Roadshow Presentation

Piramal Capital & Housing Finance Limited

October 2024 | Confidential

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Conversion Rate = 1 USD = 83 INR throughout the presentation, unless mentioned otherwise

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Corporate Overview

Piramal Group Snapshot

Ajay Piramal Group

c. 46% — **Financial Services** → **Piramal Enterprises Ltd. (PEL)**
Market Cap : c. USD 2.9bn

100% → **Piramal Capital and Housing Finance Ltd. (PCHFL)**
Issuer

c. 35%(1) — **Pharma** → **Piramal Pharma Ltd.**
Market Cap : c. USD 3.5bn

c. 58% (2) — **Real Estate** → **Piramal Realty Pvt. Ltd.**
Promoter owned private entity

Established 40+ year legacy in India
All businesses operating independently with no cross holdings or intercompany transactions

Listed Companies *Privately Held Companies*

Successfully raised c. USD 2.2bn in equity during NBFC crisis

Rights Issue
USD 440mn
(Jan'20)

Sale of DRG
USD 837mn
(Feb'20)

Pharma Fund Raise
USD 424mn
(Oct'20)

Preferential Allotment
USD 211mn
(Dec'19)

Shriram Stake Sale(3)
USD 277mn
(Jun'19)

Ability to raise debt via access to large pool of lenders

# of Lenders
30+

Long Term Rating
BB- (S&P);
Ba3 (Moody's)

Short Term Rating (Domestic)
A1+

Strategic partnerships with marquee global sponsors

BainCapital
CDPQ
Prudential
CARLYLE
Goldman Sachs
WARBURG PINCUS

Notes: (1) Carlyle holds 18% stake; (2) Balance held by Goldman Sachs and Warburg Pincus; (3) Refers to PEL's stake sale in Shriram Transport Finance Corporation. Additionally, in FY24 PEL has sold its entire stake in Shriram Finance Ltd. and Shriram Investment Holdings for USD 581mn and USD 173mn respectively

Market Cap as of 20 September 2024
Conversion Rate = 1 USD = 83 INR throughout the presentation, unless mentioned otherwise

Journey to being full-fledged financial services company

Entry to Financial Services

2011
Entered financial services via IndiaREIT

2012
Commenced NBFC operations

2013
Investment in Shriram

2014-2016
- **CPPIB alliance** for residential development debt financing
- **APG asset mgmt.** alliance for infra co investments. Commences construction financing

2017
Entered retail financing

Strengthening and Consolidation

2018- 2020
- **Over 2018-20 raised USD 2.2 bn through equity** issuance and asset monetization to improve capital adequacy
- **Deleveraged the business** and strengthened liabilities
- **Increased granularity** of the **wholesale book**
- Took adequate **provisions**

Corporate Restructuring and Transition to a Retail Focused player via DHFL acquisition

2021
Demerged Pharma business to create a pure play financial services company

2021 - 2023
- Significant increase in loan book size post the **DHFL acquisition** – creating a leading HFC in India
- Completed DHFL acquisition and integration
- **Transformation from a wholesale-led to a well-diversified lending business**

2024
- Crossed Retail AUM of USD 6bn

Present and Going Forward

Sustainable growth and profitability

- Scale-up the overall loan book
- Leverage DHFL's platform to cross-sell
- Significantly increased retail loans share to 70%, with target to take it to 75%
- Diversified the retail product offering

Balanced trade-offs between 3 key vectors of lending

DHFL Acquisition – A Summary

Major Highlights

Led to the creation of one of the largest pan-India housing finance companies, a platform to address the diverse financing needs of the under-served 'Bharat' market

- **Milestone Transaction** – 1st financial services company to be resolved through the IBC route
- **January 2021 – 94% of the Committee of Creditors** voted in favor of Piramal's resolution plan
- **February to September 2021** – Key necessary regulatory approvals received for transaction closure.
- **Consideration Paid by PCHFL** – PCHFL acquired a loan book with gross value of USD 5.4bn (excl. fraudulent assets) for a consideration of USD 2.4bn (net off existing cash at DHFL), thereby **acquiring the book at c. 44% of gross value**
- **PCHFL funded the consideration** via fixed rate bonds to the tune of USD 2.3bn **and balance USD 0.1bn was funded through internal accruals.**

Key Strategic Rationale

1. **Diversification :** Transformed Piramal into a well-diversified lender, focused on retail lending
2. **Growth:** Created one of the leading housing finance companies in India with significant increase in loan book size
3. **Scale:** PCHFL gained pan-India distribution network with access to ~1 million customers at time of acquisition
4. **Customer Segment:** Ability to cater to the under-served 'Bharat' market in affordable segment via DHFL network
5. **Strengthens Liabilities:** Reduced borrowing cost post-acquisition and further improved ALM profile via long term fund raise

Creation of Pan India platform post acquisition with continued expansion

Metric	Pre-DHFL	Post-DHFL	Current (Jun'24)
Footprint in # States / Union Territories	10	24	26
Presence in # of Cities / Towns	40	236	415
# of Branches	14	301	501
# of Customers	23,286	c. 1.0 mn	c. 4.0 mn

Acquisition enabled PCHFL to acquire an established retail lending platform which acted as a catalyst for future growth

PEL Merger with PCHFL – Consolidation of Financial Services Businesses

In May 2024, PEL announced that it will get reverse merged into PCHFL, and entity will be renamed to Piramal Finance Ltd. ("PFL")

Transaction Mechanics[1]

Shareholders

Piramal Enterprises Limited (Listed)

Equity shares + NCRPS[2]

Reverse Merger

100%

Piramal Capital & Housing Finance Limited (Merged Entity, i.e., PFL to be listed)

Expected to be completed by Q1FY26

PCHFL was natural choice as surviving entity

- **Interest income ~3.4x of PEL Standalone**
- **AUM at PCHFL = ~4x of PEL Standalone AUM**
- **99% of the total footprint with PCHFL**
- **+ 95% of lending business employees are housed in PCHFL**
- **Help achieves listing requirements on PCHFL due to classification as an 'upper layer' NBFC**

PCHFL has disproportionately higher scale, geographic footprint and salesforce relative to PEL

PCHFL originates almost the entire credit portfolio for both entities

PCHFL as the surviving entity minimizes operational inconvenience related to transfer of infrastructure, assets, etc.

Piramal Finance Limited to be an NBFC-ICC with enhanced scale and larger target addressable market

(1) Group structure chart is not exhaustive
(2) PCHFL will issue NCRPS for part of the consideration subject to RBI approval

Business Overview:
Well-diversified NBFC, led by Retail lending

Financial Services Business – A Snapshot

Piramal

GROWTH BOOK

Retail
AUM

USD 6,088mn[(1)]

Multi-product retail platform - Housing, LAP, Other Secured and Unsecured Loans

Wholesale
2.0 AUM

USD 852mn

New real estate (RE) and corporate mid market loans (CMML)

LEGACY BOOK (discontinued)

Legacy (discontinued) Wholesale
1.0 AUM

USD 1,563mn

OTHER ASSETS

Investments in Shriram

~USD 205mn

Life Insurance
GWP[(2)]

USD 231mn

Alternatives
Committed Funds

~USD 1.0bn

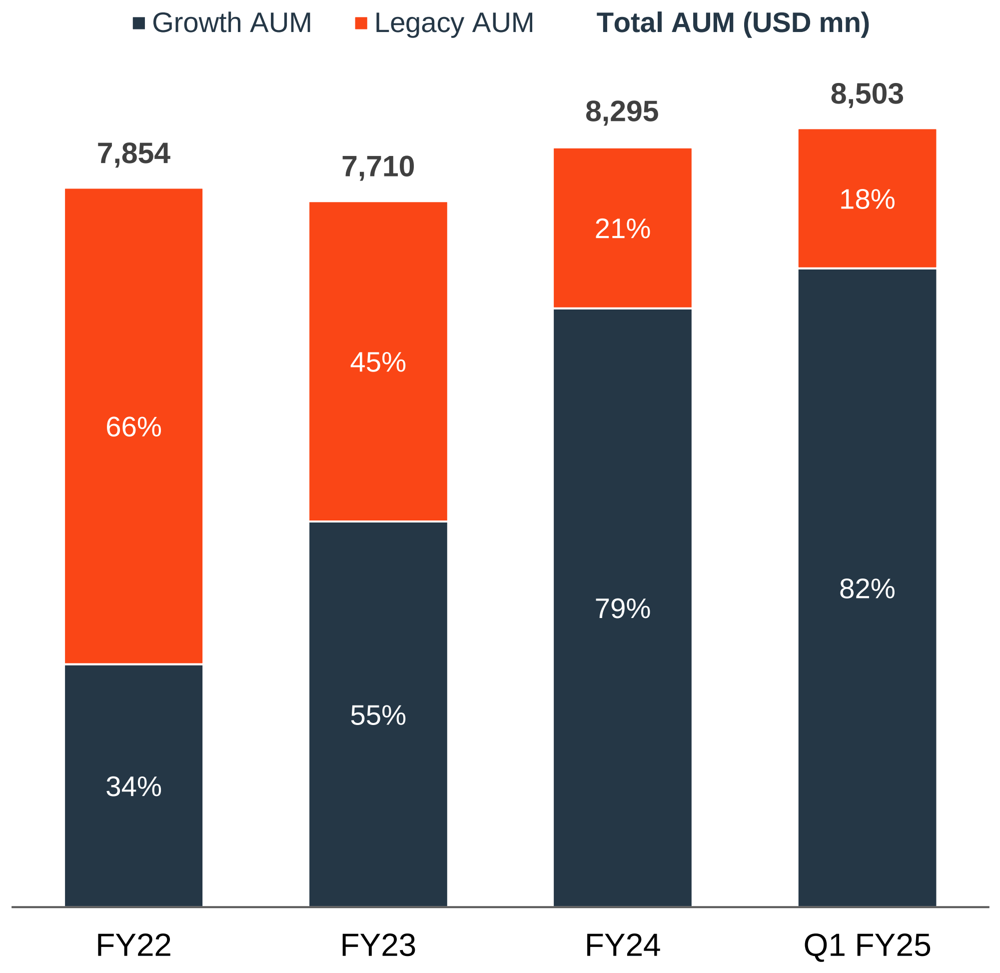
Strong capitalization levels and low leverage provide firepower to sustained AUM growth.

