03
Total Equity		**10,066.76**	**9,540.81**	**9,020.29**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	2.14	1,638.00	2,453.97	2,655.29
Other financial liabilities	2.15	187.82	164.25	151.87
Other Non-Current Liability	2.16	9.21	9.46	9.71
Provisions	2.17	84.92	69.13	60.11
Deferred tax liabilities (net)	2.18	1,035.81	926.20	836.99
Total Non-current liabilities		**2,955.76**	**3,623.01**	**3,713.97**
Current liabilities				
Financial liabilities				
Borrowings	2.14	6,303.41	6,272.43	5,952.98
Trade payables	2.19	5,280.98	4,967.81	4,589.41
Other financial liabilities	2.15	1,003.08	1,033.36	816.06
Other current liabilities	2.20	65.73	46.11	88.99
Provisions	2.17	12.28	13.79	34.86
Current tax liabilities (net)		121.11	65.99	80.32
Total Current liabilities		**12,786.59**	**12,399.49**	**11,562.61**
Total equity and liabilities		**25,809.11**	**25,563.32**	**24,296.88**
Significant Accounting Policies	**1**			
Notes to Financial Statements	**2**			

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

(Rs. in Millions)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the Year Ended 31st March 2017

Particulars	NOTE	As At March 31, 2017	As At March 31, 2016
Continuiung Operations			
Revenue from Operations	2.21	17,439.89	17,925.92
Other Income (Net)	2.22	226.57	57.78
		17,666.46	**17,983.70**
Expenses			
Raw Material Consumed	2.23	11,333.49	11,572.81
Purchase of Stock in Trade (Traded Goods)		125.00	414.22
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	84.59	(245.83)
Excise duty on sale of Goods		1,002.88	1,169.05
Employees Benefits Expense	2.25	792.36	818.72
Finance Cost	2.26	1,174.13	1,233.06
Depreciation & Amortization	2.32 & 2.3	622.51	573.89
Other Expenses	2.27	1,857.33	1,809.52
		16,992.29	**17,345.45**
Profit before exceptional items & tax		**674.17**	**638.25**
Exceptional items		-	-
Profit/(Loss) before tax		**674.17**	**638.25**
Tax Expenses		120.79	95.85
Profit for the period		**553.38**	**542.40**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset (Net of Tax)		0.20	6.12
Items that will be reclassified subsequently to profit or loss			
Foreign Exchange Translation Reserve (Net of Tax)		(0.65)	(1.01)
Total Comprehensive income for the period		**552.94**	**547.52**
Earnings per equity share (Equity Shares of Re.1/- each fully paid up))			
Basic (Rs.)		2.47	2.42
Diluted (Rs.)		2.47	2.42
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

(Rs. in Millions)

CONSOLIDATED CASH FLOW STATEMENT For the Year Ended 31st March 2017

Particulars	As At March 31, 2017	As At March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	674.38	647.40
Adjustments For :		
Depreciation	622.51	573.89
Provision for Doubtful debts/ Insurance Claims	1.04	1.42
Provision for Employees Retirement Benefits	17.95	8.53
Provision for Excise Duty On Finished Goods	(3.67)	(20.58)
Loss/ (Profit) on Sale of Fixed Assets	(155.75)	1.45
Loss/ (Profit) on Sale / Restatement of Investment	(0.15)	0.12
Interest on Borrowings	1,174.13	1,233.06
Other Non-Operating Income	(67.91)	(56.31)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,262.55**	**2,389.00**
Adjustments For :		
(Increase)/Decrease in Current Assets	(583.03)	(923.48)
Increase/(Decrease) in Current Liabilities	357.57	297.62
Increase/(Decrease) in Long Term Liabilities	23.57	12.38
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	(1.12)	(1.44)
CASH GENERATED FROM OPERATIONS	**2,059.30**	**1,773.82**
Direct Taxes Paid	(71.74)	(85.64)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**1,987.56**	**1,688.18**
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**1,987.56**	**1,688.18**
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets	(533.77)	(823.61)
Interest Received	67.90	56.31
Dividend Received	0.00	0.00
Sale of Fixed Assets	283.53	0.74
Sale/(Purchase) of Investments	1.29	(2.20)
Other Financial Assets Received/ (Paid)	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(181.04)**	**(768.76)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	(880.47)	44.88
Proceeds/(Repayment) from Working Capital Limits from Banks	30.98	319.45
Proceeds/(Repayment) from Vehicle Loans	9.42	9.00
Dividend Paid	(26.99)	(27.04)
Interest Paid	(1,174.13)	(1,233.06)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(2,041.18)**	**(886.76)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(234.66)**	**32.65**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	366.47	333.82
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	131.81	366.47

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

As per our report of even date

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole Time Director

Sandeep Goel
Chief Financial Officer

R.K. Aggarwal
Vice President Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees in millions.

The Company has adopted all the Ind AS standards mandatorily applicable and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations of Balance Sheet as at 01.04.2015 and as at 31.03.2016 along with Statement of Profit & Loss for the year ended 31.03.2016 has been summarized in Note no. 2.28.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

1.3 PROPERTY, PLANT & EQUIPMENT

i) Property, Plant & Equipment have been stated at cost, net of cenvat/value added tax availed, but inclusive of attributable costs of bringing the assets to their working condition for their intended use, less depreciation and impairment loss, if any. Depreciation on assets is provided on straight line method in the manner prescribed in Schedule II to the Companies Act, 2013

ii) Cost of leasehold assets is amortized over the period of the lease.

1.4 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortization and impairment, wherever applicable. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable asset is based on a number of factors including the effects of obsolescence , demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

The research costs are expensed as incurred. The development costs, which can be capitalized, include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

1.5 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, if any.

