

July 30, 2016

The Department of Corporate Services  
BSE Limited  
25<sup>th</sup> Floor, P J Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir

**Scrip code : 533288**  
**Subject : Annual Report 2015-16 – Claris Lifesciences Limited.**

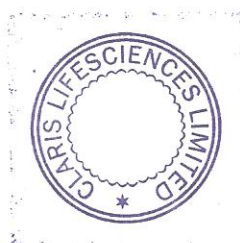
Please find enclosed herewith Annual Report 2015-16 of Claris Lifesciences Limited ("the Company") pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the Members of the Company as per the provisions of the Companies Act, 2013, at the Twenty First Annual General Meeting of the Company held on July 29, 2016.

Request you kindly take the same on your record.

Thanking you,  
**FOR CLARIS LIFESCIENCES LIMITED**



Chandrasingh Purohit  
**WHOLE TIME DIRECTOR & CFO**



Encl: As above

# CLARIS

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Annual Report 2015-16

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# ***Content***

Vice-Chairman Et Managing Director's Message	03
Notice	05
Directors' Report	11
Report on Corporate Governance	37
Management Discussion Et Analysis	51

## **Standalone Financial Statements**

Auditor's Report	62
Annexure to Auditor's Report	64
Balance Sheet	68
Statement of Profit Et Loss	69
Cash Flow Statement	70
Notes forming part of the Financial Statements	72

## **Consolidated Financial Statements**

Auditor's Report	98
Annexure to Auditor's Report	100
Consolidated Balance Sheet	102
Consolidated Statement of Profit Et Loss	103
Consolidated Cash Flow Statement	104
Notes forming part of the Financial Statements	106
Form AOC - 1	129
5 Years Financial Highlights - Consolidated	130

Attendance Slip	133
Proxy Form	134
Route Map to the venue of the Annual General Meeting	135

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Surrinder Lal Kapur

Chairman & Non-Executive and Independent Director

### Mr. Arjun Handa

Vice - Chairman & Managing Director

### 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

### Mr. T. V. Ananthanarayanan

Non-Executive and Independent Director

### Mr. Anup P. Shah

Non-Executive and Independent Director

### Ms. Milina Bose

Non-Executive and Non-Independent Director

### Mr. Amish Vyas

Additional Non-Executive and Non-Independent Director

## COMPANY SECRETARY

### Mr. Kirit H. Kanjaria

Sr. VP - Company Secretary & Compliance Officer

## BOARD COMMITTEES

### Audit Committee

Mr. Anup P. Shah, Chairman

Mr. Surrinder Lal Kapur, Member

Mr. T. V. Ananthanarayanan, Member

Mr. Chandrasingh S. Purohit, Member

### Stakeholders Relationship Committee

Mr. Surrinder Lal Kapur, Chairman

Mr. Anup P. Shah, Member

Mr. T. V. Ananthanarayanan, Member

Mr. Arjun Handa, Member

Mr. Chandrasingh S. Purohit, Member

### Nomination and Remuneration Committee

Mr. T. V. Ananthanarayanan, Chairman

Mr. Anup P. Shah, Member

Mr. Surrinder Lal Kapur, Member

### Corporate Social Responsibility Committee

Mr. Surrinder Lal Kapur, Chairman

Mr. Arjun Handa, Member

Mr. Aditya S. Handa, Member

Mr. Chetan S. Majmudar, Member

Mr. Chandrasingh S. Purohit, Member

Mr. T. V. Ananthanarayanan, Member

Mr. Anup P. Shah, Member

Mr. Shyam Sharma, Special Invitee

## Executive Committee

Mr. Chetan S. Majmudar, Chairman

Mr. Chandrasingh S. Purohit, Member

Mr. Arjun Handa, Member

## STATUTORY AUDITORS

Shah & Shah Associates, Ahmedabad

## INTERNAL AUDITORS

KPMG, Ahmedabad

## REGISTERED & CORPORATE OFFICE

Claris Corporate Headquarters

Nr. Parimal Railway Crossing,

Ellisbridge, Ahmedabad - 380 006, India.

Tel: +91-79-26563331, 66309339

Fax: +91-79-26408053

## MANUFACTURING FACILITY

Village: Chacharwadi, Vasna

Taluka: Sanand

Ahmedabad - 382 213, India.

## BANKERS

1. Canara Bank

2. Indian Overseas Bank

3. Punjab National Bank

4. Qatar National Bank

5. Central Bank of India

6. Allahabad Bank

7. Andhra Bank

8. Vijaya Bank

9. Barclays Bank PLC

## REGISTRAR AND TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

(Unit: Claris Lifesciences Limited)

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078.

## WEBSITE

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

## INVESTOR SERVICES E-MAIL ID

[investorservices.corp@clarislifesciences.com](mailto:investorservices.corp@clarislifesciences.com)

## CORPORATE IDENTIFICATION NUMBER

L85110GJ1994PLC022543

# Vice-Chairman & Managing Director's Message

Dear Stakeholders,

With utmost pleasure, I share the key highlights of our performance with you through this Annual Report for the year 2015-16. I hope you feel the same satisfaction and pride that we felt while analyzing our growth trajectory during the compilation of this document.

During the year, we focused mainly on the expansion of the newly formed wholly owned subsidiary, Claris Injectables Limited. Special emphasis has been laid to widen the horizons of our specialty injectables business in the USA market. Essential changes have been undertaken at the core level to strengthen the organizational structure of Claris Injectables Limited (India) and Claris Lifesciences Inc. (USA) so as to fortify our manufacturing capabilities and penetrate deeper in flourishing markets. During the year, the Company also installed two lines at the new plant, and introduced two new technologies in form of Lyophilization and Aseptic Filling. These two technologies will help the Company develop, file, and sell high value products in the USA going forward.

In addition to the improvement of manufacturing processes including automation in the packaging sections of the manufacturing facility in 2014-15, production capacities have also been enhanced in 2015-16 to facilitate the growing demand of our products. Together, these advancements have provided an impetus to our efforts, and have put us on the path towards our goal of increasing our market share for existing products and launching new products in the USA. The Company continues to target its 100 ANDAs pipeline in the USA by 2020. On the same lines, I am happy to state that 52% of our Speciality Injectables Business revenue has been generated from the USA.

We are well on track to roll out 25 products over the next three years, which are capable of solidifying company's position in the USA and Regulated Markets.

Our growth is catapulted to newer heights year-on-year, coupled with our focus on quality, technology, innovation, strength of technical know-how, expertise in manufacturing and marketing injectables products that has helped us carve a strong foothold in the global arena through establishing a niche position for ourselves.

While the business goals have remained our priority, simultaneously, we have ensured sincere involvement in corporate social responsibility. We have continued our support in the areas of promoting sports, healthcare, education, and culture amongst others.

We have been unapologetic in our approach and insistence for finest product and management quality, which has time and again been recognized by industry stalwarts. For the sixth consecutive year, we have been recognized as one of the 'India's Best Companies to Work for' by The Economic Times and Great Place to Work® Institute. The recognition attests our unwavering belief that 'people are everything'.

May it be human resource, technological infrastructure, manufacturing and research expertise, or marketing networks, we are incessant in our pursuit for world-class quality; we are poised to surge ahead.

I wholeheartedly appreciate the ceaseless faith and encouragement of all our stakeholders, which time and again fuel Claris with an unrelenting urge to continue researching, innovating, manufacturing, and marketing finest quality life-saving products to preserve Earth's most precious resource... Human Lives.



**Arjun Handa**

Vice Chairman & Managing Director

Our growth is catapulted to newer heights year-on-year, coupled with our focus on quality, technology, innovation, strength of technical know-how, expertise in manufacturing and marketing injectables products.

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# Notice

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## CLARIS LIFESCIENCES LIMITED

Regd. Office: 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

Notice is hereby given that the Twenty First Annual General Meeting ("AGM") of the Members of CLARIS LIFESCIENCES LIMITED will be held on Friday, July 29, 2016 at 11:30 AM at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2016 comprising of the Balance Sheet as at March 31, 2016, Statement of Profit & Loss and Cash Flow Statement as on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the Report of the Board of Directors' and Auditors' thereon.
2. To declare a final Dividend of Rs. 2/- per equity share for the financial year ended on March 31, 2016.
3. To appoint a Director in place of Mr. Arjun Handa (DIN: 00159413), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chandrasingh S. Purohit (DIN: 00199651), who retires by rotation and being eligible, offers himself for reappointment.
5. To ratify the appointment of Statutory Auditors, M/s. Shah & Shah Associates (Firm registration No.113742W), Chartered Accountants, Ahmedabad and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the resolution passed by the Members at the Twentieth Annual General Meeting of the Company held on September 23, 2015, the Company hereby ratifies the appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 113742W) as Statutory Auditors of the Company, to audit the accounts of the Company for the financial year ending on March 31, 2017 and the Board of Directors be and are hereby authorized to fix the remuneration and other terms and conditions as may be mutually agreed between the Board of Directors of the Company and the Auditors"

### SPECIAL BUSINESS:

6. To appoint Mr. Amish Vyas (DIN: 00168292) as a Director on the Board of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Amish Vyas (DIN: 00168292), who was appointed as an Additional Non-Executive and Non-Independent Director of the Company with effect from May 6, 2016 on the Board of the Company and who holds office up to the date of the Annual General Meeting, and in respect of whom a notice has been received under Section 160 of the Act from a member in writing along with requisite deposit proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

7. To ratify / approve the material related party transactions of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for ratification / approval of material contracts / arrangements entered into by the Company with Related Party as defined under Section 2(76) of the Companies Act, 2013, and as set out in the explanatory statement annexed to the Notice."

# Notice

"RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

Place: Ahmedabad  
Date: May 6, 2016

By order of the Board of Directors  
For Claris Lifesciences Limited

Regd. Office:  
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](http://www.clarislifesciences.com)  
CIN: L85110GJ1994PLC022543

Kirit H. Kanjaria  
Sr. VP-Company Secretary & Compliance Officer

## NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/ PROXIES SHOULD BRING THEIR DULY FILLED ATTENDANCE SLIP ATTACHED HERewith TO ATTEND THE MEETING. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate certified copy of the Board resolution/authority, as applicable.
3. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. A Member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his/her proxy unless such other person is also a member of the Company.
5. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of the Annual Report would be made available at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from Saturday, July 23, 2016 to Friday, July 29, 2016 (both days inclusive) for determining the names of members eligible for final dividend on Equity Shares for the financial year ended on March 31, 2016, if declared at the Meeting.
7. The brief profile of the Directors proposed to be appointed / re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the section "Report on Corporate Governance" forming part of this Annual Report.
8. All documents referred to in the accompanying Notice to the Members and the Explanatory Statement are available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during working hours up to and including the date of the AGM.
9. The shares of the Company are at present listed with BSE Limited. The listing fee for the financial year 2016-2017 has been paid to BSE Limited before the due date.
10. Pursuant to Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in the prescribed Form No. SH-13 and for cancellation / variation in nomination in the prescribed Form No. SH-14 to the Registrar and Transfer Agent of the Company i.e. M/s Link Intime India Private Limited.
11. The Notice of Twenty First AGM along with the Annual Report for the financial year 2015-16 will be sent electronically indicating the process and manner of remote e-voting to the Members whose e-mail addresses are registered with the Depository Participants /Company. The physical copy of the Notice of Twenty First AGM along with the Annual Report for the financial year 2015-16 will be sent through permitted mode to those Members whose e-mail addresses are not registered with the Depository Participants/Company indicating the process and manner of remote e-voting.

The Members will be entitled to receive physical copy of the Annual Report for the financial year ended on March 31, 2016, free of cost, upon sending a request to the Registrar and Transfer Agent or the Company Secretary of the Company. The Notice along with the Annual Report will also be available on the Company's website [www.clarislifesciences.com](http://www.clarislifesciences.com)

Further, the Members who have not registered their e-mail address so far are requested to register the same for receiving all communications including Notices, circulars, Annual Reports etc. from the Company electronically.



# Notice

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12. The dividend on Equity Shares as recommended by Board of Directors, if declared at the Meeting, will be paid within 30 days from the date of declaration pursuant to the provisions of the Companies Act, 2013, to those members whose names appears on the Company's Register of Members as on Friday, July 22, 2016 at the close of business hours; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date and in respect of the shares held in physical form, the dividend will be paid to members whose names are furnished by Link Intime India Private Limited as beneficial owners as on that date.
13. Members whose shareholding is in electronic mode are requested to update any change of address and updates of savings bank account details to their respective Depository Participant(s) as pursuant to Regulation 12 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Dividends shall be paid through the Electronic Clearing System (ECS) approved by the Reserve Bank of India or Dividend warrants as per the bank details and other information furnished to the Company by National Securities Depository Limited and Central Depository Services (India) Limited respectively.
14. Members whose shareholding is in physical form are requested to inform change in address or bank mandate to the Registrar and Transfer Agent i.e. M/s. Link Intime India Private Limited or the Company Secretary of the Company by a written request duly signed by the Member for receiving all communication in future.
15. Members desiring any information relating to the accounts are requested to write to the Company at least ten days before the AGM so as to enable the management to keep the information available at the AGM.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Transfer Agent i.e. M/s. Link Intime India Private Limited or the Company Secretary of the Company.
17. Members wishing to claim dividend, for the previous financial years remaining unclaimed/unpaid, are requested to correspond with the Registrar and Transfer Agent i.e. M/s. Link Intime India Private Limited or the Company Secretary of the Company. Members are requested to note that dividends not claimed within a period of seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to Investor Education and Protection Fund as per the Sections 205A and 205C of the Companies Act, 1956 (Sections 124 and 125 of the Companies Act, 2013 is not yet notified) and no claim shall lie against the Company for the Unpaid/Unclaimed dividend so transferred to Investor Education and Protection Fund.
18. Members who have neither received nor encashed their dividend warrant(s) for the previous financial years, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s). Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unclaimed/unpaid amounts lying with the Company on September 23, 2015 (date of the Twentieth AGM) on the website of the Company ([www.clarislifesciences.com](http://www.clarislifesciences.com)) and also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

## 19. Voting through electronic means:-

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide Members facility to exercise their right to vote at the Twenty First AGM by electronic means ("e-voting") and business may be transacted through remote e-voting (e-voting from a place other than venue of the AGM,) services provided by Central Depository Services (India) Limited (CDSL) for the resolutions set forth in this Notice. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility and a Member may avail facility at his/her discretion, subject to compliance with the instructions for remote e -voting given below :

Instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on Monday, July 25, 2016 (10:00 AM) and ends on Thursday, July 28, 2016 (5:00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, July 22, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. For Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

# Notice

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant 'Claris Lifesciences Limited' for which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

# Notice

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20. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, July 22, 2016.
21. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e Friday, July 22, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
22. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
23. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
24. M/s. SPANJ & Associates, Company Secretaries, Mr. Ashish C. Doshi, Partner, has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting by Ballot Paper and remote e-voting process in a fair and transparent manner.
25. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e voting facility.
26. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit within the stipulated time,, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results shall be declared on or after the AGM of the Company by the Chairman of the Company or a person authorized by him in writing, within stipulated time, as per the Scrutinizer's Report submitted to him. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.clarislifesciences.com](http://www.clarislifesciences.com), notice board of the Company and on the website of CDSL. The results shall immediately be forwarded to the BSE Limited.
28. The route map showing directions to reach the venue of the Twenty First AGM is attached at the end of the Annual Report.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### ITEM NO. 6

The Board of Directors at their meeting held on May 6, 2016 has appointed Mr. Amish Vyas as an Additional Non-Executive and Non-Independent Director of the Company w.e.f May 6, 2016. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and rules thereunder, he holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member pursuant to Section 160 of the Act proposing his candidature for the office of Director of the Company along with the deposit of requisite amount.

The Brief Profile of Mr. Amish Vyas is as under:

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.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, brief profile and other details of Mr. Amish Vyas proposed to be appointed as a Director of the Company is given in the Section "Report on Corporate Governance" forming part of this Annual Report.

The Board considers that the appointment of Mr. Amish Vyas as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office will be liable to retire by rotation.

Except Mr. Amish Vyas to whom the resolution relates and his relatives (to the extent of their shareholding interest in the Company), none of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

# Notice

## ITEM NO. 7

The Company has entered into following material related party transaction with the Related Party during the year under review:

Name of Related Party	Claris Otsuka Private Limited
Nature of relationship	Associate company
Nature of transaction	Purchase of Goods
Amount of Transaction during the year (Rupees in Lacs)	9,658.42
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Related parties interested, if any	Mr. Arjun Handa, Director

Pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereunder and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other approvals, consent of the members through general meeting is required for the ratification / approval of the material contracts / arrangements as stated above entered into by the Company with related party.

As per Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice except as mentioned above and Mr. Aditya S. Handa being the Director of the Company and relative of Mr. Arjun Handa.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

Place: Ahmedabad  
Date: May 6, 2016

By order of the Board of Directors  
For Claris Lifesciences Limited

Regd. Office:  
Clariss Corporate Headquarters,  
Nr. Parimal Railway Crossing,  
Ellisbridge, Ahmedabad – 380 006, India  
Tel. : +91-79-26563331, 66309339  
Fax: +91-79-26408053  
Website: [www.clarislifesciences.com](http://www.clarislifesciences.com)  
CIN: L85110GJ1994PLC022543

Kirit H. Kanjaria  
Sr. VP-Company Secretary & Compliance Officer

# Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty First Annual Report of the Company covering the operating and financial performance together with the Audited Financial Statements and the Auditors' Report thereon for the Financial Year ended on March 31, 2016.

## FINANCIAL RESULTS

The financial highlights of the Company on Consolidated and Standalone basis are as below:

(Rupees in Lacs)

Particulars	Consolidated		Standalone	
	For the Financial Year ended on March 31, 2016	For the Fifteen months period ended on March 31, 2015	For the Financial Year ended on March 31, 2016	For the Fifteen months period ended on March 31, 2015
Total Revenue	79,467.82	88,605.58	58,818.22	79,853.93
Profit before Interest, Depreciation, Exceptional Items, Extraordinary Items and Tax	18,602.52	24,177.68	4,926.69	16,260.83
Finance Costs	4,277.04	4,826.04	386.94	3,104.40
Depreciation Et Amortisation Expenses	4,291.87	4,904.83	611.17	2,957.56
Exceptional Items	-	-	-	523.03
Profit before Extraordinary Items	10,033.61	14,446.81	3,928.58	10,721.90
Extraordinary Items	(3,783.19)	-	(3,783.18)	-
Profit before tax	6,250.42	14,446.81	145.39	10,721.90
Provision for tax	2,842.53	(1,220.36)	786.26	(3,147.06)
Profit/ (Loss) after tax	3,407.89	15,667.17	(640.87)	13,868.96
Share in Loss of Associate	(9,212.10)	(719.18)	-	-
Net Profit / (Loss) after taxes and share in loss of associates	(5,804.21)	14,947.99	(640.87)	13,868.96
Balance brought forward from previous year	80,533.05	65,585.06	61,316.80	47,447.84
Adjustment for Depreciation	(34.51)	-	(34.51)	-
Balance available for Appropriation	74,694.33	80,533.05	60,641.42	61,316.80
Proposed dividend	1,091.36	-	1,091.36	-
Tax on Dividend on equity shares	222.17	-	222.17	-
Tax on Dividend on preference shares	2.62	-	-	-
Tax on Dividend of earlier year	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance carried to Balance Sheet	73,378.18	80,533.05	59,327.89	61,316.80

## RESULTS OF OPERATIONS AND STATE OF COMPANY AFFAIRS

During the financial year under review, the Company's consolidated total revenue stood at Rs. 79,467.82 Lacs as against Rs. 88,605.58 Lacs in the previous year.

EBITDA, PBT and PAT on consolidated basis reached to Rs. 18,602.52 Lacs, Rs. 6,250.42 Lacs and Rs. (5,804.21) Lacs respectively. While EBITDA, PBT and PAT margins on consolidated basis stood at 23.41%, 7.87% and (7.30)% respectively as against 27.28%, 16.32% and 16.87% respectively in previous year. EPS has decreased from Rs. 25.89 in the previous year to Rs. (10.64) in the current year.

Due to change in Financial year from January-December to April-March as per the Companies Act, 2013, the previous period was of fifteen months from January-2014 to March-2015, hence not comparable with current Financial Year ended on March 31, 2016.

Detailed analysis of the financials has been provided in the "Management Discussion Et Analysis" forming part of this Annual Report.

## TRANSFER TO RESERVES / DIVIDEND

During the year under review, the Board of Directors has recommended Final Dividend of 20% i.e. Rs. 2/- per Equity Share of Rs. 10/- each aggregating to Rs. 1,091.36 Lacs (excluding Tax on Dividend) for the financial year ended on March 31, 2016, subject to approval of the Members at the Annual General Meeting of the Company. The Board does not recommend or considered appropriate to transfer any amount of profits for the financial year ended on March 31, 2016 to the reserves.

## SHARE CAPITAL

During the year under review, there is no change in the paid up share capital of the Company. Further, the paid up share capital of the Company as on March 31, 2016 is Rs. 5,456.78 Lacs.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AND CHANGE IN NATURE OF THE BUSINESS

During the year under review, the search operations under Section 132 of the Income-tax Act, 1961 ('the Act') were carried out by the income-tax authorities at the premises of the Company in the month of August 2015. The search proceedings have been completed and the Company has extended full co-operation to the income-tax authorities. Assessment proceedings are under progress and provision for any tax liability, if required, shall be made on completion of assessment.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Directors' Report.

There is no change in the nature of business of the Company during the year under review.

# Directors' Report

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## FUTURE OUTLOOK / GROWTH PLANS

The Company has been able to grow its Speciality Injectable Business ("SIB") revenues around 50% over the previous year, this is on back to around 2.5x growth in revenues from the USA, the Company has increased its management bandwidth for its front end subsidiary in the USA as well as has plans to increase the development team in India. New product development, filing and launches will allow the Company to deliver the 30-35% CAGR growth over the period of Financial Year 2015 to Financial Year 2020. During the year 2016-17, the Company also expects to launch its biggest and extremely complex product to manufacture; Profopol; in the USA. The Company expects another 7-10 ANDA approvals in the USA during the financial year 2016-17; these approvals would effectively triple the addressable market size of the Company's products for sales in the USA.

The Company has also invested in new technologies during the year, it can now manufacture Aseptically filled products and also Lyophilized (freeze dried) products in the two new lines that are installed in the Plant 2, these lines can manufacture products in less than 10 ml fill volume, and have higher capacity, these lines and automation in the Plant 1 has increased the Company's manufacturing capacities for around 100 mn units per year to 300 mn units per year. This will help the Company to deliver its growth over the next 2-3 years.

## DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public under Section 76 and Chapter V of the Companies Act, 2013 and rules made thereunder.

## SUBSIDIARIES AND ASSOCIATES

The Company has five Indian Subsidiaries, fifteen Foreign Subsidiaries and one Associate Company as on March 31, 2016. During the year, the Company has incorporated one wholly owned subsidiary company in the name of "Claris Capital Limited" on June 4, 2015.

The consolidated financial statements of the Company and all its subsidiary companies have been prepared and duly audited by the Auditors, and forming part of this Annual Report. Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 a statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures is attached to the Consolidated Financial Statements in prescribed Form AOC-1.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements and related information of the subsidiaries, where applicable, will be available for inspection during working hours at the Company's registered office in Ahmedabad, India, for a period of twenty-one days before the date of the Annual General Meeting. These are also available on the Company's website [www.clarislifesciences.com](http://www.clarislifesciences.com)

## INSURANCE

The assets/ properties of the Company are adequately insured against the loss of fire, riots, earthquake, terrorism, etc and other risks that are considered necessary by the management. Apart from the above, the Company has also Public and Product Liability and Directors' and Officer's Liability Insurance Policies.

## AWARDS AND RECOGNITIONS

Focus on excellence in management practices across functions and incisive leadership have helped your Company to garner several organisational and individual recognitions from the stalwarts across the industries globally.

### Asia Pacific Entrepreneurship Award

Mr. Arjun Handa, Vice - Chairman & Managing Director, has been conferred 'Asia Pacific Entrepreneurship Award 2016', in the 'Most Promising' category by Enterprise Asia, in March 2016. The Entrepreneurship Award has been bestowed upon him for his outstanding and exemplary achievements in entrepreneurship, having displayed promising accomplishments to advance Claris to be one of the leading businesses. This prestigious award at global level aptly acknowledges his business acumen and visionary leadership, which has led Claris to grow worldwide.

### 'India's Best Companies to Work for 2015' Award

Your Company has been bestowed with being one of 'India's Best Companies to Work for' and one of the best companies in 'Healthcare' industry in 2015, for the 6th year in a row, by The Economic Times & Great Place to Work® Institute, India in July 2015. Being the largest and most comprehensive survey of workplace culture in corporate India, which surveyed over 700 organisations spanning 20 industries, the study measured the level of trust, pride, and camaraderie among people. This achievement is a reaffirmation of the unswerving belief that 'people are everything'.

### Global HR Excellence Awards

Your Company has been presented with 'Best Workplace Practices Award' and 'HR Leadership Award' at the 24th Global HR Excellence Awards, constituted by the World HRD Congress, in February 2016. The 'Best Workplace Practices Award' was conferred to your Company is a recognition of the organisational values, work culture, and best of the people practices. The 'HR Leadership Award' has been given to Mr. Shyam Sharma, President - HRM & Corp. Communication, for his contribution in nurturing organisational culture and developing best workplace practices.

### MedAssets Award

Your Company has received the Gold Supplier Award for the year 2014 from MedAssets, a premium Group Purchasing Organisation (GPO) in the United States. The award was presented in April 2015 for market leading value, compliance with MedAssets reporting & payment, event participation, and clinical & healthcare improvement resources to MedAssets. The prestigious MedAssets Supplier Recognition Programme provides recognition for suppliers that proactively and consistently bring market leading pricing, cost-reduction strategies, and value extending beyond price to the industry.

### Merit Certificate in In-house Communication Excellence Awards

Your Company's newsletter 'Claris Quarterly' has been conferred 'Certificate of Merit' for the 2nd year in a row in In-house Communication Excellence (ICE) Awards 2015, instituted by Shailaja Nair Foundation. This award, presented in June 2015, promotes internal communication, and recognizes and honours the best creativity in content & design of in-house magazines.



# Directors' Report

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNELS

Mr. Arjun Handa, Vice - Chairman and Managing Director of the Company, retire by rotation at the conclusion of this Annual General Meeting and being eligible offer himself for re-appointment. A brief resume of Mr. Arjun Handa, being the Director retiring by rotation and seeking appointment/re-appointment at the ensuing Annual General Meeting, is given in the section on "Report on Corporate Governance" forming part of this Annual Report. Mr. Arjun Handa is a Key Managerial Personnel of the Company in terms of Section 203(1) of the Companies Act, 2013.

Mr. Chandrasingh S. Purohit, Whole Time Director & CFO of the Company, retire by rotation at the conclusion of this Annual General Meeting and being eligible offer himself for re-appointment. A brief resume of Mr. Chandrasingh S. Purohit, being the Director retiring by rotation and seeking appointment/re-appointment at the ensuing Annual General Meeting, is given in the section on "Report on Corporate Governance" forming part of this Annual Report. Mr. Chandrasingh S. Purohit is a Key Managerial Personnel of the Company in terms of Section 203(1) of the Companies Act, 2013.

The Board of Directors appointed Mr. Amish Vyas as an Additional Non-Executive and Non-Independent Director of the Company w.e.f. May 6, 2016. Mr. Amish Vyas holds office as an Additional Non-Executive and Non-Independent Director until this Annual General Meeting of the Company, and is eligible for appointment as a Director who is liable for retirement by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member with requisite deposit signifying his intention to propose the candidature of Mr. Amish Vyas for the office of a Non-Executive and Non-Independent Director. A brief resume of Mr. Amish Vyas being an Additional Director seeking appointment/reappointment at the ensuing Annual General Meeting, is given in the section on "Report on Corporate Governance" forming part of this Annual Report.

Mr. Chetan S. Majmudar, Whole Time Director and Mr. Kirit H. Kanjaria, Company Secretary & Compliance Officer, are other Key Managerial Personnel in terms of Section 203(1) of the Companies Act, 2013.

As on date of this Report, the Board of Directors of the Company comprised of nine Directors, one of whom is the Vice - Chairman & Managing Director. The remaining eight Directors comprises of one Chairman who is a Non-Executive and Independent Director, two Whole Time Directors, three Non-Executive and Non-Independent Directors (including one Additional Director) and two Non-Executive and Independent Directors.

## DECLARATIONS OF INDEPENDENT DIRECTORS

The Company has received declaration pursuant to Section 149(7) of the Companies Act, 2013 from each of its Non-Executive and Independent Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). These declarations have been placed before and noted by the Board.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that:

- (a) In the preparation of the annual accounts for the financial year ended on March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the profit and loss of the Company for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## NUMBER OF MEETINGS OF THE BOARD

During the year under review, four meetings of the Board of Directors were held and one meeting of the Board of Directors were held through circulation and the noting of the same was done in the immediate next Board Meeting. The details of the meetings of the Board of Directors are given in the section on "Report on Corporate Governance" forming part of this Annual Report.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has formed Nomination and Remuneration Committee which has framed Nomination and Remuneration Policy. The Nomination and Remuneration Policy inter alia deals with the selection, appointment and remuneration of the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence and other matters as provided in Section 178(3) of the Companies Act, 2013.

The Nomination and Remuneration Policy is given as under pursuant to Section 178(4) of the Companies Act, 2013:

### NOMINATION AND REMUNERATION POLICY

#### Preamble

This Nomination and Remuneration Policy (hereinafter referred as the "Policy") of Claris Lifesciences Limited ("the Company") is designed and formulated by the Nomination and Remuneration Committee ("the Committee") of the Company pursuant to Section 178 of the Companies Act, 2013 (the "Act") and rules made thereunder and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

# Directors' Report

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

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

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

## Part-A: Policy on Selection Criteria for Appointment as Directors and Senior Management

### (1) Selection Criteria for Directors

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

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

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

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

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

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

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

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

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

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

### (2) Selection Criteria for Senior Management

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

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

## Part-B: Policy on Remuneration of Directors, Key Managerial Personnels ("KMPs") and Other Employees

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

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



# Directors' Report

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

Executive Directors shall be paid remuneration in compliance with the Act and other applicable regulatory requirements, including such requisite approvals as required from time to time. The annual increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits. The Board may, at the recommendation of the Committee and its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements. The Executive Directors shall not be paid any sitting fees for attending the Board Meeting and various Committee Meetings of the Company.

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

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

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

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

## **(3) Remuneration to other Employees**

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

## **Part-C: Policy on Performance Evaluation of Board as a Whole and its Directors**

### **(1) Overview**

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

### **(2) Objective**

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

### **(3) Key Evaluation Criteria**

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

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

### **Evaluation Process**

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

### **Disclosure**

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

## **CODE OF CONDUCT**

### **For Board of Directors and Senior Management Group**

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 main object of the Code is to set a benchmark for the Company's commitment to values and ethical business conduct and practices. Its purpose is to conduct the business of the Company in accordance with its value systems, fair and ethical practices, applicable laws, rules and regulations. Further, the Code provides for the highest standard of professional integrity while discharging the duties and to promote and demonstrate professionalism in the Company.