Total AUM USD 8,503mn	Net Worth USD 3,237mn	Capital Adequacy 24.4%	Debt / Equity 2.0x	GNPA 2.7% / NNPA 1.1%

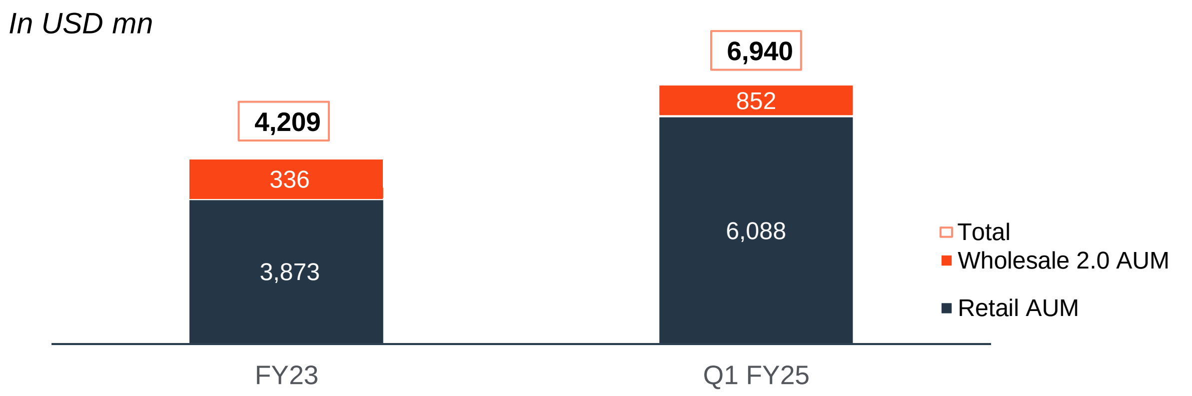
(1) Book Value as on the balance sheet
(2) FY24 Gross Written Premium

Successfully transitioned to a diversified multi-product NBFC led by Retail lending

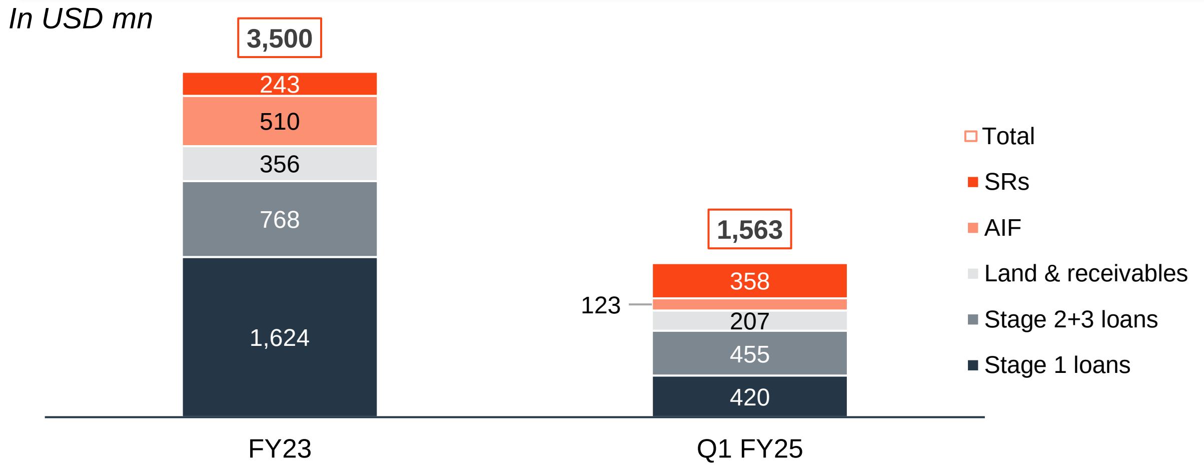
Growth business now dominates the AUM mix (82% of total AUM)



Growth Book AUM (up 55% YoY)



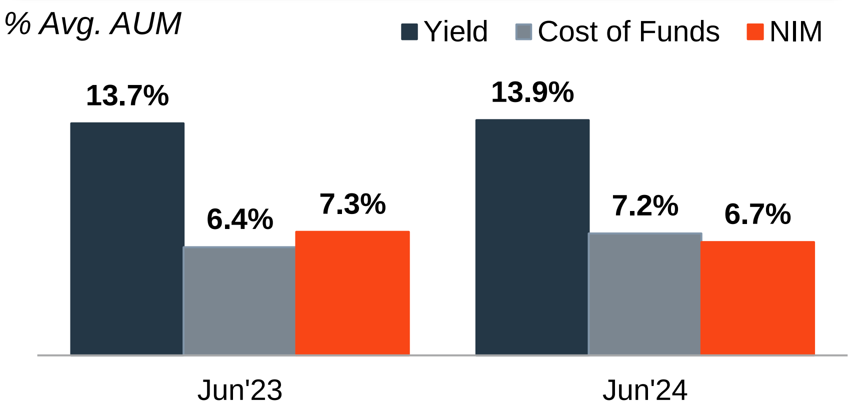
Accelerated run down of Legacy AUM (down 50% YoY)



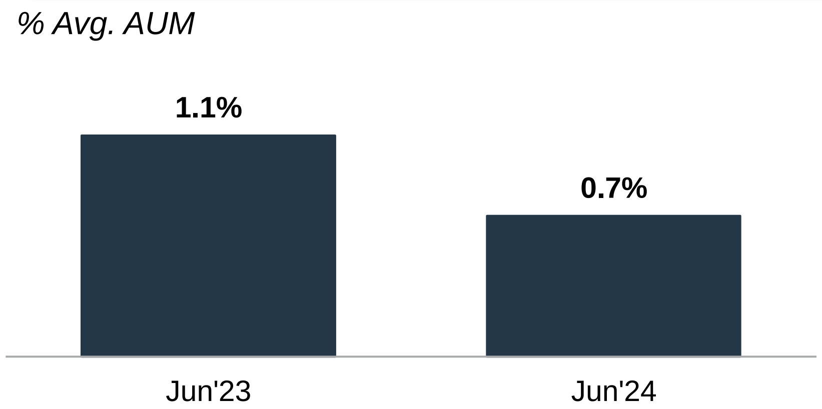
Piramal has been successful in meeting its target mix with c. 72% Retail AUM as of June 2024

Growth Business on path of steady profitability

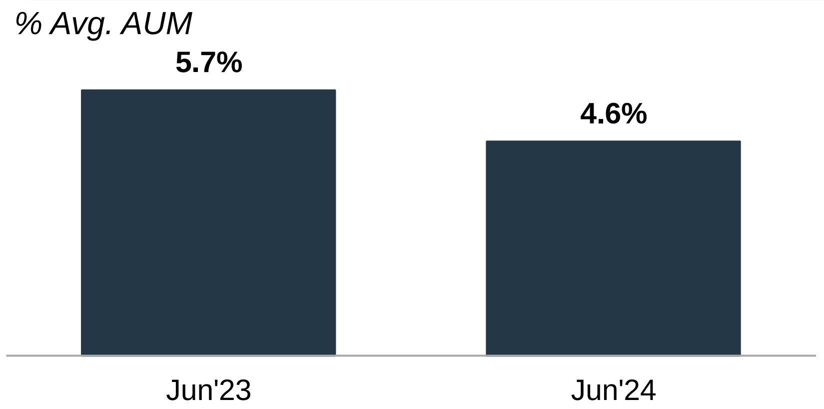
Yield and NIM [1]



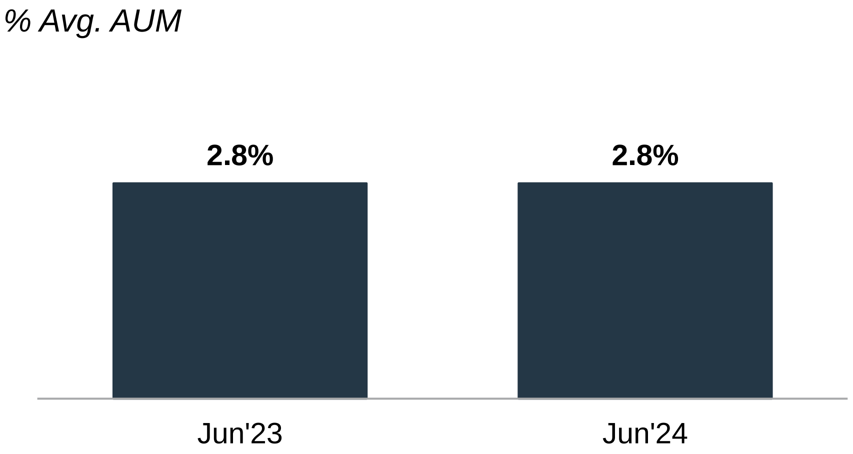
Fee Income



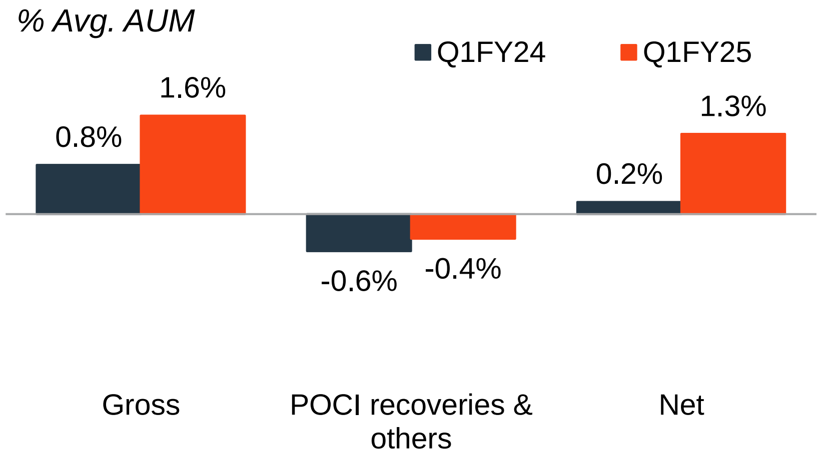
Opex



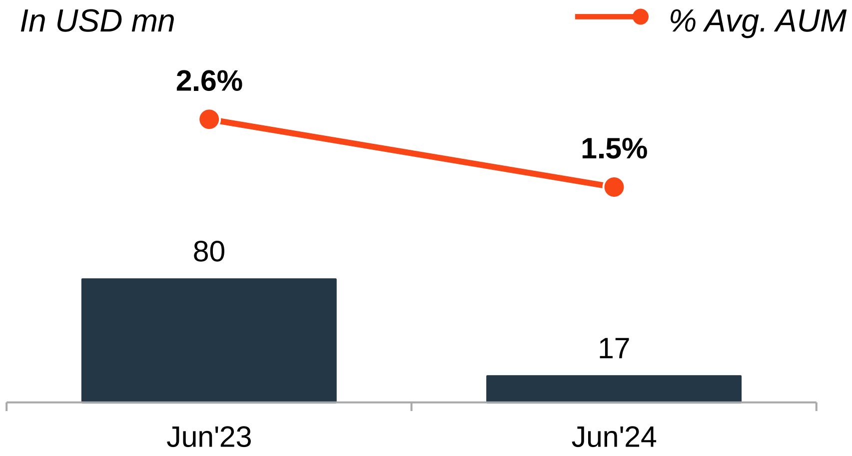
PPOP



Credit Cost [2]



PBT



Growth business has demonstrated healthy profitability with further room for improvement via significant operating leverage

Notes: All ratios as % of average AUM of growth business
(1) Net interest margin = net interest income / average AUM; (2) Gross credit cost = aggregate of stage-wise credit cost for stage 1/2/3 loans; (3) Purchased or originated credit impaired (POCI); (4) Net credit cost = Gross credit cost less recoveries from POCI book and other gains; (5) Credit cost is mainly from retail business. Gross/ Net Credit costs for Q1FY24 excludes 1.3% of one-time ECL provision write back

Experienced, strong and stable management to drive each business vertical

Jairam Sridharan

CEO, Retail

Former CFO at Axis bank

IIT Delhi, IIM Calcutta

Rupen Jhaveri

Group President

Former MD at KKR India

NYU Stern School of Business

Yesh Nadkarni

CEO, Wholesale

Former MD & CEO at KKR – RE Lending business

London Business School

Kalpesh Kikani

CEO, Piramal Alternatives

Former MD at AION Capital (JV of Apollo & ICICI) Bombay University and Member of CFA Institute

Pankaj Gupta

CEO, Pramerica Life

Former Group Head – Distribution at HDFC Life

IIT Kanpur, IIM Lucknow

Upma Goel

CFO

Former CFO and KMP at Ujjivan Small Finance

Chartered Accountant

Strong panel of Independent Directors having deep expertise in Financial Services and Technology sector

Piramal

Shikha Sharma
Non-Executive Director
Former MD & CEO,
Axis bank

Anjali Bansal
Independent Director
Founder,
Avaana Capital, Climate and Sustainability Fund

Kunal Bahl
Independent Director
CEO & Co-Founder,
Snapdeal

Rajiv Mehrishi
Independent Director
Former Finance Secy.,
GoI(1)

Anita George
Independent Director
Former Sr. Director,
WBG(2)

Puneet Dalmia
Independent Director
MD & CEO
Dalmia Bharat Limited

Gautam Doshi
Independent Director
Former Chairman,
WIRC of ICAI

Vijay Shah
Non-Executive Director
Former MD,
Piramal Glass

Suhail Nathani
Independent Director
Managing Partner,
ELP(3)

Asheet Mehta
Independent Director
Senior Partner
Mckinsey & Co.

