

ANNUAL REPORT 2018-2019



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 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	16
Profit & Loss Account	45
Notes	49

Directors' Report	07
Auditors' Report	40
Cash Flow Statement	46
Consolidated Financial Statements	62

Management Discussion and Analysis	11
Balance Sheet	44
Accounting Policies	47
Statement of Subsidiary Companies	84

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 24th 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 Saturday, September 28, 2019 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, 2019 and the Reports of the Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company for the year ended March 31, 2019 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, 2019.
3. To appoint a Director in place of Dr. Dinesh Dua (DIN – 02436706), 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, 2020, 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 an **Ordinary** 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, Dr. Rupinder Tewari (DIN 07009485), 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 February 11, 2024, and shall not be liable to retire by rotation.

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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the rules made 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, 2019 on the terms and conditions including remuneration as are set out herein below:

- a. **Salary:** Rs. 738,462.00 (Rupees Seven Lacs Thirty Eight Thousand Four Hundred and Sixty Two 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.”

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, Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (DIN 02954776), who was appointed as an Independent Director of the Company by the Members and whose first term of office expires on September 29, 2019 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 and who has attained the age of 75 years, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five years i.e. upto September 29, 2024, and shall not be liable to retire by rotation."

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."

8. 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. Ajay Swaroop (DIN – 02291700), who was appointed as an Independent Director of the Company by the Members and whose first term of office expires on September 29, 2019 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 re-appointed as an Independent Director of the Company to hold office for a second term of five years i.e. upto September 29, 2024, and shall not be liable to retire by rotation."

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."

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

Date : 14.08.2019
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, 2019 to September 28, 2019 (Both days inclusive) in accordance with the provisions of the Act 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, 2019.
 - (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, 2019.
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 8, 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.
7. Electronic copy of the Annual Report for 2018-19 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 2018-19 is being sent in the permitted mode.

8. Members may also note that the Notice of the 24th AGM and the Annual Report for 2018-19 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 2011-12 remaining unclaimed shall become due for transfer on November 5, 2019 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 Fintech Private Limited ("Karvy") immediately claiming dividends declared by the Company. Any member, who has not claimed dividend in respect of the financial year ended 2011-12 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 Dividend upto 2010-11) 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 24th AGM by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by Karvy Fintech Private Limited ("Karvy"). The Members, whose names appear in the Register of Members / list of Beneficial Owners on the close of the day on Saturday, September 21, 2019 (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.

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 Wednesday, September 25, 2019

End of remote e-voting: TO 5.00 p.m. on Friday, September 27, 2019.

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.

16. KPRISM- Mobile service application by Karvy:

Members are requested to note that, Registrar and Share Transfer Agent, Karvy has launched a new mobile application - KPRISM and website <https://kprism.karvy.com> for online service to shareholders.

Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view serviced by Karvy, Dividends status etc. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store. Alternatively visit the link <https://kprism.karvy.com/app/> to download the mobile application.

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, 2020 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, 2020. The Board recommends the Ordinary Resolution set out at Item no. 4 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

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 February 11, 2019 have appointed Dr. Rupinder Tewari (DIN 07009485) 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 Dr. Rupinder Tewari as an Independent Director at this Annual General Meeting of the Company for term of 5 years with effect from February 11, 2019, whose period of office shall not be liable to determination by retirement of directors by rotation.

Dr. Rupinder Tewari, aged 63 years, is a Professor and Coordinator in centre of Microbial Biotechnology, Panjab University, Chandigarh. A qualified B.Sc (Hons. School), M.Sc (Hons. School), Ph.D (Microbiology), Panjab University, Chandigarh (PU), Ph.D. (Microbiology) University of London, London, U.K. and Post Doctoral Fellow, Oakland University, Rochester, MI, USA (1986-87), Washington University, St. Louis, MO, USA (1987-90). He enjoys the experience of more than 40 years. Total research publications are 100, he has written 5 books on Microbiology and Biotechnology. He has also filed a patent (Rapid detection of typhoid).

He was senate member of PU from 2008 to 2016 and Dean (Faculty of Science) from 2012 to 2014. He is Founder & Chief-Coordinator, 'DST-Centre for Policy Research', PU, Chd. (2014-till date). He was also a Founder & Chief-Coordinator, BIRAC (Gol) sponsored 'Centre for Innovation Cluster in Biotechnology (CIC-B)' in PU, Chd. (2014-16). He also designed "Biotechnology Policy-2004" for U.T. (Chandigarh). He has expertise in Microbiology and Biotechnology.