1.6 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.

1.7 FINANCIAL INSTRUMENTS

A. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

B. Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both

collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

v. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

D. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized

1.8 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.

1.9 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 and as per Ind AS 21, exchange differences arising on account of consolidation with foreign operation, are recognized in Other Comprehensive Income. 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. The Company has opted for voluntary exemption given in Ind AS-101, which allows first time adopter to continue its Indian GAAP policy for accounting of exchange difference arising on translation of long term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

1.10 EMPLOYEE BENEFITS

i) Short Term Employee Benefits:

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

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

ii) Long Term Employee Benefits

Post-Employment Benefits (Defined Benefit Plans)

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

Long term employee benefit also comprises of compensated absences. These are measured based on 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 other comprehensive income.

1.11 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.12 DIVIDENDS

Final dividends on shares are recorded as a liability on the date of approval by the shareholders.

1.13 OTHER INCOME

Other income is comprised primarily of interest income, dividend income and profit/ loss on sale of investment/ fixed assets. Dividend income is recognized when the right to receive payment is established.

1.14 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.

1.15 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 Indian Accounting Standard (Ind AS 19) on “Leases”.

1.16 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, such grant is recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

1.17 EARNINGS PER SHARE

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

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

1.18 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.

1.19 INCOME TAXES

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. NOTES TO FINANCIAL STATEMENTS

2.1 COMPANY OVERVIEW

Nectar Lifesciences Limited (CIN: L24232PB1995 PLC016664) is an integrated pharmaceutical organization, incorporated in 1995, having its corporate office in Chandigarh and works in the states of Punjab and Himachal Pradesh. The Company has sustainable production systems to manufacture APIs and Formulations. With an expertise in R&D, the Company has been experiencing growth in this segment. The Company is also in the Menthol business and succeeded in both domestic and international markets.

The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited.

(Rs. in Millions)

NOTE - 2.2 "PROPERTY, PLANT AND EQUIPMENT"

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01-Apr-16	Additions	Sale/ Deletion	As At 31-Mar-17	Up To 31-Mar-16	Retained Earnings	During the Year	Deletion/ Adjustments	Up To 31-Mar-17	As At 31-Mar-17	As At 31-Mar-16
Freehold Land & Site Development	955.52	4.90	6.52	953.91	-	-	-	-	-	953.91	955.52
Leasehold Land	3.27	-	-	3.27	0.33	-	0.04	-	0.37	2.91	2.95
Buildings	1,609.28	6.12	7.75	1,607.65	363.06	-	49.70	0.29	412.46	1,195.19	1,246.22
Tube Well	18.20	3.55	-	21.75	10.93	-	2.19	-	13.12	8.63	7.28
Plant & Machinery *	8,252.99	279.56	84.35	8,448.20	3,114.58	-	294.30	4.74	3,404.14	5,044.06	5,138.40
Boiler	170.70	0.00	-	170.70	74.22	-	8.93	-	83.15	87.55	96.48
Pollution Control Equipment	75.25	-	-	75.25	42.40	-	10.82	-	53.22	22.03	32.85
Laboratory	100.81	4.31	-	105.12	56.33	-	10.29	-	66.61	38.51	44.49
Miscellaneous Fixed Assets	1,326.69	101.23	4.97	1,422.95	568.84	-	60.33	0.37	628.80	794.16	757.86
Furniture & Fixture	98.33	1.33	-	99.66	53.09	-	10.33	-	63.42	36.24	45.24
Motor Vehicles	92.30	18.48	1.02	109.76	52.15	-	8.06	0.18	60.04	49.72	40.15
Computer	43.55	0.47	-	44.01	35.15	-	3.80	-	38.95	5.06	8.40
Grand Total	**12,746.89**	**419.94**	**104.60**	**13,062.24**	**4,371.07**	**-**	**458.79**	**5.58**	**4,824.27**	**8,237.97**	**8,375.83**
Previous Year	12,050.46	699.94	3.51	12,746.89	3,959.37	-	413.01	1.31	4,371.07	8,375.83	8,091.09

