

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY

Claris Lifesciences Limited believes in adopting the "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").

2. BOARD OF DIRECTORS

The Board of Directors comprises of nine Directors as on March 31, 2017, out of which two are Executive Directors and seven Non-Executive Directors including three Independent Directors and a 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	Non-Executive and Non-Independent Director	Director
Mr. Chandrasingh S. Purohit	Executive Director	Whole Time Director & CFO
Dr. Anup P. Shah	Non-Executive and Independent Director	Director
Ms. Milina Bose	Non-Executive and Non-Independent Director	Director
Mr. Amish Vyas	Non-Executive and Non-Independent Director	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.
2. Mr. Amish Vyas was appointed as an Additional Director w.e.f May 6, 2016 and regularized as Non-Executive and Non-Independent Director w.e.f. July 29, 2016.
3. Mr. Chetan S. Majmudar has been re-designated from Whole Time Director to Non-Executive and Non-Independent Director w.e.f. August 19, 2016.

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 and	4	-	7	4
Mr. Arjun Handa	Independent Director	2	1	-	-
Mr. Aditya S. Handa	Vice - Chairman & Managing Director	5	-	4	-
Mr. T. V. Ananthanarayanan	Non-Executive and Non-Independent Director	1	-	1	-
Mr. Chetan S. Majmudar	Non-Executive and Independent Director	3	-	-	-
Mr. Chandrasingh S. Purohit	Non-Executive and Non-Independent Director	1	-	-	-
Dr. Anup P. Shah	Whole Time Director & CFO	6	-	7	4
Ms. Milina Bose	Non-Executive and Independent Director	2	-	-	-
Mr. Amish Vyas	Non-Executive and Non-Independent Director	3	-	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, 2017 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 five meetings of the Board of Directors held during the financial year ended on March 31, 2017, i.e., on May 6, 2016, August 19, 2016, December 8, 2016, December 15, 2016 and February 14, 2017. 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, 2017 is given below:

Name of the Directors	Designation	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM (July 29, 2016)
Mr. Surrinder Lal Kapur	Chairman, Non-Executive and Independent Director	5	5	Yes
Mr. Arjun Handa	Vice - Chairman & Managing Director	5	5	Yes
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	5	3	Yes
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	5	2	Yes
Mr. Chetan S. Majmudar	Non-Executive and Non-Independent Director	5	5	Yes
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	5	5	Yes
Dr. Anup P. Shah	Non-Executive and Independent Director	5	5	Yes
Ms. Milina Bose	Non-Executive and Non-Independent Director	5	4	Yes
Mr. Amish Vyas*	Non-Executive and Non-Independent Director	4	4	Yes

* Mr. Amish Vyas was appointed as an Additional Director w.e.f May 6, 2016 and regularized as Non-Executive and Non-Independent Director w.e.f. July 29, 2016.

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

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

Mr. Aditya S. Handa, aged 32 years, holds a 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 other Directorships as mentioned 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. Abellon Energy Limited
2. Abellon Agrisciences Limited
3. Abellon Cleanenergy Limited
4. Xcelris Labs Limited
5. Abellon Bambooworks Limited

He is holding Committee Memberships/ Chairmanships as mentioned 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. Abellon Energy Limited – Audit Committee - Member
2. Abellon Agrisciences Limited – Audit Committee - Member
3. Abellon Cleanenergy Limited – Audit Committee - Member
4. Xcelris Labs Limited – Audit Committee – Member

He is not related to any Directors or Key Managerial Personnel of the Company except for Mr. Arjun Handa, Vice - Chairman and Managing Director is related to him as brother.

He does not hold any equity shares of the Company in his individual capacity as on March 31, 2017.

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

Ms. Milina Bose, aged 47 years, 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. She has served in Claris as Marketing Manager, Business Head and was also instrumental in setting up the Business and Product Development team. She has worked with Flourish Pure Foods, Ahmedabad, as V.P. Marketing and Branding, for a brief period. Since Feb 2013, she heads Xcelris Labs Limited, Ahmedabad as Executive Director & V.P. Xcelris is one of India's leading Genomics service and Medical Genetics provider to scientists and medical community across India and selected countries. She is also appointed as Whole Time Director of Xcelris Labs Limited from March, 2014.