All the Board Members and Senior Management Group of the Company have affirmed compliance with the code of conduct for the financial year ended on March 31, 2016 as required by Regulation 26(3) of the Listing Regulations. A declaration signed by the Vice - Chairman & Managing Director to this effect is attached as a part of this Annual Report. The code of conduct is also available on the website of the Company [www.clarislifesciences.com](http://www.clarislifesciences.com)

### **For Prevention of Insider Trading**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 came into effect from May 15, 2015 to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") of the Company. The Code of Fair Disclosure is available on the website of the Company [www.clarislifesciences.com](http://www.clarislifesciences.com)

# Directors' Report

Further, pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted the Code of Conduct for Prevention of Insider Trading. The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequence of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for monitoring adherence to the Code. The code of conduct to regulate, monitor and report trading by insiders is also available on the website of the Company [www.clarislifesciences.com](http://www.clarislifesciences.com)

## BOARD EVALUATION

Pursuant to the provisions of Sections 178(2) of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the Nomination and Remuneration Committee / Board has carried out evaluation of the performance of the Board, its Committees and individual Directors. 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. The performance of Individual Directors and the Board Chairman was also carried out in terms of attendance, contribution at the meetings, circulation of sufficient documents to the Directors, timely availability of the agenda, etc. Further, pursuant to Schedule IV of the Companies Act, 2013, the performance evaluation of the Independent Directors was carried out by the entire Board of Directors of the Company, except the one being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.

## BOARD COMMITTEES

The Company has six Committees of Board, viz,

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Executive Committee
- (f) Share Transfer Committee (upto November 30, 2015)

Details of the Committees of the Board vis-à-vis their terms of reference, composition, number of meetings held during the year, etc. are given in the section on 'Report on Corporate Governance' forming part of this Annual Report.

## STATUTORY AUDITORS

Pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. Shah & Shah Associates (Firm Registration Number: 113742W), Statutory Auditors, Chartered Accountants, Ahmedabad were appointed as a Statutory Auditors of the Company at the Twentieth Annual General Meeting held on September 23, 2015 for five years i.e. Financial Year 2015-16 to Financial Year 2019-2020 from conclusion of Twentieth Annual General Meeting till the conclusion of Twenty fifth Annual General Meeting subject to ratification at every Annual General Meeting. Accordingly, the members are requested to ratify the appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration Number: 113742W) as Statutory Auditors for the financial year March 31, 2017.

The eligibility certificate pursuant to Section 141 of the Companies Act, 2013 and the rules made thereunder is also received from the Statutory Auditors of the Company.

The Standalone and Consolidated Auditors' Report for the financial year ended on March 31, 2016 have been provided in "Financial Statements" forming part of this Annual Report.

## SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. SPANJ & Associates, Company Secretaries as Secretarial Auditor of the Company for the financial year ended on March 31, 2016. The Secretarial Audit Report for the financial year ended on March 31, 2016 is attached as **Annexure – 1** to the Directors' Report and forming part of this Annual Report.

## DIRECTORS' RESPONSE ON AUDITORS' QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMER MADE

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their Auditors Report or by the Company Secretary in practice in their Secretarial Audit Report. Further, pursuant to Section 143(12) of Companies (Amendment) Act, 2015, the Auditors in the course of performance of their duties have not reported any incident of fraud to the Audit Committee of the Company or the Central Government during the year under review.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and rules made thereunder, the extract of the Annual Return in the prescribed Form MGT – 9 is attached as **Annexure – 2** to the Directors' Report and forming part of this Annual Report.

## CORPORATE GOVERNANCE

Pursuant to the Regulation 34(3) read with Schedule V Part C of the Listing Regulations, a "Report on Corporate Governance" is given separately, forming part of this Annual Report. Pursuant to Regulation 34(3) read with Schedule V, Part E of the Listing Regulations, the Certificate from M/s. SPANJ & Associates, Company Secretaries, Mr. Ashish C. Doshi, Partner, confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report forming part of this Annual Report.

## MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the Regulation 34(2)(e) read with Schedule V, Part B of the Listing Regulations, "Management Discussion & Analysis" is given separately forming part of this Annual Report.

## PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

Pursuant to Section 186 of the Companies Act, 2013 and the rules made thereunder, particulars of loans given, investments made or guarantee given or security provided, have been provided in "Financial Statements" forming part of this Annual Report.

# Directors' Report

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Pursuant to the provision of Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties falling within the scope of Section 188(1) of the Companies Act, 2013 given in prescribed Form AOC-2 is attached as **Annexure – 3** to the Directors' Report and forming part of this Annual Report.

## RISK MANAGEMENT AND INTERNAL CONTROLS

A strong risk management and internal control system forms the backbone for our robust risk management practices. In line with our commitment to provide sustainable returns to all our stakeholders, Claris has clearly defined systems and policies for timely addressing key business challenges and opportunities.

### Enterprise Risk Management

At Claris, Risk Management is a key strategic focus for the Members of Board and the Senior Management. Company has formulated a ERM framework, developed based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission, USA). The ERM framework includes the process for identification, evaluation, monitoring and mitigation of risks relevant to achieve the business objectives, besides prioritisation of risks in terms of their relevance and frequency. This assists the management to prioritise the risks and focus on high priority items which may have significant adverse impact. All key functions of the Company are independently responsible to monitor risks associated with in their respective areas of operations such as production, supply chain, marketing, finance, accounting, treasury, legal and others areas like health, safety and environment. The main purpose of Risk Management is to minimise adverse impacts and to leverage market opportunities effectively. This also helps to sustain and enhance short-term and long-term competitive advantages to the Company. To sustain the risk management, Senior Management Group will be responsible for ensuring periodic reviews in their internal functions and then the risks prioritised based on the ERM framework of the Company will be discussed in the Management Committee and the Audit Committee on Annual basis.

### Internal Controls & Internal Financial Controls

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company, through its own Internal Audit Department & the Co-sourced firm of Internal Auditors (M/s. KPMG, Ahmedabad), carries out periodic audits to cover all the functions & business segments based on the plan approved by the Audit Committee and bring out any deviation to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of the implementation is submitted to the Audit Committee. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

The details of the risk faced by the Company and the mitigation thereof have been covered in "Management Discussion & Analysis" forming part of this Annual Report.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 and rules made thereunder, the Company has established a Vigil Mechanism Policy to provide a mechanism for the Directors and employees 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/employees and also provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

## CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted the Corporate Social Responsibility (CSR) Committee in terms of Section 135 of the Companies Act, 2013 and rules made thereunder and the composition of CSR Committee is given under **Annexure – 4** to the Directors' Report. The Board of Directors has adopted a CSR policy which inter alia contains activities that can be undertaken by the Company for CSR, composition and meetings of the CSR Committee, annual allocation for CSR activities, areas of CSR projects, criteria for selection of CSR projects, modalities of execution/ implementation of CSR projects and monitoring mechanism of CSR activities/ projects. An annual report on the CSR activities of the Company in the prescribed format is attached as **Annexure – 4** to the Directors' Report and forming part of this Annual Report. The CSR Policy is available on the website of the Company and link thereto is <http://www.clarislifesciences.com/global/Financial/Corporate-Social-Responsibility-Policy.pdf>

## POLICY FOR PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Your Directors state that during the year under review, there were no complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## PARTICULARS OF EMPLOYEES

Details required pertaining to the ratio of the remuneration of each Director to the median employees' remuneration and such other details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure – 5(A)** to the Directors' Report and forming part of this Annual report.

A statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – 5(B)** to the Directors' Report and forming part of this Annual Report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Report are being sent to the Members and other entitled thereto, excluding the said annexure, which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company, if any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Conservation of Energy, Technology Absorption and Research and Development are not applicable to the Company.

The Company used foreign exchange amounting to Rs. 1,498.33 Lacs and earned foreign exchange amounting to Rs. 46,168.72 Lacs during the year ended March 31, 2016.

# Directors' Report

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## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS**

During the year under review, there were no significant and/or material orders passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

## **BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of the Listing Regulations read with notification SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015, the Business Responsibility Report is to be given only by top 500 listed companies based on market capitalization, therefore the same is not applicable to the Company as on March 31, 2016.

## **ACKNOWLEDGMENTS**

The Board of Directors greatly appreciates the commitment and dedication of employees at all levels who have contributed to the growth and success of the Company. We also thank all our clients, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Government of Gujarat, Ministry of Commerce and Industry, Ministry of Finance, Customs and Excise Departments, Income Tax Department and all other Government Agencies for their support during the year and look forward to their continued support in future.

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For and on Behalf of the Board of Directors

Arjun Handa  
Vice – Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Place : Ahmedabad  
Date : May 6, 2016

# Annexure-1 to the Directors' Report

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
CLARIS LIFESCIENCES LIMITED  
Regd. Off : Claris Corporate Headquarters,  
Nr. Parimal Crossing, Ellisbridge,  
Ahmedabad, Gujarat - 380 006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CLARIS LIFESCIENCES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure - A for the Financial Year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other sector specific laws as applicable specifically to the Company broadly covering Product Laws, Pollution Laws and Manufacturing Laws.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at para (iii), and point (c) to (h) of para (v) mentioned hereinabove during the period under review.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws applicable to the Company. We have relied on the representations made by the Company and its representatives for systems and mechanisms formed by the Company for compliances under sector specific laws and regulations applicable to the Company.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

# Annexure-1 to the Directors' Report

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines.

We further report that during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

(A) During the period under review, the Company has passed Two Special Resolutions through Postal Ballot as mentioned below:

1. Special Resolution 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 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.
2. Special Resolution for replacing the existing Articles of Association of the Company with the new set of Articles of Association as per the Companies Act, 2013.

Place: Ahmedabad  
Date: May 5, 2016

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

Note : This report is to be read with our letter of even date which is annexed as Annexure B and forms an integral part of this report.

## Annexure – A

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations received from Directors under The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Documents related to payments of dividend made to its Members during the period under report.
11. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment
12. Various policies framed by the Company from time to time as required under the Act as well as the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
  - Corporate Social Responsibility Policy
  - Vigil Mechanism Policy / Whistle Blower Policy
  - Policy framed under The Sexual Harassment of women at the work place (Prevention, Prohibition and Redressal) Act, 2013
  - Policy for Preservation and Archiving of Documents
  - Policy for Determination of Materiality of Events / Information
  - Determining Material Related Party Transactions Policy
  - Determining Material Subsidiaries Policy
  - Code of Conduct to Regulate, Monitor And Report Trading by Insiders
  - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
  - Code of Conduct for Board Members and Senior Management Group



# Annexure-1 to the Directors' Report

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## Annexure – B

To,  
The Members  
CLARIS LIFESCIENCES LIMITED  
Regd. Off : Claris Corporate Headquarters,  
Nr. Parimal Crossing, Ellisbridge,  
Ahmedabad, Gujarat - 380 006

Sir,

Sub : Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2016

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: May 5, 2016

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

# Annexure-2 to the Directors' Report

FORM NO. MGT 9	
EXTRACT OF ANNUAL RETURN	
for the financial year ended on March 31, 2016	
Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014	
I . REGISTRATION & OTHER DETAILS	
i CIN	L85110GJ1994PLC022543
ii Registration Date	July 19, 1994
iii Name of the Company	Claris Lifesciences Limited
iv Category/Sub-category of the Company	Public company limited by shares
v Address of the Registered office & contact details	Claris Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad, Gujarat - 380 006. Tel. : +91-79-26563331, 66309339 Fax : +91-79-26408053, Email : investorservices.corp@clarislifesciences.com
vi Whether listed company Yes /No	Yes
vii Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, (Unit: Claris Lifesciences Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400 078. Contact Details: Tel. : +91-22-25963838 Fax: +91-22-25946969, Email : rnt.helpdesk@linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below :

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Drugs and Pharmaceuticals (Wholesale of Pharmaceutical & Medical goods)	46497	93.04

## III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% holding as on March 31, 2016	Applicable Section as per Companies Act, 2013
1	Athanas Enterprise Private Limited 9th floor, Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat	U51909GJ2013PTC075961	Holding	50.13	Section 2(46)
2	Claris Injectables Limited (formerly known as Claris Lifesciences International Limited) Clariss Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat	U24230GJ2005PLC046211	Subsidiary	100.00	Section 2(87)
3	Ogen Nutrition Limited Clariss Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat	U24230GJ2004PLC045046	Subsidiary	100.00	Section 2(87)
4	Clariss Infrastructure Limited "Corporate Towers", Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat	U45202GJ2007PLC050061	Subsidiary	100.00	Section 2(87)
5	iCubix Infotech Limited Clariss Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006, Gujarat	U93090GJ2000PLC038446	Subsidiary	100.00	Section 2(87)
6	Clariss Capital Limited 7th Floor, A wing, Clariss Corporate Headquarters, Nr. Parimal Crossing, Ellisbridge Ahmedabad- 380006, Gujarat	U65923GJ2015PLC083414	Subsidiary	100.00	Section 2(87)



# Annexure-2 to the Directors' Report

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% holding as on March 31, 2016	Applicable Section as per Companies Act, 2013
7	Claris Lifesciences Venezuela C. A Oficina Planta Cuarta, Edificio Centro Empresarial Estadio, Av. ElEstadio, Urb. Los Chaguaramos, Zona Postal 1040, Caracas, Venezuela.	NA	Subsidiary	100.00	Section 2(87)
8	Claris Produtos Farmaceuticos Do Brasil Limitada AV Ibirapuera, 780, Indianopolis, Sao Paulo, Brasil, Zip Code: 04028-000	NA	Subsidiary	100.00	Section 2(87)
9	PT. Claris Lifesciences Indonesia Graha Atrium, Lantai 10 Suite 1005, Jl. Senen Raya 135 Jakarta 10410, Indonesia	NA	Subsidiary	100.00	Section 2(87)
10	Claris Lifesciences Colombia Limitada Cra. 15, No. 95-35, Oficina. 308 Bogota DC, Colombia	NA	Step-down Subsidiary	100.00	Section 2(87)
11	Catalys Venture Cap Limited C/o. CITCO (Mauritius) Limited, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius	NA	Subsidiary	100.00	Section 2(87)
12	Claris Lifesciences Philippines Inc 98 V.A. Rufino Cor. Valero St., Salcedo Village, Makati City, Metro Manila, Philippines	NA	Step-down Subsidiary	100.00	Section 2(87)
13	Claris Lifesciences De Mexico SA de CV Leibnitz 14, Despacho 905, Col. Anzures, C.P. 11590, Mexico D.F., Mexico	NA	Step-down Subsidiary	100.00	Section 2(87)
14	Claris Lifesciences & CIA Chile Limitada Av. 11 de Septiembre 2214 of 58, Cerca de Metro estacion Los Leones, Santiago de Chile.	NA	Subsidiary	100.00	Section 2(87)
15	Claris Lifesciences (UK) Limited Golden Gate Lodge, Crewe Hall, Weston Road, Crewe, Cheshire Cw1 6ul	NA	Step-down Subsidiary	100.00	Section 2(87)
16	Claris Lifesciences (Aust) Pty. Limited Suite 1 Level 1, 127-133 Burwood Road, Burwood NSW 2134	NA	Step-down Subsidiary	100.00	Section 2(87)
17	Claris Lifesciences Inc. 1445 U.S. Highway 130, North Brunswick, NJ 08902	NA	Step-down Subsidiary	100.00	Section 2(87)
18	Claris Middle East FZ-LLC Premises: Executive Office No. 11 Floor : Ground Bulding: 03, Dubai International Academic City, Dubai, United Arab Emirates	NA	Subsidiary	100.00	Section 2(87)
19	Claris Pharmaservices C/o CITCO (Mauritius) Limited, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius	NA	Step-down Subsidiary	100.00	Section 2(87)
20	Claris Sterione C/o CITCO (Mauritius) Limited, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius	NA	Step-down Subsidiary	100.00	Section 2(87)
21	Elda International DMCC Unit No: 30-01-00-2280, Jewellery & Gemplex 3, Plot No: DMCC-PH2-J&G Plexs, Jewellery & Gemplex, Dubai, UAE	NA	Step-down Subsidiary	100.00	Section 2(87)
22	Claris Otsuka Private Limited (formerly known as Claris Otsuka Limited) Village - Vasana - Chacharwadi, Taluko - Sanand, Ahmedabad 382213, Gujarat	U24230GJ2012PTC072692	Associate	20.00	Section 2(6)

# Annexure-2 to the Directors' Report

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of total equity share capital)

### i) Categorywise Shareholding

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	33,281,964	-	33,281,964	60.99	33,281,964	-	33,281,964	60.99	0.00
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	<b>33,281,964</b>	<b>-</b>	<b>33,281,964</b>	<b>60.99</b>	<b>33,281,964</b>	<b>-</b>	<b>33,281,964</b>	<b>60.99</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>33,281,964</b>	<b>-</b>	<b>33,281,964</b>	<b>60.99</b>	<b>33,281,964</b>	<b>-</b>	<b>33,281,964</b>	<b>60.99</b>	<b>-</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	-	-	-	-	673,600	-	673,600	1.23	1.23
(b)	Financial Institutions / Banks	8,248	-	8,248	0.02	2,500	-	2,500	0.00	(0.02)
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	7,622,790	-	7,622,790	13.97	-	-	-	-	(13.97)
(g)	Foreign Venture Capital Investors	6,159,267	-	6,159,267	11.29	-	-	-	-	(11.29)
(h)	Qualified Foreign Investors	150,988	-	150,988	0.28	-	-	-	-	(0.28)
(i)	Foreign Portfolio Investors	-	-	-	-	10,983,709	-	10,983,709	20.13	20.13
(j)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B) (1)</b>	<b>13,941,293</b>	<b>-</b>	<b>13,941,293</b>	<b>25.55</b>	<b>11,659,809</b>	<b>-</b>	<b>11,659,809</b>	<b>21.37</b>	<b>(4.18)</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	1,121,066	-	1,121,066	2.05	2,473,551	-	2,473,551	4.53	2.48
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	3,276,019	2	3,276,021	6.00	4,574,506	2	4,574,508	8.38	2.38

# Annexure-2 to the Directors' Report

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year April 1, 2015				No. of Shares held at the end of the year March 31, 2016				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	835,603	-	835,603	1.53	1,334,508	-	1,334,508	2.45	0.92
(c)	Qualified Foreign Investors	1,476,051	-	1,476,051	2.70	-	-	-	-	(2.70)
(d)	Corporate / Foreign Portfolio Investor									
(d)	Any Other									
i	Non Resident Indians (Repat)	183,781	-	183,781	0.34	286,919	-	286,919	0.53	0.19
ii	Non Resident Indians (Non Repat)	152,280	-	152,280	0.28	125,553	-	125,553	0.23	(0.05)
iii	Foreign Companies	-	-	-	-	-	-	-	-	-
iv	Clearing Member	299,706	-	299,706	0.55	463,689	-	463,689	0.85	0.30
v	Directors / Relatives	-	-	-	-	-	-	-	-	-
vi	Hindu Undivided Family	-	-	-	-	366,964	-	366,964	0.67	0.67
vii	Trusts	-	-	-	-	300	-	300	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>7,344,506</b>	<b>2</b>	<b>7,344,508</b>	<b>13.46</b>	<b>9,625,990</b>	<b>2</b>	<b>9,625,992</b>	<b>17.64</b>	<b>4.18</b>
	<b>Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)</b>	<b>21,285,799</b>	<b>2</b>	<b>21,285,801</b>	<b>39.01</b>	<b>21,285,799</b>	<b>2</b>	<b>21,285,801</b>	<b>39.01</b>	<b>-</b>
	<b>Total (A)+(B)</b>	<b>54,567,763</b>	<b>2</b>	<b>54,567,765</b>	<b>100.00</b>	<b>54,567,763</b>	<b>2</b>	<b>54,567,765</b>	<b>100.00</b>	<b>-</b>
<b>(c)</b>	<b>Shares held by custodians and against which Depository Receipts have been issued</b>									
i	Promoter and Promoter group	-	-	-	-	-	-	-	-	-
ii	Public	-	-	-	-	-	-	-	-	-
	<b>Sub Total ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>54,567,763</b>	<b>2</b>	<b>54,567,765</b>	<b>100.00</b>	<b>54,567,763</b>	<b>2</b>	<b>54,567,765</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year April 1, 2015			Shareholding at the end of the year March 31, 2016			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Athanas Enterprise Private Limited	27,353,580	50.13	-	27,353,580	50.13	-	-
2	Abellon Energy Limited	5,928,384	10.86	10.86	5,928,384	10.86	10.86	-
	<b>Total</b>	<b>33,281,964</b>	<b>60.99</b>	<b>10.86</b>	<b>33,281,964</b>	<b>60.99</b>	<b>10.86</b>	<b>-</b>

# Annexure-2 to the Directors' Report

## iii) Change In Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Athanas Enterprise Private Limited</b>				
	At the beginning of the year April 1, 2015	27,353,580	50.13	27,353,580	50.13
	At the end of the year March 31, 2016			27,353,580	50.13
2	<b>Abellon Energy Limited</b>				
	At the beginning of the year April 1, 2015	5,928,384	10.86	5,928,384	10.86
	At the end of the year March 31, 2016			5,928,384	10.86

## iv) Shareholding Pattern of Top Ten Shareholders(other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Government Pension Fund Global</b>				
	At the beginning of the year April 1, 2015	0.00	0.00	0	0.00
	April 24, 2015 - transfer by way of (Sale)/Purchase	1,380,000	2.53	1,380,000	2.53
	July 10, 2015 - transfer by way of (Sale)/Purchase	34,011	0.06	1,414,011	2.59
	July 17, 2015 - transfer by way of (Sale)/Purchase	4,002	0.01	1,418,013	2.60
	July 31, 2015 - transfer by way of (Sale)/Purchase	46,952	0.09	1,464,965	2.68
	August 14, 2015 - transfer by way of (Sale)/Purchase	9,005	0.02	1,473,970	2.70
	August 21, 2015 - transfer by way of (Sale)/Purchase	15,350	0.03	1,489,320	2.73
	September 4, 2015 - transfer by way of (Sale)/Purchase	37,973	0.07	1,527,293	2.80
	September 11, 2015 - transfer by way of (Sale)/Purchase	96,677	0.18	1,623,970	2.98
	At the end of the year March 31, 2016			1,623,970	2.98
2	<b>Orbimed Partners Master Mauritius Limited</b>				
	At the beginning of the year April 1, 2015	1,378,745	2.53	1,378,745	2.53
	At the end of the year March 31, 2016			1,378,745	2.53
3	<b>Signet Healthcare Partners QP Partnership III LP</b>				
	At the beginning of the year April 1, 2015	1,216,982	2.23	1,216,982	2.23
	At the end of the year March 31, 2016			1,216,982	2.23
4	<b>Orbimed Partners II Mauritius Limited</b>				
	At the beginning of the year April 1, 2015	1,065,363	1.95	1,065,363	1.95
	At the end of the year March 31, 2016			1,065,363	1.95
5	<b>Privatbank Ihag Zurich AG</b>				
	At the beginning of the year April 1, 2015	1,302,215	2.39	1,302,215	2.39
	March 25, 2016 - transfer by way of (Sale)/Purchase	(270,000)	(0.49)	1,032,215	1.89
	At the end of the year March 31, 2016			1,032,215	1.89

# Annexure-2 to the Directors' Report

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	<b>Copthall Mauritius Investment Limited</b>				
	At the beginning of the year April 1, 2015	719,433	1.32	719,433	1.32
	At the end of the year March 31, 2016			719,433	1.32
7	<b>Reliance Capital Trustee Co. Ltd-A/C Reliance small Cap Fund</b>				
	At the beginning of the year April 1, 2015	0	0.00	0	0.00
	October 9, 2015 - transfer by way of (Sale)/Purchase	625,000	1.15	625,000	1.15
	November 13, 2015 - transfer by way of (Sale)/Purchase	48,600	0.09	673,600	1.23
	At the end of the year March 31, 2016			673,600	1.23
8	<b>HBM Healthcare Investments (Cayman) Ltd</b>				
	At the beginning of the year April 1, 2015	0	0.00	0	0.00
	May 29, 2015 - transfer by way of (Sale)/Purchase	170,200	0.31	170,200	0.31
	August 7, 2015 - transfer by way of (Sale)/Purchase	80,400	0.15	250,600	0.46
	August 14, 2015 - transfer by way of (Sale)/Purchase	50,736	0.09	301,336	0.55
	September 4, 2015 - transfer by way of (Sale)/Purchase	18,181	0.03	319,517	0.59
	November 6, 2015 - transfer by way of (Sale)/Purchase	24,005	0.04	343,522	0.63
	January 22, 2016 - transfer by way of (Sale)/Purchase	44,205	0.08	387,727	0.71
	March 31, 2016 - transfer by way of (Sale)/Purchase	110,190	0.20	497,917	0.91
	At the end of the year March 31, 2016			497,917	0.91
9	<b>Ashoka PTE Ltd.</b>				
	At the beginning of the year April 1, 2015	488,955	0.90	488,955	0.90
	At the end of the year March 31, 2016			488,955	0.90
10	<b>Morgan Stanley Asia (Singapore) PTE</b>				
	At the beginning of the year April 1, 2015	457,304	0.84	457,304	0.84
	May 22, 2015 - transfer by way of (Sale)/Purchase	(61,542)	(0.11)	395,762	0.73
	May 29, 2015 - transfer by way of (Sale)/Purchase	49,500	0.09	445,262	0.82
	August 7, 2015 - transfer by way of (Sale)/Purchase	1,734	0.00	446,996	0.82
	August 14, 2015 - transfer by way of (Sale)/Purchase	1,231	0.00	448,227	0.82
	August 28, 2015 - transfer by way of (Sale)/Purchase	662	0.00	448,889	0.82
	September 4, 2015 - transfer by way of (Sale)/Purchase	677	0.00	449,566	0.82
	October 9, 2015 - transfer by way of (Sale)/Purchase	(1,228)	(0.00)	448,338	0.82
	October 23, 2015 - transfer by way of (Sale)/Purchase	(2,016)	(0.00)	446,322	0.82
	October 30, 2015 - transfer by way of (Sale)/Purchase	(581)	(0.00)	445,741	0.82
	December 4, 2015 - transfer by way of (Sale)/Purchase	15,625	0.03	461,366	0.85
	January 29, 2016 - transfer by way of (Sale)/Purchase	(479)	(0.00)	460,887	0.84
	At the end of the year March 31, 2016			460,887	0.84

# Annexure-2 to the Directors' Report

## v) Shareholding of Directors and Key Managerial Personnels

Sr. No.	Directors and Key Managerial Personnels	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Chetan S. Majmudar				
	At the beginning of the year April 1, 2015	78	0.00	78	0.00
	At the end of the year March 31, 2016			78	0.00
2	Mr. Kirit H. Kanjaria				
	At the beginning of the year April 1, 2015	46	0.00	46	0.00
	At the end of the year March 31, 2016			46	0.00
3	Ms. Milina Bose				
	At the beginning of the year April 1, 2015	91	0.00	91	0.00
	At the end of the year March 31, 2016			91	0.00

Note: The following Directors / KMPs did not hold any shares in their individual capacity during the period from April 1, 2015 to March 31, 2016

1. Mr. Surrinder Lal Kapur – Non-Executive and Independent Director
2. Mr. Arjun Handa – Vice – Chairman & Managing Director
3. Mr. Chandrasingh S. Purohit – Whole Time Director & CFO
4. Mr. Anup P. Shah – Non-Executive and Independent Director
5. Mr. T. V. Ananthanarayanan – Non-Executive and Independent Director
6. Mr. Aditya S. Handa – Non-Executive and Non-Independent Director

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rupees in Lacs)

	Secured Loans excluding Deposit	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	3,887.58	-	-	3,887.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.35	-	-	23.35
<b>Total (i+ii+iii)</b>	<b>3,910.93</b>	<b>-</b>	<b>-</b>	<b>3,910.93</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	2,484.42	-	-	2,484.42
<b>Net Change</b>	<b>2,484.42</b>	<b>-</b>	<b>-</b>	<b>2,484.42</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,403.16	-	-	1,403.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.44	-	-	1.44
<b>Total (i+ii+iii)</b>	<b>1,404.60</b>	<b>-</b>	<b>-</b>	<b>1,404.60</b>

# Annexure-2 to the Directors' Report

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(Rupees in Lacs)

Sr. No	Particulars of Remuneration	Name of the Managing Director / Whole Time Director/ Manager			Total Amount
		Mr. Arjun Handa – Vice – Chairman & Managing Director <sup>§</sup>	Mr. Chetan S. Majmudar – Whole Time Director <sup>#</sup>	Mr. Chandrasingh S. Purohit – Whole Time Director & CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	59.68	-	94.72	154.40
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.43	-	2.00	2.43
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	60.11	-	96.72	156.83
Ceiling as per the Companies Act, 2013 (5% of the Net Profit)		Not Applicable			
Ceiling as per the Companies Act, 2013 (10% of the Net Profit)		Not Applicable			
Ceiling pursuant to Schedule V of the Companies Act, 2013		62.00	-	125.42	

\$ Mr. Arjun Handa draws salary for the part of the year and thereafter the remuneration and commission based on his performance and the Company's performance is paid to him from the wholly owned subsidiary of the Company and the total remuneration drawn by him from one or more companies does not exceed ceiling limit as prescribed under the Companies Act, 2013 and rules thereunder.

# Mr. Chetan S. Majmudar is being paid remuneration from the wholly owned subsidiary of the Company and the total remuneration drawn by him from one or more companies does not exceed ceiling limit as prescribed under the Companies Act, 2013 and rules thereunder.

### B. Remuneration to other directors:

(Rupees in Lacs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Surrinder Lal Kapur	Mr. Anup P. Shah	Mr. T. V. Ananthanarayanan	
1	Independent Directors				
	(a) Fee for attending board committee meetings	6.00	6.00	4.80	16.80
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>				16.80
2	Other Non Executive Directors	Mr. Aditya S. Handa	Ms. Milina Bose		
	(a) Fee for attending board committee meetings	-	-		
	(b) Commission	-	-		
	(c ) Others, please specify.	-	-		
	<b>Total (2)</b>	-	-		
	<b>Total (B)=(1+2)</b>				16.80
	<b>Total Managerial Remuneration</b>				
	<b>(Total (A) + Total (B))</b>				173.52
Ceiling as per the Companies Act, 2013 (11% of the Net Profit)		Not Applicable			

# Annexure-2 to the Directors' Report

## C. Remuneration to Key Managerial Personnels other than Managing Director / Manager / Whole time Director

(Rupees in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnels		Total Amount
		Mr. Kirit H. Kanjaria- Company Secretary & Compliance Officer	Mr. Chandrasingh S. Purohit-Whole Time Director & CFO*	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	82.57 2.00 -	*	82.57 2.00 -
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission as % of profit others, specify			
5	Others, please specify	-		-
	<b>Total (C)</b>	<b>84.57</b>		<b>84.57</b>

\* For remuneration details of Mr. Chandrasingh S. Purohit, please refer point A above.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			None		



# Annexure-3 to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis :

Name of the related party and Nature of Transactions	Nature of relationship	Duration of the contacts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
Investment made in Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	Wholly Owned Subsidiary	-	Investment in 0.1% Non Cumulative Redeemable Preference Shares	Further investment in a wholly owned subsidiary of the Company	Board approval dated November 6, 2015	Nil	Not applicable

## 2. Details of material contracts or arrangement or transactions at arm's length basis

Name of the related party and Nature of Transactions	Nature of relationship	Duration of the contacts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Sale of Goods to Claris Lifesciences Inc.	Step-down Subsidiary	Ongoing	Sale of Goods	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Nil
Purchase of Goods from Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	Associate	Ongoing	Purchase of goods manufactured by Claris Otsuka Private Limited to sell the same in India, semi-regulated markets	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis	Nil
Purchase of Goods from Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	Wholly Owned Subsidiary	Ongoing	Purchase of goods manufactured by Claris Injectables Limited to sell the same in regulated markets and emerging markets	Board approval dated November 8, 2014	Nil

For and on Behalf of the Board of Directors

Arjun Handa  
Vice – Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Place : Ahmedabad  
Date : May 6, 2016

# Annexure-4 to the Directors' Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects / programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects / programmes :

The concept of CSR has gained prominence from all avenues. The Government and the organisations have realised that the Government alone will not be able to get success in its endeavor to uplift the poor, needy and down - trodden of the society. Claris Lifesciences Limited at its group level is very much aware of its social, ethical and environmental impacts and responsibilities and its commitment for ensuring the highest standard of CSR based on sound policies and good practices. For the Company in the present context, CSR means not only investment of funds for social activity but also integration of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development.

