Nectar Lifesciences Ltd.

NecLife

Ref: NLL/CS/2018- 134

Dated: 29-09-2018

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 31.03.2018 (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

Ankita Jain

Ankita Jain
Company Secretary

Encl. as above

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

ANNUAL REPORT
2017-2018

NecLife®

Nectar Lifesciences Ltd.

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', '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 23rd Annual General Meeting of Nectar Lifesciences Limited will be held at the registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) Punjab on Friday, September 28, 2018 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, 2018 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2018 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, 2018.
3. To appoint a Director in place of Mr. Sanjiv Goyal (DIN – 00002841), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 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, 2019, amounting to Rs. 2,00,000/- (Rupees Two Lacs only) as also the payment of tax(es) as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

   FURTHER RESOLVED 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."

5. 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 thereunder (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 Dr. Dinesh Dua (DIN - 02436706) as a Wholetime Director, designated as Chief Executive Officer & Director of the company for a period of One Year w.e.f. October 14, 2018 on the terms and conditions including remuneration as are set out herein below:

   a. **Salary**: Rs. 1,283,769.00 (Rupees Twelve Lacs Eighty Three Thousand Seven Hundred and Sixty Nine only) per month and inclusive of perquisites of leave travel.

   b. He is also entitling to bonus equivalent to his one month salary in a financial year, proportionately to his tenure in a year.

   c. **Other Perquisites**: He shall be entitled to personal accident insurance, club fees, company maintained car, telephone and such other perquisites in accordance with the company's rules, the monetary value of such perquisites to be determined in accordance with the Income Tax Rules, 1962, being restricted to Rs. 1.00 lacs per annum.

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

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 applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force or to be applicable in future), consent of the members of the Company, be and is hereby accorded for Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (DIN - 02954776), who was appointed as an Independent Director of the Company at the 19th Annual General Meeting held on September 30, 2014 and who has attained the age of 75 years, to continue as an Independent Director, for the remaining period of his present term i.e. up to September 29, 2019.

   FURTHER RESOLVED THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

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 149, 152, read with Schedule IV to the Companies Act, 2013 ('Act') and any other applicable provisions of the Act and the Rules made thereunder and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), including any statutory amendment(s) or re-enactment(s) thereof, Mr. Vijay J. Shah (DIN - 00747226), who was appointed as an Additional Director of the Company by the Board of Directors in terms of Section 161(1) of the Act and the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and who has submitted a declaration that he meets the criteria

for independent as provided in Section 149(6) of the Act and LODR Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years i.e. upto August 07, 2023, and shall not be liable to retire by rotation."

By order of the Board of Directors of
Nectar Lifesciences Limited

Date : 07-08-2018
Place : Chandigarh

(Dinesh Dua)
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') and under Secretarial Standard -2 issued by Institute of Company Secretaries of India, 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, 2018 to September 28, 2018 (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, 2018.

   (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, 2018.

4. 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.

5. 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.

   The Securities and Exchange Board of India (SEBI) has mandated the submission of 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.

   SEBI has by its circular dated 20th April, 2018 mandated that the companies through their Registrar and Transfer Agents (RTA) take special efforts for collecting copies of PAN and bank account details for the holders holding securities in physical form. Those security holders whose folio(s) do not have complete details relating to their Permanent Account Number (PAN) and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration/ updation.

6. Members who are holding shares in physical form are hereby informed that SEBI has amended regulation 40 of SEBI (LODR) Regulations, 2015 vide Notification dated June 08, 2018 and in terms of said notification except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerlised form with a depository after December 05, 2018.

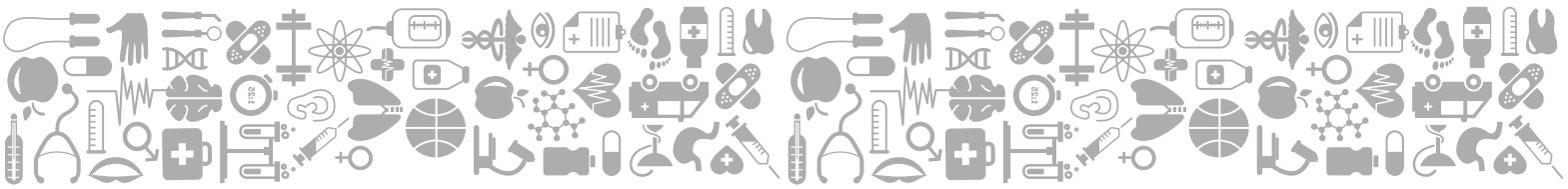
7. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2017-18 is being sent in the permitted mode.

8. Members may also note that the Notice of the 23rd AGM and the Annual Report for 2017-18 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. Corporate members intending to send their authorised representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send, a certified true copy of the board resolution authorising their representative to attend and vote on their behalf 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 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. Members are informed that the dividend amount for the year ended 2010-11 remaining unclaimed shall become due for transfer on November 6, 2018 to the Investor Education and Protection Fund (IEPF) established by the Central Government in terms of the Companies Act, 2013. Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment.

    The Company has already sent reminders to those members having shares in respect of which dividend remains unpaid or unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account, are required to be transferred to the IEPF Suspense Account. Details of such shareholders are also uploaded as per the requirements, on the Company's website www.neclife.com.

    Members, who have not encashed their dividend, are advised to write to the Company or Registrar and Share Transfer Agent of the company Karvy Computershare Private Limited ("Karvy") immediately claiming dividends declared by the Company. Any member, who has not claimed dividend in respect of the financial year ended 2010-11 onwards, is requested to approach the Company/the Registrar and Share Transfer Agents of the Company in this respect.

    The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more in respect of Interim Dividend 2009-10) to designated Demat Account of the IEPF maintained with NSDL. Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.

14. Members of the Company had approved the appointment of M/s. Ashwani K. Gupta & Associates, Chartered Accountants, as the Statutory Auditors at the 22nd AGM of the Company which is valid till 27th AGM of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

15. 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 23rd AGM by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by Karvy Computershare Private Limited ("Karvy"). The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Friday, September 21, 2018 (cut-off date), i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut-off date i.e. Friday, September 21, 2018.

    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 Tuesday, September 25, 2018

    End of remote e-voting: TO 5.00 p.m. on Thursday, September 27, 2018.

    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. He has also confirmed that in case of any emergency and he could not attend AGM, he shall be represented by CA Gaganpreet Garg, Chartered Accountant, who shall act as Scrutinizer for e-voting and polling on resolutions to be passed at the forthcoming AGM of the Company.

    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, Scrutinizer shall give a consolidated report, specifying the total votes cast in favour or against, if any, within forty eight hours of conclusion of the meeting, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The results declared shall be available on the website of the Company (www.neclife.com) and on the website of the Karvy (https:// evoting.karvy.com). 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.

INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Item No. 3

Mr. Sanjiv Goyal, aged 58 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. He has expertise in Overall Business Management and Corporate Management.

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. His term of office shall be liable to retire by rotation.

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

The details of remuneration drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form MGT-9, forming part of the Annual Report. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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.

The Board commends the resolution for approval.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND INFORMATION PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2, ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Item No. 4

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, 2019 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, 2019. The Board recommends the Ordinary Resolution set out at Item no. 5 of the Notice for the approval of the Members.

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

Item No. 5

The Board of Directors vide resolution dated October 14, 2013 have appointed Dr. Dinesh Dua as a Director as well as Wholetime Director designated as Chief Executive Officer for a period of five years. As a result, his tenure, as a Wholetime Director, will expire on October 14, 2018. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 07, 2018, have decided to re-appoint Dr. Dinesh Dua as Wholetime Director designated as Chief Executive Officer & Director of the Company for a period of One year with effect from October 14, 2018 on the terms and conditions as set out in the proposed resolution.

The proposed remuneration as set out in the resolution is same as he is presently drawing. There is not any change proposed in his remuneration.

The appointment can be terminated by Mr. Dinesh Dua or the Company, by one party giving to the other 3(three) calendar months' notice in writing or by payment of a sum equivalent to basic salary for the notice period or part thereof in case of shorter notice or on such other terms as Board of Directors may think.

Dr. Dinesh Dua aged 63 years is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 38 years plus in varied industries like Sanofi Aventis, Hitech Labs and Berger Paints in middle to senior management positions. He works as Senior & Top Management positions in Reliance Industries, Jubilant Organosys Ltd., Zydus Cadila Healthcare Ltd. & Wochardt Ltd, and was CEO of Nectar Lifesciences Limited from 2007 to 2012. His last penultimate position was with a US Pharma MNC Akorn India P. Ltd. as Managing Director for 14 Months. He rejoined the Nectar Lifesciences Limited as a CEO & WTD from October 14, 2013.

He has expertise in Overall Business Management and Corporate Management. He does not hold any equity share in the Company.

His Directorships are as under:

Sr. No.	Name of the Company
1.	Pharmaceuticals Export Promotion Council of India
2.	Nectar Lifesciences UK Limited

He does not hold committee membership in any other company. The details of number of Board and committee meetings attended by him are given in Corporate Governance Report. The details of remuneration drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form MGT-9, forming part of the Annual Report.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act. 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. 5 of the accompanying Notice for the approval of the Members.

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

Item No. 6

Pursuant to the provisions of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations,

2018, ("LODR Regulations") approval of the members by way of a special resolution is required, effective from April 01, 2019, for appointment of a person who has attained the age of 75, as Non-Executive Director and to continue the existing tenure of a Non-Executive Director of a Company.

Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, Non-Executive Independent Director, has already attained the age of 75 years. The Shareholders of the Company at the 19th Annual General Meeting held on September 30, 2014, had passed an Ordinary Resolution for appointment of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (DIN - 02954776), as Non-Executive Independent Director of the Company, for a period of five years up to September 29, 2019. Considering the amendment made to the LODR Regulations, the Board at its meeting held on August 07, 2018, on basis recommendation of the Nomination and Remuneration Committee, proposed seeking consent of the members by way of special resolution for continuation of office of directorship of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, in the Non-Executive Independent category, for the remaining period of current tenure of appointment.

Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, aged 80 years, retired after holding the most prestigious and highest professional appointment of Senior Consultant of the medicine and Allied Specialties/ Super Specialties in the Armed Forces from Ministry of Defence and Army Hospital (Research and Referral) Delhi. He has joined Defence forces on March 29, 1963 and superannuated on May 31, 1997.

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

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

He does not hold any equity share in the Company. He also does not hold any directorship or committee membership in any other company. The details of number of Board and committee meetings attended by him are given in Corporate Governance Report. The details of sitting fee drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form MGT-9, forming part of the Annual Report. He will be eligible for payment of sitting fee, as payable to other non-executive directors of the Company.

The details of sitting fee drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form MGT-9, forming part of the Annual Report. He will be eligible for payment of sitting fee, as payable to other non-executive directors of the Company. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the LODR Regulations and available for inspection by the members at the registered office of the Company during business hours.

The company has received the annual declaration from him that he meets the criteria of Independence as per Section 149 of the Companies Act, 2013 and LODR Regulations. In the opinion of the Board, Dr. Chauhan fulfils the conditions specified in the Companies Act, 2013, the Rules thereunder and the LODR Regulations 2015 for continuing as an Independent Director and that he is independent of the management of the Company. He is not disqualified from being a Director in terms of Section 164 of the Act.

Dr. Chauhan is on the Board of the Company in the Non-Executive Independent category since 2010 and has been contributing immensely to the Board deliberations and the Company is benefitted out of his vast experience in various fields of Management. The Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval by the Members.

Except Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, 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. 7

Mr. Vijay J. Shah (DIN - 00747226), an Independent Director of the Company, due to certain eventualities, had not attended all the meetings of the Board of Directors of the Company held during the period of twelve months from June 27, 2017 to June 27, 2018. Accordingly, in view of the provisions of Section 167(1)(b) of the Companies Act, 2013, his office of Director in the Company had become vacant on June 27, 2018 i.e. he was ceased to be director on that date. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations), the ceased independent director has to be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later.

Based on recommendation of Nomination and Remuneration Committee and pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and LODR Regulations, the Board of Directors in their meeting held on August 07, 2018 have appointed Mr. Vijay J. Shah (DIN - 00747226) as an additional director in the capacity of Independent Director of the company and he vacates his office at the ensuing Annual General Meeting. The Board has proposed the reappointment of Mr. Vijay J. Shah as an Independent Director at this Annual General Meeting of the Company for second term of 5 years with effect from August 07, 2018, whose period of office shall not be liable to determination by retirement of directors by rotation.

Mr. Vijay J. Shah, aged 55 years, is a holder of Bachelors Degree in Commerce and Diploma in Business Administration. He has rich experience of 28 years in managing the affairs of the corporate entities and financial matters. He has expertise in Overall Business Management and Corporate Management.

He is presently director of following companies.

Sr. No.	Name of the Company
1.	Stallion Laboratories Pvt. Ltd.
2.	Endurance Healthcare Ltd.
3.	Gnana Lifesciences Pvt. Ltd.

Mr. Vijay J. Shah holds 250 Equity Share in the Company. He also does not hold any committee membership in any other company. The details of number of Board and committee meetings attended by him are given in Corporate Governance Report. The details of sitting fee drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form MGT-9, forming

part of the Annual Report. He will be eligible for payment of sitting fee, as payable to other non-executive directors of the Company. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the LODR Regulations and available for inspection by the members at the registered office of the Company during business hours.

The company has received the declaration from him that he meets the criteria of Independence as per Section 149 of the Companies Act, 2013 and LODR Regulations. In the opinion of the Board, Mr. Shah fulfils the conditions specified in the Companies Act, 2013, the Rules thereunder and the LODR Regulations for appointment as an Independent Director and that he is independent of the management of the Company. The Nomination and Remuneration Committee at its meeting held on May 28, 2018, evaluated the performance of all the Independent Directors including Mr. Shah and concluded that his performance was satisfactory.

Mr. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Shah is on the Board of the Company in the Non-Executive Independent category since 1999 and has been contributing immensely to the Board deliberations and the Company is benefitted out of his vast experience in various fields of Management. Since, he has vacated his office of first term, the proposed appointment will be treated as his second term, therefore, the Board recommends the Special Resolution set out in Item No. 7 of the accompanying Notice for approval by the Members.

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

By order of the Board of Directors of
Nectar Lifesciences Limited

Date : 07-08-2018
Place : Chandigarh

(Dinesh Dua)
Chief Executive Officer & Director

Board of Directors' Report of Nectar Lifesciences Limited

Dear members,

Your Directors have pleasure in presenting the 23rd 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, 2018.

Financial results

(Rs. in millions)

	March 31, 2018	March 31, 2017
Gross Sales (Including GST)	20,923.19	17,436.27
Other Income	60.36	226.57
Profit before interest and depreciation	2,420.77	2,468.77
Interest	1,152.02	1,174.13
Depreciation & Amortization	643.09	622.51
Profit before tax	625.66	672.13
Tax expenses	104.12	120.79
Profit after tax	521.54	551.34
Other Comprehensive income (Net of Taxes)	10.97	0.2
Profit after tax available for Appropriations	532.51	551.54

Company's performance

The company's revenue during FY18 stood at Rs. 2092 Crores against Rs. 1744 Crores in previous year recording a strong growth of 20%. Finance cost decreased by 2% in this financial year to Rs. 115 Crores. Input cost has gone up significantly on the account of huge increase in the raw material costs which resulted into decrease in operational profit of the company for this financial year. The Profit After Tax has decreased by 6% as compared to last year due to high input costs and price erosion in the domestic market.

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).

Indian Accounting Standards (IndAS) and Secretarial Standards

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 and accordingly, standalone and consolidated audited financial statements have 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 Company is in Compliance of Secretarial Standards as issued by Institute of Company Secretaries of India.

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.

Share capital

The paid up equity share capital as on March 31, 2018 was Rs. 224.26 Millions. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

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 2017-18 and till date in financial year 2018-19. 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$ 10387.20 during the year under review as compared to profit of US$ 16077.72 during last year.

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.

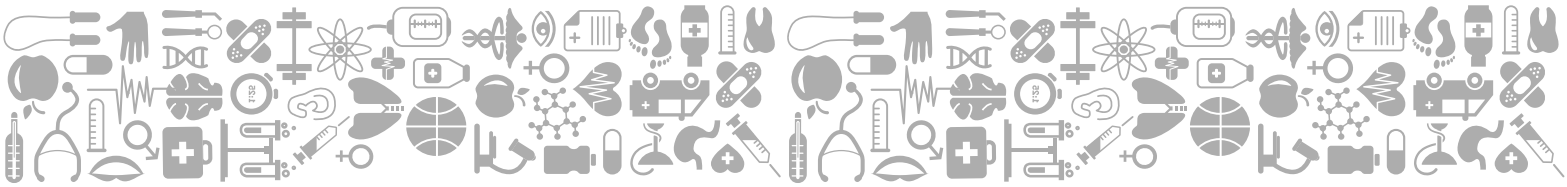
None of the subsidiaries is material as per Policy for determining Material Subsidiaries of the Company and LODR Regulations.

Consolidated financial Statements

As required under Section 129 of the Act and LODR Regulations, a consolidated financial statements for the year ended on March 31, 2018 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, 2018. 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, 2018 to September 28, 2018 (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. Sanjiv Goyal (DIN – 00002841), 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.

Dr. Dinesh Dua has been re-appointed as Wholetime Director designated as Chief Executive Officer & Director by the Board of Directors in their meeting held on August 07, 2018 w.e.f. October 14, 2018 for a period of One year. The Board recommends his reappointment as a Wholetime Director.

Pursuant to the provisions of Regulation 17A of LODR Regulations, approval of the members by way of a special resolution is required, effective from April 01, 2019, for appointment of a person who has attained the age of 75, as Non-Executive Director and to continue the existing tenure of a Non- Executive Director of a Company. Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, Non-Executive Independent Director, has already attained the age of 75 years. Considering the amendment made to the LODR Regulations, the Board at its meeting held on August 07, 2018, on basis recommendation of the Nomination and Remuneration Committee, proposed seeking consent of the members by way of special resolution for continuation of office of directorship of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, in the Non-Executive Independent category, for the remaining period of current tenure of appointment. The Board recommends the special resolution for continuing him as a Director.

Mr. Vijay J. Shah (DIN - 00747226), an Independent Director of the Company, due to certain eventualities, had not attended all the meetings of the Board of Directors of the Company held during the period of twelve months from June 27, 2017 to June 27, 2018. Accordingly, in view of the provisions of Section 167(1)(b) of the Companies Act, 2013, his office of Director in the Company had become vacant on June 27, 2018 i.e. he was ceased to be director on that date. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR Regulations), the ceased independent director has to be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors on August 07, 2018, appointed Mr. Vijay J. Shah as an Additional Director in the capacity of Independent Director and he vacates his office at the ensuing Annual General Meeting. The Nomination and Remuneration Committee also proposed to re-appoint him as regular independent director for a second term. The Board recommends the appointment of Mr. Vijay J. Shah as regular independent director for a period up to August 07, 2023 for a second term.

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.

Mr. Sunder Lal ceases to be the Company Secretary of Nectar Lifesciences Limited upon his superannuation and relieved with effect from June 26, 2017. Further, Mr. Sukhwinder Singh has been appointed as Company Secretary and Compliance Officer of the company from July 1, 2017 and has been elevated to some other department and ipso facto ceased to be a Company Secretary and Compliance Officer of the company w.e.f. November 08, 2017. Thereafter, in Board Meeting held on November 11, 2017, Ms. Ankita Jain has been appointed as Company Secretary and Compliance Officer of the company with effect from that date.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company as on March 31, 2018 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

Ms. Ankita Jain, 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 2017-2018 are provided in Corporate Governance Report which forms and part of this report.

