

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY

Claris Lifesciences Limited believes in adopting “best practices” followed in the area of Corporate Governance. The Company emphasis and aims in achieving highest standards in Corporate Governance by creating professional beliefs and values, timely disclosures, transparent accounting policies, responsibility and fairness in all its operations and business. Its endeavour is to maximize the long term value of the stakeholders of the Company and to protect the interests of its stakeholders.

Securities and Exchange Board of India regulates guidelines on the Corporate Governance for all listed companies. The Company is not only committed to follow the prescribed corporate practices embodies in various regulatory provisions but also the best Industry practices. The Company believes that good corporate governance practices flow from the culture and mindset of the top management and percolate down in the organisation.

2. BOARD OF DIRECTORS

The Board of Directors comprises of eight Directors as on March 31, 2015, out of which three are Executive Directors and five Non-Executive Directors including three Independent Directors and Chairman. The composition of the Board is in consonance with the provisions of the Companies Act, 2013 (the “Act”) and Clause 49 of the Listing Agreement entered into with the Stock Exchange.

Composition, Category & Designation of Directors

Name of the Directors	Category	Designation
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	Chairman
Mr. Arjun Handa	Promoter and Executive Director	Vice - Chairman & Managing Director
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	Director
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	Director
Mr. Chetan S. Majmudar	Executive Director	Whole Time Director
Mr. Chandrasingh S. Purohit	Executive Director	Whole Time Director & CFO
Mr. Anup P. Shah	Non-Executive and Independent Director	Director
Ms. Milina Bose	Additional Non-Executive and Non-Independent Director	Director

Notes :

1. In terms of Section 149(1) of the Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Ms. Milina Bose was appointed as an Additional Non-Executive and Non-Independent Woman Director on August 11, 2014 who holds office up to the date of ensuing Annual General Meeting of the Company.

- All the Independent Directors have, in terms of Section 149(7) of the Act given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49(II)(B) of the Listing Agreement. These declarations have been placed before the Board.

The details of number of other Directorships and Memberships / Chairmanships of Committees in various Companies held by the Directors are given as under:

Name of the Directors	Designation	Number of other Directorships and Committee Memberships/ Chairmanships			
		Other Directorships	Chairmanships	Committee Memberships	Committee Chairmanships
Mr. Surrinder Lal Kapur	Chairman, Non-Executive & Independent Director	4	-	3	2
Mr. Arjun Handa	Vice - Chairman & Managing Director	3	1	1	-
Mr. Aditya S. Handa	Non-Executive & Non-Independent Director	4	-	4	-
Mr. T. V. Ananthanarayana n	Non-Executive & Independent Director	-	-	-	-
Mr. Chetan S. Majmudar	Whole Time Director	3	-	-	-
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	1	-	-	-
Mr. Anup P. Shah	Non-Executive & Independent Director	5	-	2	2
Ms. Milina Bose	Additional Non-Executive & Non-Independent Director	2	-	-	-

Notes :

- The number of other Directorships and Committee Memberships/Chairmanships excludes Directorships/Committee Memberships and Chairmanships held in the Company, private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act. Further it includes only the Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.
- Ms. Milina Bose was appointed as an Additional Non-Executive and Non-Independent Woman Director on August 11, 2014.
- There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on March 31, 2015.
- All the Directors meet the criterion laid down in the Act and the Listing Agreement, vis-à-vis, independence, number of directorship in other companies, Memberships/ Chairmanships of committees

across all public companies in which he is a Director, serving as an independent director in not more than seven listed companies, serving as whole time directors in any listed company is serving as an independent director in not more than three listed companies. Necessary disclosures in this respect as on March 31, 2015 have been made by the Directors.

5. Except for Mr. Arjun Handa and Mr. Aditya S. Handa, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in term of definition of 'relative' as per the Act.

Board Procedure & Board Meetings

The annual calendar of meeting is agreed upon well in advance after consulting all the Directors. Board Meetings are held once in every quarter. In addition to this, Board Meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibilities effectively, are circulated in advance to the Directors. The Board is briefed on all the matters of the Company at its meeting.

Number of Board Meetings held and the dates on which they are held

There were seven meetings of the Board of Directors held during the financial year ended on March 31, 2015, i.e., on January 7, 2014, February 28, 2014, May 9, 2014, July 4, 2014, August 11, 2014, November 8, 2014 and February 12, 2015. The gap between the Board meetings was in compliance with the provisions contained in the Act and the Listing Agreement.