The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013, as amended from time to time. The web link to the CSR Policy is <http://www.clarislifesciences.com/global/Financial/Corporate-Social-Responsibility-Policy.pdf>

2. The composition of the CSR Committee:

The Company has formed the CSR Committee in its Board Meeting held on May 9, 2015 and the members to the CSR Committee are Mr. Surrinder Lal Kapur, Mr. Arjun Handa, Mr. Aditya S. Handa, Mr. Chandrasingh S. Purohit, Mr. Chetan S. Majmudar, Mr. T. V. Ananthanarayanan and Mr. Anup P. Shah.

Mr. Surrinder Lal Kapur acts as a Chairman to the Committee and Mr. Shyam Sharma – President HRM and Corporate Communication acts as a special invitee to the said Committee.

3. Average net profit of the Company for last three financial years:

The average net profit of the Company for last three financial years i.e. December 31, 2012, December 31, 2013 and March 31, 2015 is Rs. 9,885.25 Lacs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 197.71 Lacs

5. Details of CSR spend for the financial year:

(a) Total amount to be spent for the financial year: Rs. 197.71 Lacs as stated above in point no. 4

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below: Table shown below

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Directors' Report.

This year the Company has spent Rs. 305.00 Lacs towards CSR activities which are over and above the requirement of this year of Rs. 197.71 Lacs, taking in view the unspent amount of Rs. 131.62 Lacs for the previous financial year 2014-15.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and policy of the Company.

For Claris Lifesciences Limited

Surrinder Lal Kapur  
Chairman, CSR Committee  
(DIN : 00033312)

Arjun Handa  
Vice – Chairman & Managing Director  
(DIN : 00159413)

# Annexure-4 to the Directors' Report

(Rupees in Lacs)

Sr. No.	CSR Projects/ Activity identified	Sector in which the project is covered	Projects/ programmes Local area/other specify the State and district where projects/ programmes were undertaken	Amount Outlay (Budget) Projects or programmes wise	Amount spent on the projects /programmes 1. Direct expenditure on projects/ programmes	Cumulative Expenditure up to reporting period	Amount spent : Direct or through implementing Agency
1	Contribution for Education, Training and sponsorship children, women and differently abled persons	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Ahmedabad, Gujarat	305.00	305.00	305.00	Directly
	<b>Subtotals</b>			<b>305.00</b>	<b>305.00</b>	<b>305.00</b>	
	<b>Overheads</b>			<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Total CSR Spent</b>			<b>305.00</b>	<b>305.00</b>	<b>305.00</b>	

# Annexure-5 to the Directors' Report

## A. DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended on March 31, 2016:

Sr. No	Name of the Directors	Category	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Surrinder Lal Kapur	Non-Executive & Independent Director	-
2	Mr. Arjun Handa	Vice - Chairman & Managing Director	1:28.23
3	Mr. Aditya S. Handa	Non-Executive & Non-Independent Director	-
4	Mr. Chetan S. Majmudar	Whole Time Director	-
5	Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	1:22.71
6	Mr. T. V. Ananthnarayanan	Non-Executive & Independent Director	-
7	Mr. Anup P. Shah	Non-Executive & Independent Director	-
8	Ms. Milina Bose	Non-Executive & Non-Independent Director	-

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company in the financial year ended on March 31, 2016 compared to that of previous financial year ended on March 31, 2015:

Sr. No	Name of the Directors	Category	Percentage increase in the remuneration
1	Mr. Surrinder Lal Kapur	Non-Executive & Independent Director	-
2	Mr. Arjun Handa	Vice - Chairman & Managing Director	(87.08%)
3	Mr. Aditya S. Handa	Non-Executive & Non-Independent Director	-
4	Mr. Chetan S. Majmudar	Whole Time Director	-
5	Mr. Chandrasingh S. Purohit	Whole Time Director & CFO	(50.06%)
6	Mr. T. V. Ananthnarayanan	Non-Executive & Independent Director	-
7	Mr. Anup P. Shah	Non-Executive & Independent Director	-
8	Ms. Milina Bose	Non-Executive & Non-Independent Director	-
9	Mr. Kirit H. Kanjaria	Company Secretary and Compliance Officer	(10.55%)

Note 1: The previous financial year was of fifteen months and the current financial year is of twelve months, hence not comparable.

Note 2: The previous financial year remuneration also includes commission paid to the Directors and Key Managerial Personnel (KMP).

Note 3: 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.

3. The percentage increase in the median remuneration of employees in the financial year ended on March 31, 2016 compared to that of previous financial year ended on March 31, 2015 is 102.33%.

4. The numbers of permanent employees on the rolls of the Company as on March 31, 2016 were 146 employees.

5. The explanation on the relationship between average increase in remuneration and Company's performance is as below:

The total revenue of the Company has decrease by 26.34% as on March 31, 2016 compared to that of March 31, 2015 and the profit before tax but after extraordinary items has decreased by 98.64% as on March 31, 2016 compared to that of March 31, 2015. The decrease in remuneration is 72.75% as on March 31, 2016 compared to that of March 31, 2015.

Further, the decrease in revenue, profit before tax and remuneration is due to the Company had transferred its speciality injectable business by way of slump sale as a "going concern" to its wholly owned subsidiary along with all the employees, assets and liabilities pertaining thereto in October, 2014 and also, the previous financial year was of fifteen months and the current financial year is of twelve months, hence the figures are not comparable.

The Company has considered various factors while recommending increase in remuneration such as:

1. Contribution made by the employee;
2. Comparison with peer companies;
3. Industry Benchmarking;
4. Increase in remuneration is made as per appraisal system and Nomination and Remuneration Policy of the Company.

# Annexure-5 to the Directors' Report

## 6. Comparison of the remuneration of the KMP against the performance of the Company as on March 31, 2016:

(Rupees in Lacs)

Remuneration of KMP	241.40
Revenue	58,818.22
% of Remuneration with Revenue	0.41%
Profit before Tax (PBT)	145.39
% of Remuneration with PBT	166.04%

Note 1: 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.

## 7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year ended on March 31, 2016 and previous financial year ended on March 31, 2015 and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The Market Capitalisation of the Company has decreased from Rs. 141,330.51 Lacs as on March 31, 2015 to Rs. 71,210.93 Lacs as on March 31, 2016 i.e. 49.61%. Further, the price earning ratio has decreased from 10.00 as on March 31, 2015 to (12.27) as on March 31, 2016. The equity share price of the Company has decreased by 42.76% compared to that of the last public offer of the Company.

## 8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The decrease in remuneration of employees other than Managerial Personnel is 71.54% and decrease in Managerial Personnel is 80.81% as on March 31, 2016 compared to that of March 31, 2015.

Further, the decrease in revenue, profit before tax and remuneration is due to the Company had transferred its speciality injectable business by way of slump sale as a "going concern" to its wholly owned subsidiary along with all the employees, assets and liabilities pertaining thereto in October 2014 and also, the previous financial year was of fifteen months and the current financial year is of twelve months, hence the numbers are not comparable.

## 9. Comparison of the each remuneration of the KMP against the performance of the Company as on March 31, 2016:

(Rupees in Lacs)

Particulars	Mr. Arjun Handa – Vice Chairman & Managing Director	Mr. Chetan S. Majmudar – Whole Time Director	Mr. Chandrasingh S. Purohit – Whole Time Director & CFO	Mr. Kirit H. Kanjaria – Company Secretary & Compliance Officer
Remuneration of KMP	60.11	-	96.72	84.57
Revenue	58,818.22	58,818.22	58,818.22	58,818.22
% of Remuneration with Revenue	0.10%	-	0.16%	0.14%
Profit before Tax (PBT)	145.39	145.39	145.39	145.39
% of Remuneration with PBT	41.34%	-	66.52%	58.17%

Note 1: 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.

## 10. The key parameters for any variable component of remuneration availed by the Directors:

The variable component of remuneration is paid to Directors of the Company based on their individual performance and the Company's performance. For the year under review, no variable component of remuneration is availed by any Director.

# Annexure-5 to the Directors' Report

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11. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year ended March 31, 2016:

There were no employees who are not Directors but receive remuneration in excess of the highest paid Director during the year ended March 31, 2016.

12. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the Nomination and Remuneration Policy of the Company.

Notes:

1. Sitting Fees paid to the Independent Directors have not been considered as remuneration.
2. Remuneration does not include Leave Encashment and Gratuity.
3. Calculation of Market Capitalization, price to earnings and other details are based on stock price on BSE Limited on relevant dates.
4. KMP includes Managing Director, Whole Time Director, Chief Financial Officer and Company Secretary of the Company.

# 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 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.

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	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.

# Report on Corporate Governance

## Notes (Cont.):

- 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.
- 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<sup>th</sup> 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:

- Accelar Technologies Limited
- Claris Injectables Limited
- 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.



# Report on Corporate Governance

## 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>

# Report on Corporate Governance

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.

# Report on Corporate Governance

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.

# Report on Corporate Governance

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	-	-	-	-	-
<b>Total</b>		<b>156.83</b>	<b>-</b>	<b>-</b>	<b>16.80</b>	<b>173.63</b>

## Notes :

- 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.
- Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
- The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
- Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
- 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.
- 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.

# Report on Corporate Governance

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.

# Report on Corporate Governance

## 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.	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 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.	36,282,906 (89.20%)	4,389,670 (10.79%)	March 25, 2016
	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.



# Report on Corporate Governance

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](http://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](http://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 <sup>nd</sup> Annual General Meeting	: July– August, 2017

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



# Report on Corporate Governance

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.

# Report on Corporate Governance

## 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
<b>Total</b>	<b>22,724</b>	<b>100.00</b>	<b>54,567,765</b>	<b>100.00</b>

## 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
<b>Total</b>	<b>54,567,765</b>	<b>100.00</b>

## 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](http://www.linkintime.co.in)

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

# Report on Corporate Governance

## 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](http://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.

# Report on Corporate Governance

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## 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](http://www.clarislifesciences.com)  
CIN: L85110GJ1994PLC022543  
For any other queries: Email: [investorservices.corp@clarislifesciences.com](mailto:investorservices.corp@clarislifesciences.com)

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## 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

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

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## DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT UNDER REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, all the Board Members and the Senior Management Group have confirmed compliance with the Code of Conduct of Claris Lifesciences Limited for the financial year ended on March 31, 2016.

For Claris Lifesciences Limited

Place: Ahmedabad  
Date: May 6, 2016

Arjun Handa  
Vice – Chairman & Managing Director  
(DIN: 00159413)

# Report on Corporate Governance

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## CEO / CFO Certification

To,  
The Board of Directors,  
Claris Lifesciences Limited.  
Ahmedabad.

We hereby certify to the Board that:

A. We have reviewed financial statements and the cash flow statement for the financial year ended on March 31, 2016 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee:

1. Significant changes in internal control over financial reporting during the financial year;
2. Significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Claris Lifesciences Limited

Place: Ahmedabad  
Date: May 6, 2016

Arjun Handa  
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# Management Discussion & Analysis

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## Industry Development and Outlook

### Global Injectables Market

The life sciences industry has fared well in past economic recessions but how is it performing in today's volatile marketplace, one characterized by economic uncertainty, reform-driven pricing pressures, increased demand for innovation and value, more focus on the consumer and consumer engagement, and an ever-changing regulatory and risk environment. The life sciences sector's growth correlates highly with countries' general economic strength and health care spending levels, and both of these vary widely around the globe.

Injectable products represent the second largest segment of the global pharmaceutical market in terms of delivery mechanism after oral products. Drug delivery is the process of administering a pharmaceutical compound into the body through various routes to achieve a therapeutic effect. Oral, injection-based, transdermal, and carrier-based are some of the types of drug delivery devices. Injectable drug delivery facilitates the rapid transport of a drug into the body by bypassing first-pass metabolism. The manufacture of injectable products requires specialized and sterile manufacturing facilities and techniques, which must meet the strict quality standards imposed by the regulatory authorities. These factors have created a market with high barriers to entry and, as a result, a limited number of competitors.

The major factors responsible for the growth of the injectable drug delivery market are the rising prevalence of chronic diseases, growth of the biologics market and technological advancements.

Generic drugs are leading the overall pharmaceutical market growth globally. They play critical role to lower down the healthcare expenses globally. Generic spending is expected to increase in developed market due to patent expires in upcoming 5 years which will drive the growth globally. This will be strengthening further by increased generic utilization for off-patented molecules. Patients in emerging markets will get benefits due to rising access of generic medicines for primary care treatment.

The global generic spending is estimated to reach around US\$519 billion in 2018 from approximately US\$260 billion in 2012. The dynamics of spending mix may shift towards generics over the next five years (2014-18). The proportion of generics to total spending is near to 50% in almost all the regions.

### Global Generic Sterile Injectables Market

The global generic sterile injectables market is projected to grow to \$70 billion in 2020. Future market growth is anticipated to be largely driven by China with 13% growth, the US with 6% growth, and other emerging markets with 12% growth. Growth will be driven by both generic sterile injectables volume and emerging markets as well as differentiated presentations in hard-to-make products in developed markets. By 2020, these three segments in the projected \$70-billion generic sterile injectables market are forecasted to be \$51 billion for the ROW, \$10 billion for the US, and \$9 billion for the EU5.

(Source: IMS Market Prognosis, September 2014; IMS Institute for Healthcare Informatics, October 2014 and DCAT Value Chain Insights)

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# Management Discussion & Analysis

## Financial Performance

The financial statement has been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. As per the new companies law requirement we are closing our books on the basis of financial year for that purpose profit and loss statement are of Twelve month period ended on March 31, 2016 and the corresponding period is of Fifteen month ended on March 31, 2015, thus financials of both the period are not comparable.

During the fifteen months ended 31st March, 2015, the Company had changed its financial year from January–December to April–March. In view of this, the previous financial year was for a period of fifteen months i.e. 1st January 2014 to 31st March 2015. The figures for the corresponding quarter / twelve months ended 31st March, 2015 are the balancing figures between audited published figures in respect of the fifteen months ended 31st March, 2015 and (i) unaudited published figures for the 12 months period ended 31st December, 2014 and (ii) unaudited published figures for the three months period ended on 31st March, 2014 respectively.

The following table details out the consolidated statement of profit and loss for the Twelve month period ended on March 31, 2016, Twelve months period ended on March 31, 2015 and Fifteen month period for the year ended on March 31, 2015.

Particulars	For the year ended on March 31, 2016 (12 months)	For the year ended on March 31, 2015 (12 months)	For the period ended on March 31, 2015 (15 months)
<b>Revenue</b>			
Revenue from operations			
(a) Gross Sales	74,257	65,078	78,472
Less : Excise Duty	370	376	460
Net Sales	73,887	64,702	78,011
(b) Operating income	1,534	1,591	1,964
<b>Revenue from operations (net)</b>	<b>75,421</b>	<b>66,293</b>	<b>79,975</b>
Other Income	4,047	6,652	8,630
<b>Total Revenue</b>	<b>79,468</b>	<b>72,945</b>	<b>88,605</b>
<b>Expenses</b>			
Cost of materials consumed	12,674	10,106	11,873
Purchase of Stock in trade	14,804	19,548	26,274
Changes in inventories of finished goods and work in-progress	(270)	(1,721)	(2,691)
Employees benefits expense	8,675	8,199	9,257
Finance cost	4,277	3,952	4,826
Depreciation and amortisation expense	4,292	3,886	4,905
Other expenses	24,984	16,447	19,715
<b>Total expenses</b>	<b>69,434</b>	<b>60,418</b>	<b>74,159</b>
Profit before extraordinary item and tax	10,034	12,527	14,447
Extraordinary Items	(3,783)		
Profit before tax	6,250	12,527	14,447
Total Tax Expense	2,843	(1,599)	(1,220)
Profit after tax and before share of profit/(Loss) of Associate	3,408	14,126	15,667
Share in Loss of Associate	(9,212)	(512)	(719)
<b>Net Profit After Tax</b>	<b>(5,804)</b>	<b>13,614</b>	<b>14,948</b>

## Revenue Break Up

Company's total Income for the Twelve month period year ended on March 31, 2016 comprises of three elements:

- Revenue from Operations
- Operating Income
- Other Income

The table below illustrates the contribution of each of these components to the company's total income for FY 2016 and the Fifteen month period ended on March 31, 2015:

Particulars	FY 2016 (12 months)	FY 2015 (12 months)	FY 2015 (15 months)
Revenue from Operations	92.98%	88.70%	88.04%
Operating Income	1.93%	2.18%	2.22%
Other Income	5.09%	9.12%	9.74%
<b>Total Revenues (100%)</b>	<b>79,468</b>	<b>72,945</b>	<b>88,606</b>



# Management Discussion & Analysis

## Summarized Consolidated Profit and Loss Statement

(Rupees in Lacs)

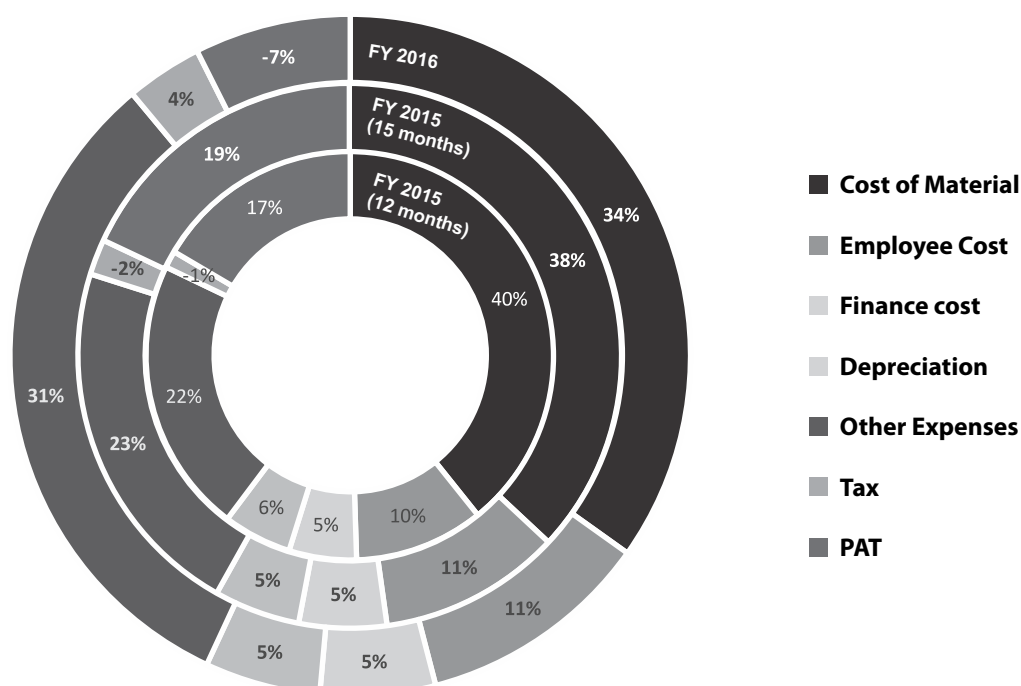
Particulars	For the year ended on March 31, 2016 (12 months)	For the year ended on March 31, 2015 (12 months)	For the year ended on March 31, 2015 (15 months)
Net Sales	73,887	64,702	78,011
Other Operating Income	1,534	1,591	1,964
Other Income	4,047	6,652	8,630
Earnings Before Interest, Tax, Depreciation and Amortisation	18,603	20,365	24,178
EBITDA margin (%)	23%	28%	27%
Profit Before Tax	6,250	12,527	14,447
PBT margin (%)	8%	19%	19%
Profit after Tax and before share of profit/(loss) of Associate	3,408	14,126	15,667
PAT margin %	4%	19%	18%
Net Profit after Share in Loss associate	-5,804	13,614	14,948
PAT margin %	-7%	19%	17%

On Consolidated basis, the net sales of the company for the year ended on March 31, 2016 stood Rs 73,887 Lacs as against Rs. 78,011 Lacs for the Fifteen month period ended on March 31, 2015, on annualized basis company has registered a growth of 14 % in FY 2016 over comparable previous 12 months.

On consolidated basis, the total revenue of the company for the year ended March 31, 2016 stood at Rs 79,468 lacs as against Rs 88,606 lacs for fifteen months period ended on March 31, 2015. On comparable period basis the total revenue stood at Rs 72,945 lacs, thus there was a growth of 9 % during the year ended March 31, 2016. Company continued to pass through sales on behalf of Claris Otsuka Private Limited and Claris Injectables Limited during the year ended on March 31, 2016, with the transfer of product registration to Claris Otsuka Private Limited, the quantum pass through sales has been reduced.

Earnings before Interest, Tax, Depreciation and Amortisation has reduced to 23 % for year ended March 31, 2016 as against 28% for the fifteen months period ended on March 31, 2015, while on comparable period of previous year company has registered growth of 5%, this is despite the change of policy of expensing R&D expenses and pass through sales for Claris Otsuka Private Limited without significant margin during the year ended on March 31, 2016.

Profit After Tax has changed from 17% for the fifteen months period ended on March 31, 2015 to negative 7 % in the financial year ended on March 31, 2016. The shift is majorly due to the reversal of deferred tax on slump sale during the period ended March 31, 2015 and share in loss of associate of Rs 9212 lacs on account of impairment of Intangible Asset carried out by Claris Otsuka Private Limited alongside loss on business operations during the year ended on March 31, 2016. During the year ended March 31, 2016, company has incurred expenses amounting to Rs 3783 lacs towards Strategic and Management initiatives, further adding to the change in the PAT.



# Management Discussion & Analysis

## Cost of Material

There has been a reduction in the cost of material as a percentage to Net Sales, from 43% of Sales for twelve months period ended on March 31, 2015 to 34% of Net Sales for this year. The reduction is mainly on account of decrease in per unit costing of injectable products and reduction in the pass through sales of Claris Otsuka Private Limited.

## Employment Cost

Employment cost has increased by Rs 476 lacs in this year as compared to comparable period ended on March 31, 2015. This net increase is due to factoring additional recruitment of manpower, increments, incentives etc. However on percentage terms to Revenue the employment expenses is maintained at 11 %.

## Operating Expenses

During the current year operating expenses has increased to 31 % of Total Revenue from 23 % of Total Revenue during the comparable period ended on March 31, 2015. The increase in the operating expenses is mainly due to increase in Selling & Distribution cost on account of increase of sales in US market.

## Finance Cost

There has not been any significant change in the Finance Cost. Interest expense as a percentage to Revenue has remained same levels.

## Depreciation

There has not been any significant change in the Depreciation.

## Tax

During the current year tax expense is increased to 4 % of total revenue as against negative 2 % in the comparable period ended on March 31, 2015. This is mainly due to reversal of deferred tax due to slump sale of the Speciality Injectables Business to a wholly owned subsidiary during the period ended on March 31, 2015.

## Profit for the year

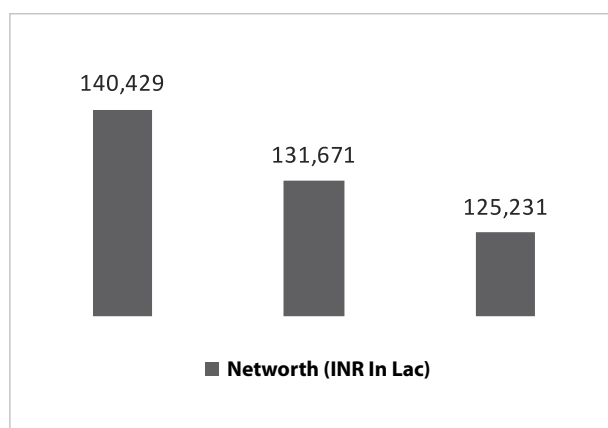
During the current year ended on March 31, 2016 Company has registered a loss of Rs 5,804 lac, as against profit of Rs 13,614 lacs in the comparable previous period. The change is mainly due to the Share in Loss of Associate amounting to Rs 9,212 lacs and extraordinary expenses of Rs 3,783 lacs on various strategic and management initiatives during the year ended on March 31, 2016 as well as deferred tax reversal amounting to Rs 4,896 lacs on slump sale in the previous comparable year.

## Financial Highlights

### \*Based on GAAP Consolidated Financial Statements

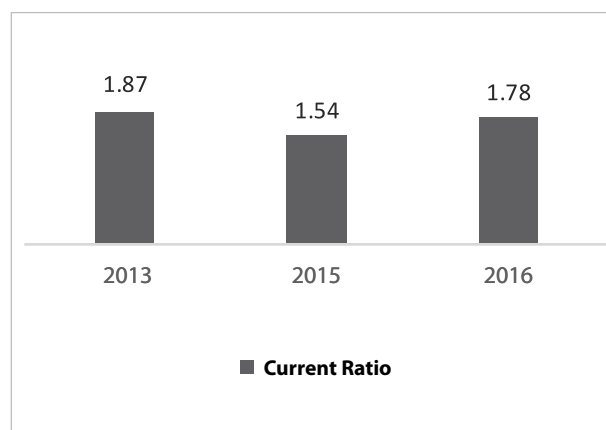
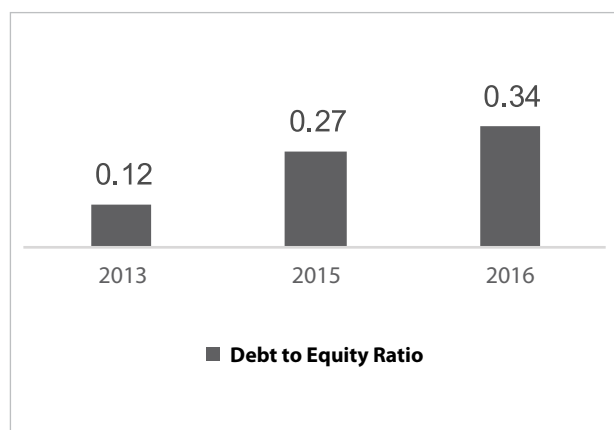
Net worth of the company has been reduced due loss incurred by subsidiary company Claris Otsuka Private Limited (COPL) due to impairment of assets. COPL has revalued its assets and other intangibles and taken an impairment. Although CLL was in profit till PAT before share in loss of Associate.

(The graphs below are for CY 2013, FY 2015 (15 months) and FY 2016)



# Management Discussion & Analysis

Debt equity ratio of the company has changed from 0.27 in 2015 to 0.34 in 2016. This is mainly due to additional borrowings by the company during the year for capital expansion.



## Claris Speciality Injectables

Provided below is the management representation of the unaudited numbers for the Specialty Injectable Business (SIB):

(INR in Lacs)

Financial	For the year ended on March 31, 2016	For the period ended on March 31, 2015	Growth
Net Sales	62,137	44,734	39%
EBIDTA Pre R&D	20,000	17,665	13%
R&D	3,509	3,000	
EBIDTA Post R&D	16,576	14,665	13%
EBITDA Margin (% age)	27%	33%	
PAT	6,983	11,971	42%
Effect to PAT due to deferred tax		-5,179	
PAT Reduction if R&D was Expensed		2100*	
Revised Comparative PAT	6,983	4,692	49%
PAT Margin (% age)	11%	10%	

\* Management representation of the R&D expenses for 12 months ended on 31st March 2015

- Revenues for SIB grew by 39% for FY2016 vs FY2015
- The company started expensing R&D for this financial year, hence for a better understanding a comparative EBITDA and PAT has been provided.
- Post R&D EBITDA for the year grew by 12% as compared to the previous year.
- EBITDA Margin for the year has dropped to 26% as compared to 33% due to expansion of management overheads and absorption of CL2 fixed overheads.
- Comparative PAT has grown by 49%, while the margin has remained flat. YoY Reported PAT has de-grew by 42%, but provided above is a comparative PAT after taking the effects of (i) one time deferred tax reversal and (ii) if R&D would have been expensed out last year as well.

(INR in Lacs)

Region	FY 2016	FY 2015	Growth %
USA	32,578	13,514	141%
Other Regulated (Ex US) – ORM	11,596	11,585	-
Emerging Markets – EM	17,963	19,635	(9%)
TOTAL	62,137	44,734	39%

- USA continues to drive the revenue for the FY16, over the last year revenues to US grew by 141%, US now accounts for 52% of our SIB sales.
- Other Regulated markets remained flat during the year, and are expected to grow by 15% during FY2017
- Regional Issues in a few important Emerging Markets resulted into a de-growth of 9% over the previous year, we expect EM to remain flat in FY2017.

# Management Discussion & Analysis

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## International markets

### Regulated Markets

Sales to the US have shown continued growth, the company presently has 13 ANDAs approved in the US, having an addressable market size of approximately US\$ 200 mn and the company is expecting 7-10 additional ANDA approvals during FY2017, this could increase the addressable market size of company's products in the US to around US\$ 600-700 mn. We have increased our management strength in the US in line with the company's estimated growth from the US markets, we now have a 17 member strong team across, sales and marketing, regulatory, quality and finance departments.

In non-US regulated markets, sales are made largely to distributors. Non US Regulated markets represent sales to customers in Australia, UK, European Union (including Baltic States – Latvia, Bulgaria, Lithuania, etc.), South Korea, Canada and New Zealand. Sales in these markets are largely tender driven and participation in these tenders by the distributors and pricing decisions thereof are made in consultation with the Company. There are country managers for each country based out of India who are responsible for the growth of this region and the company plans to file new products to the non-US regulated markets which will drive the future growth for this region.

### Emerging markets

Emerging markets or Semi-Regulated markets represent the Rest Of the World (ROW), these are countries other than those forming part of the regulated markets as mentioned above. These markets are largely trade though in certain countries like Brazil, tender contributes significantly to revenues. In emerging markets, sales are made largely to distributors. Sales in Philippines are managed through a local wholly owned subsidiary which makes onwards sales to distributors. Emerging markets have not shown growth during the year due to a conscious decision by the company to reduce sales in certain markets like Venezuela and certain CIS countries where there have been issues due to political/economic turmoil in these countries. The emerging markets also have certain promising countries like Brazil, Mexico and the Middle East which are expected to do well in future.

### Operations

We are focusing on high value product launches tailored to market needs, training skilled sales and marketing people and developing strong customer relationships.

We are continuously investing in our high quality manufacturing facilities to improve the efficiency of our processes, while maintaining control of overheads to maintain highest quality standards. We continuously evaluate our plants and production lines and believe that our current facilities, are sufficient to meet our expected needs.

We are subject to extensive, complex and evolving regulations and increasing oversight by the FDA and other domestic and foreign regulatory authorities. In response, we have developed definitive action plans, implemented remediation programs and modified our practices in an effort to address any issues.

We are continuously investing in the training and development of our people while hiring talented new employees to support our future growth plans. We continue to invest to strengthen our sales teams and enhance our promotional activities. We are constantly maximizing sales force effectiveness.

We work closely with our suppliers to ensure continuity of supply and build redundancy to manage risk. We diversify our sources of materials and continually evaluate alternate-source suppliers.

Our operations and business activities are subject to extensive legal and regulatory requirements that are enforced by numerous governmental agencies in the countries in which we do business. We have implemented compliance programs to support and monitor compliance with these laws.