Directors' responsibility statement

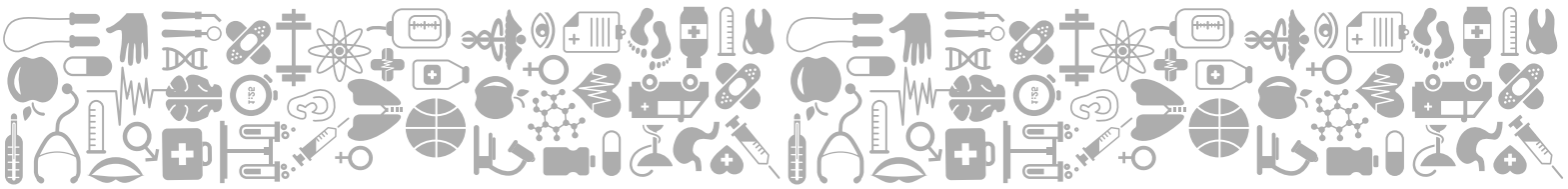
The Directors confirm that:

- 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 followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters namely Nomination Remuneration and Evaluation Policy as provided in Section 178(3) of the Act has been uploaded on the website of the company at http://www.neclife.com/public/uploads/1533716025839470625.pdf.

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

M/s Ashwani K. Gupta & Associates, Chartered Accountants (ICAI Registration No. 003803N) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on September 28, 2017 for a term of five consecutive years. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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 2017-18. 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.

However, there is a note on late submission of audited financial results for the year ended on March 31, 2018 by the Secretarial Auditor, which is self explanatory. The company had submitted the audited financial results for the year ended on March 31, 2017 on June 27, 2017 which was 28 days after the prescribed period that was expired on May 30, 2017. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) had imposed fine on the company for late submission of said financial results. The company had deposited the fine along with service tax, wherever applicable, which was acknowledged by NSE and BSE. Since, the company has regularized the lapse by paying the fine; no more comments from Directors are required. The company has complied all other provisions of LODR Regulations.

Cost Records and Audit

The Company is required to maintain of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

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 2016-17 have been filed on October 7, 2017 being within 56 days of date of report i.e. August 12, 2017 with late filing fee. However, the last date of cost audit report was extended to December 31, 2017 by Ministry of Corporate Affairs vide circular dated December 04, 2017.

The Cost Auditor shall forward the Cost Audit Report for the financial year 2017-18 by September 30, 2018. 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.

Though not mandatory, 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:

- 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;
- to recommend the Board about risk assessment and minimization procedures ; and
- monitoring and reviewing of the risk management plan to the Board.

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

Particulars of loans, guarantees and investments

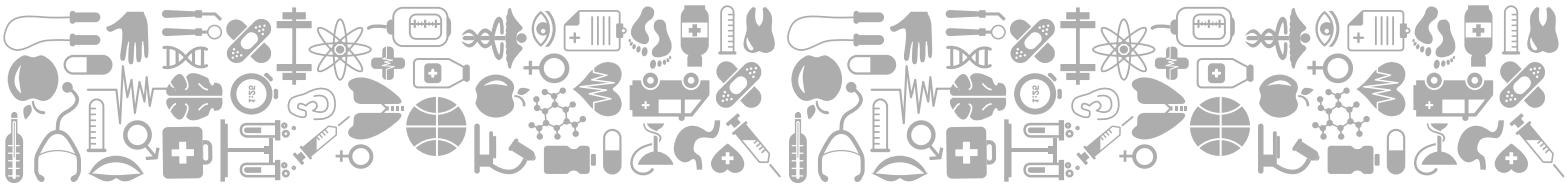
The company has not given any loan or provide guarantee as per Section 186 of the Act, however, the amount receivable from subsidiaries and the investments under section 186 of the Act are given in the Financial Statements forming part of the Annual Report.

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. The extract of annual return in MGT-9 and annual return in MGT-7 are also available on the website of the company at http://www.neclife.com/public/uploads/1533896433653228884.pdf and http://www.neclife.com/public/uploads/15341562752035896430.pdf, respectively.

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).

Committee and Policy against Sexual Harassment at Workplace

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has made the Anti Sexual Harassment Policy under above referred Act 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.

No complaint of sexual harassment has been received from any women employee during the financial year ended on March 31, 2018.

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

Dated : 07-08-2018
Place : Chandigarh

(Sanjiv Goyal)
Chairman and Managing Director

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

ECONOMIC BACKGROUND

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. India jumped up 30 notches into the top 100 rankings from 130 in 2017 to 100 in 2018. on the World Bank's 'ease of doing business' index, due to various reforms taken by the Government of India which have led to increase in India's ranking in the World Bank's Ease of Doing Business Index such as resolving insolvency, paying taxes, protecting minority investors and getting credit.

Healthcare expenditure per capita of India increased from USD 109 in 2007 to USD 269 in 2016 (with adjusted purchasing power parity). The growth is driven by rising income, economic prosperity and greater awareness. Also, the announcement of National Health Protection Scheme in this Union Budget will surely boost the quality healthcare and infrastructure in country and will benefit the 10 Crore vulnerable families directly.

GLOBAL PHARMACEUTICAL MARKET

The global pharmaceutical market grew from USD 725 billion in 2007 to USD 1.2 trillion in 2017 at rate of 5.8% over the decade. As per a recent IMS report, the market is forecasted to reach USD 1.4 trillion by 2022 driven by increased expansion to pharmerging countries. This represents a 4-7% CAGR over the next five years. The US will continue to remain the largest pharmaceutical market with spending growth driven by originator brands. Increased focus on developing Specialty medicines by both innovators and generic players is expected to drive increase in the Specialty share of global spending from 30% in 2016 to 35% in 2021.

In the US, increasing penetration of generics and channel consolidation will lead to significant decline in patient out-of-pocket costs despite rising costs of brand prescriptions.

However, an uncertain regulatory environment can have a considerable impact on the growth prospects. While other emerging markets continue to grapple with challenges of slower economic growth and weakening currencies, Government support in expanding healthcare infrastructure will be critical in driving volume growth. Given the volatility in economic growth in these markets, countries are adjusting their healthcare policies leading to significant volatility in demand.

The US FDA has increased its focus to further accelerate approval cycle of generics after having seen a significant improvement in the approval timelines under the Generic Drug User Fee Act (GDUFA). Specifically, clearer guidelines and faster approvals on complex generics will be beneficial for the Indian Pharmaceutical players.

INDIAN PHARMACEUTICAL INDUSTRY

India's pharmaceutical exports stood at US$ 17.2 billion in 2017-18 and are expected to grow by 30 per cent over the next three years to reach US$ 20 billion by 2020, according to the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL). Export of pharmaceutical items reached Rs. 696.84 billion (US$ 10.76 billion) during April 2017 – January 2018.

Indian pharmaceutical sector is estimated to account for 3.1 – 3.6 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms. It is expected to grow to US$100 billion by 2025. The market is expected to grow to US$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues). The sector is expected to generate 58,000 additional job opportunities by the year 2025.

India domestic pharmaceuticals market has grown from USD 13.6 billion in 2014 to USD 18.3 billion in 2017, growing at a CAGR of 10.4% over three years. The outlook for the Indian Pharma market is growth of 9-12% over 2017-22.

2017 was a record year for ANDA Approvals. Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US$ 70-80 billion US generics market.

The growth of the industry has been backed by robust drivers- on the demand side and supply side. The need for economical quality drugs in the developed world and improving healthcare access in the developing world has been a key driver. On the supply side, India's inherent strength in chemistry and the ability to research and manufacture quality medicines at a lower cost has been a major advantage.

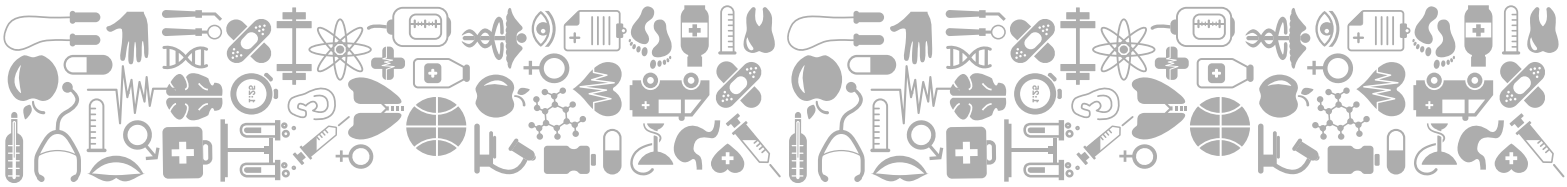
The Indian regulatory environment is also rapidly evolving with several announced and expected changes as Expansion of the National List of Essential Medicines with more drugs coming under price control, Potential ban on fixed dose combination drugs and Expected regulation around mandatory generic prescription by doctors.

ABOUT THE COMPANY

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.

Nectar Lifesciences Ltd. (NLL) is a knowledge driven organization which constitutes a vital part of fast growing Indian Pharmaceutical Industry. In a short span of existence, NLL has today emerged as top ranked organization amongst midsized Pharmaceutical companies in India as per "Fortune Next 500" 2017 & is currently among top 40 fore runners of the Bio-Pharmaceutical industry in Asia-Pacific Region as per "Bio-Spectrum Asia Pacific" 2016 besides being one of the top amongst Indian Bulk Drug manufacturers in India.

NLL has transformed itself from being a small Domestic API player to one of the most integrated player in the Global Cephalosporins Industry within Anti Infective Therapeutic segment. NLL currently has a strong hold of API & Formulation with State of Art manufacturing facilities spread across the States of Punjab and Himachal Pradesh with compliance to global standards of cGMP, Environment Health Safety (EHS) as well as pool of thousands of highly skilled, knowledgeable, competent qualified work force at all levels.



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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Rs. in millions)

	March 31, 2018	March 31, 2017
Gross Sales (Including GST)	20,923.19	17,436.27
Other Income	60.36	226.57
Profit before interest and depreciation	2,420.77	2,468.77
Interest	1,152.02	1,174.13
Depreciation & Amortization	643.09	622.51
Profit before tax	625.66	672.13
Tax expenses	104.12	120.79
Profit after tax	521.54	551.34
Other Comprehensive income (Net of Taxes)	10.97	0.2
Profit after tax available for Appropriations	532.51	551.54

COMPANY' PERFORMANCE

The company's revenue during FY18 stood at Rs. 2092 Crores against Rs. 1744 Crores in previous year recording a strong growth of 20%. Finance cost decreased by 2% in this financial year to Rs. 115 Crores. Input cost has gone up significantly on the account of huge increase in the raw material costs which resulted into decrease in operational profit of the company for this financial year. The Profit after Tax has decreased by 6% as compared to last year due to high input costs and price erosion in the domestic market.

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

- 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. 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 Q3 of FY 19. NLL has successfully penetrated in 75 countries with 282 products registration.

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.

EHGC (Empty Hard Gelatin Capsule)

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 (SKU) in India with Pan India presence & about 1 Lakh 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.

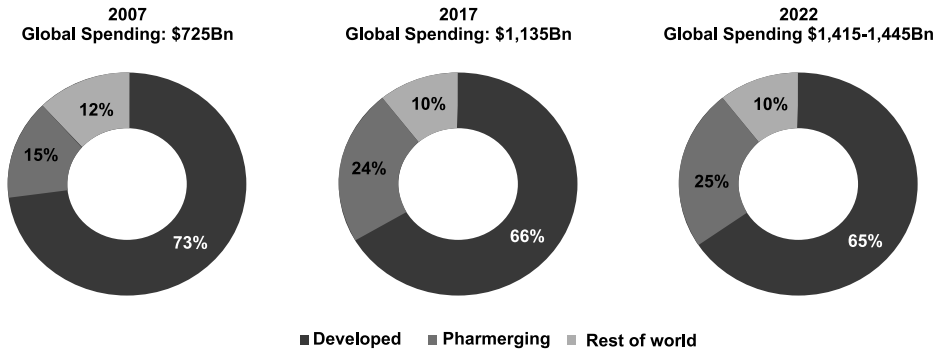
OPPORTUNITIES & OUTLOOK

Year 2017 has seen record approval for ANDAs approval. Developed countries are focusing in very resolute manners to increase the adoption of generics to cut down on the increasing healthcare cost. 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. Europe forms the world's 2nd largest generic market backed by Govt. reforms to curb healthcare cost and increased demand from ageing population.

In order to reduce the healthcare expenditure burden in Japan, the Japanese government is promoting the use of generics as a cost-containment tool. Once considered one of the most immature generics markets, a series of reforms launched since 2007 resulted in generics reaching 26% volume share by the end of 2012 in Japan, up from 18.7% in 2007. MHLW (Ministry of Health, Labour and Welfare, Japan) promoting the Generic drugs to reduce medical expenses of patients; Generic penetration of 60% in 2017 and target is of 80% by 2020. 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. Major driving force behind this large market size is the aging of Japanese population i.e. 26% of the Japanese population is 65 years or older. Consequently, the medical needs are at surge; thus, boosting the number of pharmaceutical companies, importers and exporters in Japan.

Pharmerging markets: The growth from 2007 to 2017 in pharmerging countries is driven by increasing access to medicines and larger penetration by multinational companies into these geographies by the virtue of partnerships, acquisition or mergers. Majority of sales from these countries continue to be from generic medicines. The payment model continues to be from out of pocket. Economic prosperity of the country is linked to rise in purchasing power of the consumer and ultimately market growth.

Global Market by Region 2007, 2017, 2022



According to IQVIA analysis of pharmerging countries reveal that increased use of generics will drive the volume growth.

NLL expects future value growth from this pharmerging 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.

THREATS & CHALLENGES

Major concern for the Indian pharmaceutical industry going forward is its huge dependency on the neighboring countries for the sourcing of critical raw material and Key Starting Materials (KSM). As one of the neighboring country has been under high pressure to relocate it's manufacturing firms to the far flung area away from the population, this is mainly on account of stringent effluent norms. Also many of the manufacturers facing compliance, cost and capacity issues had to shut down there operations. NLL identifies this as threat and accordingly as de-risking measure have established tie-ups with such manufacturers to avoid any operational issues.

Over the last few years, US FDA has considerably increased its focus on inspecting facilities outside the US specially India. As US generic market valued at USD 120 billion and out of which 25% shareholding is of Indian pharmaceutical companies. This is also due to increased ANDA filing in US and resultant competition pose another challenge. Increased filing beckons increased competition and high pricing pressure for Indian companies. Considering the increasing presence of Indian Pharmaceutical players in US, the Indian Pharmaceutical industry is expected to witness heightened scrutiny from the regulatory authority in the coming years.

The new administration in the US has also announced several healthcare related changes including Border Adjustment Tax, repeal of 'the Patient Protection and Affordable Care Act' and others which could potentially alter the US market opportunity for Indian pharmaceutical companies.

INTERNAL CONTROL SYSTEMS

NLL believes that internal control is a prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

The Audit committee of the Board periodically reviews key findings and provides strategic guidance. The Company's operating management closely monitors the internal control environment and ensures that the recommendations are effectively implemented.

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.

DEVELOPMENTS IN HUMAN RESOURCE

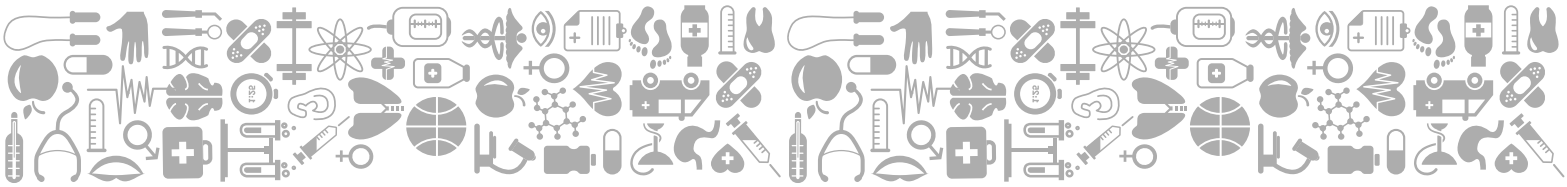
NLL is a professionally managed company with highly competent and committed industry professionals forming a tight-knit team of dedicated colleagues. As part of its investment in learning and development, the Company has re-crafted its human resource philosophy. In brief, they are iterated below:

- Attract, build and retain right talent at all levels
- Create and nurture a performance culture through continuous capability building
- Performance measurement and leveraging of IT
- Foster leadership at all levels through trust, empowerment and openness
- Strengthen collaborative approach for business excellence
- Promote a vibrant work culture based on innovation and to incentivize people based on productivity/outstanding performance

NLL has aligned its human resources learning and development to the needs of a growing and fast track organization. Year-on-year as the organization catapults ahead to meet its newest strategies and challenges, the immediate impact is felt on its processes, technology and most importantly its people. The very same people have to now perform with a certain sense of urgency, do more with less, be assertive yet be compliant and feel the heat of increase in their span of control. This presupposes skilling the existing manpower to perform at their optimum best. The shop floor resources are hence encouraged to stay focused on key development areas as they are the doers, and hence are required to maintain the necessary cGMP compliance levels. Shop floor executives are continuously trained and groomed in the area of compliance, supported adequately to raise their competence, confidence and anytime readiness.

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.



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

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.

RISK MANAGEMENT FRAMEWORK

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

The Risk management framework covers the following broad categories of risks to business objectives:

Strategic risks are the risks arising due to the decisions the management makes with reference to markets, product & process development, resources, business growth & revenue model, acquisitions, investment model etc. which can impact business objectives. Ownership of these risks would be with the top management.

Operational risks are attributable to business operations such as production capacities, quality assurance, customer demands, material availability, human safety etc. which can have impact on business.

Compliance risks are the risks arising due to adverse developments in regulatory environment and statutory provisions that impact the company's reputation and business.

BUSINESS RISKS AT NECTAR LIFESCIENCES LIMITED:

Some of the key existing and emerging risks affecting NLL's business are listed below

Economic & geopolitical risks

NLL makes continuous efforts are being made to strengthen business presence in other potential markets such as Japan, Brazil, South Africa, Canada, North and West Africa and Middle East.

Competition risks

NLL with its unique capabilities has been able to face competition from its peers. The competition risks would not significantly impact the Company's business owing to its integrated manufacturing process and operational efficiencies which would ensure timely launching of new products in the market at competitive prices. For most of its generic formulations, the Company is vertically integrated which ensures timely material availability and effective cost control to focus on improving profit margins.

Regulatory, Statutory & Legal compliance risks

The pharmaceutical industry is constantly being challenged by critical compliance risks i.e. to comply with rigorous regulatory & legal requirements and compliance is evolving from an isolated departmental initiative to an enterprise level risk management challenge. NLL has a strong talent pool, having adequate experience in handling complex chemistry and filing applications with the regulatory authorities.

Patent protection risks

NLL's success depends on the Company's ability to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the intellectual property rights of other Pharma companies. NLL has a dedicated team of scientists whose primary task is to ensure that the products are manufactured using only non-infringing processes and related compliances by reviewing and monitoring IPR issues continuously.

Market risks

In order to reduce the concentration risk, the Company has been spreading its business (Formulations and API) into European, Japanese and emerging markets. NLL with its effective marketing strategy is also increasing sales volumes for both the businesses in existing markets and is making regular efforts to widen geographical spread by entering into large potential markets in Latin America and emerging markets. The Company has the right balance between high margin-low volume products and low margin-high volume products. The product base has been streamlined to have a right balance between various product groups.

Financial risks

NLL is predominately an export oriented company. At the same time, the Company is having sizable imports/working capital in foreign currency to fund the export oriented projects. As such, the Company's growing exports and its collections provide the natural hedge to the imports and working capital in the foreign exchange fluctuations.

People risks

NLL's success depends largely upon an effective HR strategy that includes recruitment, learning & development, succession planning and retention of competent personnel. The HR strategy is aligned to business plan and growth of the Company. It is a challenge for NLL in maintaining good industrial & employee relations.

Raw-material import risks

NLL's dependency on China market for import of raw-material is gradually coming down and minimizing risk of import disruptions, short supplies and production bottlenecks due to unforeseen changes in government regulations & economic policies of China. Continuous efforts are being made to create newer second sources of supplies and to develop alternative vendors. The company enters into commodity derivatives, as and when required, to hedge the fluctuating prices.

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

Dated : 07-08-2018
Place : Chandigarh

(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 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 with a mission to alleviate human suffering with excellent global quality & affordable medicines created with a spirit of innovation, entrepreneurship & sustainability to create a better tomorrow.