The details regarding the total Board Meeting held, attendance of each Director at the Board meetings and the last Annual General Meeting during the financial year ended on March 31, 2015 is given below:

Name of the Directors	Designation	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. Surrinder Lal Kapur	Chairman, Non-Executive and Independent Director	7	6	Yes
Mr. Arjun Handa	Vice - Chairman & Managing Director	7	7	Yes
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	7	5	Yes
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	7	7	No
Mr. Chetan S. Majmudar	Whole Time Director	7	5	Yes

Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	7	7	Yes
Mr. Anup P. Shah	Non-Executive and Independent Director	7	7	Yes
Ms. Millina Bose (Appointed w.e.f. August 11, 2014)	Additional Non-Executive and Non-Independent Director	3	3	Not Applicable

DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Mr. Aditya S. Handa – Non-Executive and Non-Independent Director

Mr. Aditya S. Handa holds Master of Business Administration degree from Babson college USA and holds a Bachelor of Commerce degree from the Gujarat University, Ahmedabad. He was appointed as a Director of the Company on June 13, 2006.

He is having rich experience in all areas of operations such as finance, human resource, manufacturing, marketing, etc.

He holds Directorships in the following Companies which excludes the Directorships in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act:

1. Abellon Cleanenergy Limited
2. Abellon Energy Limited
3. Xcelris Labs Limited
4. Abellon Agrisciences Limited
5. Pinetops Enterprise Private Limited

He is member of the following committees of the companies which excludes the memberships of the Committees in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act. Further it includes only the chairmanship / memberships of Audit Committee and Stakeholders Relationship Committee.

1. Abellon Cleanenergy Limited – Audit Committee - Member
2. Abellon Energy Limited – Audit Committee - Member
3. Xcelris Labs Limited – Audit Committee - Member
4. Abellon Agrisciences Limited – Audit Committee – Member

He does not hold any equity shares in his individual capacity as on March 31, 2015.

Ms. Milina Bose - Additional Non-Executive and Non-Independent Director

Ms. Milina Bose is a post graduate in Master of Business Administration from M. S. University, Vadodara and holds a Bachelor of Science degree from St. Xavier's College, Ahmedabad. She has also done additional certification training courses like Marketing Communication from Mudra Institute of Communication, Ahmedabad, Strategic Communication for Leaders from Indian Institute of Management, Ahmedabad and Finance for Decision Making from Indian Institute of Management, Bangalore.

She has expertise in Pharmaceutical & Biotechnology Services Industry in areas of Marketing, Business Operations, Product & Business Development. Further, she is having experience around 23 year in Pharmaceutical & Biotechnology Services.

She holds Directorships in the following companies which excludes the Directorships in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act:

1. Xcelris Labs Limited
2. Morningraga Hotels and Resorts Limited

She is not a chairman / member in any of the committees of the other Companies.

As on March 31, 2015, she holds 91 equity shares of the Company.

Mr. Arjun Handa - Vice - Chairman & Managing Director

Mr. Arjun Handa is currently the Vice - Chairman and Managing Director of Claris Lifesciences Limited. He was appointed as Director of our Company on February 19, 2001 and was Chief Operating Officer of our Company from January 1, 2008 to September 26, 2008. He has been the Managing Director & CEO of our Company since September 26, 2008 and re-designated as Vice-Chairman & Managing Director from September 26, 2014. He is a MBA from Northeastern University, Boston, USA and holds a Bachelor of Commerce degree from Gujarat University, Ahmedabad. Arjun's vision is to make Claris India's most admired Injectables company. He likes to focus on people, entrepreneurship and management quality. He would like to add value to the lives of people in the world through his business and to contribute to the society by creating opportunities for people in the fields of sports and culture.

Claris has achieved significant milestones including launch of niche, difficult to develop products and expansion into the regulated markets. Under his leadership, the Company has won several awards including the Frost and Sullivan manufacturing excellence award and the "Great Place to Work" award. Apart from work, Arjun likes to read books on entrepreneurship and management, is a car & technology freak, and holds a deep interest in world music. He is also a soccer player, and in earlier times, used to play for his school and college.

