

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY

Claris Lifesciences Limited philosophy envisages the attainment of the highest standards of Corporate Governance by timely disclosures, transparent accounting policies, responsibility and fairness. Its endeavour is to maximize the long term value of the Shareholders of the Company.

### BOARD OF DIRECTORS

The Board of Directors comprises of 7 Directors as on December 31, 2013. Out of this, three are Independent Directors (including Chairman), three Executive Directors and one Non-Executive Director.

#### Composition, Category & Designation of Directors

Name of Director	Category	Designation
Mr. Surrinder Lal Kapur	Independent Non Executive Director	Chairman
Mr. Arjun Handa	Promoter and Executive Director	Managing Director & CEO
Mr. Aditya S. Handa	Non Executive Director	Director
Mr. T. V. Ananthanarayanan	Independent Non Executive Director	Director
Mr. Chetan S. Majmudar	Executive Director	Whole Time Director
Mr. Chandrasingh S. Purohit	Executive Director	Whole Time Director
Mr. Anup P. Shah	Independent Non Executive Director	Director

#### Notes :

1. Mr. Anup P. Shah was appointed as an Additional Independent Non-Executive Director on February 23, 2013 and was regularized as a Director on April 12, 2013 at Annual General Meeting of the Company.

### BOARD MEETINGS

#### Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other directorship and Chairmanship/ Membership of Committees in various Companies

Name of Director	Attendance Particulars		Number of other Directorships and Committee Memberships / Chairmanships*			
	Board Meetings	Last AGM	Other Directorships	Chairmanships	Committee Memberships	Committee Chairmanships
Mr. Arjun Handa	4	Yes	7**	-	1	-
Mr. Aditya S. Handa	4	Yes	6**	-	-	-
Mr. Chetan S. Majmudar	2	Yes	2	-	-	-
Mr. Chandrasingh S	4	Yes	1**	-	-	-

Purohit						
Mr. T. V. Ananthanarayanan	4	Yes	4	-	-	-
Mr. Surrinder Lal Kapur	4	Yes	4	1	5	1
Mr. Anup P. Shah	4	Yes	5**	-	3	1

\* Includes only Chairmanship / Membership of the Audit Committee and the Shareholders' Grievance Committee.

\*\* Excludes Directorship in Foreign Companies and Non Profit Organisation.

#### **Number of Board Meetings held and the dates on which held**

Four meetings of the Board of Directors were held during the year ended 31st December, 2013 on February 23, 2013, May 10, 2013, August 10, 2013 and November 13, 2013.

#### **BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT**

##### **Mr. Aditya S. Handa, a Non - Executive Director**

**Mr. Aditya S. Handa** is a Non Executive Director of the Company. He 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 and has served as CFO of the Company from January 1, 2008 to March 31, 2009, which was his first employment. As on December 31, 2013, he is holding nil shares of the Company.

#### **CODE OF CONDUCT**

The Board of Directors of the Company has laid down a code of conduct for all the Board Members and Senior Management Group of the Company. The code of conduct is available on the website of the Company [www.clarislifesciences.com](http://www.clarislifesciences.com). All the Board Members and Senior Management Group have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director & CEO to this effect is enclosed as a part of this Annual Report.

#### **AUDIT COMMITTEE**

The Board of Directors have constituted an Audit Committee to assist the Board in discharging its responsibilities effectively. The constitution, power, role etc of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 (II) (A)/(B)/(C)/(D) and (E) of the Listing Agreement with Stock Exchange.

#### **Composition and Terms of Reference**

Prior to February 23, 2013, the Audit Committee comprised of three Members, namely, Mr. Arjun Handa, Mr. T. V. Ananthanarayanan and Mr. Surrinder Lal Kapur. Except for Mr. Arjun Handa, all other members of the Audit Committee were Independent.

The Audit Committee was re-constituted on February 23, 2013 comprising of four Members, namely, Mr. Anup P. Shah, Mr. Surrinder Lal Kapur, Mr. T. V. Ananthanarayanan and Mr. Chandrasingh S. Purohit. Mr. Anup P. Shah was appointed as Chairman of the Audit Committee by the Board on February 23, 2013. Except for Mr. Chandrasingh S. Purohit, all other members of the Audit Committee are Independent.

The Committee deals with accounting matters, financial reporting and internal controls. Terms of reference of Audit Committee specified by the Board are as contained in section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

**Meetings and attendance during the year**

The Committee met four times during the year ended December 31, 2013 on February 23, 2013, May 10, 2013, August 10, 2013 and November 13, 2013. All the members of the Audit Committee were present in all the meetings.

**REMUNERATION/ COMPENSATION COMMITTEE**

**Composition and other details**

Prior to February 23, 2013, the Remuneration/ Compensation Committee comprised of two Members, namely, Mr. Surrinder Lal Kapur and Mr. T V Ananthanarayanan. All the member of the Committee are Independent.