The vision of the Company is: **"To become India's leading Global Lifesciences Company, which creates value for all stakeholders by 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 compliances of Corporate Governance guidelines, as per LODR Regulations, are as under; however, this report is to be read with Board's Report and all its annexures for more clarity on corporate governance practices of the company:

I. Board of Directors

Composition and Responsibilities

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, 2018, 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 independent director).

The Board of the Company has devised a policy for orderly succession for appointments to the Board and to Senior Management.

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.

Information as per LODR Regulations has been placed before the Board for its consideration. The Board reviews material compliances of all extant laws applicable to the Company as affirmed by the Management.

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.

Non-executive directors' compensation

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.

Number of meetings of the Board

During the financial year 2017-2018, Six Board meetings were held on April 25, 2017, May 30, 2017, June 27, 2017, August 12, 2017, November 11, 2017 and February 09, 2018.

The names and categories of the Directors on the Board, their attendance at the Board meetings during the financial year 2017-18 and at the last Annual General Meeting (AGM), 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	3	Not Present	3	Nil	N.A.
Dr. Dinesh Dua (Chief Executive Officer and Director)	Non Promoter & Executive Director	6	Present	1	Nil	N.A.
Mr. Vijay J. Shah (Director)	Independent & Non-executive Director	1	Not Present	3	Nil	N.A.
Mr. Vivek Sett (Director)	Non-Independent & Non-executive Director	1	Not Present	7	1	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Retd. (Director)	Independent & Non-executive Director	6	Present	Nil	N.A.	N.A.

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. Ajay Swaroop (Director)	Independent & Non-executive Director	5	Not 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 Sethi (Director)	Independent & Non-executive Director	3	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 Dr. Dinesh Dua, Chief Executive Officer & Director is attached to this Report.

III. Audit Committee

In beginning of financial year 2017-18 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 being a resident of Ahmedabad and at times was not able to attend the Audit Committee Meetings due to his pre-occupations. Therefore, the Board of Directors in their meeting held on August 12, 2017 have re-constituted the Audit Committee with induction of Ms. Guljit Sethi as a Chairman of Audit Committee with Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) and Dr. Dinesh Dua as a members.

Ms. Guljit Sethi graduated in Economics (Hons.), did full time MBA from Jamnalal Bajaj Institute, Mumbai University and a PhD. fellowship from University of Pune. She has a career spanning 35 years in international business, strategic alliances including joint ventures and domestic marketing of pharmaceuticals, polymers with leading corporates. She fulfils the requirement that the one member of Audit Committee 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. Dr. Dinesh Dua is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 37 years plus in varied industries in middle to senior management positions. Thus, the members are well versed with financial systems and have the ability to read and understand basic financial statements.

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, five meetings of the Audit Committee were held, the dates being May 30, 2017, June 26, 2017, August 11, 2017, November 11, 2017 and February 09, 2018.

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) (upto August 12, 2017)	Independent & Non-executive Director	3	3
Mr. Sanjiv Goyal (Member) (upto August 12, 2017)	Managing Director	3	2
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Member)	Independent & Non-executive Director	5	5
Ms. Guljit Sethi (Chairman) (w.e.f. August 12, 2017)	Independent & Non-executive Director	2	2
Dr. Dinesh Dua (Member) (w.e.f. August 12, 2017)	Chief Executive Officer & Director	2	2

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/ M/s Ashwani K. Gupta & Associates, Chartered Accountants, statutory auditors of the Company, as considered appropriate, attended the meetings as permanent invitees, while Company Secretary, acts as the Secretary to the Committee.

IV. Nomination and Remuneration Committee

In beginning of financial year 2017-18 the Nomination and Remuneration Committee comprised of 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. Vijay J. Shah being a resident of Ahmedabad and at times was not able to attend the Nomination and Remuneration Committee Meetings due to his pre-occupations. Therefore, the Board of Directors in their meeting held on August 12, 2017 have re-constituted the Nomination and Remuneration Committee with induction of Ms. Guljit Sethi as a member. The composition of Nomination and Remuneration Committee after reconstitution was Dr. (Maj. Gen.) S. S. Chauhan, VSM, (Retd.) as its Chairman and Ms. Guljit Sethi and Mr. Ajay Swaroop as its members

During the financial year ended on March 31, 2018, two meetings were held of the committee on May 30, 2017 and August 11, 2017.

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) (upto August 12, 2017)	Independent & Non-executive Director	2	2
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Member upto August 12, 2017 and Chairman w.e.f. August 12, 2017)	Independent & Non-executive Director	2	2
Mr. Ajay Swaroop (Member)	Independent & Non-executive Director	2	2
Ms. Guljit Sethi (Member) (w.e.f. August 12, 2017)	Independent & Non-executive Director	Nil	N.A.

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.

vi) As specified in the provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination, Remuneration and Evaluation policy is formulated by the Nomination and Remuneration Committee and approved by the Board. The weblink of the said policy is provided in Board's Report.

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 Dr. Dinesh Dua as its members.

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, 2018, 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 2017-18, 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 01.04.2017	Received during the year	Complaints resolved duning the year	Closing balance as on 31.03.2018
Nil	28	28	Nil

Quarter-wise details of complaints during 2017-18:

Quarter	Complaints pending at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of quarter
April-June	Nil	5	5	Nil
July-September	Nil	16	16	Nil
October-Dec	Nil	4	4	Nil
January-March	Nil	3	3	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.

A half yearly Compliance Certificate duly signed by the Compliance officer of the company and the authorized representative of the Registrar and Share Transfer agent (RTA), with a confirmation that all activities of share transfer facility (both physical and electronic) are maintained by RTA, registered with the SEBI, is also filed with the Stock Exchanges.

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, 2017	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**
Number of shares which are transferred to IEPF Authority pursuant to Sections 124(6) and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (IEPF) (Accounting, Audit, Transfer and Refund) Rules, 2016		**6610**
At the end of the year i.e. March 31, 2018	Aggregate number of shareholders	**2**
	Outstanding shares in the suspense account	**500**

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

Compliances regarding insider trading

The Company had in place a 'Code of Conduct for Prevention of Insider Trading' and 'Code of Fair Disclosures', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The codes referred above are placed on the Company's website www.neclife.com. The said codes were adhered to during the year under review.

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. Dr. Dinesh Dua (Member)	Three meetings of the management committee were held on September 5, 2017, November 23, 2017 and March 27, 2018 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. Dr. Dinesh Dua (Member)	One meeting of the CSR committee was held on June 26, 2017 and attended by all its members.
Risk Management Committee	1. Dr. Dinesh Dua (Chairman) 2. Mr. Harparkash Singh Gill (Member)	One meeting of the Risk Management committee was held on March 27, 2018 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.

Independent Directors' meeting:

During financial year 2017-18, two meetings of Independent Directors are held on June 27, 2017 and August 12, 2017.

The attendance of the Independent Directors of their 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
Dr. (Maj. Gen.) S. S. Chauhan, VSM (Retd.) (Chairman)	Independent Director	2	2
Mr. Vijay J. Shah (Member)	Independent Director	2	0
Mr. Ajay Swaroop (Member)	Independent Director	2	2
Ms. Guljit Sethi (Member)	Independent Director	2	1

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the LODR Regulations, the independent directors held their separate meeting on August 07, 2018, without the attendance of non-independent directors and members of the Management, inter alia, to discuss the following:

- Noting of the report of performance evaluation for 2017-18 from Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairperson of the Company;
- Assessment of the quality, quantity and timeliness of flow of information to the Board; and
- Review of informal meeting with Senior Management Personnel.

The independent directors present elected Dr. (Maj. Gen.) S. S. Chauhan, VSM as Chairman for the meeting. All independent directors, except Mr. Vijay J. Shah, were present at the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

VII. General Body meetings

Details of the last three Annual General Meetings held

1. 22nd Annual General Meeting: September 28, 2017 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. 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
3. 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

Detail of special resolutions:

1. At the 22nd Annual General Meeting held on September 28, 2017, the following special resolutions were passed:

   i) Re-appointment of Mr. Sanjiv Goyal, Chairman & Managing Director and to approve his remuneration.

   ii) Re-appointment of Mr. Harparkash Singh Gill, President (Operations) & Director and to approve his remuneration.

2. 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 Dr. Dinesh Dua, Chief Executive Officer & Director.

3. At the 20th Annual General Meeting held on September 30, 2015, the following special resolutions were passed:

   i) Revision in the remuneration of Dr. Dinesh Dua, Chief Executive Officer & Director.

   ii) Revision in the remuneration of Mr. Harparkash Singh Gill, President (Operations) & Director.

Apart from the said resolutions, there was no other special resolution passed at the above General Meetings. The resolutions of 20th, 21st and 22nd Annual General Meeting 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 and Form AOC-2 attached to Board's Report.

   The Senior Management has confirmed to the Board that they have complied with the code of conduct which bar them to not to enter any material financial and commercial transactions, where they had (or were deemed to have had) personal interest.

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 2015-16, 2016-17 and 2017-18. However, the company had submitted the audited financial results for the year ended on March 31, 2017 on June 27, 2017 which was 28 days after the prescribed period that was expired on May 30, 2017. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) had imposed fine on the company for late submission of financial results for the financial year ended on March 31, 2017. The fine was 0.1% of listed capital and Rs. 5000/- per day for a period of delay, which amount to Rs. 364261/- for NSE and BSE each. Further, the BSE had also charged the service tax on the fine. The company had deposited the fine along with service tax, wherever applicable, which was acknowledged by NSE and BSE.

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 is given elsewhere in this Report

   ii) The Company has also complied with the discretionary requirements as under:

      a) The Board

         Since the Company has an executive Chairman, the requirement regarding non-executive Chairman is not applicable.

      b) Un-Modified opinion(s) in audit report

         The Company confirms that its financial statements are with unmodified audit opinion.

      c) Reporting of Internal Auditor

         The Internal Auditor reports directly to the Audit Committee.

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 2017-18, the Company paid the remuneration to Mr. Sanjiv Goyal, Chairman & Managing Director, Dr. 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, 2018:

Name and designation of Director	Sitting fee (Rs.)	Salaries and perquisites (Rs.)	*Period of service*	Number of shares held as on March 31, 2018
Mr. Sanjiv Goyal, Chairman and Managing Director	N.A.	17444600/-	5 years from June 01, 2017	55555600
Dr. 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, 2017	Nil
Mr. Vijay J. Shah, Non-Executive Director	15000/-	N.A.	September 30, 2014 to June 27, 2018. From August 07, 2018 till AGM	250
Mr. Vivek Sett, Non-Executive Director	10000/-	N.A.	Non rotational Director	Nil
Dr. (Maj. Gen.) S. S. Chauhan, VSM, Non-Executive Director	68000/-	N.A.	5 years from September 30, 2014.	Nil
Mr. Ajay Swaroop Non-Executive Director	52000/-	N.A.	5 years from September 30, 2014	Nil
Ms. Guljit Sethi Non-Executive Director)	32000/-	N.A.	Upto December 28, 2020.	Nil

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.

m. Terms and conditions of Appointment of Independent Directors: As per regulation 46(2) of SEBI Listing Regulations, 2015, the terms and conditions of appointment of independent directors are placed on the Company's website www.neclife.com. The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and regulation 25(2) of the SEBI Listing Regulations, 2015.

n. The company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of LODR Regulations.

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	Desh Sewak
July-September	*Business Standard* – All Editions	Desh Sewak
October-December	*Business Standard* – All Editions	Desh Sewak
January - March	*Business Standard* – All Editions	Desh 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. 23rd Annual General Meeting

Date	:	Friday, September 28, 2018
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, 2017 to March 31, 2018
iii.	Date of book closure	:	September 22, 2018 to September 28, 2018 (Both days inclusive).
iv.	Dividend payment date	:	By October 27, 2018
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, India
Tel : 91-22-22721233, 22721234, Fax: 91-22-22723677, 22722082/ 3132

vi Global Depository Receipts (GDRs) listed on : Luxembourg Stock Exchange/ LuxSE Société de la Bourse de Luxembourg S.A.B.P. 165, L-2011 Luxembourg 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

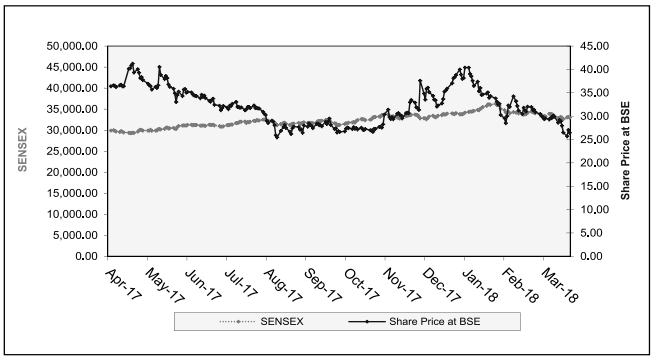
xiv. Market price data:

The high and low prices of the Company's share (of Re. 1/ - each) at BSE and NSE from April 1, 2017 to March 31, 2018 were as below:

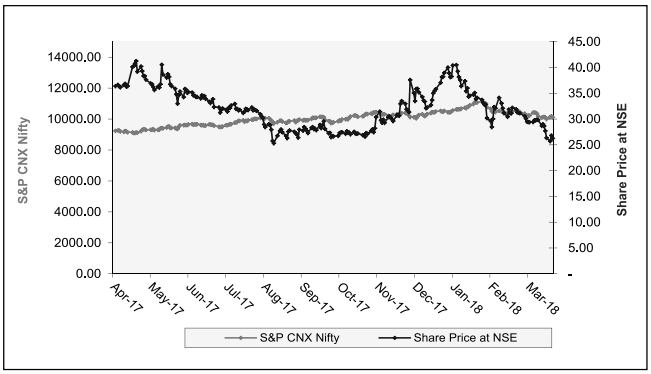
Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Total traded quantity	High (Rs.)	Low (Rs.)	Total traded quantity
Apr-17	43.65	35.40	6,314,423	43.65	35.30	21,995,663
May-17	41.20	32.80	3,586,744	41.25	32.70	13,542,305
Jun-17	36.50	31.15	1,106,336	36.50	31.20	4,403,050
Jul-17	33.60	30.65	1,129,347	33.60	30.75	4,509,776
Aug-17	31.20	24.00	961,106	31.25	23.80	3,368,434
Sep-17	30.25	26.30	1,239,653	30.20	26.20	5,237,310
Oct-17	28.50	26.50	942,294	28.45	26.50	3,445,110
Nov-17	34.40	27.40	3,344,924	34.45	27.35	14,047,161
Dec-17	39.75	31.20	9,401,883	39.85	31.20	36,056,403
Jan-18	41.75	31.10	4,485,775	41.70	32.40	17,492,846
Feb-18	35.75	25.00	1,720,258	35.00	27.25	5,709,438
Mar-18	31.90	25.30	1,739,628	31.90	25.30	4,124,727

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) 67161527,
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 -160 009
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

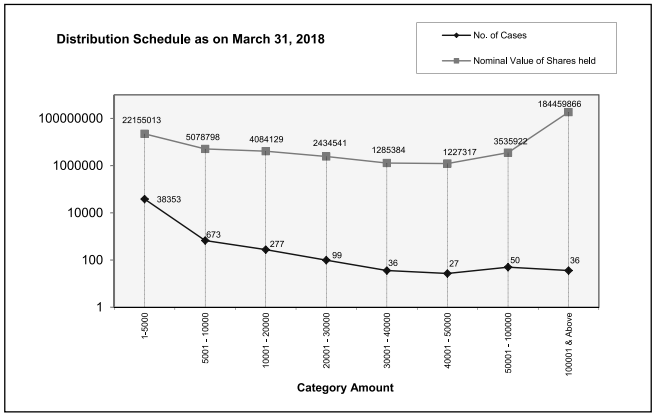
Almost 99.999% of the shares of the Company are held in dematerialised form. Transfers of these dematerialised shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrar and 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

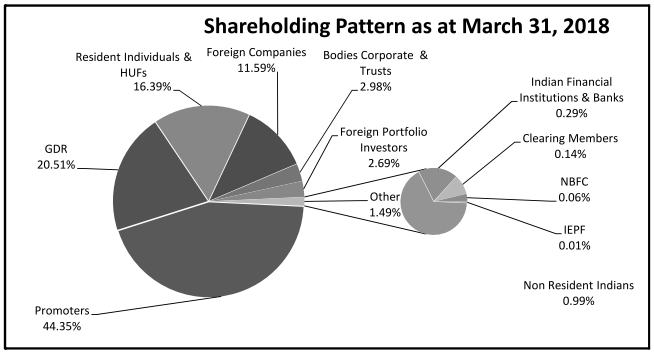
a) Class-wise distribution of equity shares as on March 31, 2018

Category (amount)	Number of cases	% of cases	Total shares	Nominal value of shares held (Rs.)	% of amount
1-5000	38353	96.97	22155013	22155013	9.88
5001- 10000	673	1.70	5078798	5078798	2.26
10001- 20000	277	0.70	4084129	4084129	1.82
20001- 30000	99	0.25	2434541	2434541	1.09
30001- 40000	36	0.09	1285384	1285384	0.57
40001- 50000	27	0.07	1227317	1227317	0.55
50001- 100000	50	0.13	3535922	3535922	1.58
100001 & Above	36	0.09	184459866	184459866	82.25
Total	39551	100.00	224260970	224260970	100.00



b) Shareholding pattern as on March 31, 2018

Category	Number of Cases	Total shares	% to equity
Promoters	5	99468000	44.35
GDR	1	46000000	20.51
Resident Individuals & HUFs	38418	36754261	16.39
Foreign Companies	1	26000000	11.59
Bodies Corporate & Trusts	544	6679478	2.98
Foreign Portfolio Investors	15	6024020	2.69
Non Resident Indians	469	2226803	0.99
Indian Financial Institutions & Banks	5	639153	0.29
Clearing Members	85	322439	0.14
NBFC	7	125953	0.06
IEPF	1	20863	0.01
Total	**39551**	**224260970**	**100.00**

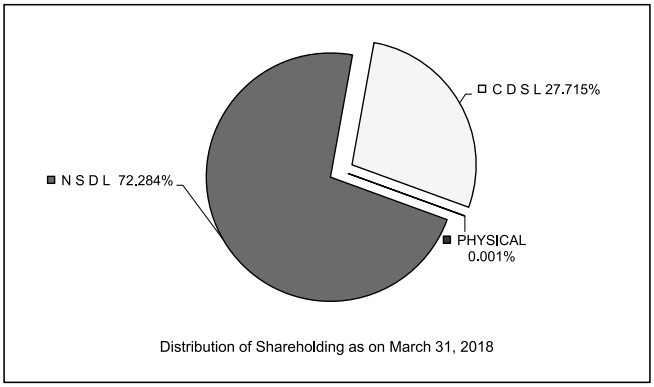


xxi. Dematerialisation of shares and liquidity

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, 2018.

The Distribution of shareholding of the Company as per the depository system as on March 31, 2018 was as under:

Sr.	Category	Number of holders	Total shares	% to equity
1	PHYSICAL	10	2310	0.001
2	N S D L	22915	162104523	72.284
3	C D S L	16626	62154137	27.715
	TOTAL	**39551**	**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,
Distt. S.A.S. Nagar (Mohali) Punjab

xxiv. Plant locations:

1. Nectar Lifesciences Limited, Unit I, Village: Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab
2. Nectar Lifesciences Limited, Unit II, Village: Saidpura, Tehsil Derabassi, Distt. 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)

xxv. The shareholders / investors may please refer to Notes to Notice of AGM for information pertaining to Unpaid/ Unclaimed Dividend and share transferred to IEPF.

XII. CEO / CFO certification

As required under LODR Regulations the certificates duly signed by Chief Executive Officer & Director and Chief Financial Officer, were placed at the meeting of the Board of Directors held on May 28, 2018.

XIII. Report on corporate governance

This report, read together with the information given in the Directors' Report and the chapters on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during 2017-18. The Company has been regularly submitting the quarterly compliance report to the stock exchanges, as required under regulation 27 of the LODR Regulations, 2015 and placing at the meeting of the Board for their information and noting.

XIV. 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

Dated : 07-08-2018
Place : Chandigarh

(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 2017-18.