She holds other Directorships as mentioned 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. Xcelris Labs Limited
2. Claris Injectables Limited

She 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.

She is not related to any Directors or Key Managerial Personnel of the Company.

She holds 91 equity shares of the Company as on March 31, 2017.

Mr. Shyamsunder Sharma – Whole Time Director (Additional Executive and Non-Independent Director)

Mr. Shyamsundar Sharma, aged 52 years, holds a Bachelor degree in Arts from M L Sukhadia University, Udaipur, and has a Post Graduate qualification in Social Work and Human Resource Management. He has an experience of about 28 years in the field of HRM With focus on people development, and technology in HR, he has been instrumental in developing and putting into place people policies, systems, and processes. He has brought several cultural changes, and has contributed in various awards to Claris including “India’s Best Companies to Work For” for 7 years in a row. He himself has been accredited as ‘Best HR Leader’ by Greentech in 2010, and has received ‘HR Leadership Award’ by World HRD Congress in 2016. He serves as President - HRM & Corporate Communication; and he oversees HRD, Personnel, Administration, and Corporate Communication functions.

He holds other Directorships as mentioned 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 is not related to any Directors or Key Managerial Personnel of the Company.

He does not hold any equity shares of the Company in his individual capacity as on March 31, 2017.

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

There are no convertible instruments outstanding as at March 31, 2017. The details regarding the number of shares held directly by the Non-Executive Directors as on March 31, 2017 is given below:

Name of the Directors	Designation	No. of Equity Shares held as on March 31, 2017
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
Dr. Anup P. Shah	Non-Executive and Independent Director	Nil
Ms. Milina Bose	Non-Executive and Non-Independent Director	91
Mr. Chetan S. Majumdar	Non-Executive and Non-Independent Director	78
Mr. Amish Vyas	Non-Executive and Non-Independent Director	Nil

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 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 of 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 2016-17	Cumulative till date	Financial Year 2016-17	Cumulative till date
1	Mr. Surrinder Lal Kapur	4	8	4	10
2	Dr. Anup P. Shah	4	8	4	10
3	Mr. T. V. Ananthanarayanan	2	5	2	6.5

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-%202016-17.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 Audit Committee met six times during the financial year ended on March 31, 2017, i.e., on May 6, 2016, July 29, 2016, August 19, 2016, December 8, 2016, December 15, 2016 and February 14, 2017. 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
Dr. Anup P. Shah - Chairman	Non-Executive and Independent Director	6	6
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	6	6

Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	6	3
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 Personnel 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

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 Nomination and Remuneration Committee met two times during the financial year ended on March 31, 2017, i.e., on May 6, 2016 and August 19, 2016.

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	1
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	2	2
Dr. 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 Regulations, a structured evaluation feedback form was prepared pursuant to Guidance Note on Board Evaluation issued by Securities and Exchange Board of India vide circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 and 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, 2017 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	-	-	-	-	-
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	-	-	-	-	-
Mr. Chetan S. Majmudar	Non-Executive and Non-Independent Director	-	-	-	-	-
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	105.72	-	-	-	105.72
Mr. Surrinder Lal Kapur	Non-Executive and Independent Director	-	-	-	6.80	6.80
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	-	-	-	3.20	3.20
Dr. Anup P. Shah	Non-Executive and Independent Director	-	-	-	6.80	6.80
Ms. Milina Bose	Non-Executive and Non-Independent Director	-	-	-	-	-
Mr. Amish Vyas	Non-Executive and Non-Independent Director	-	-	-	-	-
Total		105.72	-	-	16.80	122.52

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, 2017.
6. Mr. Arjun Handa is being paid salary and commission, based on his performance from the wholly owned subsidiary of the Company and further the total remuneration drawn by Mr. Arjun Handa from one or more companies does not exceed ceiling limit as prescribed under the Companies Act, 2013 and rules made 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 Stakeholders' Relationship Committee met four times during the financial year ended on March 31, 2017, i.e. May 6, 2016, August 19, 2016, December 8, 2016 and February 14, 2017.

