Claris Lifesciences Limited

Registered and Corporate Office: Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380 006
Tel.: +91 79 2656 3331; **Fax**: +91 79 2640 8053/ 2656 5879, **Website**: www.clarislifesciences.com, **E-mail**: investorservices.corp@clarislifesciences.com

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF CLARIS LIFESCIENCES LIMITED FOR BUY BACK OF EQUITY SHARES THROUGH TENDER OFFER

This Public Announcement (the "**Public Announcement**") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "**Buy Back Regulations**") and contains the disclosures as specified in Part A of Schedule II to the Buy Back Regulations.

OFFER FOR BUY BACK OF UP TO 92,50,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 250 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. **DETAILS OF THE BUY BACK OFFER AND OFFER PRICE**

1.1. The board of directors (the "**Board**") of Claris Lifesciences Limited (the "**Company**") passed a resolution on January 7, 2014 (the "**Board Meeting**") to recommend the proposal for buy back of equity shares of face value of ₹ 10 each ("**Equity Shares**") of the Company and sought approval of the equity shareholders of the Company, by a special resolution, through postal ballot notice dated February 1, 2014 ("**Postal Ballot Notice**"), the result of which was announced on March 18, 2014. By way of the said special resolution passed through postal ballot, the equity shareholders of the Company have approved the buy back of up to 92,50,000 Equity Shares from the equity shareholders/ beneficial owners of Equity Shares ("**Equity Shareholders**") of the Company as on the Record Date (*hereinafter defined*), on a proportionate basis, through the tender offer route ("**Buy Back**"), at a price of ₹ 250 per Equity Share (Rupees Two Hundred Fifty Only) ("**Buy Back Price**") payable in cash, for an aggregate maximum amount of ₹ 2,31,25,00,000 (Rupees Two Hundred Thirty One Crores Twenty Five Lakhs Only) ("**Buy Back Size**").

1.2. The Buy Back is in accordance with the provisions of Sections 77A, 77B and all other applicable provisions, if any, of the Companies Act, 1956, as amended and to the extent applicable (the "**Companies Act**"), Sections 69, 70(1) and all other applicable provisions, if any, of the Companies Act, 2013, as amended and to the extent notified (the "**New Companies Act**"), and in accordance with Article 12 of the Articles of Association of the Company and subject to the provisions of the Buy Back Regulations, and such other approvals, permissions and exemptions as may be required from time to time from BSE Limited ("**BSE**"), where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof.

1.3. In accordance with the provisions of the Companies Act, the Buy Back Size, is ₹ 2,31,25,00,000 (Rupees Two Hundred Thirty One Crores Twenty Five Lakhs Only), which is 24.83% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended December 31, 2012 (the last audited financial statements available as on the date of the Board Meeting approving the Buy Back) and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited financial statements of the Company. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the company in that financial year. Since the Company proposes to Buy Back up to 92,50,000 (Ninety Two Lakhs Fifty Thousand) Equity Shares representing 14.49% of the total number of Equity Shares in the total paid up equity share capital of the Company, the same is within the aforesaid 25% limit.

1.4. The Buy Back Price per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on BSE, the net worth of the Company and the impact of the Buy Back on the earnings per equity share of the Company. The Buy Back Price per Equity Share represents a premium of 39.61% over the average closing prices of the Company's Equity Shares on BSE for 3 months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buy Back and 36.27% over the average closing prices of the Company's equity shares on BSE for a period of 15 days preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buy Back. The closing market price of the Equity Shares as on the date of intimation of the date of the Board meeting for considering the Buy Back, being January 2, 2013, was ₹ 198.25. The Buy Back Price is more than about 67.92% of the book value per Equity Share of the Company, which pre-Buy Back, as on December 31, 2013, is ₹ 148.88. The earnings per Equity Share of the Company pre-Buy Back as on December 31, 2013 is ₹ 12.73 which will increase to ₹ 14.88 post Buy Back assuming full acceptance of the Buy Back. The return on networth of the Company pre Buy Back as on December 31, 2013 is 8.55%, which will increase to 11.30% post Buy Back assuming full acceptance of the Buy Back.

1.5. The Buy Back shall be on a proportionate basis from all the Equity Shareholders of the Company through the "tender offer" process as prescribed under Regulation 4(1)(a) of the Buy Back Regulations. Please see paragraph 9 below for details regarding "Record Date and Shareholder's Entitlement" for tendering in the Buy Back.