Guided by Expert Counsel

Nitin Nohria
Senior Advisor
Former Dean,
Harvard Business School

(1) Government of India
(2) World Bank Group
(3) Economic Law Practice

Growth Business Vision & Outline
Retail Business

Retail Business Outline & Strategy

- Diversified retail business with housing as the foundation
- Target segment is the budget customer of Bharat
- Core differentiation: Execution rigour on a “High tech + High touch” strategy
- Business gaining traction in all chosen segments
- Maintain strong control on asset quality and credit costs

Experienced and strong leadership team drives retail business

Piramal

Jairam Sridharan
CEO, Retail

20+ years
AXIS BANK
Capital One

Jagdeep Mallareddy
Chief Business Officer
25+ years
AXIS BANK
ICICI PRUDENTIAL LIFE INSURANCE

Sunit Madan
Chief Operating Officer
25+ years
AXIS BANK
genpact

Saurabh Mittal
Chief Technology Officer
20+ years
amazon
MedLife

Markandey Upadhyay
Chief Data & Analytics Officer
20+ years
AXIS BANK
HSBC

Vipul Agarwal
Business Head – Partnerships
20+ years
McKinsey & Company
pwc

Arvind Iyer
Head – Marketing
15+ years
viacom18
Unilever

High pedigree management with relevant domain expertise, and track record of building successful businesses

Retail Business Positioning

A lender that goes beyond PAPERS and sees the INTENT of the person

Who are we?

High Touch + **High Tech**

Who are our customers?

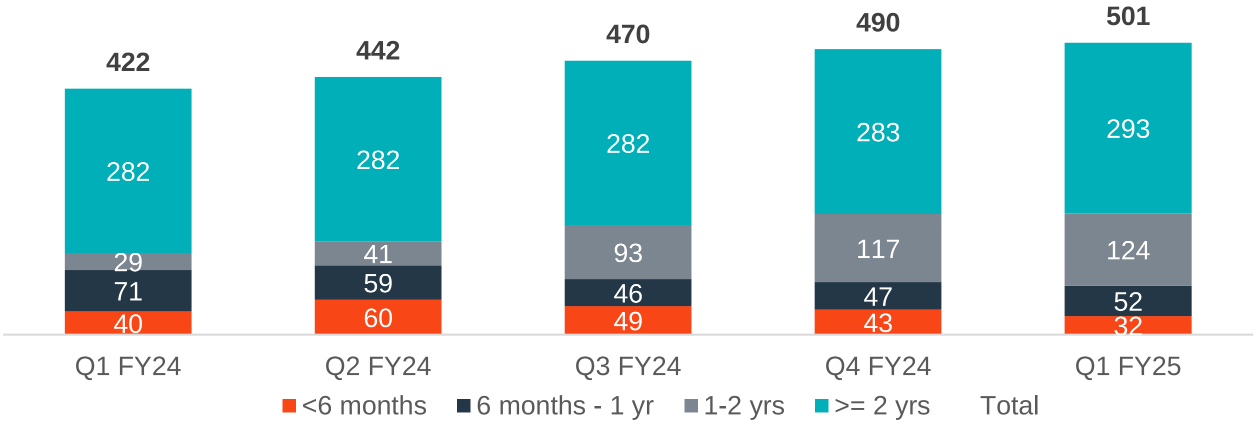
Budget customers of Bharat, residing in
Tier 2 and Tier 3 geographies of India

What we do for them?

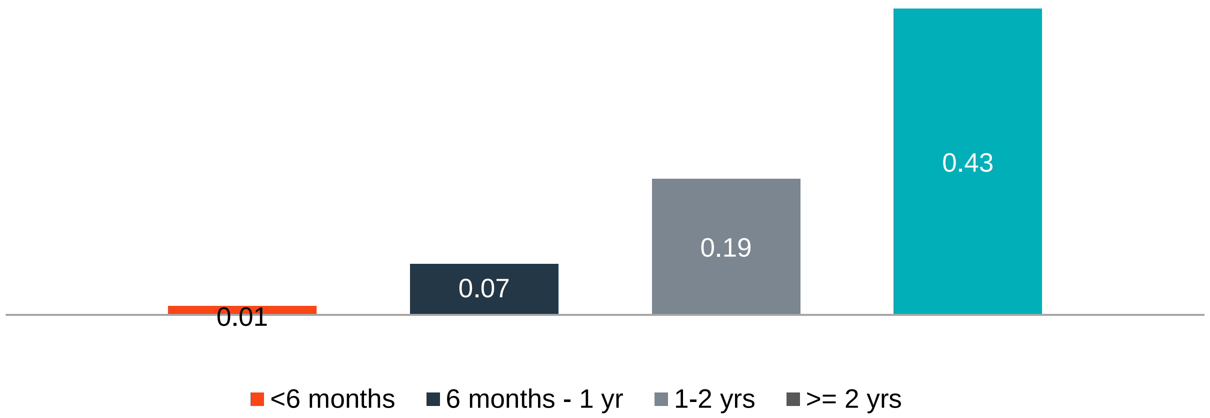
Provide credit to the “UNDERSERVED”
to achieve their goals and aspirations

Execution strategy driven by strong branch expansion and productivity

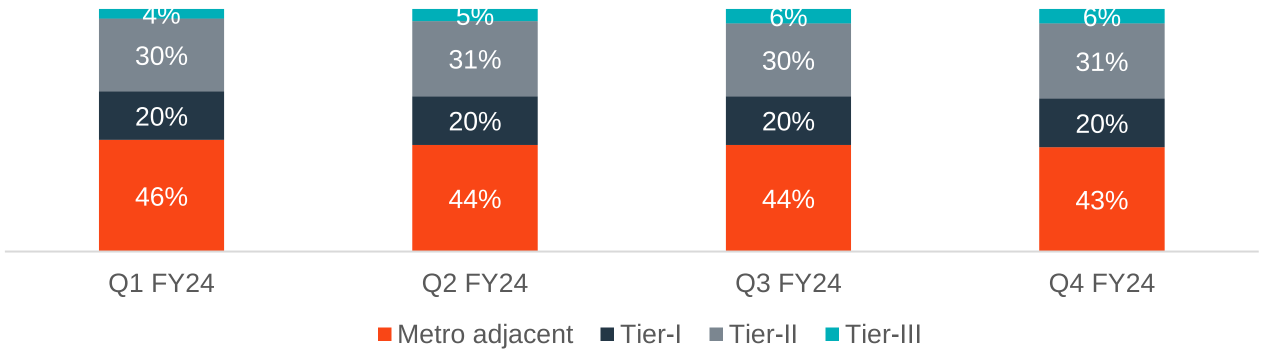
Branch mix by vintage



Benchmark monthly disbursement per branch (USD mn)



Retail AUM by geographic exposure



One of the few NBFCs with a PAN India Presence

501
Conventional branches

210
Microfinance branches

26
No. of states present

415
No. of cities/towns present

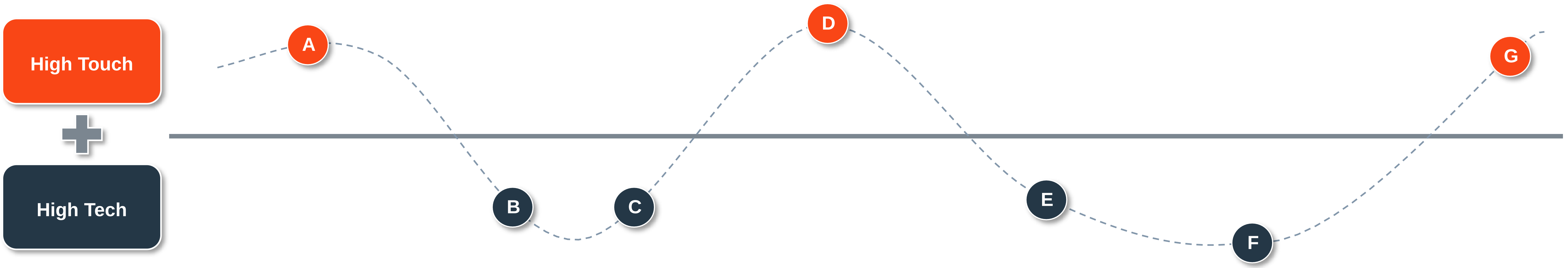
608
Districts served

Incurred significant investments over last 2 years to bolster and grow the branch network to drive long term growth

Robust infrastructure and processes backed by on-ground team

Home loan as an example

Sales and Sourcing → Eligibility checks → Underwriting (u/w) and sanction → Monitoring → Collections



A **Strong branch led presence** along with deep DSAs & connectors network

B **Parameterized lending** with multiple checks

C **In-house scorecards & AI/ML** model driven "*Ventile based*" decision making

High Tech and High Touch are strongly blended

D **PDs(1) and Appraisal(2)** done to ascertain payment capacity

E **Parallel processing** through seamless integration

F Real time tracking through **automated dashboards** *(PowerBI)*

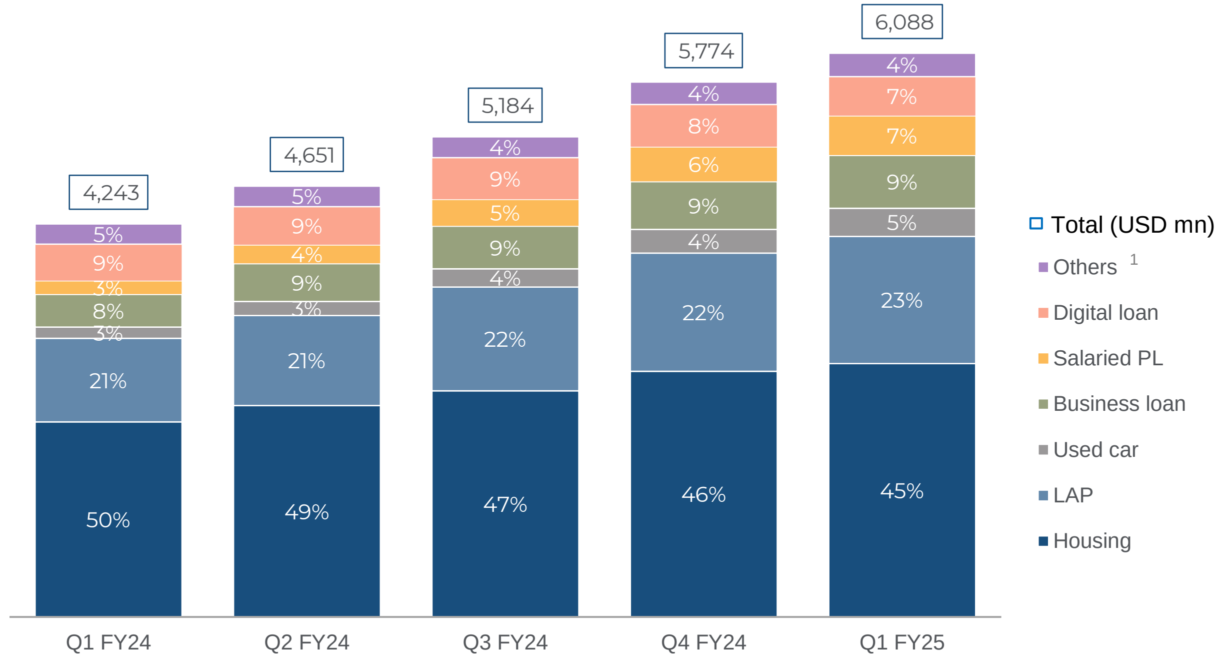
G Large **on-ground collections team**

Focused on building a sustainable lending franchise through use of technology and personal touch across customer journey