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

Place : Chandigarh
Date : May 28, 2018

(Dinesh Dua)
Chief Executive Officer & Director

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

To
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, 2018, 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 Regulations. 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 M/s **Ashwani K. Gupta & Associates**
Chartered Accountants
Firm Regn. No. 003803N

Sd/-
(Ashwani K Gupta)
Partner
M.No.: 082808

Place : Chandigarh
Date : 28.05.2018

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

Date : 28-05-2018
Place : Chandigarh

(PRINCE CHADHA)
ACS 32856, CP 12409

Form no. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2018
[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 Company's 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, 2018 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, 2018 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 as amended upto date;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended upto date; 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 as amended upto date;
6. During the period under review, the Company has complied with the provision of the following acts and as reported by Management of the company 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) The Environment (Protection) Act, 1986
   (iv) Air (Prevention and Control of Pollution) Act, 1981
   (v) The Water (Prevention and Control of Pollution) Act, 1974
   (vi) Solvent and Petroleum Products storage under Petroleum Act, 1934
   (vii) Electricity Act, 2003 and Rules and Regulations thereof.
   (viii) Factories Act, 1948
   (ix) Indian Boilers Act, 1923
   (x) Standards of Weights & Measure Act ,1976
   (xi) GST (Goods & Service Tax) Laws, Excise Laws, Sales Tax Laws
   (xii) Customs Act, 1962
   (xiii) Income Tax Act, 1961.
   (xiv) Hazardous waste and other Wastes (Management, Handling & Tran boundary Movement) Rules-2016
   (xv) Petroleum Act, 1934
   (xvi) Food Safety and Standards Act, 2006
   (xvii) Employee's Provident Funds and Miscellaneous Provision Act, 1952
   (xviii) The Employee's State Insurance Act, 1948
   (xix) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959 & Rules

(xx) Industrial Employment (Standing Order) Act, 1946

(xxi) The Maternity Benefit Act, 1961

(xxii) Punjab Welfare Fund Act, 1965

(xxiii) Equal Remuneration Act, 1976

(xxiv) The Workmen's Compensation Act, 1923

(xxv) The Minimum Wages Act, 1948

(xxvi) The Payment of Wages Act, 1936

(xxvii) The Payment of Gratuity Act, 1972

(xxviii) The Payment of Bonus Act, 1965

(xxix) The Contract Labour (Regulation & Abolition) Act, 1970 & Rules

(xxx) Punjab Industrial Establishment (National & Festival, Holidays, Sick & Casual Leave) Rules, 1966.

(xxxi) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

(i) Secretarial standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the institute of company Secretaries of India;

(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 etc.

The company had submitted the audited financial results for the year ended on March 31, 2017 on June 27, 2017 which was late by 28 days after the due date i.e. May 30, 2017. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) had imposed fine on the company for late submission of financial results for the financial year ended on March 31, 2017. The fine was 0.1% of listed capital and Rs. 5000/- per day for a period of delay, which amount to Rs. 364261/- for NSE and BSE each. Further, the BSE had also charged the service tax on the fine. The company had deposited the fine along with service tax, wherever applicable, which was acknowledged by NSE and BSE.

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.

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 April 25, 2017 and June 27, 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

Date : 28-05-2018
Place : Chandigarh

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.	1. 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 2017-18. However, the details of non - material contract or arrangement or transaction with its related parties which are at arm's length during financial year 2017-18, 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

Date : 07-08-2018
Place : Chandigarh

(Sanjiv Goyal)
Chairman and Managing Director

Annexure 6 of Board of Directors' Report

REPORT ON CSR ACTIVITIES

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

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

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

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

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

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

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

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

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

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

   (iv) Relief/ Donations: Your Company has always been at the forefront in responding to its call for national duty and has contributed generous amounts for preventive healthcare and for welfare of senior citizens 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:	683.34
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	13.67
5.	Details of CSR spent during the financial year.	
	a. Total amount to be spent for the financial year	13.67
	b. Total amount spent for the financial year	20.80
	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	7.00	6.74	6.74	Direct
2	Conservation of energy	Environmental sustainability, ecological balance and conservation of natural resources	Jammu & Kashmir	5.00	5.00	5.00	Through implementing agency [I]
3	Nectar Lifesciences Charitable Foundation	Promoting education and employment and women empowerment	Local at Derabassi, Distt. S.A.S. Nagar Punjab	1.65	1.65	1.65	Direct
4	Payment to Govt. and Trusts.	Eradicating hunger, poverty and malnutrition.	PAN India	0.12	0.12	0.12	Through implementing agency [II]
5.	Payment to Medical Institutions.	Promoting preventive healthcare	PAN India	6.44	6.44	6.44	Through implementing agencies [III]
6.	Payment for Gausewa	Animal Welfare	Haryana & Punjab	0.85	0.85	0.85	Through implementing agencies [IV]
	Direct Expenditure			21.06	20.80	20.80	
	Overheads				Nil	Nil	
	Total			21.06	**20.80**	**20.80**	

I Expenditure through Mata Vaishno Devi Shrine Board, Katra.

II Expenditure of Rs. 0.12 Millions to Govt. Institute of Mentally Retarded children.

III Expenditure of Rs. 1.00 Millions to Shri Saibaba Sansthan Trust, Shirdi, Rs. 5.10 Millions to Sri Venkateswara Institute of Medical Sciences, Rs. 0.24 Millions to Sahayta Charitable Welfare Society, Rs. 0.10 Millions to Chandigarh Rotary Club Service Trust.

IV Expenditure incurred through Panchkula Gaushala Trust.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Not Applicable

7. 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 : 07-08-2018

Annexure 7 of Board of Directors' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[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) 67161527, 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	99.71%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

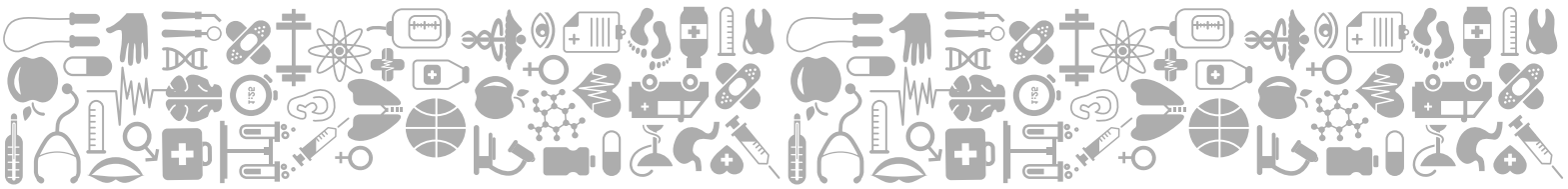
Sr. no.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Nectar Lifesciences UK Limited	N.A.	Subsidiary	100	2(87)
2	Nectar Lifesciences US LLC	N.A.	Subsidiary	100	2(87)

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 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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	99,468,000	-	99,468,000	44.35	99,468,000	-	99,468,000	44.35	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**99,468,000**	**-**	**99,468,000**	**44.35**	**99,468,000**	**-**	**99,468,000**	**44.35**	-
2	FOREIGN									-
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
	Total A=A(1)+A(2)	**99,468,000**	**-**	**99,468,000**	**44.35**	**99,468,000**	**-**	**99,468,000**	**44.35**	-
(B)	**PUBLIC SHAREHOLDING**									
1	INSTITUTIONS									
(a)	Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/Banks	181,578	-	181,578	0.08	139,153	-	139,153	0.06	(0.02)
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	1,300,000	-	1,300,000	0.58	500,000	-	500,000	0.22	(0.36)
(f)	Foreign Institutional Investors	6,039,214	-	6,039,214	2.69	6,024,020	-	6,024,020	2.69	0.00
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others : Foreign Company	26,000,000	-	26,000,000	11.59	26,000,000	-	26,000,000	11.59	0.00
	Sub-Total B(1) :	**33,520,792**	**-**	**33,520,792**	**14.94**	**32,663,173**	**-**	**32,663,173**	**14.56**	**(0.38)**
2	NON-INSTITUTIONS									
(a)	Bodies Corporate	10302160	510	10302670	4.59	6678143	510	6678653	2.98	(1.62)
(b)	Individuals									
(i)	Individuals holding nominal share capital upto Rs.1 lakh	29,853,346	1,830	29,855,176	13.31	34,659,202	1,800	34,661,002	15.46	2.14
(ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	2,333,953	-	2,333,953	1.04	2,093,259	-	2,093,259	0.93	(0.11)
(c)	Others									
	CLEARING MEMBERS	192,732	-	192,732	0.09	322,439	-	322,439	0.14	0.06
	FOREIGN NATIONAL	1,000	-	1,000	0.00	-	-	-	-	(0.00)
	NON RESIDENT INDIANS	2,545,022	-	2,545,022	1.13	2,226,803	-	2,226,803	0.99	(0.14)
	TRUSTS	5,825	-	5,825	0.00	825	-	825	0.00	0.00
	IEPF A/c	-	-	-	-	20,863	-	20,863	0.01	0.01
	NBFCs registered with RBI	35,800	-	35,800	0.02	125,953	-	125,953	0.06	0.04
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	**45,269,838**	**2,340**	**45,272,178**	**20.19**	**46,127,487**	**2,310**	**46,129,797**	**20.57**	**0.38**
	Total B=B(1)+B(2) :	**78,790,630**	**2,340**	**78,792,970**	**35.13**	**78,790,660**	**2,310**	**78,792,970**	**35.13**	**0.00**
	Total (A+B) :	**178,258,630**		**178,260,970**	**79.49**	**178,258,660**	**2,310**	**178,260,970**	**79.49**	**0.00**
(C)	Shares held by custodians, against which Depository Receipts have been issued									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	46,000,000	-	46,000,000	**20.51**	46,000,000	-	46,000,000	**20.51**	-
	GRAND TOTAL (A+B+C):	**224,258,630**	**2,340**	**224,260,970**	**100.00**	**224,258,660**	**2,310**	**224,260,970**	**100.00**	**-**



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	55555600	24.77	24.77	55555600	24.77	-	-
2	Sanjiv (HUF)	43379400	19.34	-	43379400	19.34	9.36	-
3	Mr. Aryan Goyal	290000	0.13	-	290000	0.13	-	-
4	Mr. Saurabh Goyal	243000	0.11	-	243000	0.11	-	-
	Total	**99468000**	**44.35**	**-**	**99468000**	**44.35**	**9.36**	**-**

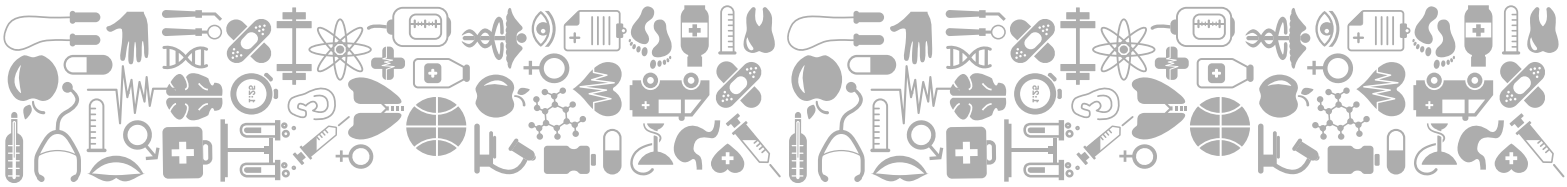
Note: The Promoters have pledged 21000000 equity shares representing 09.36% of Share Capital of the Company in October, 2017. The pledge on 55555600 equity shares representing 24.77% of Share Capital of the Company of one of promoter Mr. Sanjiv Goyal has been closed in May, 2017

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

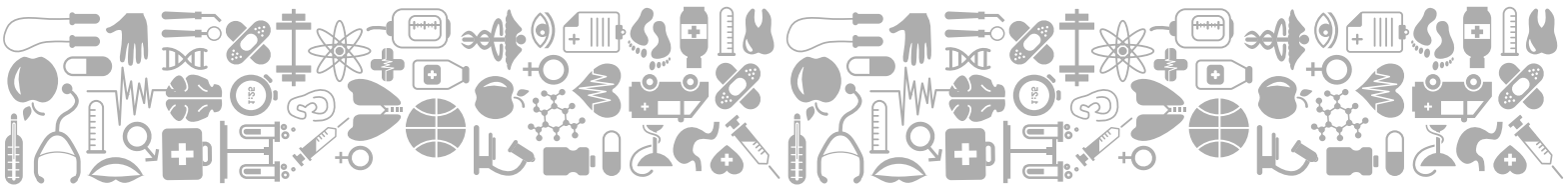
There are no changes in the Promoters shareholding during the Financial year 2017-18. However, on repayment of loan by the company the pledge on 55555600 equity shares representing 24.77% of Share Capital of the Company of one of promoter Mr. Sanjiv Goyal has been closed in May, 2017. Further, a fresh Pledge has been created on the 21000000 equity shares representing 09.36% of Share Capital of the Company of Mr. Sanjiv (HUF) in October, 2017 for collateral of fresh loan taken by the company from IFCI Limited.

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

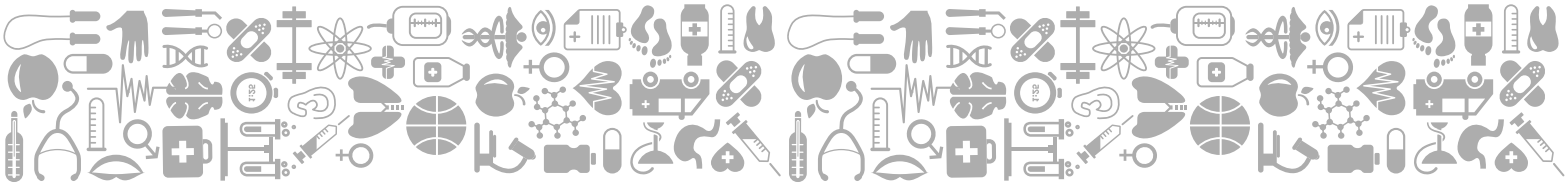
Sr. no.	Name of the Share Holder	Date	Reason	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
1	NSR DIRECT PE	Opening Balance		Nil movement during the year		26000000	11.59
	MAURITIUS LLC	Closing Balance				26000000	11.59
2	RELIGARE FINVEST LTD	Opening Balance				5522016	2.46
		21-04-2017	Sale	(505000)	(0.23)	5017016	2.24
		28-04-2017	Sale	(100000)	(0.04)	4917016	2.19
		12-05-2017	Sale	(100000)	(0.04)	4817016	2.15
		19-05-2017	Sale	(3000)	0.00	4814016	2.15
		16-06-2017	Sale	(41987)	(0.02)	4772029	2.13
		23-06-2017	Sale	(5491)	0.00	4766538	2.13
		08-09-2017	Sale	(26832)	(0.01)	4739706	2.11
		15-09-2017	Sale	(129688)	(0.06)	4610018	2.06
		22-09-2017	Sale	(222684)	(0.10)	4387334	1.96
		29-09-2017	Sale	(25870)	(0.01)	4361464	1.94
		03-11-2017	Sale	(73033)	(0.03)	4288431	1.91
		10-11-2017	Sale	(200000)	(0.09)	4088431	1.82
		17-11-2017	Sale	(161579)	(0.07)	3926852	1.75
		24-11-2017	Sale	(389298)	(0.17)	3537554	1.58
		01-12-2017	Sale	(285617)	(0.13)	3251937	1.45
		08-12-2017	Sale	(535646)	(0.24)	2716291	1.21
		15-12-2017	Sale	(134716)	(0.06)	2581575	1.15
		22-12-2017	Sale	(298029)	(0.13)	2283546	1.02
		29-12-2017	Sale	(203404)	(0.09)	2080142	0.93
		05-01-2018	Sale	(235158)	(0.10)	1844984	0.82
		12-01-2018	Sale	(127500)	(0.06)	1717484	0.77
		Closing Balance				1717484	0.77



Sr. no.	Name of the Share Holder	Date	Reason	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
3	INGAIN TRADERS, LLC	Opening Balance		Nil movement during the year		2387012	1.06
		Closing Balance				2387012	1.06
4	GENERAL INSURANCE	Opening Balance				1300000	0.58
	CORPORATION OF INDIA	14-04-2017	Sale	(100000)	(0.04)	1200000	0.54
		28-04-2017	Sale	(70000)	(0.03)	1130000	0.50
		05-05-2017	Sale	(130000)	(0.06)	1000000	0.45
		16-06-2017	Sale	(100000)	(0.04)	900000	0.40
		05-01-2018	Sale	(200000)	(0.09)	700000	0.31
		12-01-2018	Sale	(115915)	(0.05)	584085	0.26
		19-01-2018	Sale	(84085)	(0.04)	500000	0.22
		Closing Balance				500000	0.22
5	LSV EMERGING	Opening Balance				1235600	0.55
	MARKETS SMALL CAP	02-03-2018	Purchase	81679	0.04	1317279	0.59
	EQUITY FUND, LP	09-03-2018	Purchase	83248	0.04	1400527	0.62
		16-03-2018	Purchase	100370	0.04	1500897	0.67
		23-03-2018	Purchase	83603	0.04	1584500	0.71
		Closing Balance				1584500	0.71
6	RAMAN KAPUR	Opening Balance		Nil movement during the year		1000000	0.45
		Closing Balance				1000000	0.45
7	SOURABH HEMRAJ	Opening Balance				955545	0.43
	BORA	25-08-2017	Sale	(3852)	0.00	951693	0.42
		24-11-2017	Sale	(498)	0.00	951195	0.42
		23-02-2018	Sale	(2973)	0.00	948222	0.42
		02-03-2018	Sale	(20111)	(0.01)	928111	0.41
		16-03-2018	Sale	(19308)	(0.01)	908803	0.41
		23-03-2018	Sale	(4850)	0.00	903953	0.40
		Closing Balance				903953	0.40
8	MALTI SECURITIES	Opening Balance		Nil movement during the year		900000	0.40
	PVT LTD	Closing Balance				900000	0.40
9	GOVERNMENT OF THE	Opening Balance		Nil movement during the year		501710	0.22
	PROVINCE OF ALBERTA MANAGED BY COMGEST S.A.	Closing Balance				501710	0.22
10	ACADIAN EMERGING	Opening Balance				404810	0.18
	MARKETS SMALL CAP	05-05-2017	Sale	(80993)	(0.04)	323817	0.14
	EQUITY FUND LLC #	23-06-2017	Sale	(35374)	(0.02)	288443	0.13
		07-07-2017	Sale	(30106)	(0.01)	258337	0.12
		14-07-2017	Sale	(230865)	(0.10)	27472	0.01
		21-07-2017	Sale	(27472)	(0.01)	0	0.00
		Closing Balance				0	0.00
11	ANGEL BROKING	Opening Balance				184213	0.08
	PRIVATE LIMITED *	07-04-2017	Purchase	44,234	0.02	228,447	0.10
		07-04-2017	Sale	(18,268)	(0.01)	210,179	0.09
		14-04-2017	Purchase	4,441	0.00	214,620	0.10
		14-04-2017	Sale	(34,457)	(0.02)	180,163	0.08
		21-04-2017	Purchase	56,092	0.03	236,255	0.11



