

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 endeavor is to maximize the long term value of the stakeholders of the Company and to protect the interests of its stakeholders.

The Company has made disclosures under this part as per the Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (hereinafter referred as "Listing Regulations") which came into effect from December 1, 2015.

2. BOARD OF DIRECTORS

The Board of Directors comprises of eight Directors as on March 31, 2016, 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 Regulation 17(1) of the Listing Regulations.

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	Non-Executive and Non-Independent Direc	Director

Notes :

1. 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 Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. 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	Other Chairmanships	Other Committee Memberships	Other Committee Chairmanships
Mr. Surrinder Lal Kapur	Chairman, Non-Executive & Independent Director	4	-	5	2
Mr. Arjun Handa	Vice - Chairman & Managing Director	3	1	-	-
Mr. Aditya S. Handa	Non-Executive & Non-Independent Director	4	-	4	-
Mr. T. V. Ananthanarayanan	Non-Executive & Independent Director	1	-	1	-
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	6	-	7	4
Ms. Milina Bose	Additional Non-Executive & Non-Independent Director	1	-	-	-

Notes:

1. The number of other Directorships and Committee Memberships/Chairmanships excludes Directorships and Committee Memberships/ 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.
2. All the Directors meet the criterion laid down in the Act and the Listing Regulations, vis-à-vis, independence, number of directorship in other companies, Memberships/ Chairmanships of committees across all public companies in which he is a Director. Necessary disclosures in this respect as on March 31, 2016 have been made by the Directors.
3. 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 terms 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 four meetings of the Board of Directors held during the financial year ended on March 31, 2016, i.e., on May, 22, 2015, August 13, 2015, November 6, 2015, and February 5, 2016. Further, the Company had one meeting of the Board of Directors through circular resolution on December 31, 2015 and the Board took note of the same in the immediate next Board Meeting held on February 5, 2016. The gap between the Board meetings was in compliance with the provisions contained in the Act, the Listing Regulations and the Secretarial Standard which are notified.

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, 2016 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	5	5	Yes
Mr. Arjun Handa	Vice - Chairman & Managing Director	5	4	Yes
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	5	3	Yes
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	5	4	No
Mr. Chetan S. Majmudar	Whole Time Director	5	4	Yes
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	5	5	Yes
Mr. Anup P. Shah	Non-Executive and Independent Director	5	5	Yes
Ms. Millina Bose	Non-Executive and Non-Independent Director	5	5	Yes

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

Pursuant to Regulation 36(3) of the Listing Regulations:

Mr. Arjun Handa - Vice - Chairman & Managing Director

Mr. Arjun Handa, aged about 36 years, is currently the Vice - Chairman and Managing Director of Claris Lifesciences Limited and Executive Chairman on Board of Claris Injectables Limited, a wholly owned subsidiary of the Company. 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 has achieved 6 year in a row "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 other Directorships as mention below excluding Directorships 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:

1. Accelaris Technologies Limited
2. Claris Injectables Limited
3. Acrysil Limited

He is not holding Committee Memberships/ Chairmanships in any other companies excluding Committee Memberships/ 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 Relationships Committee.

He does not hold any equity shares of the Company in his individual capacity as on March 31, 2016.

Mr. Chandrasingh S. Purohit - Whole Time Director & CFO

Mr. Chandrasingh Purohit, aged about 42 years, holds a Master of Commerce degree and Bachelors of Commerce degree from Maharaj Shivajirao University, Vadodara. He was appointed as a Whole Time Director of the Company with effect from July 3, 2009 and re-designated as Whole Time Director and Chief Financial Officer (CFO) from May 9, 2014. He was previously employed with our Company since April 1, 1999 under various designations including Head – International Operations and Vice-President – Finance. He has around 16 years of experience in the pharmaceutical industry. He has expertise in finance, sales and marketing network across key international markets.

He holds other Directorships as mention below excluding Directorships 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:

1. Claris Injectables Limited

He is not holding Committee Memberships/ Chairmanships in any other companies excluding Committee Memberships/ 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 Relationships Committee.

He does not hold any equity shares of the Company in his individual capacity as on March 31, 2016.

