



Piramal Enterprises

Q4 & FY24 results presentation

8th May 2024



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A) Q4 & FY24 Performance

1. Key highlights

Q4 & FY24 business performance

<p>Growth business – sustained momentum <i>Retail¹ + Wholesale 2.0[^]</i></p>	<p>Growth AUM up 55% YoY to INR 54,273 Cr 79% of total AUM</p>
<p>Housing finance led retail book at scale</p>	<p>Retail AUM¹ (INR 47,927 Cr) form 70% of total AUM Mortgages² 68% of retail AUM</p>
<p>Diversified and granular wholesale 2.0 book</p>	<p>Wholesale 2.0[^] AUM now at INR 6,347 Cr Avg. ticket size – new RE: INR 141 Cr, CMML: INR 59 Cr</p>
<p>Continued rundown of legacy book</p>	<p>Wholesale 1.0[*] AUM down 22% QoQ to INR 14,572 Cr, down 66% since end-FY22</p>
<p>Asset quality</p>	<p>90+ DPD³ stable-to-down across retail products Wholesale 2.0 asset quality strong Overall, GNPA ratio at 2.4% and NNPA ratio at 0.8%</p>
<p>Balance sheet strength</p>	<p>Total capital adequacy at 25.6% with net worth of INR 26,557 Cr</p>
<p>AIF recovery and write-back</p>	<p>AIF recoveries of INR 450 Cr and provision write-back of INR 1,067 Cr in Q4 FY24</p>
<p>Tax order</p>	<p>Assessed carry forward business loss of INR 10,627 Cr is available for set off against business profits of future years starting FY 25</p>
<p>Corporate reorganization</p>	<p>Proposed merger of Piramal Enterprises Ltd. (PEL) with its subsidiary Piramal Capital & Housing Finance Ltd. (PCHFL) and renaming PCHFL as Piramal Finance Limited (PFL)</p>

Notes: (^) Wholesale 2.0 refers to loans sanctioned under new real estate (RE) and corporate mid market loans (CMML) from FY22 onwards (*) Wholesale 1.0 refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0
 (1) Retail AUM includes security receipts (SRs) (INR 1,579 Cr as of Q4 FY24) & pass-through certificates (PTC) (INR 152 Cr as of Q4 FY24), direct assignment (DA) (INR 1,598 Cr as of Q4 FY24), Co-lending (INR 27 Cr as of Q4 FY24) and excludes acquired off-book assets (INR 8,947 Cr as of Q4 FY24) in the nature of DA & PTC as part of the DHFL acquisition; (2) Mortgage AUM comprises housing and LAP loans; (3) 90+ DPD delinquency = 90 to 179 days DPD

Q4 & FY24 financial performance – growth, legacy and consolidated

	Q4 FY24	FY24	
Growth business	NII	NII¹ up 36% YoY to INR 839 Cr Cost of funds drives NIM down 100bps YoY to 6.8%	NII¹ up 50% YoY to INR 3,065 Cr
	Fee income	Strong fee income growth of 111% YoY INR 190 Cr	Fee income up 101% YoY to INR 570 Cr
	Opex & PPOP	Opex up 23% YoY; opex-to-AUM at 4.9% (down 131bps YoY); PPOP up 90% YoY to INR 425 Cr	Opex up 51% YoY; PPOP up 63% YoY to INR 1,411 Cr
	Credit cost & PBT	Credit cost of 1.2% PBT of INR 273 Cr (vs INR 34 Cr in 4QFY23)	Credit cost 0.9% (FY23: 0.4%) PBT up 39% YoY to INR 1,044 Cr
Legacy business	Strategic decision in Q4FY24 to further accelerate rundown of legacy AUM as quickly as possible and reduce the non-yielding assets		
	Credit cost increase and land/receivables devaluation due to accelerated run down; net of AIF recoveries and provision write-back, legacy business 4QFY24 loss stood at INR 1,351 Cr		
Consol. entity	With Shriram stake sale and tax related gains, consolidated Q4FY24 PAT stood at INR 137 Cr; Full year FY24 loss after tax of INR 1,684 Cr (impacted by net AIF provision of INR 2,473 Cr in FY24)		

Notes: (1) Net interest income = interest income - interest expense

Overview – consolidation of lending businesses

Proposing to merge PEL and PCHFL in single entity, renamed Piramal Finance

Proposed Reorganization

- PCHFL to be renamed as Piramal Finance Ltd (PFL) upon receipt of NBFC-ICC license
- Further, PEL is proposed to merge with PFL, and list pursuant to merger
- Merger consideration
 - In lieu of every 1 equity share of PEL, its shareholders will get 1 (one) equity share of PFL and subject to RBI approval, 1 (one) NCRPS² of INR 67 of PFL

Core Objectives

- Smooth transition and seamless regulatory compliance
- Shareholders to gain direct access to the entire lending business
- Simplification of the group structure

Regulatory Considerations

HFC – PBC requirements

- HFCs are required to comply with Principal Business Criteria (PBC); minimum 60% of loans to housing finance & minimum 50% of loans to individuals for housing finance
- PCHFL, by virtue of its current diversified lending profile, has not been able to fulfill the above PBC requirement
- PCHFL is in process of submitting an application to the RBI for conversion of its HFC license to an NBFC-ICC license --> Resulting in two distinct NBFC licenses within the same group
- Existing HFC license to continue in the interim period until the receipt of NBFC-ICC license

