PIRAMAL ENTERPRISES LIMITED

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

NOTICE TO EQUITY SHAREHOLDERS

A. Court Convened Meeting of the Equity Shareholders

B. Extraordinary General Meeting of the Equity Shareholders

Date : Wednesday, 13th March, 2013

Venue : Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 113 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);

and

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

and

In the matter of Scheme of Amalgamation and Arrangement

between

PHL Holdings Private Limited ("PHPL" or "the Transferor Company")

and

Piramal Enterprises Limited ("PEL" or "the Transferee Company")

and

their respective shareholders and creditors

PIRAMAL ENTERPRISES LIMITED, a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. ……..Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF PIRAMAL ENTERPRISES LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholders of Piramal Enterprises Limited ('PEL' or 'the Transferee Company' or 'the Applicant Company'):

TAKE NOTICE that by an Order made on 1st day of February, 2013, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Piramal Enterprises Limited, the Applicant Company, be convened and held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra on Wednesday, 13th March, 2013 at 11:00 a.m., for the purpose of considering and if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited and Piramal Enterprises Limited and their respective shareholders and creditors ('the Scheme').

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Piramal Enterprises Limited, the Applicant Company will be convened and held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra on Wednesday, 13th March, 2013 at 11:00 a.m., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 not later than 48 hours before the said meeting. Please carry proper proof of identification at the meeting venue for verification.

The Hon'ble High Court has appointed Mr. Ajay G Piramal, Chairman of the Applicant Company and failing him, Dr. (Mrs.) Swati A Piramal, Vice-Chairperson of the Applicant Company and failing her, Mr. Vijay Shah, Executive Director and Chief Operating Officer of the Applicant Company, to be the Chairperson of the said meeting.

A copy of the Scheme, Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed.

Ajay G. Piramal
Chairman appointed for the meeting

Dated this 8th day of February, 2013

Registered office:
Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400 013.

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders' meeting. The authorized representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 187 of the Companies Act, 1956 or other governing body of the body corporate authorising such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. Foreign Institutional Investor (FII) which are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.

Encl.: As above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SUMMONS FOR DIRECTION NO. 113 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);

and

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

and

In the matter of Scheme of Amalgamation and Arrangement

between

PHL Holdings Private Limited ("PHPL" or "the Transferor Company")

and

Piramal Enterprises Limited ("PEL" or "the Transferee Company")

and

their respective shareholders and creditors

PIRAMAL ENTERPRISES LIMITED, a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. ……..Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. This is a statement accompanying the notice convening the meeting of the Equity Shareholders of Piramal Enterprises Limited, the Applicant Company, convened pursuant to an Order dated 1st day of February, 2013 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, to be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra on Wednesday, 13th March, 2013 at 11:00 a.m., for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited ('PHPL') and Piramal Enterprises Limited ('PEL') and their respective shareholders and creditors ('the Scheme' or 'this Scheme').

2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for the amalgamation of PHPL with PEL which has been approved by Board of Directors of the Applicant Company at its meeting held on 5th November, 2012 and as further updated in compliance with clause 18 (Modifications or Amendments to the Scheme) of the Scheme, is attached to this explanatory statement.

3. In this statement, **PIRAMAL ENTERPRISES LIMITED** is hereinafter referred to as 'PEL' or 'the Transferee Company' or 'the Applicant Company' and **PHL HOLDINGS PRIVATE LIMITED** is hereinafter referred to as 'PHPL' or 'the Transferor Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.

4. The resolution to be moved at the said meeting will read as follows:

"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of the Hon'ble High Court of Judicature at Bombay, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any of the regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed arrangements embodied in the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited and Piramal Enterprises Limited and their respective shareholders and creditors ("the Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the arrangements embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

5. The background of Piramal Enterprises Limited is as under:

a) PEL was originally incorporated on 26th April, 1947 under the Indian Companies Act, 1913 as Indian Schering Limited. Its name was subsequently changed to Nicholas Laboratories India Limited on 27th September, 1979. The name was further changed to Nicholas Piramal India Limited on 2nd December, 1992 and to Piramal Healthcare Limited on 13th May, 2008. The name was further changed to the present name "Piramal Enterprises Limited" with effect from 31st July, 2012.

b) The Registered Office of PEL is situated at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

c) The share capital of PEL as on 31st March, 2012 was as under:

Authorized Share Capital	**Rs. in Crores**
25,00,00,000 Equity Shares of Rs. 2/- each	50.00
30,00,000 Preference Shares of Rs. 100/- each	30.00
2,40,00,000 Preference Shares of Rs. 10/- each	24.00
10,50,00,000 Unclassified Shares of Rs. 2/- each	21.00
Total	**125.00**
Issued, Subscribed and Paid-up Share Capital	
17,25,63,100 Equity Shares of Rs. 2/- each	34.51
Total	**34.51**

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of PEL.

d) The shares of PEL are listed on the BSE Limited and the National Stock Exchange of India Limited.

e) Some of the main objects of PEL as set out in its Memorandum of Association are as under: -

1. "To carry on the business of chemists, druggists, chemical manufacturers and dealers, dry salters, importers and manufacturers of and dealers in all kinds of medicines, drugs, pharmaceutical, medicinal, chemical, industrial and other preparations and articles and makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographical, surgical and scientific apparatus and materials;

2. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigation and invention, by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration of scientific and technical professors or teachers and by providing for the award of exhibition scholarships, prizes and grants to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigation and experiments, tests and inventions of any kinds that may be considered likely to assist any of the business which the Company is authorised to carry on;

3. To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the Company is authorised to carry on; or possessed of property suitable for the purposes of this Company;

4. To carry on and undertake the business involving all types of financial and investment activities, including but not restricted to the business of finance, infrastructure financing, financing the development, operation and / or maintenance of infrastructure projects and facilities or businesses in the infrastructure sector, financing the establishment, growth and/or development of various kinds of institutions including commercial, industrial, educational and charitable institutions, industrial finance and financing of industrial enterprises, financing acquisition of bodies corporate, shares and/or other securities, real estate financing including finance for acquiring, developing, constructing, selling, renting, leasing, trading or otherwise dealing in all kinds of immovable property, and / or to carry on and undertake the business of an investment company, including without limitation, to undertake investment counseling, portfolio management, hire purchase business, leasing business, financing of hire purchase or deferred payment or similar transactions, financing sale and maintenance of goods, articles or commodities, and to undertake activities capable of being provided by non-banking finance companies, stock brokers, merchant bankers, investment bankers, portfolio managers, trustees, agents, consultants and to provide other financial or related services, including financial and investment consultancy services and to invest and manage capital and other moneys received by the Company by way of private equity or venture capital funding or any other funds for seed capital and/or risk capital foundation, in the purchase of shares and/or other securities issued or guaranteed by any company, corporation, government, sovereign ruler, commissioners, trusts, municipal bodies, quasi government authorities and other undertaking of whatever nature and wherever constituted or carrying on business, whether in India or overseas and to hold and from time to time to sell, vary, dispose off or otherwise in any manner deal with the same and to establish, issue, float and manage any mutual funds, growth funds, investment funds, income or capital funds, taxable or tax exempt funds, provident, pension, gratuity and superannuation funds, and other funds or trusts and to act as administrators or managers of such funds and trusts, to act as trustees for bondholders, debenture holders and to undertake, carry on and/or provide such related or incidental activities or services as may be necessary or expedient for the purpose of carrying on or undertaking the businesses and activities covered by this clause or which may be conveniently carried on in connection with or related to such businesses and activities."

f) PEL has presence in pharmaceuticals, financial services and information management sectors.