2. **NECESSITY OF THE BUY BACK**

2.1. Share buy back is the acquisition by a company of its own shares. The objective of the Buy Back is to return surplus cash to the Equity Shareholders of the Company. The Buy Back through tender offer route gives an option to all the Equity Shareholders, including the promoter shareholders, to receive the surplus cash by participating in the Buy Back.

2.2. Subsequent to the sale of the Company's infusion business for India and emerging markets to Claris Otsuka Limited ("**Joint Venture**") wherein Otsuka Pharmaceutical Factory, Inc., Japan, Mitsui & Co. Limited, Japan and the Company are shareholders for 60%, 20% and 20%, respectively, the board at its meeting held on January 7, 2014 considered various alternatives for rewarding the Equity Shareholders. After considering several factors and benefits to the Equity Shareholders, the Board of Directors decided to recommend Buy Back of up to 92,50,000 (Ninety Two Lakhs Fifty Thousand) Equity Shares (representing 14.49 % of the total number of the equity share capital of the Company) at the Buy Back Price i.e. ₹ 250 aggregating to ₹ 2,31,25,00,000 (Rupees Two Hundred Thirty One Crores Twenty Five Lakhs Only). Buy Back is a more efficient form of distributing surplus cash to the Equity Shareholders compared to other alternatives including interim dividend, *inter-alia*, for the following reasons:

a. The Buy Back gives an option to the Equity Shareholders, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy Back offer or they may choose not to participate thereby and enjoy a resultant increase in their percentage shareholding, post the Buy Back offer, without additional investment;

b. Since the Buy Back proceeds will be taxed as capital gains, the Buy Back would enable the Company to distribute the entire amount so allocated to the Equity Shareholders in a more efficient manner as compared to dividend distribution which would involve payment of dividend distribution tax and thereby result in lower amount being distributed to the Equity Shareholders;

c. The Buy Back would help in improving certain financial ratios of the Company;

d. The Buy Back, which is being implemented through the tender offer route as prescribed under the Buy Back Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders who would get classified as "small shareholders".

3. **DETAILS OF PROMOTERS' SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUY BACK**

3.1. The aggregate shareholding of the Promoters and Promoter Group of the Company, the directors of the Promoters and Promoter Group Entities (where the Promoter or Promoter Group entity is a company) and the persons who are in control of the Company, as on the date of the Postal Ballot Notice i.e. February 1, 2014 is given below:

a. Aggregate shareholding of the companies/ entities forming part of the Promoters and Promoter Group:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of Equity Shareholding
1	Athanas Enterprise Private Limited (Promoter)	3,15,80,679	49.4857
2	Abellon Energy Limited (Promoter Group)	68,44,532	10.7251
	Total	**3,84,25,211**	**60.2108%**

b. Aggregate shareholding of the directors of the Promoters and Promoter Group:

None of the directors of the Promoters and Promoter Group of the Company hold any Equity Shares in the Company.

c. Aggregate shareholding of the persons who are in control of the Company:

Except as disclosed in paragraph 3.1.a. above, none of the persons, who are in control of the Company, holds any Equity Shares in the Company.

3.2. Details of transactions - purchase/ sale/ transfer - undertaken by the Promoters and/or Promoter Group, the directors of the Promoters and/or Promoter Group, where the Promoter/Promoter Group is a company, and/or persons who are in control of the Company from a period of six months preceding the date of the Board Meeting i.e. January 7, 2014 at which the Board recommended the proposal for Buy Back till the date of Postal Ballot Notice:

Transferor	Transferee	No. of Equity Shares Transferred	Price Per Equity Share (₹)	Date of Transaction	Mode of Transaction
Sarjan Financial Private Limited	Athanas Enterprise Private Limited	2,37,80,172	204.70	December 30, 2013	Inter-se transfer
Arjun Handa	Athanas Enterprise Private Limited	78,00,507	219.10	December 30, 2013	Inter-se transfer
Medical Technologies Limited	Abellon Energy Limited.	46,53,120	204.70	December 30, 2013	Inter-se transfer
Aditya S Handa	Abellon Energy Limited.	21,91,412	219.10	December 30, 2013	Inter-se transfer

3.3. In terms of the Buy Back Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buy Back. In this regard, a certain Promoter and a certain Promoter Group entity of the Company have each expressed their intention, by letters dated January 7, 2014, to participate in the Buy Back and tender Equity Shares in compliance with the Buy Back Regulations/terms of the Buy Back.