(1) Personal discussions
(2) Involves process of valuing and appraising the property on-site

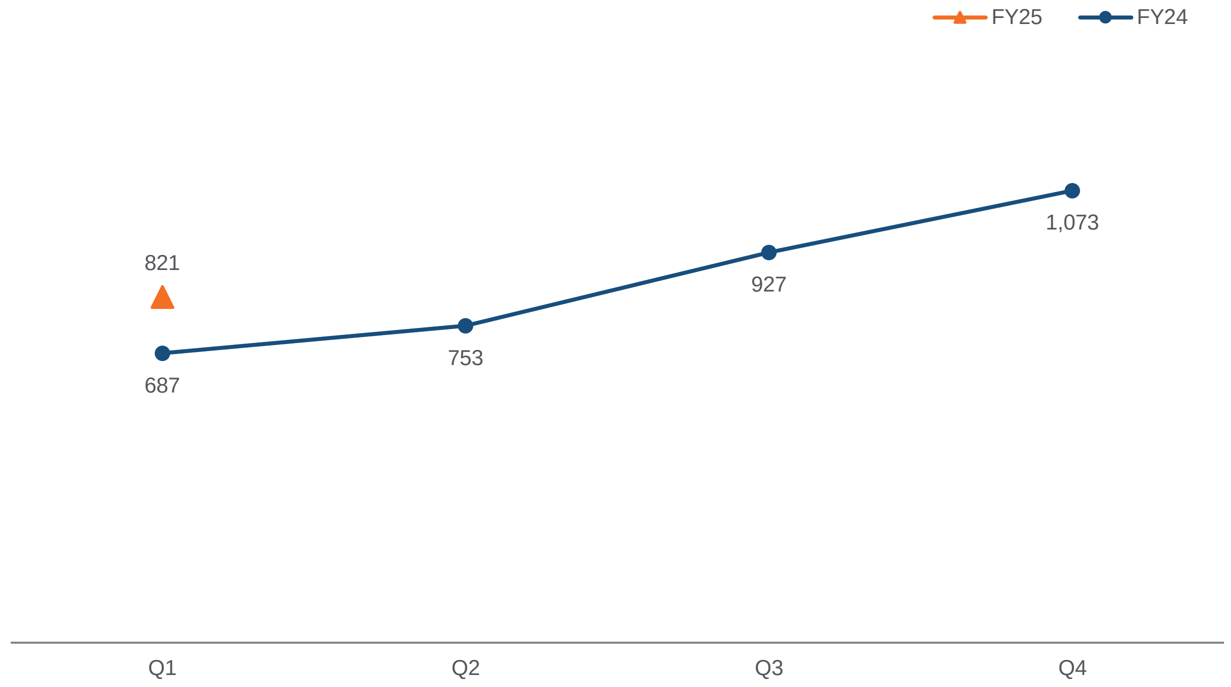
Retail – growth across product verticals

Q1FY25 Retail AUM up 43% YoY



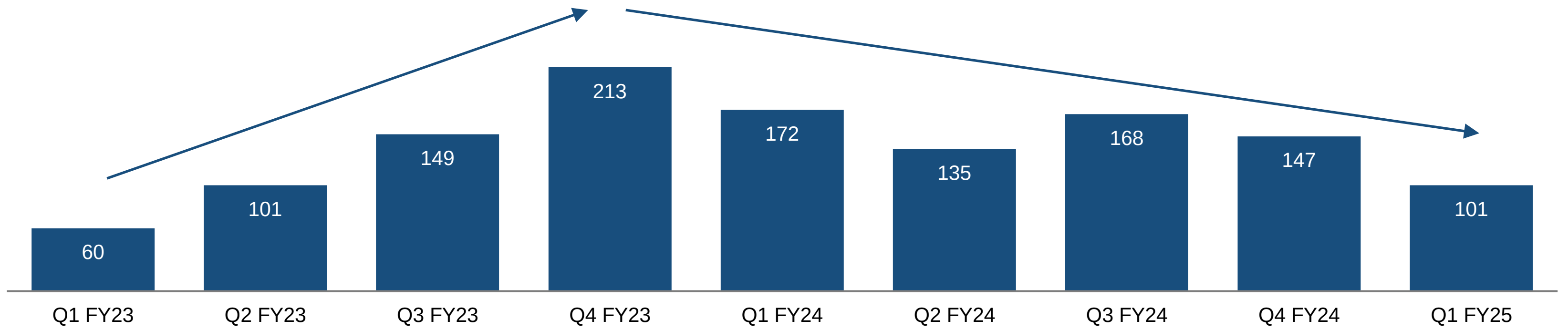
Q1FY25 disbursements up 19% YoY

In USD mn



Digital Loans disbursements reduced by >50% from peak 5 quarters ago

In USD mn



- 75% of digital loan disbursement is **credit protected** primarily through FLDG
- **Securitization** picking up, with total 17 DA and 1 co-lending live programs

Notes: (1) Others includes loan against mutual fund (LAMF) (USD 41 mn as of Q1 FY25), SRs (USD 193 mn as of Q1 FY25) & pass-through certificates (PTC) (USD 17 mn as of Q1 FY25)

Diversified product spectrum catering to the target customer segment

Piramal

[1]Product Segments	Products	Average disbursement ticket size (USD'000)	Disbursement yield (%)	Share in disbursements (%)	AUM yield[2] (%)	Share in AUM[3] (%)
1 Housing	Affordable housing Mass affluent housing Budget housing	25.2	11.5%	27.1%	11.5%	44.9%
2 Secured MSME (LAP)	Secured business loan Loan against property (LAP) LAP plus	25.9	12.7%	22.1%	12.8%	22.6%
3 Other secured	Pre-owned car loans	8.1	15.0%	8.4%	15.0%	5.0%
4 Unsecured	Salaried personal loans	4.9	17.7%	10.4%	17.6%	7.0%
	Microfinance loans	0.7	18.9%	6.7%	18.4%	2.7%
	Unsecured business loans Merchant BNPL	9.9	20.3%	7.9%	20.0%	6.7%
	Digital purchase finance Digital personal loans	0.6	17.4%	12.3%	18.0%	7.0%
Total / weighted average		**15.4**	**14.2%**		**13.5%**	

Notes:(1) Data for the period Q1FY25; (2) Weightage average yield excludes POCI and pertains to all customers outstanding as of 30th June 2024 (3) The balance 4.1% (to make the total 100%) consists of LAMF (c. USD 41mn as of Q1FY25), SRs (c. USD 193mn as of Q1 FY25) & pass-through certificates (PTC) (c. USD17mn as of Q1 FY25)

Source: Company Information

Strong growth momentum across products with robust asset quality

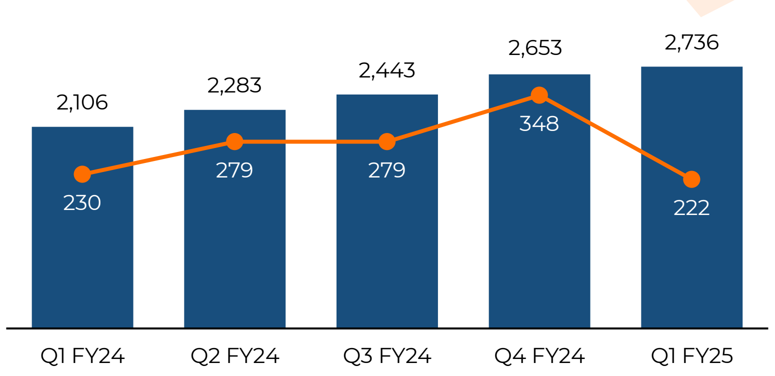
Piramal

AUM (USD mn) | Disbursements (USD mn) | YoY AUM growth | YoY disbursement growth

Housing loans

▲30% ▲-3%

Q1FY25 disb. Impacted by regulatory changes

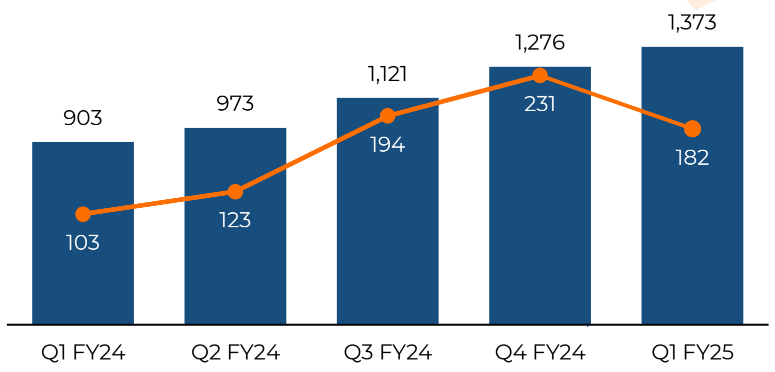


USD 25k	61%	749	11.5%
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

LAP

▲52% ▲77%

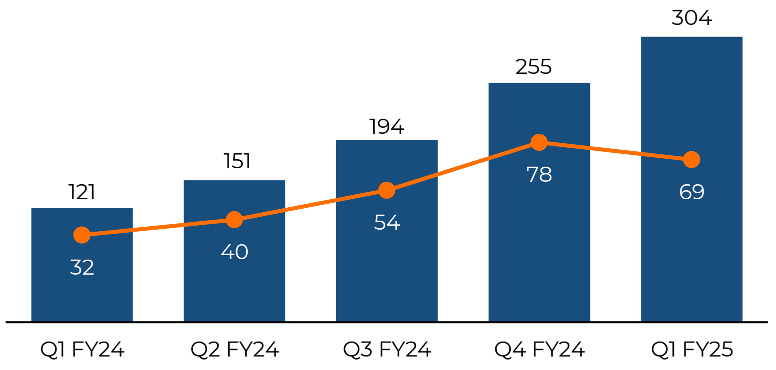
Q1FY25 disb. Impacted by regulatory changes