The Board has re-constituted Remuneration/ Compensation Committee comprising of three Members namely, Mr. Anup P. Shah, Mr. Surrinder Lal Kapur and Mr. T. V. Ananthanarayanan. Mr. T. V. Ananthanarayanan was appointed as Chairman of the Committee by the Board on February 23, 2013. All the members of the Committee are Independent.

**Attendance during the year**

No meeting was held during the year.

**Remuneration Policy**

The Remuneration Committee determines the Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of the Company, the Remuneration Committee, inter alia, determines the remuneration payable to the Directors.

Apart from discharging the above-mentioned basic functions, the Remuneration Committee also discharges the following functions:

- Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives; and
- Formulating strategies for attracting and retaining employees and employee & development programmes.

## Details of Remuneration paid to Directors during the year

### a) Executive Directors

The remuneration paid to Directors during the financial year ended December, 31, 2013 are as follows:

Executive Directors	Salary (Rs.)	Other Allowances (Rs.)	Perks (Rs.)
Mr. Arjun Handa	15,000,000	50,000	-
Mr. Chetan S. Majmudar	4,679,360	50,000	30,000
Mr. Chandrasingh S. Purohit	4,679,360	50,000	30,000
<b>Total</b>	<b>24,358,720</b>	<b>150,000</b>	<b>60,000</b>

### b) Non-Executive Directors

The sitting fees paid to Non-Executive Directors for attending meetings during the financial year ended December, 31, 2013 are as follows:

Non – Executive Directors	Amount in Rs.
Mr. Surrinder Lal Kapur	2,40,000
Mr. T. V. Ananthanarayanan	2,40,000
Mr. Anup P. Shah	2,40,000
<b>Total</b>	<b>7,20,000</b>

## SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

As a measure of good Corporate Governance and focusing on strengthening the relation with the stakeholders, the Board has formed Shareholders/ Investors' Grievance Committee.

### Constitution and Composition

Prior to February 23, 2013, the Shareholders/ Investors Grievance Committee comprised of three Members, namely, Mr. Arjun Handa, Mr. T. V. Ananthanarayanan and Mr. Chandrasingh S. Purohit.

The Board has re-constituted Shareholders/ Investors Grievance Committee comprising of five Members, namely, Mr. Anup P. Shah, Mr. Surrinder Lal Kapur, Mr. T. V. Ananthanarayanan, Mr. Arjun Handa and Mr. Chandrasingh S. Purohit. Mr. Surrinder Lal Kapur was appointed as Chairman of the Committee by the Board on February 23, 2013. All the members were present in all the meetings.

### Compliance Officer

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

### Terms of Reference

The Committee was constituted to look into the Investors' complaints and to redress the same expediently. The Committee meets as and when there are any complaints from investors. The Company Secretary of the Company is the Compliance Officer. There were nil complaint pending to be resolved as on December 31, 2013.

**Details of Complaints for the year 2013:**

S.No	Nature of Complaints	Received	Disposed	Pending
1.	Non- receipt of dividend warrant	2	2	Nil
2.	Non- receipt of annual report	1	1	Nil
	<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>Nil</b>

**GENERAL BODY MEETINGS****Location and time for the Annual General Meetings held in the last three financial years:**

Year	Date / Time	Venue	Special Resolution
2012	12/04/2013 / 12:00 Noon	Ahmedabad Management Association, J. B. Auditorium, ATIRA campus, Dr.Vikram Sarabhai Marg, Ahmedabad – 380015	-----
2011	30/04/2012 / 12:00 Noon	Ahmedabad Management Association, H. T. Parekh convention centre, ATIRA campus, Dr.Vikram Sarabhai Marg, Ahmedabad – 380015	-----
2010	12/05/2011 4.00 P.M.	Ahmedabad Management Association, H. T. Parekh convention centre, ATIRA campus, Dr.Vikram Sarabhai Marg, Ahmedabad - 380015	-----

**Special Resolution passed last year through Postal Ballot**

No Special Resolution was passed last year through Postal Ballot.

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

We have disclosed the material significant related party transactions in the Notes forming part of the financial statements.

**Details of non-compliance by the company, penalties, 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.**

Nil.

**Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.**

The Company affirms that no personnel has been denied access to the audit committee.

**Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause.**

All the mandatory requirements has been complied by the Company. The Company is in process to adopt certain Non-Manadatory requirments including Whistle Blower Policy.

