

NOTICE OF POSTAL BALLOT

(Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution By Postal Ballot) Rules, 2011)

To
The Members,

Notice is hereby given pursuant to Sections 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 for seeking the approval of the members that the resolution appended below is proposed to be passed as an ordinary resolution by way of voting through Postal Ballot. The explanatory statement pertaining to the said resolution setting out material facts is annexed hereto for your consideration and approval:

“RESOLVED THAT pursuant to the provisions of section 293(1)(a), section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment (s) to or re-enactment thereto) and the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, approval of the Company be and is hereby granted to the Board of Directors (hereinafter called the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) for slump sale of the Company’s infusion business or part thereof along with employees, assets and liabilities pertaining thereto including relevant licenses, permits, approvals, contracts, consents whatsoever as a “going concern” to M/s. Claris Otsuka Limited, a wholly owned subsidiary of the Company, effective such date, subject to mutual terms and conditions as the Board may deem appropriate in the best interest of the company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary without further referring to the members of the Company, including finalizing the terms and conditions, methods and modes in respect thereof, determining the effective date and finalizing and executing necessary documents, contracts, agreements or expedients in its own discretion and in the best interest of the Company including power to delegate, to give effect to the aforesaid resolution”.

By Order of the Board
For Claris Lifesciences Limited

Sd/-

Rajesh Kumar Modi

General Manager - Compliance & Company Secretary

Place: Ahmedabad.

Date : 9th January, 2013

Notes:

1. Explanatory Statement and reasons for the proposed special business pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
2. The Company has appointed Mr. Ashish C. Doshi, Practicing Company Secretary as a Scrutinizer for the purpose of Postal Ballot exercise. The scrutinizer will submit his report to the Managing Director & CEO or in his absence to any Director after the completion of the scrutiny for declaration of results.
3. The Notice is being sent to all the members whose names would appear in the Register of Members/ Record of Depositories as on 11/01/2013.
4. A member desiring to exercise vote may complete this postal ballot form and send it to the scrutinizer in the enclosed self- addressed postage prepaid envelope / business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballot forms, if deposited in person or sent by courier or registered post at the expense of the registered members will also be accepted. A duly completed Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) should reach the scrutinizer not later than the close of working hours on 16/02/2013. The self addressed envelop bears the address of the scrutinizer appointed by the Board of Directors of the Company. Postal Ballot Forms received after the due date will be treated as if the reply from the member has not been received.

5. The results of the Postal Ballot shall be declared by the Managing Director & CEO or in his absence by any one Director as authorized on 18/02/2013 at 4:00 pm at the Registered Office of the Company at Claris Corporate Headquarters, Near Parimal Railway Crossing, Ellisbridge, Ahmedabad-380006 and the resolution will be taken as passed effectively on the date of announcement of the result. Members who wish to be present at the venue at the time of declaration of the results are welcome to do so. The results of the Postal Ballot shall also be announced through a newspaper advertisement and will also be hosted on the website of the Company www.clarislifesciences.com.
6. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M and 5.00 P.M and up to 3:00 pm on the date of declaration of the results of Postal Ballots.
7. Members are requested to carefully read the instruction printed on the backside of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT FOR THE PROPOSED SPECIAL BUSINESS ACCOMPANYING THE NOTICE DATED 9TH JANUARY, 2013 IN RESPECT OF ITEM NO. 1 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956 ARE GIVEN HEREUNDER.

