

8 May 2024

BSE Limited

1st Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai- 400 001
BSE Scrip code: 500302

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai- 400 051
NSE Symbol: PEL

Sub: Disclosure under Regulations 30 and 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023

Dear Sir, Madam,

Pursuant to Regulations 30 and 51 of the SEBI Listing Regulations, we wish to inform you that after considering the recommendations and reports of the Audit Committee and the Committee of Independent Directors, the board of directors (“**Board**”) of Piramal Enterprises Limited (“**Company**”) at its meeting held today, 8 May 2024 has, *inter alia*, approved the composite scheme of arrangement amongst the Company, Piramal Capital & Housing Finance Limited (the wholly owned subsidiary of the Company) and their respective shareholders and creditors (“**Scheme**”), on the terms and conditions as set out in the Scheme pursuant to the provisions of Sections 230 to 232 read with Section 52, Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme is, *inter alia*, subject to sanction of the jurisdictional National Company Law Tribunal (“**NCLT**”) and receipt of necessary approvals from the National Stock Exchange of India Limited, BSE Limited (collectively, “**Stock Exchanges**”), SEBI, Reserve Bank of India, shareholders and creditors, as may be directed by the NCLT and such other regulatory/ governmental authorities or person, as may be applicable.

The Scheme as approved by the Board would be available on the website of the Company after it has been submitted to the Stock Exchanges.

Pursuant to Regulations 30 of the SEBI Listing Regulations read with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023, details in respect of the Scheme are set out in **Annexure I**.

The meeting commenced at 12:15 p.m. and concluded at 3:45 p.m.

We request you to take the aforesaid on record, and to treat the same as compliance with the applicable provisions of the SEBI Listing Regulations.

Thanking you.

Yours faithfully,
Piramal Enterprises Limited

Bipin Singh
Company Secretary

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India

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Annexure I

Details of the Scheme under Regulation 30 of the SEBI Listing Regulations read with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023

Sr. No.	Particulars	Details												
1.	Name of the entities forming part of the amalgamation.	Piramal Enterprises Limited (“ PEL ”) and Piramal Capital & Housing Finance Limited (“ PCHFL ”)												
2.	Details in brief such as, size, turnover etc of the entities.	<p align="right"><i>(Amounts in crore)</i></p> <table border="1"> <thead> <tr> <th style="background-color: #cccccc;">Name of the entity</th> <th style="background-color: #cccccc;">Total assets for the year ended 31 March 2024 (in INR)*</th> <th style="background-color: #cccccc;">Turnover for the year ended 31 March 2024 (in INR)*</th> <th style="background-color: #cccccc;">Net Worth for the year ended 31 March 2024 (in INR)*</th> </tr> </thead> <tbody> <tr> <td>PEL</td> <td>29,805.72</td> <td>3,826.19</td> <td>18,345.92</td> </tr> <tr> <td>PCHFL</td> <td>65,379.66</td> <td>6,663.56</td> <td>11,646.22</td> </tr> </tbody> </table> <p><i>*on a standalone basis</i></p>	Name of the entity	Total assets for the year ended 31 March 2024 (in INR)*	Turnover for the year ended 31 March 2024 (in INR)*	Net Worth for the year ended 31 March 2024 (in INR)*	PEL	29,805.72	3,826.19	18,345.92	PCHFL	65,379.66	6,663.56	11,646.22
Name of the entity	Total assets for the year ended 31 March 2024 (in INR)*	Turnover for the year ended 31 March 2024 (in INR)*	Net Worth for the year ended 31 March 2024 (in INR)*											
PEL	29,805.72	3,826.19	18,345.92											
PCHFL	65,379.66	6,663.56	11,646.22											
3.	Area of business of the entities.	<p>PEL is a non-deposit taking Non-Banking Finance Company - Investment and Credit Company (“NBFC-ICC”) registered with the Reserve Bank of India (“RBI”) and is engaged in the business of providing diversified financial services.</p> <p>PCHFL is registered as a housing finance company with the RBI and its business comprises (i) housing finance, (ii) corporate lending, (iii) retail lending, and (iv) real estate lending.</p>												
4.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”.	<p>The proposed transaction is between PEL and its wholly owned subsidiary, PCHFL.</p> <p>In terms of Regulation 23(5)(b) of the SEBI Listing Regulations, any transaction entered into between a holding company and its wholly owned subsidiary, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, is exempted from the provisions of Regulation 23 of the SEBI Listing Regulations.</p> <p>Further, in terms of General Circular No. 30/2014 dated 17 July 2014, issued by the Ministry of Corporate Affairs, transactions arising out of compromises, arrangements and amalgamations under the Act, will not attract the requirements of Section 188 of the Companies Act, 2013.</p> <p>Pursuant to the Scheme, the shares to be issued and allotted to the shareholders of PEL as consideration have been determined based on:</p>												