*includes deletion on account of foreign exchange fluctuation on ECB amounting to Rs. 17.85 Millions (Previous Year addition of Rs. 87.52 Mns)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01-Apr-15	Additions	Sale/ Deletion	As At 31-Mar-16	Up To 31-Mar-15	Retained Earnings	During the Year	Deletion/ Adjustments	Up To 31-Mar-16	As At 31-Mar-16	As At 31-Mar-15
Freehold Land & Site Development	945.45	10.08	-	955.52	-	-	-	-	-	955.52	945.45
Leasehold Land	3.27	-	-	3.27	0.28	-	0.04	-	0.33	2.95	2.99
Buildings	1,591.01	18.27	-	1,609.28	313.72	-	49.34	-	363.06	1,246.22	1,277.29
Tube Well	13.01	5.19	-	18.20	9.30	-	1.63	-	10.93	7.28	3.72
Plant & Machinery *	7,831.74	421.25	-	8,252.99	2,843.84	-	270.74	-	3,114.58	5,138.40	4,987.90
Boiler	170.70	-	-	170.70	65.28	-	8.93	-	74.22	96.48	105.42
Pollution Control Equipment	75.25	-	-	75.25	38.88	-	3.52	-	42.40	32.85	36.37
Laboratory	90.11	10.71	-	100.81	46.75	-	9.58	-	56.33	44.49	43.36
Miscellaneous Fixed Assets	1,120.30	206.39	-	1,326.69	522.97	-	45.87	-	568.84	757.86	597.33
Furniture & Fixture	87.91	10.43	-	98.33	43.04	-	10.05	-	53.09	45.24	44.86
Motor Vehicles	80.47	15.34	3.51	92.30	44.55	-	8.92	1.31	52.15	40.15	35.92
Computer	41.25	2.30	-	43.55	30.76	-	4.39	-	35.15	8.40	10.49
Grand Total	**12,050.46**	**699.94**	**3.51**	**12,746.89**	**3,959.37**	**-**	**413.01**	**1.31**	**4,371.07**	**8,375.83**	**8,091.09**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.3 "INTANGIBLE ASSETS"			
Opening Gross Block	**1,089.68**	**1,046.41**	**1,046.41**
Additions during the year	86.22	43.27	-
Deletions during the year	28.77	-	-
Closing Gross Block	**1,147.13**	**1,089.68**	**1,046.41**
Opening Accumlated amortization	**409.74**	**248.85**	**248.85**
Amortization during the year	162.96	160.89	-
Closing Accumlated amortization	**572.70**	**409.74**	**248.85**
Carrying value as of March 31, 2017	**574.43**	**679.95**	**797.56**
NOTE - 2.4 "INVESTMENTS"			
Non Current Investments			
Investment in Equity Instruments			
UNQUOTED			
In Others			
2,20,000 (Previous Year 2,20,000) Equity Shares of Rs. 10/- each Fully paid up In Mohali Green Environment Private Limited	2.20	2.20	1.00
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	0.50	0.50	0.50
20 Equity Shares of Rs. 50/- each in The Thane Janta Sahakari Bank Ltd [Absolute amount Rs. 1,000 (Previous Year Rs.1,000)]	0.00	0.00	0.00
Total - "A"	**2.70**	**2.70**	**1.50**
Current Investments			
Investment in Equity Instruments			
QUOTED			
5 Equity Shares of Re. 1/- each, Fully Paid Up In Aurobindo Pharma Ltd. [Absolute amount Rs. 314 (Previous Year Rs. 314)]	0.00	0.00	0.00
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31	1.31
SBI PSU Fund	1.00	1.00	1.00
3,000 Bonds of IFCI @ Rs. 1,000/- Each	3.00	3.00	3.00
Principal Emerging Bluechip Fund	-	1.30	0.30
UNQUOTED			
2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03	0.03
Total - "B"	**5.34**	**6.64**	**5.64**
Provision for Loss on Investment **"C"**	1.25	1.41	1.28
Net Current Investments "D" ("B" - "C")	**4.08**	**5.23**	**4.35**
Total Investment "A" + "D"	**6.78**	**7.93**	**5.85**

Market value of Quoted Investment Rs. 4.87 Millions (Previous Year Rs. 5.46 Millions)

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.5 "OTHER FINANCIAL ASSETS"			
Non Current			
Balances Recoverable from Revenue Authorities	43.10	43.10	43.10
Total - "A"	**43.10**	**43.10**	**43.10**
Current			
Export and Other Incentives Accrued	310.45	270.91	181.87
Balances with Revenue Authorities	174.60	152.28	159.12
Other Recoverables	3.81	2.45	1.01
Insurance Claim Receivable :			
Considered Good	155.54	0.65	1.96
Considered Doubtful	21.15	21.15	22.54
	665.55	447.44	366.51
Less: Provision for Doubtful Insurance Claim	21.15	21.15	22.54
Total - "B"	**644.40**	**426.29**	**343.96**
Total Other Financial Assets ("A" + "B")	**687.50**	**469.40**	**387.06**
NOTE - 2.6 "OTHER NON-CURRENT ASSETS"			
Security Deposits	16.27	15.68	15.79
MAT Credit Entitlement	922.69	806.75	744.59
Others	2.16	1.63	-
	941.12	**824.06**	**760.39**
NOTE - 2.7 "INVENTORY"			
(As Certified by The Management)			
Raw Material	1,211.33	945.29	752.47
Work In Progress	6,915.57	6,951.18	6,501.60
Finished Goods	166.69	199.84	361.01
Stock in Trade	66.01	81.85	124.43
Other Miscellaneous Stocks	186.92	188.94	170.24
	8,546.53	**8,367.10**	**7,909.75**
NOTE - 2.8 "TRADE RECEIVABLES"			
Unsecured			
Debts outstanding for a period exceeding six months			
Considered Good	171.70	218.21	184.11
Considered Doubtful	89.56	88.52	85.70
	261.27	306.73	269.81
Less: Provision For Doubtful Debts	89.56	88.52	85.70
	171.70	218.21	184.11
Other Debts			
Considered Good	4,855.69	4,696.26	4,280.85
	5,027.39	**4,914.47**	**4,464.96**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.9 "CASH & CASH EQUIVALENTS"			
Balance with Banks	41.25	154.37	71.85
Fixed Deposits	86.77	191.02	246.37
Balances in Dividend Accounts	0.36	0.38	0.49
Cash In Hand (Incl Staff Imprest)	3.43	20.71	15.12
	131.81	**366.47**	**333.82**
NOTE - 2.10 "LOANS"			
Loan & Advances to Staff	3.17	0.63	1.55
	3.17	**0.63**	**1.55**
NOTE - 2.11 "OTHER CURRENT ASSETS"			
Advances other than capital advances			
Payment to vendors for supply of goods	562.29	522.59	583.85
Others	68.98	41.38	47.87
	631.27	**563.97**	**631.72**
NOTE - 2.12 "EQUITY SHARE CAPITAL"			
Authorised Share Capital			
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00	350.00
Issued, Subscribed & Paid up Capital			
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26	224.26
	224.26	**224.26**	**224.26**

(Also Refer Note 2.29)

NOTE - 2.13 "OTHER EQUITY"