The details of date and price of acquisition of the Equity Shares that the Promoters and Promoter Group intend to tender are stated below:

a) Athanas Enterprise Private Limited (Promoter)

Date of Acquisition	No. of Equity Shares Acquired	Cost of Acquisition per Equity Share (In ₹)	Mode of Acquisition	Maximum no. of Equity Shares intended to be tendered
December 30, 2013	2,37,80,172	204.70	*Inter-se* transfer	3,15,80,679
December 30, 2013	78,00,507	219.10	*Inter-se* transfer	

b) Abellon Energy Limited (Promoter Group)

Date of Acquisition	No. of Equity Shares Acquired	Cost of Acquisition per Equity Share (In ₹)	Mode of Acquisition	Maximum no. of Equity Shares intended to be tendered
December 30, 2013	46,53,120	204.70	*Inter-se* transfer	68,44,532
December 30, 2013	21,91,412	219.10	*Inter-se* transfer	

4. The Board confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

5. The Board has confirmed on the date of the Board Meeting (i.e. January 7, 2014) that it has made a full enquiry into the affairs and prospects of the Company and that it has formed the opinion:

a. That immediately following the date of the Board Meeting held on January 7, 2014 and the date on which results of the postal ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;

b. That as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, approving the buy back and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buy Back or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;

c. In forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

6. The text of the report dated January 7, 2014 received from the Statutory Auditors of the Company viz. Deloitte Haskins & Sells, Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

Quote

REF: GJS/CLL/1-2013-14

Independent Auditors' Report pursuant to Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

To,
The Board of Directors,
Claris Lifesciences Limited
Nr. Parimal Rly. Crossing
Ellisbridge, Ahmedabad 380 006

We are the statutory auditors of **Claris Lifesciences Limited** ("the Company") having its registered office at Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad - 380006 and bearing CIN No. L85110GJ1994PLC022543. The Company vide its letter dated 7^{th} January, 2014 has informed us that the Board of Directors of the Company in their meeting held on 7^{th} January, 2014 have resolved to buy-back 92,50,000 (Ninety Two Lakhs Fifty Thousand) equity shares of the face value of Rs. 10 each (representing 14.49 % of the total number of the equity share capital of the Company) at the price of Rs. 250 per equity share aggregating to Rs. 231,25,00,000 (Rupees two hundred and thirty one crores and twenty five lakhs only)("proposed buyback") in accordance with the provisions of Section 77 A, 77AA and 77B of the Companies Act, 1956 ("the Act"), the provisions of Sections 69 and 70 (1) of the Companies Act, 2013 and as per requirements of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time ("Buyback Regulations") and have requested us to issue a report as required under clause (xi) of part A of Schedule II of the Buyback Regulations.

The Board of Directors of the Company is responsible for (i) properly determining the amount of capital payment for the buyback; and (ii) making full inquiry into the affairs and prospects of the Company and forming the opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for buyback will be declared.

Pursuant to the requirement of the Buyback Regulations, our responsibility is to report that (i) whether we have inquired into the state of affairs of the Company, (ii) whether the amount of capital payment for the buyback is within the permissible limit computed in accordance with the provisions of Section 77A of the Act; and (iii) whether the Board of directors have formed an opinion, as specified in clause (x) of schedule II of the Buyback Regulations, on reasonable grounds that the Company having regards to its state of affairs will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for buyback will be declared.

We conducted our procedures in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India and by application of generally accepted auditing practices.

In terms of the requirement of Clause (xi) of Part A of Schedule II of Buyback Regulations, and based on the informations and explanations given to us and on the basis of verification of relevant records, we report that:

(i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended 31^{st} December, 2012 which were approved by the Board of Directors at their meeting held on 23^{rd} February, 2013 and adopted by the members of the Company at the Annual General Meeting held on 12^{th} April, 2013

(ii) The amount of the permissible capital payment for the securities in question is, in our view, properly determined and is less than twenty five percent of the total paid up capital and free reserves of the Company as per the audited financial statements for the year ended on 31^{st} December 2012 as ascertained below:

(Rs. in Lakhs)

	As at 31^{st} December, 2012
Share Capital -Subscribed and Paid up	6,381.78
Free Reserves	
- Share Premium Account	34,584.62
- General Reserves	5,268.94
- Profit and Loss Account	46,885.57
Total	**93,120.91**
Maximum amount permissible for buyback. i.e 25% of the total paid up capital and free reserves	**23,280.23**

(iii) The Board of Directors of the Company, in their meeting held on 7^{th} January, 2014 have formed their opinion as specified in clause (x) of Part A of Schedule II of Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date on which the result of the postal ballot for buyback was declared.