Mr. Amish Vyas – Additional Non-Executive and Non-Independent Director

Mr. Amish Vyas is appointed as Additional Non-Executive and Non-Independent Director of the Company by the Board of Directors at its meeting held on May 6, 2016 subject to his appointment being confirmed by the shareholders at the Annual General Meeting. Mr. Amish Vyas, aged about 45 years, holds Bachelors in Engineering (Electronics and Communication) and Masters in Business Administration from Gujarat University, Ahmedabad. He has 22 years of experience in Pharmaceutical Industry, with specific focus on the Injectables and Infusions products. He has handled various functions during his tenure including International and India Sales, Business Development, Technical and Supply Chain Management, among others. He has been responsible for Claris' foray in the Regulated Markets, mainly USA & Europe. Apart from this, he has played major role in various Corporate Strategic Initiatives which Claris has taken up from time to time. He served as President - International Business and Strategy for Claris before taking over the role of Director & Joint CEO of Claris Injectables Limited (CIL), a wholly owned subsidiary of the Company and he is currently overseeing a Sales & marketing, HR, Finance and Legal functions of the CIL.

He holds other Directorships as mention below excluding Directorships 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:

1. Claris Infrastructure Limited
2. Dorizoe Lifesciences Limited
3. Claris Injectables Limited

He is holding Committee Memberships/ Chairmanships as mention below excluding Committee Memberships/ 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 Relationships Committee:

1. Claris Injectables Limited - Audit Committee – Member

He does not hold any equity shares of the Company in his individual capacity as on March 31, 2016.

Number of Shares and Convertible Instruments held by Non-Executive Directors

There are no convertible instruments outstanding as at March 31, 2016. The details regarding the number of shares held directly by the Non-Executive Directors as on March 31, 2016 is given below:

Name of the Directors	Designation	No. of Equity Shares held as on March 31, 2016
Mr. Surrinder Lal Kapur	Chairman, Non-Executive and Independent Director	Nil
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	Nil
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	Nil
Mr. Anup P. Shah	Non-Executive and Independent Director	Nil
Ms. Milina Bose	Non-Executive and Non-Independent Director	91

FAMILIARIZATION PROGRAMMES

Pursuant to Regulation 25(7) of the Listing Regulation, suitable training to Independent Directors was provided by the Company to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme was amended by the Company pursuant to Regulation 25(7) of the Listing Regulations by the Board of Directors in its meeting held on November 6, 2015.

The web link thereto is <http://www.clarislifesciences.com/global/Financial/Familiarization%20Programme%20for%20IDs.pdf>

The Independent Directors of the Company are familiarized on various matters inter-alia covering the Company and its subsidiaries/associates businesses and operations, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, the details Familiarization Programmes imparted to Independent Directors are as follow:

Sr. No.	Name of Independent Directors	No. of the Programmes attended		No. of hours spent in the Programmes attended	
		Financial Year 2015-16*	Cumulative till date	Financial Year 2015-16*	Cumulative till date
1	Mr. Surrinder Lal Kapur	1	4	1.5	6
2	Mr. Anup P. Shah	1	4	1.5	6
3	Mr. T. V. Ananthanarayanan	0	3	0	4.5

* For the period December 1, 2015 to March 31, 2016, pursuant to Listing Regulations coming into effect from December 1, 2015.

Pursuant to Regulation 46(2) of the Listing Regulations, the above details are also available on the website of the Company. The web link there to is <http://www.clarislifesciences.com/global/Financial/Familiarization%20Programmes%20-%202015-16.pdf>

3. AUDIT COMMITTEE

The Board of Directors has 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 Regulation 18 read with Part C of Schedule II of the Listing Regulations.

Terms of Reference

A brief description of terms of reference of Audit Committee is as under:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Approval or any subsequent modification of transactions of the Company with related parties including to make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
4. Scrutiny of inter-corporate loans and investments;
5. Valuation of undertakings or assets of the Company, wherever it is necessary;
6. Evaluation of internal financial controls and risk management systems;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
9. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. Reviewing, with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval.
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Discussion with internal auditors of any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
14. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. Review the functioning of the whistle blower mechanism;
17. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

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 November 6, 2015 has re-constituted its Audit Committee w.e.f. December 1, 2015 pursuant to Section 177 of the Act and rules thereunder and Regulation 18 of the Listing Regulations coming into effect from December 1, 2015.