6. The background of PHL Holdings Private Limited is as under:

a) PHL Holdings Private Limited (herein referred to as "PHPL" or "the Transferor Company") was originally incorporated in the State of Maharashtra on 15th November, 1999, under the provisions of the Companies Act, 1956, under the name and style of "Piramal International Private Limited" with the Registrar of Companies, Maharashtra at Mumbai. Subsequently, on 15th November, 2011, the name of the Company was changed to "PHL Holdings Private Limited".

b) The Registered Office of PHPL is situated at 8th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

c) The share capital of PHPL as on 31st March, 2012 was as under:

Particulars	**Rupees**
Authorised Share Capital	
9,00,000 Equity Shares of Rs. 10/- each	90,00,000
1,00,000 Preference Shares of Rs. 10/- each	10,00,000
Total	**1,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000
50,000 Preference Shares of Rs. 10/- each	5,00,000
Total	**6,00,000**

Subsequent to the above date and on the date of the Scheme being approved by the Board of Directors of PHPL, the share capital of PHPL is as under:

Particulars	**Rupees**
Authorized Share Capital	
9,00,000 Equity Shares of Rs. 10/- each	90,00,000
1,00,000 Preference Shares of Rs. 10/- each	10,00,000
Total	**1,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
6,76,001 Equity Shares of Rs. 10/- each	67,60,010
TOTAL	**67,60,010**

d) The main objects of PHPL as set out in its Memorandum of Association are as under: -

"To carry on the business of commodity trading including commodity derivatives, trading and hedging trading in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot and in future markets and all the derivatives of all the above products and commodities and securities, to act as market makers, to buy, sell, take, hold, deal in convert, modify, add value, transfer or otherwise dispose of commodities and commodity derivatives and to carry on the behalf of the Company and to do the business of commodity warehousing, processing and consumption and to appoint any broker or sub broker or agent to carry on the above business."

e) PHPL is primarily holding investments in PEL.

7. Rationale of the Scheme of Amalgamation and Arrangement

   a) PHPL is a company forming part of the Promoter Group of PEL and holds 8,40,92,879 equity shares in PEL, constituting 48.73% of PEL's share capital. The Promoters of PEL desire to streamline and realign their current shareholding in the Company and eliminate multi-layered shareholding structure as more particularly explained hereinafter in para 9 (c).

   b) As a step towards this end and for rationalization, it is proposed to merge PHPL into PEL with an Appointed Date of 1st January, 2013.

   c) Pursuant to the Scheme, there would be no change in the promoter shareholding of PEL. The promoters would continue to hold the same percentage of shares in PEL, pre and post the amalgamation of PHPL into PEL. All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by PHPL and / or its shareholders. No cost, charges, taxes pertaining to the scheme shall be borne by PEL Also, there would be no impact on the financials of PEL and the asset and liability position of PEL will remain unchanged.

   d) Further, the Scheme also provides that the shareholders of PHPL shall indemnify PEL and keep PEL indemnified for liability, claim, demand, if any, discharged by PEL and not recorded in the books of account of PHPL or any other liability, claim, demand, suit or proceedings made, lodged or filed by any third party(ies) including Governmental authorities and which may devolve on PEL on account of this amalgamation.

8. The proposed Scheme was placed before the Boards of Directors of the Applicant Company and PHPL on the 5th of November, 2012, wherein the Share Exchange Report of M/s. Grant Thornton India LLP, an Independent Chartered Accountant firm and Fairness Opinion on the said Share Exchange Report issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, were also placed before the respective Boards. The Boards, after due deliberations and considering various factors, approved the Scheme.

9. The salient features of the Scheme are as follows:

   (a) The Scheme envisages the amalgamation of PHPL with PEL pursuant to Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.

   (b) Appointed Date is 1st January, 2013.

   (c) Upon the coming into effect of this Scheme and consequent to the amalgamation of PHPL into PEL and the dissolution without winding up of PHPL, 8,40,92,879 fully paid – up equity shares of the face value of Rs. 2 each held by PHPL in PEL will be cancelled and equivalent number of equity shares in PEL will be issued by PEL to the equity shareholders of PHPL as consideration for the merger. PEL shall without any further application, act, instrument or deed, issue and allot 8,40,92,879 (Eight Crores Forty Lacs Ninety Two Thousand Eight Hundred Seventy Nine) fully paid-up equity shares of the face value of Rs. 2/- (Rupees Two) each in PEL to the equity shareholders of PHPL, on the Effective Date.

   (The new equity shares to be issued by PEL as above are hereinafter referred to as 'New Equity Shares')

   (d) Reduction of share capital of PEL as provided in Clause 7 of the Scheme shall be effected as an integral part of the Scheme and the Orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction and no separate sanction under sections 100 to 102 of the Act will be necessary. PEL shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

(e) On the Scheme becoming effective, PEL shall account for the amalgamation in its books of accounts, as per Accounting Standard (AS) 14 as notified under Section 211(3C) of the Companies Act, 1956:

- All assets and liabilities recorded in the books of PHPL shall be recorded by PEL at their respective book values as appearing in the books of PHPL on the Appointed Date using the pooling of interest method.
- All reserves and surplus, including but not limited to general reserve and securities premium account of PHPL as on the Appointed Date shall be transferred to and vested in PEL at their existing carrying amounts and in the same form in which they appear in the books of PHPL.
- The equity shares of PEL held by PHPL shall stand cancelled in accordance with Clause 7.1 of the Scheme and as a result equivalent equity share capital of PEL and the book value of investments held by PHPL in PEL recorded as per Clause 8.1 of the Scheme shall stand cancelled.
- The face value of New Equity Shares issued by PEL to the shareholders of PHPL pursuant to Clause 6.1 of the Scheme shall be credited to the share capital account of PEL.
- The difference between the value of net assets of PHPL transferred to PEL and recorded as per Clauses 8.1 and 8.2 of the Scheme and the consideration issued by PEL (pursuant to clause 6.1 of the Scheme) shall be adjusted in general reserves as per AS 14.
- The difference (if any) between the value of investment held by PHPL in the equity share capital of PEL cancelled pursuant to clause 8.3 of the Scheme and the face value of corresponding equity share capital of PEL shall be first adjusted against the securities premium account (to the extent as credited in the books of PEL, in accordance with clause 8.2 of the Scheme) and balance shall be adjusted against the general reserves of PEL.

(f) All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by PHPL and / or its shareholders. No cost, charges, taxes pertaining to the scheme shall be borne by PEL.

(g) The approval of this Scheme by the members of PEL shall be deemed to be due compliance with the applicable provisions of the Act including Section 81(1A) of the Act, if applicable, for the issue and allotment of equity shares by PEL to the members of PHPL as provided in the Scheme.