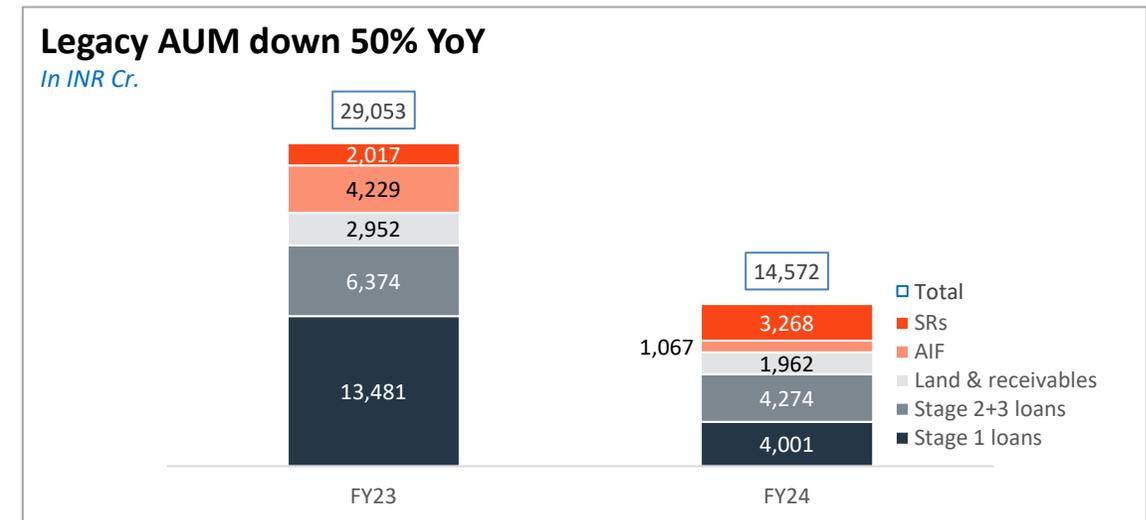
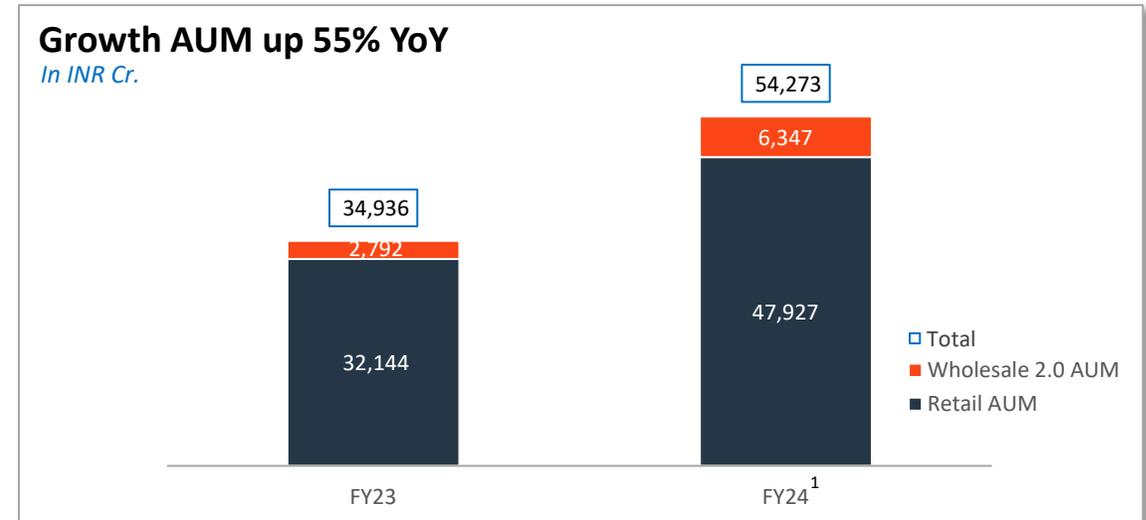
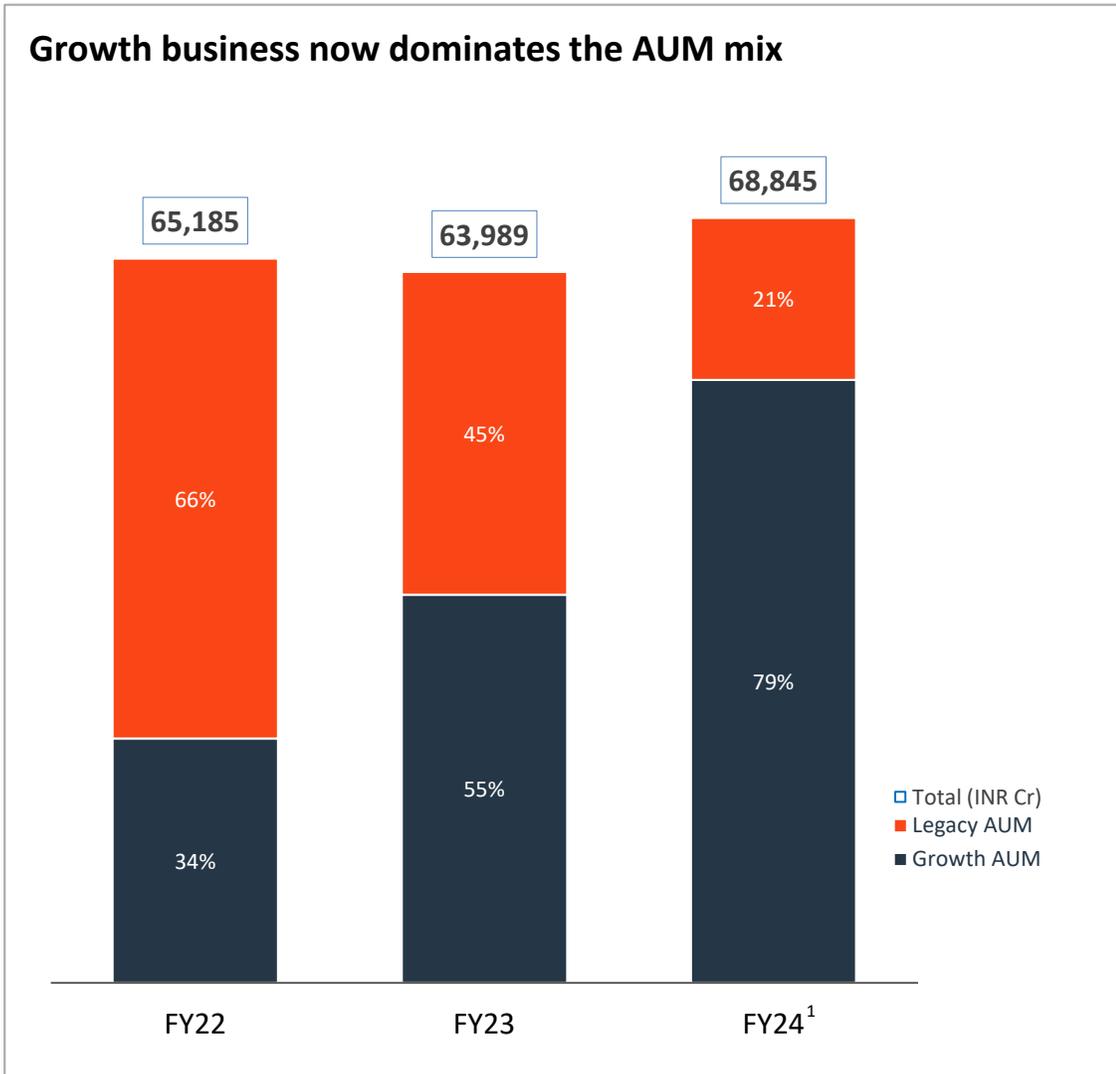
Upper layer NBFC – Listing requirement

- PCHFL, being classified as an Upper Layer NBFC, is required to be mandatorily listed by Sep 2025