USD 25k	48%	756	12.7%
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

Used car loans

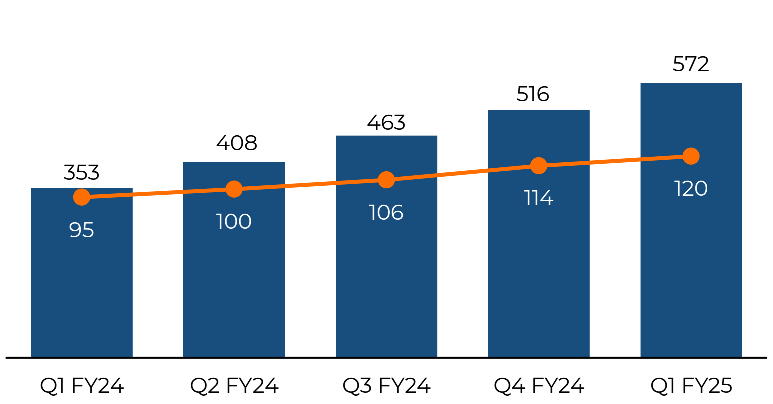
▲150% ▲113%



USD 8k	76%	751	15.0%
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

Business loans

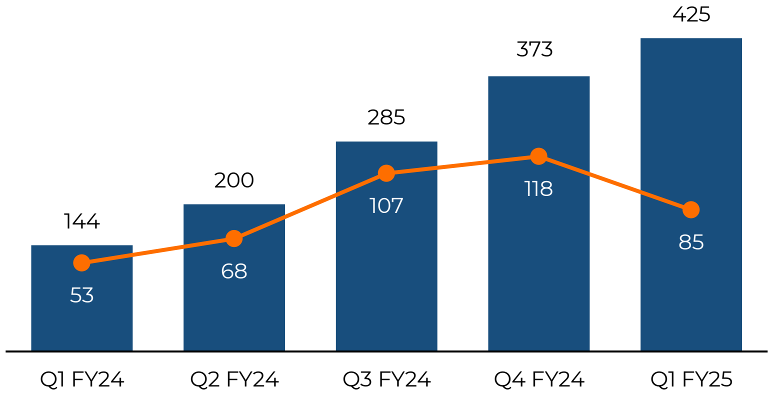
▲62% ▲26%



USD 6k	759	19.7%
Average ticket size	Average CIBIL score	Disbursement yield

Salaried PL

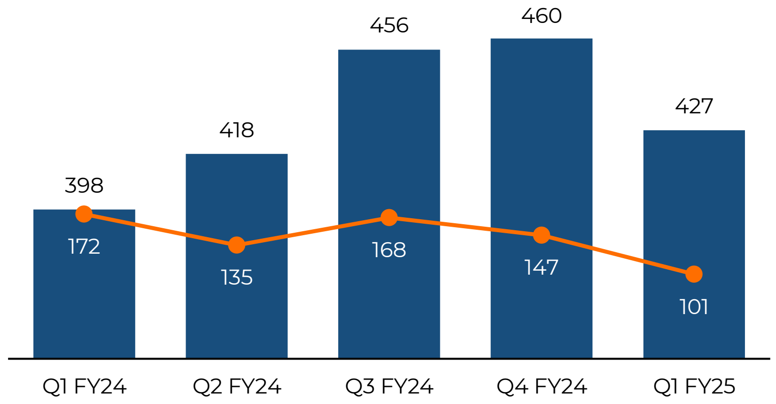
▲195 ▲60%



USD 6k	768	17.7%
Average ticket size	Average CIBIL score	Disbursement yield

Digital loans

▲7% ▲-42%



<USD 1k	764	17.4%
Average ticket size	Average CIBIL score	Disbursement yield

Notes:(1) In Q1 FY25, concluded DA sale transactions of USD 82 mn in LAP, USD 37 mn in Business Loans and co-lending transaction of USD 1 mn in Housing Loans, USD 4 mn in LAP, USD 9 mn in Business Loans

Retail risk – Overall stable 90+ DPD[1] reflecting diversified AUM mix

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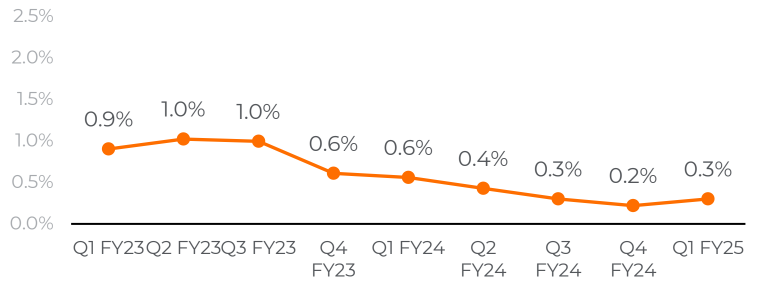
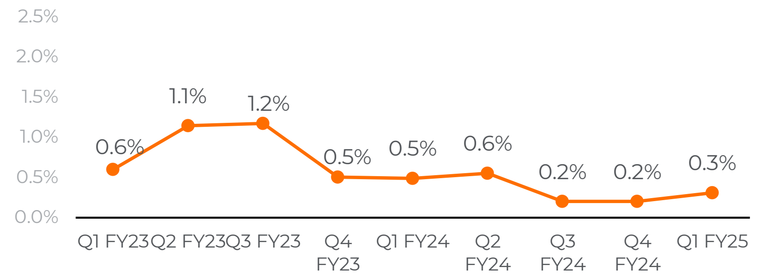
● AUM as of Q1 FY25 (USD mn)
● % of retail AUM as of Q1 FY25

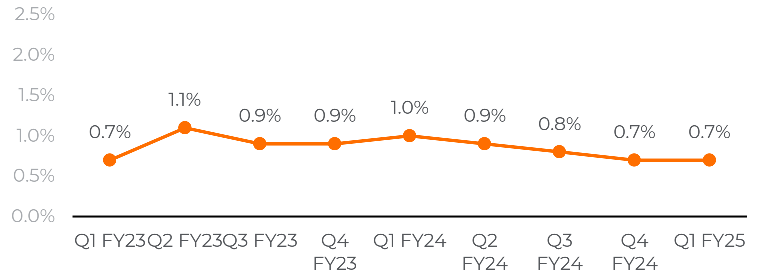
Housing loans
● 2,736 ● 45%



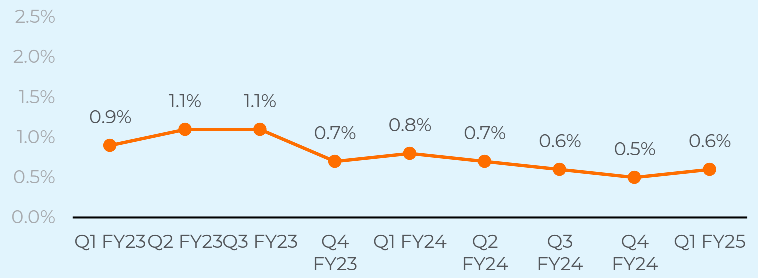
LAP
● 1,373 ● 23%



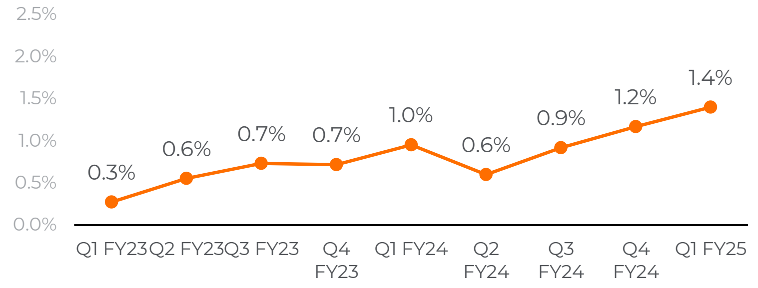
Used car loans
● 304 ● 5%



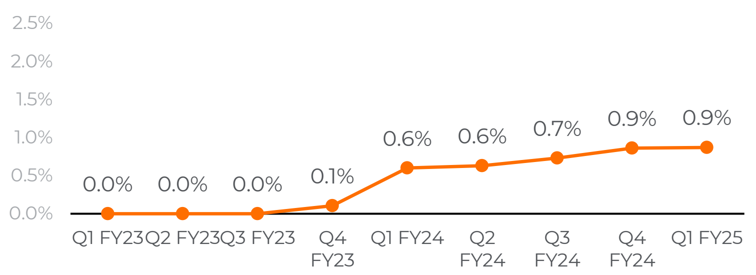
Retail AUM
● 6,088



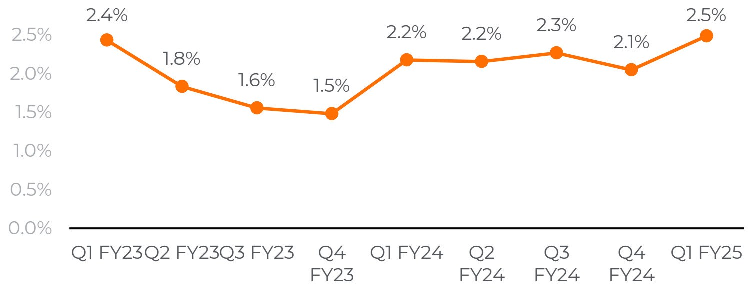
Business loans
● 572 ● 9%



Salaried PL
● 425 ● 7%



Digital loans
● 427 ● 7%



Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

Growth Business Vision & Outline
Wholesale 2.0

Wholesale 2.0 – Tapping Opportunity in Underpenetrated Real Estate and Corporate Mid-Market Lending

Why Real Estate Financing Market?

OPPORTUNE TIMING
Beginning of growth cycle as affordability at all time high

DEVELOPER CONSOLIDATION
Resulting in better quality ecosystem

GAP IN HFC / NBFC SPACE
Sector getting vacated resulting in major market gap

TIER 2/3 MARKETS
Underpenetrated and less competition

Creation of developer ecosystem to provide end to end solution through Retail and Wholesale partnership; Building a specialized team within wholesale to cater to this segment

Corporate Mid-market Lending: A Large Untapped Market in India

Predominantly OpCo loans

Backed by cashflow / assets

Mid-sized companies with revenues of up to USD 300mn

Investment grade and above (externally rated A to BBB-)

Diversified sectors manufacturing, services & NBFC

Wholesale 2.0 | Learning and differentiating from Wholesale 1.0

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	Wholesale 1.0	Wholesale 2.0
What is New	Large and Chunky Exposures	Building a granular book with clear single name and project exposure limits
	High residential real estate exposure concentration	Clear diversification targets between Real estate and Corporate Mid-market lending
	Single Investment team carrying out the origination and credit functions	Well-distinguished origination, credit and approval chain
	Paper and Physical processes	Technology Enabled processes

What do we Carry Forward

- Strong client relationships across categories and regions
- Strong understanding and market intelligence
- Experienced and professional management team

Wholesale 2.0 | Experienced and strong leadership team to drive growth

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Yesh Nadkarni
CEO, Wholesale Lending

20+ years
KKR J.P.Morgan

Management team

Sriram S
20+ years
JLL
ICICI Bank

Sathya M
25+ years
Everstone Capital
YES BANK

Vikash A
15+ years
kotak Investment Advisors
ICICI Bank

Arpit B
15+ years
ICICI Home Finance
L&T Finance

Credit

Sandeep A
20+ years
CERTUS CAPITAL
kotak Realty Fund

Asset Mgmt

Khodadad P
20+ years
ICICI Bank
pwc

Value Enhancement Group (VEG)

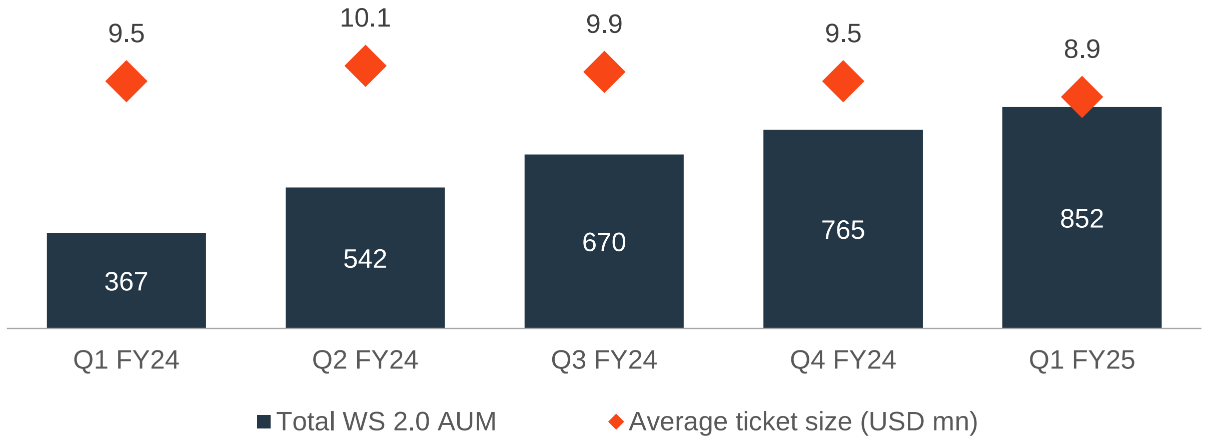
Rohit G
20+ years
ICICI PRUDENTIAL ASSET MANAGEMENT