(h) This Scheme is and shall be conditional upon and subject to:

- The sanction of the Hon'ble High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with Sections 78, 100 to 103 of the Act in favour of PHPL and PEL under the said provisions and to the necessary Orders under Section 394 of the said Act being obtained and the same being filed with the Registrar of Companies.
- All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- Any other sanctions and orders as may be directed by the Court in respect of this Scheme

The features set out above being only the salient features of the Scheme, the Members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

10. Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the pre and post Scheme (expected) equity shareholding patterns of PEL are given below:

Category code	Category of Shareholder	Pre Scheme		Post Scheme	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
(A)	**Shareholding of Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals/ Hindu Undivided Family	3,30,753	0.19	3,30,753	0.19
(b)	Bodies Corporate	88,665,451	51.38	45,72,572	2.65
(c)	Any Others (Specify)				
(c-i)	ESOP Trusts	24,42,093	1.42	24,42,093	1.42
(c-ii)	Trusts	-	-	8,40,92,879	48.73
	Total Shareholding of Promoter and Promoter Group (A)	**9,14,38,297**	**52.99**	**9,14,38,297**	**52.99**
(B)	**Public shareholding**				
1	**Institutions**				
(a)	Mutual Funds/ UTI	16,12,303	0.93	16,12,303	0.93
(b)	Financial Institutions / Banks	55,97,092	3.24	55,97,092	3.24
(c)	Central Government / State Government(s)	213	0.00	213	0.00
(d)	Insurance Companies	16,90,731	0.98	16,90,731	0.98
(e)	Foreign Institutional Investors	3,99,42,344	23.15	3,99,42,344	23.15
	Sub-Total (B)(1)	**4,88,42,683**	**28.30**	**4,88,42,683**	**28.30**
2	**Non-institutions**				
(a)	Bodies Corporate	38,30,189	2.22	38,30,189	2.22
(b)	Individuals:				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,00,82,261	11.64	2,00,82,261	11.64
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	17,99,043	1.04	17,99,043	1.04

Category code	Category of Shareholder	Pre Scheme		Post Scheme	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
(c)	Any Other (specify)				
(c-i)	Trust	8,014	0.01	8,014	0.01
(c-ii)	Overseas Corporate Bodies	15,09,167	0.87	15,09,167	0.87
(c-iii)	Non Resident Indians (Repat)	3,42,922	0.20	3,42,922	0.20
(c-iv)	Non Resident Indians (Non Repat)	3,11,882	0.18	3,11,882	0.18
(c-v)	Foreign Bodies Corporates	43,16,911	2.50	43,16,911	2.50
(c-vi)	Clearing Member	81,100	0.05	81,100	0.05
(c-vii)	Foreign Nationals	631	0.00	631	0.00
	Sub-Total (B)(2)	**3,22,82,120**	**18.71**	**3,22,82,120**	**18.71**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**8,11,24,803**	**47.01**	**8,11,24,803**	**47.01**
	TOTAL (A)+(B)	**17,25,63,100**	**100.00**	**17,25,63,100**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A)+(B)+(C)	**17,25,63,100**	**100.00**	**17,25,63,100**	**100.00**

It may be noted that the total promoter shareholding pre and post Scheme remains the same.

11. The Pre-Scheme equity shareholding pattern of PHPL is given below:

Sr No	Name of Shareholder	No. of Equity Shares	Amount (Rs.)	% of Share Capital
1	Piramal Management Services Pvt. Ltd – Corporate Trustee of The Sri Krishna Trust	6,75,999	67,59,990	100
2	Piramal Management Services Pvt. Ltd - Corporate Trustee of The Sri Krishna Trust jointly with Mr. Khushru B. Jijina	1	10	-
3	Piramal Management Services Pvt. Ltd – Corporate Trustee of The Sri Krishna Trust jointly with Mr. Sunil Adukia.	1	10	-
	TOTAL	**6,76,001**	**67,60,010**	**100**

Note : The names of the joint-holders above are only for the sake of convenience and they have no right, title or interest in the shares.

12. PHPL is a company belonging to the Promoter Group of PEL. The Sri Krishna Trust (which is a Promoters' Family Trust) holds the entire equity share capital of PHPL. Upon the Scheme coming into effect and consequent to the amalgamation of PHPL into PEL, the shares held by PHPL in PEL shall be cancelled and equivalent number of equity shares will be issued by PEL to the equity shareholders of PHPL i.e. to the said Trust, as consideration of the merger, as explained hereinbefore in this Explanatory Statement. Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal are therefore concerned and interested in the Scheme alongwith Mr. Anand Piramal, their relative, being beneficiaries of the said Trust. None of the other Directors of the Company are concerned or interested in the Scheme except to the extent of the shares held by them in PEL.

13. (a) The extent of the shareholding of the Directors of PEL in PEL and PHPL either singly or jointly as on 31st December, 2012 was as under:

Sr. No.	Name of the Directors	Designation	Equity shares in PEL	Equity shares in PHPL
1	Mr. Ajay G. Piramal	Chairman	1,08,923	-
2	Dr. (Mrs.) Swati A. Piramal	Vice - Chairperson	1,167	-
3	Ms. Nandini Piramal	Executive Director	96,406	-
4	Dr. R.A. Mashelkar	Director	3,125	-
5	Mr. Vijay Shah	Executive Director & Chief Operating Officer	937	-

Note: Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal are members of the Promoter Group of PEL.

(b) The extent of the shareholding of the Directors of PHPL in PHPL and PEL either singly or jointly as on 31st December , 2012 was as under:

Sr. No.	Name of the Directors	Designation	Equity shares in PEL	Equity shares in PHPL
1	Mr. Khushru B. Jijina	Director	3,009	1*
2	Mr. Sunil Adukia	Director	-	1*

* The shares held in PHPL by the above named directors are as joint shareholders and are only for the sake of convenience. They have no right, title or interest in the shares.

14. PEL has obtained the approval to the Scheme in terms of Clause 24(f) of the Listing Agreements of National Stock Exchange of India Limited and BSE Limited vide their letters dated 1st January, 2013 and 4th January, 2013 respectively. Further, approval of Competition Commission of India has been received vide its letter dated 27th December, 2012

15. The financial position of PEL will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of PEL will not be prejudicially affected by the Scheme as PEL, post the Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

16. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 and the like of the Companies Act, 1956 in respect of PEL.

17. In the event of any of the sanctions and approvals referred to in the Scheme not being obtained and / or the Scheme not being sanctioned by the Hon'ble High Court or such other competent authority and / or the order or orders not being passed as aforesaid before 31st December, 2013 or such other date as may be agreed by the respective Board of Directors of PEL and PHPL, the Scheme shall become null and void.

18. Inspection of the following documents may be had by the Equity Shareholders of PEL at the Registered Office of PEL on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:

    (a) Copy of the Order dated 1st day of February, 2013 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 113 of 2013 directing the convening of the meeting of the Equity Shareholders of PEL.

    (b) Scheme of Amalgamation and Arrangement between PHPL and PEL and their respective shareholders and creditors.

    (c) Memorandum and Articles of Association of PEL and PHPL.

    (d) The Audited Financial Statements of PEL and PHPL for last three financial years ended 31st March, 2012, 31st March, 2011 and 31st March, 2010.

    (e) The Unaudited Financial Statements of PEL and PHPL as on 30th September, 2012 and 31st October, 2012 respectively.

    (f) No Objection Certificate to the Scheme received from the National Stock Exchange of India Limited and BSE Limited vide their letters dated 1st January, 2013 and 4th January, 2013 respectively.

    (g) Share Exchange Report dated 3rd November, 2012 of M/s. Grant Thornton India LLP on share exchange ratio.

    (h) Fairness Opinion dated 5th November, 2012 issued by M/s. Keynote Corporate Services Limited.

    (i) Approval of Competition Commission of India dated 27th December, 2012

19. This statement may be treated as an Explanatory Statement under Section 173 as also under Section 393 of the Companies Act, 1956.

20. A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company and/or from the office of the Advocates M/s. Rajesh Shah & Co., 16, Oriental Building, 30 Nagindas Master Road, Flora Fountain, Mumbai - 400 001.