He holds Directorships in the following companies which excludes the Directorships in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act:

1. Accelaris Technologies Limited
2. Claris Holdings Private Limited
3. Claris Otsuka Private Limited
4. Athanas Enterprise Private Limited
5. Bellissimo Enterprise Private Limited
6. Claris Injectables Limited
7. Acrysil Limited

He is member of the following committees of the Companies which excludes the memberships of the Committees in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act. Further it includes only the chairmanship / memberships of Audit Committee and Stakeholders Relationship Committee.

1. Claris Otsuka Private Limited – Audit Committee – Member

He does not hold any equity shares in his individual capacity as on March 31, 2015.

Mr. Chandrasingh S. Purohit – Whole Time Director & Chief Financial Officer

Mr. Chandrasingh S. Purohit holds a Master of Commerce degree from Maharaja Sayajirao University, Vadodara. He was appointed as a Whole Time Director of the Company with effect from July 3, 2009 and was re-appointed again on July 3, 2012 as Whole Time Director of the Company. Further, he was re-designated as Whole Time Director and Chief Financial Officer (CFO) of the Company from May 9, 2014.

He has expertise in finance, sales and marketing network across key international markets.

He holds Directorships in the following Companies which excludes the directorships in the Company, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or section 8 of the Act:

1. Claris Injectables Limited

He is not a chairman / member in any of the committees of the other companies.

As on March 31, 2015, he holds Nil equity shares of the Company.

3. AUDIT COMMITTEE

The Board of Directors have constituted an Audit Committee to assist the Board in discharging its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements.

The Audit Committee discharges such functions and duties which are generally specified under Section 177 of the Act and Clause 49 of the Listing Agreement.

Terms of Reference

The principal terms of reference of Audit Committee are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Review of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Review of inter-corporate loans and investments;
- Review of valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors;
- Overseeing and reviewing the functioning of vigil mechanism and to report genuine concerns or

- grievances with adequate safeguards against victimization of persons;
- To review the financial statements, in particular, the investments made by the unlisted subsidiary companies of the Company;
 - To review the financial statements before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company;
 - To investigate any activity within its terms of reference;
 - To seek information from any employee of the company;
 - To obtain outside legal or other professional advice;
 - To review management discussion and analysis of financial condition and results of operations;
 - To review statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
 - To review management letters / letters of internal control weaknesses issued by the statutory auditors;
 - To review internal audit reports relating to internal control weaknesses; and
 - To appoint, remove and fix the terms of remuneration of the Chief Internal Auditor of the Company.

Composition of the Audit Committee and the details of meetings attended by its members are given as under

The Board of Directors at its meeting held on May 9, 2014 has re-constituted its Audit Committee pursuant to the Section 177 of the Act and rules thereunder and Clause 49 of the Listing Agreement.

The Audit Committee met six times during the financial year ended on March 31, 2015, i.e., on February 28, 2014, May 9, 2014, July 4, 2014, August 11, 2014, November 8, 2014 and February 12, 2015. The gap between the Audit Committee meetings was in compliance with the provisions contained in the Act and the Listing Agreement.

The details of the composition of the Audit Committee as well as the particulars of attendance at the Audit Committee meetings during the year are given below:

Name of the Members	Category	Number of Meetings	
		Held	Attended
Mr. Anup P. Shah - Chairman	Non-Executive and Independent Director	6	6
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	6	5
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	6	6
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	6	6

The Company Secretary of the Company acts as the secretary to the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee has been constituted to recommend the appointment and/ or remuneration packages of the Directors, Whole Time Directors and Key Managerial Personnels based on their qualifications, positive attributes and performances.

Terms of Reference

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

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes, independence of a director and recommend to the Board a policy, relating to the remuneration for the directors and key managerial personnel;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- To ensure that the remuneration to directors and key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given as under:

The Board of Directors at its meeting held on May 9, 2014 has re-constituted and renamed its Remuneration/Compensation Committee as Nomination and Remuneration Committee pursuant to the Section 178(1) of the Act and rules thereunder and Clause 49 of the Listing Agreement.

The Nomination and Remuneration Committee met four times during the financial year ended on March 31, 2015, i.e., on May 9, 2014, August 11, 2014, November 8, 2014 and February 12, 2015.