The Audit Committee met four times during the financial year ended on March 31, 2016, i.e., on May 22, 2015, August 13, 2015, November 6, 2015 and February 5, 2016. The gap between the Audit Committee meetings was in compliance with the provisions contained in the Act and the Listing Regulations.

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	4	4
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	4	4
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	4	3
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	4	4

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.

The Nomination and Remuneration Committee discharges such functions and duties which are generally specified under Section 178 of the Act and Regulation 19 read with Part D, Para A of Schedule II of the Listing Regulations.

Terms of Reference

A brief description of terms of reference of Nomination and Remuneration Committee is as under:

1. 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.
2. 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 personnel and other employees.
3. While formulating the policy under sub-clause (2) above;
 - (i) 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;

- (ii) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) To ensure remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
4. To devise a policy on Board diversity;
 5. To formulate criteria for evaluation of performance of Independent Directors and the Board;
 6. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. The chairperson of the committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

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 November 6, 2015 has re-constituted its Nomination and Remuneration Committee w.e.f. December 1,2015, pursuant to Section 178(1) of the Act and rules thereunder and Regulation 19 of the Listing Regulations coming into effect from December 1, 2015.

The Nomination and Remuneration Committee met two times during the financial year ended on March 31, 2016, i.e., on May 22, 2015 and November 6, 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	2	2
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	2	2
Mr. Anup P. Shah	Non-Executive and Independent Director	2	2

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

Performance evaluation criteria for Independent Directors

Pursuant to Regulation 17(10) of the Listing Regulation, a structured evaluation feedback form was prepared after taking into consideration the inputs received from the Directors, covering various aspects such as board composition, flow of board process, information and functioning, establishment and determination of responsibilities of Committees, and quality of relationship between the Board and the management. Further, the performance of Independent Directors was also carried out in terms of attendance, contribution at the meetings, strong outlook towards compliance with regulations, independence of behaviour and judgement, etc. The evaluation was done by entire Board of Directors excluding the Director being evaluated.

Details of Remuneration of the Directors during the financial year ended on March 31, 2016 are as follows:

(Rupees in Lacs)

Name of the Directors	Designation	Salary and other Benefits	Commission & Bonuses	Stock Options	Sitting Fees	Total Amount
Mr. Arjun Handa	Vice - Chairman & Managing Director	60.11	-	-	-	60.11
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	-	-	-	-	-
Mr. Chetan S. Majmudar	Whole Time Director	-	-	-	-	-
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	96.72	-	-	-	96.72
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	-	-	-	6.00	6.00
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	-	-	-	4.80	4.80
Mr. Anup P. Shah	Non-Executive and Independent Director	-	-	-	6.00	6.00
Ms. Milina Bose	Non-Executive and Non-Independent Director	-	-	-	-	-
Total		156.83	-	-	16.80	173.63

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 based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
3. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
4. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
5. 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, 2016.
6. Mr. Arjun Handa, draws salary for the part of the year from the Company and thereafter the remuneration and commission, based on his performance is paid to him from the wholly owned subsidiary of the Company and further, Mr. Chetan S. Majmudar is being paid remuneration from the wholly owned subsidiary of the Company and the total remuneration drawn by Mr. Arjun Handa and Mr. Chetan S. Majmudar from one or more companies does not exceed ceiling limit as prescribed under the Companies Act, 2013 and rules thereunder.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors has constituted a Stakeholders Relationship Committee to consider and resolve the grievances of the security holders of the Company.

Terms of Reference

The Stakeholders Relationship Committee discharges such functions and duties which are generally specified under Section 178 of the Act and Regulation 20 read with Part D, Para B of Schedule II of the Listing Regulations. In particular, the Stakeholders Relationship Committee shall be responsible to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc

Composition of the Stakeholders Relationship Committee

The Board of Directors at its meeting held on November 6, 2015 has re-constituted its Stakeholders Relationship Committee w.e.f. December 1, 2015, pursuant to section 178(5) of the Act and rules thereunder and Regulation 20 of the Listing Regulations coming into effect from December 1, 2015.

The Stakeholders Relationship Committee met four times during the financial year ended on March 31, 2016, i.e. May 22, 2015, August 13, 2015, November 6, 2015 and February 5, 2016.

