

October 12, 2017

To,
The General Manager
Department of Corporate Services - Listing
Department
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001
BSE Script Code - 500302

To,
The Vice President, Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
NSE Script Code - PEL

Sub: Outcome of Board Meeting held today

Kindly refer to our letter dated October 9, 2017 on the subject.

1. Qualified institutions placement (the "QIP") of compulsorily convertible debentures ("CCDs") for an aggregate amount upto Rs. 5,000 crores.

The Board of Directors of the Company ("Board") had earlier approved raising of funds by the Company for an aggregate amount upto Rs. 5,000 crores. The same was subsequently approved by the shareholders of the Company by way of postal ballot. Pursuant to the said resolutions, the Company has been exploring various options for raising funds. The Board, at its meeting held today i.e. October 12, 2017, *inter alia*, approved the following:

- (i) Authorized opening of the Issue today (i.e. October 12, 2017);
- (ii) Approved and adopted the preliminary placement document dated October 12, 2017, in connection with the Issue, (the "**Preliminary Placement Document**");
- (iii) Approved the floor price for the QIP; and
- (iv) Approved the following with respect to the terms of the CCDs:
 - (a) that the CCDs shall have a face value of ₹ 107,600 each, convertible into equity shares of face value of ₹ 2 each (the "**Equity Shares**") and shall be listed on BSE Limited and National Stock Exchange of India Limited;
 - (b) that the maturity date (the "**Maturity Date**") of the CCDs shall be 18 months from the date of the allotment of the CCDs, with an option to the CCD holders to convert all or part of the CCDs held by them into Equity Shares at any time before the Maturity Date;
 - (c) that each CCD will be converted into 40 Equity Shares;
 - (d) that the CCDs will bear an interest at the rate of 7.80% per annum calculated on the face value of the CCD commencing from the date of its allotment and until the date of its conversion to the Equity Shares. The Interest shall be paid by the Company to holders of CCDs in half-yearly instalments;



Piramal Enterprises Limited

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- (c) If any or all of the CCDs have not been converted earlier, then all of the CCDs shall compulsorily and automatically convert into Equity Shares on the Maturity Date; and
- (f) The CCDs and the Equity Shares issued post conversion of CCDs shall not be sold for a period of one year from the date of allotment except on a recognized stock exchange.

In addition to the above, please note that as required under Regulation 29(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015, the meeting of the administrative committee of the Board is scheduled to be held on October 17, 2017 to, among other things, consider and approve the final conversion price (the price at which the Equity Shares will be issued upon conversion of the CCDs) of the CCDs proposed to be issued pursuant to the Issue.

The 'Relevant Date' for the purpose of the Issue, in terms of Regulation 81(c)(i) of the SEBI Regulations is October 12, 2017 and accordingly, the floor price in respect of the Issue, based on the pricing formula as prescribed under Regulation 85 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is ₹ 2,688.35 per Equity Share. The Company may at its discretion offer a discount of up to 5% on the floor price in the Issue in accordance with the applicable laws.

2. Approval for a rights issue (the "Rights Issue") for an amount upto Rs. 2,000 crores

The Board deliberated to raise additional capital and determined that a rights issue would be the optimal solution to enable the shareholders of the Company to participate in the proposed fund raising.

Accordingly, we would like to inform you that the Board at its meeting held today, has *inter alia*, considered and approved, subject to receipt of relevant approvals from regulatory authorities as may be required, issue of equity shares by way of a rights issue to the shareholders of the Company, as on record date to be determined by our Board of Directors in due course, at an issue price of Rs. 2,380 per Equity Share (the "Rights Issue Price"), aggregating up to Rs. 2,000 crores (assuming full subscription) in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, the Board has taken note of the letter dated October 12, 2017 issued by Mr. Ajay Piramal, the Promoter of our Company, wherein he has agreed that he, together with other persons in the Promoter Group, will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Rights Issue, and will further subscribe to such number of additional Equity Shares in the Rights Issue as may be required to ensure that the aggregate subscription in the Rights Issue shall be at least 90% of the Equity Shares offered in the Rights Issue. The Rights Issue Price has been determined on the basis of discount to the existing market price of the Equity Shares. Further, the Board approved reservation of the Equity Shares in favour of the CCD holders in proportion to the CCDs in the Rights Issue, subject to applicable laws.

