Piramal

Date: 05 May, 2022

To,

IDBI Trusteeship Services Limited (the "**Debenture Trustee**")
Ballard Estate
Fort,
Mumbai – 400 001
Attention: Mr. Nikhil Lohana

Sub: - Proposed composite scheme of arrangement between Piramal Enterprises Limited ("PEL"), Piramal Pharma Limited ("PPL"), Convergence Chemicals Private Limited ("CCPL"), Hemmo Pharmaceuticals Private Limited ("HPPL") and PHL Fininvest Private Limited ("PFPL").

Dear Sir,

1. Piramal Enterprises Limited ("**Company**") has issued or will issue market linked non-convertible debentures to the Debenture Holder set out above under the terms of the Information Memorandum and Debenture Trust Deed ("**Debenture Documents**"), more specifically provided in the Annexure (*Debenture Documents*). IDBI Trusteeship Services Limited is the Debenture Trustee for the facilities listed in Annexure 1 ("**Debt**").

- **Scheme**

2. The Board of Directors of the Company ("**Board**") has on [October 7, 2021] approved a composite Scheme of arrangement between PEL, PPL, CCPL, HPPL and PFPL and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("**Scheme**"). The Scheme *inter alia* provides for:

   a. the transfer by way of a demerger of the Demerged Undertaking of PEL (as more particularly defined in the Scheme), i.e. *inter alia* all businesses, undertakings, activities, operations and properties of PEL, of whatsoever nature and kind and wheresoever situated, exclusively related to or pertaining to the conduct of, or the activities of, the Pharma Business (as defined in the Scheme) conducted by PEL as a going concern to PPL, and the consequent issue of equity shares by PPL to the shareholders of PEL in accordance with the Share Entitlement Ratio (as more particularly defined in the Scheme). Pursuant to the Demerger, the equity shares of PPL, forming part of the Demerged Undertaking shall stand cancelled;

   b. the amalgamation of CCPL and HPPL, both being wholly owned subsidiaries of PPL, into PPL and consequent dissolution of CCPL and HPPL without winding up and the cancellation of the equity shares of CCPL and HPPL held by PPL and its nominee shareholder;

   c. the amalgamation of PFPL, a wholly owned subsidiary of PEL, into PEL and consequent dissolution of PFPL without winding up and the cancellation of the equity shares of PFPL held by the PEL and joint shareholders.

3. The brief rationale for the proposed Scheme is set out in Annexure 2.

PIRAMAL ENTERPRISES LIMITED

4. The proposed appointed date for the Scheme ("**Appointed Date**") is April 1, 2022 or such other date as may be sanctioned by the National Company Law Tribunal ("**NCLT**").

5. The Scheme is subject to the approval of the requisite majority of shareholders and creditors of the Company, SEBI, RBI, BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**"), NCLT and other regulatory authorities, as applicable.

6. PEL has filed applications with the BSE and the NSE under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Scheme and other relevant documents in this regard will be available on the websites of the BSE and NSE and on PEL's website.

- **Rights under the Debt**

7. The present rights of the Debenture Holder under the Debt would continue with Piramal Enterprises Limited [the Company] as the obligor post the Scheme [as were available to the Debenture Holder prior to Scheme.] The Debenture Documents shall, however, be interpreted and construed harmoniously with the Scheme, and to the extent of any inconsistencies or contradictions between the provisions of the Debenture Documents and the Scheme, the provisions of the Scheme shall prevail to the extent required to resolve such inconsistency.

- **Request for consent**

8. Pursuant to the Debenture Documents, we request you to please provide your consent / no objection to the Scheme and all transactions therein, and unconditionally confirm that the Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme, notwithstanding the terms of the Debenture Documents, including your consent to sign such notices, affidavits, deeds and agreements as may be required to give effect to the consents set out in this letter. Further, we request you to agree that the consent and authorization provided shall be binding on your successors, endorsees, assigns, and holders in due course.

   For this purpose, we request you to please deliver a duly signed copy of the consent/no objection letter in the form set out as **Exhibit A** to this request letter on your letterhead or countersign this request letter below by way of your consent/no objection to the matters set out in this paragraph 8 and in the Exhibit.

9. A copy of your consent/no objection may be submitted to the BSE, NSE, NCLT and other regulatory authorities, as may be required.

10. Further, please note that, upon filing of the application to the jurisdictional NCLT for sanction of the Scheme by the Company, your consent will also be required for dispensation of the creditors meeting pursuant to Section 230(9) of the Companies Act, 2013 by way of affidavit, in the form set out in **Exhibit B.** Your delivery to us of the signed consent letter /NOC in the form set out in Exhibit A or of this request letter countersigned, will be treated as your express consent to issue and deliver to us such affidavit (duly stamped, executed, and notarized), in the form in Exhibit B within 10 (ten) working days of our future request (verbal or written) without the requirement of any additional information to be provided or formalities to be complied by us.

11. Your consents as above will be deemed by us to have been duly authorised by all necessary actions (corporate or otherwise) and to have satisfied all requirements, with respect to the Debt and under the Debenture Documents.