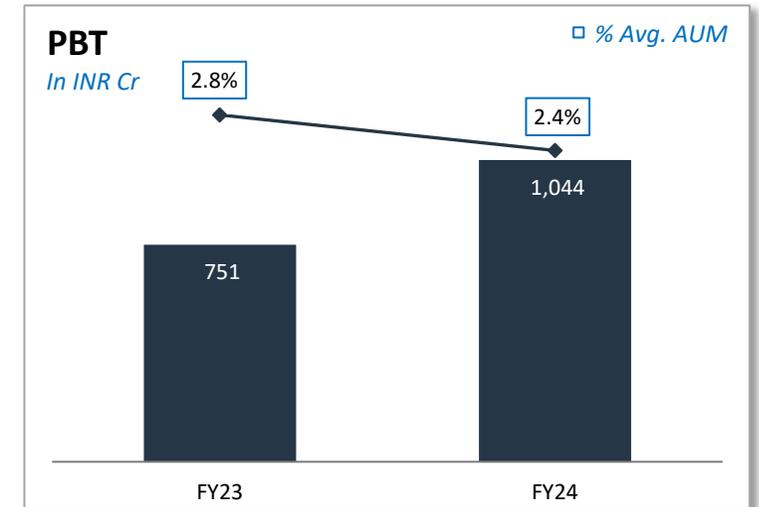
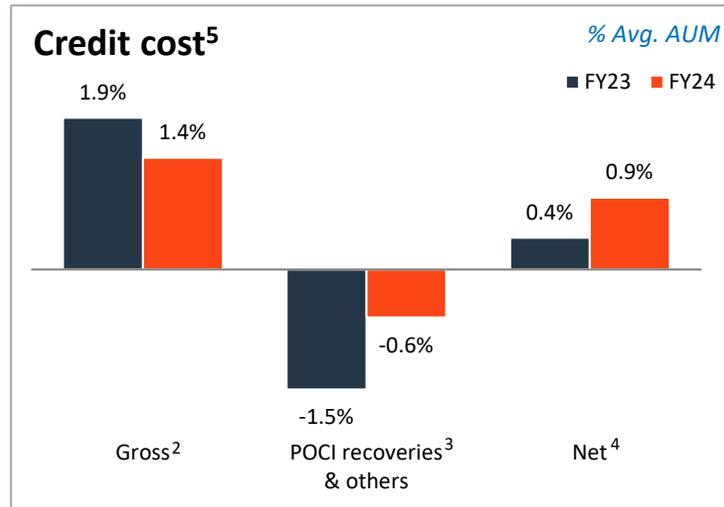
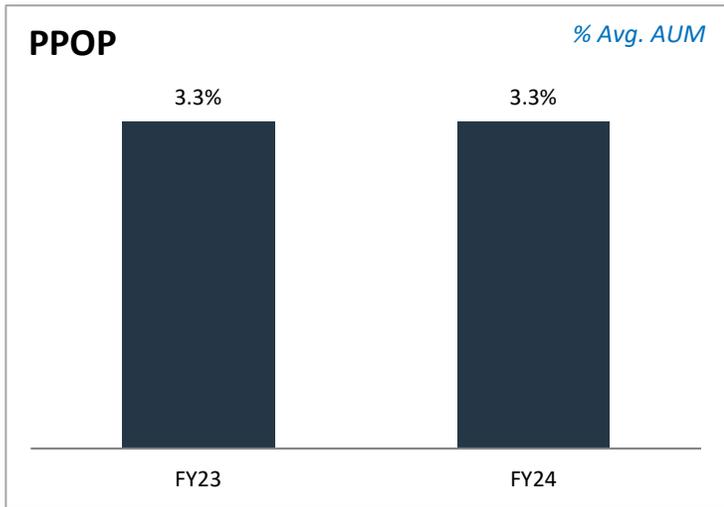
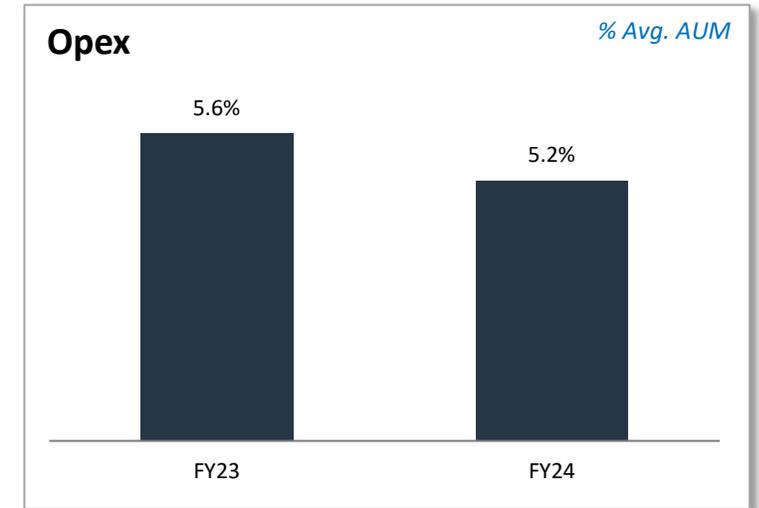
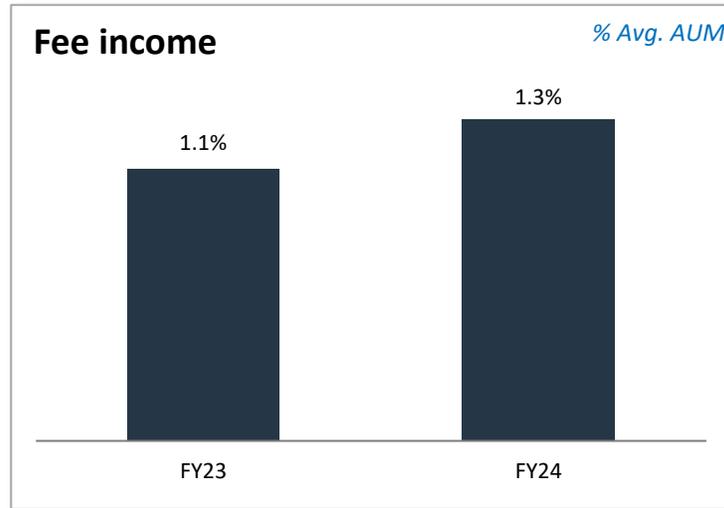
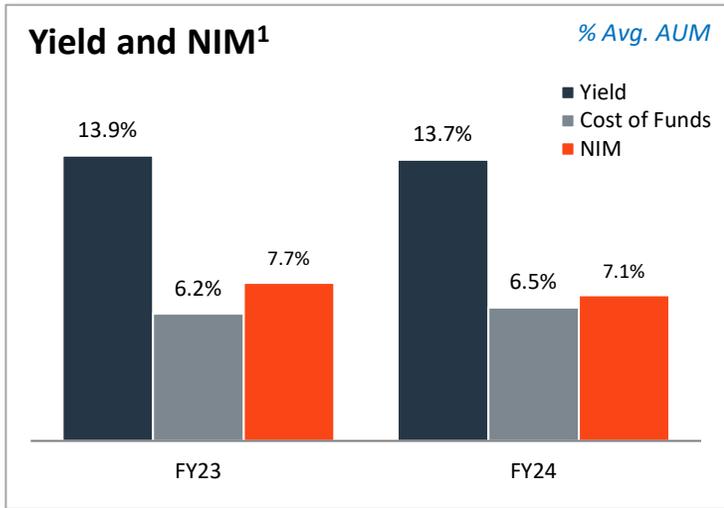
Notes: (1) Above reorganization subject to requisite statutory and regulatory approvals

(2) NCRPS – Non-Convertible Non-Cumulative Non-Participating Redeemable Preference Shares; Quantum : INR 1,498 Cr, NCRPS to be issued at face value of INR 67, Tenor: 3 years. Redemption: 1/3rd of the total value every year, IRR at Redemption: 9% p.a.