Sr. no.	Name of the Share Holder	Date	Reason	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
		21-04-2017	Sale	(2,924)	0.00	233,331	0.10
		28-04-2017	Purchase	89,008	0.04	322,339	0.14
		28-04-2017	Sale	(34,855)	(0.02)	287,484	0.13
		05-05-2017	Purchase	30,999	0.01	318,483	0.14
		05-05-2017	Sale	(25,982)	(0.01)	292,501	0.13
		12-05-2017	Purchase	71,683	0.03	364,184	0.16
		12-05-2017	Sale	(52,956)	(0.02)	311,228	0.14
		19-05-2017	Purchase	218,123	0.10	529,351	0.24
		19-05-2017	Sale	(45,651)	(0.02)	483,700	0.22
		26-05-2017	Purchase	1,337	0.00	485,037	0.22
		26-05-2017	Sale	(75,049)	(0.03)	409,988	0.18
		02-06-2017	Purchase	68,608	0.03	478,596	0.21
		02-06-2017	Sale	(28,652)	(0.01)	449,944	0.20
		09-06-2017	Purchase	10,298	0.00	460,242	0.21
		09-06-2017	Sale	(72,744)	(0.03)	387,498	17.00
		16-06-2017	Purchase	12,584	0.01	400,082	0.18
		16-06-2017	Sale	(37,429)	(0.02)	362,653	0.16
		23-06-2017	Purchase	12,530	0.01	375,183	0.17
		23-06-2017	Sale	(105,940)	(0.05)	269,243	0.12
		30-06-2017	Purchase	11,911	0.01	281,154	0.13
		30-06-2017	Sale	(17,513)	(0.01)	263,641	0.12
		07-07-2017	Purchase	8,605	0.00	272,246	0.12
		07-07-2017	Sale	(10,348)	0.00	261,898	0.12
		14-07-2017	Purchase	53,509	0.02	315,407	0.14
		14-07-2017	Sale	(16,994)	(0.01)	298,413	0.13
		21-07-2017	Purchase	20,403	0.01	318,816	0.14
		21-07-2017	Sale	(450)	0.00	318,366	0.14
		28-07-2017	Purchase	44,500	0.02	362,866	0.16
		28-07-2017	Sale	(21,958)	(0.01)	340,908	0.15
		04-08-2017	Purchase	147,980	0.07	488,888	0.22
		04-08-2017	Sale	(91,624)	(0.04)	397,264	0.18
		11-08-2017	Purchase	26,602	0.01	423,866	0.19
		11-08-2017	Sale	(47,990)	(0.02)	375,876	0.17
		18-08-2017	Purchase	38,336	0.02	414,212	0.18
		18-08-2017	Sale	(39,591)	(0.02)	374,621	0.17
		25-08-2017	Purchase	46,063	0.02	420,684	0.19
		25-08-2017	Sale	(60,752)	(0.03)	359,932	0.16
		01-09-2017	Purchase	29,239	0.01	389,171	0.17
		01-09-2017	Sale	(52,096)	(0.02)	337,075	0.15
		08-09-2017	Purchase	24,424	0.01	361,499	0.16
		08-09-2017	Sale	(47,622)	(0.02)	313,877	0.14
		15-09-2017	Purchase	71,392	0.03	385,269	0.17
		15-09-2017	Sale	(55,755)	(0.02)	329,514	0.15
		22-09-2017	Purchase	20,228	0.01	349,742	0.16
		22-09-2017	Sale	(19,932)	(0.01)	329,810	0.15
		29-09-2017	Purchase	51,586	0.02	381,396	0.17



Sr. no.	Name of the Share Holder	Date	Reason	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
		29-09-2017	Sale	(39,798)	(0.02)	341,598	0.15
		06-10-2017	Purchase	16,899	0.01	358,497	0.16
		06-10-2017	Sale	(216)	0.00	358,281	0.16
		13-10-2017	Purchase	25,963	0.01	384,244	0.17
		13-10-2017	Sale	(5,740)	0.00	378,504	0.17
		20-10-2017	Purchase	27,424	0.01	405,928	0.18
		20-10-2017	Sale	(12,694)	(0.01)	393,234	0.18
		27-10-2017	Purchase	29,004	0.01	422,238	0.19
		27-10-2017	Sale	(47,855)	(0.02)	374,383	0.17
		31-10-2017	Purchase	25,972	0.01	400,355	0.18
		31-10-2017	Sale	(13,264)	(0.01)	387,091	0.17
		03-11-2017	Purchase	33,994	0.02	421,085	0.19
		03-11-2017	Sale	(32,801)	(0.01)	388,284	0.17
		10-11-2017	Purchase	63,047	0.03	451,331	0.20
		10-11-2017	Sale	(46,718)	(0.02)	404,613	0.18
		17-11-2017	Purchase	28,545	0.01	433,158	0.19
		17-11-2017	Sale	(5,641)	0.00	427,517	0.19
		24-11-2017	Purchase	39,175	0.02	466,692	0.21
		24-11-2017	Sale	(23,840)	(0.01)	442,852	0.20
		01-12-2017	Purchase	34,802	0.02	477,654	0.21
		01-12-2017	Sale	(23,526)	(0.01)	454,128	0.20
		08-12-2017	Purchase	139,200	0.06	593,328	0.26
		08-12-2017	Sale	(34,506)	(0.02)	558,822	0.25
		15-12-2017	Purchase	103,237	0.05	662,059	0.30
		15-12-2017	Sale	(51,132)	(0.02)	610,927	0.27
		22-12-2017	Purchase	54,304	0.02	665,231	0.30
		22-12-2017	Sale	(59,447)	(0.03)	605,784	0.27
		29-12-2017	Purchase	46,761	0.02	652,545	0.29
		29-12-2017	Sale	(77,056)	(0.03)	575,489	0.26
		30-12-2017	Purchase	200	0.00	575,689	0.26
		30-12-2017	Sale	(500)	0.00	575,189	0.26
		05-01-2018	Purchase	17,903	0.01	593,092	0.26
		05-01-2018	Sale	(65,365)	(0.03)	527,727	0.24
		12-01-2018	Purchase	174,511	0.08	702,238	0.31
		12-01-2018	Sale	(16,662)	(0.01)	685,576	0.31
		19-01-2018	Purchase	36,772	0.02	722,348	0.32
		19-01-2018	Sale	(50,328)	(0.02)	672,020	0.30
		26-01-2018	Purchase	51,507	0.02	723,527	0.32
		26-01-2018	Sale	(42,115)	(0.02)	681,412	0.30
		02-02-2018	Purchase	15,242	0.01	696,654	0.31
		02-02-2018	Sale	(51,703)	(0.02)	644,951	0.29
		09-02-2018	Purchase	83,156	0.04	728,107	0.32
		09-02-2018	Sale	(80,011)	(0.04)	648,096	0.29
		16-02-2018	Purchase	18,387	0.01	666,483	0.30
		16-02-2018	Sale	(50,184)	(0.02)	616,299	0.27
		23-02-2018	Purchase	284,157	0.13	900,456	0.40

Sr. no.	Name of the Share Holder	Date	Reason	Increase/ Decrease in share holding	% of total shares of the company	Cumulative Shareholding during the Year	
						No of Shares	% of total shares of the company
		23-02-2018	Sale	(317,419)	(0.14)	583,037	0.26
		02-03-2018	Purchase	8,047	0.00	591,084	0.26
		02-03-2018	Sale	(29,808)	(0.01)	561,276	0.25
		09-03-2018	Purchase	19,442	0.01	580,718	0.26
		09-03-2018	Sale	(20,834)	(0.01)	559,884	0.25
		16-03-2018	Purchase	11,892	0.01	571,776	0.25
		16-03-2018	Sale	(53,029)	(0.02)	518,747	0.23
		23-03-2018	Purchase	45,322	0.02	564,069	0.25
		23-03-2018	Sale	(44,363)	(0.02)	519,706	0.23
		30-03-2018	Purchase	41,483	0.02	561,189	0.25
		30-03-2018	Sale	(88,435)	(0.04)	472,754	0.21
		31-03-2018	Purchase	13	0.00	472,767	0.21
		31-03-2018	Sale	(300)	0.00	472,467	0.21
	Closing Balance					472467	0.21

 # Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

***Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.*

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	55555600	24.77	55555600	24.77
	Bought during the year	-	-	55555600	24.77
	Sold during the year	-	-	55555600	24.77
	At the end of the year	55555600	24.77	55555600	24.77
2.	**Mr. Vijay J Shah, Director** At the beginning of the year	250	0.00	250	0.00
	Bought during the year	-	-	250	0.00
	Sold during the year	-	-	250	0.00
	At the end of the year	250	0.00	250	0.00
3.	**Mr. Sandeep Goel, CFO** At the beginning of the year	6760	0.00	6760	0.00
	Bought during the year	-	-	6760	0.00
	Sold during the year	-	-	6760	0.00
	At the end of the year	6760	0.00	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
	Resigned w.e.f. June 26, 2017	20	0.00	20	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
5.	**Mr. Sukhwinder Singh, Company Secretary** (Appointed w.e.f. July 1, 2017)	1	0.00	1	0.00
	Bought during the year	-	-	1	0.00
	Sold during the year	-	-	1	0.00
	Resigned w.e.f. November 08, 2017	1	0.00	1	0.00
6.	**Ms. Ankita Jain, Company Secretary** (Appointed w.e.f. November 11, 2017)	0	0.00	0	0.00
	Bought during the year	-	-	0	0.00
	Sold during the year	-	-	0	0.00
	At the end of the year	0	0.00	0	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	8746.81	34.23	-	8781.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	34.40	-	-	34.40
Total (i+ii+iii)	8781.21	34.23	-	8815.44
Change in Indebtedness during the financial year				
• Addition	2817.60	1.45	-	2819.05
• Reduction	(2041.63)	(8.71)	-	(2050.34)
Net Change	775.97	(7.26)	-	768.71
Indebtedness at the end of the financial year				
i) Principal Amount	9523.56	26.97	-	9550.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	33.62	-	-	33.62
Total (i+ii+iii)	9557.18	26.97	-	9584.15

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	174.00	166.26	35.05	375.31
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.45	0.40	-	0.85
	(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)	174.45	166.66	35.05	376.16
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)				659.83

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 Sethi	
1.	Independent Directors					
	• Fee for attending board and committee meetings	0.52	0.68	0.15	0.32	1.67
	• Commission	-	-	-		-
	• Others, please specify	-	-	-		-
	Total (1)	0.52	0.68	0.15	0.32	1.67
2.	Other Non-Executive Directors				Vivek Sett	
	• Fee for attending board committee meetings				0.10	0.10
	• Commission				-	-
	• Others, please specify				-	-
	Total (2)				0.10	0.10
	Total (B)=(1+2)					1.77
	Total Managerial Remuneration					377.93
	Overall Ceiling as per the Act (@ 11% of profits calculated under Section 198 of the Companies Act, 2013)					725.82

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
		Sunder Lal	Sukhwinder Singh	Ankita Jain		
1.	Gross salary	-	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.60	3.30	1.24	26.31	47.45
	(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	**16.60**	**3.30**	**1.24**	**26.31**	**47.45**
	Grand Total			**21.14**	**26.31**	**47.45**

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, 2018.

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

Date : 07-08-2018
Place : Chandigarh

(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 2017-18, the percentage increase in remuneration of Managing Director, Wholetime Directors (WTD), Chief Financial Officer and Company Secretary during the Financial Year 2017-18.

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	76:1	3.53%
2.	Dinesh Dua	WTD & CEO	73:1	Nil
3.	Harparkash Singh Gill	WTD & President (Operations)	15:1	Nil
4.	Sandeep Goel	Chief Financial Officer	Not Applicable	(-)3.10%
5.	Sunder Lal*	Company Secretary (upto 26.06.2017)	Not Applicable	-
6.	Sukhwinder Singh*	Company Secretary (w.e.f. 01.07.2017 to 08.11.2017)	Not Applicable	-
7.	Ankita Jain*	Company Secretary (w.e.f. 11.11.2017)	Not Applicable	-

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 2017-2018.

* Since this information is for part of the financial year 2017-18, the same is not comparable.

2. The percentage increase in the median remuneration of Employees for the financial year was 1.62%.

3. The Company has 1993 permanent Employees on the rolls of Company as on 31st March 2018.

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 1.26% whereas the increase in the managerial remuneration was approximately 1.61%. 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

Date : 07-08-2018
Place : Chandigarh

(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 three 6MW each, agro based captive power plants. All 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.

Followings are the few more steps taken towards conservation of energy:

- Improved the power factor by using APFC (Automatic Power Factor Controller)
- Recovered the condensate heat recovery from utility i.e. VAM (Vapor Absorption Machine), chilling and brine machine
- Energy saved by operating VAM on 0.5 kg/cm2 steam pressure
- Usage of O2 analyzer to optimum use of air in boiler for power saving and better combustion
- Replacement of led's lights in admin block
- Partially replaced led's in street light
- Compressed air distribution modification and loading and unloading pressure recalculate according to process requirement and save power
- VFD (Variable Frequency Drive) installed on bigger motors more than 100 HP to save power
- Liquid nitrogen is being recovered and recycled

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

Biomass is being used instead of conventional fuels to generate power in power plants.

(iii) The capital investment on energy conservation equipments

Capital expenditure incurred on energy conservation equipments: Rs. 7.57 Millions

B) Technology Absorption

(i) Efforts made towards technology absorption

In pharmaceuticals technology up gradation is a way of life and our company is not different. Technologies are continuously developed and implemented without changing critical parameters. The company has informally tied up with global institutions for up gradation of Technologies. Recently NLL has successfully scaled-up a technology which has been developed jointly under collaborative R&D programme with big Japanese company at Nectar R&D Centre.

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

NLL's R&D center is continuously doing the process refinement for existing products and process development for new molecules to maintain the sustainable growth and ensuring the profitability. The new products have been developed and launched for regular commercial production which expands the company's overall performance along with product portfolio, an achievement of 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. 60.09 Millions

C) Foreign exchange earnings and outgo

(i) During the year 2017-18, 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.

(ii)

a)	Foreign exchange earned in terms of actual inflow during the financial year ended on March 31, 2018:	Rs. 8054.51 Millions
b)	Foreign exchange outgo in terms of actual outflow during the financial year ended on March 31, 2018:	Rs. 6561.42 Millions

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

Date : 07-08-2018
Place : Chandigarh

(Sanjiv Goyal)
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

To the Members of

NECTAR LIFESCIENCES LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 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 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 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 financial statements.

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

4. Opinion

In our opinion and to the best of our information and, according to the explanations given to us, the aforesaid standalone 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, 2018;

(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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 financial statements as referred to in Note 2.32 to the standalone financial statements,

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

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

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Ashwani K. Gupta
(Partner)
M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

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, 2018

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 2018 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 the rules made by the Central Government U/s 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty, Cess, Value Added Tax, Goods and Service 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.

(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, Goods and Service Tax, which are outstanding as at 31st March, 2018 and which have not been deposited on account of any dispute. However, according to information and explanation given to us, the following dues of Excise duty, Income Tax and Service Tax have not been deposited by the Company on account of disputes as detailed below:

Statute	Nature of the Dues	Amount (Rs. in Millions*)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.51	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	2.34	Assessment Year 2001-02	Commissioner of Income Tax Appeal
Income Tax Act, 1961	Income Tax	0.03	Assessment Year 2003-04	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.19	Assessment Year 2004-05	Income Tax Appellate Tribunal, Delhi
Central Excise Act,1944	Excise Duty	1.05	Financial Year 2007-09	Joint Secretary, Ministry of Finance, Delhi
Central Excise Act,1944	Excise Duty	5.58	Financial Year 2005-2006	CESTAT, Chandigarh
Central Excise Act,1944	Excise Duty	0.43	Financial Year 2010-2011	Punjab and Haryana High Court (Company is in the process of filling appeal)
Central Excise Act,1944	Excise Duty	8.92	Financial Year 2007-2008	CESTAT, Chandigarh
Central Excise Act,1944	Excise Duty	151.18**	Financial Year 2007-2010	CESTAT, Chandigarh (Previous Year Punjab & Haryana High Court)
Central Excise Act,1944	Excise Duty	218.43**	Financial Year 2007-2010	CESTAT, Chandigarh (Previous Year Punjab & Haryana High Court)
Service Tax,1994	Service Tax	5.78**	Financial Year 2009-10	CESTAT, Chandigarh
Service Tax,1994	Service Tax	0.84	Financial Year 2011-12	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.

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 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 Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Ashwani K. Gupta
(Partner)
M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

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 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become 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 2018, 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 Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Ashwani K. Gupta
(Partner)
M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

Nectar Lifesciences Limited (Rs. in Millions)

BALANCE SHEET As At 31st March 2018

Particulars	NOTE	As At March 31, 2018	As At March 31, 2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	2.2	8,064.31	8,237.97
Capital work-in-progress		997.86	1,021.14
Intangible assets	2.3	459.24	574.43
Financial assets			
Investments	2.4	6.00	6.00
Trade receivables	2.5	36.81	30.08
Other financial assets	2.6	61.13	43.10
Other non-current assets	2.7	1,010.08	941.12
Total Non Current Assets		**10,635.43**	**10,853.85**
Current Assets			
Inventory	2.8	8,594.35	8,541.30
Financial assets			
Investments	2.4	5.10	4.08
Trade receivables	2.5	6,121.15	5,004.33
Cash and cash equivalents	2.9	89.08	128.10
Loans	2.10	3.79	3.17
Other financial assets	2.6	1,122.31	644.40
Other current assets	2.11	667.72	631.27
Total Current Assets		**16,603.50**	**14,956.65**
Total Assets		**27,238.94**	**25,810.50**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	224.26	224.26
Other equity	2.13	10,362.03	9,843.01
Total Equity		**10,586.29**	**10,067.27**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	2.14	2,200.76	1,638.00
Other financial liabilities	2.15	175.65	187.82
Other Non-Current Liability	2.16	8.96	9.21
Provisions	2.17	90.69	84.92
Deferred tax liabilities (net)	2.18	1,083.38	1,036.69
Total Non-Current Liabilities		**3,559.44**	**2,956.64**
Current Liabilities			
Financial liabilities			
Borrowings	2.14	6,340.83	6,303.41
Other financial liabilities	2.15	1,123.37	1,003.08
Trade payables	2.19	5,394.24	5,280.98
Other current liabilities	2.20	110.66	65.73
Provisions	2.17	4.88	12.28
Current tax liabilities (net)		119.23	121.11
Total Current Liabilities		**13,093.21**	**12,786.59**
Total Equity and Liabilities		**27,238.94**	**25,810.50**
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal	**Dinesh Dua**	**Sandeep Goel**	**R.K. Aggarwal**	As per our report of even date
Chairman & Managing Director	CEO & Whole Time Director	Chief Financial Officer	Vice President Accounts	**For Ashwani K. Gupta & Associates**
				CHARTERED ACCOUNTANTS
				Firm Regn. No. 003803N
			Ankita Jain	**Ashwani K. Gupta**
			Company Secretary	Partner
				M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

Nectar Lifesciences Limited (Rs. in Millions)

STATEMENT OF PROFIT AND LOSS For the Year Ended 31st March 2018

Particulars	NOTE	Year Ended March 31, 2018	Year Ended March 31, 2017
Continuing Operations			
Revenue from Operations (Gross)	2.21	20,923.19	17,436.27
Less: GST Recovered		1,924.06	-
Revenue from Operations (Net of GST)		18,999.13	17,436.27
Other Income (Net)	2.22	60.36	226.72
		19,059.49	**17,662.99**
Expenses			
Raw Material Consumed	2.23	13,816.39	11,333.32
Purchase of Stock in Trade (Traded Goods)		152.73	125.00
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	(304.32)	83.37
Excise duty		243.81	1,002.88
Employees Benefits Expense	2.25	784.05	792.36
Finance Cost	2.26	1,152.02	1,174.13
Depreciation & Amortization	2.2 & 2.3	643.09	622.51
Other Expenses	2.27	1,946.06	1,857.29
		18,433.83	**16,990.86**
Profit before exceptional items & tax		**625.66**	**672.13**
Exceptional items		-	-
Profit/(Loss) before tax		**625.66**	**672.13**
Tax Expenses		104.11	120.79
Profit for the period		**521.55**	**551.34**
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)		10.97	0.20
Total Comprehensive income for the period		**532.51**	**551.54**
Earnings per equity share (Equity Shares of Re.1/- each fully paid up))			
Basic (Rs.)		2.33	2.46
Diluted (Rs.)		2.33	2.46
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal	**Dinesh Dua**	**Sandeep Goel**	**R.K. Aggarwal**	As per our report of even date
Chairman & Managing Director	CEO & Whole Time Director	Chief Financial Officer	Vice President Accounts	**For Ashwani K. Gupta & Associates**
				CHARTERED ACCOUNTANTS
				Firm Regn. No. 003803N
			Ankita Jain	**Ashwani K. Gupta**
			Company Secretary	Partner
				M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

Nectar Lifesciences Limited (Rs. in Millions)

CASH FLOW STATEMENT For the Year Ended 31st March 2018

Particulars	As At March 31, 2018	As At March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	625.66	672.13
Adjustments For :		
Depreciation & Amortization	643.09	622.51
Other Comprehensive Income (Net)	10.97	0.20
Other Comprehensive Income (Tax)	5.80	0.11
Provision for Doubtful debts/ Insurance Claims	2.85	1.04
Provision for Employees Retirement Benefits	4.36	17.95
Provision for Excise Duty On Finished Goods	(6.00)	(3.67)
Loss/ (Profit) on Sale of Fixed Assets	(3.43)	(155.75)
Profit on Sale / Restatement of Investment	(0.01)	(0.15)
Interest on Borrowings	1,152.02	1,174.13
Other Non-Operating Income	(52.21)	(67.91)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,383.10**	**2,260.61**
Adjustments For :		
(Increase)/Decrease in Current Assets	(1,682.01)	(582.40)
Increase/(Decrease) in Current Liabilities	109.17	357.57
Increase/(Decrease) in Long Term Liabilities	(12.18)	23.57
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	(20.33)	(1.12)
CASH GENERATED FROM OPERATIONS	**777.51**	**2,057.98**
Direct Taxes Paid	(126.16)	(71.74)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**651.35**	**1,986.24**
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**651.35**	**1,986.24**
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets	(331.63)	(533.77)
Interest Received	52.21	67.90
Dividend Received	0.00	0.00
Sale of Fixed Assets	4.09	283.53
Sale/(Purchase) of Investments	(1.00)	1.29
Other Financial Assets Received/ (Paid)	(18.03)	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(294.35)**	**(181.04)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	739.33	(880.47)
Proceeds/(Repayment) from Working Capital Limits from Banks	37.42	30.98
Proceeds/(Repayment) from Vehicle Loans	(7.26)	9.42
Dividend Paid	(13.50)	(26.99)
Interest Paid	(1,152.02)	(1,174.13)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(396.02)**	**(2,041.18)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(39.02)**	**(235.98)**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	128.10	364.09
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	89.08	128.10

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal	**Dinesh Dua**	**Sandeep Goel**	**R.K. Aggarwal**	As per our report of even date
Chairman & Managing Director	CEO & Whole Time Director	Chief Financial Officer	Vice President Accounts	**For Ashwani K. Gupta & Associates**
				CHARTERED ACCOUNTANTS
				Firm Regn. No. 003803N
			Ankita Jain	**Ashwani K. Gupta**
			Company Secretary	Partner
				M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

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.