### Technology Up gradation during the year

During the year, the company has introduced new technologies in the manufacturing facilities and the testing labs. Brief of technology upgradation effected during the year are as under:

- Manufacturing automation in PFE (Propofol) Line-2, which is 21 CFR compliant, Manufacturing Process control & Data Print out through SCADA system will improve the data capturing and recording process for the company, this will help the company in the long run with respect to regulatory bodies' requirements of having systems in place to ensure data reliability.
- As a part of Packing automation we have Upgraded existing cartooning machine of PFE-2 Packing, which has led to a cost reduction and quality enhancement at a higher throughput. As a part of Packing automation we introduced Automatic Ampoule Pinhole Leak Inspection Machine, which has led to a cost reduction by manpower saving and quality enhancement at a higher throughput.
- Increase Product variance in terms of volume and new products of combination line in Plant 2, which manufactures TS products and Lyophilized products in Vials we have Procured Filling Pumps and Change Parts to Fill Products from 5 ml to 20 ml.
- Introduction of 21 CFR Compliance in all the Autoclave of CIL1 & CIL2 Plant and Sterilizer of CIL2 plant, software implementations will improve the data capturing and recording process for the company, this will help the company in the long run with respect to regulatory bodies' requirements of having systems in place to ensure data reliability.
- Introduction of new laboratory instruments and Introduction of 21 CFR Compliance in QC Instruments of CIL1, CIL2 & F&D, ADL, software implementations will improve the data capturing and recording process for the company, this will help the company in the long run with respect to regulatory bodies' requirements of having systems in place to ensure data reliability.
- Introduction of Electronic Common Technical Dossier (eCTD).
- Started Introduction of Documents Management System and Quality Management System.
- Introduction of Auto-colony Counter which replace manual process so Data Reliability and Capacity enhancement.
- Introduction of Auto CIP & SIP in Bag Line and Aqueous Line in place of Manual process which led to quality enhancement and data reliability.

# Management Discussion & Analysis

## Treasury Management

The Company has invested its treasury funds with an intention to make highest possible return at the lowest possible risk. The portfolio has a high liquidity where more than 70% of the corpus can be redeemed within a week's time and more than 65% of the portfolio is invested in AAA rated papers

During the year the Company has been able to generate a 12.8% IRR on a pretax basis.

## Conference Participation

Your company continued with the energetic efforts to enhance the brand visibility, strengthen the corporate image, and create awareness about the products on the global level, especially the USA.

The key conferences your company participated this year across the world include:

- American Society of Health-System Pharmacists (ASHP) Midyear, USA
- National Pharmacy Purchasing Association (NPPA) Meeting, USA
- Premier Annual Breakthrough Conference and Exhibition, USA
- MedAssets Healthcare Business Summit, USA
- Philippines Society of Anesthesiologists (PSA) Annual Convention, Philippines

Such incessant marketing initiatives will definitely aid in escalating your company's visibility in the worldwide market, thereby strengthening the business and widening the presence & reach.



## Developments in HRM

Your company has been conferred with the recognition of being one of 'India's Best Companies to Work for' and one of the best companies in 'Healthcare' industry in 2015, for the 6th year in a row, by The Economic Times & Great Place to Work® Institute, India. Being the largest and most comprehensive survey of workplace culture in corporate India, the study measured the level of trust, pride, and camaraderie among people. This achievement is a reaffirmation of our unswerving belief that 'people are everything'.

Your company has also been presented with 'Best Workplace Practices Award' and 'HR Leadership Award' at the 24th Global HR Excellence Awards, constituted by the World HRD Congress. The 'Best Workplace Practices Award' bestowed is a recognition of the organizational values, work culture, and best of the people practices. The 'HR Leadership Award' given to Shyam Sharma, President - HRM & Corp. Communication, for his contribution in nurturing organizational culture and developing best workplace practices.

## Hiring

Focussing on the novel ways of sourcing, your company continued the utilisation of unconventional and powerful platform of sourcing - the professional networking site LinkedIn - for getting the perfect candidate among the global talent pool. Having a penchant for technology, your company invested in LinkedIn to actively search the culture-fit candidates. Moreover, with the ever-changing recruitment dynamics, LinkedIn provided an edge over competitors to recruit senior level highly-skilled candidates amidst large talent pool. Your company continued the traditional ways of sourcing including member referral programme 'Auto Quest', job portals, internal databank, and advertisements.

Total Man power of the group is 2199 nos, comprising of 1324 employees and 875 contract workers. Among 1324 employees, 10 are PhDs, 261 are Pharmacists, 383 are Post Graduates, 301 are graduates and 369 are under graduate employees.

## Capability Enhancement

Continuing with the quest to learn, your company focused on members' development in the areas of managerial and behavioral skills. The programs aimed at navigating several skills of the members in various realms including leadership, communication, inter-personal relationship, strategic thinking, emotional intelligence, negotiation, and creative thinking. Such trainings and exposure have aided to be a crucial stepping stone for leaders-in-the-making.



# Management Discussion & Analysis

Vice Chairman & MD persisted providing 360-degree feedback for top members during external training; the results from this evaluation are then put to use by the feedback recipient to plan and map specific trajectory of their development.

Your company spearheaded nominating the key members for national & international Management Development Programs at reputed institutes including IIMs, ISBs, MDI, INSEAD (Singapore), and programs of Harvard & Wharton. These programs solely focused on enhancing managerial proficiency, strategic decision-making abilities, and leadership skills.

## Work-Life Balance Initiatives

Being a people sensitive organization, your company unwaveringly believes in the philosophy of 'people power'. Substantiating this belief, your company aimed attention on the implementation of several novel work-life balance initiatives.

Driven by manufacturing industry work culture of serious nature, your company has to conduct operations at manufacturing facility throughout the year, round the clock. But this year, your company initiated to provide holidays to members at manufacturing facility, which was earlier applicable to HQ members only. This alteration uplifted the mood of the members with an impetus to their morale to work with reinvigorated energy.

Your company organized a clean-up drive 'Tidy Workplace, Healthy Workplace' to educate the members regarding the importance of neat & clean workplace, and to ensure cleanliness across the organization by applying 5S methodology, in turn resulting in the increased productivity of members by inducing clutter-free work-station and desktop/laptop.

Your company continued focusing on the initiative 'Workplace Refresh', keeping in mind the member's convenience and rejuvenation. In sync with this thought, your company revamped the gymnasium and Gaming Zone at HQ with a new refreshing & vibrant ambience, latest equipment for members to work-out, and variety of games for members' fitness & recreation.

Your company determinedly promotes engagement initiatives, which ingrain a feeling of involvement & connectedness among the members with the company. Your company respects the regional tradition of celebrating various festivals. Uttarayan, a kite-flying festival, was celebrated with members and their families. Dussehra's auspicious day was celebrated with Havan and Pooja, where all the members, including contact workers, offered 'Aahuti' and sought blessings of the Almighty for their efforts towards business growth. Fostering the sports culture and focusing on the health & fitness of the members, your company conducted several sports tournaments such as Soccer, Cricket, Pool, Table Tennis, Carrom, Chess, etc.



## Internal & External Communication

Your company continued to make use of the interactive and online portal 'myClaris' - the hub of the corporate wheel - facilitating exchange of information, encouraging people connectivity, and knowledge sharing. The platform kept the members propelled throughout the day through inspirational quotes, stories, key happenings, and milestone achievements.

Your company regularly sent out 'Claris Quarterly' newsletter every quarter, which acted as a bridge between the company and the members & their families to communicate the happenings of the company to them. This newsletter was enriched by comprising new interactive sections for engaging the family members. The enhancement was duly recognized with 'Certificate of Merit' in In-house Communication Excellence (ICE) Awards 2015, instituted by Shailaja Nair Foundation. This award promotes internal communication, and recognizes & honours the best creativity in content & design of in-house magazines.

# Management Discussion & Analysis

## Awards & Recognition

Focus on excellence in management practices across functions and incisive leadership have helped your Company to garner several organizational and individual recognitions from the stalwarts across the industries globally.

### Asia Pacific Entrepreneurship Award

Mr. Arjun Handa, Vice – Chairman & Managing Director, has been conferred 'Asia Pacific Entrepreneurship Award 2016', in the 'Most Promising' category by Enterprise Asia, in March 2016. The Entrepreneurship Award has been bestowed upon him for his outstanding and exemplary achievements in entrepreneurship, having displayed promising accomplishments to advance Claris to be one of the leading businesses. This prestigious award at global level aptly acknowledges his business acumen and visionary leadership, which has led Claris to grow worldwide.

### 'India's Best Companies to Work for 2015' Award

Your Company has been bestowed with being one of 'India's Best Companies to Work for' and one of the best companies in 'Healthcare' industry in 2015, for the 6th year in a row, by The Economic Times & Great Place to Work® Institute, India in July 2015. Being the largest and most comprehensive survey of workplace culture in corporate India, which surveyed over 700 organizations spanning 20 industries, the study measured the level of trust, pride, and camaraderie among people. This achievement is a reaffirmation of the unswerving belief that 'people are everything'.

### Global HR Excellence Awards

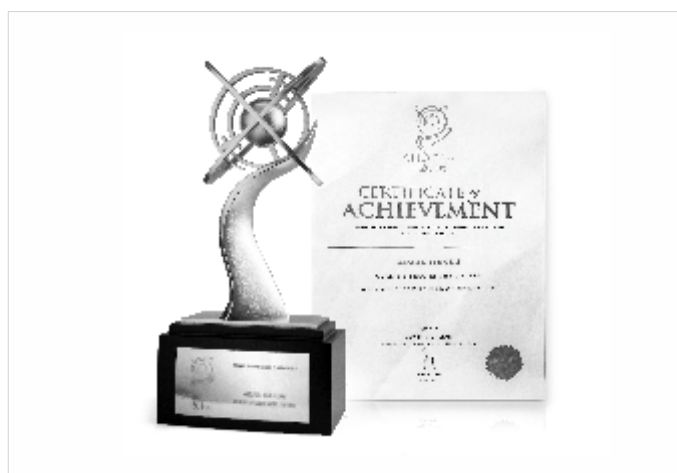
Your Company has been presented with 'Best Workplace Practices Award' and 'HR Leadership Award' at the 24th Global HR Excellence Awards, constituted by the World HRD Congress, in February 2016. The 'Best Workplace Practices Award' was conferred to your Company is a recognition of the organizational values, work culture, and best of the people practices. The 'HR Leadership Award' has been given to Mr. Shyam Sharma, President – HRM & Corp. Communication, for his contribution in nurturing organizational culture and developing best workplace practices.

### MedAssets Award

Your Company has received the Gold Supplier Award for the year 2014 from MedAssets, a premium Group Purchasing Organization (GPO) in the United States. The award was presented in April 2015 for market leading value, compliance with MedAssets reporting & payment, event participation, and clinical & healthcare improvement resources to MedAssets. The prestigious MedAssets Supplier Recognition Program provides recognition for suppliers that proactively and consistently bring market leading pricing, cost-reduction strategies, and value extending beyond price to the industry.

### Merit Certificate in In-house Communication Excellence Awards

Your Company's newsletter 'Claris Quarterly' has been conferred 'Certificate of Merit' for the 2nd year in a row in In-house Communication Excellence (ICE) Awards 2015, instituted by Shailaja Nair Foundation. This award, presented in June 2015, promotes internal communication, and recognizes and honours the best creativity in content & design of in-house magazines.





# Management Discussion & Analysis

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## Opportunities

Growth opportunities in USA injectable generic market is one of key growth drivers for the Company. We presently have 13 Abbreviated New Drug Approvals (ANDAs) approved in the USA, which account for about US\$ 200 million of the market size. We already have additional 26 ANDAs under approval, having an addressable market size of around US \$ 1.5 billion. The Company expects 5-7 ANDA approvals in the near future, these ANDAs approvals could increase the addressable market size of the Company's products in the USA by around US\$ 240 million. The Company has a plan to file 12 – 15 ANDAs every year.

The Company is actively engaged in research & development of the products for USA market to enhance its competitive position. The Company is focused on ensuring quality production and maintain its production facility as per highest regulatory norms.

The Company has initiated the necessary steps to obtain the USFDA approval for its Second Injectable manufacturing facility. The additional plant capacity would cater to the increase market demand due to the pipeline of new approvals. Entry barrier in emerging countries is increasing due to stringent GMP compliances and therefore the company having USFDA approved quality standards stands to gain because of the reduced competition in various emerging countries.

The Company has established distribution network and multi-country presence through our international teams and have enhanced our long-standing relationships with large distributor and other organizations that are built on successful track record of delivering quality products across overseas market. Strong domain expertise help us solidify these relationships and gain increased business from our existing products and country.

## Risk Management and Internal Controls

A strong risk management and internal control system forms the backbone for our robust risk management practices. In line with our commitment to provide sustainable returns to all our stakeholders, Claris has clearly defined systems and policies for timely addressing key business challenges and opportunities.

## Threats and Enterprise Risk Management

Risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the objectives of the Company. Impact of risks could either be monetary that is impact on business profits due to increase in costs, decreasing revenue amongst others or non-monetary which is delay in securing regulatory approvals, reputational damage etc. The Company is susceptible to risks arising out of our business strategy, succession planning and decision on innovation or product portfolio. If there is any significant unfavourable shift in industry trend or pattern of demand, our returns on R&D investments might get affected. We have risks associated with clients' and prospective clients' dispositions.

Any delays due to changes in regulatory requirement, clearances or executional failures could materially affect the timing and implementation of our strategy. Further, due to higher profitability in the injectables space and price pressure in the orals because of the competition, we have seen more Companies are eyeing Injectables segment as an area to grow, thus increasing some competition from India in various markets like USA. Emerging countries' currencies have become significantly devalued making our products expensive or reduced margins in the emerging countries market.

Regulators across the globe strictly monitor the pharmaceuticals manufacturing facilities. Governing laws across the globe are becoming increasingly stringent over time, with severe penalties or actions in the event of non-compliance or violations to regulatory standards. In the scenario where we or any of our suppliers fail to comply with such regulations, there could be a regulator-enforced shutdown of concerned production facilities, withdrawal of drug approvals previously granted, failure or delay in obtaining approvals for new products, prohibition on the sale or import of non-complying products etc. Such impact would significantly affect the delivery of our objectives. Given the evolving nature and regulatory complexities relating to Injectables production, there is a continuous challenge in meeting the regulatory requirements. This might also lead to additional requirements from the regulators before granting commercialization approval. The additional requirements would not only increase our financial commitments but also shift the launch timelines, thereby impacting Company strategy.

In addition to the above, other key risks relating to our current operations include human capital risk such as loss of key personnel, timely replenishment of critical vacant roles, reliance on third party sole suppliers or service providers including reliance on regional suppliers, disruption of operations from natural disasters, risk arising out of strategic projects, foreign exchange fluctuations, changing landscape of statutory regime etc.

At Claris, Risk Management is a key strategic focus for the Members of Board and the Senior Management Group. Company has formulated a ERM framework, developed based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission, USA). The ERM framework includes the process for identification, evaluation, monitoring and mitigation of risks relevant to achieve the business objectives, besides prioritization of risks in terms of their relevance and frequency. This assists the management to prioritize the risks and focus on high priority items which may have significant adverse impact. All key functions of the Company are independently responsible to monitor risks associated with in their respective areas of operations such as production, supply chain, marketing, finance, accounting, treasury, legal and others areas like health, safety and environment. The main purpose of Risk Management is to minimize adverse impacts and to leverage market opportunities effectively. This also helps to sustain and enhance short-term and long-term competitive advantages to the Company. To sustain the risk management, Senior Management Group will be responsible for ensuring periodic reviews in their internal functions and then the risks prioritized based on the ERM framework of the Company will be discussed in the Management Committee and the Audit Committee on Annual basis.

# Management Discussion & Analysis

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## Internal Controls & Internal Financial Controls

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company, through its own Internal Audit Department & the Co-sourced firm of Internal Auditors (KPMG, Ahmedabad), carries out periodic audits to cover all the functions & business segments based on the plan approved by the Audit Committee and bring out any deviation to internal control procedures. The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of the implementation is submitted to the Audit Committee of the Board of Directors. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any, are reported to the Board.

## Safe Harbour Statement

Statements in foregoing paragraphs of this report describing the current industry structure, outlook, opportunities, etc., may be construed as "forward looking statements", based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, domestic & international economic conditions affecting demand, supply & price conditions, changes in Government regulations, tax regimes and other statutes.

# Auditors' Report

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To the Members of Claris Lifesciences Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **CLARIS LIFESCIENCES LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on 31st March, 2016 and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2016;
- b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, as issued by Central Government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure: A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

# Auditors' Report

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(g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The company does not have any pending litigations which would impact its financial position.
- (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

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For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership Number: 047236

Place : Ahmedabad.  
Date : May 6, 2016

# Annexure to the Auditor's Report

"Annexure A" to the Independent Auditors' Report of even date on the Standalone Financial Statements of CLARIS LIFESCIENCES LIMITED,

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended on 31st March, 2016)

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us and the records examined by us and based on examination of registered sale deed/transfer deed provided to us, we report that all the title deeds of immovable assets i.e. buildings are held in the Company's name.
2. As explained to us, physical verification of inventories have been conducted during the year at reasonable intervals by the management. No material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence reporting under clause 3(iii) of Order does not arise.
4. Company has not granted loan to any persons covered under section 185 of the Companies Act, 2013 or give guarantees or securities in connection with loan taken by such persons. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Act in respect of investments made by the company.
5. According to the information and explanations given to us, the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015.
6. The Central Government of India has not specified the maintenance of cost records under Sub-section (1) of Section 148 of Act for any of the products of the Company.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, the details of dues in respect of income tax, sales tax and excise duty which have not been deposited as at March 31, 2016 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs*)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2005-06	71.50
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2006-07	90.13
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2007-08	91.50
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (appeals)	2010-11	0.13
Andhra Pradesh VAT Act, 2005	Sales Tax	Sales Tax Appellate Tribunal	2006-2010	8.93
Central Excise Act, 1994	Excise Duty	CESTAT, Ahmedabad	2008 -2009	68.59
Central Excise Act, 1994	Excise Duty	Deputy Commissioner, Central Excise	2011-2012	8.73
Central Excise Act, 1994	Excise Duty	Deputy Commissioner, Central Excise	2011-2012	14.87

\* Net of amounts paid under protest or otherwise.

8. According to the information and explanation given to us and based on our audit procedures, the company has not defaulted in repayment of any loan or borrowings from banks. Further, during the year under review, the company has not obtained any loan or borrowing from Government, financial institutions or by way of issue of debentures.
9. The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause 3(ix) of the Order is not applicable to the company.
10. There has been neither any fraud by the company nor any fraud on the company by its officers or employees has been noticed or reported during the period under review.

# Annexure to the Auditor's Report

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11. In our opinion and according to the information and explanation given to us , managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership Number: 047236

Place : Ahmedabad.  
Date : May 6, 2016

# Annexure to the Auditor's Report

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"Annexure B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of CLARIS LIFESCIENCES LIMITED,

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the financial statements of the Company for the year ended on 31st March, 2016.)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of CLARIS LIFESCIENCES LIMITED, ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



# Annexure to the Auditor's Report

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## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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**For Shah & Shah Associates**  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
**Partner**  
Membership Number: 047236

Place : Ahmedabad.  
Date : May 6, 2016

# Balance Sheet

as at 31st March, 2016

(Rupees in Lacs)			
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	5,456.78	5,456.78
(b) Reserves and surplus	3	78,311.45	80,300.36
		<u>83,768.23</u>	<u>85,757.14</u>
<b>(2) Non – current liabilities</b>			
(a) Long-term borrowings	4	1,189.36	1,431.68
(b) Deferred tax liabilities (net)	5	233.71	272.57
(c) Long-term provisions	6	376.98	250.61
		<u>1,800.05</u>	<u>1,954.86</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	4	-	2,265.76
(b) Trade payables	7		
Total outstanding dues of micro and small enterprise		-	1.58
Total outstanding dues of creditors other than micro and small enterprise		12,024.78	9,562.75
(c) Other current liabilities	8	10,874.64	26,876.54
(d) Short-term provisions	6	1,648.70	460.84
		<u>24,548.12</u>	<u>39,167.47</u>
<b>Total</b>		<u><u>110,116.40</u></u>	<u><u>126,879.47</u></u>
<b>II. ASSETS</b>			
<b>(1) Non – current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	5,510.26	3,686.36
(ii) Intangible assets	9	106.68	146.66
(iii) Capital work-in-progress		606.22	177.23
		<u>6,223.16</u>	<u>4,010.25</u>
(b) Non – current investments	10	51,412.18	1,926.96
(c) Long-term loans and advances	11	1,746.15	887.73
		<u>59,381.49</u>	<u>6,824.94</u>
<b>(2) Current assets</b>			
(a) Current investments	10	17,702.56	33,161.25
(b) Trade receivables	12	12,742.69	15,184.98
(c) Cash and cash equivalents	13	4,526.11	4,424.12
(d) Short –term loans and advances	11	8,756.95	11,070.17
(e) Other current assets	14	7,006.60	56,214.01
		<u>50,734.91</u>	<u>120,054.53</u>
<b>Total</b>		<u><u>110,116.40</u></u>	<u><u>126,879.47</u></u>
Significant Accounting Policies	1		
Other notes forming part of the Financial Statements	2-47		

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6th May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

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

Place : Ahmedabad  
Date : 6th May, 2016

# Statement of Profit & Loss

For the year ended on 31st March, 2016

		(Rupees in Lacs)	
Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>Revenue</b>			
I. Revenue from operations	15		
(a) Gross sales		53,026.76	70,514.73
Less : Excise duty		-	292.57
Net sales		53,026.76	70,222.16
(b) Operating income		1,694.83	2,006.25
Revenue from operations (net)		54,721.59	72,228.41
II. Other Income	16	4,096.63	7,625.52
<b>III. Total Revenue ( I+ II )</b>		<b>58,818.22</b>	<b>79,853.93</b>
<b>IV. Expenses</b>			
Cost of materials consumed	17	-	7,616.28
Purchase of stock in trade	17	48,631.96	37,267.94
Changes in inventories of finished goods and work-in-progress	18	-	(427.69)
Employees benefits expense	19	1,858.26	6,661.50
Finance cost	20	386.94	3,104.40
Depreciation and amortisation expense		611.17	2,957.56
Other expenses	21	3,401.31	12,475.07
<b>Total expenses</b>		<b>54,889.64</b>	<b>69,655.06</b>
<b>V. Profit before exceptional items, extra-ordinary items and tax (III- IV)</b>		<b>3,928.58</b>	<b>10,198.87</b>
<b>VI. Exceptional items</b>			
Profit on disposal of Injectables business on slump sale	37	-	523.03
<b>VII. Profit before extra-ordinary item and tax (V+VI)</b>		<b>3,928.58</b>	<b>10,721.90</b>
<b>VIII. Extra-ordinary Items</b>	38	<b>(3,783.19)</b>	<b>-</b>
<b>IX. Profit before tax (VII+VIII)</b>		<b>145.39</b>	<b>10,721.90</b>
<b>X. Tax Expense</b>			
(a) Current tax		806.84	2,829.65
(b) Deferred tax		(20.58)	(5,624.28)
(c) MAT credit entitlement		-	(3.15)
(d) Short / (Excess) provision of tax of earlier years		-	(349.28)
		786.26	(3,147.06)
<b>XI. Net Profit / (Loss) after taxes (IX - X)</b>		<b>(640.87)</b>	<b>13,868.96</b>
Profit after tax comprises of:			
a. Profit from continuing operations (after tax)		-	4,156.29
b. Profit from discontinuing operations (before tax)	37	-	5,662.84
c. Profit on disposal of Injectable business under slump sale		-	523.03
d. (Add)/Less: Tax expenses/(reversal) of discontinuing operations;	37		
i. Tax expense of discontinuing operations		-	1,652.31
ii. Tax on disposal of Injectable Business under slump sale (net of reversal of deferred taxes of Rs. 5,179.11 Lacs)		-	(5,179.11)
<b>XII. Earnings per share (Basic &amp; Diluted)</b>	36		
(Nominal value per equity share of Rs. 10)			
a. Continuing operations		(1.17)	7.20
b. Total operations		(1.17)	24.02
Significant Accounting Policies	1		
Other notes forming part of the Financial Statements	2-47		

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6th May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Kirit H. Kanjaria  
Sr. VP - Company Secretary & Compliance Officer

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Place : Ahmedabad  
Date : 6th May, 2016

# Cash Flow Statement

For the year ended on 31st March, 2016

		(Rupees in Lacs)	
Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>			
1. Profit before tax		3,928.58	10,721.90
2. Adjustments for :			
Depreciation and amortisation expense		611.17	2,957.56
Finance cost		386.94	3,104.40
Interest income		(1,333.56)	(3,096.59)
Dividend Income		(117.34)	(308.69)
Loss on sale of fixed assets (net)		35.76	15.22
Loss on fixed assets discarded		39.65	-
Gain on sale of units of Mutual Funds		(877.14)	(1,802.39)
Profit on disposal of Injectables business under slump sale		-	(523.03)
Unrealised foreign exchange rate difference (gain)/loss (Net)		136.84	(185.37)
Excess provision of employment cost of previous period written back		(300.00)	-
Profit on sale of investment in shares		(50.24)	-
Operating profit before working capital changes (1+2)		2,460.66	10,883.01
3. Adjustments for working capital changes:			
Decrease / (increase) in trade and other receivables		7,677.15	(5,952.24)
Decrease / (increase) in inventories		-	3,925.32
(Decrease) / increase in trade and other payables		(12,612.13)	263.88
Cash generated from/(used in) operations		(2,474.32)	9,119.97
4. Extraordinary item		(3,783.19)	-
5. Direct taxes paid		(940.58)	(4,262.47)
Net Cash Generated from/(used in) Operating Activities	[A]	(7,198.09)	4,857.50
<b>B. Cash Flow From Investing Activities</b>			
Purchase of fixed assets (Including capital advances)		(5,076.51)	(915.48)
Proceeds from sale of fixed assets		18.84	69,103.29
Purchase / (Proceeds) of current investments (Net)		16,335.83	29,523.13
Dividend received		117.34	308.69
(Increase) / Decrease in Amount due to receivable on slump sale of Injectables Business		49,550.00	(54,876.97)
Investment in subsidiary companies		(49,434.98)	(66.35)
Buy back of shares		-	(23,125.00)
Interest received		990.97	3,445.88
Net Cash generated from/ (used in) Investing Activities	[B]	12,501.50	23,397.19
<b>C. Cash Flow From Financing Activities</b>			
Proceeds from long term borrowings (Net)		(218.66)	(14,609.73)
Proceeds from short term borrowings (Net)		(2,265.76)	(8,280.89)
Finance Cost		(408.85)	(3,367.56)
Dividend paid		-	(6,719.72)
Net Cash Generated from/(used in) Financing Activities	[C]	(2,893.27)	(32,977.90)
Net Increase/(Decrease) In Cash & Cash Equivalents	[A+B+C]	2,410.14	(4,723.21)
Cash & Cash Equivalents at the beginning of the year / period		2,109.74	6,832.95
Cash & Cash Equivalents at the end of the year / period		4,519.88	2,109.74

# Cash Flow Statement

For the year ended on 31st March, 2016

		(Rupees in Lacs)	
Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Notes:			
1 A) Components of cash & cash equivalents			
Cash on hand		4.60	8.93
Cheques on hand		61.47	39.00
Balances with banks			
- In Current accounts		3,613.60	936.81
- In Margin Money		-	-
- In Fixed deposit account		840.21	1,125.00
		4,519.88	2,109.74
B) Cash and cash equivalents not available for immediate use			
a) In Margin money and fixed deposit accounts		0.25	2,308.40
b) Unclaimed share application money lying in escrow account		0.18	0.18
c) Unclaimed dividend account		5.80	5.80
		6.23	2,314.38
Cash & Cash Equivalents as per Note 13 (A+B)		4,526.11	4,424.12
2 Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised			
		-	827.55
3 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.			
4 Cash Flow Statement relating to previous period reflects the combined cashflows pertaining to continuing and discontinuing operations.			
5 The previous period's figures have been regrouped wherever necessary.			

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6th May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Kirit H. Kanjaria  
Sr. VP - Company Secretary & Compliance Officer

Place : Ahmedabad  
Date : 6th May, 2016

# Notes forming part of the Financial Statements

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## 1. SIGNIFICANT ACCOUNTING POLICIES:

### 1.1 Basis of preparation of financial statements

The financial statements are prepared on accrual basis of accounting under the historical cost convention and going concern basis, in accordance with the requirements of the Generally Accepted Accounting Principles in India (Indian GAAP), including accounting standards notified under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) rules 2014 and other relevant provision the Companies Act, 2013, as applicable.

### 1.2 Use of estimates

The preparation of financial statements, in conformity with the Indian GAAP requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### 1.3 Fixed assets and depreciation

- a. Fixed assets are capitalized at cost including all direct costs and other expenses incurred in connection with acquisition of assets and are net of refundable taxes and levies.
- b. Depreciation on tangible fixed assets is provided on straight line method based on useful life of the asset as prescribed in part C of the Schedule II to the Companies Act, 2013.
- c. Leasehold improvements are amortised over a period of 36 months.
- d. Intangible assets are stated at cost and are amortised equally over a period of five years from the year in which cost incurred

### 1.4 Investments

- a. Long-term investments are stated at cost. Any diminution in the value, other than temporary, is provided for Current investments are carried individually, at lower of cost and fair value.
- b. Investments in shares of foreign subsidiary companies are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.

### 1.5 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials and packing materials is computed on Weighted Average basis. Cost of work-in-progress and finished goods is determined on absorption costing method.

### 1.6 Revenue recognition

- a. Sales include sales of products, dossiers and marketing rights. Sales include excise duty and exchange differences on sales transactions, but are net of sales tax.
- b. Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

### 1.7 Retirement benefits

#### Defined Contribution Plan

The Company's contributions paid/payable for the year to Provident Fund and ESIC are charged to the statement of profit and loss for the year.

#### Defined Benefit Plan

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the statement of profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### 1.8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss except, for the exchange differences arising on settlement or on translation of long-term foreign currency monetary items after 1st April 2011, so far as they relate to the acquisition of a depreciable capital asset, are adjusted to the cost of the asset and are depreciated over the balance life of the asset.

# Notes forming part of the Financial Statements

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## **1.9 Research and development expenses**

Revenue expenditure on Research and Development is expensed as incurred. Expenses of capital nature are capitalized and depreciation is provided thereon as per the policy stated above.

## **1.10 Expenditure on product registration**

Expenditure incurred for registration of products for overseas markets and for product acquisitions are charged to the statement of profit & loss.

## **1.11 Borrowing costs**

Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit & loss.

## **1.12 Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

## **1.13 Leases**

Lease rentals in respect of assets taken on operating leases are charged to the statement of profit and loss on accrual and straight-line basis over the lease term.

## **1.14 Taxes on income**

### **Current taxation**

Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act, 1961 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### **Deferred taxation**

Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods, subject to consideration of prudence and by applying tax rates that have been enacted or substantively enacted as on the balance sheet date.

