

Claris

Annual Report 2013
Claris Lifesciences Limited



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Corporate Information

BOARD OF DIRECTORS

Mr. Surrinder Lal Kapur

Chairman & Independent Director

Mr. Arjun Handa

Managing Director & CEO

Mr. Aditya S. Handa

Director

Mr. Chetan S. Majmudar

Whole Time Director

Mr. Chandrasingh S. Purohit

Whole Time Director

Mr. T. V. Ananthanarayanan

Independent Director

Mr. Anup P. Shah

Independent Director

VP-Company Secretary & Compliance Officer

Kirit Kanjaria

AUDITORS

Deloitte Haskins & Sells, Ahmedabad

REGISTERED & CORPORATE OFFICE

Claris Corporate Headquarters,
Nr. Parimal Railway Crossing,
Ellisbridge, Ahmedabad - 380006, India
Tel: +91-79-26563331
Fax:- +91-79-26408053/26565879
Website: www.clarislifesciences.com
CIN: L85110GJ1994PLC022543

MANUFACTURING FACILITY

Village: Chacharwadi, Vasna
Taluka: Sanand
Ahmedabad - 382213, India

BANKERS

1. Canara Bank
2. Indian Overseas Bank
3. Punjab National Bank
4. Andhra Bank
5. Allahabad Bank
6. Central Bank of India
7. Vijaya Bank
8. Barclays Bank Plc

REGISTRAR AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
(Unit : Claris Lifesciences Limited)
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup (West)
Mumbai – 400 078

Managing Director & CEO's Message



Dear Shareowners,

I am happy to share with you the Annual Report for the year 2013.

The year 2013 will always be remembered as strategically one of the most significant years for Claris. We remained focused on strengthening our base competency i.e. Injectables. We adopted two-pronged strategy for growth – (a) Enhanced focus on regulated markets by aggressively filing ANDAs in the USA, enhancing network and product portfolio in Europe and other regulated markets; and (b) Separated out our successful infusion (IV fluids) business in emerging markets, by forming new joint venture company, Claris Otsuka Ltd. (Claris Otsuka) with Japanese partners, Otsuka Pharmaceutical Factory Inc (Otsuka), and Mitsui & Co. Ltd. (Mitsui).

I believe this new JV Company that became functional in August 2013 has brought complementary strengths to the table and will help foster the business, benefiting all stakeholders at large. With this JV in place, Claris team can dedicatedly focus their efforts on injectables business in regulated markets. Moreover, the growth from Claris Otsuka will have more to offer in building Claris further.

We have ushered into a new growth trajectory, and we are committed to take the Injectables business to newer heights, by expanding manufacturing capacities, building larger product portfolio, capturing larger markets and investing in new ways of working.

The year witnessed the outcome of our persistent efforts in regulated markets including the USA, where we have 12 ANDAs approval on hand, and 23 ANDAs in approval pipeline. In Europe, we have already crossed the mark of 213 product approvals with 69 products under approvals.

Our income from net sales in the year 2013 stood at Rs. 65,838 lacs where revenues from international markets stood at Rs. 43,827 lacs, representing 67% of the net revenues.

We set up a new injectables plant which will be operational by mid next year. This will add to our capacity to cater to increasing demands of our high-end, complex products.

We paid serious attention to people development, corporate governance, and a paradigm of corporate social responsibility that includes contributing to society at large through various initiatives creating meaningful and sustained impact to the cause we espouse.

Our people practices were once again recognised by industry experts which made us achieve the 'Best Place to Work' award and retain 1st position in Healthcare sector for the consecutive fourth time. This recognition once again is a confirmation of our belief that people are everything.

I thank all the stakeholders for continued trust and support extended to Claris.