Statement of Change in Equity (FY 2016-17)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium Reserves	General Reserves	Retained Earnings	
Balance as at April 1, 2016	**224.26**	**3,287.98**	**141.02**	**5,887.55**	**9,540.81**
Changes in equity for the year ended March 31, 2017					-
Dividends (including corporate dividend tax)	-	-	-	(27.00)	(27.00)
Profit for the period	-	-	-	552.94	552.94
Balance as at March 31, 2017	**224.26**	**3,287.98**	**141.02**	**6,413.49**	**10,066.76**
Statement of Change in Equity (FY 2015-16)					
Balance as at April 1, 2015	**224.26**	**3,287.98**	**141.02**	**5,367.02**	**9,020.29**
Changes in equity for the year ended March 31, 2016					-
Dividends (including corporate dividend tax)	-	-	-	(26.99)	(26.99)
Profit for the period	-	-	-	547.52	547.52
Balance as at March 31, 2016	**224.26**	**3,287.98**	**141.02**	**5,887.55**	**9,540.81**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.14 "BORROWINGS"			
Non Current			
Secured			
Term Loans			
From Banks	1,612.00	2,434.39	2,643.59
Unsecured			
Vehicle Loans			
From Banks	21.75	13.81	3.76
From Others	4.25	5.77	7.95
(Also Refer Note 2.30)	**1,638.00**	**2,453.97**	**2,655.29**
Current			
Secured			
Working Capital Limits			
From Banks	5,800.97	5,870.03	5,952.98
Unsecured			
From Banks	502.44	402.40	-
	6,303.41	**6,272.43**	**5,952.98**
Total Borrowings	**7,941.40**	**8,726.40**	**8,608.27**
NOTE - 2.15 "OTHER FINANCIAL LIABILITIES"			
Non Current			
Security from Customers	2.05	2.55	11.87
Other Capital Advances	185.77	161.70	140.00
	187.82	**164.25**	**151.87**
Current			
Current Maturities of Long Term Debts	831.41	889.48	635.40
Current Maturities of Other Loans	8.23	5.22	4.10
Interest Accrued but not due on Borrowings	34.40	28.26	38.96
Unpaid Dividends	0.36	0.38	0.49
Accrued Compnsation to Employees	58.36	57.10	47.76
Statutory dues payable	42.91	43.49	74.28
Accrued Expenses	27.41	9.43	15.08
	1,003.08	**1,033.36**	**816.06**
Total Other Financial Liabilities	**1,190.90**	**1,197.60**	**967.93**
NOTE - 2.16 "OTHER NON CURRENT LIABILITIES"			
Non Current			
Deferred Income	9.21	9.46	9.71
	9.21	**9.46**	**9.71**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
NOTE - 2.17 "PROVISIONS"			
Non Current			
Provision for Employees Retirement Benefits	84.92	69.13	60.11
	84.92	**69.13**	**60.11**
Current			
Provision for Excise Duty On Finished Goods	6.00	9.66	30.24
Provision for Employee Retirement Benefits	6.29	4.13	4.61
	12.28	**13.79**	**34.86**
Total Provisions	**97.21**	**82.92**	**94.97**
NOTE - 2.18 "DEFERRED TAX LIABILITY"			
Deferred Tax Liabilities arising on account of:			
Depreciation	3,188.39	2,976.61	2,752.68
Total - "A"	**3,188.39**	**2,976.61**	**2,752.68**
Deferred Tax Assets arising on account of:			
Employees Retirement Benefits	91.21	73.26	64.73
Other Expenses & Provisions	110.71	109.66	108.24
Total - "B"	**201.92**	**182.92**	**172.97**
Deferred Tax Liability ("A" - "B")	**2,986.47**	**2,793.69**	**2,579.72**
Tax Impact	**1,033.56**	**923.68**	**836.99**
Net Deferred Tax Liablity	**1,033.56**	**923.68**	**836.99**
Impact of Other Comprehensive Income	3.13	3.02	-
Impact of Foreign Exchange Translation Reserve	(0.88)	(0.50)	
Net Deferred Tax Liablity	**1,035.81**	**926.20**	**836.99**
NOTE - 2.19 "TRADE PAYABLES"			
Due to Micro ,Small & Medium Enterprises	16.33	11.51	12.33
Due to Others	5,264.65	4,956.30	4,577.08
	5,280.98	**4,967.81**	**4,589.41**
NOTE - 2.20 "OTHER CURRENT LIABILITIES"			
Advance recd from customers	65.73	46.11	88.99
	65.73	**46.11**	**88.99**

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufatured Products		
Export	7,638.96	6,792.45
Domestic	9,614.14	10,528.96
Trading Sale		
Export	9.42	202.05
Domestic	177.36	402.46
	17,439.89	**17,925.92**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.22 "OTHER INCOME"		
Operating Income		
Outsourcing Income	2.67	0.35
Deferred Income - Govt. Grants	0.25	0.25
Carbon Credit	-	0.87
Other Income		
Interest On Fixed Deposits	5.99	6.41
Interest Others	61.91	49.90
Dividend From Investments	0.00	0.00
Profit on Sale / Restatement of Fixed Assets	11.98	-
Compensation on Sale of Land	143.77	-
	226.57	**57.78**
NOTE - 2.23 "RAW MATERIAL CONSUMED"		
Opening Stock	945.29	752.47
Add:- Purchase of Raw Material	11,599.53	11,765.64
	12,544.82	12,518.10
Less :- Closing Stock	1,211.33	945.29
	11,333.49	**11,572.81**
NOTE - 2.24 "CHANGES IN FINISHED GOODS, STOCKS IN PROCESS & STOCK IN TRADE"		
Inventory (At Close)		
Finished Goods	166.69	199.84
Stock in Process	6,915.57	6,951.18
Stock in Trade	66.01	81.85
	7,148.28	7,232.87
Inventory (At Commencement)		
Finished Goods	199.84	361.01
Stock in Process	6,951.18	6,501.60
Stock in Trade	81.85	124.43
	7,232.87	6,987.04
	(84.59)	**245.83**
NOTE - 2.25 "EMPLOYEE BENEFIT EXPENSES"		
Salaries & Wages	633.53	654.71
Remuneration To Directors	36.94	34.96
Contribution to Provident and Other Funds	32.46	43.02
Staff Welfare	89.43	86.03
	792.36	**818.72**
NOTE - 2.26 "Financial Expenses"		
Interest Expenses	939.61	869.91
Other Borrowing Costs & Foreign Exchange Fluctuation (Net)	234.52	363.15
	1,174.13	**1,233.06**