The details of the composition of the Nomination and Remuneration Committee as well as the particulars of attendance by its members at the Nomination and Remuneration Committee meetings during the year are given below:

Name of the Members	Category	Number of Meetings	
		Held	Attended
Mr. T. V. Ananthanarayanan - Chairman	Non-Executive and Independent Director	4	4
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	4	4
Mr. Anup P. Shah	Non-Executive and Independent Director	4	4

The Company Secretary of the Company acts as the secretary to the Nomination and Remuneration Committee.

Remuneration Policy

PREAMBLE

This Nomination and Remuneration Policy (hereinafter referred as the “**Policy**”) of Claris Lifesciences Limited (“**the Company**”) is designed and formulated by the Nomination and Remuneration Committee (“**the Committee**”) of the Company pursuant to Section 178 of the Companies Act, 2013 (the “**Act**”) and rules made thereunder and Clause 49 of the Listing Agreement.

The Nomination and Remuneration Committee of the Company is required to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Company, recommends the Company for their appointment and removal and shall carry out evaluation of every Board of Director’s performance.

Further, the Nomination and Remuneration Committee of the Company is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key managerial Personnels and other employees.

Accordingly, the Policy lays down the criteria with regard to identification and nomination of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and also the remuneration of Directors, Key Managerial Personnels and other employees. The Policy is designed to attract, retain and motivate employees to run the Company successfully and professionally. The Policy is also designed to evaluate the performance of the Board as a whole and its Directors.

PART-A: POLICY ON SELECTION CRITERIA FOR APPOINTMENT AS DIRECTORS AND SENIOR MANAGEMENT

(1) Selection Criteria for Directors

The following broad parameters/ aspects/ criteria shall be considered while assessing the suitability of an individual appointing a person as a Director, whether Executive, Non-Executive or Independent, on the Board of the Company:

Skills and Experience: The candidate to have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, human resource management, administration, research, corporate governance, technical operations or any other discipline related to the Company’s business.

Understanding of Business: The candidate to have an understanding of the Company’s/ Group’s business and related industry. Ability to handle conflict constructively and possess the willingness to address critical issues proactively.

Age Limit: The candidate who is going to be appointed as an Executive Director should have completed the age of twenty-one (21) years and should not have attained the age of seventy (70) years.

Conflict of Interest: The candidate should not hold any conflicts of interest with the Company in any manner whatsoever.

Regulatory Requirements: The number of companies in which the candidate holds directorship should not exceed the number prescribed under the Act or under the Listing Agreement requirements.

Independence: The candidate proposed to be appointed as an independent director should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements/ criteria of independence, integrity, relevant expertise/ experience, etc., imposed under the Act and the Listing Agreement, particularly, Section 149(6) and Schedule IV of the Act.

Educational and Professional Background: The candidate should have appropriate and adequate professional qualifications and/ or experience of having run a business at senior management and decision making level. The candidate should have burning desire for personal accomplishments and ability to influence decisions.

The Committee has the discretion to apply additional or different criteria as it may deem fit while considering/assessing the suitability of an individual as a Director on the Board of the Company.

Persons to be considered for appointment as directors shall be recommended to the Board by the Committee based on the policies and principles stated above and under the Act and the Listing Agreement

(2) Selection Criteria for Senior Management

For the purposes of this Policy, Senior Management shall mean employees hired at the level of Corporate Functional Heads or equivalent positions, employees at the senior managerial level and above and key managerial personnel.

The eligibility criteria for appointments to Senior Management shall have appropriate skills, positive attributes, qualifications and experience relevant to the position for which purpose the candidate is being or has been appointed.

PART-B: POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS (“KMPs”) AND OTHER EMPLOYEES

The remuneration of Directors, KMPs and other employees shall be based on the following key principle:

- a. The remuneration shall be based on the financial position of the Company, trend in the industry, appointee’s qualification, experience, past performance, past remuneration, etc;
- b. The level and composition of the remuneration is reasonable and sufficient to bring about objectivity while striking a balance between interest of the Company and the shareholders, attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation;
- c. Current Industry benchmarks;
- d. Cost of Living.

(1) Remuneration to Executive Directors, KMPs and Senior Management

Executive Directors shall be paid remuneration in compliance with the Act and other applicable regulatory requirements, including such requisite approvals as required from time to time. The annual increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits. The

Board may, at the recommendation of the Committee and its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements. The Executive Directors shall not be paid any sitting fees for attending the Board Meeting and various Committee Meetings of the Company.