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

Name of the Members	Category	Number of Meetings	
		Held	Attended
Mr. Surrinder Lal Kapur– Chairman	Non-Executive and Independent Director	4	4
Mr. Anup P. Shah	Non-Executive and Independent Director	4	4
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	4	3
Mr. Arjun Handa	Vice - Chairman & Managing Director	4	3
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	4	4

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	3	3	-
2.	Non- receipt of annual report	9	9	-
3.	SCORES (SEBI)	0	0	-
	Total	12	12	-

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee pursuant to Section 135 and Schedule VII of the Act and rules there under.

Terms of Reference / Responsibilities

The Corporate Social Responsibility Committee discharges such functions and duties which are generally specified under Section 135 of the Act and the rule made there under and Schedule VII of the Act. In particular, 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 and review the amount of expenditure to be incurred or already 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 Corporate Social Responsibility Committee met once during the financial year ended on March 31, 2016, i.e., on November 06, 2015.

The composition of Corporate Social Responsibility Committee as well as the particulars of attendance by its members at the Corporate Social Responsibility Committee meetings during the year 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	-

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

7. 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. The Committee also performs other activities as per the terms of reference of the Board. During the year, Executive Committee meets as per the business and administrative requirements.

8. SHARE TRANSFER COMMITTEE

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. Further, it is closed and dissolved w.e.f November 30, 2015.

9. INDEPENDENT DIRECTOR'S MEETING

During the year, a separate meeting of the Independent Directors was held on February 5, 2016, 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
2014-15	September 23, 2015 12:00 Noon	Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	1. Re-appointment of Mr. Arjun Handa as Vice - Chairman & Managing Director of the Company and fixation of remuneration. 2. Re-appointment of Mr. Chandrasingh S. Purohit as a Whole Time Director & Chief Financial Officer of the Company & fixation of his remuneration. 3. Ratification/approval of material Related Party Transactions of the Company.

2013	June 17, 2014 11:00 AM	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, H. T. Parekh Convention Centre, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	----

Special Resolutions passed during the financial year ended on March 31, 2016, 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 polled cast in favour	No. & % of votes polled cast against	Date of passing of resolution
Feb. 5, 2016	Resolution 1: For (a) giving any loan to any person or other body corporate; (b) giving any guarantee or providing security in connection with a loan to any other body corporate or person; and (c) acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate, as the Board of Directors or any Committee thereof may in its absolute discretion deem beneficial and in the interest of the Company in excess of 60% of the paid-up share capital, free reserves and securities premium of the Company or 100% of the free reserves and securities premium of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013 ('Applicable Statutory	36,282,906 (89.20%)	4,389,670 (10.79%)	March 25, 2016

	Limits'), in one or more tranches, provided that the aggregate of such Loans, Guarantees, Securities and Investments/Acquisitions made and outstanding at any point of time shall not exceed Rs. 1500 Crores (Rupees Fifteen Hundred Crores) over and above the Applicable Statutory Limits for the Company, as prevailing from time to time.			
	Resolution 2: For replacing the existing Articles of Association of the Company with the new set of Articles of Association as per the Companies Act, 2013.	37,912,567 (93.21%)	2,745,523 (6.75%)	March 25, 2016

Resolution 1: 0.01% of the total votes polled were found incomplete and / or abstained from voting.
Resolution 2: 0.04% of the total votes polled were found incomplete and / or abstained from voting.

Mr. Ashish C. Doshi, practicing company secretary was appointed to act as a Scrutinizer for conducting postal ballot process as per the Sections 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 as amended.

All the aforesaid resolutions were passed by the Members with requisite majority.

There is no immediate proposal for passing any resolution through Postal Ballot.

Procedure for Postal Ballot

In compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has extended e-voting facility as an alternate for its Members to enable them cast their votes electronically instead of dispatching Postal Ballot Form. Therefore, business had been transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The Notice of Postal Ballot is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on Cut-off date, which was considered for the purpose of voting on Postal Ballot / remote e-voting. The Notice of Postal Ballot is sent electronically by e-mail to all the Members who have registered their e-mail IDs with Depository Participants/the Company and to all other Members it is sent by Registered Post/ Speed Post / Courier along with Postal Ballot. The voting rights of Members have been in proportion to their shares of the paid up equity share capital of the Company.