(Rs. in Millions)

Particulars	As At March 31, 2017	As At March 31, 2016
NOTE - 2.27 "OTHER EXPENSES"		
Manufacturing Expenses		
Consumable Stores	139.45	124.48
Power, Fuel & Steam Expenses	751.62	876.91
Chemical Testing Expenses	22.44	22.33
Packing Expenses	196.58	132.11
Repairs & Maintenance		
Electricals	8.92	3.61
Machinery	145.32	97.25
Building	11.32	6.36
Total - "A"	**1,275.67**	**1,263.05**
Administrative Expenses		
Travelling & Conveyance	34.95	38.98
Advertisement & Subscription	0.68	1.32
Books & Periodicals	0.08	0.38
Business Promotion	9.53	16.57
Insurance	22.70	32.86
Electricity Expenses (Office)	2.79	1.94
Postage, Telephone, Telegram	11.73	12.31
Printing & Stationery	15.85	15.64
Professional Fees	32.66	23.41
Rate,Fees & Taxes	21.00	17.82
Vehicle Running & Maintenance	9.13	9.44
Rent	13.80	13.49
Audit Fees	2.50	2.50
Office Expenses	5.76	7.13
Diwali & Pooja Expenses	2.52	3.87
Donation	13.90	11.11
Directors' Sitting Fees	0.21	0.24
Loss on Sale/ Restatement of Investment	(0.15)	0.12
Loss on Sale of Fixed Assets	-	1.45
Total - "B"	**199.64**	**210.58**
Selling & Distribution Expenses		
Discount & Samples	84.99	12.84
Freight & Cartage Outward	166.76	143.68
Sales Commission	128.03	177.95
Provision for Doubtful Debts/ Insurance claim	2.24	1.42
Total - "C"	**382.02**	**335.90**
Grand Total ("A" + "B" + "C")	**1,857.33**	**1,809.52**

(Rs. in Millions)

NOTE - 2.28 "RECONCILIATION OF CONSOLIDATED EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS"

Particulars	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	9,337.31	(1,246.22)	8,091.09	9,253.95	(878.12)	8,375.83
Capital work-in-progress	913.12	-	913.12	993.53	-	993.53
Intangible assets	-	797.56	797.56	-	679.95	679.95
Financial assets						
Investments	1.50	-	1.50	2.70	-	2.70
Loans	43.10	-	43.10	43.10	-	43.10
Other financial assets	760.33	0.06	760.39	823.97	0.09	824.06
Deferred tax assets (net)	-	-	-	-	-	-
Other non-current assets	359.12	(359.12)	-	678.95	(678.95)	-
Total non - current Assets	**11,414.48**	**(807.72)**	**10,606.76**	**11,796.20**	**(877.03)**	**10,919.17**
Current assets						
Inventory	7,909.75	-	7,909.75	8,367.10	-	8,367.10
Financial assets						
Investments	4.35	-	4.35	5.23	-	5.23
Trade receivables	4,464.96	-	4,464.96	4,914.47	-	4,914.47
Cash and cash equivalents	333.82	-	333.82	366.47	-	366.47
Loans	1.55	-	1.55	0.63	-	0.63
Other financial assets	343.96	-	343.96	426.29	-	426.29
Other current assets	631.78	(0.06)	631.72	564.04	(0.07)	563.97
Total current assets	**13,690.17**	**(0.06)**	**13,690.11**	**14,644.23**	**(0.07)**	**14,644.16**
Total Assets	**25,104.65**	**(807.78)**	**24,296.87**	**26,440.43**	**(877.10)**	**25,563.33**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	224.26	-	224.26	224.26	-	224.26
Other equity	9,355.22	(559.20)	8,796.02	9,876.61	(560.04)	9,316.57
Total equity	**9,579.48**	**(559.20)**	**9,020.28**	**10,100.87**	**(560.04)**	**9,540.83**
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	2,655.29	-	2,655.29	2,453.97	-	2,453.97
Other financial liabilities	151.87	-	151.87	164.25	-	164.25
Other Non-Current Liability	-	9.71	9.71	-	9.46	9.46
Provisions	60.11	-	60.11	69.13	-	69.13
Deferred tax liabilities (net)	1,101.93	(264.94)	836.99	1,225.73	(299.53)	926.20
Total non - current liabilities	**3,969.20**	**(255.23)**	**3,713.97**	**3,913.08**	**(290.07)**	**3,623.01**
Current liabilities						
Financial liabilities						
Borrowings	5,952.98	-	5,952.98	6,272.43	-	6,272.43
Trade payables	4,555.77	33.64	4,589.41	4,967.81	-	4,967.81
Other financial liabilities	816.01	0.05	816.06	1,033.31	0.05	1,033.36
Other current liabilities	88.99	-	88.99	46.11	-	46.11
Provisions	61.90	(27.04)	34.86	40.83	(27.04)	13.79
Income tax liabilities (net)	80.32	-	80.32	65.99	-	65.99
Total current liabilities	**11,555.97**	**6.65**	**11,562.62**	**12,426.48**	**(26.99)**	**12,399.49**
Total equity and liabilities	**25,104.65**	**(807.78)**	**24,296.87**	**26,440.43**	**(877.10)**	**25,563.33**