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/Goods and Service 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 and Goods and Service tax.

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

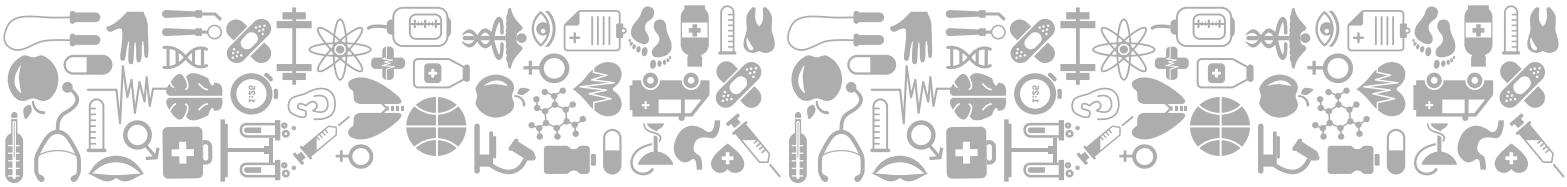
a. Non-derivative financial instruments

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. De-recognition 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 de-recognition 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.

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: L24232PB1995PLC016664) 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-17	Additions	Sale/ Deletion	As At 31-Mar-18	Up To 31-Mar-17	During the Year	Deletion/ Adjustments	Up To 31-Mar-18	As At 31-Mar-18	As At 31-Mar-17
Freehold Land & Site Development	953.91	2.04	-	955.95	-	-	-	-	955.95	953.91
Leasehold Land	3.27	-	-	3.27	0.37	0.04	-	0.41	2.87	2.91
Buildings	1,607.65	7.35	-	1,615.01	412.46	49.90	-	462.37	1,152.64	1,195.19
Tube Well	21.75	0.91	-	22.66	13.12	2.29	-	15.40	7.26	8.63
Plant & Machinery *	8,448.20	198.23	-	8,646.43	3,404.14	304.28	-	3,708.42	4,938.01	5,044.06
Boiler	170.70	-	-	170.70	83.15	8.93	-	92.08	78.62	87.55
Pollution Control Equipment	75.25	0.00	-	75.25	53.22	5.68	-	58.90	16.35	22.03
Laboratory	105.12	4.93	-	110.05	66.61	10.60	-	77.21	32.84	38.51
Miscellaneous Fixed Assets	1,422.95	77.09	-	1,500.04	628.80	67.25	-	696.05	804.00	794.16
Furniture & Fixture	99.66	1.05	-	100.71	63.42	8.30	-	71.72	29.00	36.24
Motor Vehicles	109.76	2.66	0.73	111.69	60.04	8.25	0.06	68.22	43.47	49.72
Computer	44.01	0.56	-	44.57	38.95	2.29	-	41.25	3.32	5.06
GRAND TOTAL	**13,062.24**	**294.82**	**0.73**	**13,356.33**	**4,824.27**	**467.81**	**0.06**	**5,292.02**	**8,064.31**	**8,237.97**
Previous Year	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

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 2.14 Millions (Previous Year deletion of Rs. 17.85 Millions)

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.3 "INTANGIBLE ASSETS"		
Opening Gross Block	**1,147.13**	**1,089.68**
Additions during the year	60.09	86.22
Deletions during the year	-	28.77
Closing Gross Block	**1,207.22**	**1,147.13**
Opening Accumlated amortization	**572.70**	**409.74**
Amortization during the year	175.28	162.96
Closing Accumlated amortization	**747.98**	**572.70**
Net Intangible Assets	**459.24**	**574.43**
NOTE - 2.4 "INVESTMENTS"		
Non Current Investments		
Investment in Equity Instruments		
UNQUOTED		
In Subsidiary Companies	0.00	0.00
1 Equity Share of 1 GBP Fully Paid Up In Nectar Lifesciences UK Ltd.-England [Absolute amount Rs. 75 (Previous Year Rs. 75)]		
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
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
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	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
Total - "A"	**6.00**	**6.00**
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
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31
SBI PSU Fund	1.00	1.00
PRINCIPAL BALANCED FUND	1.00	-
3,000 Bonds of IFCI @ Rs. 1,000/- Each	3.00	3.00
UNQUOTED		
2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03
Total "B"	**6.34**	**5.34**
Provision for Loss on Investment **"C"**	1.24	1.25
Net Current Investments "D" ("B" - "C")	**5.10**	**4.08**
Total Investment "A" + "D"	**11.10**	**10.09**

Market value of Quoted Investment Rs. 5.15 Millions (Previous Year Rs. 4.87 Millions)

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.5 "TRADE RECEIVABLES"		
Unsecured consits of following		
Non Current		
Considered Good	36.81	30.08
Considered Doubtful	92.42	89.56
	129.23	119.65
Less: Provision For Doubtful Debts	92.42	89.56
	36.81	**30.08**
Current		
Considered Good	6,121.15	5,004.33
Considered Doubtful	-	-
	6,121.15	5,004.33
Less: Provision For Doubtful Debts	-	-
	6,121.15	**5,004.33**
	6,157.97	**5,034.41**
NOTE - 2.6 "OTHER FINANCIAL ASSETS"		
Non Current		
Balances Recoverable from Revenue Authorities	61.13	43.10
Insurance Claim Receivable :		
Considered Good	-	-
Considered Doubtful	21.15	21.15
	82.28	64.25
Less: Provision for Doubtful Insurance Claim	21.15	21.15
Total - "A"	**61.13**	**43.10**
Current		
Export and Other Incentives Accrued	390.73	310.45
Balances with Revenue Authorities	661.09	174.60
Other Recoverables	6.18	3.81
Insurance Claim Receivable :		
Considered Good	64.32	155.54
Considered Doubtful	-	-
	1,122.31	644.40
Less: Provision for Doubtful Insurance Claim	-	-
Total - "B"	**1,122.31**	**644.40**
Total Other Financial Assets ("A" + "B")	**1,183.44**	**687.50**
NOTE - 2.7 "OTHER NON-CURRENT ASSETS"		
Security Deposits	21.32	16.27
MAT Credit Entitlement	983.76	922.69
Others	5.00	2.16
	1,010.08	**941.12**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.8 "INVENTORY"		
(As Certified by The Management)		
Raw Material	947.49	1,211.33
Work In Progress	6,970.22	6,915.57
Finished Goods	434.23	161.45
Stock in Trade	42.91	66.01
Other Miscellaneous Stocks	199.50	186.92
	8,594.35	**8,541.30**
NOTE - 2.9 "CASH & CASH EQUIVALENTS"		
Balance with Banks	73.67	37.54
Fixed Deposits	2.61	86.77
Balances in Dividend Accounts	0.39	0.36
Cash In Hand (Incl Staff Imprest)	12.42	3.43
	89.08	**128.10**
NOTE - 2.10 "LOANS"		
Loans & Advances to Staff	3.79	3.17
	3.79	**3.17**
NOTE - 2.11 "OTHER CURRENT ASSETS"		
Advances other than capital advances		
Payment to vendors for supply of goods	580.73	562.29
Others	86.99	68.98
	667.72	**631.27**
NOTE - 2.12 "SHARE CAPITAL"		
Authorised Share Capital		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
Issued, Subscribed & Paid up Capital		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26
(Also Refer Note 2.28)	**224.26**	**224.26**

NOTE - 2.13 "OTHER EQUITY"

Statement of Change in Equity (FY 2017-18)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2017	**224.26**	**3,287.98**	**141.02**	**6,414.00**	**10,067.27**
Changes in equity for the year ended March 31, 2018					
Add: - Profit for the period	-	-	-	532.51	532.51
Less: - Final Dividend & Tax on Dividend	-	-	-	13.50	13.50
Balance as of March 31, 2018	**224.26**	**3,287.98**	**141.02**	**6,933.02**	**10,586.29**

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 of 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					
Add: - Profit for the period	-	-	-	551.54	551.54
Less: - Final Dividend & Tax on Dividend	-	-	-	26.99	26.99
Balance as of March 31, 2017	**224.26**	**3,287.98**	**141.02**	**6,414.00**	**10,067.27**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.14 "BORROWINGS"		
Non Current		
Secured		
Term Loans		
From Banks	2,182.09	1,612.00
Unsecured		
Vehicle Loans		
From Banks	17.39	21.75
From Others	1.28	4.25
(Also Refer Note 2.29)	**2,200.76**	**1,638.00**
Current		
Secured		
Working Capital Limits		
From Banks	6,041.51	5,800.97
Unsecured		
From Banks	299.32	502.44
	6,340.83	**6,303.41**
Total Borrowings	**8,541.59**	**7,941.40**
NOTE - 2.15 "OTHER FINANCIAL LIABILITIES"		
Non Current		
Security from Customers	1.85	2.05
Other Capital Advances	173.79	185.77
	175.65	**187.82**
Current		
Current Maturities of Long Term Debts	1,000.65	831.41
Current Maturities of Other Loans	8.30	8.23
Interest Accrued but not due on Borrowings	33.62	34.40
Unpaid Dividends	0.39	0.36
Accrued Compensation to Employees	52.20	58.36
Statutory dues payable	12.26	42.91
Accrued Expenses	15.95	27.41
	1,123.37	**1,003.08**
Total Other Financial Liabilities	**1,123.37**	**1,003.08**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.16 "OTHER NON CURRENT LIABILITIES"		
Non Current		
Deferred Income	8.96	9.21
	8.96	**9.21**
NOTE - 2.17 "PROVISIONS"		
Non Current		
Provision for Employees Retirement Benefits	90.69	84.92
	90.69	**84.92**
Current		
Provision for Excise Duty On Finished Goods	-	6.00
Provision for Employee Retirement Benefits	4.88	6.29
	4.88	**12.28**
Total Provisions	**95.57**	**97.21**
NOTE - 2.18 "DEFERRED TAX LIABILITY"		
Deferred Tax Liabilities arising on account of:		
Depreciation	3,313.76	3,188.39
Total - "A"	**3,313.76**	**3,188.39**
Deferred Tax Assets arising on account of:		
Employees Retirement Benefits	95.57	91.21
Other Expenses & Provisions	113.56	110.71
Total - "B"	**209.13**	**201.92**
Deferred Liability ("A" - "B")	**3,104.63**	**2,986.47**
Tax Impact	**1,074.45**	**1,033.56**
Deferred Tax Liablity	**1,074.45**	**1,033.56**
Impact of Other Comprehensive Income	8.94	3.13
Net Deferred Tax Liablity	**1,083.38**	**1,036.69**
NOTE - 2.19 "TRADE PAYABLES"		
Due to Micro ,Small & Medium Enterprises	29.67	16.33
Due to Others	5,364.57	5,264.65
	5,394.24	**5,280.98**
NOTE - 2.20 "OTHER CURRENT LIABILITIES"		
Advances From Customers	110.66	65.73
	110.66	**65.73**

(Rs. in Millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufatured Products		
Export	9,511.31	7,635.35
Domestic	11,191.73	9,614.14
Trading Sale		
Export	4.09	9.42
Domestic	216.07	177.36
	20,923.19	**17,436.27**
NOTE - 2.22 "OTHER INCOME"		
Operating Income		
Other Operating Income	4.26	2.67
Deferred Income - Govt. Grants	0.25	0.25
Other Income		
Interest On Fixed Deposits	2.18	5.99
Interest Others	50.04	61.91
Dividend From Investments	0.00	0.00
Profit on Sale / Restatement of Fixed Assets	-	11.98
Compensation on Sale of Land	3.62	143.77
Profit on Sale/ Restatement of Investment	0.01	0.15
	60.36	**226.72**
NOTE - 2.23 "RAW MATERIAL CONSUMED"		
Opening Stock	1,211.33	945.29
Add:- Purchase of Raw Material	13,552.55	11,599.36
	14,763.88	12,544.65
Less :- Closing Stock	947.49	1,211.33
	13,816.39	**11,333.32**
NOTE - 2.24 "(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, STOCKS IN PROCESS & STOCK IN TRADE"		
Inventory (At Close)		
Finished Goods	434.23	161.45
Stock in Process	6,970.22	6,915.57
Stock in Trade	42.91	66.01
	7,447.36	7,143.04
Inventory (At Commencement)		
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
	(304.32)	**83.37**

(Rs. in Millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE - 2.25 "EMPLOYEE BENEFIT EXPENSES"		
Salaries & Wages	608.44	633.53
Remuneration To Directors	37.54	36.94
Contribution to Provident and Other Funds	34.98	32.46
Staff Welfare	103.10	89.43
	784.05	**792.36**
NOTE - 2.26 "FINANCIAL EXPENSES"		
Interest Expenses	883.67	939.61
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	268.36	234.52
	1,152.02	**1,174.13**
NOTE - 2.27 "OTHER EXPENSES"		
Manufacturing Expenses		
Consumable Stores	143.88	139.45
Power, Fuel & Steam Expenses	916.28	751.62
Chemical Testing Expenses	19.26	22.44
Packing Expenses	203.97	196.58
Repairs & Maintenance		
Electricals	14.27	8.92
Machinery	131.64	145.32
Building	11.06	11.32
Total - "A"	**1,440.36**	**1,275.67**
Administrative Expenses		
Travelling & Conveyance	32.38	34.95
Advertisement & Subscription	0.65	0.68
Books & Periodicals	0.13	0.08
Business Promotion	3.62	9.53
Insurance	24.95	22.70
Electricity Expenses (Office)	2.26	2.79
Postage, Telephone, Telegram	11.23	11.73
Printing & Stationery	9.51	15.85
Professional Fees	44.94	32.47
Rate,Fees & Taxes	43.19	21.00
Vehicle Running & Maintenance	4.96	9.13
Rent	13.92	13.80
Audit Fees	2.50	2.50
Office Expenses	5.24	5.76
Diwali & Pooja Expenses	4.44	2.52
Donation	15.22	13.90
Directors' Sitting Fees	0.18	0.21
Loss on Sale of Fixed Assets	0.19	-
Total - "B"	**219.50**	**199.61**
Selling & Distribution Expenses		
Discount & Samples	21.92	84.99
Freight & Cartage Outward	160.96	166.76
Sales Commission	100.02	128.03
Provision for Doubtful Debts/ Insurance claim	3.30	2.24
Total - "C"	**286.20**	**382.02**
Grand Total ("A" + "B" + "C")	**1,946.06**	**1,857.29**

2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	55555600	24.77	55555600	24.77
NSR Direct PE Mauritius, LLC	26000000	11.59	26000000	11.59
Depository of GDRs	46000000	20.51	46000000	20.51
Sanjiv (HUF)	43379400	19.34	43379400	19.34

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, 2018	As at 31st March, 2017
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

2.29 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	704.09
2–5	1060.28
>5	417.72

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	6.94
2–5	11.72
>5	0.01

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.

2.30 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.

2.31 CURRENT LIABILITIES

I. The principal amount remaining unpaid as at 31st March 2018 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs.29.67 millions (Previous year Rs.16.33 millions). The principal amount that remained unpaid as at 31st March 2017 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.0.34 millions (Previous year Rs.0.36 millions) which relates to unclaimed dividend and share application money refundable. During the year, no amount was required to be deposited relating to unclaimed dividend and share application money refundable to the Investor Education and Protection Fund (Previous year Rs.0.07 millions).

2.32 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2018	31.03.2017
a)	**Contingent Liabilities**		
i)	Claims not acknowledged as debts:- *		
	- Income Tax matters**	5.97	6.78
	- Excise matters***	430.20#	430.20#
	- Service Tax matters****	7.48#	7.33#
ii)	Bank Guarantees	13.11	17.90
iii)	Bills Discounted	47.91	30.31
iv)	Letter of Credit (Foreign / Inland)	222.42	266.91
b)	**Commitments**		
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	31.31	12.65

* 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.3.01 millions

*** Amount deposited under protest Rs.47.92 millions

**** Amount deposited under protest Rs.0.77 millions

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

2.33 PAYMENT TO AUDITORS

(Rs. in millions)

Particulars	2017-18	2016-17
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST/Service Tax	0.45	0.38

2.34 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) Rules, 2016 as amended upto date, the Company has provided Deferred Tax Liability accruing during the year aggregating to Rs.40.89 millions (Previous Year Rs.109.88 millions) 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.

2.35 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.13.92 millions (Previous Year Rs.13.80 millions).

2.36 INTANGIBLE ASSETS

During the year, the Company incurred an amount of Rs. 60.09 million (Previous Year Rs.86.22 millions) 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 straight line basis over a period of seven years.

2.37 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 2017	59.01	32.19
Acquisition adjustment	-	-
Interest Cost	4.72	2.58
Past Service Cost	-	-
Current Service Cost	9.70	12.84
Curtailment Cost/(Credit)	-	-
Settlement Cost/(Credit)	-	-
Benefits paid	(4.50)	(4.24)
Actuarial (gain)/loss on obligations	(6.61)	(10.16)
Present Value of obligations as at 31st March 2018	62.32	33.21

Changes in the Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2017	-	-
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 2018	-	-

Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2017	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2018	-	-
Funded Status	(62.32)	(33.21)

Actuarial Gain/Loss Recognized

(Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	6.61	10.16
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	6.61	10.16
Actuarial (gain)/ loss recognized in the year	(6.61)	(10.16)
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 2018	62.32	33.21
Fair value of plan assets as at 31st March 2018	-	-
Funded Status	(62.32)	(33.21)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(62.32)	(33.21)

Expenses recognized in the Statement of Profit &Loss

(Rs. in millions)

	Gratuity	Earned leave
Current service cost	9.70	12.84
Past service cost	-	-
Interest cost	4.72	2.58
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	(6.61)	(10.16)
Expenses recognized in the Statement of Profit & Loss	7.81	5.26

Valuation Assumptions

Discount Rate	8%
Estimated rate of increase in compensation levels	7%

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.

