

**REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE OF PIRAMAL ENTERPRISES LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF PIRAMAL PHYTOCARE LIMITED WITH PIRAMAL ENTERPRISES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS**

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**Present-Members**

Mr. Keki Dadiseth, Chairman of the Meeting  
Dr. R. A. Mashelkar

**In attendance**

Mr. Leonard D'Souza, Company Secretary

**I. Background:**

- I. A draft Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, of Piramal Phytocare Limited ("Transferor Company" or "PPL") with Piramal Enterprises Limited ("Transferee Company" or "PEL" or "the Company") and their respective Shareholders ("**Scheme**") was placed before the Audit Committee by the management for it to consider and recommend the said draft Scheme to the Board of Directors.
- II. The Scheme *inter-alia* provides for amalgamation of PPL with the Company. The amalgamation will ensure focused management in combined entity thereby resulting in efficiency of management and maximising overall shareholders value and will also result in administrative and operational rationalisation, organisation efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources.
- III. The Equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with necessary information /documents with both the mentioned exchanges.
- IV. This report of Audit & Risk Management Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:
  - a) Draft Scheme, duly initialled by Company Secretary of the Company for the purpose of identification;

**Certified True Copy**  
For Piramal Enterprises Limited

Leonard D'Souza  
Company Secretary

Piramal Enterprises Limited  
CIN : L24110MH1947PLC005719

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- b) Valuation report dated May 28, 2018 issued by Banshi S. Mehta & Co., Chartered Accountants;
- c) Fairness Opinion Report dated May 28, 2018 issued by Asit C. Mehta Investment Intermediates Limited, Merchant Banker providing the fairness opinion on the share entitlement recommended in the valuation report prepared by Banshi S. Mehta & Co., Chartered Accountants; and
- d) Draft certificate from the Statutory Auditors of the Company i.e. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013, duly initialled by Company Secretary of the Company for the purpose of identification.

## 2. Proposed Scheme

The Audit & Risk Management Committee reviewed the valuation report and noted the report and recommended the following:

- I. In consideration for the amalgamation of PPL with PEL in terms of the Scheme and based on valuation report issued by Banshi S. Mehta & Co., Chartered Accountants and fairness opinion provided by Asit C. Mehta Investment Intermediates Limited, Category I Merchant Banker, PEL will issue and allot 1 (One) fully paid up equity share of Rs. 2/- each to the Equity shareholders of PPL as on Record Date, as defined in the Draft Scheme, for every 70 (Seventy) fully paid up equity share of Rs 10/- each held by them in PPL. Pursuant to the said Scheme, PEL's shareholding in PPL to the extent of 17.53% of Share capital of PPL (i.e. 45,50,000 shares) would stand cancelled.
- II. Further, the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to the Company, PPL and their respective shareholders.
- III. Further, M/s. Deloitte Haskins & Sells LLP, Chartered Accountant, Statutory Auditors of the Company have, vide their draft certificate, confirmed that the accounting treatment as specified in the Scheme are in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- IV. Under the proposed Scheme, all assets and liabilities, pertaining to PPL, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in the Company with effect from the Appointed Date i.e. April 1, 2018 or such other date as may be approved by the National Company Law Tribunal.



**Piramal Enterprises Limited**

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- V. The equity shares of PEL to be issued and allotted to the equity shareholders of PPL pursuant to the Scheme shall be listed on BSE and NSE (subject to trading permission being granted by the stock exchanges).

**3. Recommendation of the Audit & Risk Management Committee**

The Audit & Risk Management Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report and the specific points mentioned above, recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, the BSE, the NSE and Securities Exchange Board of India and other regulatory authorities.

For and on behalf of the Audit & Risk Management Committee of Piramal Enterprises Limited

*f. h. Dadiseth*

(Keki Dadiseth)  
Chairman of the Meeting  
Date: May 28, 2018  
Place: Mumbai

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