(Rs. in Millions)

NOTE 2.28 "RECONCILIATION STATEMENT OF CONSOLIDATED PROFIT & LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS"

Particulars	Year Ended March 31, 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS
Continuiung Operations			
Revenue from Operations	17,925.92	0.00	17,925.92
Other Income (Net)	57.53	0.25	57.78
	17,983.45	**0.25**	**17,983.70**
Expenses			
Raw Material Consumed	11,408.50	164.31	11,572.81
Purchase of Stock in Trade (Traded Goods)	414.22	0.00	414.22
Changes in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	(245.83)	0.00	(245.83)
Excise duty on sale of Goods	1,169.05	(0.00)	1,169.05
Employees Benefits Expense	701.69	117.03	818.72
Finance Cost	1,225.02	8.04	1,233.06
Depreciation & Amortisation	852.94	(279.05)	573.89
Other Expenses	1,732.96	76.56	1,809.52
	17,258.55	**86.90**	**17,345.45**
Profit before exceptional items & tax	**724.90**	**(86.65)**	**638.25**
Exceptional items	-	-	
Profit/(Loss) before tax	**724.90**	**(86.65)**	**638.25**
Tax Expenses	132.96	(37.12)	95.85
Profit for the period "A"	**591.94**	**(49.53)**	**542.40**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	-	6.12	6.12
Equity instruments through other comprehensive income	-	(1.01)	(1.01)
Total Comprehensive income for the period "A" + "B"	**591.94**	**(44.42)**	**547.52**

2.29 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	55555600	24.77	76779000	34.24
NSR Direct PE Mauritius, LLC	26000000	11.59	26000000	11.59
Mrs. Raman Goyal	-	-	21584000	9.62
Depository of GDRs	46000000	20.51	46000000	20.51
Sanjiv (HUF)	43379400	19.34	572000	0.26

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

Reconciliation of the number of shares outstanding:

Particulars	As at 31st March, 2017	As at 31st March, 2016
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 Group and further secured by way of Second Pari Passu Charge on all the current assets of the Group and personal guarantee of directors/relative of a director namely Sh. Sanjiv Goyal and Sh. Aryan Goyal.

II. Corporate Loans from Financial Institution are secured by way of First Pari Passu Charge on all the fixed assets of the Group and further secured by way of Second Pari Passu Charge on all the current assets of the Group and personal guarantee/ pledging of equity shares of directors / relative of a director namely Sh. Sanjiv Goya land Sh. Aryan Goyal.

Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. In Millions)
1–2	743.80
2–5	868.20
>5	Nil

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

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

Repayment Schedule of Vehicle Loans:

Year of Repayment	Amount (Rs. In Millions)
1–2	8.02
2–5	16.49
>5	1.49

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

2.31 CURRENT ASSETS, LOANS & ADVANCES

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

2.32 CURRENT LIABILITIES

I. The principal amount remaining unpaid as at 31st March 2017 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs. 16.33 million (previous year Rs. 11.51 millions). The interest amount computed based on the provisions under Section 16 of the MSMED Act Rs. 0.98 million (previous year Rs.1.19 million) is remaining unpaid as of 31st March 2017. The principal amount that remained unpaid as at 31st March 2016 was paid during the year. The list of undertakings covered under MSMED Act was determined by the Group 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 0.36 million (previous year Rs. 0.38 million) which relates to unclaimed dividend and share application money refundable. During the year, an amount of Rs. 0.07 million (Previous Year 0.15 million) relating to unclaimed dividend and share application money refundable, which became due for deposit to Investor Education and Protection Fund, has been duly deposited.

2.33 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2017	31.03.2016
a)	**Contingent Liabilities**		
i)	Claims not acknowledged as debts:- *		
	- Income Tax matters**	6.78	6.78
	- Excise matters***	430.20#	232.26
	- Service Tax matters****	7.33#	13.71
ii)	Bank Guarantees	17.90	15.42
iii)	Bills Discounted	30.31	70.95
iv)	Letter of Credit (Foreign / Inland)	266.91	227.79
v)	Other money for which Group is contingently liable	-	-
b)	**Commitments**		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	12.65	39.65

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

** Amount deposited under protest Rs. 3.43 million

*** Amount deposited under protest Rs. 13.16 million

**** Amount deposited under protest Rs. 0.52 million

\# In case demand is confirmed, penalty upto equivalent amount may be imposed.

2.34 PAYMENT TO AUDITORS

(Rs. in millions)

Particulars	2016-17	2015-16
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
Service Tax	0.38	0.36

2.35 INCOME TAX

Current Tax

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

Deferred Tax

In compliance with Indian Accounting Standard (Ind AS-12) relating to "Income Taxes" issued under Companies (Indian Accounting standards) Rule 2016,as amended upto date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs. 109.88 million(Previous Year Rs. 86.69 million) and it has been recognized in the Statement of Profit & Loss. In accordance with Indian Accounting Standard (Ind AS 12) Deferred Tax Assets and Deferred Tax Liabilities have been set off.

2.36 LEASES

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/ cancellable at mutual consent. There are no restrictions imposed by lease arrangements. There are no sub leases. Lease payments recognized in the Statement of Profit & Loss are Rs.13.80million (Previous Year Rs. 13.49 millions).

2.37 INTANGIBLE ASSETS

During the year, Group incurred an amount of Rs. 86.22 million on product development, product approval, US FDA Fees, Abbreviated New Drug Application (ANDA) Fees and such other related development expenses, recognized as Intangible Assets in the books of accounts, and the same is amortized on a straight line basis over a period of seven years.