Ajay G. Piramal
Chairman appointed for the meeting

Dated this 8th day of February, 2013

Registered office:
Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400 013.

SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

PHL HOLDINGS PRIVATE LIMITED

AND

PIRAMAL ENTERPRISES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

The Scheme of Amalgamation and Arrangement is presented under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for amalgamation of PHL Holdings Private Limited ('PHPL' or the 'Transferor Company') into Piramal Enterprises Limited ('PEL' of the 'Transferee Company') and their respective shareholders and creditors and is divided into following three parts:

Part A - Deals with Definitions and Share Capital

Part B - Deals with Amalgamation of PHL Holdings Private Limited with Piramal Enterprises Limited

Part C - Deals with General Clauses, Terms and Conditions

PART A – DEFINITIONS AND SHARE CAPITAL

1 **DEFINITIONS** In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 **"Act"** or **"the Act"** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

1.2 **"Appointed Date"** means the 1st day of January, 2013 or such other date as may be fixed or approved by the High Court of Judicature at Bombay or such other competent authority.

1.3 **"Effective Date"** means the latter of the dates on which the certified copies of the Orders sanctioning this Scheme, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai by PHPL and PEL.

1.4 **"High Court"** means the High Court of Judicature at Bombay and includes National Company Law Tribunal, if applicable.

1.5 **"PHPL"** or **"the Transferor Company"** means PHL Holdings Private Limited, a company incorporated under the Act and having its registered office at Piramal Tower, 8th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.

1.6 **"PEL"** or **"the Transferee Company"** means Piramal Enterprises Limited, a company incorporated under the Act and having its registered office at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

1.7 **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation and Arrangement in its present form as submitted to the Hon'ble High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 18 of the Scheme.

1.8 Any references in the Scheme to "upon the Scheme becoming effective" or "on the scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

2 INTERPRETATION

The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay or made as per Clause 18 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

4 SHARE CAPITAL

4.1 The authorized, issued, subscribed and paid-up share capital of PHPL as on 31st March, 2012 is as under:

Particulars	**Amount in Rupees**
Authorised Capital	
9,00,000 Equity Shares of Rs. 10/- each	90,00,000
1,00,000 Preference Shares of Rs. 10/- each	10,00,000
Total	**1,00,00,000**
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs. 10/- each	1,00,000
50,000 Preference Shares of Rs. 10/- each	5,00,000
Total	**6,00,000**

Subsequent to the above date and on the date of the Scheme being approved by the Board of Directors of PHPL the authorized, issued, subscribed and paid-up share capital of PHPL is as under:

Share Capital	**Rupees**
Authorized Share Capital	
9,00,000 Equity Shares of Rs. 10/- each	90,00,000
1,00,000 Preference Shares of Rs. 10/- each	10,00,000
Total	**1,00,00,000**
Issued, subscribed and paid-up Share Capital	
6,76,001 Equity Shares of Rs. 10/- each	67,60,010
TOTAL	**67,60,010**

4.2 The share capital of PEL as on 31st March, 2012 is as under:

Authorized Share Capital	**Rupees**
25,00,00,000 Equity Shares of Rs. 2/- each	50,00,00,000
30,00,000 Preference Shares of Rs. 100/- each	30,00,00,000
2,40,00,000 Preference Shares of Rs. 10/- each	24,00,00,000
10,50,00,000 Unclassified Shares of Rs. 2/- each	21,00,00,000
Total	**125,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
17,25,63,100 Equity Shares of Rs. 2/- each	34,51,26,200
Total	**34,51,26,200**

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of PEL, there has been no change in the authorized, issued, subscribed and paid- up share capital of PEL. On the date of this Scheme being approved by the Board of Directors of PEL, PHPL holds 8,40,92,879 Equity shares of Rs. 2 each in PEL.

PART B – AMALGAMATION OF PHPL INTO PEL

5 TRANSFER AND VESTING

5.1 With effect from the opening of business as on the Appointed Date and upon the scheme becoming effective, the entire business and whole of the undertakings of PHPL including all their properties, investments and assets (whether movable or immovable, tangible or intangible) of whatsoever nature and all other rights, title, interests, contracts, consents, approvals or powers of every kind nature and descriptions whatsoever shall, under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court of Judicature at Bombay or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date shall stand transferred and/or deemed to be transferred to and vested in PEL so as to become the properties and assets of PEL.

5.2 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which PHPL are party wherein the assets of PHPL have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to PHPL and vested in PEL by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of PEL.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of PHPL which shall vest in PEL by virtue of the Scheme and PEL shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise.

5.3 The liabilities, if any, of PHPL shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and / or deemed to be transferred to and vested in and assumed by PEL pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of PEL and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause. However, the same would be subject to indemnity by shareholders of PHPL as mentioned under clause 14 below.

5.4 PEL may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the secured creditors of PHPL or in favour of any other party to any contract or arrangement to which PHPL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. PEL shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of PHPL and to implement or carry out all such formalities or compliance referred to above on the part of PHPL to be carried out or performed.

6 CONSIDERATION

6.1 Upon the coming into effect of this Scheme and consequent to the amalgamation of PHPL into PEL and the dissolution without winding up of PHPL, 8,40,92,879 equity shares held by PHPL in PEL will be cancelled and equivalent number of equity shares in PEL will be issued by PEL to the equity shareholders of PHPL as consideration for the merger. PEL shall without any further application, act, instrument or deed, issue and allot 8,40,92,879 (Eight Crores Forty Lacs Ninety Two Thousand Eight Hundred Seventy Nine only) fully paid-up equity shares of the face value of Rs. 2 /- (Two) each in PEL to the equity shareholders of PHPL, on the Effective Date: "8,40,92,879 (Eight Crores Forty Lacs Ninety Two Thousand Eight Hundred Seventy Nine only) fully paid up Equity Shares of the face value of Rs. 2 /- (Two) each in PEL to be issued and allotted to the equity shareholders of PHPL in proportion of their holdings in PHPL"

(new equity shares to be issued as above are hereinafter referred to as 'New Equity Shares')

6.2 The New Equity Shares in PEL to be issued to the shareholders of PHPL shall be subject to the Memorandum and Article of Association of PEL. The New Equity Shares shall rank pari passu with the existing equity shares of PEL in all respects including for the purpose of any dividend declared after the Scheme becomes effective.

6.3 No shares shall be allotted in respect of fractional entitlements, if any, by PEL to which the members of PHPL may be entitled on allotment of shares as per Clause 6.1. The Board of Directors of the PEL shall, instead consolidate all such fractional entitlements and thereupon allot equity

shares in lieu thereof to a director or an officer of PEL or such other person as the Board of Directors of PEL shall appoint in this behalf who shall hold the shares in trust on behalf of the members of PHPL entitled to fractional entitlements with the express understanding that such director or officer or person shall sell the same in the market at such time or times and at such price or prices in the market and to such person, as he deems fit, and pay to PEL, the net sale proceeds thereof, whereupon PEL shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of PHPL in proportion to their respective fractional entitlements.

6.4 Upon New Equity Shares being issued and allotted by PEL to the shareholders of PHPL in accordance with Clause 6.1, the share certificates in relation to the shares held by the said shareholders in PHPL shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.

6.5 The New Equity Shares shall be issued only in dematerialized form to be credited to the demat account as may be notified by the shareholders of PHPL. The New Equity Shares of PEL shall be listed on BSE Limited and National Stock Exchange of India Limited, on which the shares of PEL are listed as on the Effective Date. PEL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges. Further the shares allotted by PEL pursuant to Clause 6.1 above shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchanges.

