

June 27, 2020

BSE Limited

1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai- 400 001
BSE scrip code: 500302, 912460

National Stock Exchange of India Limited

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

Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Securities and Exchange Board of India’s circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015

Dear Sir/ Madam,

In accordance with the provisions of Regulation 30 of the SEBI Listing Regulations and Securities and Exchange Board of India’s circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform you that the board of directors (‘Board’) of Piramal Enterprises Limited (‘Company’), at their meeting held on June 26, 2020, has inter alia, approved:

- the sale/ transfer of the pharmaceutical business (‘Pharma Business’) of the Company, held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, wholly owned subsidiary of the Company (‘PPL’); and
- the strategic growth investment by CA Clover Intermediate II Investments (“Carlyle”), an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group Inc., for a 20% stake in the fresh equity capital of PPL,

(collectively referred to as ‘Proposed Transaction’).

The Proposed Transaction values the Pharma Business at an enterprise value (EV) of US\$2,775 million with an upside component of up to US\$360 million depending on the company’s FY21 performance. Based on the EV (excluding the upside component), exchange rate and pharma net debt as on March 31, 2020, the estimated equity capital investment for Carlyle’s 20% stake in PPL would amount to ~US\$490 million. The final amount of equity investment will depend on the net debt, exchange rate and performance against the pre-agreed conditions at the time of closing of the Proposed Transaction.

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India
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This fresh growth investment into our Pharma Business will be used as growth capital for the pharma businesses to expand capacity across our sites as well as to tap attractive acquisition opportunities within and outside India. In the interim, the proceeds from this capital raise may also enable us to further strengthen our balance sheet through deleveraging in the near term.

The revenue of the Pharma Business for the financial year ended March 31, 2020 was Rs. 5,419 crore contributing 41% of the Company's revenue. The Pharma Business delivered 41% growth in EBITDA to Rs. 1,436 crore during FY2020, at an EBITDA margin of 26%, for the financial year ended March 31, 2020.

The sale/ transfer of the Pharma Business to PPL is subject to the approval by the shareholders of the Company in accordance with the provisions of the Companies Act, 2013 ('the Act'). For this purpose, the Company shall seek necessary approval of the shareholders at the forthcoming Annual General Meeting of the Company scheduled to be held on July 30, 2020.

PPL being a wholly-owned subsidiary of the Company, the sale/ transfer of the Pharma Business is a related party transaction and is being undertaken on arm's length basis.

The Proposed Transaction is expected to be completed in calendar year 2020, subject to customary closing conditions and regulatory approvals.

Enclosed herewith is a press release being issued by the Company in this regard.

This is for your information and appropriate dissemination.

Thank you.

Yours truly,
For Piramal Enterprises Limited

Bipin Singh
Company Secretary

Encl.: a/a

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Carlyle and Piramal Pharma Sign Agreement on a 20% Strategic Growth Investment

- **Integrate Piramal Enterprises' pharma businesses into its subsidiary Piramal Pharma Limited**
- **Capital Raise to accelerate Piramal Pharma's organic and inorganic growth plans**
- **Carlyle's global healthcare experience to bring significant value to Piramal Pharma**

June 27, 2020 | Mumbai, India: Piramal Enterprises Limited ("PEL", NSE: PEL, BSE: 500302, 912460) and The Carlyle Group today announced that CA Clover Intermediate II Investments, an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group Inc. (collectively, "Carlyle", NASDAQ: CG), has agreed to invest fresh equity capital for a 20% stake in Piramal Pharma Limited ("Piramal Pharma"), a wholly owned subsidiary of Piramal Enterprises Limited that will contain its pharmaceutical businesses ("Pharma Business"). The transaction values the Pharma Business at an enterprise value (EV) of US\$2,775 million with an upside component of up to US\$360 million depending on the company's FY21 performance. Based on the EV (excluding the upside component), exchange rate and pharma net debt as on 31st March 2020, the estimated equity capital investment for Carlyle's 20% stake in Piramal Pharma would amount to ~US\$490 million. The final amount of equity investment will depend on the net debt, exchange rate and performance against the pre-agreed conditions at the time of closing of the deal.

Piramal Pharma will include (a) Piramal Pharma Solutions, an end-to-end contract development and manufacturing (CDMO) business; (b) Piramal Critical Care, a complex hospital generics business selling specialized products across over 100 countries; (c) Consumer Products Division, a consumer healthcare business selling over-the-counter products in India; and (d) PEL's investment in the joint venture with Allergan India, a leader in ophthalmology in the domestic market and Convergence Chemicals Private Limited.

This transaction is one of the largest private equity deals in the Indian pharmaceutical sector, and is expected to close in 2020, subject to customary closing conditions and regulatory approvals.