Led by Yesh Nadkarni, the wholesale team boasts of individuals with strong domain expertise in respective functional areas

Wholesale 2.0 | Building Sustainably with Diversity and Caution

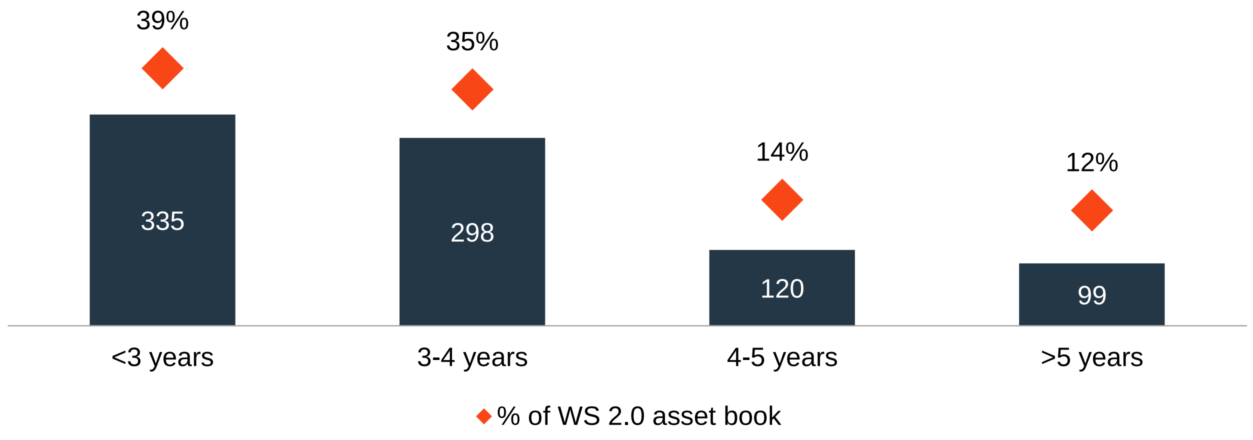
WS 2.0 AUM: A Granular Build-out

In USD mn



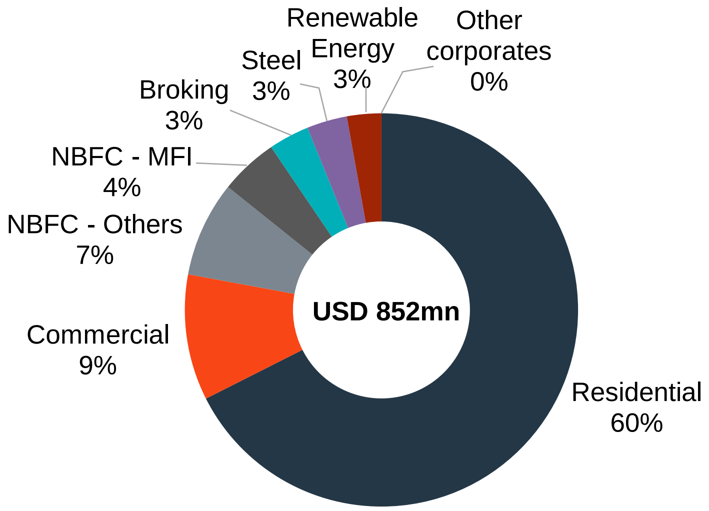
Well Balanced Asset Duration

In USD mn



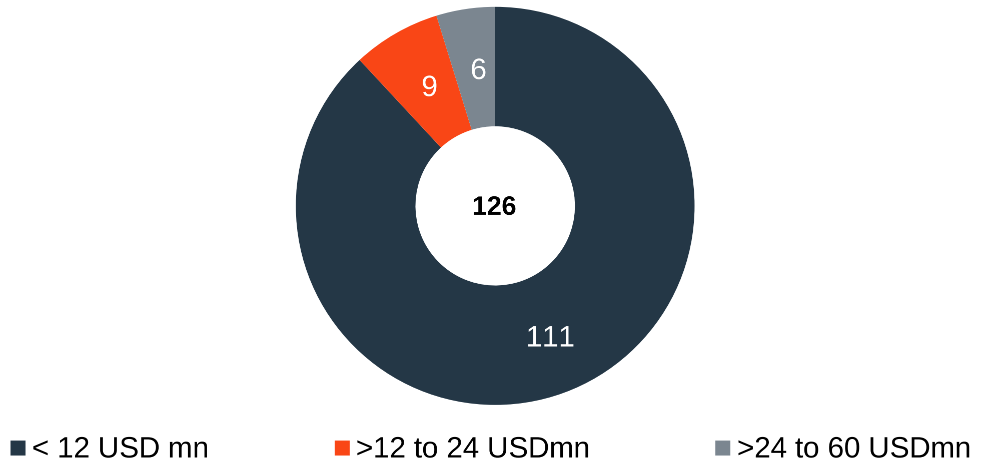
Overall WS 2.0 Asset Diversity

as of June 2024



Average Ticket Size Break up

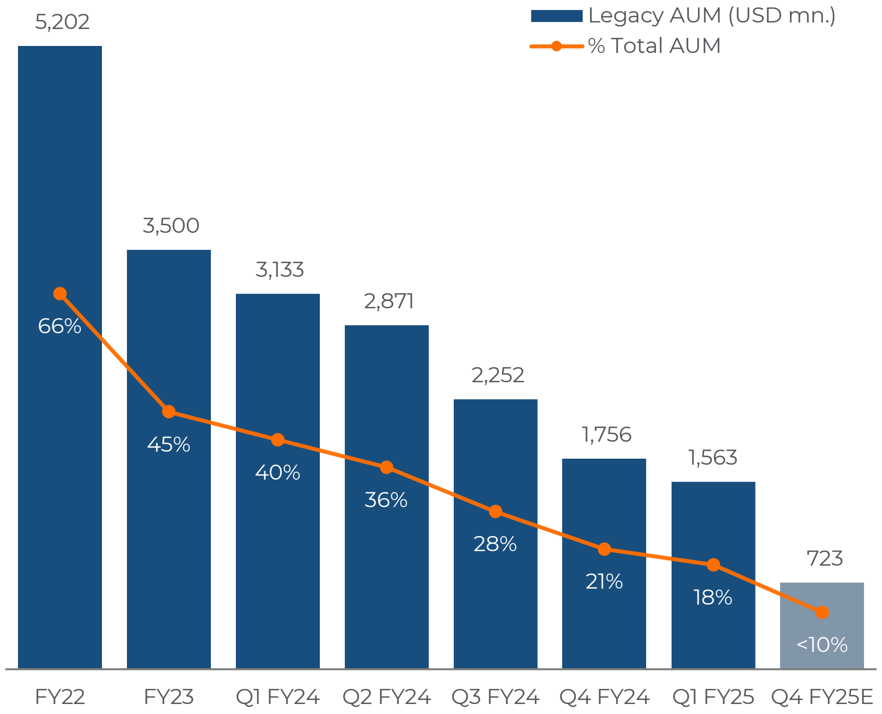
Number of deals

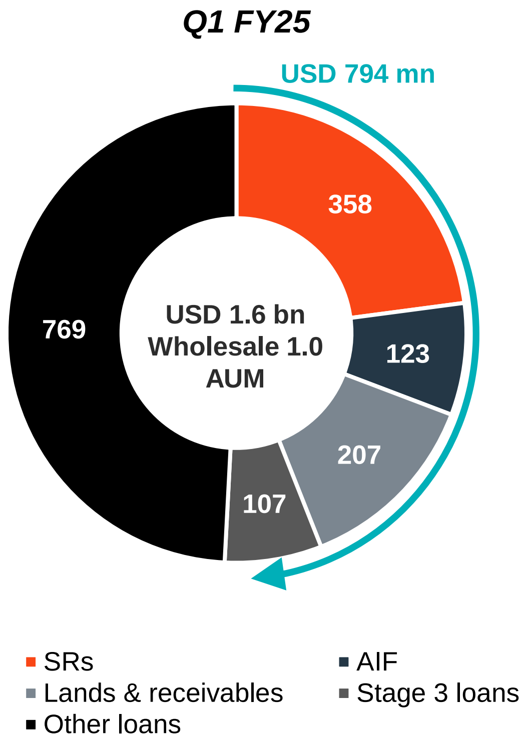


Legacy Business: Demonstrated Accelerated Rundown

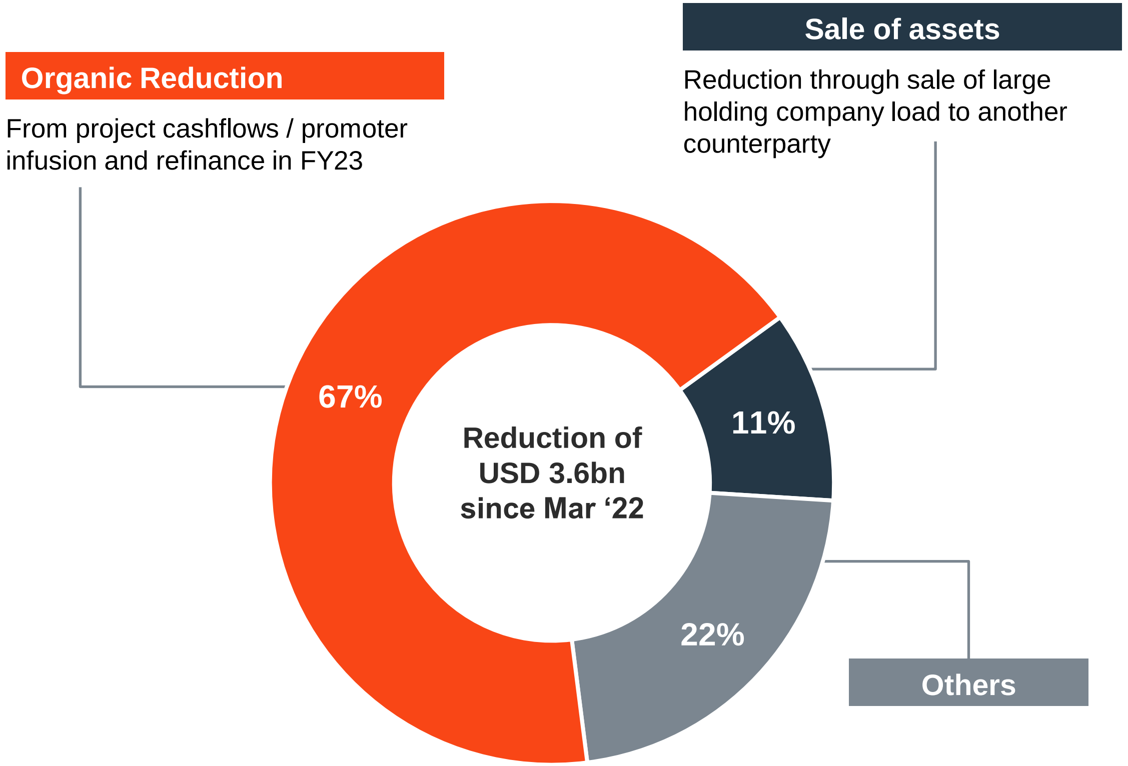
Legacy Business rundown accelerated in last two years