In order to strengthen Claris's global expertise in the Infusions business and their speciality products, the Board of Directors of the Company on 7th December, 2012 have approved subject to the approval of shareholders and other regulatory approvals wherever required to enter into the Joint Venture with Otsuka Pharmaceutical Factory, Inc. (OPF) and Mitsui & Co. Ltd. (Mitsui) for its Infusion Business in India and Emerging Markets. To achieve this, the Company's infusion business of two undertakings, including its plants, i.e., Clarion 2 and Clarion 4 or part thereof along with employees as well as assets and liabilities pertaining thereto including all relevant licences, permits, contracts, consents and approvals whatsoever will be transferred to M/s. Claris Otsuka Limited, currently a wholly owned subsidiary of company. The aforesaid infusion division will be transferred on slump sale and as a going concern basis through a Business Transfer Agreement (BTA). Following the transfer of the aforesaid infusion division, the Company proposes to enter into a strategic joint venture with Otsuka Pharmaceutical Factory, Inc. (OPF) and Mitsui & Co. Ltd. (Mitsui) for its Infusion Business in India and Emerging Markets. The alliance is to bring together the Company's market leadership position in the infusion business and their speciality products. OPF and Mitsui would invest in the wholly owned subsidiary of the Company. Ultimately, the Company would hold 20 % stake of Claris Otsuka Limited ("JV Company"), Otsuka Pharmaceutical Factory, Inc. (OPF) and Mitsui & Co. Ltd. (Mitsui) would hold 60% and 20% stake respectively.

Mr. Arjun S. Handa, the Managing Director & CEO of the Company would continue to provide leadership to the JV Company and would be holding the position of Chairman. The CEO of the JV Company would be appointed by the Company.

The key take away from the transaction are as follows:

- a. This joint venture will include the Common Solutions, Anti-Infectives, Plasma Volume Expanders and Parenteral Nutrition therapies of Claris for India and the Emerging Markets.
- b. Claris will transfer the above mentioned business to Claris Otsuka Limited (Claris-Otsuka) and shareholding of Claris Otsuka Limited will be Claris 20%, OPF 60% and Mitsui 20%.
- c. Two (2) out of the Five (5) undertakings including their plants to be transferred to Claris-Otsuka.
- d. Business is valued at Rs. 1,313 Crores and Claris to receive total cash consideration of Rs. 1050 Crores over multiple agreements on closing of customary conditions.
- e. Claris-Otsuka shall co-brand its products in India and across Emerging Markets utilizing the manufacturing and marketing competence of Claris.
- f. Claris-Otsuka to introduce OPF's speciality products in India and Emerging Markets
- g. OPF to have an opportunity to leverage Claris-Otsuka's manufacturing infrastructure and supply chain for its global business.
- h. Claris-Otsuka to work on expanding product basket with speciality Infusion and Clinical Nutrition Products.
- i. Historically, these businesses have accounted for approximately 55% of the Claris business.
- j. Claris to actively manage Claris-Otsuka through Mr. Arjun Handa as the Chairman and the CEO of Claris-Otsuka to be a Claris nominee.
- k. OPF's global expertise in the Infusions business and Claris' India advantage to be a huge advantage to Claris-Otsuka. The Claris-Otsuka business shall be propelled to take advantage of the Infusions opportunity globally with OPF's and Mitsui's capabilities and financials strengths.

Claris Growth Plans

- a. Company to remain focused on its speciality generic injectables business.
- b. Company shall intensify its growth in all international markets, especially the regulated markets of USA and EU via new product launches.
- c. Company to continue to increase its focus on bag products and other niche difficult to manufacture products.

- d. Company to work on fast track growth opportunities via organic and inorganic routes.
- e. Company shall work towards bringing more high value products in the injectables segment.
- f. This transaction will free up management bandwidth and allow Claris to focus on speciality generic injectable business.
- g. Subject to board and shareholders' approval, Claris plans to utilize the cash to fuel its existing business growth, deleveraging, and reward shareholders.

The above proposal is subject to the approval of members and other concerned Regulatory Authority(ies).

Pursuant to the provisions of Sections 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the sale, transfer or disposal of an undertaking requires the approval of the members by an ordinary resolution by way of Postal Ballot. Accordingly, the approval of the Members is being sought through Postal Ballot for passing the ordinary resolution as set out in the notice.

None of the Directors of the Company except Mr. Arjun S. Handa and Mr. Aditya S.Handa, being the promoter / promoter group are concerned or interested in the resolutions.

Your Directors recommend the resolution for your approval.

By Order of the Board
For Claris Lifesciences Limited
Sd/-

Place : Ahmedabad
Date : 9th January, 2013

Rajesh Kumar Modi
General Manager - Compliance & Company Secretary