Piramal Enterprises Limited

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		<p>(i) the valuation reports dated 8 May 2024 submitted by Drushti R. Desai of Bansi S. Mehta Valuers LLP, (Registered Valuer, Registration No. IBBI/RV/06/2019/10666, supported by:</p> <p>(a) fairness opinions dated 8 May 2024 issued by Axis Capital Limited, an independent SEBI registered Category – I Merchant Banker (SEBI Registration No. INM000012029); and</p> <p>(b) fairness opinion dated 8 May 2024 issued by PL Capital Markets Private Limited, an independent SEBI registered Category – I Merchant Banker (SEBI Registration No. INM000011237).</p>
5.	Rationale for amalgamation.	<p><u>Background:</u></p> <p>Pursuant to the audited financial statements for the financial year ended 31 March 2024, PCHFL does not meet the requisite Principal Business Criteria (“PBC Criteria”) prescribed by the RBI under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, to continue operating as a housing finance company (“HFC”). Accordingly, the board of directors of PCHFL has approved the conversion of PCHFL from an HFC to NBFC-ICC and PCHFL is in the process of making an application to the RBI for such conversion. Upon receipt of the NBFC-ICC license, there will be 2 (two) distinct NBFC-ICCs in the group, and as such the RBI may not permit the group to have 2 (two) NBFC-ICCs.</p> <p>Further, as per the RBI’s (NBFC – Scale Based Regulation) Master Directions, 2023 (“Scale Based Regulations”), all NBFCs identified as upper layer NBFCs are mandatorily required to be listed within 3 (three) years of being identified as an upper layer NBFC. PCHFL has been identified as an upper layer NBFC, and accordingly, is required to be listed prior to 30 September 2025 as per the Scale Based Regulations.</p> <p>Accordingly, PEL and PCHFL have proposed to enter into a composite scheme of arrangement under Sections 230 to 232 read with Section 52, Section 66 and other applicable provisions of the Companies Act, 2013 (“Scheme”). The Scheme, <i>inter alia</i>, provides for (i) the amalgamation of PEL with PCHFL, (ii) adjustment of debit balance of amalgamation adjustment reserve account in the books of the Transferee Company, and (iii) various other matters consequential or otherwise integrally connected therewith.</p>