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
Dr. Anup P. Shah	Non-Executive and Independent Director	4	4
Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	4	2
Mr. Arjun Handa	Vice - Chairman & Managing Director	4	4
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, 2017:

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

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 made thereunder.

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 had been re-constituted w.e.f August 19, 2016, as Mr. Aditya Handa, had to step down from the membership of the Corporate Social Responsibility Committee due to personal commitments w.e.f August 19, 2016; the Committee therefore replaced him by appointing Mr. Amish Vyas, Director of the Company as one of the member of the CSR Committee with immediate effect i.e. from August 19, 2016.

The Corporate Social Responsibility Committee met two times during the financial year ended on March 31, 2017, i.e., on August 19, 2016 and February 14, 2017.

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	2	2
Dr. Anup P. Shah	Non-Executive and Independent Director	2	2

Mr. T. V. Ananthanarayanan	Non-Executive and Independent Director	2	1
Mr. Arjun Handa	Vice - Chairman & Managing Director	2	2
Mr. Chetan S. Majmudar	Non-Executive and Non-Independent Director	2	2
Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	2	2
Mr. Aditya S. Handa	Non-Executive and Non-Independent Director	1	-
Mr. Amish Vyas	Non-Executive and Non-Independent Director	1	1

Note : Mr. Shyamsunder Sharma act as Special Invitee in Corporate Social Responsibility Committee.

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

7. COMMITTEE OF DIRECTORS

The Executive Committee of the Company has been re-named as Committee of Directors w.e.f. August 19, 2016 and has been re-constituted w.e.f August 19, 2016 and comprises of four members namely; Mr. Arjun Handa, Mr. Chandrasingh S. Purohit, Mr. Chetan S. Majmudar and Mr. Amish Vyas. 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, Committee of Directors meets as per the business and administrative requirements.

8. INDEPENDENT DIRECTOR'S MEETING

During the year, a separate meeting of the Independent Directors was held on February 14, 2017, 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.

9. GENERAL BODY MEETINGS

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

Year	Date / Time	Venue	Special Resolution
2015-16	July 29, 2016 11:30 AM	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	-----

2014-15	September 23, 2015 12:00 Noon	Ahmedabad Management Association, J. B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.	<ol style="list-style-type: none"> 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.

Special Resolutions passed during the financial year ended on March 31, 2017, through Postal Ballot

During the year under review, the Company has passed the 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
December 15, 2016	Special Resolution pursuant to section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013 and rules there under, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and any other applicable law for the time being in force, for the approving the transfer of the 'Injectables Business' carried on by the Company in India	39,156,038 (95.85%)	1,693,672 (4.15%)	February 17, 2017

	<p>and overseas, through its subsidiary Claris Injectables Limited and other identified indirect subsidiaries of the Company (viz. Claris Lifesciences Inc., Claris Lifesciences (UK) Limited, Claris Lifesciences (Aust) Pty. Limited Claris Lifesciences Philippines Inc, Claris Pharmservices and Elda International DMCC), through one or more transactions involving the transfer of ownership of the subsidiary(ies) to the Baxter Group (including by way of sale of all existing equity shares beneficially held by the Company in, and subscription to new equity shares of, Claris Injectables Limited) at an aggregate enterprise value of approximately USD 625,000,000 (United States Dollars Six Hundred and Twenty-Five Million Only) for the said transaction relating to the sale of injectables business, subject to agreed adjustments, permitted under applicable law, including for repayment of lenders debt, certain inter-group transactions, and other closing adjustments, which may be substantial.</p>			
--	--	--	--	--

2,650 shares 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 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 evoting 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 Central Depository Services (India) Limited (CDSL).

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 CDSL.

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.

