

October 7, 2021

To,

The Board of Directors  
Piramal Enterprises Limited  
Piramal Ananta,  
Agastya Corporate Park,  
Opposite Fire Brigade,  
Kamani Junction, LBS Marg,  
Kurla (West), Mumbai 400070  
Maharashtra, India

### **Background, Purpose and Use of this Report**

We understand that the Board of Directors of Piramal Enterprises Limited ("PEL" or "Demerged Company") is considering demerger of the Pharma Business of PEL comprising of Mahad facility, Consumer Healthcare Products Business and strategic investment in equity shares of Piramal Pharma Limited ("PPL" or "Resulting Company") into PPL. Pursuant to this demerger, equity shares of PPL shall be issued to the shareholders of PEL, which shall be listed and admitted to trading on the Stock Exchanges. (hereinafter referred to as "Proposed Transaction"). The Proposed Transaction is contemplated under a scheme of arrangement under section 230 to 232 of the Companies Act, 2013.

In this connection, pursuant to the requirements of SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, we have been requested by the Board of Directors of the Demerged Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by Drushti R Desai, being the Registered Valuer appointed for this purpose.

### **Rationale of the Scheme**

In the Rationale of the Scheme, it has been *inter-alia* provided that, the businesses presently undertaken by PEL (directly and indirectly) comprise the pharmaceutical business and the financial services business, both of which have different requirements and are operated independent of each other as separate business verticals.

Therefore, in order to unlock the potential value of each business vertical, it is proposed through this Scheme, to: (i) completely segregate the pharmaceutical and the financial services businesses and create two strong and distinctive platforms which will allow the said businesses to independently pursue their growth strategies with sharper focus and identity, while continuing to benefit from the overall Piramal legacy; (ii) realign the pharmaceutical business and the financial services business to rationalize and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL and PEL continuing to focus primarily on the financial services business directly (post merger of PFPL) and indirectly (including through subsidiaries and associate companies).

The proposed Demerger will not only facilitate pursuit of scale with flexibility as well as liquidity for stakeholders (following the listing of the shares of PPL pursuant to the Scheme) but also insulate and de-risk both the businesses from each other and allow potential investors and other stakeholders the option of being associated with the business of their choice.

SEBI Registration : INM000011179  
CIN No.: L67120MH1995PLC086241

**ICICI Securities Limited**  
Registered Office:  
ICICI Centre, H. T. Parekh Marg,  
Churchgate, Mumbai 400 020, India.  
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### Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Demerged Company and Resulting Company, including the Share Entitlement Ratio prepared by Drushti R Desai and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Demerged Company and/or Resulting Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided on behalf of any other entity. In particular, we do not express any opinion as to the value of any asset of the Demerged Company and Resulting Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Demerged Company and/or Resulting Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Demerged Company and /or Resulting Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Transaction, including any significant changes that have taken place or are likely to take place in the financial position of the Demerged Company and/or Resulting Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Demerged Company and /or Resulting Company without detailed inquiry. We have also been given to understand by the management of the respective Demerged Company and /or Resulting Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Demerged Company and /or Resulting Company and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the Demerged Company and /or Resulting Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Demerged Company and /or Resulting Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Demerged Company and /or Resulting Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

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This report is intended only for the sole use and benefit of the Board of Directors of the Demerged Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Demerged Company and /or Resulting Company or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Demerged Company and/or Resulting Company in relation to the Scheme, as well as with the statutory authorities.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

#### Our Recommendation

The aforesaid demerger shall be pursuant to the Scheme and shall be subject to receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

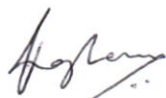
As stated in the Share Entitlement Report by Drushti R Desai, registered valuer, the following Share Entitlement Ratio has been recommended:

***"For every 1 (One) Equity shares of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL to be issued to the equity shareholders of PEL".***

The equity shares to be issued by the Resulting Company to the shareholders of the Demerged Company will be listed and admitted to trading on the Stock Exchanges on which shares of Demerged Company are listed, subject to approvals from Stock Exchanges and SEBI.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by Drushti R Desai, registered valuer, is fair to the equity shareholders of Demerged Company.

Yours faithfully,  
For ICICI Securities Limited,



Name **RAGHAVAN SUBRAMANIAN**  
Designation **HEAD - STRUCTURED PRODUCTS**

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Date: 25 January, 2022

To,  
The Board of Directors,  
Piramal Enterprises Limited  
Agastya Corporate Park,  
Opposite Fire Brigade  
Kamani Junction, LBS Marg,  
Kurla (West), Mumbai - 400070  
Maharashtra, India

**Subject: Addendum to the fairness opinion report dated 7 October 2021, as to the fairness of the Share Entitlement Ratio recommended by Drushti R Desai, Registered Valuer, for the proposed demerger of Pharma Business of Piramal Enterprise Limited ("PEL" or "Demerged Company" or "Company") into Piramal Pharma Limited ("PPL" or "Resulting Company")**

Dear Sir/ Madam,

This is an addendum to the report previously issued by us dated 7 October 2021, as to the fairness of the Share Entitlement Ratio recommended by Drushti R Desai, Registered Valuer, for the proposed demerger of the Pharma Business of PEL comprising of Mahad facility, Consumer Healthcare Products Business and strategic investment in equity shares of PPL into PPL. Pursuant to this demerger, equity shares of PPL shall be issued to the shareholders of PEL, which shall be listed and admitted to trading on the Stock Exchanges.

We refer to the communication received by PEL on 13 January 2022 from National Stock Exchange of India Limited (NSE) and on 14 January 2022 from Bombay Stock Exchange (BSE) wherein both NSE and BSE have advised the Company to obtain a fresh valuation report as well as the fairness opinion report considering Audited financial statement of unlisted companies, not older than 3 months for valuation.

Post the review of Original Share Entitlement Report dated 6 October 2021, Special Purpose Audited Condensed Interim Consolidated Financial Statements of PPL for six months ended on September 30, 2021 and Carved out financials of Pharma Business of PEL for six months ended September 30, 2021, Drushti R Desai, Registered Valuer has issued an addendum to the Share Entitlement Report dated 25 January 2022 confirming that there will be no change in the Share Entitlement Ratio as provided by them vide their Original report.

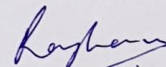
Share Entitlement Ratio recommended in Original Share Entitlement Report dated 6 October 2021 and re-confirmed through their addendum to the Share Entitlement report dated 25 January 2022 is as follows:

*For every 1 (One) Equity Shares of face and paid-up value of Rs. 2/- (Two) held in PEL, 4 (Four) Equity shares of face and paid-up value of Rs. 10/- (Ten) in PPL to be issued to the equity shareholders of PEL*

#### **Our Recommendation**

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations, including updated valuation workings, Special Purpose Audited Condensed Interim Consolidated Financial Statements of PPL for six months ended on September 30, 2021, Carved out financials of Pharma Business of PEL for six months ended September 30, 2021 and the addendum to the Share Entitlement Ratio report dated 25 January 2022 given to us, we are of the opinion that the Share Entitlement Ratio recommended again vide the addendum to the Share Entitlement Ratio report by Drushti Desai, Registered Valuer is fair to the equity shareholders of Demerged Company.

Respectfully submitted,



Raghavan Subramanian  
Head, Structured Products  
ICICI Securities  
Date: 25 January 2022  
Place: Mumbai

SEBI Registration : INM000011179  
CIN No.: L67120MH1995PLC086241

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