



ANNUAL REPORT 2017-2018



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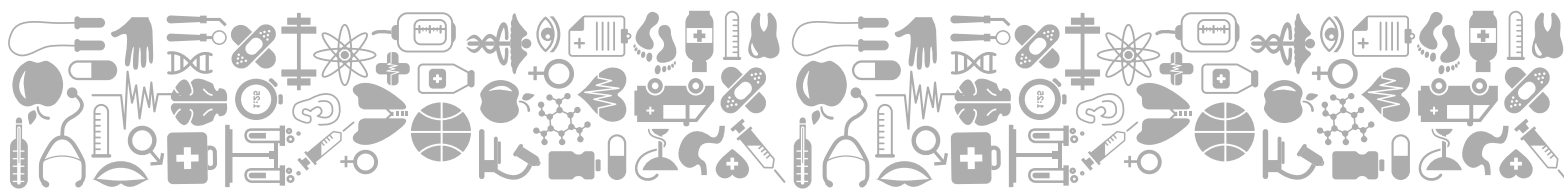
In this annual report, we have disclosed forward-looking information to help investors comprehend our prospects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the managements's plans and assumptions.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

Contents

Notice	01
Report on Corporate Governance	15
Profit & Loss Account	47
Notes	51

Directors' Report	07
Auditors' Report	42
Cash Flow Statement	48
Consolidated Financial Statements	64

Management Discussion and Analysis	11
Balance Sheet	46
Accounting Policies	49
Statement of Subsidiary Companies	85



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 Wholtime 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:

- 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.

- 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.
- 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:
 - 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.
 - 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.
- 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

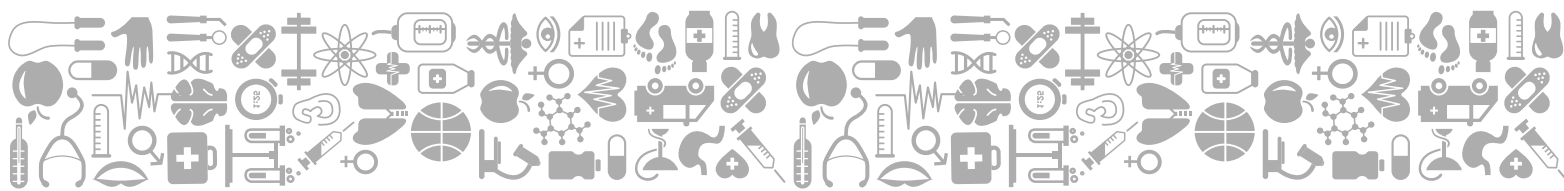
notify the same to the Registrar and Share Transfer Agent of the Company.

- 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.

- 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 dematerialised form with a depository after December 05, 2018.
- 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.
- 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.
- 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.
- 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.
- 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.

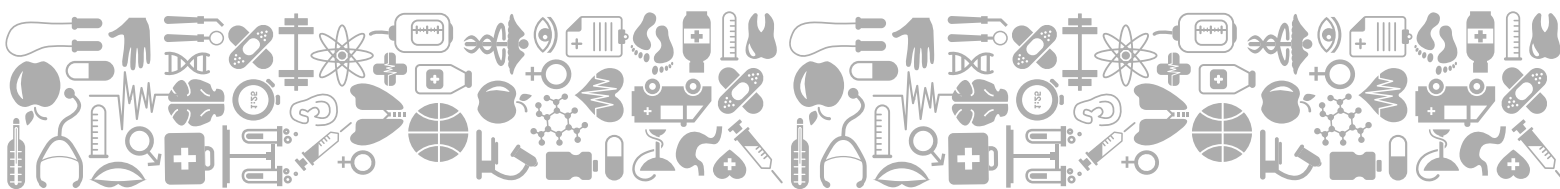
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

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 along with 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:

- Nectar Organics Private Limited
- Nectar Lifestyles Private Limited
- 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