**MEANS OF COMMUNICATION**

**Results**

The quarterly, half-yearly and yearly un-audited/ audited financial results of the Company were published as per Clause 41 of the Listing Agreement. The results are also uploaded on Company's website : [www.clarislifesciences.com](http://www.clarislifesciences.com)

**GENERAL SHAREHOLDERS INFORMATION**

Date, Time and Venue of Annual General Meeting : Tuesday, June 17, 2014 at 11:00 AM at Ahmedabad Management Association, J.B. Auditorium, ATIRA campus, Dr.Vikram Sarabhai Marg, Ahmedabad -380015

**Financial Year of the Company** : December 31, 2013

**Financial Year 2014 (tentative)**

20<sup>th</sup> Annual General Meeting : May- June 2015

Results for the quarter ended March 31, 2014 : Second week of May 2014

Results for the quarter ended June 30, 2014 : Second week of August 2014

Results for the quarter ended September 30, 2014 : Second week of November 2014

Results for the last quarter ended December 31, 2014 : Second week of February 2015

**Book Closure dates**

From June 13, 2014 to June 17, 2014 (both days inclusive) for the purpose of the Annual General Meeting.

**Dividend Payment Date** : No dividend is declared.

**Listing on Stock Exchanges**

The Company's Shares are listed on BSE Limited. The listing fee for the year 2013-14 has been paid to the above stock exchange. The Listing fee for the year 2014-15 will be paid on or before the due date.

**Stock Code**

- a) Scrip code Bombay Stock Exchange : 533288  
Scrip ID Bombay Stock Exchange : CLARIS  
b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE562G01018

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

Particulars	BSE	
	High	Low
Month		
Januray 2013	228.40	198.00
February 2013	226.90	176.00
March 2013	229.50	181.60
April 2013	232.00	176.60
May 2013	186.70	150.00
June 2013	211.40	142.05
July 2013	207.70	165.35
August 2013	190.00	162.15
September 2013	202.15	162.05
October 2013	198.00	170.00
November 2013	192.00	169.00
December 2013	229.00	164.10

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

Particulars	Share Price v/s. BSE	
	Share Price (Rs.)	BSE Sensex
As on 01/01/2013	211.10	19,580.81
As on 31/12/2013	192.95	21,170.68
% Change	-8.60	8.12

Total Equity Share Capital of the Company as on December 31, 2013 was 63,817,765 equity shares of Rs. 10/- each.

**Registrar and Share Transfer Agents**

LINK INTIME INDIA PRIVATE LIMITED

(Unit : Claris Lifesciences Limited)

C-13, Pannalal Silk Mills Compound

LBS Road, Bhandup (West)

Mumbai – 400 078

Contact Person : Prabhsharan Nottay

Tel No. : 25946970 Ext : 2303

e-mail : prabhsharan.nottay@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 December 31, 2013

No. of Equity Shares	No. of Shareholders	% of total shareholders	No. of Shares	% to total Capital
Less than 500	13,271	92.51	12,53,917	1.96
501 – 1000	625	4.36	4,39,538	0.69
1001 – 2000	197	1.37	2,97,717	0.47
2001 – 3000	52	0.36	1,34,768	0.21
3001 – 4000	30	0.21	1,07,430	0.17
4001 – 5000	29	0.20	1,33,737	0.21
5001 – 10000	55	0.38	4,22,014	0.66
10000 and above	87	0.61	6,10,28,644	95.63
<b>Total</b>	<b>14346</b>	<b>100.00</b>	<b>6,38,17,765</b>	<b>100.00</b>

### Shareholding Pattern as on December 31, 2013

Category	No. of shares held	% Shareholding
Company Promoter / Promoter Group	3,84,25,211	60.21
Mutual Funds / UTI	1,77,371	0.28
Financial Institutions / Banks	757	0.00
Foreign Institutional Investors	94,82,790	14.86
Non-Resident Indians	2,30,133	0.36
Non Resident Non- Repatriable	2,09,366	0.33
Foreign Venture Capital Investors	71,11,095	11.14
Qualified Foreign Investors - Corporate	17,94,800	2.81
Bodies Corporate	28,56,397	4.48
General Public	29,84,705	4.68
Clearing Members	5,45,140	0.85
<b>TOTAL</b>	<b>6,38,17,765</b>	<b>100.00</b>



**Dematerialisation of shares**

The equity shares of the Company are in dematerialised form as on December 31, 2013 except 3 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:**

Nil.

**Plant Locations**

Village : Chacharwadi, Vasna

Taluka : Sanand

Ahmedabad - 382213

**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 Road, Bhandup (West)

Mumbai – 400 078

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

SEBI Registration No: INR00000 4058

**Any Query on Annual Report**

Claris Lifesciences Limited

Secretarial Department

Claris Corporate Headquarters

Nr. Parimal Railway Crossing, Ellisbridge,

Ahmedabad – 380006, India

Tel: +91-79-26563331,

Fax:- +91-79-26408053/26565879

Website: [www.clarislifesciences.com](http://www.clarislifesciences.com)

CIN: L85110GJ1994PLC022543

For any other queries : Email : [investorservices.corp@clarislifesciences.com](mailto:investorservices.corp@clarislifesciences.com)

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Claris Lifesciences Limited, Ahmedabad

We have examined the compliance of the conditions of Corporate Governance by Claris Lifesciences Limited for the year ended 31st December, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of 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 representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Ahmedabad  
Date : 28th February, 2014

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