The Board has also approved formation of a Committee of Directors for the rights issue, to decide on the terms and conditions of the rights issue including record date, timing of the rights issue and other related matters, in consultation with the lead manager to the rights issue. Further, the Board approved drafting of the letter of offer and other documents to be filed with the Securities and Exchange Board of India, the stock exchanges and other concerned authorities in due course.



3. Approval of Scheme of Amalgamation of the Company's subsidiaries

The Board also approved, in the capacity of the shareholder of PFL and PCL (defined herein after), the Scheme of Amalgamation ("the Scheme") of Piramal Finance Limited ("PFL") and Piramal Capital Limited ("PCL") with Piramal Housing Finance Private Limited ("PHFPL"). The Scheme has also been approved by the Boards of PFL, PCL and PHFPL.

The Scheme is subject to requisite statutory / regulatory approvals, including directions and approval of the Hon'ble National Company Law Tribunal (NCLT) and/or such other appropriate authority, as may be applicable.

The details of the Scheme, as required under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the specified format, is enclosed herewith as an annexure.

The aforesaid intimation is issued in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board Meeting concluded at 4.15 pm

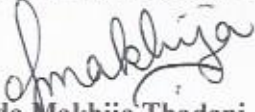
Request you to please take the above on record.

The above is in compliance with the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours truly,

For Piramal Enterprises Limited



Chanda Makhija Thadani
Assistant Company Secretary

Annexure

Details of the Proposed Merger

1. Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as, size, turnover etc. and area of business of the entity(ies)

Transferor Companies: Piramal Finance Limited ("PFL") and Piramal Capital Limited ("PCL")

Transferee Company: Piramal Housing Finance Private Limited ('PHFPL')

PFL and PCL are wholly owned subsidiaries of the Company and PHFPL is a wholly owned subsidiary of PFL. PFL is majorly engaged in funding real estate developers. PHFPL is engaged in housing finance business. PCL was incorporated with the objective of carrying the business involving all types of financial and investment services.

As per the scheme, PFL and PCL will be amalgamated into PHFPL.

The details are as follows (for the year ended / as on 31st March, 2017):

Entity	Rs. in crores		
	Total Assets	Net-worth	Turnover
PCL	2.01	1.97	Nil
PFL	20,408	3,382	1,464
PHFPL	19	15	Nil

2. Rationale for the scheme

The merger will *inter alia* have the following advantages:

- Reduce and broaden the risk profile, leading to efficiency in use of capital for the business;
- Facilitate rapid expansion of retail housing finance business;
- Bring greater management and operational efficiency and reduce operational and administrative expenses and overheads;
- Consolidation of business and simplification of group corporate structure;

3. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"

The companies are related parties. As consideration for the merger, PHFPL will issue equity shares to the shareholders of PFL and PCL based on the fair value of PFL and PCL respectively. The swap ratio has been determined basis the valuation report of an independent Chartered Accountant firm. Also, a fairness opinion on the valuation report has been obtained from a Category I Merchant Banker. Accordingly, the transaction is at "arm's length".

4. In case of cash consideration – amount or otherwise share exchange ratio

The swap ratio is as follows:

To equity shareholders of PFL:

483 (Four Hundred and Eighty Three) fully paid up equity shares of Rs. 10/- each of PHFPL to be issued and allotted for every 100 (One Hundred) equity shares of Rs. 10/- each held in PFL

To equity shareholders of PCL:

1 (One) fully paid up equity share of Rs. 10/- each of PHFPL to be issued and allotted for every 5 (Five) equity shares of Rs. 2/- each held in PCL

5. Brief details of change in shareholding pattern (if any) of listed entity.

Since the Company is not a party to the Scheme, there would be no change in shareholding pattern of the Company.

6. Approvals required

The said scheme is subject to sanction by the National Company Law Tribunal and requires approval of various regulatory authorities viz. Reserve Bank of India, National Housing Board, Regional Director, Registrar of Companies, Official Liquidator, stock exchanges (for transfer of listed NCDs), etc.