KMPs and Senior Management shall be paid remuneration as per the HRM Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. In addition to the remuneration, the Company may at its discretion, give Performance Linked Incentive (on an annual basis) based on the achievement of pre-set Key Result Areas.

(2) Remuneration to Non-Executive Directors and Independent Directors

Non-Executive Directors and Independent Directors shall be paid remuneration by way of sitting fees, if any, for attending the meetings of Board and/ or Committee thereof of the Company, as decided by the Board from time to time subject to the limits specified under the Act including any amendments thereto. In addition, the Company may at its discretion, give commission within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

Non-Executive Directors and Independent Directors shall also be reimbursed out-of-pocket expenses incurred by them for attending the meetings of the Board and/ or Committee thereof of the Company.

(3) Remuneration to other Employees

The remuneration packages of other employees are also formulated in accordance with HRM Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with allowances, perquisites and retirement benefits as per the HRM Policy of the Company and statutory requirements, where applicable.

PART-C: POLICY ON PERFORMANCE EVALUATION OF BOARD AS A WHOLE AND ITS DIRECTORS

(1) Overview

The performance of the Directors of the Company shall be subject to evaluation each year. The performance evaluation shall be conducted at the end of the each year based on his attendance, performance, participation, etc in the various meetings held during the year. The Chairman of the Company shall initiate the process of performance evaluation of the Directors. The performance evaluation shall be conducted based on approved criteria in the evaluation form.

(2) Objective

- (i) To assist in the process of assessing the participation and contribution at the Board level of the Company;
- (ii) To monitor and evaluate the attainment of the Board objectives;
- (iii) To provide the Directors an opportunity to reflect on, and assess, their areas of strength and development.

(3) Key Evaluation Criteria

The following broad key evaluation criteria shall be applied for evaluating the performance of the Board and of every Director of the Company:

- (i) Providing effective leadership and strategic guidance to the management;
- (ii) Understanding the nuances of the business of the Company including the risks and regulatory aspects;
- (iii) Attendance at, and active participation, at the Board meetings;
- (iv) Ability to drive the discussion at the Board meetings on various matters, such as business performance, strategies, risks assessment and management, regulatory and compliances, and various other aspects;
- (v) Management of conflict of interest

EVALUATION PROCESS

The Company has devised performance evaluation framework, which sets a mechanism for the evaluation of the Board as a whole, Committee and Directors. The performance evaluation of the Board as a whole, Committee and Directors was carried out through self assessment and group discussion in and aforesaid framework.

DISCLOSURE

As per existing applicable regulatory requirements, the Nomination and Remuneration Policy shall be disclosed in the Board of Director's and Corporate Governance Report.

Details of Remuneration of the Directors during the financial year ended on March 31, 2015 are as follows

(Rupees in Lacs)

Name of the Directors	Designation	Salary and Perquisites	Commission	Sitting fees	Total Amount
Mr. Arjun Handa	Vice - Chairman & Managing Director	265.27	200.00	-	465.27
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	-	-	-	-
Mr. Chetan S. Majmudar (upto October 31, 2014)	Whole Time Director	58.10	100.00	-	158.10
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	93.68	100.00	-	193.68
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	-	-	5.60	5.60
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	-	-	6.00	6.00
Mr. Anup P. Shah	Non-Executive and Independent Director	-	-	6.00	6.00

Ms. Milina Bose	Additional Non-Executive and Non-Independent Director	-	-	-	-
Total		417.05	400.00	17.60	834.65

Notes :

1. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
2. Commission as approved by the Board and subject to maximum limit specified in the Act.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

Stakeholders Relationship Committee is responsible for considering and resolving the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. There were no complaints pending to be resolved as on March 31, 2015.

Composition of the Stakeholders Relationship Committee

The Board of Directors at its meeting held on May 9, 2014 has re-constituted and renamed its Shareholders/Investors Grievance Committee as Stakeholders Relationship Committee pursuant to the section 178(5) of the Act and rules thereunder and Clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee met five times during the financial year ended on March 31, 2015, i.e., on February 28, 2014, May 9, 2014, August 11, 2014, November 8, 2014 and February 12, 2015.