## **1.15 Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.



# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>2. SHARE CAPITAL</b>			
<b>Authorised</b>			
120,510,000 Equity shares of Rs.10 each		12,051.00	12,051.00
<b>Issued, Subscribed, &amp; Paid up :</b>			
54,567,765 Equity shares of Rs.10 each fully paid - up		5,456.78	5,456.78
		5,456.78	5,456.78
<b>(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year :</b>			
As at beginning of the year / period	Nos.	54,567,765	63,817,765
Issued during the year / period	Nos.	-	-
Bought back during the year / period	Nos.	-	9,250,000
Outstanding at the end of the year / period	Nos.	54,567,765	54,567,765
<b>(ii) Rights, Preferences and Restrictions attached to equity shares</b>			
The Company has only one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per equity share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in the proportion of their shareholding.			
<b>(iii) Equity shares held by holding company</b>			
Athanas Enterprise Private Limited	Nos.	27,353,580	27,353,580
	%	50.13	50.13
<b>(iv) Shareholders holding more than 5% of total equity shares</b>			
Athanas Enterprise Private Limited	Nos.	27,353,580	27,353,580
	%	50.13	50.13
First Carlyle Ventures III	Nos.	-	6,159,267
	%	-	11.29
Abellon Energy Limited	Nos.	5,928,384	5,928,384
	%	10.86	10.86
<b>(v) Details of bonus shares issued during last five years</b>			
Equity shares allotted as fully paid-up shares of Rs.10 each for a consideration other than cash pursuant to capitalization of securities premium account during the financial year ended 31st December, 2010			
	Nos.	17,061,763	17,061,763
<b>(vi) During the period ended on 31st March, 2015, the company has bought back 92,50,000 equity shares of the face value of Rs. 10 each (representing 14.49 % of the total equity share capital of the Company) at a price of Rs. 250 per equity share aggregating to Rs. 23,125 Lacs which is less than 25% of the aggregate of equity share capital and free reserves of the Company as per audited financial statements of the Company for the financial year ended 31st December, 2012 through "Tender Offer" route as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998.</b>			

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>3. RESERVES &amp; SURPLUS</b>			
<b>Capital Redemption Reserve</b>			
Balance as per last balance sheet		1,425.00	500.00
Add : Transferred from general reserve on buy back of equity share		-	925.00
		<u>1,425.00</u>	<u>1,425.00</u>
<b>Securities Premium Account</b>			
Balance as per last balance sheet		12,384.62	34,584.62
Less : Amount utilised for buy back of shares		-	22,200.00
		<u>12,384.62</u>	<u>12,384.62</u>
<b>General Reserve</b>			
Balance as per last balance sheet		5,173.94	6,098.94
Less : Transfer to Capital redemption reserve		-	925.00
		<u>5,173.94</u>	<u>5,173.94</u>
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>			
Balance as per last balance sheet		61,316.80	47,447.84
Add : Net Profit for the year / period		(640.87)	13,868.96
Less : Written down value of assets with revised useful life as Nil (Net of deferred tax)		34.51	-
Less : Appropriations			
Proposed Dividend [Rs 2 per share (Previous period: Nil)]		1,091.36	-
Tax on dividend		222.17	-
		<u>59,327.89</u>	<u>61,316.80</u>
		<u><b>78,311.45</b></u>	<u><b>80,300.36</b></u>
<b>4. BORROWINGS</b>			
<b>Secured : -</b>			
<b>Long-term borrowings, non-current portion</b>			
Term Loans from Banks			
Vehicle loans	4.a	205.34	279.13
Term loans from Finance Companies			
Rupee term loan	4.b	984.02	1,152.55
		<u>1,189.36</u>	<u>1,431.68</u>
<b>Long-term borrowings, current portion</b>			
Term Loans from Banks			
Vehicle loans	4.a	73.80	69.26
Term loans from Finance Companies			
Rupee term loan	4.b	140.00	120.00
Vehicle loan	4.a	-	0.88
		<u>213.80</u>	<u>190.14</u>
<b>Short-term borrowings</b>			
From Banks			
Buyers' credit	4.c	-	2,265.76
		<u>1,403.16</u>	<u>3,887.58</u>

## Notes :

- Vehicle loans from banks and finance companies are secured by hypothecation of respective vehicles.
- The term loan is secured by first and exclusive charge over the immovable and movable assets of Solar Plant located at Modasa.
- Buyers' credit are secured by first pari passu charge by hypothecation of all current assets of the Company (present and future); second pari passu charge by hypothecation of movable fixed assets (present and future), by mortgage on specified immovable fixed assets of the Company (present and future) and by first pari passu charge through equitable mortgage on specified immovable property of the Company.

# Notes forming part of the Financial Statements

d. The terms of repayment of term loans and other loans :

Particulars		Principal terms
Rupee term loans	1,124.02	Repayable in equated quarterly installments of Rs. 30 Lacs
Vehicle Loans	279.14	Repayable in equated monthly installments of Rs. 6.57 Lacs

Rate of interest on above loans ranges between 10% p.a. to 14% p.a.

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>5. DEFERRED TAX</b>			
Deferred tax liabilities			
Difference between book depreciation and depreciation under the Income-tax Act, 1961 (IT Act)		450.20	494.92
Deferred tax assets			
Disallowances of provisions / expenses		148.50	88.77
Share issue expenses set off against share premium allowable u/s 35 - D of IT Act in subsequent years		67.99	133.58
		<u>216.49</u>	<u>222.35</u>
Net Deferred Tax Liability		<u>233.71</u>	<u>272.57</u>
<b>6. PROVISIONS</b>			
Long-term provisions			
Provision for employee benefits			
Gratuity	31	131.27	80.37
Leave benefits	31	245.71	170.24
		<u>376.98</u>	<u>250.61</u>
Short-term provisions			
Provision for employee benefits			
Gratuity	31	10.99	8.42
Leave benefits	31	13.58	8.15
Taxation (Net of payments)		310.60	444.27
Proposed dividend		1,091.36	-
Tax on proposed dividend		222.17	-
		<u>1,648.70</u>	<u>460.84</u>
		<u>2,025.68</u>	<u>711.45</u>
<b>7. TRADE PAYABLES</b>			
Sundry Creditors			
Micro, small and medium enterprise		-	1.58
Others		12,024.78	9,562.75
		<u>12,024.78</u>	<u>9,564.33</u>
a. Disclosures required by Micro, Small and Medium Enterprises Development Act, 2006 ("MSM Act") are as under :-			
Principal amount remaining unpaid to any supplier as at the year / period end.		-	1.58
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year / period end		0.97	0.21
Amount of the interest paid by the Company in terms of Section 16 of MSM Act along with the amount of the payment made to the supplier beyond the appointed day during the accounting year / period		-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act.		-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year / period		0.97	0.97
Note :			
The above information has been determined to the extent such parties could be identified on the basis of information available with the Company.			

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>8. OTHER CURRENT LIABILITIES</b>			
Current liabilities			
Current maturities of long-term debt	4	213.80	190.14
Interest accrued but not due on borrowings		1.44	23.35
Payables on purchase of fixed assets		97.18	730.72
Trade advances		1,408.20	2,235.58
Trade deposits		108.07	997.54
Unclaimed share application money *		0.18	0.18
Unclaimed dividend *		5.80	5.80
Advances from related parties		8,165.83	20,115.79
Payables to statutory and other authorities		6.46	51.77
Other liabilities		867.68	2525.67
		<u>10,874.64</u>	<u>26,876.54</u>
*Note: There is no amount due and outstanding as at the Balance Sheet date to be credited to Investor Education and Protection Fund			

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# Notes forming part of the Financial Statements

## 9. FIXED ASSETS

(Rupees in Lacs)

Description of Assets	Gross Block ( At cost )			Depreciation / Amortisation				Net Block		
	As at 1st April, 2015	Additions during the year	Deduction during the year	As at 31st March, 2016	Upto 31st March, 2015	For the year	Adjustment as per Schedule – II of the Co .Act 2013	Deduction during the year	As at 31st March, 2016	As at 31st March, 2015
A.Tangible Assets										
Buildings	-	2,542.10	-	2,542.10	-	16.98	-	-	16.98	2,525.12
Plant & Equipment	3,128.96	-	88.39	3,040.57	683.36	191.76	-	48.82	826.30	2,445.60
Electrical Installation	249.07	-	1.47	247.60	73.30	64.46	1.32	1.38	137.70	175.77
Furniture & Fixtures	289.31	-	-	289.31	157.95	80.43	0.46	-	238.84	131.36
Office Equipments	151.77	-	0.15	151.62	107.46	2.77	32.41	0.15	142.49	44.31
Vehicles	807.04	-	262.14	544.90	247.57	98.13	3.03	207.55	141.18	559.47
Data Processing Equipments	1,051.36	-	0.44	1,050.92	721.51	116.67	15.53	0.44	853.27	329.85
( A )	5,677.51	2,542.10	352.59	7,867.02	1,991.15	571.20	52.75	258.34	2,356.76	3,686.36
Previous period	73,051.27	3,217.35	70,591.11	5,677.51	22,735.04	2,907.72	-	23,651.61	1,991.15	3,686.36
B. Intangible Assets										
Computer Software	199.90	-	-	199.90	53.24	39.98	-	-	93.22	146.66
( B )	199.90	-	-	199.90	53.24	39.98	-	-	93.22	146.66
Previous period	199.90	-	-	199.90	3.40	49.84	-	-	53.24	146.66
TOTAL ( A + B )	5,877.41	2,542.10	352.59	8,066.92	2,044.39	611.17	52.75	258.34	2,449.98	3,833.02
Previous period	73,251.17	3,217.35	70,591.11	5,877.41	22,738.44	2,957.56	-	23,651.61	2,044.39	3,833.02

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>10. INVESTMENTS</b>			
<b>1. Non-Current Investments</b>			
<b>I. Trade</b>			
<b>A. In Equity Instruments</b>			
<b>(a) Of Subsidiaries , unquoted</b>			
(i) Catalys Venture Cap Limited, Mauritius 1,140,600 Ordinary Shares of US\$ 1 each fully paid-up		504.93	504.93
(ii) Claris Produtos Farmaceuticos do Brasil Ltda, 4,642,248.46 Quotas of Brazilian Real 1 each fully paid-up		935.03	935.03
(iii) Claris Lifesciences Venezuela C.A. 1,000 Common Shares of Bolivars 1,000 each fully paid-up		0.35	0.35
(iv) Claris Lifesciences Indonesia, PT 100,000 Ordinary Shares of Indonesia Rupiah 9,108 each fully paid-up		45.10	45.10
Less : Provision for long-term diminution in value	26	(45.10)	(45.10)
(v) Claris Lifesciences Colombia Ltda 271,661 Quotas of Colombian Pesos 1,000 each fully paid-up		73.71	73.71
(vi) Claris Lifesciences Philippines, INC. Nil (P.Y. 102,000) Ordinary Shares of Philippine Pesos 100 each fully paid-up		-	93.97
(vii) Claris Lifesciences de Mexico SA de CV 50 Ordinary Shares of Mexican Pesos 1000 each fully paid-up		2.00	2.00
(viii) Claris Lifesciences Inc., USA Nil (P.Y. 200) Ordinary Shares of US \$ 1 each fully paid-up		-	0.08
(ix) Claris Lifesciences (UK) Limited Nil (P.Y. 100) Ordinary Shares of GBP 1 each fully paid-up		-	0.08
(x) Claris Lifesciences (Aust) Pty Ltd Nil (P.Y. 100) Ordinary Shares of AUD 1 each fully paid-up		-	0.03
(xi) Claris Lifesciences & Cia Chile Limitada 100% of Social Rights		28.52	28.52
(xii) Icbix Infotech Limited 49,940 Equity Shares of Rs.10 each fully paid-up.		4.99	4.99
(xiii) Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited ) 50,000 Equity Shares of Rs. 10 each fully paid-up.		5.00	5.00
(xiv) OGEN Nutrition Limited 50,000 Equity Shares of Rs. 10 each fully paid-up.		4.99	4.99
(xv) Claris Infrastructure Limited 50,000 Equity Shares of Rs. 10 each fully paid-up.		5.00	5.00
(xvi) Claris Middle East FZ-LLC 1250 (P.Y. 400) Equity Shares of AED 1,000 each fully paid-up.		213.72	66.33
(xvii) Claris Capital Limited 2,500,000 (P.Y. Nil) Equity Shares of Rs. 10 each fully paid-up.		250.00	-
		<u>2,028.24</u>	<u>1,725.02</u>
<b>(b) Of Associate, unquoted</b>			
(i) Claris Otsuka Private Limited 20,00,000 Equity Shares of Rs. 10 each fully paid-up.		200.00	200.00
		<u>2,228.24</u>	<u>1,925.02</u>
<b>A. In Preference Instruments</b>			
(i) Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited ) 4,840,000 (P.Y. Nil) 0.1% Non - Cumulative Redeemable Preference Shares of Rs. 1,000 each fully paid-up.		48,400.00	-
<b>B. In Debentures</b>			
(i) Claris Capital Limited 7,820 (P.Y. Nil) Zero Coupon Compulsory Convertible Debenture of Rs. 10,000 each		782.00	-
		<u>49,182.00</u>	<u>-</u>

# Notes forming part of the Financial Statements

## 10. INVESTMENTS (contd...)

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>II. Non-Trade</b>			
<b>A. In Equity instruments of other entities, unquoted</b>			
(i) Indian Renal Foundation 19,400 Equity Shares of Rs. 10 each fully paid		1.94	1.94
<b>Total non-current</b>		<b>51,412.18</b>	<b>1,926.96</b>
<b>2. Current Investment</b>			
<b>A. In Preference Share of other entities, quoted</b>			
(i) L&T Finance Holding Limited NIL (P.Y. 1,000,000) 9% Cumulative Compulsorily Redeemable Preference Shares of Rs. 100 each, fully paid up		-	1,000.00
(ii) IL & FS Transportation Networks Limited 5,000,000 units of 10.53% Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of Rs. 20 each, fully paid up		1,000.00	1,000.00
		<b>1,000.00</b>	<b>2,000.00</b>
<b>B. In Bonds/Debentures of other entities, quoted</b>			
(i) India Infrastructure Finance Company Limited Nil (P.Y. 100,000) units of 8.66% Tax Free Secured, Redeemable, Non-Convertible Bonds of Rs. 1,000 each		-	1,000.00
*(ii) Rural Electrification Corporation Limited 100 units of 8.57 % Secured, Redeemable, Non - Convertible Bonds of Rs. 1,000,000 Each		1,018.59	1,018.59
*(iii) IDFC Limited 200 units of 8.67% Secured, Redeemable, Non-Convertible Bonds of Rs. 1,000,000 each		2,043.21	2,043.21
		<b>3,061.80</b>	<b>4,061.80</b>
<b>C. In Mutual Funds</b>			
(i) 4,371.398 (P.Y. 12,513.803) units of Reliance Liquid Fund		158.00	423.85
(ii) Nil (P.Y. 8,19,000.819) units of Religare Invesco Mutual Fund - Growth		-	100.00
(iii) Nil (P.Y. 10,890,833.911) units of HDFC Gilt Fund - Long Term Growth		-	3,000.00
*(iv) 14,186,399.535 units of IDFC Government Securities Fund		2,074.58	2,074.58
(v) 387,106 (P.Y. 278,364) units of Kedaara Capital AIF 1		38.70	27.84
(vi) Nil (P.Y. 1,01,34,792.743) units of DWS Inflation Indexed Bond Fund		-	1,000.00
(vii) Nil (P.Y. 1,08,932.462) units of ICICI Prudential Value Discovery Fund - Regular Plan Growth		-	100.00
(viii) Nil (P.Y. 3,90,777.648) units of ICICI Prudential Focused Bluechip - Equity Fund		-	100.00
(ix) Nil (P.Y. 2,33,941.112) units of UTI Opportunities Fund-Growth		-	100.00
(x) Nil (P.Y. 3,43,796.198) units of HDFC Mid-Cap Opportunities - Growth		-	100.00
*(xi) 15,938,903.734 units of ICICI Prudential Gilt Fund-PF Option - Regular Plan		4,245.00	4,245.00
(xii) Nil (P.Y. 6,582,910.107) units of SBI Gilt Long Term Fund - Regular Plan Growth		-	2,000.00
(xiii) Nil (P.Y. 65,52,672.016) units of UTI Mutual Fund Collection		-	2,000.00
(xiv) IIFL Real Estate Fund (Domestic) (series II)		2,000.00	300.00
(xv) 1,625 (P.Y. 1375) units of Edelweiss Stressed and Troubled asset revival fund - 1		117.21	137.50
(xvi) Nil (P.Y. 8,583,580.469) units of IDFC Government Securities Fund PF Plan Growth		-	2,000.00
(xvii) Nil (P.Y. 238.578) units of Franklin Templeton Mutual Fund		-	4.93
*(xviii) 20,000,000 units in Kotak Mahindra Mutual Fund (FMP)		2,005.36	2,005.36
(xiv) Reliance Yield Maximizer Alternative Investment Fund - Scheme I		981.91	-
(xx) 200 (P.Y. Nil) units Carpedium Capital partners fund - I		20.00	-
		<b>11,640.76</b>	<b>19,719.06</b>



# Notes forming part of the Financial Statements

## 10. INVESTMENTS (cont.)

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>D Other Investments</b>			
<b>a) Commercial Papers</b>			
(i) Nil (P.Y.- 500) units of Peninsula Land Limited		-	2,226.42
<b>b) Pass Through Certificate</b>			
(i) Nil (P.Y. - 5,000) units of Shinning Metal Trust		-	3,153.97
<b>c) Corporate Deposit</b>			
(i) Mahindra & Mahindra Financial Services Ltd		2,000.00	2,000.00
<b>Total Current Investments</b>		<b>17,702.56</b>	<b>33,161.25</b>
<b>Total Investments</b>		<b>69,114.74</b>	<b>35,088.21</b>
a. Aggregate amount in quoted investments		4,061.80	6,061.80
b. Aggregate amount in unquoted investments		53,412.18	9,307.36
c. Aggregate amount invested in Mutual Funds		11,640.76	19,719.06
d. Aggregate market value of quoted investments		4,224.88	6,392.69
e. Aggregate market value of Mutual Funds		13,031.65	29,926.04
f. Aggregate provision made for diminution in value of investments		45.10	45.10

Note :

\* These investments are pledged with Deutsche Bank as a security for short term working capital loan obtained by the subsidiary companies

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# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>11. LOANS AND ADVANCES</b>			
[Unsecured and considered good, unless otherwise stated]			
<b>Non-current loans and advances</b>			
Capital advances		1,520.22	48.30
Security & tender deposits		225.93	839.43
		<u>1,746.15</u>	<u>887.73</u>
<b>Current loans and advances</b>			
<u>Considered Good</u>			
Loans and advances to related parties		661.43	143.66
Loans to companies		1,186.00	300.00
Balance with Government Authorities		192.45	255.42
Advances to suppliers		3,428.58	2,038.39
Advances recoverable in cash or kind or for value to be received		3,288.49	3,312.53
Other receivables		-	5,020.17
		<u>8,756.95</u>	<u>11,070.17</u>
<u>Considered doubtful</u>			
Loans and advances to related parties		33.75	33.75
Less : Provision for doubtful advances		33.75	33.75
		<u>-</u>	<u>-</u>
		<u>8,756.94</u>	<u>11,070.17</u>
		<u><b>10,503.09</b></u>	<u><b>11,957.90</b></u>
Advance due from directors / other officers of the company Rs. 9.29 lacs (P.Y. 5.6 lacs)			
<b>12. TRADE RECEIVABLES</b>			
<u>(Unsecured)</u>			
Exceeding six months from the date they became due			
Considered good		4,538.11	7,626.30
Considered doubtful		387.86	387.86
		<u>4,925.97</u>	<u>8,014.16</u>
<b>Others</b>			
Considered good		8,204.58	7,558.68
Considered doubtful		-	-
		<u>8,204.58</u>	<u>7,558.68</u>
Less : Provision for doubtful debts		387.86	387.86
		<u><b>12,742.69</b></u>	<u><b>15,184.98</b></u>
<b>13. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		4.60	8.93
Cheques on hand		61.47	39.00
Balances with scheduled banks :			
Current accounts		3,613.60	936.81
Margin money accounts		0.25	2,308.40
Fixed deposit accounts		840.21	1,125.00
Unclaimed share application money lying in escrow account		0.18	0.18
Unclaimed dividend account		5.80	5.80
		<u>4,460.04</u>	<u>4,376.19</u>
		<u><b>4,526.11</b></u>	<u><b>4,424.12</b></u>

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>14. OTHER CURRENT ASSETS</b>			
[Unsecured and considered good]			
<b>Current assets</b>			
Amount due from a subsidiary company towards slump sale of injectables business		5,850.00	55,400.00
Interest accrued			
On Bonds and commercial papers		116.62	234.10
On Fixed Deposits		833.71	456.00
On Others		206.27	123.91
		<u>7,006.60</u>	<u>56,214.01</u>

Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>15. REVENUE FROM OPERATIONS</b>			
<b>Sales</b>			
Sales of products	15.a	53,026.76	70,514.73
Less : Excise duties		-	292.57
		<u>53,026.76</u>	<u>70,222.16</u>
<b>Operating Income</b>			
Export benefits		712.42	392.86
Income from shared services		876.74	1,483.30
Sale of scrap and its processing charges		105.67	130.09
		<u>1,694.83</u>	<u>2,006.25</u>
		<u>54,721.59</u>	<u>72,228.41</u>
<b>a. Breakup of sales</b>			
Large volume parental		27,666.29	36,156.47
Small volume parental		20,290.59	30,813.29
Others		5,069.88	3,544.97
		<u>53,026.76</u>	<u>70,514.73</u>
<b>16. OTHER INCOME</b>			
<b>Interest Income</b>			
a. Interest from banks on :			
(i) Deposits		9.51	169.06
(ii) Other balances		14.79	274.42
b. Interest income from current investments		1,063.48	2,561.12
c. Others		245.78	91.99
		<u>1,333.56</u>	<u>3,096.59</u>
Profit on sales on mutual funds & bonds (net)		877.14	1,802.39
Dividend income		117.34	308.69
Surplus on recovery of expenses		628.33	-
Income from Certified Reduction Emission units & Renewable Energy Certificates		284.48	1,683.63
Excess provision of employment cost of previous period written back		300.00	-
Sale of Solar Power		315.96	405.11
Foreign exchange rate difference (net)		-	185.37
Sales tax refund		-	137.63
Profit on sale of investment in subsidiaries		50.24	-
Miscellaneous Income		189.58	6.11
		<u>4,096.63</u>	<u>7,625.52</u>

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>17. COST OF MATERIALS CONSUMED, PURCHASE OF STOCK IN TRADE</b>			
Raw materials consumed		-	4,821.28
Packing materials consumed		-	2,795.00
		-	7,616.28
Purchase of stock in trade		48,631.96	37,267.94
		<u>48,631.96</u>	<u>44,884.22</u>
<b>a. Break up of raw materials consumed</b>			
Glass bottle		-	1,881.02
Amino Acid		-	124.68
Plastic granules		-	4.71
Egg-Lecithin		-	826.61
Dextrose Anhydrous		-	4.43
Other		-	1979.83
		-	4,821.28
<b>b. Break-up of consumption of raw materials into imported and indigenous</b>			
Imported		-	3,432.79
		-	71.20%
Indigenous		-	1,388.50
		-	28.80%
<b>c. Break up of packing materials consumed</b>			
Carton / Corrugated box		-	917.42
Others		-	1,877.58
		-	2,795.00
<b>d. Breakup of purchase of stock in trade</b>			
Large volume parental		25,098.80	24,920.78
Small volume parental		19,813.07	10,755.61
Others		3,720.09	1,591.55
		<u>48,631.96</u>	<u>37,267.94</u>
<b>18. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>			
<b>Stocks at the end of the year / period</b>			
Work-in progress		-	-
Finished goods		-	-
		-	-
<b>Stocks at the beginning of the year / period</b>			
Work-in progress		-	1,237.65
Finished goods		-	705.89
		-	1,943.54
<b>Less : Transfer on slump sale of injectables business</b>			
Work-in progress		-	1,473.39
Finished goods		-	897.84
		-	2,371.23
		-	(427.69)

# Notes forming part of the Financial Statements

(Rupees in Lacs)			
Particulars	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>19. EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, wages, bonus & gratuity		1,785.48	6,443.05
Contribution to provident and other funds		33.18	131.97
Staff welfare		39.60	86.48
		<u>1,858.26</u>	<u>6,661.50</u>
<b>20. FINANCE COST</b>			
Interest expense		165.68	2,322.11
Other borrowing cost		31.43	434.54
Bank charges & commission		189.83	347.75
		<u>386.94</u>	<u>3,104.40</u>
<b>21. OTHER EXPENSES</b>			
Conversion charges		1.35	91.38
Stores & spares consumed		143.43	974.86
Contract labour charges		161.07	468.62
Laboratory expenses		-	631.74
Power & fuel		-	356.15
Insurance		8.23	115.79
Rent		309.01	384.16
Outward freight		76.32	1,769.08
Commission		382.91	1,009.73
Marketing and Sales Promotion Expenses		154.71	587.56
Traveling		284.79	2,610.31
Stationery & printing		17.79	81.39
Communication		55.80	179.05
Rates and Taxes		13.18	16.20
Repairs to			
Building		7.43	143.97
Plant & Machinery		9.85	124.79
Others		40.52	385.59
Bad debts		45.11	40.04
Provision for doubtful debts		-	(10.11)
Provision for doubtful advances		-	18.94
Foreign exchange rate difference (net)		136.84	-
Legal , Professional & Consultancy fees		692.12	837.66
Loss on sale of fixed assets (net)		35.76	15.22
Loss on fixed assets discarded		39.65	-
Donations		32.51	8.28
Expense on buy back of equity share		-	63.16
Expenditure for corporate social responsibilities		305.00	61.70
General Charges		447.93	1,509.81
		<u>3,401.31</u>	<u>12,475.07</u>

# Notes forming part of the Financial Statements

## 22. Contingent Liabilities

(Rupees in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
a. Claim against the company not acknowledge as debts	872.09	908.38
b. Disputed demand under :		
(i) Income tax	382.20	391.43
(ii) Sales tax	17.85	17.85
(iii) Excise duty	92.19	92.19
(iv) Regulatory	10,400.00	10,400.00
(v) Customs duty draw back	7.26	271.71
c. Bills discounted	1,027.55	4,271.11
d. Guarantees given by the Company	86,423.77	61,454.90

## 23. Commitments & Obligations

(Rupees in Lacs)

Particulars	As at 31st Mar, 2016	As at 31st Mar, 2015
a. Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of capital advances)	369.45	167.04
b. Additional custom duty payable under Export Promotional Capital Goods Scheme for which procedural compliances are under progress	819.02	2041.27

24. The company has revised the useful life of fixed asset based on schedule II to the Companies Act, 2013 for the purpose of providing depreciation on fixed asset. Accordingly, the carrying amount of the assets as on April 01, 2015 has been depreciated over the remaining revised useful life of the fixed assets. Consequently, the depreciation for the year ended March 31, 2016 is higher and the profit before tax is lower to the extent of Rs. 353.78 lacs Further an amount of Rs. 34.51 lacs (net of deferred tax) representing the carrying amount of the assets with revised useful life as Nil, as at April 01, 2015 adjusted against the opening balance of profit and loss account pursuant to the requirements of the provisions of the Companies Act 2013
25. The search operations under Section 132 of the Income-tax Act, 1961 ('the Act') were carried out by the income-tax authorities at the premises of the Company in the month of August 2015. The search proceedings have been completed and the Company extended full co-operation to the income-tax authorities. Assessment proceedings are under progress and provision for any tax liability, if required, shall be made on completion of assessment.
26. PT Claris Lifesciences Indonesia (CLI), a wholly owned subsidiary of the Company in Indonesia, has been incurring losses which has resulted in complete erosion of the network of CLI. The changes in import regulations in Indonesia have given rise to uncertainties with respect to recoverability of the value of the long term investments in foreseeable future. In view of this, considering accounting prudence, an amount of Rs. 45.10 Lacs had been recognized towards diminution in value of the long term investments in the financial statements for the year ended 31st December 2012.
27. Capital Work In Progress includes preoperative expenditure pending allocation to projects under implementation as under:

(Rupees in Lacs)

Preoperative Expenses	For the year ended on 31st March 2016	For the Fifteen months period ended on 31st March 2015
Opening balance	5.09	470.39
Add : Interest and finance charges	-	850.64
Consultancy / Professional fee	2.82	604.14
Personnel cost	-	107.16
Foreign exchange rate difference	-	175.23
Other expenses	0.21	110.09
Less: Transferred on Slum sale of Injectable business	-	1340.35
Less: Capitalized during the year	-	972.21
Closing balance	8.12	5.09

# Notes forming part of the Financial Statements

Details of Preoperative Expenses capitalized during the period:

(Rupees in Lacs)

Fixed Assets	For the year ended on 31st March 2016	For the Fifteen months period ended on 31st March 2015
Building	-	16.66
Plant & Machinery	-	955.55
<b>Total</b>	<b>-</b>	<b>972.21</b>

## 28. Statement of Profit and Loss Includes:

(Rupees in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>a) Managerial Remuneration Paid to Directors/Key Management Personnel included in Employee benefit expenses (refer Note 19)</b>		
Salary	240.26	909.94
Contribution to Provident Fund	0.54	0.65
Perquisites	0.60	1.00
<b>Total</b>	<b>241.40</b>	<b>911.59</b>
Note: Provision for leave encashment and gratuity benefits which is based on actuarial valuation done on an overall company basis is not included in the above		
<b>b) Payment to Auditors included in general charges (refer Note 21)</b>		
Audit Fees	24.45	27.23
Certification and Other Services	10.65	4.08
<b>Total</b>	<b>35.10</b>	<b>31.31</b>

29. (a) The provision for current tax has been made as per the provisions of the Income Tax Act, 1961. The tax year for the Company being the year ending 31st March, the provision for current tax for the fifteen months period ended 31st March, 2015 is the aggregate of the provision required for the three months ended 31st March 2014 and the provision required for the remaining twelve months ended on 31st March, 2015. Further, based on legal opinion obtained from eminent legal counsel, the management of the company is of the opinion that no tax provision is required in respect of capital gain on slump sales of injectable business to its wholly owned subsidiary company named Claris Injectables Ltd. (Formerly known as Claris Lifesciences International Limited).

b) On the basis of estimates and judgments of the company's management, the company believes that the differed tax liability as shown in Note-5 reflects a fair and correct position in compliance of the applicable Accounting Standards and principles.

## 30. Disclosures regarding Derivative Instruments:

(Rupees in Lacs)

Unhedged Exposures	Foreign Currency Amount		Reporting Currency Amount (INR)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<u>Accounts Receivable</u>				
USD	207.08	242.70	13,736.04	15,190.84
EUR	42.27	22.43	3,174.09	1,514.02
GBP	-	6.54	-	604.83
CHF	1.82	0.04	124.46	2.64
AUD	3.85	3.11	194.79	149.58
NZD	1.53	0.41	69.61	19.25
<u>Accounts Payable</u>				
USD	156.98	287.71	10,413.23	18,008.04
EUR	-	23.71	-	1,600.39
GBP	1.21	5.78	115.21	534.03
AUD	5.79	13.03	292.90	626.32
CHF	-	6.65	-	430.94
SEK	0.69	-	5.54	-
JPY	4.74	-	2.80	-



# Notes forming part of the Financial Statements

## 31. Employee Benefits

### a. Defined Benefit Plans

(Rupees in Lacs)

I . Expenses recognized in Statement of Profit & Loss	Gratuity		Leave Encashment	
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Current service cost	17.90	50.35	27.05	39.78
Interest Cost	10.97	13.99	16.96	13.78
Expected return on plan assets	-	-	-	-
Net actuarial losses (gains)	13.09	52.04	27.62	148.63
<b>Total Expenses</b>	<b>41.96</b>	<b>116.38</b>	<b>71.63</b>	<b>202.19</b>

### ii. Reconciliation of Closing balances of changes in present value of the Defined Benefit Obligation

Opening defined benefit obligation	88.79	331.76	178.39	320.05
Transfer in/(out) obligation	28.05	(338.75)	21.57	(317.00)
Service Cost	17.90	50.35	27.05	39.78
Interest Cost	10.97	13.99	16.96	13.78
Actuarial losses/ (gains)	13.09	52.04	27.62	148.63
Losses/ (gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits paid	(16.53)	(20.60)	(12.31)	(26.85)
<b>Closing defined benefit obligation</b>	<b>142.27</b>	<b>88.79</b>	<b>259.28</b>	<b>178.39</b>

### iii. Reconciliation of Opening and Closing balances of changes in fair value of plan assets

Opening fair value of plan assets	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gains and losses	-	-	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer Benefits Paid	-	-	-	-
<b>Closing balance of fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### iv. Net Liability recognized in the Balance sheet

Defined Benefit Obligation	142.27	88.79	259.28	178.39
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>142.27</b>	<b>88.79</b>	<b>259.28</b>	<b>178.39</b>

### v. Past four years data for define benefit obligation and fair value of plan assets are as under:

	As at 31st March, 2015	As at 31st December		
		2013	2012	2011
<b>Gratuity</b>				
Defined Benefit Obligation	88.79	331.76	444.64	393.74
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>88.79</b>	<b>331.76</b>	<b>444.64</b>	<b>393.74</b>
<b>Leave Encashment</b>				
Defined Benefit Obligation	178.39	320.05	495.10	363.42
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>178.39</b>	<b>320.05</b>	<b>495.10</b>	<b>363.42</b>

# Notes forming part of the Financial Statements

vi. Actuarial Assumptions	As at 31st March, 2016	As at 31st March, 2015
Discount Rate	8.00%	7.80%
Expected rate of salary increase	6.00%	6.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rates	3% younger ages reducing to 1% at old ages	3 % younger age reducing to 1 % old ages
Retirement Age	58 Years	58 Years
Actuarial Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method

## b) Defined Contribution Plans

Rs. 33.18 Lacs (Previous Year Rs. 113.01 Lacs) recognized as an expense and included in the Notes 19 of Statement of Profit and Loss under the head "Contribution to Provident and other funds".