PIRAMAL ENTERPRISES LIMITED

Capitalised terms and expressions not otherwise defined in this request letter will have the meaning ascribed to the terms under the Scheme.

Should you require any clarifications, please do not hesitate to reach out to us.

Thanking You,

Yours faithfully
For Piramal Enterprises Limited

For PIRAMAL ENTERPRISES LIMITED

Authorised Signatory

Authorized Signatory

Duly acknowledged by:
For IDBI Trusteeship Services Limited

Authorized Signatory

Annexure 1

Debenture Documents

Non-convertible debentures issued by Piramal Enterprises Limited to IDBI Trusteeship Services Limited:

	A	B	C	D
S. No	**ISIN**	**IM Date**	**Amount Invested (Rs. Crores)**	**Current Outstanding (Rs. Crores)**
1	INE140A07179	13-Jul-16	35	35
2	INE140A07211	19-Jul-16	5	5
3	INE140A07591	20-May-20	500	500
4	INE140A07633	28-Jun-21 05-Jul-21	490	490
5	INE140A07641	12-Jul-21	102	102
6	INE140A07658	27-Sep-21	400	400
7	INE140A07666	02-Mar-22 28-Mar-22	300	300
8	INE140A07674	04-May-22	100	100
	Grand Total		**1,932**	**1,932**

(the documents referred to in Column B of the Table above are collectively referred to as the "**Debenture Documents**")

PIRAMAL ENTERPRISES LIMITED

Annexure 2

Brief rationale for the Scheme:

The brief rationale for the Scheme is as under:

(i) PEL undertakes pharmaceutical business and the financial services business (directly and indirectly), both of which have different requirements and are operated independent of each other as separate business verticals. Each of these business verticals are significantly large and mature and have a distinct attractiveness to divergent set of investors, strategic partners and other stakeholders. The depth, scale of operations, and growth potential of these distinct businesses has been significantly augmented by the recent transactions undertaken in respect of the pharmaceutical business (being the strategic investment by the Carlyle Group) and the financial services business (being the merger of Dewan Housing Finance Corporation Limited and Piramal Capital & Housing Finance Limited, a subsidiary of PEL).

(ii) Therefore, in the wake of the aforesaid landmark transactions, this being an opportune time to unlock the potential value of each business vertical, it is proposed through the Scheme, to:

(a) completely segregate the pharmaceutical and the financial services businesses, through transfer of the Demerged Undertaking by way of demerger from PEL to PPL, thereby creating two strong and distinctive platforms;

(b) realign the pharmaceutical and financial services businesses to rationalise and streamline the group structure with the domestic pharmaceutical business being consolidated under PPL by merging CCPL and HPPL with PPL, and PEL continuing to focus on the financial services business, directly (with consolidation of the lending business across PEL and PFPL under PEL post the merger of PFPL) and through subsidiaries and associate companies.

(iii) The proposed Demerger will facilitate pursuit of scale with more focused management and flexibility as well as liquidity for shareholders (following the listing of the shares of PPL pursuant to the Scheme) and will 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.

(iv) The proposed amalgamation of CCPL and HPPL into PPL will comprehensively consolidate and streamline the pharmaceutical business in India under PPL and are also expected to enable faster decision making.

(v) The proposed amalgamation of PFPL into PEL will enable establishment of a distinct platform with dedicated focus on the financial services business and the consolidation of the lending business across PEL and PFPL in PEL. This will also enable streamlining of the group structure in a manner that results in the creation of a single non-banking financial company entity (subject to requisite approvals).

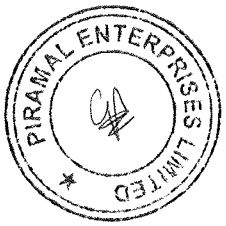


Exhibit A

Form of Consent Letter

Ref No: Date: [*insert date*]

To,

[*insert name of entity*]
[*insert address of entity*]
Attention: [●]

CC to,

[*Insert name of the Debenture Holder*] (the "**Debenture Holder**")
[*Insert address*]
[Attention: [●]]

Dear Sir,

Re: Consent Letter for composite scheme of arrangement between Piramal Enterprises Limited ("PEL"), Piramal Pharma Limited ("PPL"), Convergence Chemicals Private Limited ("CCPL"), Hemmo Pharmaceuticals Private Limited ("HPPL") and PHL Fininvest Private Limited ("PFPL") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("Scheme").

Subj: Your letter dated [*insert date*] ("Request Letter")

1. We refer to your Request Letter requesting consent/no objection in respect of the Scheme.

2. Subject to Paragraph 4 below, pursuant to the Debenture Documents, we hereby provide our consent/no objection to the Scheme and all transactions therein, and unconditionally confirm that the Company may implement the Scheme and undertake all such acts and things as may be required and expedient to give effect to the Scheme, notwithstanding the terms of the Debenture Documents.

3. We hereby agree that the consent and authorisation provided hereby shall be binding on our successors, endorsees, assigns, and holders in due course.

4. The consent provided in Paragraph 2 above shall be subject to the following conditions:

   (a) all our rights under the Debt and the Debenture Documents remaining unchanged and in full force and effect (except as we have otherwise specifically agreed hereunder); and

   (b) making any requisite statutory filings, including any forms with the relevant Registrar of Companies, as may be required to give effect to the Scheme.