Legacy AUM





Successful run down of WS 1.0 portfolio



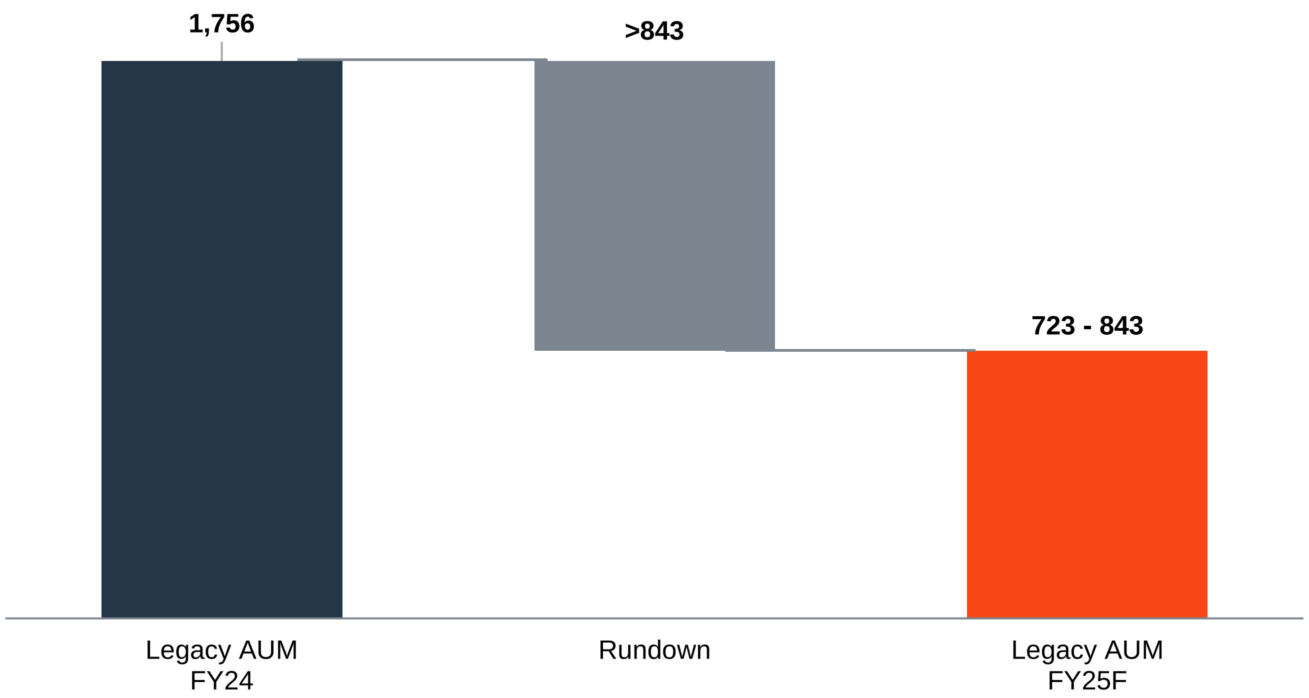
Eliminated large single exposure borrowers (i.e. >5% of net worth) from 23 in Mar'19 to NIL as of June 2024

Successfully run-down legacy wholesale book over the last two years from 66% of AUM to c. 18% of AUM

Continuing with strategy, Legacy Book expected to be <5% of overall book by FY26

Taking legacy AUM to <10% of total AUM in FY25; and <5% in FY26

In USD mn



Potential P&L items to consider for the legacy business

1. **Provisions carried**
   USD 303mn existing provisions made against existing legacy book

2. **Reversal of AIF Provisions**
   Provisions made in FY24 related to Reserve Bank of India's AIF circular expected to be reversed to the tune of ~USD 145mn in FY25 and ~USD 60mn in FY26

3. **Gains on divestment of residual stake in Shriram companies**
   Gains upon future divestment of residual stake in Shriram insurance entities (current book value of ~USD 205mn)

4. **Accessed carry forward losses from DHFL acquisition**
   Basis tax assessments carried out, Piramal will have benefit of up to USD 1,286mn available from FY25 onwards against future income

Target to bring Legacy AUM down to <5% of total AUM by FY26 with current provisions and, potential gains from AIFs and divestments providing cushion against any future impairment

Strong Balance Sheet: Primed For Growth

Well capitalized balance sheet supported by robust asset quality

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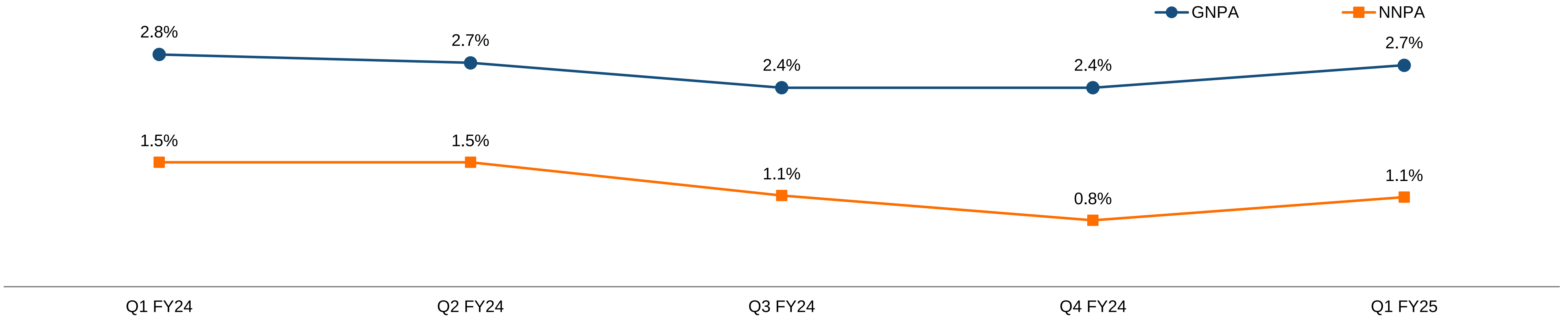
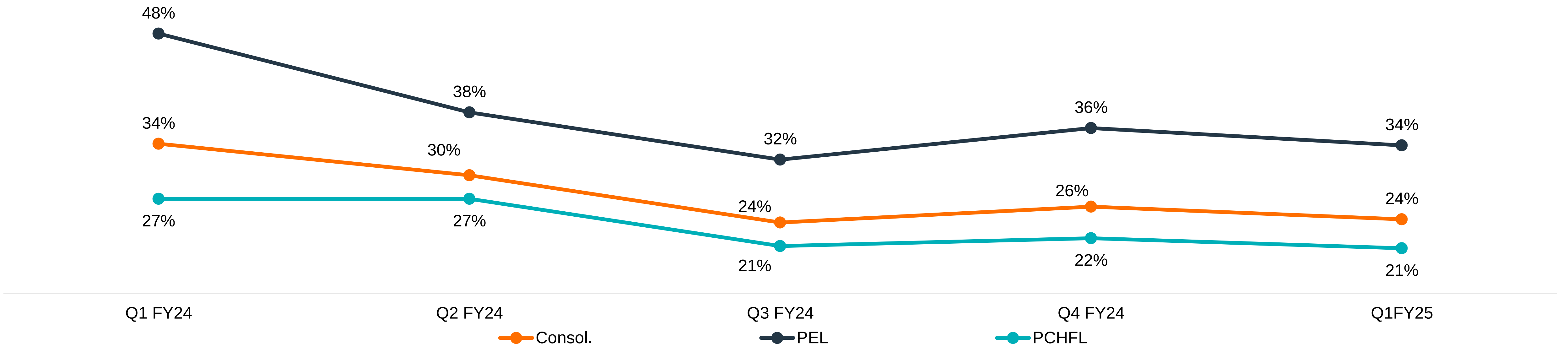
Healthy asset quality with metrics now in line with pre-stress periods



Capital adequacy remains much higher than regulatory requirement



Ability to access financing through a wide range of lenders across instruments

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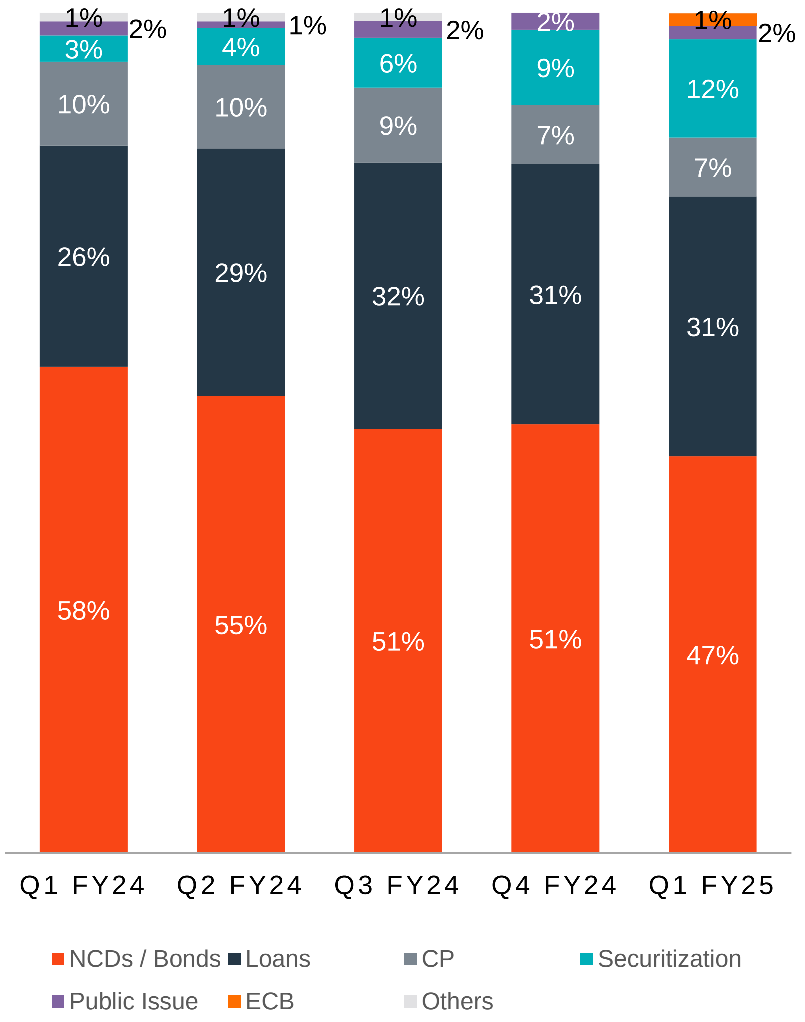
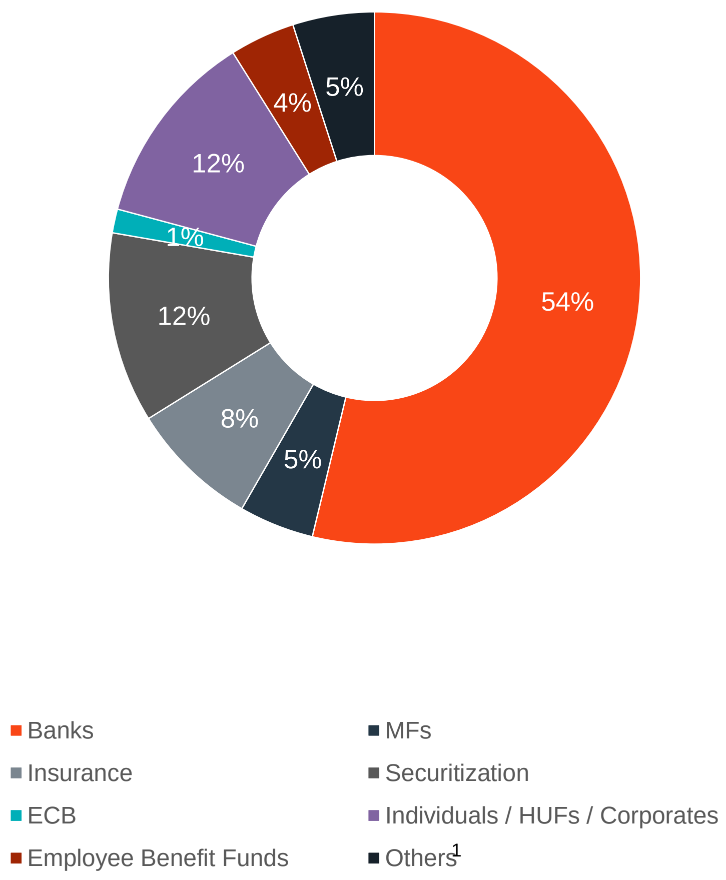
Rising role of securitization