## 32. Segment Information

### i) Primary Segment:

In accordance with the requirements of Accounting Standard –17 on Segment Reporting, the Company has determined its business segment as "Drugs and Pharmaceuticals". Since all of the Company's business is from "Drugs and Pharmaceuticals", there are no other primary reportable segments. Thus the segment revenue, segment result, total carrying amount of segment liabilities, segment assets, the total amount of charge for depreciation during the year / period are all reflected in the financial statements as of and for the year / period ended 31st March, 2016.

### ii. Secondary Segment (Geographical Segment)

(Rupees in Lacs)

	India	Outside India	Total
Revenue	- (3,010.57)	53,026.76 (67,211.59)	53,026.76 (70,222.16)
Carrying amounts of segment assets	93,074.98 (1,15,618.00)	16,411.42 (11,261.47)	110,116.41 (1,26,879.47)
Capital expenditure	2,542.10 (3,394.56)	- -	2,542.10 (3,394.56)

Note: Figures in brackets are in respect of previous period.

33. Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below.

### (A) Particulars of related parties and nature of relationships:

#### Name of the Related Parties

##### A. Holding Company

Athanas Enterprise Private Limited

##### B. Subsidiary Companies

Claris Lifesciences Venezuela C. A  
Claris Produtos Farmaceuticos Do Brasil Limitada  
PT. Claris Lifesciences Indonesia  
Claris Lifesciences Colombia Limitada  
iCubix Infotech Limited  
Catalys Venture Cap Limited  
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)  
Claris Lifesciences Philippines Inc  
Claris Lifesciences De Mexico SA de CV  
Claris Lifesciences (UK) Limited  
Claris Lifesciences (Aust) Pty. Limited  
Claris Lifesciences Inc.  
Claris Lifesciences & CIA Chile Limitada  
OGEN Nutrition Limited  
Claris Infrastructure Limited  
Claris Pharmservices  
Claris SteriOne  
Claris Middle East FZ-LLC  
ELDA International DMCC  
Claris Capital Limited

#### Name of the Related Parties

##### C. Associate Company

Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)

##### D. Companies over which Key Management Personnel and their relatives are able to exercise significant influence

Zivene Design and Development Private Limited  
Abellon Energy Limited  
Dorizoe Lifesciences Limited  
Redbricks Education Foundation  
Poiesis Education Foundation

##### E. Key Management Personnel

Mr. Arjun. Handa  
Mr. Chetan S. Majmudar (Upto 31.10.2014)  
Mr. Chandrasingh S. Purohit  
Mr. Kirit H. Kanjaria

##### F. Relatives of Key Management Personnel

Mr. Aditya Handa  
Mrs. Krishna A. Handa

# Notes forming part of the Financial Statements

## (B) Related party transactions

(Rupees in Lacs)

Particulars	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>a) Nature of Transactions</b>		
<b>1. Sales and other operating income</b>		
(i) <u>Sales</u>		
To Subsidiary Companies		
Claris Lifesciences Philippines Inc	2,896.37	3,747.45
Claris Lifesciences Inc.	19,757.18	8,013.06
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	2,320.18	677.50
(ii) Other operating income		
To an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	1,178.67	2,547.76
<b>2. Sale of Assets</b>		
To an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	-	57.17
To Subsidiary Company		
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	-	10.85
<b>3. Services Purchased</b>		
From Subsidiary Companies		
iCubix Infotech Limited	-	115.93
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	86.99	737.59
<b>4. Services Rendered</b>		
To an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	783.18	3,765.70
To Subsidiary Company		
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	415.73	364.49
<b>5. Purchase of stock in trade</b>		
From an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	9,658.42	21,597.27
From Subsidiary Company		
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	38,950.73	13,850.64
<b>6. Expense Reimbursed</b>		
To Subsidiary Companies		
Claris Lifesciences (Aust) Pty. Limited	0.87	1.65
Claris Lifesciences (UK) Limited	2.69	0.86
Claris Produtos Farmaceuticos do Brasil Limitada	3.95	-
Claris Lifesciences Philippines, INC.	-	6.59
Claris Lifesciences Colombia Ltda	8.10	4.53
Claris Lifesciences Inc.	-	1.84
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	265.10	-
iCubix infotech Ltd.	-	217.07
To An Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	80.39	3,895.14
From Subsidiary Companies		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	91.62	-
From an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	46.91	-
<b>7. Interest received on advances granted</b>		
To Companies in which key management personnel or their relatives are having controlling interest		
Zivene Design and Development Private Limited	40.43	11.04
<b>8. Remuneration Paid</b>		
To Key Management Personnel		
Mr.Arjun Handa	60.11	465.27
Mr.Chandrasingh S. Purohit	96.72	193.68
Mr.Kirit Kanjaria	84.57	94.54
Mr.Chetan S. Majmudar	-	158.1

# Notes forming part of the Financial Statements

Particulars	(Rupees in Lacs)	
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
9. <u>Interim dividend paid</u>		
To Holding company		
Athanas Enterprise Private Limited	-	2,842.26
To Companies in which Key Management Personnel have Controlling Interest		
Abellon Energy Limited	-	616.01
10. <u>Slump Sale of Business</u>		
To a Subsidiary Company		
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	-	55,400.00
11. <u>Advances Granted / adjusted during the period</u>		
To Subsidiary Companies		
PT Claris Lifesciences Indonesia	4.30	8.51
Claris Produtos Farmaceuticos do Brasil Limitada	-	360.01
Claris Lifesciences Inc.	411.68	17.94
Claris Lifesciences Philippines, INC.	0.56	-
Claris Middle East FZ-LLC	292.12	19.97
Claris Infrastructure Ltd	594.01	0.63
OGEN Nutrition Limited	0.20	1.39
iCubix Infotech Limited	17.05	252.73
To Companies in which Key Management Personnel or their relatives are having controlling Interest		
Zivene Design & Development Pvt.Ltd.	600.00	123.00
12. <u>Advances Recovered during the period</u>		
From Subsidiary Companies		
Claris Lifesciences Inc.	-	1.73
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	-	7.20
Claris Middle East FZ-LLC	255.57	-
Claris Produtos Farmaceuticos do Brasil Limitada	1,513.81	-
To Companies in which Key Management Personnel or their relatives are having controlling Interest		
Zivene Design & Development Pvt. Ltd.	723.00	-
13. <u>Advances Received / adjusted during the period</u>		
From Subsidiary Companies		
Claris Lifesciences Inc.	1,451.49	-
Claris Sterione	5,861.04	-
14. <u>Advances Returned/ adjusted during the period</u>		
To Subsidiary Companies		
Claris Lifesciences Colombia Ltda	179.39	15.42
Claris Lifesciences - Chile	1,400.09	0.74
Claris Lifesciences de Mexico SA de CV	1,847.52	19.55
Claris Lifesciences (Aust) Pty. Limited	-	0.14
Claris Produtos Farmaceuticos do Brasil Limitada	3,717.80	64.91
Claris Lifesciences Venezuela C.A.	230.04	-
To Associate Companies		
Claris Otsuka Private Limited (formally known as Claris Otsuka Limited)	9,300.00	-
15. <u>Investment made during the year</u>		
In equity shares of Subsidiary Company		
Claris Middle East FZ-LLC	147.39	66.33
Claris Capital Limited	250.00	-
In preference shares of Subsidiary Company		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	48,400.00	-
Claris Capital Limited	782.00	-

# Notes forming part of the Financial Statements

Particulars	(Rupees in Lacs)	
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>16. Investment sold during the period</b>		
Equity shares of Subsidiary Company		
Claris Lifesciences Philippines, INC.	93.97	-
Claris Lifesciences Inc.	0.08	-
Claris Lifesciences UK Limited	0.08	-
Claris Lifesciences (Aust) Pty. Limited	0.03	-
<b>17. Guarantees given on behalf of</b>		
Subsidiary Companies		
Claris injectables Limited (Formerly known as Claris Lifesciences International Limited)	25,320.80	53,944.00
Catalys Venture Cap Limited	-	7,510.90
<b>18. Amount received against amount due towards slump sale of injectables business</b>		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	49,550.00	-
<b>19. Donation given</b>		
To Companies in which Key Management Personnel or their relatives are able to exercise significant influence		
Redbricks Education Foundation	150.00	-
Poiesis Education Foundation	150.00	-
<b>b) Balances at the end of the year / period</b>		
<b>1. Outstanding Payables</b>		
To Subsidiary Companies		
iCubix Infotech Limited	38.86	21.82
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	7128.80	3,217.12
To an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	4386.08	3,111.32
<b>2. Outstanding Receivables</b>		
From Subsidiary Companies		
PT Claris Lifesciences Indonesia	404.21	381.4
Claris Lifesciences Philippines, INC.	244.93	206.67
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	613.05	1,877.62
From an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	58.11	1,264.49
<b>3. On account of Sale of Business on Slump Sale</b>		
From a Subsidiary Company		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	5850.00	55,400.00
<b>4. Advances Received Outstanding</b>		
From Subsidiary Companies		
Claris Produtos Farmaceuticos do Brasil Limitada	-	3,508.02
Claris Lifesciences Et Cia. Chile Limitada	-	1,197.15
Claris Lifesciences - Chile Branch	-	123.95
Catalys Venture Cap Limited	1369.50	1,292.22
Claris Lifesciences de Mexico SA de CV	-	1,743.27
Claris Lifesciences Venezuela C.A.	-	217.06
Claris SteriOne	6796.33	882.52
Claris Lifesciences Inc.	-	3,122.61
Claris Lifesciences Colombia Ltda	-	161.38
From an Associate Company		
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	-	9,300.00
<b>5. Advances Granted Outstanding (Net of provision for Doubtful advances)</b>		
To Subsidiary Companies		
PT Claris Lifesciences Indonesia	30.92	25.00
OGEN Nutrition Limited	7.75	7.55
Claris Infrastructure Limited	595.36	1.35
Claris Produtos Farmaceuticos do Brasil Limitada	0.00	1,432.36
Claris Lifesciences Philippines, INC.	0.58	-
Claris Lifesciences Inc.	3,444.37	-
Claris Middle East FZ-LLC	60.58	20.52

# Notes forming part of the Financial Statements

## Advances Granted Outstanding (Contd.)

(Rupees in Lacs)

Particulars	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
To Companies in which Key Management Personnel or their relatives are having controlling interest		
Zivene Design & Development Pvt.Ltd.	-	123.00
To Key Management Personnel		
Mr. Kirit Kanjaria	0.96	-
Mr. Chandrasingh S. Purohit	8.33	5.06
6. <u>Investments Balance at the end of the period (net of Provision for Diminution in value)</u>		
In equity shares of Subsidiary Companies		
Claris Lifesciences Venezuela C.A.	0.35	0.35
Claris Produtos Farmaceuticos do Brasil Limitada	935.03	935.03
Claris Lifesciences Colombia Limitada	73.71	73.71
iCubix Infotech Limited	4.99	4.99
Catalys Venture Cap Limited	504.93	504.93
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	5.00	5.00
Claris Lifesciences Philippines, INC.	-	93.97
Claris Lifesciences de Mexico SA de CV	2.00	2.00
Claris Infrastructure Limited	5.00	5.00
OGEN Nutrition Limited	4.99	4.99
Claris Lifesciences & Cia. Chile Limitada	28.52	28.52
Claris Lifesciences Inc.	-	0.08
Claris Lifesciences UK Limited	-	0.08
Claris Lifesciences (Aust) Pty. Limited	-	0.03
Claris Middle East FZ-LLC	213.72	66.33
Claris Capital Limited	250.00	-
In equity shares of an Associate Company		
Claris Otsuka Private Limited	200.00	200.00
In preference shares of Subsidiary Companies		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	48,400.00	-
In debentures of Subsidiary Companies		
Claris Capital Limited	782.00	-
7. <u>Provision for diminution in value of investment</u>		
From Subsidiary Companies		
PT. Claris Lifesciences Indonesia	45.10	45.10
8. <u>Guarantees given on behalf of</u>		
Subsidiary Company		
Claris Injectables Limited (Formerly known as Claris Lifesciences International Limited)	78,596.49	53,944.00
Catalys Venture Cap Limited	7,827.28	7,510.90

### Notes:

Loans to Subsidiaries and companies in which directors are interested:

Loans to Subsidiaries and companies in which directors are interested have been given for business purpose.

Guarantees given:

Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks.

# Notes forming part of the Financial Statements

## 34) Disclosure under Schedule V of Listing Obligations And Disclosure Requirements Regulations, 2015.

### a) Loans & Advances in the nature of loans to Subsidiaries by the name & amount

(Rupees in Lacs)

Name of Entity	As at 31st March, 2016	Maximum amount outstanding during the period	As at 31st March, 2015	Maximum amount outstanding during the year
PT. Claris Lifesciences Indonesia	30.92	30.92	25	46.72
Claris Middle East FZ-LLC	60.58	312.64	20.52	20.52
OGEN Nutrition Limited	7.75	7.75	7.55	7.55
Claris Infrastructure Limited	595.36	595.36	1.35	1.35
Claris Lifesciences Philippines, INC.	0.58	0.58	-	-

All the Loans & Advances shown above amounting to Rs. 695.18 lacs (previous year Rs.54.42 lacs) are non-interest bearing

### b) Loans and Advances in the nature of loan to Companies in which Director are interested.

(Rupees in Lacs)

Name of Entity	As at 31st March, 2016	Maximum amount outstanding during the period	As at 31st March, 2015	Maximum amount outstanding during the year
Zivene Design & Development Pvt.Ltd.	NIL	723	123	123

The Loan shown above amounting to Rs. Nil (previous year Rs. 123.00 lacs) is interest bearing.

## 35. Disclosure for operating leases under Accounting Standard 19 – "Accounting for Leases"

The Company has entered into agreements for taking on leave and license basis residential / office premises including furniture and fittings therein, as applicable, for a period ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

(Rupees in Lacs)

Particulars	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Lease payments recognized in the Statement of profit and Loss for the period	290.09	389.43
Minimum lease payments under the agreements are as follows.		
a) Not later than one year	67.18	315.68
b) Later than one year but not later than 5 Years	40.81	1,287.06
c) Later than five years	-	335.48

## 36.Computation of Earnings per Share (EPS) :

(Rupees in Lacs)

Particulars	As at 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>Basic &amp; Diluted EPS</b>		
<b>Computation of Profit (Numerator)</b>		
(i) Net Profit for the period from continuing operations	-640.87	4,156.29
(ii) Net Profit for the period from total operations	-640.87	13,868.96
<b>Weighted Average Number of Shares (Denominator)</b>		
Weighted average number of Equity shares of Rs.10 each used For calculation of Basic earnings per share	Nos. 54,567,765	Nos. 57,739,194
<b>Basic &amp; Diluted EPS ( in Rs.)</b>		
(i) Continuing operations	-1.17	7.2
(ii) Total operations	-1.17	24.02
Face value per share (in Rs.)	10	10



# Notes forming part of the Financial Statements

## 37. Discontinuing operations

During the fifteen months period ended 31st March 2015, on receipt of necessary approvals from Board of Directors and Shareholders of the Company at their meetings held on July 4, 2014 and September 3, 2014 respectively in respect of transfer of its Injectables Business on Slump Sale basis, the Company has transferred its Injectables Business to its wholly owned subsidiary namely Claris Injectables Limited (formerly known as Claris Lifesciences International Limited) on 31st October, 2014. The business transfer involved transfer of relevant assets and liabilities as stated in the Business Transfer Agreement of Injectables Business on slump sale basis" for an agreed cash consideration of Rs. 55,400 lacs. As per the terms of the agreement, the company has transferred Injectables business for Rs. 55,400 lacs as consideration for the net assets of the Injectables Business transferred.

The pre-tax gain on disposal of assets and settlement of liabilities attributable to the sale of Injectables business of Rs. 523.03 lacs has been disclosed in the statement of profit and loss as an exceptional item, being profit on disposal of injectables business under slump sale.

- a) Necessary disclosures of the details pertaining to the discontinuing operations in respect of the Injectables Business and the reorganization thereof as stated above, as required under the Accounting Standard – 24 'Discontinuing Operations' (AS – 24) as notified by the Government of India under section 211(3C) of the Companies Act, 1956, are as under :-

	(Rupees in Lacs)
	For Fifteen months period ended on 31st March, 2015 (For Injectable Business)
Revenue	35,254.24
Expenditure	29,591.40
Profit Before tax	5,662.84
Profit after tax	4,010.53
Total Assets	1,02,163.15
Total Liabilities	47,286.18
Cash flow (used in)/from Operating activities	2,823.26
Cash flow (used in)/from Investing activities	(18,557.97)
Cash flow (used in)/from Financing activities	14,655.98

\*\* For the period from 1st January, 2014 to 31st October, 2014

- b) The company operates under a single business segment i.e. 'Drugs & Pharmaceuticals' as per the requirement of Accounting Standard – 17 'Segment Reporting'. The transfer of the Injectable Business involved transfer of assets and liabilities related to the injectable business and as the same identified by the parties to the transaction. For this purpose, the products, employees, tangible and intangible assets, current assets, market territories, long term and short term borrowings, other liabilities etc. have been identified as are related to the Injectable Business and disclosed its income, expenditure, profitability, assets and Liabilities.

In view of common employees, marketing expenses, logistics and distribution arrangements and general corporate overheads, which were not separately identifiable for identified products of the Injectable Business being transferred, the company was unable to determine the income and expenses clearly attributable to the discontinued operations. Under the facts and circumstances, for the period from 1st January, 2014 to 31st October, 2014, the company has disclosed separately the figures for expenditure attributable to discontinuing operations, profit from the continuing and from the discontinuing operations, tax expense of discontinuing operations, profit from discontinuing operations (after tax) and cash flows from operating activities on best estimate basis. The auditors have relied upon and accepted the data submitted by the management.

- c) In view of the above stated transfer of injectables business, the figures for the financial period reported in the statement of profit and loss and the cash flow statement do not include the figures of the injectable business for the period from 1st November, 2014 to 31st March 2015 and the figures in the balance sheet as at 31st March 2015 do not include the figures pertaining to the injectables business.

## 38. Extraordinary Item

Extraordinary item represents expenses of Rs. 3,783.19 lacs, incurred relating to legal, professional, traveling and consultancy etc. on account of various strategic and management initiatives of which expenses of Rs. 3,032.54 lacs are of previous period.

## 39. C.I.F. Value of Imports:

		(Rupees in Lacs)
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Purchase of stock in trade	22.81	662.87
Raw Materials	-	3,140.42
Packing Material	-	2,612.64
Plant & Machinery	-	6,511.58
Stores and Spares	-	77.72

# Notes forming part of the Financial Statements

## 40. Expenditure in foreign currency:

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Consultancy fees	27.45	246.41
Testing charges	-	40.05
Legal fees & charges	747.41	581.11
Traveling	47.49	2,953.98
Freight	133.03	902.06
Commission	386.72	218.6
Interest & finance charges	109.65	158.33
Others product registration fees, Sales promotion expenses, Advertisement - Marketing etc.	23.77	813.08

## 41. Expenditure for Corporate Social Responsibility Activities:

During the year, the company has spent Rs. 305.00 Lacs towards Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 and Rules thereon by way of contribution to various Trusts / NGOs / Societies / Agencies.

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Gross Amount Required to be spent by the Company	197.71	193.32
Amount spent during the period on		
Construction / Acquisition of any asset		
In Cash	-	-
Yet to be paid	-	-
Total	-	-
On Purpose other than above		
In Cash	305.00	61.70
Yet to be paid	-	-
Total	305.00	61.70
Total	305.00	61.70

## 42. Research and Development Expenditure:

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Expenditure on research and development charged to revenue		
- Revenue expenditure	-	1,336.53
- Capital expenditure	-	1,528.61

## 43. Earnings in foreign exchange:

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st Mar, 2015
FOB value of Exports	46,168.72	60,453.80
Sales of Voluntary Carbon Reduction Units	-	1,157.68

# Notes forming part of the Financial Statements

44. Current Assets, Loans and Advances as at 31st March 2016 have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

45. Remittance in foreign currency during the year on account of dividend.

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
Number of non-resident shareholders	-	275
Number of equity shares on which dividend was paid (Lacs)	-	178.25
Year ended to which the dividend related	-	2012 & 2013
Amount remitted (Rupees in Lacs)	-	1,960.71

46. Pursuant to the resolution passed in the Board Meeting held on 8th November, 2014, the financial year of the company has been changed from 31st December to 31st March. Accordingly the Financial Statements for the current period is for 12 months period ended on 31st March, 2016 as against Fifteen months period ending on 31st March, 2015, hence, not comparable.

47. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6th May, 2016

## For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

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

Place : Ahmedabad  
Date : 6th May, 2016

# Auditors' Report

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To the Members of Claris Lifesciences Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of CLARIS LIFESCIENCES LIMITED (the "Holding Company") and its subsidiaries and its associate (together, the "Group") which comprise of the consolidated Balance Sheet as at 31st March 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (the 'consolidated financial statements').

## Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, its consolidated loss, and its consolidated cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements of nineteen subsidiaries and an associate included in the consolidated financial results, whose financial statements reflect, total assets of Rs. 1,49,992.52 Lacs as at 31st March, 2016, total revenues of Rs. 47,647.45 Lacs for the year ended on 31st March, 2016, and total loss after tax of Rs. 18,038.99 Lacs for the year ended on 31st March, 2016, as considered in the consolidated financial statements. These final financial statements of nineteen subsidiaries have been audited/reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. Further, our report on the Statement, in so far as it relates on share of loss of an associate is based solely on the financial statements as submitted by the management of the associate company to the company. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

# Auditors' Report

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## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We and the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls refer to our separate Report in "Annexure: A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note 25 to the consolidated financial statements;
  - ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts;
  - iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

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For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership Number: 047236

Place : Ahmedabad.  
Date : May 6, 2016

# Annexure to the Auditor's Report

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**"Annexure A" to the Auditors' Report of even date on the Consolidated Financial Statements of CLARIS LIFESCIENCES LIMITED,**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").  
(Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the consolidated financial statements of the Company for the year ended on 31st March, 2016.)

To the Members of  
**CLARIS LIFESCIENCES LIMITED**

In conjunction with our audit of the consolidated financial statements of CLARIS LIFESCIENCES LIMITED as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Claris Lifesciences Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

## **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Annexure to the Auditor's Report

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## Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matter

Our report under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies in India, insofar as it relate to subsidiary companies, which are incorporated in India, is based on the corresponding report of the other auditors of such subsidiary incorporated in India.

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For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership Number: 047236

Place : Ahmedabad.  
Date : May 6, 2016



# Consolidated Balance Sheet

As at 31st March, 2016

(Rupees in Lacs)

	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	5,456.78	5,456.78
(b) Reserves and surplus	3	119,773.87	126,214.10
		<u>125,230.65</u>	<u>131,670.88</u>
<b>(2) Non – current liabilities</b>			
(a) Long-term borrowings	4	35,509.03	27,342.96
(b) Deferred tax liabilities (net)	5	2,948.94	967.13
(c) Long-term provisions	6	1,411.71	1,000.75
		<u>39,869.68</u>	<u>29,310.84</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	4	17,099.92	18,387.91
(b) Trade payables	7		
Total outstanding dues of micro and small enterprise		-	1.58
Total outstanding dues of creditors other than micro and small enterprise		14,556.11	12,676.94
(c) Other current liabilities	8	12,028.29	25,328.11
(d) Short-term provisions	6	2,258.60	1,001.18
		<u>45,942.92</u>	<u>57,395.72</u>
<b>Total</b>		<u><u>211,043.25</u></u>	<u><u>218,377.44</u></u>
<b>II. ASSETS</b>			
<b>(1) Goodwill on consolidation</b>		3.20	3.20
<b>(2) Non – current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	90,902.03	87,998.50
(ii) Intangible assets	9	19,521.74	19,426.80
(iii) Capital work-in-progress		1,042.16	283.09
		<u>111,465.93</u>	<u>107,708.39</u>
(b) Non-current investments	10	11,800.79	20,230.89
(c) Long-term loans and advances	11	5,559.02	1,531.23
(d) Other non-current assets	12	385.81	507.87
		<u>129,211.55</u>	<u>129,978.38</u>
<b>(3) Current assets</b>			
(a) Current investments	10	17,702.56	33,161.25
(b) Inventories	13	9,444.72	9,374.98
(c) Trade receivables	14	22,673.42	22,914.95
(d) Cash and cash equivalents	15	18,619.06	8,256.57
(e) Short –term loans and advances	11	11,716.43	13,277.27
(f) Other current assets	12	1,672.31	1,410.84
		<u>81,828.50</u>	<u>88,395.86</u>
<b>Total</b>		<u><u>211,043.25</u></u>	<u><u>218,377.44</u></u>
Significant accounting policies	1		
Other notes forming part of the financial statements	2-38		

In terms of our report attached

For and on behalf of the Board of Directors

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Sunil K. Dave  
Partner  
Membership No. 047236

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

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

# Consolidated Statement of Profit & Loss

For the year ended on 31st March, 2016

(Rupees in Lacs)

	Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>Revenue</b>			
<b>I. Revenue from operations</b>	16		
(a) Gross sales		74,257.02	78,471.65
Less : Excise duty		370.39	460.35
Net sales		73,886.63	78,011.30
(b) Operating income		1,534.46	1,963.93
Revenue from operations (net)		75,421.09	79,975.23
<b>II. Other income</b>	17	4,046.73	8,630.35
<b>III. Total Revenue ( I+ II )</b>		79,467.82	88,605.58
<b>IV. Expenses</b>			
Cost of materials consumed	18	12,673.54	11,873.05
Purchase of stock-in-trade	18	14,804.03	26,274.43
Changes in inventories of finished goods and work-in-progress	19	(270.46)	(2,691.47)
Employee benefits expense	20	8,674.64	9,257.02
Finance costs	21	4,277.04	4,826.04
Depreciation and amortisation expense		4,291.87	4,904.83
Other expenses	22	24,983.55	19,714.87
<b>Total expenses</b>		69,434.21	74,158.77
<b>V. Profit before extra-ordinary items and tax ( III- IV )</b>		10,033.61	14,446.81
<b>VI. Extraordinary Item</b>	34	(3,783.19)	-
<b>VII. Profit before tax (V+VI)</b>		6,250.42	14,446.81
<b>VIII. Tax Expense :</b>			
(a) Current tax		3,257.60	4,047.96
(b) Deferred tax		2,000.69	(4,910.51)
(c) MAT credit entitlement		(1,483.29)	(3.15)
(d) MAT Credit entitlement of earlier year		(909.89)	-
(e) Short / (Excess) provision of tax of earlier years		(22.58)	(354.66)
		2,842.53	(1,220.36)
<b>IX. Profit after tax and before share of profit / (loss) of associate (VII - VIII)</b>		3,407.89	15,667.17
<b>X. Share in loss of associate</b>		(9,212.10)	(719.18)
<b>XI. Profit for the year / period (IX + X )</b>		(5,804.21)	14,947.99
<b>XII. Earnings per share – Basic &amp; Diluted</b>			
(Nominal value per equity share of Rs.10)	35	(10.64)	25.89
Significant accounting policies	1		
Other notes forming part of the financial statements	2-38		

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

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

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

# Consolidated Cash Flow Statement

For the year ended on 31st March, 2016

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>A. Cash Flow From Operating Activities</b>		
1. Profit before tax	10,033.61	14,446.81
2. Adjustment for :		
Depreciation and amortisation expense	4,291.87	4,904.83
Finance cost	4,277.04	4,826.04
Interest income	(1,447.64)	(3,203.49)
Dividend income	(104.48)	(308.69)
Loss on sale of fixed assets – (Net)	35.76	15.22
Loss on fixed assets discarded	39.65	-
Gain on sale of Units of Mutual Funds	(877.14)	(1,802.39)
Share in loss from associate	9,212.10	719.18
Unrealised foreign exchange rate difference (gain)/loss (Net)	43.37	(925.71)
Exchange rate fluctuation and other adjustments arising on consolidation	713.81	(581.58)
Excess provision written back	(300.00)	-
<b>Operating profit before working capital changes (1+2)</b>	<b>25,917.94</b>	<b>18,090.22</b>
3. Adjustments for working capital changes:		
Decrease / (increase) in trade and other receivables	4,712.15	(15,781.71)
Decrease / (increase) in inventories	(69.74)	(4,877.56)
Decrease / increase in trade and other payables	(9,600.67)	3,465.74
<b>Cash generated from operations</b>	<b>20,959.68</b>	<b>896.69</b>
4. Extraordinary item	(3,783.19)	-
5. Direct taxes paid	(3,323.39)	(5,039.23)
<b>Net Cash Generated From/(Used in) Operating Activities [A]</b>	<b>13,853.09</b>	<b>(4,142.54)</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of fixed assets (Including Capital Advances)	(11,657.81)	(66,986.41)
Proceeds from sale of fixed assets	18.84	45,258.88
Proceeds of current investments (Net)	16,335.83	29,523.13
Purchase of non current investments (Net)	(782.00)	-
Dividend received	104.48	308.69
Buy back of shares	-	(23,125.00)
Share in loss from associate	(9,212.10)	(719.18)
Interest received	1,163.12	3,454.35
<b>Net Cash Generated/(Used in) Investing Activities [B]</b>	<b>(4,029.64)</b>	<b>(12,285.53)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from long term borrowings (Net)	8,191.44	18,762.48
Proceeds from short term borrowings (Net)	(1,287.99)	7,841.26
Finance cost	(4,286.56)	(4,662.66)
Dividend paid	-	(6,719.72)
<b>Net Cash generated from financing activities [C]</b>	<b>2,616.89</b>	<b>15,221.36</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash equivalents [A+B+C]</b>	<b>12,440.34</b>	<b>(1,206.72)</b>
Cash & Cash equivalents at the beginning of the year / period	6,172.73	7,379.45
<b>Cash &amp; Cash equivalents at the end of the year / period</b>	<b>18,613.07</b>	<b>6,172.73</b>

# Consolidated Cash Flow Statement

For the year ended on 31st March, 2016

(Rupees in Lacs)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>Notes:</b>		
<b>1 A) Components of cash &amp; cash equivalents</b>		
Cash on hand	7.40	16.36
Cheques on hand	61.47	39.00
Balances with banks		
- In Current accounts	7,560.36	2,574.48
- In Margin Money	370.27	417.62
- In Fixed deposit accounts	<u>10,613.57</u>	<u>3,125.27</u>
	<u>18,613.07</u>	<u>6,172.73</u>
<b>B) Cash and cash equivalents not available for immediate use</b>		
a) In Margin money and fixed deposit accounts	-	2,077.86
b) Unclaimed share application money lying in escrow	0.18	0.18
c) Unclaimed dividend account	<u>5.80</u>	<u>5.80</u>
	<u>5.98</u>	<u>2,083.84</u>
<b>Cash &amp; Cash Equivalents as per Note 15 (A+B)</b>	<u><b>18,619.06</b></u>	<u><b>8,256.57</b></u>
<b>2</b> Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised	-	1,043.47
<b>3</b> The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.		
<b>4</b> The previous period figures have been regrouped wherever necessary.		