Members desiring to exercise voting by physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so as to reach the Scrutinizer before the close of voting period. Members desiring to exercise vote by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submit his report after completion of the scrutiny, to the Chairman or Vice - Chairman and Managing Director or Whole Time Director or Company Secretary of the Company and the Chairman or Vice - Chairman and Managing Director or Whole Time Director or Company Secretary of the Company have declared the results of remote e-voting and Postal Ballot. The results are displayed at the Registered Office of the Company. The result of the Postal Ballot are also displayed on the Company's website www.clarislifesciences.com besides communicating the same to the Stock Exchange viz. BSE Limited and NSDL.

The resolution taken as passed effectively on the date of declaration of results, if the results of the Postal Ballot indicate that the requisite majority of the Shareholders of the Company have assented to the resolution. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at the General Meeting of the Members.

11. 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 up to November 30, 2015 and Regulation 33 of the Listing Regulations coming into effect from December 1, 2015. The unaudited / audited financial results are generally published in Financial Express – English circulating in whole of India and Financial Express – Gujarati (i.e. daily newspaper published in the language of the region where the registered office of the company is situated.) The financial results and official press release are also posted on Company's website www.clarislifesciences.com. Any presentation made to the institutional investors or / and analysts are also posted on the Company's website.

12. GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of Annual General Meeting	: July 29, 2016 at 11:30 AM at Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.
Financial Year	: April 1, 2015 to March 31, 2016
Dividend Payment Date	: August 19, 2016
Financial Year 2016-17 (tentative)	
Results for the quarter ended on June 30, 2016	: Second week of August 2016
Results for the quarter ended on September 30, 2016	: Second week of November 2016
Results for the quarter ended on December 31, 2016	: Second week of February 2016
Results for the last quarter and year ended on March 31, 2017	: Third week of May 2017
22 Annual General Meeting	: July- August, 2017

The above dates are subject to the finalization of dates by the Board of Directors.

Name and Address of Stock Exchange where shares are listed

BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001

Annual Listing Fees

The listing fee for the financial year 2016-17 has been paid to the BSE Limited.

Stock Code

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

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

Payment of Depository Fees

Annual Custody/Issuer fee for the year 2016-17 will be paid within due time by the Company to NSDL & CDSL.

Monthly high / low stock quotations at BSE Limited for the Financial Year 2015-16

(Figure in Rs.)

Month	Particulars	BSE	
		High	Low
April 2015		358.00	226.00
May 2015		331.00	241.90
June 2015		267.00	229.00
July 2015		266.00	227.00
August 2015		257.50	171.10
September 2015		220.90	181.60
October 2015		244.40	201.00
November 2015		213.00	175.20
December 2015		226.10	188.10
January 2016		222.00	178.00
February 2016		190.40	126.10
March 2016		153.90	129.20

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

Particulars	Share Price v/s BSE	
	Share Price (Rs.)	BSE Sensex
As on April 1, 2015	258.10	28,260.14
As on March 31, 2016	130.50	25,341.86
% Change	(49.44)	(10.33)

Total Equity Share Capital of the Company as on March 31, 2016 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 : Mr. Derek Dsilva
 Tel: +91-22-25963838 Ext : 2292
 e-mail : derek.dsilva@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, 2016

No. of Equity Shares	No. of members	% of total members	No. of shares	% to total capital
Less than 500	20,533	90.36	22,41,197	4.11
501 – 1000	1,154	5.08	8,98,708	1.65
1001 – 2000	526	2.31	8,05,295	1.47
2001 – 3000	151	0.67	3,86,035	0.71
3001 – 4000	85	0.37	3,01,948	0.55
4001 – 5000	50	0.22	2,38,738	0.44
5001 – 10000	95	0.42	6,96,157	1.27
10,000 and above	130	0.57	48,999,687	89.80
Total	22,724	100.00	54,567,765	100.00

Shareholding Pattern as on March 31, 2016

Category	No. of shares held	% of shareholding
Company Promoter / Promoter Group	33,281,964	60.99
Financial Institutions / Banks	2,500	0.01
Foreign Portfolio Investors	10,983,709	20.13
Bodies Corporate	2,473,551	4.53
Individuals	5,909,016	10.83
Non-Resident Indians (Repat)	286,919	0.53
Non Resident Indians (Non- Repat)	125,553	0.23
Clearing Members	463,689	0.85
Mutual Funds	673,600	1.23
Trusts	300	0.00
Hindu Undivided Family	366,964	0.67
Total	54,567,765	100.00

Dematerialisation of shares and liquidity

The equity shares of the Company are in dematerialised form as on March 31, 2016 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.

Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to the risk of price fluctuation of goods and equipments due to changes in foreign exchange rates at the time of imports. However, since majority of the sale is by export, the Company has kept the overall foreign exchange risk unhedged. Please refer Note No. 30 of the Standalone Financial Statements for unhedged exposures on account receivables and account payables.

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

13. DISCLOSURES

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

Material significant related party transactions are disclosed in the “Notes forming part of the Financial Statements”.

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large.

Disclosure of Accounting Treatment

In preparation of Financial Statements, the Company has followed Accounting Standards as referred to in Section 133 of the Act and rules made thereunder. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Details of 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.

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.

Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has established/ adopted Vigil Mechanism Policy/ Whistle Blower Policy (the "Policy") in the year 2014 and was amended in the year 2015 pursuant to Listing Regulations coming into effect from December 1, 2015. The Policy provide a platform/ framework under which a director or an employee of the Company is able to report their grievances, genuine concerns about unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct or Ethics Policy. The mechanism provides for adequate safeguards against victimisation of Directors/ employee and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Policy is available on the website of the Company www.clarislifesciences.com.

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

Policy for Determining Material Subsidiaries:

The Company has established/ adopted Determining Material Subsidiaries (the "Policy") in the year 2014 and was amended in the year 2015 pursuant to the Listing Regulations coming into effect from December 1, 2015.

The web link thereto <http://www.clarislifesciences.com/global/Financial/Material%20Subsidiaries.pdf>

Policy on dealing with Related Party Transactions:

The Company has established/ adopted Determining Related Party Transactions (the "Policy") in the year 2014 and was amended in the year 2015 pursuant to the Listing Regulations coming into effect from December 1, 2015.

The web link there to <http://www.clarislifesciences.com/global/Financial/Material%20Related%20Party%20Transactions.pdf>

14. The Company has adopted following discretionary requirements as specified in Regulation 27(1) read with Schedule II Part E of Listing Regulations:

- **Board:** The Non-Executive Chairperson is allowed to get reimbursement of expenses incurred by him for performance of his duties.
- **Modified opinion in Audit Report:** The Auditors' Report on Financial Statements of the Company are unmodified.
- **Separate post of Chairman and Managing Director:** The Company has Mr. Surrinder Lal Kapur (DIN: 00033312) Non-Executive and Independent Director as the Chairman and Mr. Arjun Handa (DIN: 00159413) as the Vice - Chairman and Managing Director.
- **Reporting of Internal Auditor:** M/s. KPMG, Ahmedabad, Internal Auditors of the Company present internal audit report on quarterly basis directly to the Audit Committee.

The Company has complied with the Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations except the Risk Management Committee as the same is not applicable, pursuant to Regulation 21 of the Listing Regulations.

Disclosure with Equity shares in the suspense account

In accordance with the requirement of Regulation 34(3) read with Schedule V Part F of the Listing Regulations the disclosure with respect to demat suspense account/unclaimed suspense account, the Company reports the following details in respect of equity shares lying in dematerialized form in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2015	3	62
Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during the year	1	25
Number of shareholders and aggregate number of shares transferred from Suspense Account during the year	1	25
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2016	2	37

The voting rights on the shares in the Suspense Account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims them.

Any Query on Annual Report

Claris Lifesciences Limited
Secretarial Department
Claris Corporate Headquarters
Nr. Parimal Railway Crossing, Ellisbridge,
Ahmedabad – 380 006, 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 REGULATION 34 READ WITH SCHEDULE V, PARA E OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of
CLARIS LIFESCIENCES LIMITED
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by CLARIS LIFESCIENCES LIMITED, for the year ended on 31st March, 2016, as stipulated in clause 49 of the Listing Agreement entered into with Stock Exchange for the period from 1st April, 2015 to 30th November, 2015 and as per Regulation 17 to Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December, 2015 to 31st March, 2016 Pursuant to Regulation 34 read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

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 the 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 the Corporate Governance as stipulated in the above mentioned Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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: May 5, 2016

Name of practicing C S: Ashish C. Doshi, Partner
SPANJ & ASSOCIATES
Company Secretaries
ACS/FCS No. : F3544
C P No : 2356