Growth business is now 79% of AUM



Growth business on the path to steady profitability



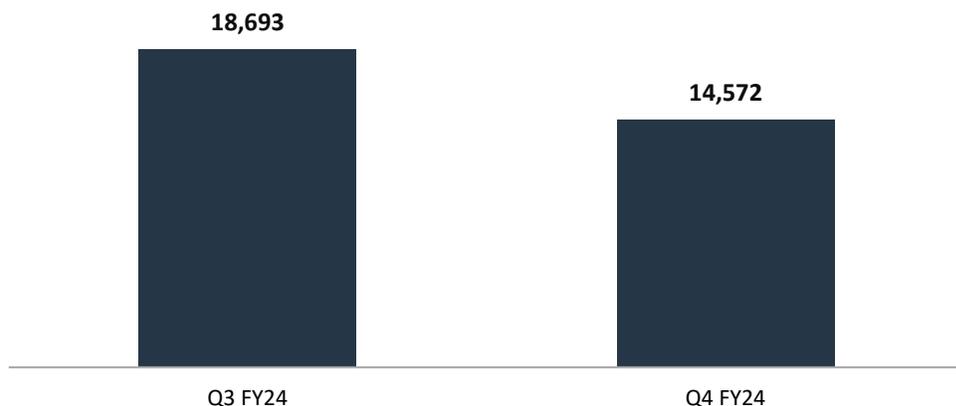
Notes: All ratios as % of average AUM of growth business

(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

4QFY24: Legacy book down INR 4.1k Cr along with a loss; profit contribution from other businesses

Legacy AUM down 22% QoQ

In INR Cr.



Stagewise legacy AUM mix

In INR Cr

Category	Q3 FY24	Q4 FY24	Provisions
Stage 1	13,972	10,298	916
- Loans	7,196	4,001	
- SRs	3,426	3,268	
- Land & receivables	3,327	1,962	
- AIF	22	1,067	
Stage 2+3 loans	4,721	4,274	1,600
Total	18,693	14,572	2,516

One-off gains in 4Q (net of taxes)

Shriram gains

Gains from sale of investments in Shriram Investments

INR 672 Cr

AIF provisions write-back

Pursuant to the new RBI circular

INR 799 Cr

AIF recoveries

Actual cash recoveries in Q4 FY24

INR 337 Cr

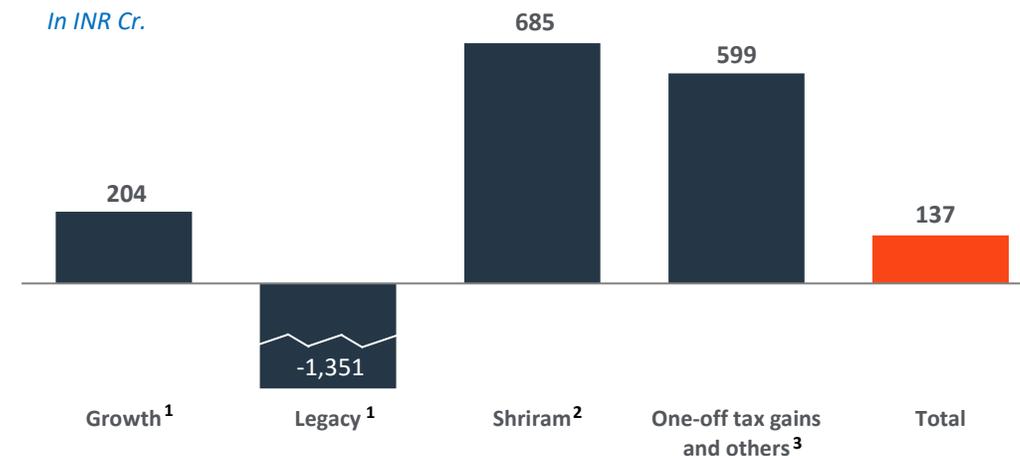
Tax related gains

Writeback from earlier year and one-off DTA

INR 640 Cr

4QFY24 PAT contributions⁴

In INR Cr.



Note: (1) Growth represents retail and wholesale 2.0 businesses and Legacy represents wholesale 1.0; 4QFY24 loss (INR 1,351 Cr) in legacy business includes AIF related one-off gains (INR 1,135 Cr)

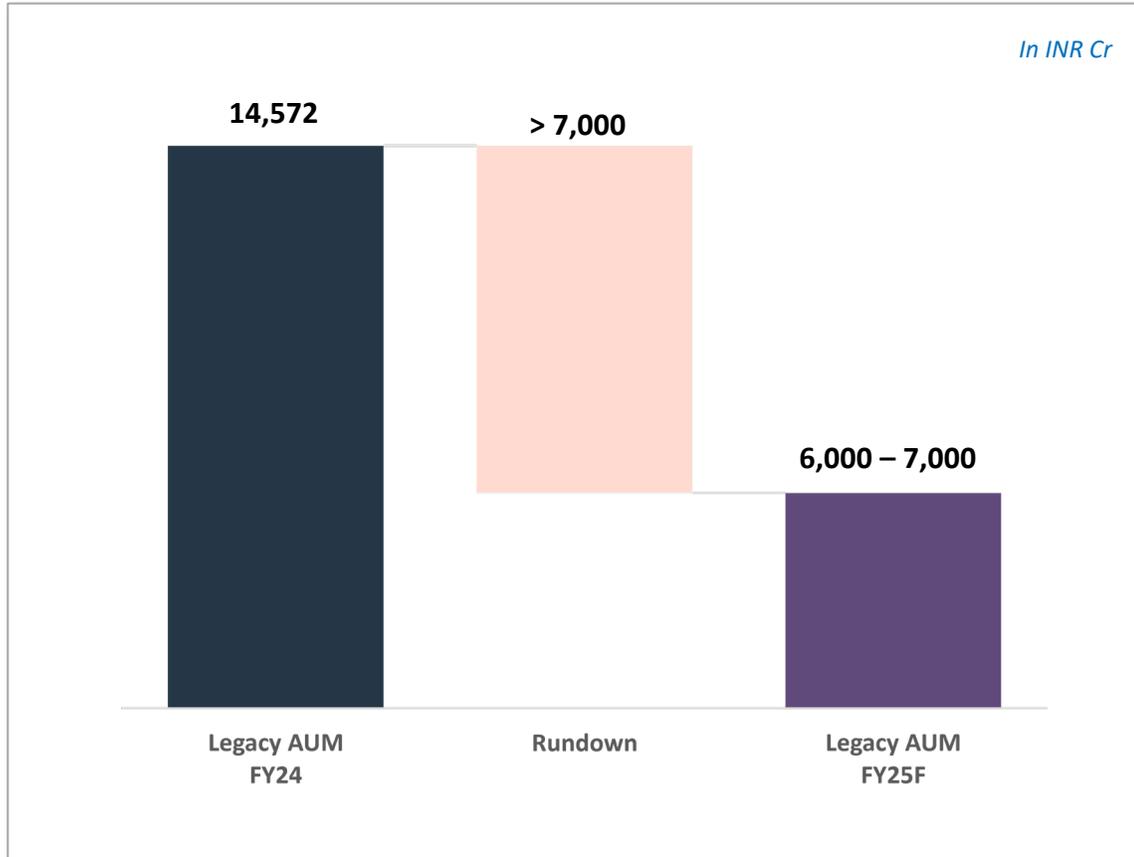
(2) PAT contribution of Shriram (INR 685 Cr) includes one-off gain from Shriram Investments stake sale (INR 672 Cr) and dividend income (INR 13 Cr)