He does not have any relationship with any other director of the company. He does not hold any equity share in the company. He is not director in any other company as on date.

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, 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, Dr. Tewari 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 25, 2019, evaluated the performance of all the Independent Directors including Dr. Tewari and concluded that his performance was satisfactory.

Dr. Tewari 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.

Dr. Tewari has vast experience in research and will contribute immensely to the Board deliberations and the Company will be benefitted out of his vast experience in various fields of academics and research. The Board recommends the Ordinary Resolution set out in Item No. 5 of the accompanying Notice for approval by the Members.

Except Dr. Rupinder Tewari, 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. 3 and 6

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

Dr. Dinesh Dua (DIN – 02436706), Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment as proposed in item no. 3. His term of office shall be liable to retire by rotation.

The Board of Directors vide resolution dated August 7, 2018 have re-appointed Dr. Dinesh Dua as a Director as well as Wholtime Director designated as Chief Executive Officer for a period of one year from October 14, 2018. As a result, his tenure, as a Wholtime Director, will expire on October 13, 2019. Therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 14, 2019, have decided to re-appoint Dr. Dinesh Dua as Wholtime Director designated as Chief Executive Officer & Director of the Company for a period of One year with effect from October 14, 2019 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, based on is revised remuneration with effect from September 1, 2018 and as approved by Nomination and Remuneration Committee and Board of Directors in their meeting held on August 14, 2019 pursuant to authority granted as per special resolution passed by members in their AGM held on September 28, 2019.

The appointment can be terminated by Dr. 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 64 years is MBA from IIM, Ahmedabad from 1979 batch. He has the experience of 39 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, 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. 6 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. 7

The first term of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (DIN 02954776), Independent Director will expire on September 29, 2019. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors has proposed to re-appoint him as Independent Director for 2nd term for a period of 5 years. Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and LODR Regulations, approval of the members by way of a special resolution is required for reappointment of Independent Director for a second term and being he has also attained the age of 75 years. The Board recommends the special resolution for re-appointing him for a second term for a period upto September 29, 2024.

Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM, aged 81 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, 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 a 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. 7 of the accompanying Notice for approval by the Members.

Except Dr. (Maj. Gen.) Shamsheer 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. 8

The first term of Mr. Ajay Swaroop (DIN – 02291700), Independent Director will expire on September 29, 2019. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors has proposed to re-appoint him as Independent Director for 2nd term for a period of 5 years. Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and LODR Regulations, approval of the members by way of a special resolution is required for reappointment of Independent Director for a second term. The Board recommends the special resolution for re-appointing him for a second term for a period upto September 29, 2024.

Mr. Ajay Swaroop, aged 69 years, holds B.Com., M.A. (Economics) and C.A.I.I.B. degrees. He has retired as Chief General Manager of Chandigarh circle of State Bank of India comprising of Punjab, Haryana, Himachal, Jammu & Kashmir and Chandigarh (U.T.) after 37 years of long and varied service. At the time of retirement, he was

controlling Rs. 780,000 million of business, 1000 branches and 14000 employees.

He does not hold any equity share in the Company. 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, 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 a 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. Swaroop 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.

Mr. Swaroop 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. 8 of the accompanying Notice for approval by the Members.

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

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

Date : 14.08.2019
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 24th 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, 2019.

Financial results

	Rs. in Millions	
	31-Mar-19	31-Mar-18
Gross Sales (Including GST)	31149.23	20,923.19
Other Income	60.40	60.36
Profit before interest and depreciation	2699.43	2,420.77
Interest	1481.34	1,152.02
Depreciation & Amortization	632.57	643.09
Profit before tax	585.52	625.66
Tax expenses	112.20	104.12
Profit after tax	473.32	521.54
Other Comprehensive income (Net of Taxes)	0.26	10.97
Profit after tax available for Appropriations	473.58	532.51

The company's revenue during Financial Year ('FY') 2018-19 stood at Rs. 3115/- Crores against 2092/- Crores in the previous year recording a very strong growth of 49%. Finance cost increased by 29% in this financial year to Rs 148/- Crores. The Profit after Tax has decreased by 11% as compared to last year due to high input costs.

The financial results of the company for the quarter ended on June 30, 2019 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 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 forms part of this report. Any disclosure not given in this report but disclosed in Annexure 1, shall be deemed to be reported in 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 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. Any disclosure not given in this report but disclosed in Annexure 2, shall be deemed to be reported in this report.