This report is issued at the specific request of the Company in pursuance of the Buyback Regulations in connection with the proposed buyback and not be used for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)
Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
7^{th} January, 2014

Unquote

7. The Buy Back is open to all Equity Shareholders of the Company holding Equity Shares (either in physical and/or electronic form) as on the Record Date (*hereinafter defined*).

8. The Buy Back shall be implemented in the manner and following the procedure prescribed in the Companies Act, New Companies Act and the Buy Back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy Back) and on such terms and conditions as may be permitted by law from time to time.

9. **RECORD DATE AND SHAREHOLDER'S ENTITLEMENT**

9.1. As required under the Buy Back Regulations, the Company shall announce the record date (the "**Record Date**") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buy Back Offer.

9.2. The Equity Shares to be bought back as a part of this Buy Back Offer is divided into two categories:
- Reserved category for Small Shareholders; and
- General category for all other shareholders.

9.3. As defined in the Buy Back Regulations, a "**Small Shareholde**r" is a shareholder who holds equity shares having market value, on the basis of closing price on BSE as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs).

9.4. In accordance with Regulation 6 of the Buy Back Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to buy back, or number of Equity Shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy Back. The Company believes that this reservation of 15% for Small Shareholders would benefit a large number of public shareholders, who would get classified as small shareholders.

9.5. On the basis of shareholdings as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buy Back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buy Back applicable in the category to which such shareholder belongs.

9.6. Participation in the Buy Back shall be voluntary. Equity Shareholders of the Company shall have the option to participate, in part or in full, and get cash in lieu of Equity Shares to be accepted under the Buy Back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding in the Company post Buy Back without additional investment. Further, Equity Shareholders of the Company shall have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation by some other Equity Shareholders of the Company, if at all.

9.7. The maximum tender under the Buy Back by any Equity Shareholder of the Company cannot exceed the number of Equity Shares held by such Equity Shareholder of the Company as on the Record Date.

9.8. The Equity Shares tendered as per the entitlement by the Equity Shareholders of the Company as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy Back Regulations.

9.9. Detailed instructions for participation in the Buy Back (tendering of Equity Shares in the Buy Back) as well as the relevant time table will be included in the letter of offer which will be sent in due course to the Equity Shareholders of the Company as on the Record Date.

10. **COMPLIANCE OFFICER**

Mr. Kirit Kanjaria,
VP - Company Secretary& Compliance Officer,
Claris Lifesciences Limited,
Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad- 380 006
Tel.: +9179 2656 3331; **Fax**:+91 79 2640 8053 / 2656 5879,
Email:investorservices.corp@clarislifesciences.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays.

11. **INVESTOR SERVICE CENTRE**

In case of any query, the shareholders may contact the Registrar & Transfer Agent of the Company on any day except holidays between 10.00 a.m. to 5.00 p.m.at the following address:

LINK INTIME INDIA PVT LTD

Link Intime India Private Limited
Unit: Claris Lifesciences Limited- Buy Back, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai- 400 078; **Tel.:**+91 22 2596 7878;
Fax: +91 22 2596 0329, **Contact Person:** Mr. Pravin Kasare,
E-mail:claris.buyback@linkintime.co.in, **Website:**www.linkintime.co.in

12. **MANAGER TO THE BUYBACK**

AXIS CAPITAL

Axis Capital Limited
1st Floor, Axis House, C-2 Wadia International Centre, P.B. Marg, Worli, Mumbai- 400025. **Tel.:** +91 22 4325 3101; **Fax:** +91 22 4325 3000
Contact Person: Ms. Simran Gadh, **Email:**clarisbuyback@axiscap.in
Website:www.axiscapital.co.in

13. **DIRECTORS' RESPONSIBILITY**

As per Regulation 19(1) (a) of the Buy Back Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement.

For and on behalf of the Board of Directors of Claris Lifesciences Limited

Sd/- Arjun Handa Managing Director & CEO	Sd/- Chandrasingh Purohit Whole Time Director	Sd/- Kirit Kanjaria VP – Company Secretary & Compliance Officer

Date: March 19, 2014
Place: Ahmedabad