6.6 PEL shall take necessary steps to increase or alter or re-classify, (if necessary), its Authorized Share Capital suitably to enable it to issue and allot New Equity Shares required to be issued and allotted by it under this Scheme.

6.7 PEL shall, if and to the extent required, apply for and obtain all necessary approvals from concerned regulatory authorities for the issue and allotment by PEL of New Equity Shares to the shareholders of PHPL under the Scheme.

6.8 Approval of this Scheme by the shareholders of PHPL and PEL shall be deemed to be due compliance of the provisions of Section 81(1A) and other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares issued by PEL to the shareholders of PHPL, as provided in this Scheme.

6.9 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under the applicable provisions of the Act including sections 16 and31 of the Act and any other consents and approvals required in this regard.

7 CANCELLATION OF EQUITY SHARES OF PEL HELD BY PHPL

7.1 On the Scheme becoming effective and with effect from the Appointed Date, the equity shares of PEL held by PHPL shall stand cancelled. Accordingly, the share capital of PEL shall stand reduced to the extent of face value of shares held by PHPL in PEL and so cancelled.

7.2 Such reduction of share capital of PEL as provided in Clause 7.1 above shall be effected as a integral part of the Scheme and the Orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction and no separate sanction under sections 100-102 of the Act will be necessary. PEL shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

8 ACCOUNTING TREATMENT IN THE BOOKS OF PEL

On the Scheme becoming effective, PEL shall account for the amalgamation in its books of accounts, as per Accounting Standard (AS) 14 as notified under Section 211(3C) of the Companies Act, 1956:

8.1 All assets and liabilities recorded in the books of PHPL shall be recorded by PEL at their respective book values as appearing in the books of PHPL on the Appointed Date using the pooling of interest method.

8.2 All reserves and surplus, including but not limited to general reserve and securities premium account of PHPL as on the Appointed Date shall be transferred to and vested in PEL at their existing carrying amounts and in the same form in which they appear in the books of PHPL.

8.3 The equity shares of PEL held by PHPL shall stand cancelled in accordance with Clause 7.1 of the Scheme and as a result equivalent equity share capital of PEL and the book value of investments held by PHPL in PEL recorded as per 8.1 above shall stand cancelled.

8.4 The face value of New Equity Shares issued by PEL to the shareholders of PHPL pursuant to Clause 6.1 shall be credited to the share capital account of PEL.

8.5 The difference between the value of net assets of PHPL transferred to PEL and recorded as per sub-clause 8.1 and 8.2 above and the consideration issued by PEL (pursuant to clause 6.1 above) shall be adjusted in general reserves as per AS 14.

8.6 The difference (if any) between the value of investment held by PHPL in the equity share capital of PEL cancelled pursuant to clause 8.3 above and the face value of corresponding equity share capital of PEL shall be first adjusted against the securities premium account (to the extent as credited in the books of PEL, in accordance with clause 8.2 above) and balance shall be adjusted against the general reserve of PEL.

9 UTILISATION OF SECURITIES PREMIUM ACCOUNT

The utilisation of Securities Premium account, as per clause 8.6 above, shall be effected with effect from the Appointed Date and as an integral part of the Scheme itself in accordance with the provisions of Section 78 and Sections 100 to 103 of the Act without following the process(es) under sections 100 to 103 of the Act separately as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction and no separate sanction under sections 100-102 of the Act will be necessary.

10 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Upon filing the Scheme with the Hon'ble High Court of Judicature at Bombay and upto and including the Effective Date:

10.1 PHPL shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of PHPL for and on account of and in trust for PEL. PHPL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

10.2 PHPL shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of PEL alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof.

10.3 With effect from the Appointed Date all the profits or income accruing or arising to PHPL or expenditure or losses arising or incurred or suffered by PHPL shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of PEL. All Taxes (including Income Tax, Service Tax, Value Added Tax, etc.) paid or payable by PHPL in respect of the operations and / or the profits of the business before the Appointed Date shall be on account of PHPL. All Taxes (including Income Tax, Service Tax, Value Added Tax, etc.), paid or payable whether by way of deduction at source, advance tax or otherwise, by PHPL, in respect of the profits or activities or operations of business after the Appointed Date, the same shall be deemed to be paid or payable on behalf of PEL and shall, in all proceedings, be dealt with accordingly.

10.4 PHPL shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or with the prior written consent of PEL or pursuant to any pre-existing obligation undertaken by PHPL, as the case may be, prior to the Appointed Date.

10.5 PEL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which PEL may require pursuant to this Scheme.

11 EMPLOYEES

11.1 On the Scheme becoming effective the employees, if any, of PHPL shall become the employees of PEL without any break or interruption in their services and on same terms and conditions on which they are engaged as on the Effective Date. PEL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with PHPL shall also be taken into account.

11.2 The accounts / funds of the employees, if any whose services are transferred under Clause 11.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts / Funds of PEL and such employees shall be deemed to have become members of such Trusts / Funds of PEL.

12 LEGAL PROCEEDINGS

12.1 If any suit, appeal or other proceeding of whatever nature by or against PHPL is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against PEL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against PHPL as if this Scheme had not been made.

12.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against PHPL, PEL shall be made party thereto and any payment and expenses made thereto shall be the liability of PEL.

13 CONTRACTS, DEEDS, ETC.

13.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to PHPL to which PHPL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of PEL, as the case may be, and may be enforced by or against PEL as fully and effectually as if, instead of PHPL, PEL had been a party thereto.

13.2 PEL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which PHPL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. PEL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of PHPL and to implement or carry out all formalities required on the part of PHPL to give effect to the provisions of this Scheme.

14 INDEMNITY BY SHAREHOLDERS OF PHPL

The shareholders of PHPL shall indemnify PEL and keep PEL indemnified for liability, claim, demand, if any, discharged by PEL and not recorded in the books of accounts of PHPL or any other liability, claim, demand, suit or proceedings made, lodged or filed by any third party(ies) including Governmental authorities and which may devolve on PEL on account of this amalgamation.

15 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 5 above and the continuance of proceedings by or against PHPL under Clause 12 above shall not affect any transaction or proceedings already concluded by PHPL upon filing of the Scheme with the Hon'ble High Court of Judicature at Bombay and till the Effective Date, to the end and intent that PEL accepts and adopts all acts, deeds and things done and executed by PHPL in respect thereto as done and executed on behalf of PEL.

16 DISSOLUTION OF PHPL

On the Scheme becoming effective, PHPL shall stand dissolved automatically without being wound-up.

PART C – GENERAL CLAUSES, TERMS AND CONDITIONS

17 APPLICATION TO HIGH COURT

PHPL and PEL shall with all reasonable dispatch make all necessary applications to the High Court of Judicature at Bombay for seeking approval to the Scheme under Sections 391 to 394 read with Sections 78, 100 to 103 of the Act for an order or orders thereof for carrying the Scheme into effect and for dissolution of PHPL without winding up.

18 MODIFICATION OR AMENDMENTS TO THE SCHEME

PHPL and PEL by their respective Boards of Directors ('the Board, which term shall include Committee (s) thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Courts and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). PHPL and PEL by their respective Board

are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

19 CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

19.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the equity shareholders and/or creditors of PHPL and PEL as may be directed by the High Court of Judicature at Bombay.

19.2 The sanction of the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with Sections 78, 100 to 103 of the Act in favour of PHPL and PEL under the said provisions and to the necessary Orders under Section 394 of the said Act being obtained and the same being filed with the Registrar of Companies.