5. We confirm that we are agreeable to sign such notices, affidavits, deeds and agreements as may be required to give effect to the consents set out in this letter.

6. We further note that, upon filing of the application to the jurisdictional NCLT for sanction of the Scheme by the Company, our consent will also be required for dispensation of the creditors meeting pursuant to Section 230(9) of the Companies Act, 2013 by way of affidavit, in the form set out in **Exhibit B** to the Request Letter. We hereby consent to, [forthwith **OR** within 10 (ten) working days], issue and deliver to the Company such affidavit (duly stamped, executed, and

PIRAMAL ENTERPRISES LIMITED

notarized), in the form in Exhibit B upon the Company's future request (verbal or written) without the requirement of any additional information to be provided to us or formalities to be complied by the Company.

7. The Company may submit this letter to the BSE, NSE, NCLT and other regulatory authorities, as may be required, to evidence our consent/no objection to the Scheme and the transactions contemplated therein.

8. We hereby confirm that our execution of this letter has been duly authorised by all necessary actions (corporate or otherwise) and satisfies all requirements, with respect to the Debt and under the Debenture Documents.

This letter shall be deemed to form a part of and shall not be read in conflict with the terms of the Debenture Documents. Capitalised terms used but not defined herein, shall have the meaning ascribed to such terms in the Request Letter or in the Scheme, as the case may be.

Thank you.

Yours faithfully
[***insert name of Debenture Trustee***]

Authorised Signatory

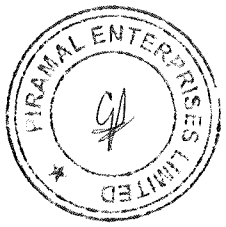


Exhibit B

Form of Consent Affidavit

[Note: To be printed on stamp paper of appropriate value and notarised]

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
[•] BENCH

[Note: Matter number to be inserted and below cause title to be updated]

In the matter of the Companies Act, 2013;

AND

In the matter of Application under Sections 230 -232 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of composite Scheme of Arrangement between Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited and their respective shareholders and creditors.

BETWEEN

Piramal Enterprises Limited

...Transferor Company No. 1/Applicant No. 1

Piramal Pharma Limited

...Transferee Company/Applicant No. 2

Convergence Chemicals Private Limited

...Transferor Company No. 2/Applicant No. 3

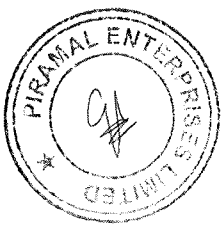
Hemmo Pharmaceuticals Private Limited

...Transferor Company No. 3/Applicant No. 4

AND

PHL Fininvest Private Limited

...Transferee Company No. 4/Applicant No. 5



AFFIDAVIT IN COMPLIANCE OF SUB SECTION (9) OF SECTION 230 OF THE COMPANIES ACT, 2013

I, [*insert name*], aged about [•], residing at [*insert address*] [on behalf of [*insert name of creditor entity*]] do solemnly affirm and state as under:

1. I state that [*insert name of debenture trustee*] is a secured creditor ("**Creditor**") of [*insert name of entity as applicable*], *i.e.* the [*insert name of entity as per cause title above*]. I am authorized and well conversant with the facts, to make this affidavit. [The board resolution/power of attorney authorizing me to sign the present affidavit on behalf of [*insert name of creditor entity*] is annexed to this affidavit as **Annexure A**].

2. I state that, as per records, the amount outstanding from [*insert name of entity as applicable*] (hereinafter referred to as the "**Company**") to the Creditor as on [*insert date*] is Rs. [•].

3. I state that I have perused the proposed composite Scheme of Arrangement between the Company and [Piramal Enterprises Limited, Piramal Pharma Limited, Convergence Chemicals Private Limited, Hemmo Pharmaceuticals Private Limited and PHL Fininvest Private Limited] and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**") and hereby:

   (i) accord my consent and approve the same with or without any modification whatsoever;

   (ii) confirm that I agree with the decision of the board of directors of the Company to seek dispensation from holding the meeting of its secured creditors under Section 230 to 232 of the Companies Act, 2013 and /or any re-enactment thereof, as applicable, from this Hon'ble Tribunal;

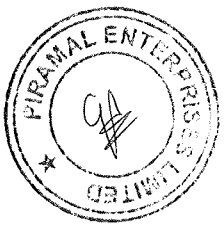
   (iii) in order to expedite the procedure, I request this Hon'ble Tribunal to waive/dispense with calling of the meeting of the secured creditors of the Company for approving the Scheme; and

   (iv) unconditionally authorise the board of directors of the Company (or such person(s) authorised by the board of directors) to assent, in their full and absolute discretion, to any alteration or modification to the Scheme which this Hon'ble Tribunal may deem fit to impose for the purpose of sanctioning the Scheme.

VERIFICATION

I, the deponent above named, do hereby verify that the contents of the above Affidavit are true and correct on the basis of the records, no part of it is false and nothing material has been concealed therefrom

Signed by me at on this _____ day of _____, ____



DEPONENT