The details of composition of the Stakeholders Relationship Committee are given below:

Name of the Members	Category	Number of Meetings	
		Held	Attended
Mr. Surrinder Lal Kapur– Chairman	Non-Executive and Independent Director	5	5
Mr. Anup P. Shah	Non-Executive and Independent Director	5	5
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	5	5
Mr. Arjun Handa	Vice - Chairman & Managing Director	5	5
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	5	5

Compliance Officer

Mr. Kirit H. Kanjaria, Sr. VP – Company Secretary & Compliance Officer.

Details of Complaints for the financial year ended on March 31, 2015:

Sr. No.	Nature of Complaints	Received	Disposed	Pending
1.	Non- receipt of dividend warrant	16	16	-
2.	Non- receipt of annual report	2	2	-
3.	SCORES (SEBI)	6	6	-
	Total	24	24	-

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**Terms of Reference / Responsibilities**

The terms of reference / responsibilities of Corporate Social Responsibility Committee are as under:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- To recommend the amount of expenditure to be incurred on the activities; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Composition of the Corporate Social Responsibility Committee

The Board of Directors at its meeting held on May 9, 2014 has constituted Corporate Social Responsibility Committee pursuant to Section 135 and Schedule VII of the Act and rules thereunder

The Corporate Social Responsibility Committee met one time during the financial year ended on March 31, 2015, i.e., February 12, 2015.

The composition of Corporate Social Responsibility Committee is as under:

Name of Members	Category	Number of Meetings	
		Held	Attended
Mr. Surrinder Lal Kapur– Chairman	Non-Executive and Independent Director	1	1
Mr. Anup P. Shah	Non-Executive and Independent Director	1	1
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	1	1
Mr. Arjun Handa	Vice - Chairman & Managing Director	1	1
Mr. Chetan S. Majmudar	Whole Time Director	1	-
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	1	1

Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	1	-
Mr. Shyam Sharma	Special Invitee	1	1

The Company Secretary of the Company acts as the secretary to the Corporate Social Responsibility Committee.

7. SHARE TRANSFER COMMITTEE

The Board of Directors at its meeting held on May 9, 2014 has constituted Share Transfer Committee pursuant to Clause 49 of the Listing Agreement with the Stock Exchange. Share Transfer Committee comprises of three members, namely Mr. Arjun Handa, Mr. Chandrasingh S. Purohit and Mr. Chetan S. Majmudar. The Committee looks after transfer of shares of the Company in physical form. Further, it also approve transmission of shares, issue of duplicate or new share certificates consequent upon any forfeiture, buy-back, reduction, sub-division, consolidation or cancellation of shares, issue of sweat equity shares, transmission of shares, shares issued under any scheme of arrangements, mergers, reconstitution or employees stock option scheme or any of such scheme provided under the Act.

8. EXECUTIVE COMMITTEE

Executive Committee comprises of three members namely; Mr. Arjun Handa, Mr. Chandrasingh S. Purohit and Mr. Chetan S. Majmudar. The Committee looks after the businesses, which are administrative in nature and within the overall board approved directions and framework.

9. INDEPENDENT DIRECTOR'S MEETING

During the year, a separate meeting of the Independent Directors was held on February 12, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board as a whole .
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

10. GENERAL BODY MEETINGS

Location and time for the Annual General Meetings held in the last three financial years

Year	Date / Time	Venue	Special Resolution
2013	June 17, 2014 11:00 A.M	Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	<ol style="list-style-type: none"> 1. Borrowing powers under Section 180(1)(c) of the Companies Act, 2013 not exceeding Rs. 750 Crores 2. Appointment of Mr. Surrinder Lal Kapur as an Independent Director for a term of 5 consecutive years. 3. Appointment of Mr. T. V. Ananthanarayanan as an Independent Director for a term of 5 consecutive years. 4. Appointment of Mr. Anup P. Shah as an Independent Director for a term of 5 consecutive years. 5. Re-appointment of Mr. Chetan S. Majmudar as Whole Time Director for a period of 3 years.
2012	April 12, 2013 12:00 Noon	Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	-----
2011	April 30, 2012 12:00 Noon	Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	-----

Special Resolutions passed during the financial year ended on March 31, 2015 through Postal Ballot

During the year under review the Company has passed following special resolution through postal ballot.