2.38 TAX EXPENSE COMPRISES OF:

(Rs. In millions)

	2017-18	2016-17
- Current Tax	124.28	126.86
- Deferred Tax	40.89	109.88
- MAT Credit Entitlement (net)	(61.06)	(115.95)
	104.11	120.79

2.39 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 (IndAS 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	31.03.2018	31.03.2017
(a)	India	11407.80	9791.51
(b)	Outside India	9515.39	7644.76
	Total Sales (inclusive of GST)	**20923.19**	**17436.27**

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

2.40 RELATED PARTY DISCLOSURES

Related party disclosures as required under Indian Accounting Standard (IndAS 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 USA, LLC

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

ii) Joint Ventures and Associates

None

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

Sh. Sanjiv Goyal, Chairman & Managing Director

Sh. Dinesh Dua, CEO & Whole time Director

Sh. Harprakash Singh Gill, President

Sh. Sandeep Goel, Chief Financial Officer

Sh. Sunder Lal, Company Secretary (upto 26.06.2017)

Sh. Sukhwinder Singh, Company Secretary (w.e.f. 01.07.2017, upto 08.11.2017)

Ms. Ankita Jain, Company Secretary (w.e.f. 11.11.2017, onwards)

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 Lifestyles Private Limited

Nectar Organics Private Limited

Nectar Lifesciences Charitable Foundation

Nectar Biopharma Private Limited

* 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	31.03.2018	31.03.2017
i	Balance at the year end	22.80	21.97
ii	Sale during the year	30.94	84.25

ii) Key Management Personnel and their relatives

(Rs. in millions)

S.No.	Particulars	31.03.2018	31.03.2017
i.	Director Remuneration & Perquisites*	37.62	37.02
ii.	Salary & Perquisites*	20.08	20.49

***Includes Taxable value of 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	31.03.2018	31.03.2017
i.	Rent	0.72	0.96
ii	Donation Paid	1.65	1.46
iii	Net Sales (inclusive of applicable indirect taxes)	205.09	110.42
iv	Net Purchases (inclusive of applicable indirect taxes)	12.50	4.29
v	Balance due at the year end (net receivable)	65.14	38.69

2.41 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.

2.42 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Profit After Tax, before OCI	Rs. in millions	521.55	551.34
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.	2.33	2.46
- Diluted	Rs.	2.33	2.46

2.43 Other Borrowing Costs include gain on account of foreign exchange fluctuation (net) amounting to Rs. 46.55 millions (Previous Year net gain of Rs.115.08 millions).

2.44 Fixed Deposits with Banks include an amount of Rs.2.61 millions (Previous Year Rs.86.77 millions) on account of FDRs held as Margin Money.

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

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

S. No.	Particulars	2017-2018		2016-2017	
		Amount	(%age)	Amount	(%age)
1.	Imported	6641.63	48.07	6460.87	57.01
2.	Indigenous	7174.76	51.93	4872.45	42.99

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

S. No.	Particulars	2017-2018		2016-2017	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.17	0.12	0.10	0.07
2.	Indigenous	143.71	99.88	139.35	99.93

2.46 OTHER INFORMATION

(Rs. in millions)

S. No.	Particulars	2017-2018	2016-2017
(a)	**CIF Value of Imports**		
1.	Raw Material	6293.56	6283.30
2.	Traded Goods	61.43	66.98
3.	Capital Goods, Store & Spares, Packing Material etc.	11.68	21.59
(b)	**Expenditure in Foreign Currency**		
1.	Travelling Expenses	8.79	11.27
2.	Export Commission	82.09	110.78
3.	Other Expenses	15.08	55.49
(c)	**Remittances in Foreign Currency**		
1.	Raw Material	6367.47	6005.56
2.	Traded Goods	59.90	67.23
2.	Capital Goods and Stores & Spares	28.09	19.31
(d)	**Expenditure in Foreign Currency on account of dividend**		
	Particulars	**2017-2018**	**2016-2017**
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid	3.6	7.2
	(ii) Year to which dividend relates	2016-17	2015-16
(e)	**Earning in Foreign Currency**		
	Particulars	**2017-2018**	**2016-2017**
	FOB Value of Exports	9473.22	7546.16

2.47 Corporate Social Responsibility Expenses

Donation includes an amount of Rs.14.06 millions (Previous Year Rs.13.53 millions) incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs.6.74 millions (Previous Year Rs.8.81 millions) capital expenditure incurred on power plant which is also eligible for CSR activities. In totality the Company incurred Rs.20.80 millions (Previous Year Rs.22.34 millions) on CSR activities against the requirement of Rs.13.67 millions (Previous Year Rs.15.44 millions).

2.48 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 Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Ashwani K. Gupta
Partner
M. No. 082808

Ankita Jain
Company Secretary

Place : Chandigarh
Dated : 28.05.2018

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
NECTAR LIFESCIENCES LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **NECTAR LIFESCIENCES LIMITED** ("the Holding Company"), and its subsidiary companies (Nectar Lifesciences UK Limited, United Kingdom and Nectar Lifesciences USA LLC, collectively referred to as "the Group") comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes 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 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 thereunder.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

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

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

4. Opinion

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

(a) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2018,

(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 audited financial statements of the subsidiary namely Nectar Lifesciences USA LLC for the period ended 31st December, 2017, after duly accounting for the material transactions held during the quarter ended March 31 2018, which have been incorporated in the consolidated financial statements. The financial statements of subsidiary reflects total assets of Rs.7.15 millions as at March 31, 2018 (Previous year Rs.24.16 millions), total revenues of Rs.20.65 millions (Previous year Rs.87.87 millions) and net cash inflows amounting Rs.0.32 millions for the year ended on that date (Previous year Rs.1.32millions). These 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 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 financial statement,

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 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, 2018 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 financial statements as referred to in Note 2.32 to the financial statements.

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

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

For Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

PLACE: CHANDIGARH
Ashwani K. Gupta
(Partner)
M. No. 082808

Place: Chandigarh
Dated: 28.05.2018

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 2018, 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 were 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 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 2018, 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 Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

PLACE: CHANDIGARH
Ashwani K. Gupta
(Partner)
M. No. 082808

Place: Chandigarh
Dated: 28.05.2018

Nectar Lifesciences Limited (Rs. in Millions)

CONSOLLIDATED BALANCE SHEET As At 31st March 2018

Particulars	NOTE	As At March 31, 2018	As At March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	8,064.31	8,237.97
Capital work-in-progress		997.86	1,021.14
Intangible assets	2.3	459.24	574.43
Financial assets			
Investments	2.4	2.70	2.70
Trade receivables	2.5	36.81	30.08
Other financial assets	2.6	61.13	43.10
Other non-current assets	2.7	1,010.08	941.12
Total Non Current Assets		**10,632.13**	**10,850.54**
Current assets			
Inventory	2.8	8,594.35	8,546.53
Financial assets			
Investments	2.4	5.10	4.08
Trade receivables	2.5	6,119.70	4,997.30
Cash and cash equivalents	2.9	93.11	131.81
Loans	2.10	3.79	3.17
Other financial assets	2.6	1,122.31	644.40
Other current assets	2.11	667.72	631.27
Total Current Assets		**16,606.07**	**14,958.57**
Total Assets		**27,238.20**	**25,809.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	224.26	224.26
Other equity	2.13	10,362.34	9,842.50
Total Equity		**10,586.60**	**10,066.76**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	2.14	2,200.76	1,638.00
Other financial liabilities	2.15	175.65	187.82
Other Non-Current Liability	2.16	8.96	9.21
Provisions	2.17	90.69	84.92
Deferred tax liabilities (net)	2.18	1,082.34	1,035.81
Total Non-current liabilities		**3,558.39**	**2,955.76**
Current liabilities			
Financial liabilities			
Borrowings	2.14	6,340.83	6,303.41
Other financial liabilities	2.15	1,123.37	1,003.08
Trade payables	2.19	5,394.24	5,280.98
Other current liabilities	2.20	110.66	65.73
Provisions	2.17	4.88	12.28
Current tax liabilities (net)		119.23	121.11
Total Current liabilities		**13,093.21**	**12,786.59**
Total equity and liabilities		**27,238.20**	**25,809.11**
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal	**Dinesh Dua**	**Sandeep Goel**	**R.K. Aggarwal**	As per our report of even date
Chairman & Managing Director	CEO & Whole Time Director	Chief Financial Officer	Vice President Accounts	**For Ashwani K. Gupta & Associates**
				CHARTERED ACCOUNTANTS
				Firm Regn. No. 003803N
			Ankita Jain	**Ashwani K. Gupta**
			Company Secretary	Partner
				M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

Nectar Lifesciences Limited (Rs. in Millions)

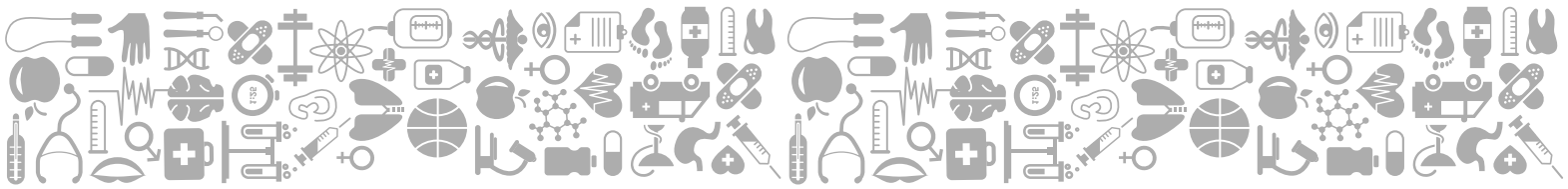
CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the Year Ended 31st March 2018

Particulars	NOTE	Year Ended March 31, 2018	Year Ended March 31, 2017
Continuing Operations			
Revenue from Operations (Gross)	2.21	20,930.44	17,439.89
Less: GST Recovered		1,924.06	-
Revenue from Operations (Net of GST)		19,006.37	17,439.89
Other Income (Net)	2.22	60.41	226.72
		19,066.78	**17,666.61**
Expenses			
Raw Material Consumed	2.23	13,816.46	11,333.49
Purchase of Stock in Trade (Traded Goods)		152.73	125.00
(Increase)/ Decrease in Inventories of Finished Goods, Stock-in-Process and Stock in Trade	2.24	(299.09)	84.59
Excise duty		243.81	1,002.88
Employees Benefits Expense	2.25	784.05	792.36
Finance Cost	2.26	1,152.02	1,174.13
Depreciation & Amortization	2.2 & 2.3	643.09	622.51
Other Expenses	2.27	1,946.87	1,857.47
		18,439.95	**16,992.43**
Profit before exceptional items & tax		**626.83**	**674.17**
Exceptional items		-	-
Profit/(Loss) before tax		**626.83**	**674.17**
Tax Expenses		104.11	120.79
Profit for the period		**522.72**	**553.38**
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)		10.97	0.20
Items that will be reclassified subsequently to profit or loss			
Foreign Exchange Translation Reserve (Net of Tax)		(0.32)	(0.65)
Total Comprehensive income for the period		**533.37**	**552.94**
Earnings per equity share (Equity Shares of Re.1/- each fully paid up))			
Basic (Rs.)		2.33	2.47
Diluted (Rs.)		2.33	2.47
Significant Accounting Policies	**1**		
Notes to Financial Statements	**2**		

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	As per our report of even date **For Ashwani K. Gupta & Associates CHARTERED ACCOUNTANTS Firm Regn. No. 003803N**
			Ankita Jain Company Secretary	**Ashwani K. Gupta** Partner M. No. 082808

Place : Chandigarh
Dated : 28.05.2018



Nectar Lifesciences Limited **(Rs. in Millions)**

CONSOLIDATED CASH FLOW STATEMENT For the Year Ended 31st March 2018

Particulars	As At March 31, 2018	As At March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & Extra Ordinary Items	626.83	674.17
Adjustments For :		
Depreciation & Amortization	643.09	622.51
Other Comprehensive Income (Net)	10.97	0.20
Other Comprehensive Income (Tax)	5.80	0.11
Provision for Doubtful debts/ Insurance Claims	3.64	1.04
Provision for Employees Retirement Benefits	4.36	17.95
Provision for Excise Duty On Finished Goods	(6.00)	(3.67)
Loss/ (Profit) on Sale of Fixed Assets	(3.43)	(155.75)
Loss/ (Profit) on Sale / Restatement of Investment	(0.01)	(0.15)
Interest on Borrowings	1,152.02	1,174.13
Other Non-Operating Income	(52.21)	(67.91)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**2,385.05**	**2,262.65**
Adjustments For :		
(Increase)/Decrease in Current Assets	(1,682.82)	(583.13)
Increase/(Decrease) in Current Liabilities	109.17	357.57
Increase/(Decrease) in Long Term Liabilities	(12.18)	23.57
Increase/ (Decrease) in Non Current Liabilities	(0.25)	(0.25)
(Increase)/ Decrease in Non Current Assets	(21.11)	(1.12)
CASH GENERATED FROM OPERATIONS	**777.87**	**2,059.30**
Direct Taxes Paid	(126.20)	(71.74)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS	**651.67**	**1,987.56**
Extra-Ordinary Items	-	-
NET CASH FLOW FROM OPERATING ACTIVITES (A)	**651.67**	**1,987.56**
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of Fixed Assets	(331.63)	(533.77)
Interest Received	52.21	67.90
Dividend Received	0.00	0.00
Sale of Fixed Assets	4.09	283.53
Sale/(Purchase) of Investments	(1.00)	1.29
Other Financial Assets Received/ (Paid)	(18.03)	-
NET CASH USED IN INVESTING ACTIVITIES (B)	**(294.35)**	**(181.04)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from Term Loans from Banks	739.33	(880.47)
Proceeds/(Repayment) from Working Capital Limits from Banks	37.42	30.98
Proceeds/(Repayment) from Vehicle Loans	(7.26)	9.42
Dividend Paid	(13.50)	(26.99)
Interest Paid	(1,152.02)	(1,174.13)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(396.02)**	**(2,041.18)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	**(38.70)**	**(234.66)**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	131.81	366.47
CASH & CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	93.11	131.81

Notes to Financial Statements

For NECTAR LIFESCIENCES LIMITED

Sanjiv Goyal	**Dinesh Dua**	**Sandeep Goel**	**R.K. Aggarwal**	As per our report of even date
Chairman & Managing Director	CEO & Whole Time Director	Chief Financial Officer	Vice President Accounts	**For Ashwani K. Gupta & Associates**
				CHARTERED ACCOUNTANTS
				Firm Regn. No. 003803N
			Ankita Jain	**Ashwani K. Gupta**
			Company Secretary	Partner
				M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

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.

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/Goods and Service 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 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 and Goods and Service Tax.

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

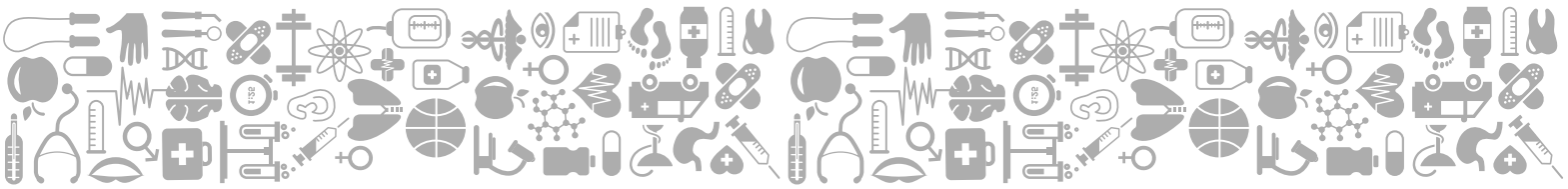
a. Non-derivative financial instruments

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. De-recognition 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 de-recognition 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.

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.

110. 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: L24232PB1995PLC016664) 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-17	Additions	Sale/ Deletion	As At 31-Mar-18	Up To 31-Mar-17	During the Year	Deletion/ Adjustments	Up To 31-Mar-18	As At 31-Mar-18	As At 31-Mar-17
Freehold Land & Site Development	953.91	2.04	-	955.95	-	-	-	-	955.95	953.91
Leasehold Land	3.27	-	-	3.27	0.37	0.04	-	0.41	2.87	2.91
Buildings	1,607.65	7.35	-	1,615.01	412.46	49.90	-	462.37	1,152.64	1,195.19
Tube Well	21.75	0.91	-	22.66	13.12	2.29	-	15.40	7.26	8.63
Plant & Machinery *	8,448.20	198.23	-	8,646.43	3,404.14	304.28	-	3,708.42	4,938.01	5,044.06
Boiler	170.70	-	-	170.70	83.15	8.93	-	92.08	78.62	87.55
Pollution Control Equipment	75.25	0.00	-	75.25	53.22	5.68	-	58.90	16.35	22.03
Laboratory	105.12	4.93	-	110.05	66.61	10.60	-	77.21	32.84	38.51
Miscellaneous Fixed Assets	1,422.95	77.09	-	1,500.04	628.80	67.25	-	696.05	804.00	794.16
Furniture & Fixture	99.66	1.05	-	100.71	63.42	8.30	-	71.72	29.00	36.24
Motor Vehicles	109.76	2.66	0.73	111.69	60.04	8.25	0.06	68.22	43.47	49.72
Computer	44.01	0.56	-	44.57	38.95	2.29	-	41.25	3.32	5.06
GRAND TOTAL	**13,062.24**	**294.82**	**0.73**	**13,356.33**	**4,824.27**	**467.81**	**0.06**	**5,292.02**	**8,064.31**	**8,237.97**
Previous Year	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

*includes addition on account of foreign exchange fluctuation on ECB amounting to Rs. 2.14 Millions (Previous Year deletion of Rs. 17.85 Millions)

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.3 "INTANGIBLE ASSETS"		
Opening Gross Block	**1,147.13**	**1,089.68**
Additions during the year	60.09	86.22
Deletions during the year	-	28.77
Closing Gross Block	**1,207.22**	**1,147.13**
Opening Accumlated amortization	**572.70**	**409.74**
Amortization during the year	175.28	162.96
Closing Accumlated amortization	**747.98**	**572.70**
Net Intangible Assets	**459.24**	**574.43**
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
50,000 Equity Shares of RS. 10/- each, fully paid up in Nimbua Greenfield (Punjab) Ltd.	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
Total - "A"	**2.70**	**2.70**
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
4,700 Equity Shares of Rs. 5/- each, Fully Paid Up In Parsvanath Developers Ltd.	1.31	1.31
SBI PSU Fund	1.00	1.00
PRINCIPAL BALANCED FUND	1.00	-
3,000 Bonds of IFCI @ Rs. 1,000/- Each	3.00	3.00
UNQUOTED		
2,500 Equity Shares of Rs. 10/- each, Fully Paid Up In Saraswat Co-operative Bank Ltd.	0.03	0.03
Total "B"	**6.34**	**5.34**
Provision for Loss on Investment **"C"**	1.24	1.25
Net Current Investments "D" ("B" - "C")	**5.10**	**4.08**
Total Investment "A" + "D"	**7.80**	**6.78**

Market value of Quoted Investment Rs. 5.15 Millions (Previous Year Rs. 4.87 Millions)