19.3 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

20 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the High Court of Judicature at Bombay or such other competent authority and / or the Order not being passed as aforesaid before 31st December, 2013 or within such further period or periods as may be agreed upon between PHPL and PEL by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

21 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by PHPL and / or its shareholders. No cost charges, taxes pertaining to the scheme shall be borne by PEL.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 113 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);
and
In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;
and
In the matter of Scheme of Amalgamation and Arrangement
between
PHL Holdings Private Limited ("PHPL" or "the Transferor Company")
and
Piramal Enterprises Limited ("PEL" or "the Transferee Company")
and
their respective shareholders and creditors

PIRAMAL ENTERPRISES LIMITED, a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.).....Applicant Company

FORM OF PROXY

I/ We, _____, the undersigned, being the Equity Shareholder(s) of Piramal Enterprises Limited, the Transferee Company do hereby appoint Mr. / Ms. _____ of _____ and failing him/her Mr. / Ms. _____ of _____ as my/our proxy, to act for me/us at the Court Convened Meeting of the Equity Shareholders to be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra on Wednesday, 13th March, 2013 at 11:00 a.m., for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the proposed Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited and Piramal Enterprises Limited and their respective shareholders and creditors and at such meeting and any adjournment / adjournments thereof, to vote, for me/us and in my / our name(s) _____ (here, if for, insert 'FOR', if against, insert 'AGAINST' and in the latter case, strike out the words "either with or without modification(s)" after the word "Arrangement") the said arrangement embodied in the Scheme of Amalgamation and Arrangement either with or without modification(s)* as my/our proxy may approve.

*Strike out what is not necessary

Dated this _____ day of _____, 2013

Affix Revenue Stamp

Name _____

Address _____

_____

Signature across the stamp

DP ID#: _____ Client ID# / Folio No. _____

No. of Shares held : _____

Signatures of Shareholder(s)

First Holder : _____

Second Holder : _____

Third Holder : _____

Signature of Proxy : _____

#Applicable for shareholders holding share(s) in dematerialized form.

Notes:

(1) THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF PIRAMAL ENTERPRISES LIMITED AT PIRAMAL TOWER, GANPATRAO KADAM MARG, LOWER PAREL, MUMBAI – 400 013 NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY NEED NOT BE AN EQUITY SHAREHOLDER OF PIRAMAL ENTERPRISES LIMITED.

(2) ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALLED.

(3) In case of multiple proxies, the proxy later in time shall be accepted provided it is received not less than 48 hours before the meeting.

(4) Body Corporate and Foreign Institutional Investor (FII) Equity Shareholder(s) would be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Piramal Enterprises Limited at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 not less than 48 hours before the commencement of the meeting.

PIRAMAL ENTERPRISES LIMITED

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the Court Convened Meeting of the Equity Shareholders of PIRAMAL ENTERPRISES LIMITED, the Applicant Company, convened pursuant to the Order dated 1st February, 2013 of the Hon'ble High Court of Judicature at Bombay, held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra on Wednesday, 13th March, 2013 at 11:00 a.m.

DP ID*: _____ Client ID* / Folio No. _____

No. of Share(s) held: _____

Name and Address of the Equity Shareholder(s) (in BLOCK LETTERS):

_____

_____

Signature : _____

Name and Address of the Proxy Holder (in BLOCK LETTERS to be filled in by the proxy attending instead of the Equity Shareholder):

_____

_____

Signature of Proxy: _____

Notes:

Equity Shareholders / Proxy-holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the entrance of the meeting hall after affixing their signature on it.

*Applicable for shareholders holding share(s) in dematerialized form.

PIRAMAL ENTERPRISES LIMITED

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of the Equity Shareholders of Piramal Enterprises Limited will be held on Wednesday, 13th March, 2013 at 11:45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders which has been convened on the same date and at the same place at 11:00 am pursuant to the Order passed by the Hon'ble High Court of Judicature at Bombay for approving the Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 between PHL Holdings Private Limited and the Company and their respective shareholders and creditors, at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra, to transact the following Special Business:

1. Reduction of Share Capital and adjustment against Securities Premium Account

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 78, 100 to 103 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and Article 8 of the Articles of Association of the Company and subject to sanction of the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited and Piramal Enterprises Limited and their respective shareholders and creditors ("the Scheme") by the Hon'ble High Court of Judicature at Bombay under Sections 391 to 394 read with sections 78, 100 to 103 and other applicable provisions, if any, of the Act, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble High Court of Judicature at Bombay or by any of the regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to:

a) The reduction of share capital consequent to the cancellation of 8,40,92,879 (Eight Crores Forty Lacs Ninety Two Thousand Eight Hundred Seventy Nine only) equity shares of the face value of Rs. 2 (two) each, fully paid up, in the share capital of the Company, representing the shareholding of PHL Holdings Private Limited ("PHPL") in the Company; and

b) The adjustment of the difference (if any) between the value of investments held by PHPL in the equity share capital of the Company cancelled pursuant to the Scheme and the face value of corresponding equity share capital of the Company, against the Securities Premium Account (to the extent as credited in the books of the Company, in accordance with clause 8.2 of the Scheme) and adjustment of the balance against the General Reserve of the Company, in accordance with and as contemplated by clause 8.6 and other applicable provisions of the Scheme;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the Board may deem fit."

2. Re - appointment of Dr. (Mrs.) Swati A. Piramal as Vice - Chairperson

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Dr. (Mrs.) Swati A. Piramal ("Dr. Piramal") as Whole-time Director designated as Vice – Chairperson of the Company, not liable to retire by rotation, for a further period of 5 years with effect from 20th November, 2012 upon the terms and conditions including payment of remuneration, perquisites and benefits as are set out in the draft of the Agreement to be entered into between the Company and Dr. Piramal and main terms of which are set out hereunder, which Draft Agreement is hereby approved, with liberty and powers to the Board of Directors ("the Board" which term shall include its Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to re-designate her and/or reallocate her duties and responsibilities and to grant increments and alter and vary from time to time the terms and conditions, including the amount and type of perquisites, allowances and benefits to be provided to Dr. Piramal subject to the applicable provisions of Schedule XIII of the Act:

a) **Basic Salary:** Rs. 2,10,00,000 per annum (i.e. Rs. 17,50,000 per month);

b) **Perquisites and Allowances:** Dr. Piramal will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, Leave Travel Allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

PROVIDED HOWEVER THAT Total Fixed Pay (as defined hereinbelow) shall not exceed Rs. 2,75,00,000 (Rupees Two Crores Seventy Five Lakhs) per annum, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of her appointment, subject to the applicable provisions of Schedule XIII of the Act. PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of her perquisites which, as per Company Policy in force from time to time, are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term "Total Fixed Pay" shall mean the aggregate of and shall include all fixed components (including basic salary) of Dr. Piramal's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive;

c) **Performance Linked Incentive:** In addition to Total Fixed Pay, Dr. Piramal shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule XIII of the Act, taking into consideration various criteria, including the performance of Dr. Piramal and the performance of the Company;

RESOLVED FURTHER THAT the Board shall have authority to grant increments and/or to alter and vary from time to time the terms of her remuneration as aforesaid and to finalise and from time to time, to alter and vary, the terms and conditions of her appointment, in accordance with the general policy of the Company or as may otherwise be decided by the Board, as it may deem fit and proper, subject to the applicable provisions of Schedule XIII of the Act;

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Dr. Piramal shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, or as may otherwise be decided by the Board, subject to compliance with the applicable provisions of Schedule XIII of the Act, if and to the extent necessary, with the approval of the Central Government."