10. MEANS OF COMMUNICATION

Results

The quarterly, half-yearly and yearly unaudited/ audited financial results of the Company were published as per Regulation 33 of the Listing Regulations. 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 www.clarislifesciences.com

11. GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of Annual General Meeting	:	September 19, 2017 at 12:00 Noon at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.
Financial Year	:	April 1, 2016 to March 31, 2017
Dividend Payment Date	:	September 29, 2017
Financial Year 2017-18 (tentative)		
Results for the quarter ended on June 30, 2017	:	Second week of August 2017
Results for the quarter ended on September 30, 2017	:	Second week of November 2017
Results for the quarter ended on December 31, 2017	:	Second week of February 2018
Results for the last quarter and year ended on March 31, 2018	:	Third week of May 2018
23rd Annual General Meeting	:	August-September, 2018

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 2017-18 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 2017-18 has been paid to NSDL & CDSL.

Monthly high / low stock quotations at BSE Limited for the Financial Year 2017-18**(Figure in Rs.)**

Month	Particulars	BSE	
		High	Low
April 2016		166.00	130.50
May 2016		234.90	151.50
June 2016		238.80	188.00
July 2016		270.00	210.00
August 2016		290.25	230.10
September 2016		254.80	217.30
October 2016		311.45	244.85
November 2016		308.45	231.00
December 2016		430.10	276.00
January 2017		333.80	295.55
February 2017		339.00	291.00
March 2017		330.00	308.00

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, 2016	132.50	25,269.64
As on March 31, 2017	320.50	29,620.50
% Change	141.89	17.22

Total Equity Share Capital of the Company as on March 31, 2017 was 54,567,765 equity shares of Rs. 10/- each

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

(Unit : Claris Lifesciences Limited)

C 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai – 400 083.

Contact Person : Mr. Ajay Jadhav

Tel: +91-22-49186270, Fax : +91-22-49186060

e-mail : rnt.helpdesk@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, 2017

No. of Equity Shares	No. of members	% of total members	No. of shares	% to total capital
Less than 500	17,552	89.27	1,865,256	3.42
501 – 1000	1,057	5.38	825,867	1.51
1001 – 2000	472	2.40	708,581	1.30
2001 – 3000	174	0.89	447,717	0.82
3001 – 4000	85	0.43	300,235	0.55
4001 – 5000	63	0.32	302,496	0.55
5001 – 10000	103	0.52	763,954	1.40
10,000 and above	155	0.79	49,353,659	90.45
Total	19,661	100.00	54,567,765	100.00

Shareholding Pattern as on March 31, 2017

Category	No. of shares held	% of shareholding
Company Promoter / Promoter Group	27,355,964	50.13
Foreign Portfolio Investors	14,447,696	26.48
Bodies Corporate	3,509,668	6.43
Individuals	7,149,178	13.10
Non-Resident Indians (Repat)	238,632	0.44
Non Resident Indians (Non- Repat)	261,762	0.48
Clearing Members	252,008	0.46
Mutual Funds	1,014,837	1.86
Hindu Undivided Family	338,020	0.62
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, 2017 except 102 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 as on March 31, 2017.

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 through export, the Company has kept the overall foreign exchange risk unhedged. Please refer Note 36 to the standalone financial

statements and Note 39 to the consolidated 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 101, 247 Park,

L B S Marg, Vikhroli West,

Mumbai – 400 083.

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

Website: www.linkintime.co.in

SEBI Registration No: INR00000 4058

12. 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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indain GAAP). These financial statements are the Company’s first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 ‘First time adoption of Indian Accounting Standards’.

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") pursuant to the Companies Act and Listing Regulations. 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") pursuant to Listing Regulations. 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") pursuant to Listing Regulations. The web link thereto <http://www.clarislifesciences.com/global/Financial/Material%20Related%20Party%20Transactions.pdf>

13. 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, 2016	2	37
Number of shareholders who approached	0	0

the Company for transfer of shares and shares transferred from Suspense Account during the year		
Number of shareholders and aggregate number of shares transferred from Suspense Account during the year	0	0
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2017	2	37

The voting rights on the shares in the Suspense Account as on March 31, 2017 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 31st March, 2017, 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 April, 2016 to 31st March, 2017 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 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 20, 2017

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