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.5 "TRADE RECEIVABLES"		
Unsecured consits of following		
Non Current		
Considered Good	36.81	30.08
Considered Doubtful	93.20	89.56
	130.01	119.65
Less: Provision For Doubtful Debts	93.20	89.56
	36.81	**30.08**
Current		
Considered Good	6,119.70	4,997.30
Considered Doubtful	-	
	6,119.70	4,997.30
Less: Provision For Doubtful Debts	-	-
	6,119.70	**4,997.30**
	6,156.51	**5,027.39**
NOTE - 2.6 "OTHER FINANCIAL ASSETS"		
Non Current		
Balances Recoverable from Revenue Authorities	61.13	43.10
Insurance Claim Receivable :		
Considered Good	-	-
Considered Doubtful	21.15	21.15
	82.28	64.25
Less: Provision for Doubtful Insurance Claim	21.15	21.15
Total - "A"	**61.13**	**43.10**
Current		
Export and Other Incentives Accrued	390.73	310.45
Balances with Revenue Authorities	661.09	174.60
Other Recoverables	6.18	3.81
Insurance Claim Receivable :		
Considered Good	64.32	155.54
Considered Doubtful	-	-
	1,122.31	644.40
Less: Provision for Doubtful Insurance Claim	-	-
Total - "B"	**1,122.31**	**644.40**
Total Other Financial Assets ("A" + "B")	**1,183.44**	**687.50**
NOTE - 2.7 "OTHER NON-CURRENT ASSETS"		
Security Deposits	21.32	16.27
MAT Credit Entitlement	983.76	922.69
Others	5.00	2.16
	1,010.08	**941.12**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.8 "INVENTORY"		
(As Certified by The Management)		
Raw Material	947.49	1,211.33
Work In Progress	6,970.22	6,915.57
Finished Goods	434.23	166.69
Stock in Trade	42.91	66.01
Other Miscellaneous Stocks	199.50	186.92
	8,594.35	**8,546.53**
NOTE - 2.9 "CASH & CASH EQUIVALENTS"		
Balance with Banks	77.70	41.25
Fixed Deposits	2.61	86.77
Balances in Dividend Accounts	0.39	0.36
Cash In Hand (Incl Staff Imprest)	12.42	3.43
	93.11	**131.81**
NOTE - 2.10 "LOANS"		
Loans & Advances to Staff	3.79	3.17
	3.79	**3.17**
NOTE - 2.11 "OTHER CURRENT ASSETS"		
Advances other than capital advances		
Payment to vendors for supply of goods	580.73	562.29
Others	86.99	68.98
	667.72	**631.27**
NOTE - 2.12 "SHARE CAPITAL"		
Authorised Share Capital		
35,00,00,000 Equity Shares Of Re. 1/- Each.	350.00	350.00
Issued, Subscribed & Paid up Capital		
22,42,60,970 Equity Shares Of Re. 1/- Each Fully Paid up	224.26	224.26
(Also Refer Note 2.28)	**224.26**	**224.26**

NOTE - 2.13 "OTHER EQUITY"

Statement of Change in Equity FY 17-18

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of April 1, 2017	**224.26**	**3,287.98**	**141.02**	**6,413.50**	**10,066.76**
Changes in equity for the year ended March 31, 2018					
Add: - Profit for the period	-	-	-	533.37	533.37
Less: - Corporation tax of USA paid	-	-	-	0.03	0.03
Less: - Final Dividend & Tax on Dividend	-	-	-	13.50	13.50
Balance as of March 31, 2018	**224.26**	**3,287.98**	**141.02**	**6,933.33**	**10,586.60**

Statement of Change in Equity FY 16-17

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders
		Security Premium	General Reserves	Retained Earnings	
Balance as of 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					
Add: - Profit for the period	-	-	-	552.94	552.94
Less: - Final Dividend & Tax on Dividend	-	-	-	26.99	26.99
Balance as of March 31, 2017	**224.26**	**3,287.98**	**141.02**	**6,413.50**	**10,066.76**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.14 "BORROWINGS"		
Non Current		
Secured		
Term Loans		
From Banks	2,182.09	1,612.00
Unsecured		
Vehicle Loans		
From Banks	17.39	21.75
From Others	1.28	4.25
(Also Refer Note 2.30)	**2,200.76**	**1,638.00**
Current		
Secured		
Working Capital Limits		
From Banks	6,041.51	5,800.97
Unsecured		
From Banks	299.32	502.44
	6,340.83	**6,303.41**
Total Borrowings	**8,541.59**	**7,941.40**
NOTE - 2.15 "OTHER FINANCIAL LIABILITIES"		
Non Current		
Security from Customers	1.85	2.05
Other Capital Advances	173.79	185.77
	175.65	**187.82**
Current		
Current Maturities of Long Term Debts	1,000.65	831.41
Current Maturities of Other Loans	8.30	8.23
Interest Accrued but not due on Borrowings	33.62	34.40
Unpaid Dividends	0.39	0.36
Accrued Compensation to Employees	52.20	58.36
Statutory dues payable	12.26	42.91
Accrued Expenses	15.95	27.41
	1,123.37	**1,003.08**
Total Other Financial Liabilities	**1,123.37**	**1,003.08**

(Rs. in Millions)

Particulars	As At March 31, 2018	As At March 31, 2017
NOTE - 2.16 "OTHER NON CURRENT LIABILITIES"		
Non Current		
Deferred Income	8.96	9.21
	8.96	**9.21**
NOTE - 2.17 "Provisions"		
Non Current		
Provision for Employees Retirement Benefits	90.69	84.92
	90.69	**84.92**
Current		
Provision for Excise Duty On Finished Goods	-	6.00
Provision for Employee Retirement Benefits	4.88	6.29
	4.88	**12.28**
Total Provisions	**95.57**	**97.21**
NOTE - 2.18 "DEFERRED TAX LIABILITY"		
Deferred Tax Liabilities arising on account of:		
Depreciation	3,313.76	3,188.39
Total - "A"	**3,313.76**	**3,188.39**
Deferred Tax Assets arising on account of:		
Employees Retirement Benefits	95.57	91.21
Other Expenses & Provisions	113.56	110.71
Total - "B"	**209.13**	**201.92**
Deferred Liability ("A" - "B")	**3,104.63**	**2,986.47**
Tax Impact	**1,074.45**	**1,033.56**
Deferred Tax Liablity	**1,074.45**	**1,033.56**
Impact of Other Comprehensive Income	8.94	3.13
Impact of Foreign Exchange Translation Reserve	(1.05)	(0.88)
Net Deferred Tax Liablity	**1,082.34**	**1,035.81**
NOTE - 2.19 "TRADE PAYABLES"		
Due to Micro ,Small & Medium Enterprises	29.67	16.33
Due to Others	5,364.57	5,264.65
	5,394.24	**5,280.98**
NOTE - 2.20 "Other Current Liabilities"		
Advances From Customers	110.66	65.73
	110.66	**65.73**

(Rs. in Millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE - 2.21 "REVENUE FROM OPERATIONS"		
Sale of Manufatured Products		
Export	9,518.55	7,638.96
Domestic	11,191.73	9,614.14
Trading Sale		
Export	4.09	9.42
Domestic	216.07	177.36
	20,930.44	**17,439.89**
NOTE - 2.22 "OTHER INCOME"		
Operating Income		
Other Operating Income	4.32	2.67
Deferred Income - Govt. Grants	0.25	0.25
Other Income		
Interest On Fixed Deposits	2.18	5.99
Interest Others	50.04	61.91
Dividend From Investments	0.00	0.00
Profit on Sale / Restatement of Fixed Assets	-	11.98
Compensation on Sale of Land	3.62	143.77
Profit on Sale/ Restatement of Investment	0.01	0.15
	60.41	**226.72**
NOTE - 2.23 "RAW MATERIAL CONSUMED"		
Opening Stock	1,211.33	945.29
Add:- Purchase of Raw Material	13,552.62	11,599.53
	14,763.95	12,544.82
Less :- Closing Stock	947.49	1,211.33
	13,816.46	**11,333.49**
NOTE - 2.24 "(Increase)/ Decrease in Inventories of Finished Goods, Stocks in Process & Stock in Trade"		
Inventory (At Close)		
Finished Goods	434.23	166.69
Stock in Process	6,970.22	6,915.57
Stock in Trade	42.91	66.01
	7,447.36	7,148.28
Inventory (At Commencement)		
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
	(299.09)	**84.59**

(Rs. in Millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
NOTE - 2.25 "EMPLOYEE BENEFIT EXPENSES"		
Salaries & Wages	608.44	633.53
Remuneration To Directors	37.54	36.94
Contribution to Provident and Other Funds	34.98	32.46
Staff Welfare	103.10	89.43
	784.05	**792.36**
NOTE - 2.26 "FINANCIAL EXPENSES"		
Interest Expenses	883.67	939.61
Other Borrowing Costs & Foreign Exchange Fluctuation(Net)	268.36	234.52
	1,152.02	**1,174.13**
NOTE - 2.27 "OTHER EXPENSES"		
Manufacturing Expenses		
Consumable Stores	143.88	139.45
Power, Fuel & Steam Expenses	916.28	751.62
Chemical Testing Expenses	19.26	22.44
Packing Expenses	203.97	196.58
Repairs & Maintenance		
Electricals	14.27	8.92
Machinery	131.64	145.32
Building	11.06	11.32
Total - "A"	**1,440.36**	**1,275.67**
Administrative Expenses		
Travelling & Conveyance	32.38	34.95
Advertisement & Subscription	0.65	0.68
Books & Periodicals	0.13	0.08
Business Promotion	3.62	9.53
Insurance	24.95	22.70
Electricity Expenses (Office)	2.26	2.79
Postage, Telephone, Telegram	11.23	11.73
Printing & Stationery	9.51	15.85
Professional Fees	44.94	32.66
Rate,Fees & Taxes	43.19	21.00
Vehicle Running & Maintenance	4.96	9.13
Rent	13.92	13.80
Audit Fees	2.50	2.50
Office Expenses	5.28	5.76
Diwali & Pooja Expenses	4.44	2.52
Donation	15.22	13.90
Directors' Sitting Fees	0.18	0.21
Loss on Sale of Fixed Assets	0.19	-
Total - "B"	**219.53**	**199.79**
Selling & Distribution Expenses		
Discount & Samples	21.92	84.99
Freight & Cartage Outward	160.96	166.76
Sales Commission	100.02	128.03
Provision for Doubtful Debts/ Insurance claim	4.08	2.24
Total - "C"	**286.98**	**382.02**
Grand Total ("A" + "B" + "C")	**1,946.87**	**1,857.47**

2.28 DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Mr. Sanjiv Goyal	55555600	24.77	55555600	24.77
NSR Direct PE Mauritius, LLC	26000000	11.59	26000000	11.59
Depository of GDRs	46000000	20.51	46000000	20.51
Sanjiv (HUF)	43379400	19.34	43379400	19.34

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, 2018	As at 31st March, 2017
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

2.29 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 Goyal and Sh. Aryan Goyal.

Repayment Schedule of Term Loans:

Year of Repayment	Amount (Rs. in Millions)
1–2	704.09
2–5	1060.28
>5	417.72

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	6.94
2–5	11.72
>5	0.01

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.

2.30 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.

2.31 CURRENT LIABILITIES

I. The principal amount remaining unpaid as at 31st March 2018 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" are Rs.29.67 millions (Previous year Rs.16.33 millions). The principal amount that remained unpaid as at 31st March 2017 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.0.34 millions (Previous year Rs.0.36 millions) which relates to unclaimed dividend and share application money refundable. During the year, no amount was required to be deposited relating to unclaimed dividend and share application money refundable to the Investor Education and Protection Fund (Previous year Rs.0.07 millions).

2.32 CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in millions)

S.No.	Particulars	31.03.2018	31.03.2017
a)	**Contingent Liabilities**		
i)	Claims not acknowledged as debts:- *		
	- Income Tax matters**	5.97	6.78
	- Excise matters***	430.20#	430.20#
	- Service Tax matters****	7.48#	7.33#
ii)	Bank Guarantees	13.11	17.90
iii)	Bills Discounted	47.91	30.31
iv)	Letter of Credit (Foreign / Inland)	222.42	266.91
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)	31.31	12.65

* 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.3.01 millions

*** Amount deposited under protest Rs.47.92 millions

**** Amount deposited under protest Rs.0.77 millions

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

2.33 PAYMENT TO AUDITORS

(Rs. in Millions)

Particulars	2017-18	2016-17
Statutory Audit and Limited Review Fees	2.10	2.10
Tax Audit Fee	0.40	0.40
GST/Service Tax	0.45	0.38

2.34 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.40.89 millions (Previous Year Rs.109.88 millions) 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.

2.35 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.13.92 millions (Previous Year Rs.13.80 millions).

2.36 INTANGIBLE ASSETS

During the year, the Group incurred an amount of Rs. 60.09 million (Previous Year Rs.86.22 millions) 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 straight line basis over a period of seven years.

2.37 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 2017	59.01	32.19
Acquisition adjustment	-	-
Interest Cost	4.72	2.58
Past Service Cost	-	-
Current Service Cost	9.70	12.84
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits paid	(4.50)	(4.24)
Actuarial (gain)/loss on obligations	(6.61)	(10.16)
Present Value of obligations as at 31st March 2018	62.32	33.21

Changes in the Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2017	-	-
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 2018	-	-

Fair Value of Plan Assets

(Rs. in millions)

	Gratuity	Earned leave
Fair Value of Plan Assets as at 1st April 2017	-	-
Acquisition Adjustments	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets as at 31st March 2018	-	-
Funded Status	(62.32)	(33.21)

Actuarial Gain/Loss Recognized

(Rs. in millions)

	Gratuity	Earned leave
Actuarial gain/(loss) for the year – Obligation	6.61	10.16
Actuarial gain/(loss) for the year – Plan Assets	-	-
Total gain/(loss) for the year	6.61	10.16
Actuarial (gain)/ loss recognized in the year	(6.61)	(10.16)
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 2018	62.32	33.21
Fair value of plan assets as at 31st March 2018	-	-
Funded Status	(62.32)	(33.21)
Unrecognized actuarial (gains)/losses	-	-
Net asset/(liability) recognised in the balance sheet	(62.32)	(33.21)

Expenses recognized in the Statement of Profit & Loss

(Rs. in millions)

	Gratuity	Earned leave
Current service cost	9.70	12.84
Past service cost	-	-
Interest cost	4.72	2.58
Expected return on plan assets	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Net actuarial (gain)/loss recognized in the period	(6.61)	(10.16)
Expenses recognized in the Statement of Profit & Loss	7.81	5.26

Valuation Assumptions

Discount Rate	8%
Estimated rate of increase in compensation levels7%	

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.

2.38 TAX EXPENSE COMPRISES OF:

(Rs. In millions)

	2017-18	2016-17
- Current Tax	124.28	126.86
- Deferred Tax	40.89	109.88
- MAT Credit Entitlement	(61.06)	(115.95)
	104.11	120.79

2.39 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	31.03.2018	31.03.2017
(a)	India	11407.80	9791.51
(b)	Outside India	9522.64	7648.38
	Total Sales (inclusive of GST)	**20930.44**	**17439.89**

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

2.40 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, Chairman & Managing Director

Sh. Dinesh Dua, CEO &Whole time Director

Sh. Harprakash Singh Gill, President

Sh. Sandeep Goel, Chief Financial Officer

Sh. Sunder Lal, Company Secretary (upto 26.06.2017)

Sh. Sukhwinder Singh, Company Secretary (w.e.f. 01.07.2017, upto 08.11.2017)

Ms. Ankita Jain, Company Secretary (w.e.f. 11.11.2017, onwards)

iv) Relatives of the Key Management Personnel**

Sh. Aryan Goyal

Sh. Saurabh Goyal

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

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

Surya Narrow Fabrics

Nectar Lifestyles Private Limited

Nectar Organics Private Limited

Nectar Lifesciences Charitable Foundation

Nectar Biopharma Private Limited

* 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	31.03.2018	31.03.2017
i.	Director Remuneration & Perquisites*	37.62	37.02
ii.	Salary & Perquisites*	20.08	20.49

***Includes Taxable value of 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	31.03.2018	31.03.2017
i.	Rent	0.72	0.96
ii	Donation Paid	1.65	1.46
iii	Net Sales (inclusive of applicable indirect taxes)	205.09	110.42
iv	Net Purchases (inclusive of applicable indirect taxes)	12.50	4.29
v	Balance due at the year end (net receivable)	65.14	38.69

2.41 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.

2.42 EARNINGS PER SHARE (EPS)

PARTICULARS	UNIT	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Profit After Tax, before OCI	Rs. in millions	522.72	553.38
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.	2.33	2.47
- Diluted	Rs.	2.33	2.47

2.43 Other Borrowing Costs includes gain on account of foreign exchange fluctuation (net) amounting to Rs.46.55 millions (Previous Year net loss of Rs.115.08 millions).

2.44 Fixed Deposits with Banks include an amount of Rs.2.61 millions (Previous Year Rs.86.77 millions) on account of FDRs held as Margin Money.

2.45 DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIAL AND STORES & SPARES CONSUMED

a) RAW MATERIAL CONSUMED (Rs. in millions)

S. No.	Particulars	2017-2018		2016-2017	
		Amount	(%age)	Amount	(%age)
1.	Imported	6641.63	48.07	6460.87	57.01
2.	Indigenous	7174.83	51.93	4872.55	42.99

c) STORES & SPARES CONSUMED (Rs. in millions)

S. No.	Particulars	2017-2018		2016-2017	
		Amount	(%age)	Amount	(%age)
1.	Imported	0.17	0.12	0.10	0.07
2.	Indigenous	143.71	99.88	139.35	99.93

2.46 OTHER INFORMATION

(Rs. in millions)

S. No.	Particulars	2017-2018	2016-2017
(a)	**CIF Value of Imports**		
1.	Raw Material	6293.56	6283.30
2.	Traded Goods	61.43	66.98
3.	Capital Goods, Stores & Spares etc.	11.68	21.59
(b)	**Expenditure in Foreign Currency**		
1.	Travelling Expenses	8.79	11.27
2.	Export Commission	82.09	110.78
3.	Other Expenses	15.08	55.84
(c)	**Remittances in Foreign Currency**		
1.	Raw Material	6367.47	6005.56
2.	Traded Goods	59.90	67.23
2.	Capital Goods and Stores& Spares	28.09	19.31
(d)	**Expenditure in Foreign Currency on account of dividend**		
	Particulars	**2017-2018**	**2016-2017**
1.	Number of Non Resident Shareholders	2	2
2.	Number of Equity Shares held by them	72000000	72000000
3.	(i) Amount of Dividend Paid	3.6	7.2
	(ii) Year to which dividend relates	2016-17	2015-16
(e)	**Earning in Foreign Currency**		
	Particulars	**2017-2018**	**2016-2017**
	FOB Value of Exports	9480.47	7546.16

2.47 Corporate Social Responsibility Expenses

Donation includes an amount of Rs.14.06 million (Previous Year Rs. 13.53 million) incurred by the Company on Corporate Social Responsibility (CSR) activities during the year, in addition to Rs. 6.74 million(Previous Year Rs. 8.81 million) capital expenditure incurred on power plant which is also eligible for CSR activities. In totality the Company incurred Rs. 20.80 million (Previous Year Rs. 22.34 million) on CSR activities against the requirement of Rs. 13.67 million (Previous Year Rs. 15.44 million).

2.48 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 Ashwani K. Gupta & Associates
Chartered Accountants
Firm Regn. No. 003803N

Ashwani K. Gupta
Partner
M. No. 082808

Ankita Jain
Company Secretary

Place : Chandigarh
Dated : 28.05.2018

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.	31st Dec 2017
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 80.6222 for 1 GBP	US$ and Exchange rate is INR 65.0441 for 1 US$
5.	Share capital	75	3,301,942
6.	Reserves & surplus	-	(736,745)
7.	**Total assets**	**75**	**7,146,512**
8.	Total Liabilities	-	4,581,315
9.	Investments	-	-
10.	Turnover	-	20,597,464
11.	Profit/ (Loss) before taxation	-	1,168,861
12.	Provision for taxation	-	-
13.	Profit after taxation	-	1,168,861
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. 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

Ankita Jain
Company Secretary

For Ashwani K. Gupta & Associates
CHARTERED ACCOUNTANTS
Firm Regn. No. 003803N

Ashwani K. Gupta
Partner
M. No. 082808

Place : Chandigarh
Dated : 28.05.2018

Notes

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, 2018 At 10.00 a.m. at registered office and works of the company at Village Saidpura, Tehsil Derabassi, Distt. S.A.S. Nagar (Mohali) (Punjab) and at any adjournment thereof in respect of all or such resolutions as are indicated below:

Resolution Nos.

1.

2.

3.

4.

5.

6.

7.

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 23rd 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 Sethi	:	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
Ms. Ankita Jain

Auditors
M/s Ashwani K. Gupta & Associates
Chartered Accountants
H. No. 1044-A, Sector-2, Panchkula

Bankers
1. Punjab National Bank, Chandigarh
2. State Bank of India, Chandigarh
3. Saraswat Bank, Delhi
4. EXIM Bank, Mumbai
5. Axis Bank, Mumbai
6. UCO Bank, Panchkula
7. Jammu and Kashmir Bank Limited, Chandigarh
8. IFCI Ltd, Chandigarh
9. 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

2017
2018

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Nectar Lifesciences Ltd.
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