

CODE OF CONDUCT AS PER THE PROVISIONS OF CLAUSE 49 FOR  
M/S NECTAR LIFESCIENCES LIMITED.

1. This code of Conduct may be known as “NecLife Code of Conduct”
2. This Code of Conduct has been made pursuant to Clause 49 of the Listing Agreement entered with Bombay Stock Exchange Limited and National Stock Exchange of India Limited as amended.
3. The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company.
4. These regulations shall come into force with effect from 1<sup>st</sup> January, 2006

5. **Definitions:**

For the purpose of this Code of Conduct:

- a. “Board of Directors or Board Members” means the Board of Directors of Nectar Lifesciences Limited;
- b. “Body Corporate” means a body corporate as defined in the Companies Act, ;
- c. “Company” means Nectar Lifesciences Limited having its registered office at Village Saidpura, Tehsil Derabassi, Dist. Patiala (Pb.);
- d. “Companies Act” means The Companies Act, 2013;
- e. “Compliance Officer” means - The Officer appointed by Board of Directors of the Company for the purpose of these Regulations from time to time and in absence thereof, the Company Secretary;
- f. “Part-time Director” mean Directors on the “Board of Directors” of the Company who are not in whole time employment of the Company.
- g. “Relative” shall have the same meaning as defined in the Companies Act, . (Refer Appendix-I)

- h. *“Senior Management Personnel” means - All employees comprising the Managerial level of the Company’s management and such other employees who may be so designated from time to time by the Managing Director for the purpose of this Code of Conduct and who may be able to have access to any ‘price sensitive information’ as defined in the Insider Trading Regulations;*
  - i. *“Whole-time Director” mean the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.*
  - j. *In this code words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.*
6. *This Code will be applicable to Board of Directors and Senior Management Personnel of the Company.*

## 7. **Key Requirements**

*The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the company and observe the following code of conduct:*

*All Board Members and Senior Management Personnel:*

- i. *Shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.*
- ii. *Shall not involve themselves in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending of such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to: (a) Board of Directors in case of Directors (whole-time & part-time) and (b) Compliance Officer in case of Senior Management Personnel who in turn forward the same to the Managing Director with his suggestions.*

- iii. Shall avoid conducting business with a relative or with Private Company in which the relative is a member or a public limited company in which a relative holds 2% or more shares or voting right or with a firm in which a relative is a partner.
- iv. Shall avoid having any personal financial interest in works or contract awarded by the Company.
- v. Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
- vi. Shall not hold any positions or jobs or engage in outside businesses or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interest of the Company.
- vii. Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman as the case may be.
- viii. Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.
- ix. Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable. Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.
- x. Shall not serve as a Director of any other Company or as a partner of a firm that competes with the Company. Whole Time Directors and Senior Management Personnel shall obtain approval of the Chairman prior to accepting such Directorship of any other Company or partnership of a firm.
- xi. Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management Personnel shall make timely disclosures of (i) trading in the shares of the Company, (ii) transactions having personal interest and (iii) related party transactions that are required to be made under laws, rules & regulations and Code for prevention of Insider Trading in the Securities of Nectar Lifesciences Limited.

- xii. Any information concerning the Company's business, its customers, suppliers, etc, which is not in the public domain and to which the Board Members and Senior Management Personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.
- xiii. Shall protect the Company's assets, labour and information and may not use these for personal use, unless authorized to do so.

#### **7A. Duties of Independent Directors**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **8. Enforcement of Code of Conduct**

- i. Each Board Member and Senior Management Personnel (including Company Secretary) shall be accountable for fully complying with this code.
- ii. Compliance Officer shall report breach of this code, if any, which comes to his notice from any employee to the: (a) Board in case of all Board members and (b) Managing Director in case of Senior Management Personnel.
- iii. All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.
- iv. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.
- v. Penalty for breach of this code by Senior Management Personnel shall be determined by the Managing Director. In case of breach of this code by the Whole-time Directors and/or Part-time Directors and/ or Compliance Officer and/or Company Secretary, the same shall be examined by the Board.
- vi Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

#### **9. Waiver and Amendments of the code**

- i. No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Managing Director in case of Senior Management Personnel.
- ii. The provisions of this code can be amended by the Board of Directors of the Company from time to time.

#### **10. Insertion of the code in website**

As required by clause 49 of the listing agreement this code and any amendments thereto shall be posted on the website of the Company.

#### **11. Affirmation of compliance of the code**

In terms of clause 49 of the listing agreement all Board members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. A proforma of Annual Compliance Report is annexed to this Code as Appendix-II. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company. The Compliance Officer shall forward his Annual Compliance Report to the Managing Director.

#### **12. Acknowledgement of receipt of the code**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code in the acknowledgement form annexed to this Code (Appendix-III) indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer. Upon revision of this code, the Board Members and Senior Management Personnel shall acknowledge and execute an understanding of the Code (Appendix-III) and an agreement to comply. New Directors will sign such a deed (Appendix-III) at the time when their directorship begins.

*Meaning of “relative” as per Companies Act, 2013*

*“relative”, with reference to any person, means any one who is related to another, if—*

- (i) they are members of a Hindu Undivided Family;*
- (ii) they are husband and wife; or*
- (iii) one person is related to the other if such other person is;*

*(a) Father:*

*Provided that the term “Father” includes step-father.*

*(b) Mother:*

*Provided that the term “Mother” includes the step-mother.*

*(c) Son:*

*Provided that the term “Son” includes the step-son.*

*(d) Son’s wife.*

*(e) Daughter.*

*(f) Daughter’s husband.*

*(g) Brother:*

*Provided that the term “Brother” includes the step-brother;*

*(h) Sister:*

*Provided that the term “Sister” includes the step-sister.*

**NecLife CODE OF CONDUCT  
ANNUAL COMPLIANCE REPORT\***

To  
Compliance Officer  
M/s Nectar Lifesciences Limited  
SCO 38-39, Sector 9-D,  
Chandigarh – 160 009.

I undersigned do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the **NecLife CODE OF CONDUCT** during the financial year ending 31st March 2014.

Signature:.....

Name:.....

Designation:.....

Date:.....

Place:.....

\* To be submitted by 30th April each year.

***NecLife CODE OF CONDUCT  
ACKNOWLEDGEMENT FORM***

To  
Compliance Officer  
M/s Nectar Lifesciences Limited  
SCO 38-39, Sector 9-D,  
Chandigarh - 160 009.

I ....., have received and read the ***NecLife CODE OF CONDUCT***. I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....