(3) "One-off tax gains and others" (INR 599 Cr) include tax related gains of INR 640 Cr and total contribution (-INR 41 Cr) from business other than growth, legacy and Shriram

(4) Based upon pro forma P&Ls of the businesses

Continuing with the strategy, expect legacy book to fall below INR 6-7k Cr in FY25

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



Potential P&L items to consider from the legacy business

- 1 Provision carried**
 INR 2,516 Cr existing provisions against **legacy book**
- 2 Gains from AIF**
 Expected gains from AIF of ~INR 1,200 Cr in FY25 and ~INR 500 Cr in FY26
- 3 Residual stake in Shriram group companies**
 Residual stake in Shriram insurance entities (current book value of ~INR 1,700 Cr)
- 4 Assessed carry forward losses**
 (INR 10,627 Cr available from FY25 onwards)

We expect ~15% AUM growth in FY25

Key metrics	FY24	FY25E
Total AUM (INR '000 Cr)	~69 (+8% YoY)	~80 (~15% YoY)
Legacy AUM (as % Total AUM)	21%	<10%
Retail : Wholesale mix	70 : 30	75 : 25
Exit quarter opex to AUM - growth business	4.9%	4.6%

FY28E guidance update

Key metrics	FY28E (earlier guidance)	FY24 actual	FY28E (new guidance)
Retail growth	23% CAGR <i>(from FY23)</i>	49% YoY	26% CAGR <i>(from FY24)</i>
Retail : Wholesale mix	70 : 30	70 : 30	75 : 25
Total AUM (INR '000 Cr)	120 - 130 <i>(15% CAGR from FY23)</i>	~69 <i>(+8% YoY)</i>	~150 <i>(21% CAGR from FY24)</i>

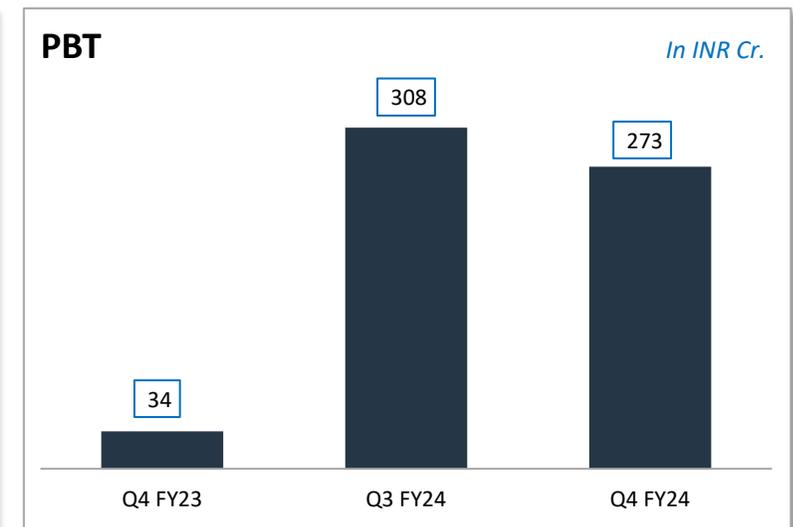
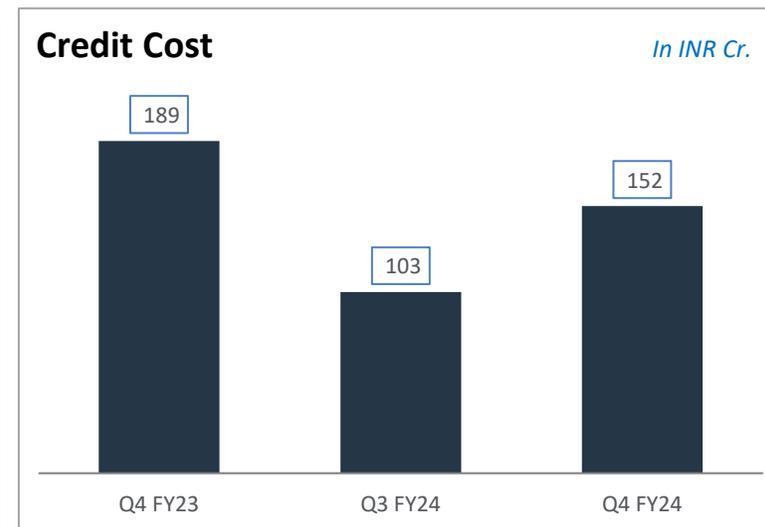
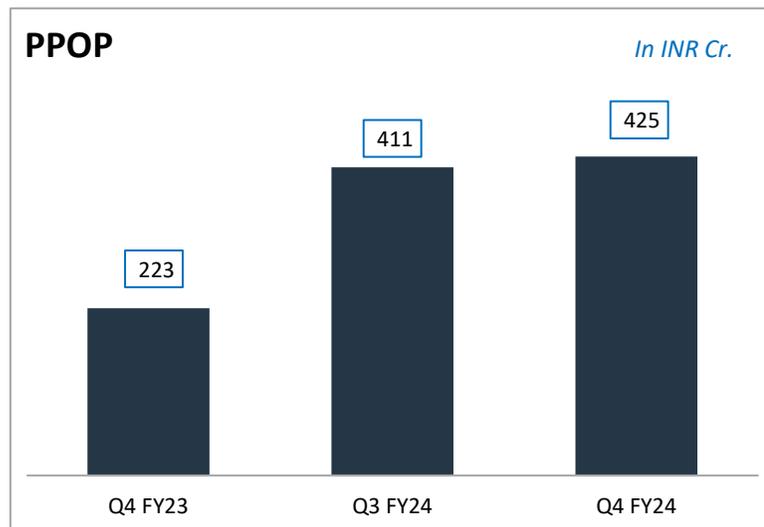
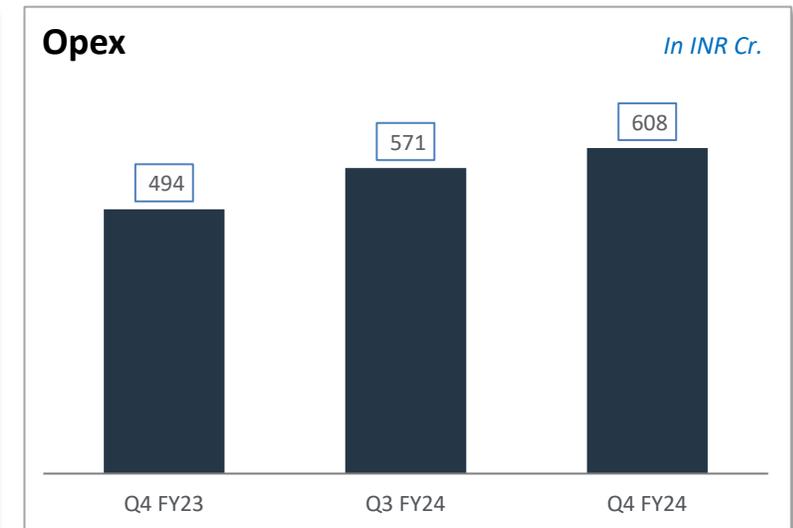
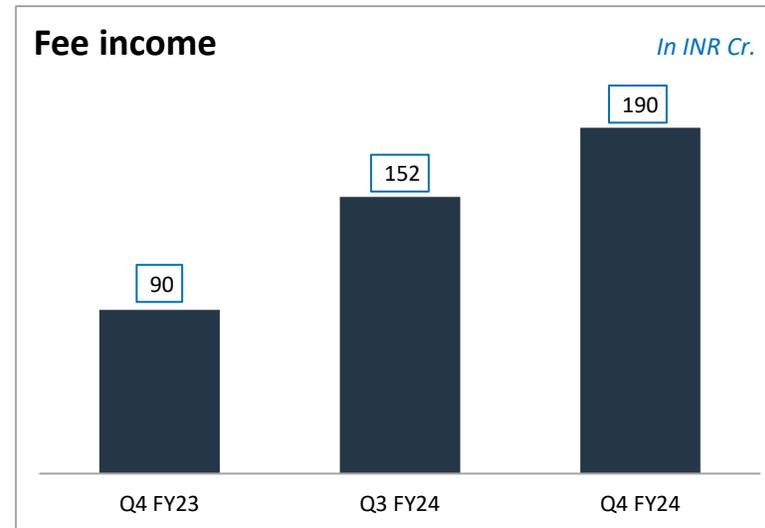
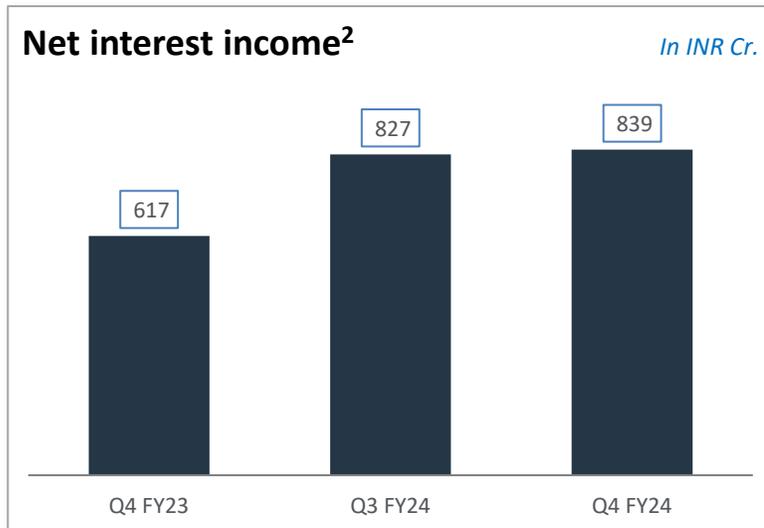
- Profitability targets are unchanged - **ROA of 3.0-3.3% by FY28E**
- In addition, assessed carry forward losses of INR 10,627 Cr, provide an **upside potential** to ROA & PAT targets