Ajay Piramal, Chairman, Piramal Enterprises Limited, said, "We are pleased to announce the strategic growth investment by Carlyle, a marquee global investor, in Piramal Pharma. This is an affirmation of the strength of our ability to build new, attractive and scalable businesses with a significant runway for continued organic growth and opportunities for consolidation. This infusion of funds will further strengthen our balance sheet and provide us with a war chest for the next phase of our strategy. We are pleased to have an investor of this caliber join the Piramal family and continue our stellar track record of partnerships."

Neeraj Bharadwaj, Managing Director, Carlyle Asia Partners advisory team, said, "Piramal Pharma has built a strong, diversified pharma business with a solid market position and scale in each of its core business segments of Pharma Solutions, Critical Care and Consumer Products. Given global pharma industry trends, we see attractive opportunities for organic as well as inorganic growth in each of these businesses. We are excited to work with the company's experienced management team, and will leverage our global network, extensive knowledge of the healthcare sector, and operating

experience to seek to expand its platform, develop strategic opportunities and facilitate broader market access.”

Nandini Piramal, Executive Director, Piramal Enterprises, said “We are delighted to partner with Carlyle, which has extensive experience in the healthcare sector. They impressed us with their understanding of our business, expertise in the sector, global mindset and capabilities, and collaborative approach to long-term partnerships. These strengths will be invaluable as we seek to accelerate our growth trajectory. This fresh growth investment into our pharma business will be used as growth capital for the pharma businesses to expand capacity across our sites as well as to tap attractive acquisition opportunities within and outside India. In the interim, the proceeds from this capital raise may also enable us to further strengthen our balance sheet through deleveraging in the near term.”

Greg Zeluck, Co-Head, Carlyle Asia Partners advisory team, said, “This investment marks the beginning of an important partnership with the Piramal family, and further underscores our commitment to the Indian market. India is a hugely strategic part of Carlyle’s Asia business, and a market where we continue to see many attractive investment opportunities where we believe we can collaborate with management teams to drive long-term value for companies and stakeholders.”

PEL has demonstrated a three-decade track record of growth and re-invention in pharma. Following the sale of its domestic pharma business to Abbott in 2010 for US\$3.8 billion, the company has demonstrated its ability to build a solid and resilient pharma business over the last 10 years. Leveraging its differentiated business model and strong quality track record, PEL’s pharma revenue since the Abbott deal has grown 3.5 times at a CAGR of 15% from ₹1,537Cr in FY11 to ₹5,419Cr in FY20. In this period, the pharma business EBITDA has gone up 13.0 times at a CAGR of 33% from ₹110Cr in FY11 to ₹1,436Cr in FY20 (excluding financials of Allergan and CCPL JV), resulting in a significant improvement in the EBITDA Margin from 7% in FY11 to 26% in FY20.

Carlyle has a well-established history of investing in the healthcare sector, both in India and globally, fueled by a deep understanding of the market and an ability to create value through its operational expertise and close partnerships with management. Last month, the firm announced its majority stake investment in SeQuent Scientific, the largest Indian pure-play animal healthcare company, which is expected to close in the third quarter of 2020. Its other investments in the Indian healthcare sector include Medanta Medicity Hospital, a leading hospital in the National Capital Region of Delhi, and Metropolis Healthcare, a chain of diagnostic centers and laboratories.

Globally, Carlyle has strong experience in the pharmaceutical services sector, having invested in Albany Molecular Research (AMRI), a global contract research, development and manufacturing organization (CDMO), PPD, a leading global contract research organization (CRO), and Ambio, a global pharmaceutical ingredient manufacturer.

Carlyle is a long-standing global investment firm in India, making investments in India since 2000. With global resources, deep industry expertise and strong local knowledge, Carlyle has invested more than US\$2.5 billion in India as of March 31, 2020. Notable investments in India include SBI Life, SBI Card, HDFC, India Infoline, Delhivery and PNB Housing Finance.

Rothschild & Co served as financial advisor; Cyril Amarchand Mangaldas and Covington & Burling LLP served as legal advisors to PEL on this transaction. J.P. Morgan served as financial advisor and AZB & Partners and White & Case served as legal advisors to Carlyle.

About The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$217 billion of assets under management as of March 31, 2020, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,775 people in 32 offices across six continents. Further information is available at www.carlyle.com. Follow The Carlyle Group on Twitter @OneCarlyle.

About Piramal Enterprises Ltd:**About Piramal Enterprises Limited:**

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with presence in Financial Services and Pharmaceuticals. PEL's consolidated revenues were ~US\$1.7 billion in FY2020, with ~34% of revenues generated from outside India.

In Pharma, through end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

In Financial Services, PEL offers a complete suite of financial products in both wholesale and retail financing across sectors. The Group has long-standing partnerships with leading institutional investors such as CPPIB, APG, Ivanhoé Cambridge (subsidiary of CDPQ) and Bain Capital Credit. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India. For more information visit: www.piramal.com, Facebook, Twitter, LinkedIn

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