

December 6, 2017

Deputy General Manager
BSE Limited,
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai- 400 001

Scrip Code: 533288
ISIN: INE562G01018

Dear Sir,

Sub: Outcome of Board Meeting of Claris Lifesciences Limited ("the Company") held today, December 6, 2017 in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Notice of Meeting of the Board of Directors of Claris Lifesciences Limited (the "Company") to be held on December 6, 2017 to consider the letter received from Athanas Enterprise Private Limited for the proposal for voluntary delisting of the equity shares of the Company in compliance with Regulation 29 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and Regulation 8(1A)(i) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time ("Delisting Regulations")

This is with reference to the captioned subject and in continuation to our intimation letter dated December 2, 2017 with respect to the meeting of Board of Directors of the Company ("Board") to be convened on December 6, 2017 in relation to the delisting proposal ("Delisting Proposal") received by the Company by way of a letter dated December 2, 2017 ("Letter") from the promoter of the Company, Athanas Enterprise Private Limited ("AEPL" or "Promoter") expressing its intention, along with the promoter / promoter group of the Company, to voluntarily delist the Company's equity shares from BSE Limited by acquiring, either by itself or along with one or more subsidiaries, the shares held by public shareholders in terms of SEBI (Delisting of Equity Shares) Regulations, 2009 as amended from time to time ("Delisting Regulations").

In view of the above, at the meeting held today, December 6, 2017 commenced at 11:00 AM and concluded at 5:10 PM, the Board has taken the following decisions:

1. The Board has taken on record the Letter and considered the Delisting Proposal to voluntary delist the equity shares of the Company from the BSE Limited ("BSE"), the only stock exchange where the shares of the Company are listed.



Claris Lifesciences Limited

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www.clarislifesciences.com

(Corporate Identity Number: L85110GJ1994PLC022543)

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2. The Board further noted that in terms of Regulation 8(1)(a) of the Delisting Regulations the proposal of delisting is required to be approved by the Board after taking into account a due diligence certificate from a SEBI registered merchant banker. Further the Company is also required to obtain the approval of its public shareholders by way of special resolution (through postal ballot and e-voting) and obtain the necessary approvals from the BSE and other statutory authorities as required.
3. Appointment of IDFC Bank Limited ("**Merchant Banker**"), having SEBI Registration No. MB/INM000012250, as a Merchant Banker for carrying out due diligence as required in terms of the provisions of Regulation 8(1A)(ii) of Delisting Regulations. Board also authorized any Director or the Company Secretary of the Company to provide the requisite information to the Merchant Banker for carrying out the due diligence as required in terms of Regulation 8(1A)(iii) and 8(1D) of Delisting Regulations, including but not limited to (i) details of trading in shares of the Company by the Top 25 shareholders of the Company for a period of 2 years prior to the date of today's Board Meeting, i.e. December 6, 2017; and (ii) details of off-market transactions of such shareholders for a period of 2 years from December 6, 2017. After the receipt of the due diligence report from the Merchant Banker, the Board will again meet to discuss the delisting proposal in detail.

During the aforesaid meeting of the Board, the Board also evaluated other options for efficient distribution of the net cash proceeds available with the Company to the shareholders, such as distribution of dividend and buy-back of shares etc. or a combination thereof. In this regard, the Board noted as follows:

- a. In case of a buy-back of shares, due to the sizing requirements prescribed under the Companies Act, 2013 and the applicable SEBI Regulations, the Company would be able to buy-back shares held by the shareholders only to the extent of 25% of the paid-up share capital and free reserves of the Company. Further, the Company would not be able to undertake another buy-back for at least 1 year from the date of an earlier buyback. In addition, a buy-back will not provide a complete exit to the public shareholders.
- b. With respect to dividend distribution, there are two issues – (a) the distribution of dividend will be subject to payment of dividend distribution tax by the Company, and accordingly the proceeds received by shareholders would be net of such tax; and (b) the shareholders will still be left holding shares of a Company with no active business (as all the cash would have been distributed). Hence, this method is not tax efficient and would not provide an exit opportunity to the public shareholders.

On analyzing the above, the Board observed that the Delisting Proposal, subject to various regulatory compliances under the Delisting Regulations being fulfilled, could be a preferable option for the public shareholders, as it provides them with a complete exit from the Company at a price discovered through the reverse book-building mechanism.



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As a separate matter, the Board also noted as follows:

1. As per the disclosures made by the Company on October 12, 2017, the Company has net cash proceeds of INR 2077 crores, translating to a value of INR 381 per equity share.
2. On July 27, 2017 (the closing date of the Baxter sale), the United States Food and Drug Administration (FDA) initiated an unannounced inspection of Claris Injectables Limited ("CIL") regarding its manufacturing facility located in Ahmedabad, India. Pursuant to the aforementioned inspection, certain observations were issued for which certain costs, corrective measures and other items will be required to be incurred, as Baxter integrates CIL into its quality systems ("FDA Costs"). In this regard, the Company has been in discussions with Baxter to settle all potential claims against the Company and its subsidiaries under the Baxter sale including in relation to the FDA Costs.
3. Pursuant to such discussions, the Company has reached a settlement with Baxter to settle all potential claims against the Company and its subsidiaries. Consequent to such settlement, after the completion of certain pre-requisites, the escrow and certain other amounts related to contingencies will be paid to Baxter in exchange for the release from all potential claims against the Company and its subsidiaries under the Baxter sale. Hence, the realizable value will remain the same at INR 381 per equity share.

We request you to take above information on your records.

Thanking you,

Yours faithfully

FOR CLARIS LIFESCIENCES LIMITED


Chandrasingh Purohit

WHOLE TIME DIRECTOR & CFO