A) Q4 & FY24 Performance

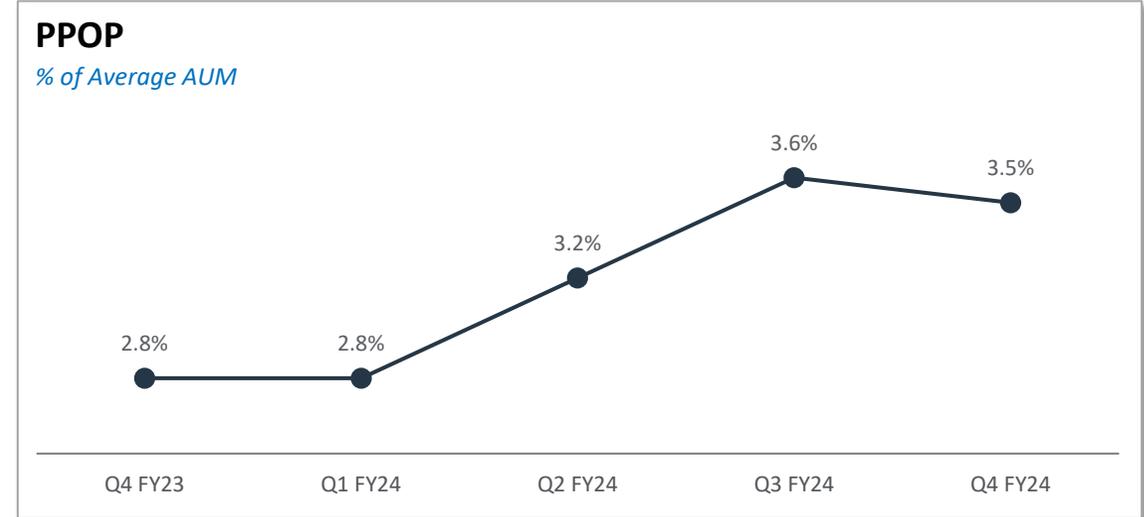
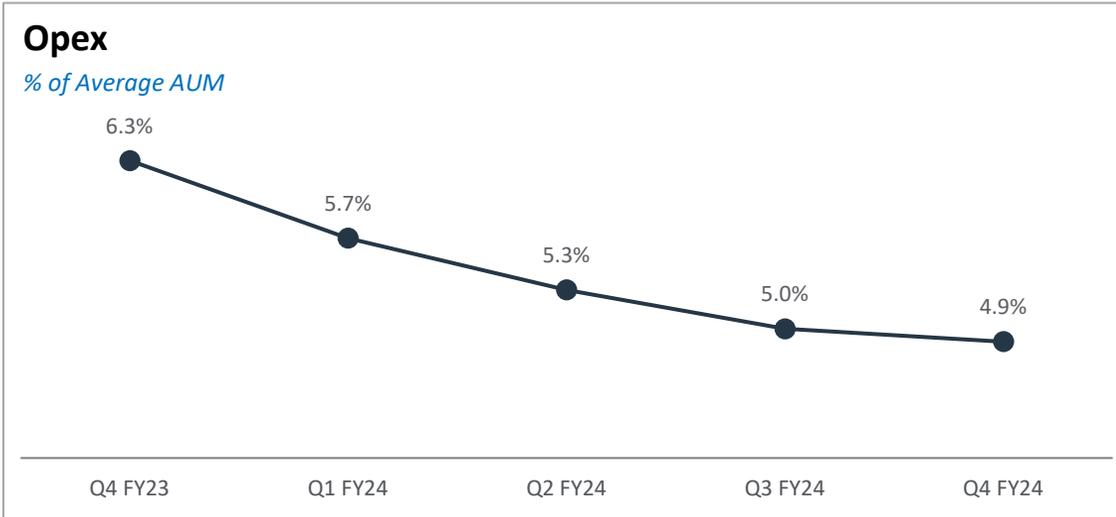
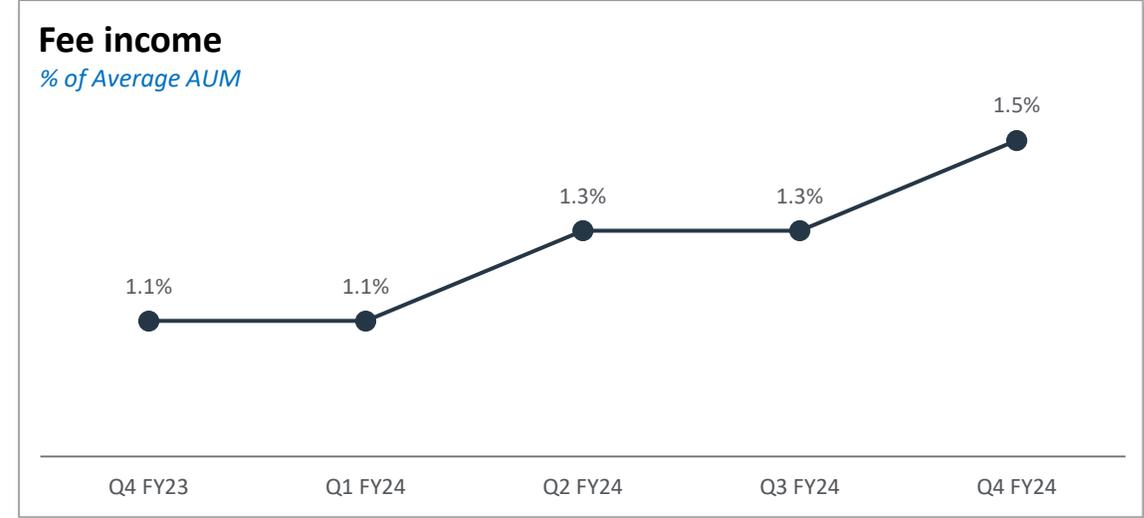
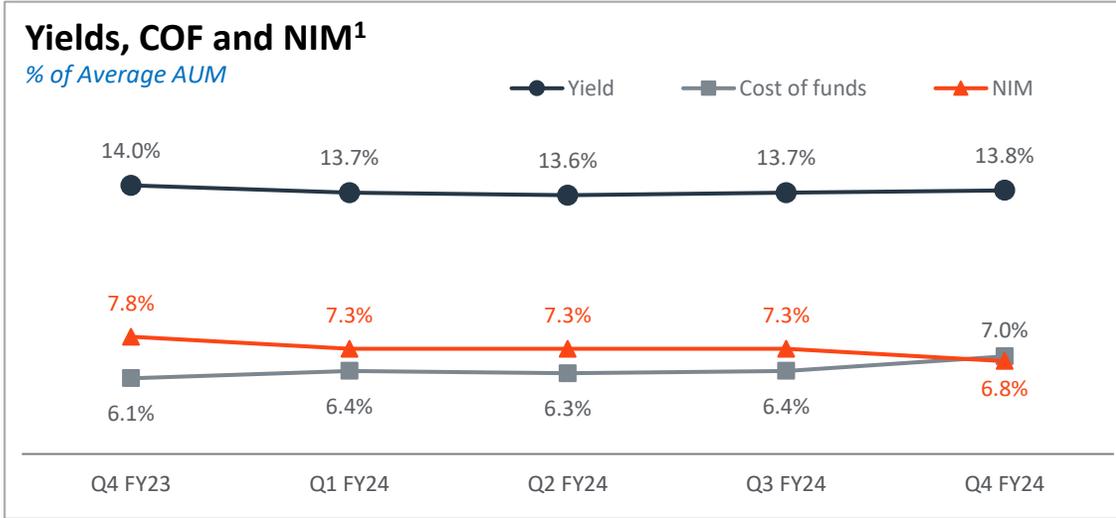
2. Financial performance

P&L performance – growth business¹ (1/2)



Notes: (1) Based upon pro forma P&L of the growth business
 (2) Net interest income = interest income - interest expense

P&L performance – growth business (2/2)



Notes: (1) Net interest margin = net interest income / average AUM

Profit and loss statement – consolidated entity

In INR Cr.

Consolidated income statement	Q4 FY24	Q3 FY24	QoQ %	Q4 FY23	YoY %	FY24	FY23	YoY %
Interest income ¹	1,944	1,953	0%	1,921	1%	7,423	7,799	(5%)
Less: Interest expense	1,189	1,118	6%	1,004	18%	4,400	4,041	9%
Net interest income (A)	755	835	(10%)	917	(18%)	3,022	3,757	(20%)
Fee & commission	190	155	23%	96	98%	560	292	92%
Dividend	49	9	431%	92	(46%)	148	92	61%
Others ²	84	88	(4%)	35	140%	241	905	(73%)
Other income (B)	323	251	28%	222	45%	948	1,288	(26%)
Total income (A+B)	1,078	1,086	(1%)	1,140	(5%)	3,971	5,046	(21%)
