

Outcome of Piramal Healthcare Ltd Board Meeting - 06/05/11 16:01

Piramal Healthcare Ltd has informed BSE that the Board of Directors of the Company at its meeting held on May 06, 2011, inter alia, has taken the following decisions:

1. The Board has for some time, been deliberating on new business opportunities. One of the business opportunities which were being explored in this regard was in the area of Financial Services. At its meeting held on May 06, 2011, during the continued deliberations on Financial Services as a new business opportunity, it was decided to venture into the Financial Services sector. In this regard, the Board approved the following proposals:

(a) Acquisition of the Indiareit Fund Advisors Pvt. Ltd., who are Advisors to the indiareit Fund, for a total consideration of Rs. 110 crores. The Indiareit Fund is a Real Estate Private Equity Fund focused on the Indian market. At present, the total funds under management is about Rs. 1950 crores;

(b) Acquisition of the Indiareit Investment Management Company, Mauritius, who are Managers to Real Estate Private Equity Funds investing in India through the FDI route, for a total consideration equivalent to Rs. 115 crores. Total funds under management is currently about US\$ 430 million;

The activities at (a) & (b) above would be undertaken by one or more subsidiaries and are subject to applicable regulatory compliances / approvals and execution of definitive agreements;

(c) The other business opportunities under Financial Services approved by the Board on May 06, 2011 are lending and fund management for infrastructure and allied sectors. This would also be undertaken by one or more subsidiaries.

2. Demerger of NCE Research Unit of PLSL into PHL

The Board also considered and approved the Scheme of Arrangement between PLSL and the Company ('Demerger Scheme'). Under the proposed Demerger Scheme, the New Chemical Entity (NCE) Research Unit of PLSL would be demerged into the Company, with effect from April 01, 2011, which is the Appointed Date under the Demerger Scheme.

The following exchange ratio has been approved:

"1 [one] fully paid up equity share of Rs. 2 of the Company shall be issued and allotted for every 4 [four] equity shares of Rs. 10 each held in PLSL".

The Demerger Scheme is subject to the consent of requisite majority of shareholders and creditors of the Company and of PLSL. The Demerger Scheme is also subject to the sanction of the High Court of Judicature at Bombay and all other regulatory approvals as may be necessary for the implementation of the Demerger Scheme.