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Kirit H. Kanjaria  
Sr. VP - Company Secretary & Compliance Officer

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

# Notes forming part of the Financial Statements

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## **1. SIGNIFICANT ACCOUNTING POLICIES:**

### **1.1 Basis of preparation of Financial Statements**

The Consolidated financial statements are prepared on accrual basis of accounting under the historical cost convention and going concern basis, in accordance with the requirements of the Generally Accepted Accounting Principles in India (Indian GAAP), including accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) rules 2014 and other relevant provision of the Companies Act, 2013, as applicable.

### **1.2 Principles of Consolidation**

The consolidated financial statements include the financial statements of Claris Lifesciences Limited ('the Company'), and its subsidiaries as described in Note 23 (collectively referred to as 'the Group').

The consolidated financial statements have been prepared on the basis of Accounting Standard 21, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.

The financial statements of the parent company and its subsidiaries have been combined on a line- by- line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resultant unrealized profits / losses in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries. The excess or deficit of parent's portion of equity in the subsidiary company over its cost of investment, if any, is treated as a capital reserve or recognized as goodwill respectively.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except where it is not practicable to do so. Considering that the financial statements of the foreign subsidiaries have been prepared under the laws and regulations applicable to their respective country of incorporation, these consolidated financial statements have been prepared substantially in the same format adopted by the company to the extent possible, as required by the Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the period. All assets and liabilities are converted at the rates prevailing at the end of the period. Exchange gains/losses arising on conversion are recognized under Foreign Currency Translation Reserve.

### **1.3 Use of estimates**

The preparation of financial statements, in conformity with the Indian GAAP requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### **1.4 Fixed assets**

Fixed assets are capitalized at cost including all direct costs and other expenses incurred in connection with acquisition of assets and are net of refundable taxes and levies.

### **1.5 Depreciation**

#### **Indian Companies**

- a. In case of parent company and its subsidiary companies, depreciation on tangible fixed assets is provided on straight line method based on useful life of the assets prescribed in part C of the Schedule II to the Companies Act, 2013 except in case of a subsidiary company, depreciation is provided as per 'b' below.

# Notes forming part of the Financial Statements

## SIGNIFICANT ACCOUNTING POLICIES (cont):

- b. Depreciation on tangible fixed assets is provided on straight line method based on useful life of the assets as per management estimates as under:

Particulars	As per Management	As per Schedule II – Companies Act, 2013
Office Buildings	40 years	60 years
Plant & Equipment	15 years	20 years
Electrical Installation	10 years	10 years
Furniture & Fixtures	10 years	10 years
Office Equipments	5 years	5 years
Vehicles	8 years	8 – 10 years
Data Processing Equipments	3 years	3 – 6 years

Based on the internal assessment and independent technical evaluation carried out by internal management experts, the management estimates that the useful lives as given above best represents the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of the Schedule II of the Companies Act, 2013.

- c. Leasehold improvements are amortised over a period of 36 months.  
d. Intangible assets are stated at cost and are amortised equally over a period of five years from the year in which cost incurred.

### Foreign Companies

Depreciation has been provided by the Foreign Companies on methods and at the rates required / permissible by the local laws so as to write-off assets over their useful life.

## 1.6 Goodwill

Goodwill arising on consolidation is not amortised but is tested for impairment periodically.

## 1.7 Investments

Long-term investments are stated at cost. Any diminution in the value, other than temporary, is provided for. Current investments are carried individually, at lower of cost and fair value.

## 1.8 Inventories

- i) Inventories are valued at cost or net realizable value, whichever is less.  
ii) In case of Parent Company the cost (net of refundable taxes and levies) for raw materials and packing materials is computed on Moving Average basis.  
iii) The cost of work in progress and finished goods is determined on absorption cost basis and comprises of cost of materials, direct labour and manufacturing overheads.

## 1.9 Revenue recognition

- a. Sales include sales of products, dossiers and marketing rights. Sales include excise duty and exchange differences on sales transactions, but are net of sales tax. Sales are recognized at the time when significant risks and reward of ownership in the goods are transferred.  
b. Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.

# Notes forming part of the Financial Statements

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## 1.10 Employee benefits

Contributions to provident and other funds accruing during the accounting period are charged to the Statement of profit and loss. Provision for liabilities in respect of gratuity and leave encashment are accrued and provided at the end of each accounting period on the basis of actuarial valuation.

## 1.11 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates. In case of items, which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss, except, for the exchange differences arising on settlement or on translation of long-term foreign currency monetary items after 1st April 2011, so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

## 1.12 Research and development expenses

Revenue expenditure on Research and Development is expensed as incurred. Expenses of capital nature are capitalized and depreciation is provided thereon as per the policy stated above.

## 1.13 Expenditure on product registration

Expenditure incurred for registration of products for overseas markets and for product acquisitions are charged to the statement of profit and loss.

## 1.14 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are attributable to acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the statement of profit and loss.

## 1.15 Leases

Lease rentals in respect of assets taken on operating leases are charged to the statement of profit and loss on accrual and straight-line basis over the lease term.

## 1.16 Taxes on Income

### Indian Companies

#### Current taxation

Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act, 1961.



# Notes forming part of the Financial Statements

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## 1.16 Taxes on Income (Contd.)

### Deferred taxation

Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods, subject to consideration of prudence and by applying tax rates that have been enacted or substantively enacted as on the balance sheet date.

### Foreign Companies

Foreign companies recognize tax liabilities and assets in accordance with the applicable local laws.

## 1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes		As at 31st March, 2016	As at 31st March, 2015
<b>2. SHARE CAPITAL</b>			
<b>Authorised</b>			
120,510,000 Equity Shares of Rs. 10 each		<u>12,051.00</u>	<u>12,051.00</u>
<b>Issued, Subscribed, &amp; Paid up :</b>			
54,567,765 Equity Shares of Rs. 10 each fully paid - up		<u>5,456.78</u>	<u>5,456.78</u>
		<u>5,456.78</u>	<u>5,456.78</u>
<b>(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting year :</b>			
<b>Particulars</b>			
As at beginning of the year / period	Nos.	54,567,765	63,817,765
Issued during the year / period	Nos.	-	-
Bought back during the year / period	Nos.	-	9,250,000
Outstanding at the end of the year / period	Nos.	54,567,765	54,567,765
<b>(ii) Rights, preferences and restrictions attached to equity shares</b>			
The Company has only one class of equity shares having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.			
<b>(iii) Equity Shares held by holding company</b>			
<b>Particulars</b>			
Athanas Enterprise Private Limited	Nos. %	27,353,580 50.13	27,353,580 50.13
<b>(iv) Shareholders holding more than 5% of total equity shares</b>			
<b>Particulars</b>			
Athanas Enterprise Private Limited	Nos. %	27,353,580 50.13	27,353,580 50.13
First Carlyle Ventures III	Nos. %	- -	6,159,267 11.29
Abellon Energy Limited	Nos. %	5,928,384 10.86	5,928,384 10.86
<b>(v) Details of bonus shares issued during last five years</b>			
<b>Particulars</b>			
Equity shares allotted as fully paid-up shares of Rs.10 each for a consideration other than cash pursuant to capitalisation of securities premium account during the financial year ended December 31st, 2010	Nos.	17,061,763	17,061,763
<b>(vi) During the period ended on 31st March, 2015, the company had bought back 92,50,000 equity shares of the face value of Rs. 10 each (representing 14.49 % of the total equity share capital of the Company) at the price of Rs. 250 per equity share aggregating to Rs. 23,125 Lacs which is less than 25% of the aggregate of equity share capital and free reserves of the Company as per audited financial statements of the Company for the financial year ended 31st December, 2012 through "Tender Offer" route as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998.</b>			

# Notes forming part of the Financial Statements

(Rupees in Lacs)

	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>3. RESERVES &amp; SURPLUS</b>			
<b>Capital redemption reserve</b>			
Balance as per last balance sheet		1,425.00	500.00
Add : Transferred from general reserve on buy back of Equity shares		-	925.00
Closing Balance		1,425.00	1,425.00
<b>Securities premium account</b>			
Opening Balance		33,232.62	55,432.62
Less : Amount utilised for buy back of Shares		-	22,200.00
Closing Balance		33,232.62	33,232.62
<b>General reserve</b>			
Balance as per last balance sheet		5,172.70	6,097.70
Add : Transferred to capital redemption reserve		-	(925.00)
		5,172.70	5,172.70
<b>Foreign currency translation reserve</b>			
		6,565.37	5,850.73
<b>Balance in Statement of Profit and Loss</b>			
Balance as per last balance sheet		80,533.05	65,585.06
Add : Net profit for the year		(5,804.21)	14,947.99
Less : Assets with revised useful life as nil		34.51	-
Less : Appropriations			
Proposed equity dividend [Rs. 2 per share (Previous Year: Nil)]		1,091.36	-
Tax on dividend on equity shares		222.17	-
Tax on dividend on preference shares		2.62	-
		73,378.18	80,533.05
		<b>119,773.87</b>	<b>126,214.10</b>
<b>4. BORROWINGS</b>			
<b>Secured:-</b>			
<b>Long-term borrowings, non-current portion</b>			
Term loans from banks			
External commercial borrowing-in foreign currency	4a	27,205.90	19,632.95
Rupee term loans	4a	7,096.42	6,278.33
Vehicle loans	4d	222.69	279.13
Term loans from financing companies			
Rupee term loan from a finance company	4c	984.02	1,152.55
		35,509.03	27,342.96
<b>Long-term borrowings, current portion</b>			
Term loans from banks			
External commercial borrowing-in foreign currency	4a	4,261.73	1,341.23
Rupee term loans	4a	3,192.02	4,319.70
Vehicle loans	4d	82.69	69.26
Term loans from financing companies			
Rupee term loan from a finance company	4c	140.00	120.00
Vehicle loan from finance companies	4d	-	0.88
Other borrowings from bank	4f	-	1,800.00
		7,676.44	7,651.07
<b>Short-term borrowings</b>			
Cash Credit accounts	4b	6,133.13	8,836.58
Buyers' credit	4b	-	2,265.76
Packing Credit facilities	4g	3,134.24	-
Other working capital loan	4e	7,832.55	7,285.57
		17,099.92	18,387.91
		<b>60,285.39</b>	<b>53,381.94</b>

# Notes forming part of the Financial Statements

## Notes :

- a. Term loans are secured by first pari passu charge by hypothecation of specified movable fixed assets (both present and future), mortgage over immovable fixed assets (both present and future), and second pari passu charge over stocks, receivables, and specified immovable properties in favour of the banks.
- b. Cash Credit account and buyers' credit are secured by first pari passu charge by hypothecation of all current assets of the Company (present & future); second pari passu charge by hypothecation of movable fixed assets (present & future); by mortgage on specified immovable fixed assets of the Company (present & future) and by first pari passu charge through equitable mortgage on specified immovable property of the Company.
- c. The term loan is secured by first and exclusive charge over the immovable and movable assets of Solar Plant located at Modasa.
- d. Vehicle loans from banks and finance companies are secured by hypothecation of respective vehicles.
- e. Other working capital Loan is secured by pledge of certain Investments held by Claris Lifesciences Limited
- f. Other borrowing from bank is secured by pledge of fixed deposits
- g. Packing credit facility from bank and finance companies are unsecured

(Rupees in Lacs)

Notes	As at 31st March, 2016	As at 31st March, 2015
<b>5. DEFERRED TAX LIABILITIES ( NET )</b>		
<b>Deferred tax liabilities</b>		
Differences between book depreciation & depreciation under the Income-tax Act, 1961 (IT Act)	5,379.97	2,630.93
<b>Deferred tax assets</b>		
Disallowance of provisions / expenses	520.56	348.97
Share issue expenses set off against share premium allowable under Section 35D of IT Act, 1961 in subsequent years	67.99	133.58
Unabsorbed depreciation / business loss	1,842.48	1,181.25
	<u>2,431.03</u>	<u>1,663.80</u>
<b>Net Deferred Tax Liability</b>	<u><u>2,948.94</u></u>	<u><u>967.13</u></u>
<b>6. PROVISIONS</b>		
<b>Long-term provisions</b>		
Provision for employee benefits		
Gratuity	28 601.87	491.81
Leave benefits	28 704.10	508.95
Other employee benefits	105.73	-
	<u>1,411.71</u>	<u>1,000.75</u>
<b>Short-term provisions</b>		
Provision for employee benefits		
Gratuity	28 42.15	31.39
Leave benefits	28 80.66	61.78
Taxation (Net of payments)	819.64	908.01
Proposed dividend	1,091.36	-
Tax on proposed dividend on equity shares	222.17	-
Tax on proposed dividend	2.62	-
	<u>2,258.60</u>	<u>1,001.18</u>
	<u><u>3,670.31</u></u>	<u><u>2,001.93</u></u>
<b>7. TRADE PAYABLES</b>		
<b>Sundry creditors</b>		
Micro, Small & Medium enterprise	-	1.58
Others	14,556.11	12,676.94
	<u>14,556.11</u>	<u>12,678.52</u>

# Notes forming part of the Financial Statements

(Rupees in Lacs)

	Notes	As at 31st March, 2016	As at 31st March, 2015
<b>8. OTHER CURRENT LIABILITIES</b>			
<b>Other current liabilities</b>			
Current maturities of long-term debt	4	7,676.44	7,651.07
Interest accrued and due on borrowings		73.00	138.30
Interest accrued but not due on borrowings		367.38	311.59
Payables on purchase of fixed assets		239.30	1,379.49
Trade advances		2,340.86	2,617.74
Trade deposits		132.15	1,013.07
Unclaimed share application money		0.18	0.18
Unclaimed dividend		5.80	5.80
Advance from related parties		-	9,300.00
Payables to statutory and other authorities		216.50	382.36
Other liabilities		976.67	2,528.51
		<u>12,028.29</u>	<u>25,328.11</u>

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# Notes forming part of the Financial Statements

## 9. FIXED ASSETS

(Rupees in Lacs)

Description of Assets	Gross Block ( At cost )					Depreciation / Amortisation					Net Block	
	As at 1st April, 2015	Additions during the year	Deductions during the year	Exchange fluctuation	As at 31st March, 2016	Up to 31st March, 2015	For the year	Adjustment as per Schedule – II of the Co .Act 2013	On deductions during the year	Exchange Fluctuation	As at 31st March, 2016	As at 31st March, 2015
FIXED ASSETS: A. Tangible Assets												
Freehold Land	14,707.27	257.17	740.10	-	14,224.34	-	-	-	-	-	-	14,707.27
Improvement to leasehold	2.58	-	2.58	-	-	2.58	-	-	2.58	-	-	-
Buildings	13,311.98	3,054.33	259.90	-	16,106.41	115.75	320.15	-	7.61	-	428.29	13,196.23
Plant & Machinery	55,265.58	5,963.63	2,460.56	(22.68)	58,745.97	1,547.32	2,275.51	-	169.17	(1.78)	3,651.88	53,718.26
Electrical Installation	4,056.44	245.62	241.37	(0.32)	4,060.37	130.01	206.15	1.32	12.70	-	324.78	3,926.43
Furniture & Fixtures	995.00	43.00	-	(2.68)	1,035.32	211.49	125.68	0.46	-	(2.05)	335.58	783.51
Office Equipments	245.79	-	-	-	245.64	121.39	5.09	32.41	-	-	158.74	124.40
Vehicles	1,012.13	21.86	262.14	(0.34)	771.51	276.70	117.03	3.03	207.55	(0.34)	188.87	735.43
Data Processing Equipments	1,577.36	186.06	0.44	(1.35)	1,761.63	770.40	176.89	15.53	0.44	(1.36)	961.02	806.96
Previous period	91,174.13	9,771.67	3,967.24	(27.37)	96,951.19	3,175.64	3,226.50	52.75	400.20	(5.53)	6,049.16	87,998.50
B. Intangible Assets												
Computer Software	199.90	-	-		199.90	53.24	39.98	-	-	-	93.22	146.66
Licensing & Registration	19,599.77	12.33	-	1,205.26	20,817.36	319.63	1,025.39	-	-	57.28	1,402.30	19,280.14
Previous period	19,799.67	12.33	-	1,205.26	21,017.27	372.87	1,065.37	-	-	57.28	1,495.52	19,426.80
Total	110,973.80	9,784.00	3,967.24	1,177.89	117,968.44	3,548.51	4,291.87	52.75	400.20	51.75	7,544.68	107,425.30
Previous period	81,155.14	100,402.35	70,591.11	7.42	110,973.80	24,001.26	4,904.83	-	25,332.23	(25.35)	3,548.51	-

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	As at 31st March, 2016	As at 31st March, 2015
<b>10. INVESTMENTS (AT COST)</b>		
<b>1. Non-current Investments, long term</b>		
<b>I. Trade</b>		
<b>A. In Equity Instruments of Associate, unquoted</b>		
(i) Claris Otsuka Private Limited (formerly known as Claris Otsuka Limited) 2,000,000 Equity Shares of Rs. 10 each fully paid-up. Add: Proportionate share in securities premium Less: Share in loss of associate	200.00 20,848.00 (10,031.15) <u>11,016.85</u>	200.00 20,848.00 (819.05) <u>20,228.95</u>
<b>B. In Debentures of Group Company, unquoted</b>		
(i) Dorizoe Lifesciences Limited 26,066 zero coupon unsecured compulsary convertible debentures of Rs. 3,000 each fully paid	782.00 <u>11,798.85</u>	- <u>20,228.95</u>
<b>II. Non-Trade</b>		
<b>A. In Equity instruments of other entities, unquoted</b>		
(i) Indian Renal Foundation 19,400 Equity Shares of Rs. 10 each fully paid	1.94 <u>11,800.79</u>	1.94 <u>20,230.89</u>
<b>Total non-current</b>		
<b>2. Current Investments</b>		
<b>A. In Preference Shares of Other Entities, quoted</b>		
(i) L&T Finance Holding Limited Nil (Previous Year - 1,000,000) units 9% Cumulative Compulsorily Redeemable Preference Shares of Rs. 100 each, fully paid up	-	1,000.00
(ii) IL & FS Transportation Networks Ltd 5,000,000 10.53% Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of Rs. 20 each, fully paid up	1,000.00 <u>1,000.00</u>	1,000.00 <u>2,000.00</u>
<b>B. In Bonds/Debentures of other entities , quoted</b>		
(i) India Infrastructure Finance Company Limited Nil (Previous Year - 100,000) units of 8.66% Tax Free Secured, Redeemable, Non-Convertible Bonds of Rs. 1,000 each	-	1,000.00
(ii) Rural Electrification Corporation Limited 100 units of 8.57 % Secured, Redeemable, Non - Convertible Bonds of RS. 1,000,000 each	1,018.59	1,018.59
(iii) IDFC Limited 200 units of 8.67% Secured, Redeemable, Non-Convertible Bonds of Rs. 1,000,000 each	2,043.21 <u>3,061.80</u>	2,043.21 <u>4,061.80</u>



# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	As at 31st March, 2016	As at 31st March, 2015
<b>C. Investments in Mutual Funds</b>		
(i) 4371.398 (P.Y. - 12,513.803) units of Reliance Liquid Fund	158.00	423.85
(ii) Nil (P.Y. - 8,19,000.819) units of Religare Invesco PSU Equity Fund - Growth	-	100.00
(iii) Nil (P.Y. - 10,890,833.911) units of HDFC Gilt Fund- Long term - Growth	-	3,000.00
*(iv) 1,41,86,399.535 units of IDFC Government Securities Fund	2,074.58	2,074.58
(v) 387,106 (P.Y. 278,364) units Kedaara Capital AIF 1	38.70	27.84
(vi) Nil (P.Y. - 10,134,792.743 ) units of DWS Inflation Indexed Bond Fund	-	1,000.00
(vii) Nil (P.Y. - 108,932.462) units of ICICI Prudential Value Discovery Fund - Regular Plan - Growth	-	100.00
(viii) Nil (P.Y. - 390,777.648) units of ICICI Prudential Focused Bluechip - Equity Fund	-	100.00
(ix) Nil (P.Y. - 233,941.112) units of UTI Opportunities Fund-Growth	-	100.00
(x) Nil (P.Y. - 343,796.198) units of HDFC Mid-Cap Opportunities Fund - Growth	-	100.00
*(xi) 15,938,903.734 units of ICICI Prudential Gilt Fund- PF Option Regular Plan	4,245.00	4,245.00
(xii) Nil (P.Y. - 6,582,910.107) units of SBI Magnum Gilt Long Term Fund	-	2,000.00
(xiii) Nil (P.Y. - 6,552,672.016) units of UTI Mutual Fund Collection	-	2,000.00
(xiv) IIFL Real Estate Fund (Domestic) Series II	2,000.00	300.00
(xv) 1,625 (P.Y. - 1,375) units Edelweiss Stressed and Troubled Assets Revival Fund -I	117.21	137.50
(xvi) Nil ( P.Y. - 8,583,580.469) units of IDFC Government Securities Fund PF Plan Growth	-	2,000.00
(xvii) Nil (P.Y. - 238.578) units of Franklin India Treasury Mgmt. Super Institutional Plan Growth	-	4.93
*(xviii) 20,000,000 units in Kotak Mahindra Mutual Fund (FMP) SR 131	2,005.36	2,005.36
(xix) Reliance Yield Maximizer Alternative Investment Fund Scheme -I	981.92	-
(xx) 200 (P.Y. - Nil) units Carpedium Capital Partners Fund - I	20.00	-
	<b>11,640.76</b>	<b>19,719.06</b>
<b>D. Other Investments</b>		
<b>a) Commercial Papers</b>		
(i) Nil (P.Y. - 500) units of Peninsula Land Limited	-	2,226.42
	-	<b>2,226.42</b>
<b>b) Pass Through Certificate</b>		
(i) Nil (P.Y. - 5,000) units of Shinning Metal Trust	-	3,153.97
<b>c) Corporate Deposit</b>		
(i) Mahindra & Mahindra Financial Services Ltd	2,000.00	2,000.00
<b>Total Current Investments</b>	<b>17,702.56</b>	<b>33,161.25</b>
<b>a. Aggregate amount in quoted investments</b>	<b>4,061.80</b>	<b>6,061.80</b>
<b>b. Aggregate amount in unquoted investments</b>	<b>13,800.79</b>	<b>27,611.29</b>
<b>c. Aggregate amount invested in Mutual Funds</b>	<b>11,640.76</b>	<b>19,719.06</b>
<b>d. Aggregate market value of quoted investments</b>	<b>4,224.88</b>	<b>6,392.69</b>
<b>e. Aggregate market value of Mutual Funds</b>	<b>13,031.65</b>	<b>29,926.04</b>

Note:

\*These investments are pledged with Deutsche Bank as security for the short term working capital loan obtained by constituent of group.

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	As at 31st March, 2016	As at 31st March, 2015
<b>11. LOANS AND ADVANCES</b>		
[Unsecured and considered good, unless otherwise stated]		
<b>Non-current loans and advances</b>		
Capital advances	2,795.33	473.91
Security & tender deposits	258.18	859.49
MAT credit entitlement	2,394.91	1.73
Electricity and other deposits	110.60	196.10
	<u>5,559.02</u>	<u>1,531.23</u>
<b>Current loans and advances</b>		
<u>Considered good</u>		
Loans and advances to related parties	-	123.00
Loans to companies	1,186.00	300.00
Balance with government authorities	1,985.39	1,201.87
Advances to suppliers	4,249.91	2,586.20
Advances recoverable in cash or kind or for value to be received	4,295.13	4,046.03
Other receivables	-	5,020.17
	<u>11,716.43</u>	<u>13,277.27</u>
<u>Considered doubtful</u>		
Loans and advances to related parties	32.66	32.66
Less : Provision for doubtful advances	<u>32.66</u>	<u>32.66</u>
	<u>-</u>	<u>-</u>
	<u>11,716.43</u>	<u>13,277.27</u>
	<u><u>17,275.45</u></u>	<u><u>14,808.50</u></u>
<b>12. OTHER ASSETS</b>		
<b>Other non-current assets</b>		
Balance with scheduled banks:		
Margin Money	385.81	507.87
<b>Other current assets</b>		
Accrued Income	475.35	498.40
Interest accrued on loans and deposits		
On Bonds and commercial papers	116.62	234.10
On Fixed Deposits	839.64	519.43
On Others	240.70	158.91
	<u>1,672.31</u>	<u>1,410.84</u>
	<u><u>2,058.12</u></u>	<u><u>1,918.71</u></u>
<b>13. INVENTORIES</b>		
Raw materials	1,674.94	1,704.75
Packing materials	2,291.95	2,462.86
Work in process	701.39	1,135.31
Finished goods	4,776.44	4,072.06
	<u><u>9,444.72</u></u>	<u><u>9,374.98</u></u>

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	As at 31st March, 2016	As at 31st March, 2015
<b>14. TRADE RECEIVABLES</b>		
(Unsecured)		
Exceeding six months from the date they became due		
Considered good	7,689.00	9,379.85
Considered doubtful	500.63	5.03
	<u>8,189.63</u>	<u>9,384.88</u>
Others		
Considered good	14,984.42	13,535.10
	<u>14,984.42</u>	<u>13,535.10</u>
Less : Provision for doubtful debts	500.63	5.03
	<u>22,673.42</u>	<u>22,914.95</u>
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	7.40	16.36
Cheques on hand	61.47	39.00
<u>Balances with scheduled banks :</u>		
Current accounts	7,560.36	2,574.48
Margin money accounts	370.27	2,495.48
Fixed deposit accounts	10,613.57	3,125.27
Unclaimed share application money lying in escrow account	0.18	0.18
Unclaimed dividend account	5.80	5.80
	<u>18,619.06</u>	<u>8,256.57</u>

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# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>16. REVENUE FROM OPERATION</b>		
Sales of products	74,257.02	78,471.65
Less : Excise duties	<u>370.39</u>	<u>460.35</u>
	73,886.63	78,011.30
Other operating income		
Export benefits	720.48	392.86
Income from shared services	563.40	1,391.18
Sale of scrap and its processing charges	<u>250.57</u>	<u>179.89</u>
	1,534.46	1,963.93
	<u>75,421.09</u>	<u>79,975.23</u>
<b>17. OTHER INCOME</b>		
Interest income		
a. Interest from banks on :		
(i) Deposits	68.79	232.48
(ii) Other balances	61.53	313.53
b. Interest income from current investments	1,063.48	2,561.12
c. Others	<u>253.84</u>	<u>96.36</u>
	1,447.64	3,203.49
Profit on sales on mutual fund (Net)	877.14	1,802.39
Dividend income	104.48	308.69
Income from Certified Reduction Emission units and Renewable Energy Certificates	284.48	1,802.79
Sale of solar power	315.96	405.11
Foreign exchange rate difference	548.90	925.71
Sales tax refund	-	137.63
Excess provision of employment cost of previous period written back	300.00	-
Miscellaneous income	<u>168.13</u>	<u>44.54</u>
	<u>4,046.73</u>	<u>8,630.35</u>
<b>18. COST OF MATERIALS CONSUMED, PURCHASE OF STOCK IN TRADE</b>		
Raw materials consumed	5,006.31	6,097.53
Packing materials consumed	<u>7,667.23</u>	<u>5,775.53</u>
	12,673.54	11,873.05
Purchase of stock in trade	<u>14,804.03</u>	<u>26,274.43</u>
	<u>27,477.57</u>	<u>38,147.48</u>
<b>19. CHANGES IN INVENTORIES OF FINISHED GOODS (WORK-IN-PROGRESS)</b>		
Stocks at the beginning of the year / period		
Work-in progress	1,135.31	1,237.93
Finished goods	<u>4,072.06</u>	<u>1,277.97</u>
	5,207.37	2,515.89
Less : Stocks at the end of the year / period		
Work-in progress	701.39	1,135.31
Finished goods	<u>4,776.44</u>	<u>4,072.06</u>
	5,477.83	5,207.37
	<u>(270.46)</u>	<u>(2,691.47)</u>

# Notes forming part of the Financial Statements

(Rupees in Lacs)

Notes	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>20. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus & gratuity	8,198.40	8,822.80
Contribution to provident and other funds	330.41	305.03
Staff welfare	145.83	129.19
	<u>8,674.64</u>	<u>9,257.02</u>
<b>21. FINANCE COST</b>		
Interest expense	3,499.79	3,614.82
Other borrowing cost	145.00	460.79
Bank charges and commission	632.26	750.44
	<u>4,277.04</u>	<u>4,826.04</u>
<b>22. OTHER EXPENSES</b>		
Conversion charges	114.11	121.65
Stores & spares consumed	692.59	1,119.46
Contract labour charges	1,077.91	771.37
Power & fuel	2,180.79	1,094.83
Insurance	156.31	233.89
Outward freight	4,149.21	3,478.27
Commission	3,557.70	2,641.04
Marketing and sales promotion expenses	1,488.97	723.88
Product Registration Exp.	1,720.06	490.99
Laboratory expenses	1,193.95	951.69
Travelling expenses	2,315.72	2,948.36
Stationery & printing	155.13	130.36
Communication expenses	172.31	224.38
Rent	392.43	433.55
Rates and taxes	57.88	31.98
Repairs to		
Building	69.40	178.10
Plant & machinery	77.26	160.86
Others	307.59	473.99
Foreign Exchange Rate Difference (Net)	592.27	-
Bad debts written-off	115.64	42.30
Provision for doubtful debts and advances	496.43	-
Legal, Professional & Consultancy fees	2,341.97	1,255.11
Loss on sale of fixed assets (Net)	35.76	15.22
Loss on fixed assets discarded	39.65	-
Expenses for buyback of equity shares	-	63.16
Expenditure for corporate social responsibility	305.00	15.22
Donations	34.89	8.42
General charges	1,142.60	2,060.31
	<u>24,983.55</u>	<u>19,714.87</u>

# Notes forming part of the Financial Statements

## 23. Description of the Group

The following subsidiary companies are considered in the consolidated financial statements.

Name of the Company	Country of Incorporation	% of Holding either directly/ indirectly or through subsidiary as at 31st March, 2016	% of Holding either directly/ indirectly or through subsidiary as at 31st March, 2015
<b>Subsidiary Companies</b>			
iCubix Infotech Limited	India	100	100
Claris Injectables Limited	India	100	100
Ogen Nutrition Limited	India	100	100
Claris Infrastructure Limited	India	100	100
Claris Capital Limited	India	100	-
Claris Produtos Farmaceuticos do Brasil Ltda.	Brasil	100	100
PT. Claris Lifesciences Indonesia	Indonesia	100	100
Claris Lifesciences Colombia Ltda.	Colombia	100	100
Catalys Venture Cap Limited	Mauritius	100	100
Claris SteriOne	Mauritius	100	100
Claris Pharmservices	Mauritius	100	100
Claris Lifesciences Venezuela C. A.	Venezuela	100	100
Claris Lifesciences Inc.	USA	100	100
Claris Lifesciences (UK) Limited	UK	100	100
Claris Lifesciences Et Cia. Chile Limitada	Chile	100	100
Claris Lifesciences (Aust) Pty Limited	Australia	100	100
Claris Lifesciences de Mexico S.A. de C.V.	Mexico	100	100
Claris Lifesciences Philippines, INC.	Philippines	100	100
Claris Middle East FZ LLC	Dubai	100	100
Elda International DMCC	Dubai	100	100
<b>Associates</b>			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	India	20	20

24. The search operations under Section 132 of the Income-tax Act, 1961 ('the Act') were carried out by the income-tax authorities at the premises of the Company in the month of August 2015. The search proceedings have been completed and the Company has extended full co-operation to the income-tax authorities. Assessment proceedings are under progress and provision for any tax liability, if required, shall be made on completion of assessment.