Share capital

The paid up equity share capital as on March 31, 2019 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 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 wholly owned subsidiaries (WOS) namely Nectar Lifesciences UK Limited, incorporated in United Kingdom and Nectar Lifesciences US, LLC, incorporated 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 2018-19 and till date in financial year 2019-20. Therefore, nothing is to report on the performance and financial position of Nectar Lifesciences UK Limited.

Due to uncertainty of Brexit, the company left with no choice but to shift its European Union (EU) incorporation & market authorization (MA) from United Kingdom (UK) to EU. Therefore, the company has incorporated a WOS namely NECLIFE PT, UNIPRESSAL LDA in Portugal on July 11, 2019 to takeover MA from Nectar Lifesciences UK Limited, which will eventually be dissolved. However, this shift will not have any impact on the business of the company.

However, the Nectar Lifesciences US, LLC doing the business operations of trading of pharmaceutical products. The company gained the profit of US\$ 28439.60 during the year under review as compared to profit of US\$ 10387.20 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/ unaudited 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, 2019 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 March 31, 2019. 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, 2019, 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, 2019 to September 28, 2019 (Both days inclusive) for Annual General Meeting and payment of dividend, if declared, on equity shares.

The members may please refer to notes of Notice of AGM for information on shares/dividend transferred / proposed to be transferred to IEPF Authority.

The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review.

Directors and Key Managerial Persons

Dr. Dinesh Dua (DIN – 02436706), Director will retire by rotation in the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. Based on recommendation of Nomination and Remuneration Committee, the Board recommends his reappointment as a Director.

Dr. Dinesh Dua has been re-appointed as Wholtime Director designated as Chief Executive Officer & Director by the Board of Directors in their meeting held on August 14, 2019 w.e.f. October 14, 2019 for a period of One year. Based on recommendation of Nomination and Remuneration Committee, the Board recommends his reappointment as a Wholtime 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.

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 members in their Annual General Meeting held on September 28, 2018 appointed him as regular independent director for a period up to August 07, 2023 for a second term. He had resigned from the Board from December 01, 2018 due to preoccupations and some other works.

Pursuant to section 32 of Export Import Bank of India Act, 1981 and Facility Agreement, the Export and Import Bank of India had appointed Ms. Meena Verma (DIN - 05283168) as their nominee director on the Board of Directors of the company with effect from February 11, 2019.

Ms. Meena Verma, aged 48 years, is a Management graduate, specializing in Finance and Marketing from the University of Poona. She has been associated with Export-Import Bank of India since 2005. Ms. Verma has worked in the Treasury and Accounts Group, where she handled fund raising and treasury management, including derivatives. Prior to joining Exim Bank, she had worked in similar areas with the National Housing Bank. Currently she is incharge

of Lines of Credit, a flagship programme of the Bank. Her areas of interest include meeting people, reading and travel.

She does not have any relationship with any other director of the company. She does not hold any equity share in the company.

She has certified that she was not disqualified to become a Director under the Companies Act, 2013 and not debarred from holding the office of Director by virtue of any Securities & Exchange Board of India (SEBI) Order or any other such authority.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors on February 11, 2019, appointed Dr. Rupinder Tewari (DIN 07009485) 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 first term. The Board recommends the appointment of Dr. Rupinder Tewari as regular independent director for a period up to February 11, 2024.

Mr. Harparkash Singh Gill (DIN – 06414839), President (Operations) & Director has resigned from the Board of Directors of the company from February 28, 2019 to make to proportionate of Non Independent Directors viz a viz Independent Directors.

The first term of Dr. (Maj. Gen.) Shamsher Singh Chauhan, VSM (DIN 02954776) and Mr. Ajay Swaroop (DIN – 02291700), Independent Directors will expire on September 29, 2019. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors has proposed to re-appoint them as Independent Directors for 2nd term for a period of 5 years. Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Act and LODR Regulations, approval of the members by way of a special resolution is required for reappointment of Independent Directors for a second term. The Board recommends the special resolutions for re-appointing both of them for a second term for a period upto September 29, 2024.

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.

Your Directors do hereby confirm that in the opinion of the board, the independent directors fulfill the conditions specified in the Act and LODR Regulations and are independent of the management.

Pursuant to the provisions of Section 203 of the Act, the key managerial personnel of the Company as on March 31, 2019 were as under:

Mr. Sanjiv Goyal, Chairman & Managing Director

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

Mr. Sandeep Goel, Chief Financial Officer

Ms. Ankita Jain, Company Secretary

Number of meetings of the board

Seven (7) meetings of the board were held during the year. The details of Directors and meeting held during the financial year 2018-2019 are provided in Corporate Governance Report which forms part of this report.