Arjun Handa
Managing Director & CEO

Notice to Shareholders

CLARIS LIFESCIENCES LIMITED

Regd. Office: Claris Corporate Headquarters,
Near Parimal Railway Crossing, Ellisbridge,
Ahmedabad – 380 006, India
Tel. No. +91-79-2656 3331
Fax: +91-79-2640 8053/ 2656 5879
Website: www.clarislifesciences.com
CIN: L85110GJ1994PLC022543

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **CLARIS LIFESCIENCES LIMITED** will be held on Tuesday, June 17, 2014 at 11.00 AM at Ahmedabad Management Association, J.B. Auditorium, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2013 and Statement of Profit & Loss for the financial year ended on that date together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aditya S Handa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Shah and Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W) as the new Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company in place of the retiring Auditors, namely, M/s. Deloitte Haskins & Sells, Chartered Accountants, and to fix the remuneration of the new Auditors:

"RESOLVED THAT pursuant to the provisions of Sections 139,140,141 and other applicable provisions, if any of the Companies Act, 2013, approval be and is hereby accorded to appoint M/s Shah and Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting, in place of the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants Ahmedabad (FRN 117365W), Statutory Auditors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix the remuneration and other terms and conditions of said appointment."

"RESOLVED FURTHER THAT any one Director or the Company Secretary of the Company be and are hereby severally authorized to file necessary of e-forms with Registrar of Companies, Gujarat."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed at the 17th Annual General Meeting held on April 30, 2012 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956), including any statutory modifications or re-enactments thereof, the consent of the members be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time from any one or more Banks and/or from any one or more persons, firms, Bodies Corporate or Financial Institutions, Multilateral agencies, Foreign Institutional Investors, Foreign Financial Institutions and from any other persons or combination thereof whether by way of over draft, cash credit, guarantees, advance or deposits, loans, bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether in full or in part, whether immovable, movable or stock in trade (including raw materials, stores, spare parts and components, in stock or in transit) current assets and work in process and all or any of the undertaking(s) of the Company, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed at any time the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so that the total amounts of monies so borrowed at any time shall not exceed the sum of Rs 750 Crores (Rupees Seven Hundred Fifty Crores Only)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above resolution."

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Surrinder Lal Kapur, already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue as an Independent Director for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019, and shall not be liable to retire by rotation."

Notice to Shareholders

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT Mr. T. V. Ananthanarayanan, already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue as an Independent Director for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019, and shall not be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT Mr. Anup P. Shah, already an Independent Director pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and who is eligible to remain in office as an Independent Director pursuant to Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement effective from 1st October, 2014, continue as an Independent Director for a term of 5 (five) consecutive years with effect from April 1, 2014 up to March 31, 2019, and shall not be liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto and further read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Chetan S. Majmudar, be and is hereby re-appointed as a Whole Time Director of the Company, for a further period of 3 years commencing from 1st July, 2014 to 30th June, 2017 upon the terms and conditions, including the remuneration to be paid as may be agreed to and decided by the Board and Mr. Chetan S. Majmudar."

"RESOLVED FURTHER THAT subject to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, the remuneration as set out herein above be paid as minimum remuneration to Mr. Chetan S. Majmudar, notwithstanding that in any financial year of the Company during his tenure as Whole Time Director, the Company has made no profits or profits are inadequate."

"RESOLVED FURTHER THAT subject to the superintendence, control and direction of the Board of Directors of the Company and the regulations contained in the Memorandum and Articles of Association of the Company and also the provisions of the Companies Act, 2013 and any other regulations that may be applicable to the operations of the Company, Mr. Chetan S Majmudar as a Whole Time Director, be made responsible for and be authorised to take decisions as mentioned in the Letter of his re-appointment."

"RESOLVED FURTHER THAT pursuant to the provisions of Rules 3 and 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a return of appointment in the prescribed form be filed with the Registrar of Companies within the prescribed time period for the appointment of Mr. Chetan S. Majmudar as the Whole Time Director of the Company."

Place : Ahmedabad
Date : May 9, 2014

Registered Office :
Clarix Corporate Headquarters,
Nr. Parimal Railway Crossing,
Ellisbridge, Ahmedabad 380006, India
Tel. No. +91-79-2656 3331
Fax: +91-79-2640 8053/ 2656 5879
Website: www.clarislifesciences.com
CIN: L85110GJ1994PLC022543

By order of the Board of Directors
For Clarix Lifesciences Limited

Kirit Kanjaria
VP – Company Secretary & Compliance Officer

NOTES:

1. Explanatory Statement as required under 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 ANNUAL GENERAL MEETING 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 resolution/ authority, as applicable. 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.
3. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.