## 25. Contingent Liabilities

(Rupees in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
a. Claim against the company not acknowledge as debts	2,067.82	1,365.51
b. Disputed demand under :		
(i) Income Tax	382.20	391.43
(ii) Sales Tax	17.85	17.85
(iii) Excise Duty	92.19	92.19
(iv) Regulatory	10,400.00	10,400.00
(v) Customs Duty Draw back	7.26	271.11
c. Guarantees given by bankers on behalf of the company	907.22	772.96
d. Bills discounted	1,832.67	4,271.11
f. Letters of credit outstanding	57.53	128.21

## 26. Commitments & Obligations

(Rupees in Lacs)

	As at 31st March, 2016	As at 31st March, 2015
a. Estimated amount of contracts remaining to be executed on capital account and not provided for; (net of capital advances)	1,500.75	1403.57
b. Outstanding obligation to export goods worth Rs. 16,349.64 Lacs (Previous year Rs. 20,259.35 Lacs) within the stipulated period as per Export Promotional Capital Goods Scheme, failing which additional custom duty payable would amount to	3766.66	4481.38

# Notes forming part of the Financial Statements

## 27. Capital Work In Progress includes preoperative expenditure pending allocation to a project under implementation as under

(Rupees in Lacs)

Preoperative Expenses	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015
Opening balance	10.86	470.39
Add : Interest and finance charges	40.17	952.19
Consultancy / Professional fee	2.82	604.68
Personnel cost	-	135.99
Foreign exchange rate difference	913.83	570.65
Traveling cost	1.72	17.53
Bank Charges	11.04	-
Other expenses	0.21	115.21
Less: Capitalized during the year / period	(1,267.49)	(2,855.78)
Closing balance	<u>(286.84)</u>	<u>10.86</u>

### Details of Preoperative expenses capitalized during the period:

(Rupees in Lacs)

Fixed Asset	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015
Building	109.13	182.61
Plant & Machinery	1158.36	2,634.88
Electrical Installation	-	38.29
Total	<u>1267.49</u>	<u>2855.78</u>

28. Pursuant to notification dated 29th December, 2011 issued by Central Government under Companies (Accounting Standard) Amendment Rules, 2009; with effect from April 1, 2011, the Company has exercised the option whereby, the exchange differences arising on settlement or on translation of long-term foreign currency monetary items, so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

(Rupees in Lacs)

Particulars	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015
Amount added/(reduced) from capital assets	564.70	570.65
Amount remaining to be depreciated	1772.22	564.70

## 29. Statement of Profit and Loss includes:

- a) Managerial Remuneration paid to Directors / Key Managerial Personnel included in Employee benefits expense (refer Note 20)

(Rupees in Lacs)

Particulars	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015
Salary	962.18	980.94
Contribution to Provident Fund	1.12	0.83
Perquisites	1.25	1.00
Total	<u>964.55</u>	<u>982.77</u>

### Note:

Provision for leave encashment and gratuity benefits which is based on actuarial valuation done on an overall company basis is not included in the above



# Notes forming part of the Financial Statements

## 30. Employee Benefits

(Rupees in Lacs)

### a. Defined Benefits Plans:

I. Expenses recognized in Statement of Profit & Loss	Gratuity		Leave Encashment	
	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015	For the year ended on 31st March, 2016	For the Fifteen months period ended on 31st March, 2015
Current service cost	123.77	69.08	88.92	52.04
Interest Cost	39.88	23.18	44.35	21.66
Expected return on plan assets	-	-	-	-
Net actuarial losses (gains)	42.70	68.59	104.79	172.61
<b>Total Expenses</b>	<b>206.34</b>	<b>160.85</b>	<b>238.06</b>	<b>246.31</b>

### ii. Reconciliation of Closing balances of changes in present value of the Defined Benefit Obligation

Opening defined benefit obligation	479.43	361.75	528.88	342.69
Transfer in/(out) obligation	13.32	(11.14)	51.72	(31.02)
Service Cost	123.77	69.08	88.92	52.04
Interest Cost	39.88	23.18	44.35	21.66
Actuarial losses ( gains)	42.70	68.59	104.79	172.61
Losses ( gains) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits paid	(55.06)	(31.76)	(44.18)	(29.10)
<b>Closing defined benefit obligation</b>	<b>644.02</b>	<b>479.43</b>	<b>774.48</b>	<b>528.88</b>

### iii. Reconciliation of Opening and Closing balances of changes in fair value of plan assets

Opening fair value of plan assets	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gains and (losses)	-	-	-	-
Assets distributed on settlements	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
<b>Closing balance of fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### iv. Net Liability recognized in the Balance sheet

Defined Benefit Obligation	644.02	479.43	774.48	528.88
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>644.02</b>	<b>479.43</b>	<b>774.48</b>	<b>528.88</b>

### v. Past four years data for define benefit obligation and fair value of plan assets are as under:

	As at 31st March, 2015	As at 31st December		
		2013	2012	2011
<b>Gratuity</b>				
Defined Benefit Obligation	479.43	361.75	471.82	414.30
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>479.43</b>	<b>361.75</b>	<b>471.82</b>	<b>414.30</b>
<b>Leave Encashment</b>				
Defined Benefit Obligation	528.88	342.67	521.57	384.20
Fair value of plan assets	-	-	-	-
<b>Present Value of unfunded obligation recognized as liability</b>	<b>528.88</b>	<b>342.67</b>	<b>521.57</b>	<b>384.20</b>

# Notes forming part of the Financial Statements

vi. Actuarial Assumptions	As at 31st March, 2016	As at 31st March, 2015
Discount Rate	8.00%	7.80%
Expected rate of salary increase	6.00%	6.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rates	3% younger ages reducing to 1% at old ages	3 % younger age reducing to 1 % old ages
Retirement Age	58 Years	58 Years
Actuarial Valuation Method	Projected Unit Credit Method	Projected Unit Credit Method

## b. Defined Contribution Plans

Rs. 330.83 Lacs (Previous Year Rs. 199.99 Lacs) recognized as an expense and included in the Notes 20 of Statement of Profit and Loss under the head "Contribution to Provident and other funds".

## 31. Segment Information

### (i) Primary Segment:

In accordance with the requirements of Accounting Standard –17 on Segment Reporting, the Group has determined its business segment as "Drugs and Pharmaceuticals". Since all of the Group's business is from "Drugs and Pharmaceuticals", there are no other primary reportable segments. Thus the segment revenue, segment result, total carrying amount of segment liabilities, segment assets, the total amount of charge for depreciation during the period are all reflected in the consolidated financial statements as at and for the year / period ended 31st March, 2016 / 31st March, 2015.

### (ii) Secondary Segment (Geographical Segment)

(Rupees in Lacs)

	India	Outside India	Total
Revenue	2,420.79 (3,610.04)	71,465.84 (74,401.26)	73,886.63 (78,011.30)
Carrying amounts of segment asset	163,222.08 (179,100.34)	47,821.17 (39,277.10)	211,043.25 (218,377.44)
Capital expenditure	8,426.92 (3,812.04)	- (-)	8,426.92 (3,812.04)

Note: Figures in brackets are in respect of previous period.

32. Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below.

### (A) Particulars of related parties and nature of relationships:

Name of the Related Parties
<b>A. Holding Company</b> Athanas Enterprise Private Limited
<b>B. Associate Company</b> Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)
<b>C. Companies over which Key Management Personnel and their relatives are able to exercise significant influence</b> Zivene Design and Development Private Limited Abellon Energy Limited Athanas Enterprise Private Limited Dorizoe Lifesciences Limited Redbricks Education Foundation Poesis Education Foundation
<b>D. Key Management Personnel</b> Mr. Arjun. Handa Mr. Chandrasingh S. Purohit Mr. Kirit H. Kanjaria Mr. Chetan S. Majmudar (Upto 31.10.2014) Mr. Amish Vyas Mr. Anil Kabra (30th January, 2016 to 31st March, 2016)
<b>E. Relatives of Key Management Personnel</b> Mr. Aditya Handa Mrs. Krishna A. Handa

# Notes forming part of the Financial Statements

		(Rupees in Lacs)	
B. Related party transaction		For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>a) Nature of Transactions</b>			
<b>1. <u>Sales</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	1,581.68	2,856.24	
<b>2. <u>Sale of Assets</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	-	57.17	
<b>3. <u>Services Purchased / Received</u></b>			
From an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	77.28	31.12	
<b>4. <u>Services Rendered</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	1,023.18	4,030.70	
<b>5. <u>Purchased</u></b>			
From an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	9,868.01	21,597.27	
<b>6. <u>Expense Reimbursed</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	80.39	3,895.14	
From an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	55.46	-	
<b>7. <u>Interest received on advances granted</u></b>			
To Companies in which Key Management Personnel or their relatives are having controlling Interest			
Zivene Design & Development Pvt. Ltd.	40.43	11.04	
<b>8. <u>Remuneration Paid</u></b>			
To Key Management Personnel			
Mr.Arjun. Handa	581.08	465.27	
Mr.Chandrasingh S. Purohit	96.72	193.68	
Mr. Kirit H. Kanjaria	84.57	94.54	
Mr. Chetan S. Majmudar	96.72	193.69	
Mr. Amish Vyas	96.72	35.59	
Mr. Anil Kabra	8.75		
<b>9. <u>Interim dividend paid</u></b>			
To Holding company			
Athanas Enterprise Private Limited	-	2,842.26	
To Companies in which Key Management Personnel have Controlling Interest			
Abellon Energy Limited	-	616.01	
<b>10. <u>Advances Granted during the period</u></b>			
To Companies in which Key Management Personnel or their relatives are having controlling Interest			
Zivene Design & Development Pvt.Ltd.	600.00	123.00	
<b>11. <u>Advances Returned / Paid during the period</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	9,300.00	-	
<b>12. <u>Advances Recovered during the period</u></b>			
From Companies in which Key Management Personnel or their relatives are having controlling Interest			
Zivene Design & Development Pvt.Ltd.	723.00	-	

# Notes forming part of the Financial Statements

B. Related party transaction			(Rupees in Lacs)
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015	
<b>13 Donation given</b>			
To Companies in which Key Management Personnel or their relatives are able to exercise significant influence			
Redbricks Education Foundation	150.00	-	
Poiesis Education Foundation	150.00	-	
<b>b) Balance at the end of the year / period</b>			
<b>1. <u>Outstanding Payables</u></b>			
To an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	4576.83	3,179.78	
<b>2. <u>Outstanding Receivables</u></b>			
From an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	568.63	1,582.40	
<b>3. <u>Advances Received Outstanding</u></b>			
From an Associate Company			
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	-	9,300.00	
<b>4. <u>Advances Granted Outstanding</u></b>			
To Key Management Personnel			
Mr. Kirit Kanjaria	0.96	-	
Mr. Chandrasingh S. Purohit	8.33	5.06	
Mr. Amish P. Vyas	29.12	5.90	
Mr. Chetan S. Majmudar	8.02	7.12	
From Companies in which Key Management Personnel or their relatives are able to exercise significant influence			
Zivene Design & Development Private Limited	-	123.00	
<b>5. <u>Investments Balance at the end of the period</u></b>			
<b><u>(net of Provision for Diminution in value)</u></b>			
In equity shares of an Associate Company			
Claris Otsuka Private Limited (formerly known as Claris Otsuka Limited)	200.00	200.00	

## 33. Disclosures for operating leases under Accounting Standard 19 – "Accounting for Leases"

The company has entered into agreements for taking on leave and license basis residential / office premises including furniture and fittings therein, as applicable, for a period ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

			(Rupees in Lacs)
	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015	
1. Lease payments recognized in the profit and Loss account for the period	306.48	403.02	
2. Minimum lease payments under the agreements are as follows.			
a) Not later than one year	83.57	328.84	
b) Later than one year but not later than 5 Year	40.81	1,287.06	
c) Later than five year	-	335.48	

# Notes forming part of the Financial Statements

## 34. Extraordinary Item

Extraordinary item represents expenses of Rs. 3,783.19 lacs, incurred relating to legal, professional, traveling and consultancy etc. on account of various strategic and management initiatives of which expenses of Rs. 3,032.54 lacs are of prior year.

## 35. Computation of Earnings per Share (EPS):

(Rupees in lacs, except per share data)

	For the year ended on 31st March, 2016	For Fifteen months period ended on 31st March, 2015
<b>Basic &amp; Diluted EPS</b>		
<b>Computation of Profit (Numerator)</b>		
(i) Net profit/ (loss) for the year/period	(5,804.21)	14,947.99
<b>Weighted Average Number of Shares (Denominator)</b>	<b>Nos.</b>	<b>Nos.</b>
Weighted average number of Equity shares of Rs.10 each used	54,567,765	57,739,194
For calculation of Basic Earnings Per Share		
Basic & Diluted EPS ( in Rs.)	(10.64)	25.89
Face value per share (in Rs.)	10	10

## 36. Change in accounting year of the Company

In view of the provisions of Companies Act 2013 as applicable to the Holding Company and Indian Subsidiary Companies, the financial accounting year has been changed to the year ending on 31st March 2015 instead of ending on 31st December 2014. Accordingly the amount in the statement of Profit and Loss for the current period are for the year ending 31st March 2016 and the comparative amounts are for fifteen months period ending on 31st March 2015.

## 37. Additional information, as required under Schedule III to the Act, of enterprises consolidated as subsidiary/ associates/ joint ventures.

(Rupees in lacs)

Name of entity	Net Assets i.e. total assets minus total liabilities as at 31st March, 2016		Share in profit or loss for the year ended 31st March 2016	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
<b>Holding Company</b>				
Claris Lifesciences Limited	76%	94,712.64	211%	12,241.60
<b>Subsidiaries</b>				
<b>Indian</b>				
iCubix Infotech Limited	0%	(13.61)	-2%	(118.75)
Claris Injectables Limited (Formerly know as Claris Lifesciences International Limited)	-22%	(27,672.14)	-523%	(30,366.95)
Ogen Nutrition Limited	0%	(37.10)	0%	(4.94)
Claris Infrastructure Limited	0%	(73.46)	-1%	(67.33)
Claris Capital Limited	0%	(6.82)	0%	(6.82)
<b>Foreign</b>				
Claris Produtos Farmaceuticos do Brasil Ltda.	-1%	(1,184.94)	-1%	(77.34)
PT. Claris Lifesciences Indonesia	0%	(468.41)	0%	(10.59)
Claris Lifesciences Colombia Ltda.	0%	(290.79)	0%	4.07
Catalys Venture Cap Limited	20%	24,884.95	-5%	(262.96)
Claris SteriOne	1%	1,868.94	31%	1,825.48
Claris Pharmaservices	-1%	(761.08)	-18%	(1,020.49)
Claris Lifesciences Venezuela C. A.	0%	(30.67)	-2%	(124.47)
Claris Lifesciences Inc.	17%	20,983.61	342%	19,876.17
Claris Lifesciences (UK) Limited	0%	(1.48)	0%	(1.37)
Claris Lifesciences & Cia. Chile Limitada	0%	(34.07)	-27%	(1,553.66)
Claris Lifesciences (Aust) Pty Limited	0%	(2.27)	0%	(1.49)
Claris Lifesciences de Mexico S.A. de C.V.	0%	(146.29)	4%	255.31
Claris Lifesciences Philippines, INC.	2%	2,775.01	50%	2,886.50
Claris Middle East FZ LLC	0%	(24.99)	0%	(20.64)
Elda International DMCC	0%	(63.26)	-1%	(43.43)
<b>Associates</b>				
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	9%	10,816.87	-159%	(9,212.10)
Minority Interest in all subsidiaries	0%	-	0%	-
<b>Total</b>	<b>100%</b>	<b>125,230.65</b>	<b>-100%</b>	<b>(5,804.21)</b>

# Notes forming part of the Financial Statements

(Rupees in lacs)

Name of entity	Net Assets i.e. total assets minus total liabilities as at 31st March, 2015		Share in profit or loss for the year ended 31st March 2015	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
<b>Holding Company</b>				
Claris Lifesciences Limited	67%	87,912.80	108%	16,075.42
<b>Subsidiaries</b>				
<b>Indian</b>				
iCubix Infotech Limited	0%	(71.86)	-1%	(94.66)
Claris Injectables Limited (Formerly know as Claris Lifesciences International Limited)	-10%	(12,868.44)	-83%	(12,336.87)
Ogen Nutrition Limited	0%	(32.16)	0%	0.41
Claris Infrastructure Limited	0%	(6.20)	0%	(0.51)
Claris Capital Limited	0%	-	0%	-
<b>Foreign</b>				
Claris Produtos Farmaceuticos do Brasil Ltda.	-1%	(1,107.25)	-2%	(357.78)
PT. Claris Lifesciences Indonesia	0%	(440.89)	0%	(38.71)
Claris Lifesciences Colombia Ltda.	0%	(254.18)	0%	39.71
Catalys Venture Cap Limited	19%	25,179.69	-5%	(713.05)
Claris SteriOne	0%	15.42	0%	0.00
Claris Pharmservices	0%	(646.48)	-2%	(317.73)
Claris Lifesciences Venezuela C. A.	0%	73.36	0%	(0.02)
Claris Lifesciences Inc.	7%	8,958.49	61%	9,105.60
Claris Lifesciences (UK) Limited	0%	(2.97)	0%	(2.40)
Claris Lifesciences & Cia. Chile Limitada	1%	1,561.75	2%	272.15
Claris Lifesciences (Aust) Pty Limited	0%	(2.77)	0%	(2.09)
Claris Lifesciences de Mexico S.A. de C.V.	0%	(254.82)	2%	296.04
Claris Lifesciences Philippines, INC.	3%	3,654.28	25%	3,769.06
Claris Middle East FZ LLC	0%	(11.93)	0%	(13.69)
Elda International DMCC	0%	(13.93)	0%	(13.69)
<b>Associates</b>				
Claris Otsuka Private Limited (Formerly known as Claris Otsuka Limited)	15%	20,028.95	-5%	(719.18)
Minority Interest in all subsidiaries	0%	-	0%	-
<b>Total</b>	<b>100%</b>	<b>131,670.87</b>	<b>100%</b>	<b>14,947.99</b>

38. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For Shah & Shah Associates  
Chartered Accountants  
FRN: 113742W

Sunil K. Dave  
Partner  
Membership No. 047236

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

Arjun Handa  
Vice-Chairman & Managing Director  
(DIN: 00159413)

Chandrasingh S. Purohit  
Whole Time Director & CFO  
(DIN: 00199651)

Kirit H. Kanjaria  
Sr. VP - Company Secretary & Compliance Officer

Place : Ahmedabad  
Date : 6<sup>th</sup> May, 2016

# Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries / associate company / joint venture

## Part "A": Subsidiaries

Sr. No.	Name of the Subsidiaries	Country	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) Before Taxation	Provision for Taxation	Profit / (Loss) After Taxation	Proposed Dividend	% of Share-holding
1	Clarís Produtos Farmaceuticos do Brasil Ltda*	Brazil	January 1, 2015 to December 31, 2015	Real	18.38	1,404.18	(1,055.17)	427.61	18.61	-	-	(68.30)	-	(68.30)	-	100%
2	Clarís Lifesciences Colombia Ltda*	Colombia	January 1, 2015 to December 31, 2015	Col. Pesos	0.02	508.53	(195.59)	329.91	16.96	-	-	3.67	-	3.67	-	100%
3	Clarís Lifesciences de Mexico SA de CV*	Mexico	January 1, 2015 to December 31, 2015	Mex. Pesos	3.83	2,524.14	(204.13)	2,360.18	40.18	-	-	252.84	-	252.84	-	100%
4	Clarís Lifesciences & Cia. Chile Limitada*	Chile	January 1, 2015 to December 31, 2015	Chilian Pesos	0.10	37.46	(42.66)	3.86	9.06	-	-	(1,530.42)	-	(1,530.42)	-	100%
5	Clarís Lifesciences Venezuela C.A.*	Venezuela	January 1, 2015 to December 31, 2015	Bolivar Fuerte	6.58	0.07	(30.39)	0.29	30.62	-	-	(79.25)	-	(79.25)	-	100%
6	Catalys Venture Cap Limited*	Mauritius	January 1, 2015 to December 31, 2015	US Dollars	66.33	756.59	27,988.25	36,636.89	7,892.05	24,648.21	-	(32.08)	1.41	(33.50)	-	100%
7	Clarís Pharmaservices*	Mauritius	January 1, 2015 to December 31, 2015	US Dollars	66.33	19,590.12	(1,317.32)	22,339.31	4,066.52	2,902.11	-	(969.91)	-	(969.91)	-	100%
8	Clarís SteriOne *	Mauritius	January 1, 2015 to December 31, 2015	US Dollars	66.33	66.33	1,849.59	6,815.33	4,899.41	-	-	1,849.79	-	1,849.79	-	100%
9	PT Clarís Lifesciences Indonesia*	Indonesia	January 1, 2015 to December 31, 2015	Rupiah	0.01	45.54	(468.85)	39.29	462.60	-	-	(10.39)	0.64	(11.03)	-	100%
10	Clarís Lifesciences Philippines, INC.*	Philippines	January 1, 2015 to December 31, 2015	Phil. Pesos	1.44	148.86	(163.56)	541.83	556.53	-	3,225.42	5.84	2.98	2.87	-	100%
11	Clarís Lifesciences Inc.*	USA	January 1, 2015 to March 31, 2016	US Dollars	66.33	2,885.61	1,429.48	17,679.13	13,364.04	-	33,011.87	2,129.24	943.27	1,185.96	-	100%
12	Clarís Lifesciences (UK) Limited*	UK	January 1, 2015 to December 31, 2015	Pound	95.09	9.51	(1.16)	9.06	0.72	-	-	(1.35)	(0.04)	(1.32)	-	100%
13	Clarís Lifesciences (Aust) pty Ltd*	Australia	January 1, 2015 to December 31, 2015	Aus. Dollar	50.68	5.07	(1.92)	4.16	1.00	-	-	(1.57)	-	(1.57)	-	100%
14	Clarís Middle East FZ - LLC	UAE	-	UAE Dirham	17.99	224.89	(35.80)	252.95	63.86	9.00	-	(21.21)	-	(21.21)	-	100%
15	Eida International DMCC	UAE	-	UAE Dirham	17.99	9.00	(23.69)	563.01	577.70	149.96	-	(9.09)	-	(9.09)	-	100%
16	Icubix Infotech Limited	India	-	INR	1.00	5.00	166.39	288.58	117.18	-	457.38	58.75	(2.50)	61.25	-	100%
17	Clarís Injectables Limited (formerly known as Clarís Lifesciences International Limited)	India	-	INR	1.00	48,405.01	7,316.81	129,493.81	73,772.00	4.27	48,803.47	6,950.24	1,057.26	5,892.98	1,220.50	100%
18	Ogen Nutrition Limited	India	-	INR	1.00	5.00	(37.10)	0.60	32.69	-	88.49	(4.94)	-	(4.94)	-	100%
19	Clarís Capital Limited	India	-	INR	1.00	250.00	(6.82)	1,029.73	786.55	782.00	-	(4.77)	2.05	(6.82)	-	100%
20	Clarís Infrastructure Limited	India	-	INR	1.00	5.00	(73.53)	4,084.38	4,152.91	-	565.00	(3.66)	63.67	(67.33)	-	100%

\* Financial Information based on Unaudited Financial Statements

Note: Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on exchange rates as on 31-03-2016

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			Number of Shares	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
21	Clarís Otsuka Private Limited (formerly known as Clarís Otsuka Limited)	31st December 2015	200000	200	20%	NA	NA	11,353.60	(9,212.10)	(46,060.50)



# 5 Year Financial Highlights - Consolidated

(Rupees in Lacs)

Operating Results	March-2016	March-2015	December-2013	December-2012	December-2011
Revenue from operations	73,887	79,975	66,776	76,737	74,048
Total Revenue	79,468	88,606	71,120	77,766	75,645
EBITDA	18,603	24,178	20,997	27,510	26,157
EBIT	14,311	19,273	15,968	21,005	20,614
Profit before exceptional items (PBT)	6,250	14,447	10,749	13,578	15,146
Tax Expenses	2,843	-1220	2,208	3,187	2,520
Profit after tax	3,408	15,667	8,541	10,391	12,626
Share of Profit / (Loss) from associates	-9212	-719	-100	-	-
Profit after tax (including subsidiary and joint Venture) (PAT)	-5804	14,948	8,441	10,391	12,626
Dividend (Amount)	1,091	-	5,744	1,276	1,276
Total Dividend per share	2	-	9	2	2
<b>Financial Positions</b>					
Equity Share Capital	5,457	5,457	6,382	6,382	6,382
Reserves and Surplus	119,774	126,214	134,048	108,505	98,829
Long term borrowing	35,509	27,343	12,683	29,895	18,172
Capital Employed	160,740	159,014	153,112	144,781	123,383
Market Capitalization	71,211	141,331	123,136	127,157	67,487
Gross Block	117,968	110,997	81,155	118,062	89,973
Net Block	110,424	107,425	57,154	87,057	66,324
Investments	29,503	53,392	81,832	2	2
Net Current Assets	35,886	31,000	44,729	19,524	33,513
<b>Returns</b>					
On Sales (EBITDA)%	25%	30%	31%	36%	35%
On Capital Employed (EBITDA)%	12%	15%	14%	19%	21%
On Shareholders Fund (PAT)%	-5%	11%	6%	9%	12%
Earning Per Share - Basic and Diluted	-11	26	13	16	20
Book Value Per share	229	241	220	180	165



# Notes

**ATTENDANCE SLIP**  
Only Members or the Proxies will be allowed to attend the meeting

**CLARIS LIFESCIENCES LIMITED**

Registered Office : Claris Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad-380006, India.

Tel: +91-79-26563331, 66309339 Fax: +91-79-26408053 Website: www.clarislifesciences.com

CIN: L85110GJ1994PLC022543

Regd. Folio		DP ID*	
No. of Shares held		Client ID*	
Name and Address of the Member			
Name of the Proxy			

\*Applicable for Members holding shares in dematerialized form.

I/We hereby record my/our presence at the Twenty First Annual General Meeting of CLARIS LIFESCIENCES LIMITED ("the Company") held on Friday, July 29, 2016 at 11:30 AM at J.B Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat and/or any adjournment thereof.

.....  
Signature of Member(s)/ Proxy

**Note:**

1. Member(s) attending the meeting in person or through proxy are requested to complete the Attendance Slip and hand it over at the attendance verification counter at the entrance of Meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company.
3. Member(s)/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

**Remote E-Voting Information**

The electronic voting particulars are set out below:

EVSN (E-Voting Sequence Number)	* Default Sequence Number
160627006	

\* Members who have not updated their PAN with the Company/ Depository Participant shall use Default Sequence Number in the PAN field. Other Members should use their PAN.

Please refer Notice for instructions on remote e -voting.

Remote e-voting facility is available during the following voting period

Commencement of e-voting	End of E-voting
Monday, July 25, 2016 (10:00 AM)	Thursday, July 28, 2016 (05:00 PM)

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CLARIS LIFESCIENCES LIMITED**

Registered Office : Claris Corporate Headquarters, Nr. Parimal Railway Crossing, Ellisbridge, Ahmedabad-380006, India.

Tel: +91-79-26563331, 66309339 Fax: +91-79-26408053 Website: www.clarislifesciences.com

CIN: L85110GJ1994PLC022543

Name of the Member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID.	

I/We, being the Member(s) of \_\_\_\_\_, shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty First Annual General Meeting of CLARIS LIFESCIENCES LIMITED ("the Company"), to be held on Friday, July 29, 2016 at 11:30 AM at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat and/or any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution Nos.**

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2016 comprising of the Balance Sheet as at March 31, 2016, Statement of Profit & Loss and Cash Flow Statement as on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the Report of the Board of Directors' and Auditors' thereon.
2. To declare a final Dividend of Rs. 2/- per equity shares for the financial year ended on March 31, 2016.
3. To appoint a Director in place of Mr. Arjun Handa (DIN: 00159413), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chandrasingh S. Purohit (DIN: 00199651), who retires by rotation and being eligible, offers himself for reappointment.
5. To ratify the appointment of Statutory Auditors, M/s. Shah & Shah Associates (Firm registration No.113742W), Chartered Accountants, Ahmedabad and to fix their remuneration.
6. To appoint Mr. Amish Vyas (DIN: 00168292) as a Director on the Board of the Company.
7. To ratify / approve the material related party transactions of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of Member

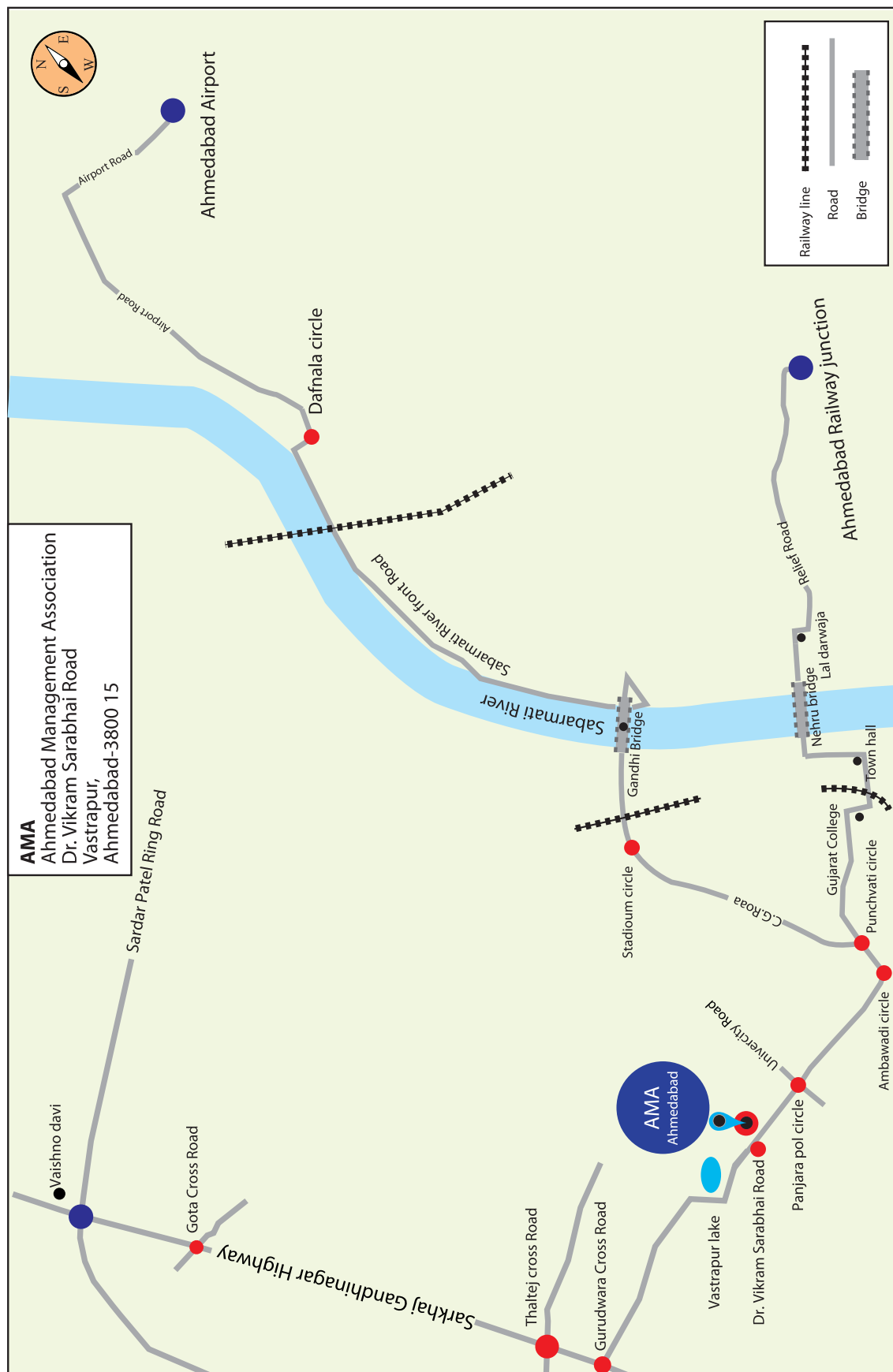
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Twenty First Annual General Meeting.
2. For the detailed Resolutions and Explanatory Statement, please refer to the Notice of the Twenty First Annual General Meeting.

# Route Map to the venue of the AGM



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## *Claris Lifesciences Limited*

Regd. Office:

Claris Corporate Headquarters

Nr. Parimal Railway Crossing,

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