Less: Operating expenses (Opex)	785	697	13%	673	17%	2,774	2,215	25%
Pre-provision operating profit (PPOP)	293	389	(25%)	466	(37%)	1,197	2,831	(58%)
Less: Loan loss provisions & FV loss / (gain)	3,354 ³	257	1203%	298	1026%	3,990	5,180	(23%)
Less: Shriram FV loss / (gain)	(871)	-		375		(1,726)	115	
Less: Goodwill write-off	-	-		-		278	-	
Profit before tax	(2,191)	132		(207)		(1,346)	(2,464)	
Add: Exceptional gain / (loss)	1,136 ⁴	(2,668)		-		(1,596)	8,066	
Less: Current & deferred tax	(1,203) ⁵	(86)		2		(1,105)	(3,978)	
Add: Associate income	(11)	73		13		154	389	(60%)
Reported net profit / loss after tax	137	(2,378)		(196)		(1,684)	9,969	

Notes: (1) DA Upfront profit of INR 43 Cr in Q4 FY24, INR 22 Cr in Q3 FY24 and INR 109 Cr in YTD Mar-24 added in Interest Income from Net Loss of De-recognition line

(2) Other income in Q4 FY24 included Shriram Brand Sale income of 871 Cr moved to Shriram FV gain line item

(3) Impairment on investment property of INR 660 Cr in Q4 FY24 added in Credit cost from depreciation and impairment