3. Payment of Fees by Subsidiary Companies to Independent Directors of the Company appointed on their Boards

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 314(1) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be required, consent of the Company be and is hereby accorded to Independent Directors of the Company (including those who may be appointed as Independent Directors in future) who are and/or may from time to time be appointed on the Board(s) of Directors of any one or more of the Company's subsidiary(ies) (present or future, in India or overseas), for receiving and retaining fees that may be paid by such subsidiary company(ies) to its directors for attending meetings of its / their Board(s) of Directors and Committee(s) thereof PROVIDED THAT the amount of such fees so paid by such subsidiary company(ies), shall be in accordance and compliance with applicable local regulatory requirements."

NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS PRIOR TO THE COMMENCEMENT OF THE MEETING.

(b) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.

(c) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day prior to the date of the Extraordinary General Meeting, except Saturdays, between 11:00 am and 1:00 pm.

By order of the Board of Directors

Leonard D'Souza
Company Secretary

Registered office:
Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

Dated 8th day of February, 2013

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956

Item No. 1

1. The Board of Directors of Piramal Enterprises Limited ('PEL' or 'the Company'), at their meeting held on 5th November, 2012 have, after due deliberations and considering various factors, approved a Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited ('PHPL' or 'the Transferor Company') and Piramal Enterprises Limited and their respective shareholders and creditors ('the Scheme'), a copy whereof is attached to the explanatory statement under Section 393 of the Companies Act, 1956 which is annexed to the Notice of the Court Convened Meeting of the Equity Shareholders of the Company simultaneously sent to you along with this Notice.

2. The proposed Scheme provides for the amalgamation of PHPL with the Company with an Appointed Date of 1st day of January, 2013.

3. As per Clauses 6 & 7 of the Scheme, upon the coming into effect of the Scheme and consequent to the amalgamation of PHPL into PEL and the dissolution without winding up of PHPL, 8,40,92,879 equity shares held by PHPL in PEL will be cancelled and equivalent number of equity shares in PEL will be issued by PEL to the equity shareholders of PHPL as consideration for the merger. Accordingly, PEL shall without any further application, act, instrument or deed, issue and allot 8,40,92,879 (Eight Crores Forty Lacs Ninety Two Thousand Eight Hundred Seventy Nine only) fully paid-up equity shares of the face value of Rs. 2 /- (Two) each credited as fully paid up to the equity shareholders of PHPL, upon the Scheme coming into effect.

4. Since the amalgamation would result in reduction of equity share capital of the Company, the approval of the equity shareholders by a Special Resolution would be required in terms of Section 100 of the Companies Act, 1956. The reduction of share capital of PEL shall be effected as an integral part of the Scheme and the orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Companies Act, 1956 confirming such reduction of share capital of PEL.

5. The proposed restructuring will not cause any prejudice either to the shareholders or to the creditors of the Company since it does not involve any financial outlay/outgo on the part of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.

6. The pre and post Scheme (expected) shareholding patterns of the Company are given below:

Category code	Category of Shareholder	Pre Scheme		Post Scheme	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
(A)	**Shareholding of Promoter and Promoter Group**				
1	**Indian**				
(a)	Individuals/ Hindu Undivided Family	3,30,753	0.19	3,30,753	0.19
(b)	Bodies Corporate	88,665,451	51.38	45,72,572	2.65
(c)	Any Others (Specify)				
(c-i)	ESOP Trusts	24,42,093	1.42	24,42,093	1.42
(c-ii)	Trusts	-	-	8,40,92,879	48.73
	Total Shareholding of Promoter and Promoter Group (A)	**9,14,38,297**	**52.99**	**9,14,38,297**	**52.99**
(B)	**Public shareholding**				
1	**Institutions**				
(a)	Mutual Funds/ UTI	16,12,303	0.93	16,12,303	0.93
(b)	Financial Institutions / Banks	55,97,092	3.24	55,97,092	3.24
(c)	Central Government / State Government(s)	213	0.00	213	0.00
(d)	Insurance Companies	16,90,731	0.98	16,90,731	0.98
(e)	Foreign Institutional Investors	3,99,42,344	23.15	3,99,42,344	23.15
	Sub-Total (B)(1)	**4,88,42,683**	**28.30**	**4,88,42,683**	**28.30**
2	**Non-institutions**				
(a)	Bodies Corporate	38,30,189	2.22	38,30,189	2.22
(b)	Individuals:				
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,00,82,261	11.64	2,00,82,261	11.64

Category code	Category of Shareholder	Pre Scheme		Post Scheme	
		Total number of shares	As a percentage of (A+B+C)	Total number of shares	As a percentage of (A+B+C)
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	17,99,043	1.04	17,99,043	1.04
(c)	Any Other (specify)				
(c-i)	Trust	8,014	0.01	8,014	0.01
(c-ii)	Overseas Corporate Bodies	15,09,167	0.87	15,09,167	0.87
(c-iii)	Non Resident Indians (Repat)	3,42,922	0.20	3,42,922	0.20
(c-iv)	Non Resident Indians (Non Repat)	3,11,882	0.18	3,11,882	0.18
(c-v)	Foreign Bodies Corporates	43,16,911	2.50	43,16,911	2.50
(c-vi)	Clearing Member	81,100	0.05	81,100	0.05
(c-vii)	Foreign Nationals	631	0.00	631	0.00
	Sub-Total (B)(2)	**3,22,82,120**	**18.71**	**3,22,82,120**	**18.71**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**8,11,24,803**	**47.01**	**8,11,24,803**	**47.01**
	TOTAL (A)+(B)	**17,25,63,100**	**100.00**	**17,25,63,100**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**-**	**-**	**-**	**-**
	GRAND TOTAL (A)+(B)+(C)	**17,25,63,100**	**100.00**	**17,25,63,100**	**100.00**

It may be noted that the total promoter shareholding pre and post Scheme remains the same.

7. The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof.

8. The Company has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreements of the National Stock Exchange of India Limited and the BSE Limited vide their letters dated 1st January, 2013 and 4th January, 2013 respectively.

9. The Resolution is subject to the confirmation of the Hon'ble High Court of Judicature at Bombay and / or appropriate authority\(ies) as may be applicable. After obtaining approval of the shareholders, the Company would approach the Hon'ble High Court of Judicature at Bombay for its confirmation.

10. The extent of the shareholding of the Directors of the Company in the Company and PHPL either singly or jointly as on 31st December 2012 was as under:

Sr. No.	Name of the Directors	Designation	Equity shares in Applicant Company	Equity shares in PHPL
1	Mr. Ajay G. Piramal	Chairman	1,08,923	-
2	Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	1,167	-
3	Ms. Nandini Piramal	Executive Director	96,406	-
4	Dr. R.A. Mashelkar	Director	3,125	-
5	Mr. Vijay Shah	Executive Director & Chief Operating Officer	937	-

Note: Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal are members of the Promoter Group of PEL.

11. Your Directors thus recommend adoption of the special resolution in terms of Section 100 and other applicable provisions of the Companies Act, 1956, as contained in the accompanying Notice.