2.38 EMPLOYEE RETIREMENT BENEFITS

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

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

	Gratuity	Earned leave
Present Value of Obligations as at 1st April 2016	46.40	26.85
Acquisition adjustment	-	-
Interest Cost	3.24	1.88
Past Service Cost	-	-
Current Service Cost	9.88	13.12
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(4.23)	(5.63)
Actuarial (gain)/loss on obligations	3.72	(4.03)
Present Value of obligations as at 31st March 2017	59.01	32.19

Changes in the Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2016	-	-
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 2017	-	-

Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2016	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2017	-	-
Funded Status	(59.01)	(32.19)

Actuarial Gain/Loss Recognized

(Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	(3.72)	4.03
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total (gain)/ loss for the year	3.72	(4.03)
Actuarial (gain)/ loss recognized in the year	3.72	(4.03)
Unrecognized actuarial (gains) / losses at the end of year	-	-

Amount recognised in the Balance Sheet

(Rs. in millions)

	Gratuity	Earned leave
Present value of obligations as at 31st March 2017	59.01	32.19
Fair value of plan assets as at 31st March 2017	-	-
Funded Status	(59.01)	(32.19)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(59.01)	(32.19)

Expenses recognized in the Statement of Profit & Loss

(Rs. in millions)

	Gratuity	Earned leave
Current service cost	9.88	13.11
Past service cost	-	-
Interest cost	3.24	1.88
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/ loss recognised in the period	3.72	(4.03)
Expenses recognised in the Statement of Profit & Loss	16.85	10.96

Valuation Assumptions

Discount Rate	7%
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)

	2016-17	2015-16
- Current Tax	126.86	71.31
- Deferred Tax	109.88	86.69
- MAT Credit Entitlement	(125.85)	(62.16)
	120.79	95.85

2.40 SEGMENT REPORTING

i) Primary Segment (Business Segment)

The Group 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 Indian Accounting Standard (Ind AS 108) issued under Companies (Indian Accounting Standards) Rules, 2016 as amended up to date.

ii) Secondary Segment (By Geographical Segment)

(Rs. In millions)

S.No.	Particulars	31.03.2017	31.03.2016
(a)	India	9791.51	10931.43
(b)	Outside India	7648.38	6994.5
	Total Sales	17439.89	17925.93

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 Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" issued under Companies (Indian Accounting Standards) Rules 2016, as amended upto date, are given below: -

a) Relationship

i) Joint Ventures and Associates

None

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

Sh. Sanjiv Goyal
Sh. Dinesh Dua
Sh. Harprakash Singh Gill
Sh. Sandeep Goel, Chief Financial Officer
Sh. Sunder Lal, Company Secretary (upto 31.05.2017)

iii) Relatives of the Key Management Personnel**

Sh. Aryan Goyal
Sh. Saurabh Goyal

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

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

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

* With whom the Group 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)

S.No.	Particulars	31.03.2017	31.03.2016
i.	Director Remuneration & Perquisites*	37.02	35.07
ii.	Salary & Perquisites*	20.49	18.26

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

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

(Rs. In millions)

S.No.	Particulars	31.03.2017	31.03.2016
i.	Rent	0.96	0.96
ii	Donation Paid	1.46	2.05

2.42 DERIVATIVES

Currency derivatives

The Group 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 Group does not use forward contracts and currency options for speculative purposes.

2.43 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
Profit After Tax, before OCI	Rs. in million	553.38	542.40
No of Shares Outstanding	Nos.	224260970	224260970
No of Weighted Average equity shares	Nos.	224260970	224260970
Diluted	Nos.	224260970	224260970
Nominal value of equity shares	Re.	1.00	1.00
Earnings per Share			
- Basic	Rs.	2.47	2.42
- Diluted	Rs.	2.47	2.42

2.44 Other Borrowing Costs includes gain on account of foreign exchange fluctuation (net) amounting to Rs. 115.08 millions (Previous Year net loss of Rs. 43.51 millions)

2.45 Fixed Deposits with Banks include an amount of Rs. 86.77 millions (Previous Year Rs. 81.02 millions) on account of FDRs held as Margin Money.

2.46 Corporate Social Responsibility Expenses

Donation includes an amount of Rs. 13.53 million incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs 8.81 million capital expenditure incurred / advances given on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 22.34 million on CSR activities against the requirement of Rs. 15.44 million.

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

a) Raw Material Consumed **(Rs. In millions)**

S. No.	Particulars	2016-2017		2015-2016	
		Amount	(%age)	Amount	(%age)
1.	Imported	6460.87	57.01	7023.18	60.69
2.	Indigenous	4872.55	42.99	4549.63	39.31

b) Stores & Spares Consumed **(Rs. In millions)**

S. No.	Particulars	2016-2017		2015-2016	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.10	0.07	0.73	0.59
2.	Indigenous	139.35	99.93	123.75	99.41

2.48 OTHER INFORMATION

(Rs. In millions)

S. No.	Particulars	2016-17	2015-16
(a)	**CIF Value of Imports**		
1.	Raw Material	6283.30	6501.30
2.	Traded Goods	3.06	157.60
3.	Capital Goods, Stores & Spares etc.	21.59	42.75
(b)	**Expenditure in Foreign Currency**		
1.	Travelling Expenses	11.27	12.08
2.	Export Commission	110.78	107.16
3.	Other Expenses	55.84	30.33
(c)	**Remittances in Foreign Currency**		
1.	Raw Material	6005.56	6194.61
2.	Traded Goods	3.06	127.70
3.	Capital Goods and Stores & Spares	19.31	57.12
(d)	**Expenditure in Foreign Currency on account of dividend**		
	Particulars	**2016-2017**	**2015-2016**
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	2015-16	2014-15
(e)	**Earning in Foreign Currency**		
	Particulars	**2016-2017**	**2015-2016**
	FOB Value of Exports	7546.16	6881.79