Borrowing mix by type of lender

As of Jun'24



~30 banking relationships across PSU and private banks

Public Sector Banks

Bank of Baroda, Bank of India, Bank of Maharashtra, UCO Bank, Canara Bank, Central Bank of India, Union Bank of India, Indian Overseas Bank, Indian Bank, pnb punjab national bank, SBI, Punjab & Sind Bank

Foreign Banks

standard chartered, SMBC, citibank, BARCLAYS, HSBC, Deutsche Bank

Private Banks

AXIS BANK, CSB Bank, kotak, FEDERAL BANK, Karur Vysya Bank, ICICI Bank, Karnataka Bank Ltd., South Indian Bank, IndusInd Bank

DFIs

IFC International Finance Corporation, NABARD, NABKISAN FINANCE LIMITED

Note: Borrowings Include direct assignment (DA) of USD 290mn as of Q1 FY25, USD 193mn as of Q4 FY24, USD 105mn as of Q3 FY24, USD 74mn as of Q2 FY24 and USD 40mn as of Q1 FY24

(1) Includes NHB, & other financial institutions which contribute 3% and 2% respectively to overall borrowings; *Source: Company Information*

Well matched ALM profile and high surplus cash reserves

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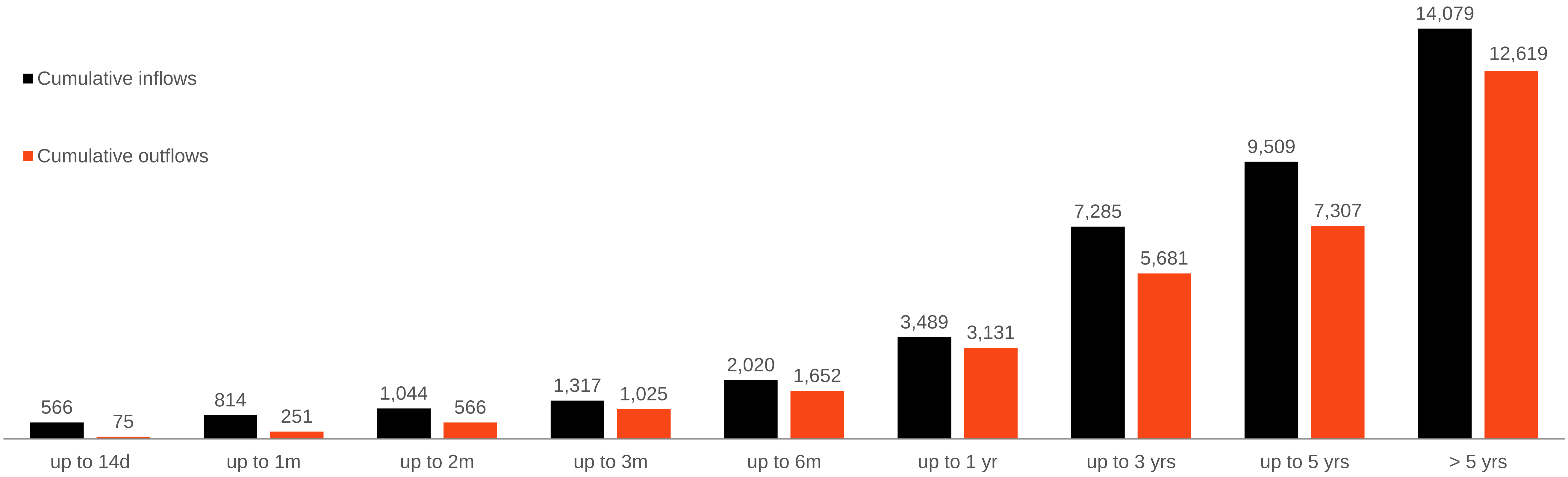
Tenor with asset-liability position [1]

Cumulative GAP[2] (%) (As of June 30,2024[1])

up to 14d	up to 1m	up to 2m	up to 3m	up to 6m	up to 1 yr	up to 3 yrs	up to 5 yrs	> 5 yrs
+652%	+224%	+85%	+28%	+22%	+11%	+28%	+30%	+12%

In USD mn



(1) Based on contractual ALM for wholesale and behavioral ALM for the retail portfolio
(2) Cumulative GAP (%) = net flows (i.e., cumulative inflows – cumulative outflows) as a% of cumulative outflows

Key Investment Highlights

Key Investment Highlights

A growing diversified lending business being built by an excellent management team and backed by solid promoter group

1. Strong promoter group with demonstrated ability to raise equity and debt across market cycles
2. Management team with track record brought on board to scale the platform across businesses verticals
3. Successfully transitioned to a retail led business growing with High Tech + High Touch approach
4. Building a granular & diversified Wholesale 2.0 book
5. Significant de-risking by accelerated run down of Legacy Book (Wholesale 1.0) with target to bring it to <5% of AUM by FY26
6. Well capitalized, and liquid balance sheet primed for future growth

Appendix

Financial Summary

Summary Financials

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Summarised P&L Statement

Consolidated income statement (USD mn)	Q1 FY25	Q1 FY24
Interest income	242	208
Less: Interest expense	145	126
Net interest income (A)	**97**	**82**
Fee & commission	13	11
Dividend	-	9
Others[1]	7	5
Other income (B)	**20**	**25**
Total income (A+B)	**117**	**107**
Less: Operating expenses (Opex)	85	76
Pre-provision operating profit (PPOP)	**33**	**32**
Less: Loan loss provisions & FV loss / (gain)	16	22
Less: Shriram FV loss / (gain)[1]	-	-103
Less: Goodwill write-off	-	33
Profit before tax	**17**	**80**
Add: Exceptional gain / (loss)[2]	13	-
Less: Current & deferred tax	8	21
Add: Associate income	1	3
Reported net profit / loss after tax	**22**	**61**

Summarised Balance Sheet

Consolidated balance sheet (USD mn)			
Particulars	**Q1 FY25**	**Q4 FY24**	**Q1 FY24**
Assets			
Cash & liquid investments	699	753	1,158
Gross asset under management	8,199	8,099	7,703
ECL provision	361	413	341
Net assets under management	7,838	7,686	7,363
Investments in Shriram group	206	206	274
Investments in alternatives and others	378	306	271
Fixed assets	331	329	203
Net assets / (liability)	389	355	118
Total assets	9,842	9,634	9,388
Liabilities			
Net worth	3,237	3,200	3,716
Gross debt	6,605	6,434	5,672
Total liabilities	9,842	9,634	9,388
Leverage ratios			
Gross debt to equity (x)	2.0	2.0	1.5
Net debt to equity (x)	1.8	1.8	1.2

Note: (1) Other income in Q4 FY24 related to Shriram Brand Sale income of USD 105 mn moved to Shriram FV gain item
(2) Exceptional gain includes gross AIF recovery in USD 13 mn in Q1 FY25

Merger | Key Indicative Events and Tentative Timelines[1]

Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26

Board Approval
(May 8th, 2024)

Filing of scheme with Stock Exchanges & NOC from RBI

Receipt of Stock Exchanges & RBI approval

NCLT processes

NCLT Approval
(includes necessary approvals from shareholders and creditors)

Record Date

Listing of new securities of Piramal Finance Ltd.

Blackout Period[2]
~40-45 Days

The implementation process is on track – proposed merger shall be completed within expected timelines

Notes: (1) Subject to regulatory and relevant statutory approvals
(2) Blackout period pertains to all listed securities of PEL

Sustainable Finance Framework

Sustainable Finance Framework (1/2)

Piramal

About the Framework:

The Companies' Sustainable Finance Framework is structured based on the following core components:

- Use of proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

Use of Proceeds:

The funds will be exclusively utilized for financing or refinancing projects that align with internationally recognized standards. The eligible projects encompass retail home loans, MSME loans, SME loans, Priority Sector Loans (in addition to the minimum allocation prescribed by the Reserve Bank of India), Microfinance, Green Finance, and digital lending. Eligible Projects may include new projects or projects already financed by PEL during the 36 months prior to the issuance of a particular instrument under this framework. The Framework aligns with the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), contributing to specific SDG goals and targets as outlined by the Companies.

Eligible Green Assets	Objective	SDGs
Green Buildings	To construct and maintain green buildings, supporting sustainable urban and rural development and reducing emissions	11 Sustainable Cities and Communities
Renewable Energy	To promote and develop clean and efficient energy for all	7 Affordable and Clean Energy
Energy Efficiency	To develop and promote access to affordable, reliable and modern energy products and services	7 Affordable and Clean Energy
Clean Transportation	To develop and promote quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure to support economic development and human well-being	9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities

Eligible Social Assets	Objective	SDGs
Affordable Housing	To cater to the housing needs and enhance the living conditions benefiting individuals or families requiring shelter and those with a low income through facilitating access to secure, quality and affordable housing alternatives	11 Sustainable Cities and Communities
Access to Financial Services	To enable access to responsible and inclusive financing and financial services for underserved and / or socially/ financially excluded individual customers	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Access to Healthcare	To ensure availability and reliability of quality medical care and supplies, thereby helping in reducing social health inequalities and improving overall population health	3 Good Health and Well-Being
Access to Education and Vocational Training	To enable access to responsible and inclusive financing and financial services for underserved and / or socially/ financially excluded individual customers	4 Quality Education; 10 Reduced Inequalities

Source: Company Information

Sustainable Finance Framework (2/2)

Piramal

Project Evaluation and Selection

- The Companies will manage a pool of eligible projects within a Sustainable Finance Projects Portfolio.
- To facilitate the project evaluation and selection process, a Sustainable Finance Working Group (SFWG) will be established.
- The SFWG consisting of key representatives from Treasury, Compliance, Risk , ESG and Retail and Wholesale business functions, will play a crucial role in this process.
- The Board-level Sustainability and Risk Management Committee will oversee the operations of the SFWG.

Management of Proceeds

- The utilization of proceeds generated through Sustainable Finance Instruments will be overseen by the Treasury team.
- With a commitment to allocating the net proceeds to Eligible projects, this endeavor will be executed within a stipulated maximum period of 36 months from the issuance of the financial instrument.
- In cases where proceeds remain unallocated, they will be temporality deployed or invested in cash and cash equivalent instruments, in accordance with PEL's treasury investment policy, with due consideration given to any exclusions specified in the Exclusionary list

Monitoring and Reporting

- Within 1 year from the issuance of said financial instruments, the Companies will diligently publish a detailed report on the allocation and impact of net proceeds through Sustainable Finance Instruments in the Annual Report and/ or through a distinct Sustainable Finance Reporting document, both of which will be made accessible on the Company's website.
- They aim to provide stakeholders with a clear and comprehensive understanding of the deployment and impact of funds through its Sustainable Finance initiatives.
- The reporting is primarily bifurcated into two parts:
    - Allocation Reporting
    - Impact Reporting

External Review

- **Pre-Issuance Review (Second Party Opinion) –** S&P Global Ratings, an independent provider of sustainability research analysis, and services for investors and financial institutions worldwide, has issued a second party opinion on this framework. The opinion aims to evaluate the alignment of the Companies' Sustainable Finance Framework with the transparency and reporting standards.
- **Post Issuance Verification –** The Companies will enlist the services of an external independent assurance provider to generate a limited assurance report commencing 1 year after the issuance and continuing until full allocation. This report will focus on verifying and providing assurance on the allocation and impact of the use of proceeds from the Eligible Sustainable Projects.

Source: Company Information

Thank You