12. PHPL is a company belonging to the Promoter Group of PEL. The Sri Krishna Trust (which is a Promoters' Family Trust) holds the entire equity share capital of PHPL. Upon the Scheme coming into effect and consequent to the amalgamation of PHPL into PEL, the shares held by PHPL in PEL shall be cancelled and equivalent number of equity shares will be issued by PEL to the equity shareholders of PHPL i.e. to the said Trust, as consideration of the merger, as explained hereinbefore in this Explanatory Statement. Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal are therefore concerned and interested in the Scheme alongwith Mr. Anand Piramal, their relative, being beneficiaries of the said Trust. None of the other Directors of the Company are concerned or interested in the Scheme except to the extent of the shares held by them in PEL.

Item No. 2

Re - appointment of Dr. (Mrs.) Swati A. Piramal as Vice - Chairperson

Members will recall that by a Special Resolution passed on 23rd November, 2007, members had approved the appointment of Dr. (Mrs.) Swati A. Piramal as Director – Strategic Alliances & Communications, for a period of 5 years, w.e.f. 20th November, 2007. Dr. Piramal was subsequently re-designated as "Vice – Chairperson" of the Company.

Since the said period of 5 years was to expire on 19th November, 2012, the Board of Directors of the Company, taking into consideration several factors, including the performance of Dr. Piramal, her contribution to the various strategies successfully executed by the Company which has added value to the Company, its shareholders and its employees, her contribution to and role played in the various strategic growth initiatives pursued in terms of new business initiatives as well as for the Company's existing businesses and the significance of her role in achieving growth and performance targets given the attendant challenges and the responsibilities in this regard and other criteria, approved the re-appointment of Dr. Piramal as "Vice-Chairperson", not liable to retire by rotation, for a further period of 5 years, with effect from 20th November, 2012 and approved the terms and conditions including the payment of remuneration as recommended by the Nomination and Remuneration Committee, subject to requisite approval of shareholders.

Dr. Piramal completed her M.B.B.S. from the University of Mumbai, and holds a Masters Degree in Public Health from Harvard. She is the first woman to be elected President of The Associated Chambers of Commerce & Industry in India (ASSOCHAM). She has been nominated in the list of the 25 Most Powerful Women, eight times, and is now a part of the Hall of Fame of Most Powerful Women. She serves on the Scientific Advisory Council of the Prime Minister, as well the Council of Trade of the Prime Minister. She has been the recipient of one of France's highest honours -"Chevalier de l'Ordre National du Merite" (Knight of the Order of Merit) in 2006, for medicine and trade. She was nominated one of the 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011 and nominated to the Hall of Fame of Most Powerful Women in Business in 2011. She was also conferred the Padma Shri by the President of India on 4th April, 2012.

Her other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation
1	Piramal Glass Limited	Director
2	Piramal Corporate Services Limited	Director
3	Nestle India Limited	Director
4	Allergan India Private Limited	Director
5	ICICI Bank Limited	Non Executive Director

Dr. Piramal is not a member of any Board Committees refered to in Clause 49 of the Listing Agreement of the above named Companies.

The terms and conditions, including remuneration payable to Dr. Piramal, are contained in the Draft Agreement ("Agreement") proposed to be entered into by the Company with Dr. Piramal, main terms of which are set out in the resolution at item no. 2 of the accompanying Notice.

The above may be treated as the requisite abstract of the Agreement proposed to be entered into by the Company with Dr. Piramal, as required under section 302 of the Companies Act, 1956.

Dr. (Mrs.) Swati A. Piramal may be deemed to be interested in this resolution as it concerns her appointment. Mr. Ajay G. Piramal and Ms. Nandini Piramal may also be deemed to be interested in this resolution, they being related to her. Save and except the above, none of the other Directors of the Company are, in any way, concerned or interested in this resolution.

The Board recommends the resolution as set out at Item No. 2 of the Notice for your approval.

Item No. 3

Payment of fees to Independent Directors for attending meetings of Subsidiary Companies

Your Company has several subsidiaries, both in India and overseas. In order to leverage the experience of directors of the Company for the benefit of subsidiary companies and for improved corporate governance and better reporting to the Board, Independent Directors of the Company are and may from time to time be appointed on the Boards of subsidiary companies. These companies may pay fees to their directors for attending meetings of the Board and Committees thereof as per the provisions of the Companies Act, 1956 or as the case may be, as per local regulatory provisions or as approved by the Boards of respective subsidiary companies. It is proposed to allow the Independent Directors of your Company to accept and retain such fees paid by the subsidiary companies to them for attending meetings of the Board or Committees thereof in their capacity of a director of such subsidiary.

As per the provisions of Section 314 (1) of the Companies Act, 1956 ("the Act"), except with the consent of the company accorded by a special resolution, no director of a company shall hold any office or place of profit under the company or under any subsidiary of the company unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the company or its holding company. The remuneration that may be received by Independent Directors for attending meetings of the Boards (or Committees thereof) of subsidiary company(ies) of the Company may be considered as they holding office or place of profit in such subsidiary company(ies) by virtue of such fees being paid to them and hence, the Special Resolution at item no. 3 of the accompanying notice is submitted for your approval.

The Independent Directors of the Company may be deemed to be concerned or interested in the aforesaid resolution to the extent of such fees that may be received by them.

By order of the Board of Directors

Leonard D'Souza
Company Secretary

Registered office:
Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

Dated 8th day of February, 2013

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PIRAMAL ENTERPRISES LIMITED

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

FORM OF PROXY

I/ We, _____, the undersigned, being the Equity Shareholder(s) of Piramal Enterprises Limited, do hereby appoint Mr. / Ms. _____ of _____ and failing him/her Mr. / Ms. _____ of _____ as my/our proxy, to act for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra, on Wednesday, 13th March, 2013 at 11:45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders, and at any adjournment thereof.

Dated this _____ day of _____, 2013

Name _____

Address _____

_____

_____

Affix Revenue Stamp

Signature across the stamp

DP ID*: _____ Client ID* / Folio No. _____

No. of Shares held: _____

Signatures of Shareholder(s)

First Holder : _____

Second Holder : _____

Third Holder : _____

Signature of Proxy : _____

*Applicable for shareholders holding share(s) in dematerialized form.

Notes:

(1) THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF PIRAMAL ENTERPRISES LIMITED AT PIRAMAL TOWER, GANPATRAO KADAM MARG, LOWER PAREL, MUMBAI – 400 013 NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY NEED NOT BE AN EQUITY SHAREHOLDER OF PIRAMAL ENTERPRISES LIMITED.

(2) ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALLED.

(3) In case of multiple proxies, the proxy later in time shall be accepted provided it is received not less than 48 hours before the meeting.

(4) Body Corporate and Foreign Institutional Investor (FII) Equity Shareholder(s) would be required to deposit certified copies of Board/Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Piramal Enterprises Limited at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 not less than 48 hours before the commencement of the meeting.

PIRAMAL ENTERPRISES LIMITED

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I/We hereby record my/our presence at the EXTRAORDINARY GENERAL MEETING of the Equity Shareholders of the Company to be held at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021, Maharashtra, on Wednesday, 13th March, 2013 at 11:45 a.m. or immediately after the conclusion of the Court Convened Meeting of the Equity Shareholders.

DP ID*: _____ Client ID* / Folio No. _____

No. of Share(s) held: _____

Name and Address of the Equity Shareholder(s) (in BLOCK LETTERS):

_____

_____

Signature of the Equity Shareholder: _____

Name and Address of the Proxy Holder (in BLOCK LETTERS to be filled in by the proxy attending instead of the Equity Shareholder):

_____

_____

Signature of Proxy: _____

Notes:

1. Equity Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the entrance of the meeting hall after affixing their signature on it.

*Applicable for shareholders holding share(s) in dematerialized form.