		<p><u>Rationale:</u></p> <p>(i) Pursuant to the audited financial statements for the financial year ended 31 March 2024, PCHFL does not meet the requisite PBC Criteria to continue operating as a HFC. PCHFL is in the process of making an application to the RBI for conversion of its HFC license to a NBFC-ICC license. Upon receipt of the said license, PCHFL will operate as a NBFC-ICC resulting in two distinct NBFC-ICCs in the group (i.e. PEL and PCHFL), and as such the RBI may not permit the group having two NBFC-ICCs.</p> <p>(ii) Further, as per the Scale Based Regulations, PCHFL is required to be listed prior to 30 September 2025.</p> <p>(iii) Accordingly, PEL and PCHFL are now proposing to enter into a composite scheme of arrangement whereby PEL will amalgamate with PCHFL.</p> <p>(iv) Upon the Scheme becoming effective, PEL will amalgamate with PCHFL, and PCHFL will be listed on a recognised stock exchange thereby ensuring compliance with applicable RBI regulations.</p> <p>(v) The amalgamation of PEL with PCHFL would be a seamless transition, as PCHFL has significantly larger scale of operations and wider geographical presence, as compared to PEL. This is evident given that:</p> <p>(a) PCHFL’s interest income and assets under management (“AUM”) constitute 79.9% and 77.2% of PEL and PCHFL’s aggregate interest income and AUM, respectively.</p> <p>(b) PCHFL originates almost the entire credit portfolio of PEL and PCHFL through its wide network which constitutes 99% of the overall network. PCHFL also houses more than 95% of the aggregate employees of PEL and PCHFL.</p> <p>(c) The amalgamation of PEL with PCHFL would entail lesser disruptions in the retail lending business of PCHFL. This approach would also substantially reduce the administrative and operational challenges that would arise in otherwise consolidating the infrastructure and assets of both companies,</p>
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		<p>given the extensive scale of operations of PCHFL.</p> <p>(vi) The amalgamation would lead to optimisation in supervisory and management overlap, minimisation of regulatory and legal compliances with respect to business registrations and labour laws.</p> <p>(vii) The amalgamation would result in having a unified approach to customer interactions, as well as lender engagement under a single platform which would further simplify operations, thereby enhancing customer and lender servicing experiences.</p> <p>(viii) The unification of businesses would result in the consolidation of financial, managerial, technical, and human resources, thereby creating a stronger base for future growth and stakeholder value accretion.</p> <p>(ix) The creation of a larger consolidated financial services entity will enable such entity to deliver an increased range of financial products to a broader customer base. Further, PCHFL would, subsequent to the amalgamation, benefit from economies of scale and operational efficiencies, leading to revenue and cost synergies.</p> <p>(x) An enhanced consolidated balance sheet would also bring efficiency with respect to the merged entity's treasury operations, thereby helping in the overall liability management of the organization.</p> <p>(xi) The amalgamation will result in the shareholders of PEL having direct ownership in one single listed entity, which houses all the operations, profits, and in-effect the entire value of the lending business under one roof.</p> <p>Based on the aforesaid considerations, the proposed amalgamation is expected to enhance optimisation of the capital structure, comply with applicable regulatory requirements, and maximise shareholders' value.</p>
6.	In case of cash consideration – amount or otherwise share exchange ratio.	<p>Upon the Scheme becoming effective, in consideration for the amalgamation of PEL with PCHFL, PCHFL shall issue shares to the shareholders of PEL in the manner set out in the Scheme.</p> <p>(i) For every 1 (one) equity share having face value of INR 2 (Indian Rupees Two only) of PEL, 1 (one) equity share having face value of INR 2</p>

		<p>(Indian Rupees Two only) of PCHFL shall be allotted to the shareholders of PEL; and</p> <p>(ii) Subject to receipt of approval from the RBI for: (a) issuance of non-convertible non-cumulative non-participating redeemable preference shares (“NCRPS”) to the non-resident shareholders of PEL; or (b) if RBI approval as requested pursuant to (a) is not received, appointment of category – 1 merchant banker(s)/ appropriate SEBI registered intermediary to hold and sell the NCRPS on behalf of the non-resident shareholders of PEL and dispose the sale proceeds, in the manner set out in the Scheme, for every 1 (one) equity share having face value of INR 2 (Indian Rupees Two only) of PEL, 1 (one) NCRPS having face value of INR 67 (Indian Rupees Sixty Seven only) of PCHFL shall be allotted to the shareholders of PEL.</p>
7.	Brief details of change in shareholding pattern (if any) of listed entity.	Upon the Scheme becoming effective (i) PEL shall stand dissolved without winding up, (ii) PCHFL shall issue equity shares and, subject to receipt of approval from the RBI, NCRPS to the shareholders of PEL as set out in the Scheme, and (iii) the entire shareholding of PCHFL held by PEL shall stand cancelled.