Notice to Shareholders

4. The Register of Members and Share Transfer Books will remain closed from June 13, 2014 to June 17, 2014 (both days inclusive).
5. The brief profile of the Directors proposed to be re-appointed is given in the section "Report on Corporate Governance" of the Annual Report.
6. All documents referred to in the Notice or in the accompanying 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, between 10.00 a.m. to 1.00 p.m. prior to the date of the Annual General Meeting and also available for inspection at the meeting.
7. The shares of the Company are at present listed with BSE Limited. The listing fee for the year 2014-2015 is paid to BSE before the due date.
8. 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 Form No. SH-13 in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
9. The Notice along with Annual Report will be sent electronically indicating the process and manner of E-Voting to the members whose e-mail addresses are registered with the depository participants /Company. The physical copy of Notice along with Annual Report has been sent to those members whose email addresses are not registered with the depository participants /Company indicating the process and manner of E-Voting.

The members will be entitled to receive physical copy of annual report for the financial year ended December 31, 2013, free of cost, upon sending a request to the Registrar and Transfer Agent or the Company Secretary of the Company. The Notice along with Annual Report will also be available on the Company's website www.clarislifesciences.com

10. In terms of the Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend, etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. And the members holding securities in physical form are requested to send a request to the Registrar and Transfer Agent i.e. Link Intime India Private Limited or the Company Secretary of the Company.

11. Members are requested to inform change in address or bank mandate to their respective depository participants with whom they are maintaining their demat accounts and with the Registrar and Transfer Agent i.e. M/s Link Intime India Private Limited or the Company Secretary of the Company for the shares held in physical form by a written request duly signed by the member for receiving all communication in future.
12. Members desiring any information relating to the accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information available at the meeting.
13. Members wishing to claim dividend, which remain unclaimed, 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 as per the Section 124 of the Companies Act, 2013, be transferred to Investor Education and Protection Fund.

Members who have either neither received nor encashed their dividend warrant(s) for the financial years ended December 31, 2010 upto December 31, 2013, 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).

14. Voting through electronic means:-

- I In compliance with the provisions of Section 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in further pursuance to the revised Clause 35B of the Listing Agreement effective with immediate effect from vide Circular No. CFD/ Policy Cell/ 2/ 2014 dated 17th April, 2014 issued by the Securities and Exchange Board of India, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting by electronic means and business may be transacted through E-Voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the E-voting facility and a member may avail of the facility at his/her discretions, subject to compliance with the instruction for E-Voting given below.

In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company may order a poll on his own motion in terms of Section 109 of the Companies Act, 2013 for the businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting.

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Claris Annual Report e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination

Notice to Shareholders

thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Claris Lifesciences Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csdoshiac@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on June 10, 2014 (6:00 am) and ends on June 12, 2014 (12:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date is May 16, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date is May 16, 2014.

VII. Mr. Ashish C Doshi, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.clarislifesciences.com and on the website of NSDL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited

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

ITEM NO. 4

Pursuant to General Circular No. 04/2014 dated 25th March, 2014 issued by the Ministry of Corporate Affairs and in further pursuance to the provision of Section 180(1)(c) of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956) and further in supersession of the earlier resolution passed at the 17th Annual General Meeting held on April 30, 2012, the Board of Directors cannot, except with the consent of the company in general meeting, borrow moneys (apart from temporary loans obtained from the company's banker in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose. In such circumstance, approval of the shareholders is being requested to enable the Directors to borrow money to the extent of Rs. 750 Crores (rupees seven hundred and fifty crores only) from lenders as stated above.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or otherwise interested in this resolution

Your Directors recommend the resolution for your approval as a Special Resolution.

ITEM NO. 5

Mr. Surrinder Lal Kapur is an Independent and Non - Executive Director of the Company. He was appointed as a Director of the Company on