Date of Notice	Particulars of Resolution	No. & % of votes cast in favour	No. & % of votes cast in against	Date of passing of resolution
February 1, 2014	Buyback of equity shares upto 9,250,000 of the face value of Rs. 10 each (representing 14.49 % of the total number of the equity share capital of the Company) at the price of Rs. 250 per equity share aggregating to Rs. 23,125 Lacs which is less than 25% of the aggregate of equity share capital and free reserves of the Company as per audited accounts of the Company for the financial year ended December 31, 2012, on proportionate basis through tender offer route as prescribed under the Securities and	44,034,947 (99.99%)	2,928 (0.01%)	March 18, 2014

	Exchange Board of India (Buy-Back of Securities) Regulation,1998 as amended.			
July 4, 2014	Transfer Speciality Injectable Business of the Company by way of a slump sale as a “going concern” to its wholly owned subsidiary company along with all the employees, assets and liabilities pertaining thereto including all licenses, permits, approvals, consents, contracts whatsoever, at a consideration not less than its Book Value.	33,678,936 (99.99%)	4,629 (0.01%)	September 3, 2014

Mr. Ashish C. Doshi, practicing company secretary was appointed to act as a Scrutinizer for conducting postal ballot process in physical as well as e-voting as per the Section 108, 110 and other applicable provisions, if any, of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014.

All the aforesaid resolutions were passed by the Members by overwhelming and requisite majority.

11. DISCLOSURES

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

We have disclosed the material significant related party transactions in the “Notes forming part of the Financial Statements”.

Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company affirms that no personnel has been denied access to the Audit Committee.

Details of compliance with mandatory requirements of Clause 49 of the Listing Agreement and adoption of this clause.

All the mandatory requirements of Clause 49 of the Listing Agreement have been complied by the Company.

Disclaimer

The Ministry of Corporate Affairs vide its Circular No. 08/2014 dated April 4, 2014 clarified that the financial statements and the documents required to be attached thereto, the Auditor’s Report and Director’s Report in respect of the financial year commenced earlier than April 1, 2014 shall continue to be governed by the relevant provisions, schedules, rules of the Companies Act, 1956. Accordingly, the financial statements and the Auditor’s Report as aforesaid are prepared as per the requirements of the Companies Act, 1956 and the Companies (Accounting Standards) Rules, 2006 as amended). The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements. The Company, as per its commitment towards transparency and good governance, has to the extent possible provided the information in the Director’s Report and Report on Corporate Governance as per the Companies Act, 2013.

12. MEANS OF COMMUNICATION

Results

The quarterly, half-yearly and yearly unaudited/ audited financial results of the Company were published as per Clause 41 of the Listing Agreement. The unaudited / audited financial results are generally published in Financial Express – English circulating in whole of India and Financial Express – Gujrati (i.e. daily newspaper published in the language of the region where the registered office of the company is situated.) The results are also uploaded on Company's website : www.clarislifesciences.com

13. GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of Annual General Meeting : Wednesday, September 23, 2015 at 12.00 Noon at Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

Financial Year January 1, 2014 to March 31, 2015

Financial Year 2015-16 (tentative)

Results for the quarter ended on June 30, 2015 : **Second week of August 2015**

Results for the quarter ended on September 30, 2015 : **Second week of November 2015**

Results for the quarter ended on December 31, 2015 : **Second week of February 2016**

Results for the last quarter ended on March 31, 2016 : **Third week of May 2016**

21st Annual General Meeting : **August-September 2016**

Book Closure dates

From September 19, 2015 to September 23, 2015 (both days inclusive) for the purpose of the Annual General Meeting.

Dividend Payment Date: No Dividend is declared

Listing on Stock Exchanges

The Company's Shares are listed on BSE Limited. The listing fee for the financial year 2015-16 has been paid to the above stock exchange.

Stock Code

(a) Scrip code BSE Limited : 533288
Scrip ID BSE Limited : CLARIS

(b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE562G01018

Monthly high / low stock quotations at BSE Limited**(Figure in Rs.)**

Particulars Month	BSE	
	High	Low
January 2014	209.90	175.05
February 2014	183.40	168.45
March 2014	195.05	154.10
April 2014	165.00	150.00
May 2014	180.90	141.55
June 2014	155.95	141.25
July 2014	175.05	150.15
August 2014	191.90	165.00
September 2014	192.80	166.30
October 2014	178.50	163.10
November 2014	203.70	166.10
December 2014	189.95	165.00
January 2015	187.75	170.55
February 2015	293.00	174.70
March 2015	285.50	233.20

Share price performance in comparison to broad based indices - BSE Sensex

Particulars	Share Price v/s BSE	
	Share Price (Rs.)	BSE Sensex
As on January 1, 2014	197.45	21,140.48
As on March 31, 2015	259.00	27,957.49
% Change	31.17	32.25

Total Equity Share Capital of the Company as on March 31, 2015 was 54,567,765 equity shares of Rs. 10/- each

Registrar and Transfer Agents**LINK INTIME INDIA PRIVATE LIMITED**

(Unit : Claris Lifesciences Limited)

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai – 400 078.