2.49 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes and other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31,2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 31, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs. In millions)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016 (excluding foreign currency)	20.08	0.54	20.62
(+)Permitted Receipts/ Bank withdrawl	**0.33****	**0.34**	**0.68**
(-)Permitted Payments	**-**	**(0.06)**	**(0.06)**
(-)Amount deposited in Banks ***Absolute Amount Rs. 1,220/-	(20.41)	(0.00)***	(20.41)
Closing cash in hand as on December 30, 2016	**-**	**0.82**	**0.82**

(excluding foreign currency)

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.
**includes staff imprest

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

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman & Managing Director

Dinesh Dua
CEO & Whole time Director

R.K. Aggarwal
Vice President Accounts

Sandeep Goel
Chief Financial Officer

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

NECTAR LIFESCIENCES LIMITED

(CIN: L24232PB1995PLC016664)

Registered Office: Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab
Email: cs@neclife.com, **Website:** www.neclife.com
Phone: +91-01762-308000, **Fax:** +91-01762- 308135

Form AOC-1

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

Part "A": Subsidiaries

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

S. No.	Particulars		
1.	Name of the subsidiary	Nectar Lifesciences UK Limited	Nectar Lifesciences USA, LLC
2.	The date since when subsidiary was acquired	1st March 2011	29th Oct 2014
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP and Exchange rate is INR 80.8797 for 1 GBP	US$ and Exchange rate is INR 64.8386 for 1 US$
5.	Share capital	75	3,301,942
6.	Reserves & surplus	-	(1,384,496)
7.	**Total assets**	**75**	**24,159,804**
8.	Total Liabilities	-	22,242,358
9.	Investments	-	-
10.	Turnover	-	87,870,741
11.	Profit/ (Loss) before taxation	-	2,047,638
12.	Provision for taxation	-	-
13.	Profit after taxation	-	2,047,638
14.	Proposed Dividend	-	-
15.	% of shareholding	100	100

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

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

Part "B": Associates and Joint Ventures

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

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

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

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

FOR NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal
Chairman &
Managing Director

Dinesh Dua
CEO & Whole
Time Director

Sandeep Goel
Chief Financial
Officer

R.K. Aggarwal
Vice President
Accounts

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

Gaganpreet Garg
Partner
M. No. 539158

Place : Chandigarh
Dated : 27.06.2017

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-140507

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: _____ or failing him _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the September 28, 2017 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-140507 and at any adjournment thereof in respect of all or such resolutions as are indicated below:

Resolution Nos.

1.

2.

3.

4.

5.

6.

7.

Affix Revenue Stamp

Dated:

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route map of loaction of 22nd AGM.

A – Ambala Chandigarh Expressway (NH-22) at Derabassi.

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Sanjiv Goyal	:	Chairman & Managing Director
2. Mr. Dinesh Dua	:	Chief Executive Officer & Director
3. Mr. Harprakash Singh Gill	:	President (Operations) & Director
4. Mr. Ajay Swaroop	:	Independent Director
5. Ms. Guljit Chaudhri	:	Independent Director
6. Dr. (Maj. Gen.) S.S. Chauhan, VSM (Retd.)	:	Independent Director
7. Mr. Vijay j. Shah	:	Independent Director
8. Mr. Vivek Sett	:	Director

Chief Financial Officer
Mr. Sandeep Goel

Vice President (Accounts)
Mr. R.K. Aggarwal

Company Secretary
Mr. Sukhwinder Singh

Auditors
Datta Singla & Co, Chartered Accountants
SCO 2935-36, 1st Floor, Sec- 22-C Chandigarh

Bankers
1. Punjab National Bank, Chandigarh
2. State Bank of India, Chandigarh
3. Saraswat Bank, Delhi
4. EXIM Bank, Mumbai
5. IFCI Ltd, Chandigarh
6. Shinhan Bank, 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, Sec-9-D Chandigarh 160009 (UT), INDIA
Ph: 0172-3047777, 3047701 Fax: 0172-3037755
Website: http://www.neclife.com

HEAD OFFICE
F-66, 6th Floor, Himalaya House
23 KG Marg, C.P, New Delhi-110001, INDIA
Ph: 91-11-42403311-22

Plant Locations
1. **Nectar Lifesciences Limited-Unit-1**
Village Saidpura, Tehsil Derabassi Distt.
S.A.S Nagar, (Punjab)

2. **Nectar Lifesciences Limited-Unit-2**
Village Saidpura, Tehsil Derabassi
Distt. S.A.S Nagar, (Punjab)

3. **Empty Hard Gelatin Capsule Unit**
Village Bhatoli Kalan, Pargana Dharampur
Tehsil Nalagarh, Distt. Solan (H.P)

4. **Formulation Unit**
Village Bhatoli Kalan, Pargana Dharampur
Tehsil Nalagarh, Distt. Solan (H.P)

5. **Narbada Industries**
Plot no-2, Lane no-4, Phase-2,
SIDCO Industrial Complex,
Bari Barhmana, Jammu (J & K)

6. **Guar Gum Unit**
Village - Basauli, Near Lalru, Tehsil - Derabassi
Distt. S.A.S. Nagar, (Punjab)

Registrar & Share Transfer Agent
Karvy Computershare Private Limited
Unit: Nectar Lifesciences Ltd
Karvy Selenium Tower-B
Plot No.31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Ph. 040-67161527 Fax. 040-23311968

NecLife®
Nectar Lifesciences Ltd.

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