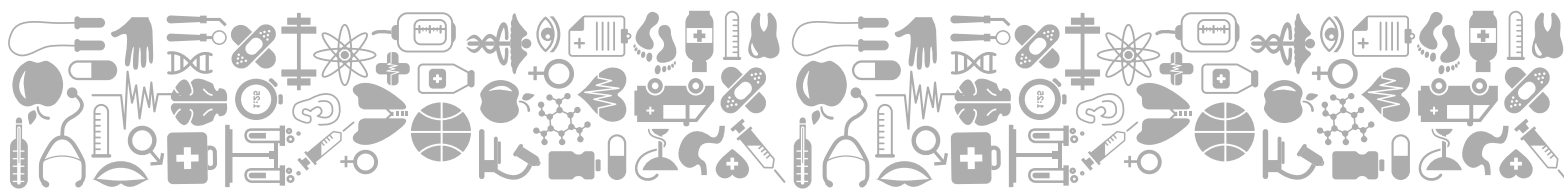
He does not hold committee membership in any other company. The details of number of Board and committee meetings attended by him are given in Corporate Governance Report. The details of remuneration drawn have been provided in the Corporate Governance Report and Extract of Annual Return as per Form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

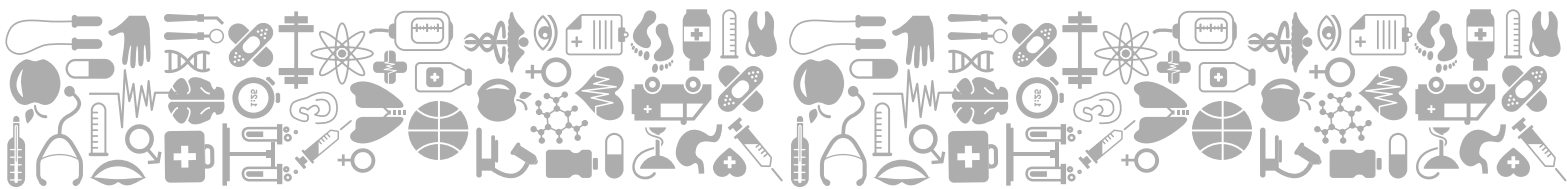
Based on recommendation of Nomination and Remuneration Committee and pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and LODR Regulations, the Board of Directors in their meeting held on August 07, 2018 have appointed Mr. Vijay J. 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 part of this report.

Corporate Governance

The Company aimed to conduct its affairs in an ethical manner. A separate Report on Corporate Governance is given as Annexure 2 and forms part of this report. A certificate from the Company's

Auditors regarding the Compliance of Conditions of Corporate Governance as stipulated under LODR Regulations is given in Annexure 3.

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
Siège social, 11, av de la Porte-Neuve,
Telephone: (352) 47 79 36 – 1, Fax: (352) 47 32 98

Subsidiary companies

The company has a wholly owned subsidiaries namely Nectar Lifesciences UK Limited, incorporated in United Kingdom and Nectar Lifesciences US, LLC in United States. There are negligible investments in Nectar Lifesciences UK Limited and no business activity has been carried out in it in financial year 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.

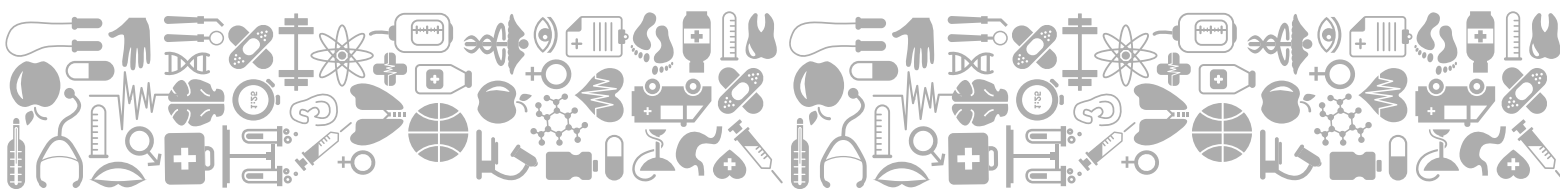
None of the subsidiaries is material as per Policy for determining Material Subsidiaries of the Company and LODR Regulations.

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