Contact Person : Ms. Tanushree Rauth

Tel: +91-22-25946970 Ext : 2292

e-mail : tanushree.rauth@linkintime.co.in

Website: www.linkintime.co.in

SEBI Registration No: INR00000 4058

Share transfer system

The Company has a Registrar and Share Transfer Agent. Share transfers, if documents are found to be in order, are registered and Certificates are returned in the normal course within two weeks from the date of receipt of the documents. Request for dematerialisation of shares are processed and confirmation given to the respective depositories i.e., National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within seven days.

Distribution of shareholding as on March 31, 2015

No. of Equity Shares	No. of members	% of total members	No. of shares	% to total capital
Less than 500	16,143	91.55	1,608,128	2.95
501 – 1000	833	4.72	625,631	1.15
1001 – 2000	304	1.72	466,866	0.85
2001 – 3000	92	0.52	234,319	0.43
3001 – 4000	42	0.24	153,393	0.28
4001 – 5000	42	0.24	199,591	0.37
5001 – 10000	86	0.49	645,986	1.18
10,000 and above	92	0.52	50,633,851	92.79
Total	17,634	100.00	54,567,765	100.00

Shareholding Pattern as on March 31, 2015

Category	No. of shares held	% of shareholding
Company Promoter / Promoter Group	33,281,964	60.99
Financial Institutions / Banks	8,248	0.02
Foreign Institutional Investors	7,622,790	13.97
Foreign Venture Capital Investors	6,159,267	11.29
Qualified Foreign Investors	150,988	0.28
Bodies Corporate	1,121,066	2.05
Individuals	4,111,624	7.53
Foreign Portfolio Investor - Corporate	1,476,051	2.70
Non-Resident Indians (Repat)	183,781	0.34
Non Resident Indians (Non- Repat)	152,280	0.28
Clearing Members	299,706	0.55
Total	54,567,765	100.00

Dematerialisation of shares

The equity shares of the Company are in dematerialised form as on March 31, 2015 except two (2) equity shares. Trading in Equity Shares of the Company is permitted only in dematerialised form.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Equity shares in the suspense account

In accordance with the requirement of Clause 5A(I) of the Listing Agreement entered into with the stock exchange, the Company reports the following details in respect of equity shares lying in dematerialized form in the suspense account pursuant to buy back of equity shares of the Company

Particulars	No. of Members	No. of equity shares
Aggregate number of members and the outstanding shares in the suspense account lying as on March 31, 2015	3	62

Plant Locations

Village : Chacharwadi, Vasna

Taluka : Sanand

Ahmedabad - 382 213.

Address for Correspondence**For Shares held in physical & Demat form**

LINK INTIME INDIA PRIVATE LIMITED

(Unit : Claris Lifesciences Limited)

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai – 400 078.

Website: www.linkintime.co.in

e-mail : rnt.helpdesk@linkintime.co.in

SEBI Registration No: INR00000 4058

Any Query on Annual Report

Claris Lifesciences Limited

Secretarial Department

Claris Corporate Headquarters

Nr. Parimal Railway Crossing, Ellisbridge,

Ahmedabad – 380006, India

Tel: +91-79-26563331, 66309339

Fax: +91-79-26408053

Website: www.clarislifesciences.com

CIN: L85110GJ1994PLC022543

For any other queries: Email: investorservices.corp@clarislifesciences.com

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49(X) OF THE LISTING AGREEMENT

The Members of
Claris Lifesciences Limited,
Ahmedabad

We have examined the compliance of the conditions of Corporate Governance by Claris Lifesciences Limited, for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Ahmedabad
Date : 22nd May, 2015

Ashish C. Doshi
Practicing Company Secretary
C.O.P No. : 2356