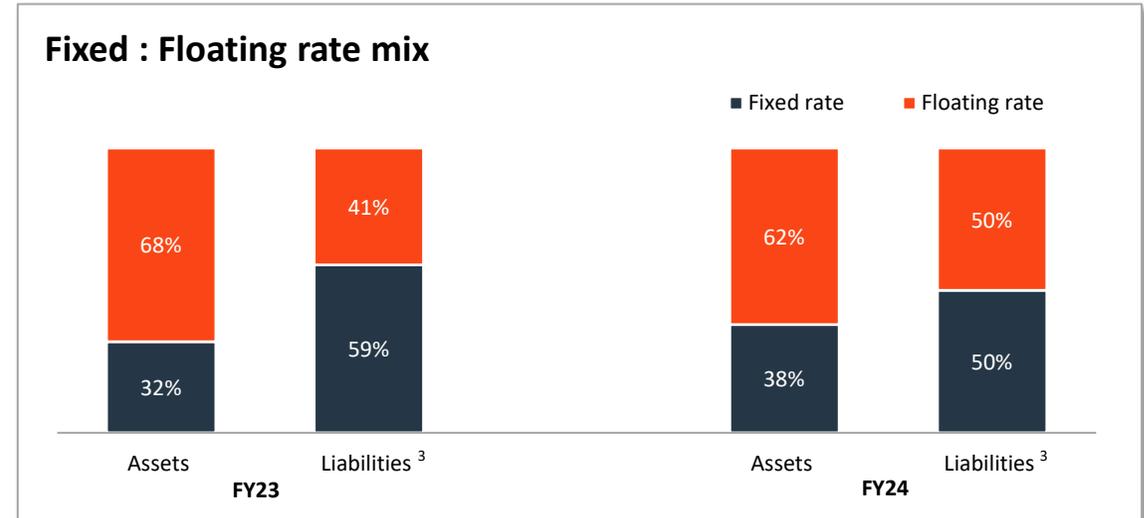
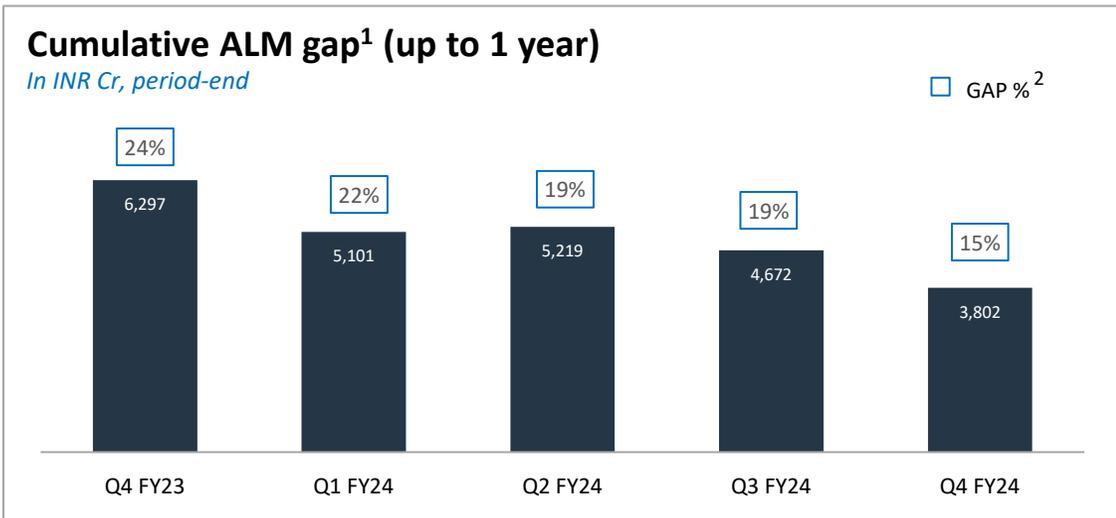
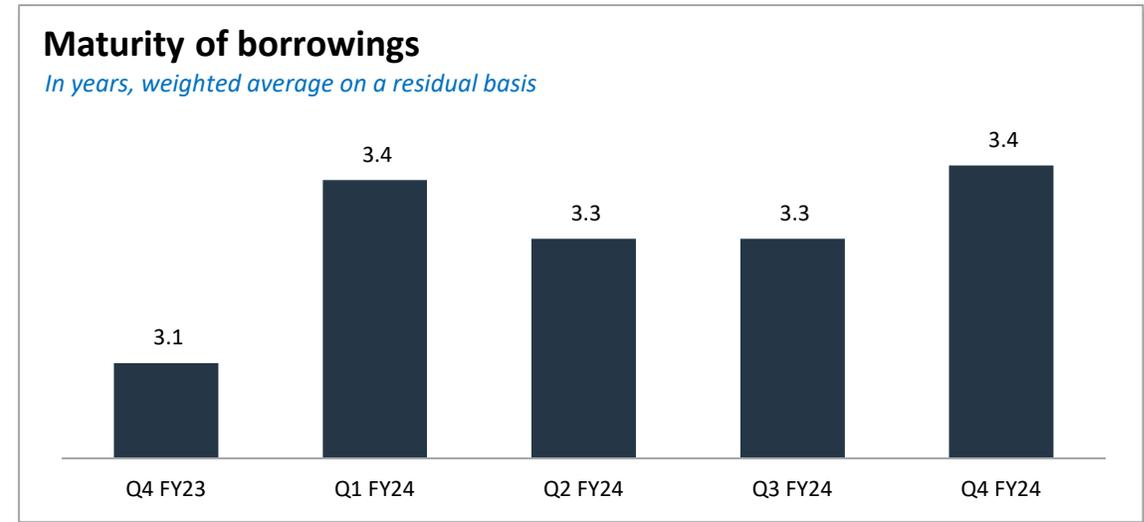
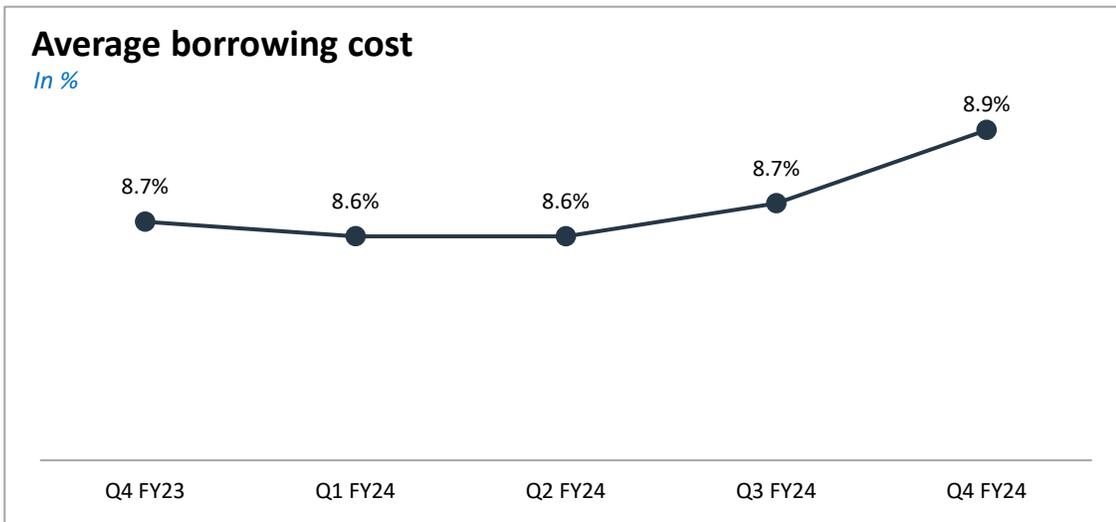
(4) Net of tax impact of INR 382 Cr on AIF

(5) Includes tax impact of INR 382 Cr on AIF

Balance sheet and key ratios

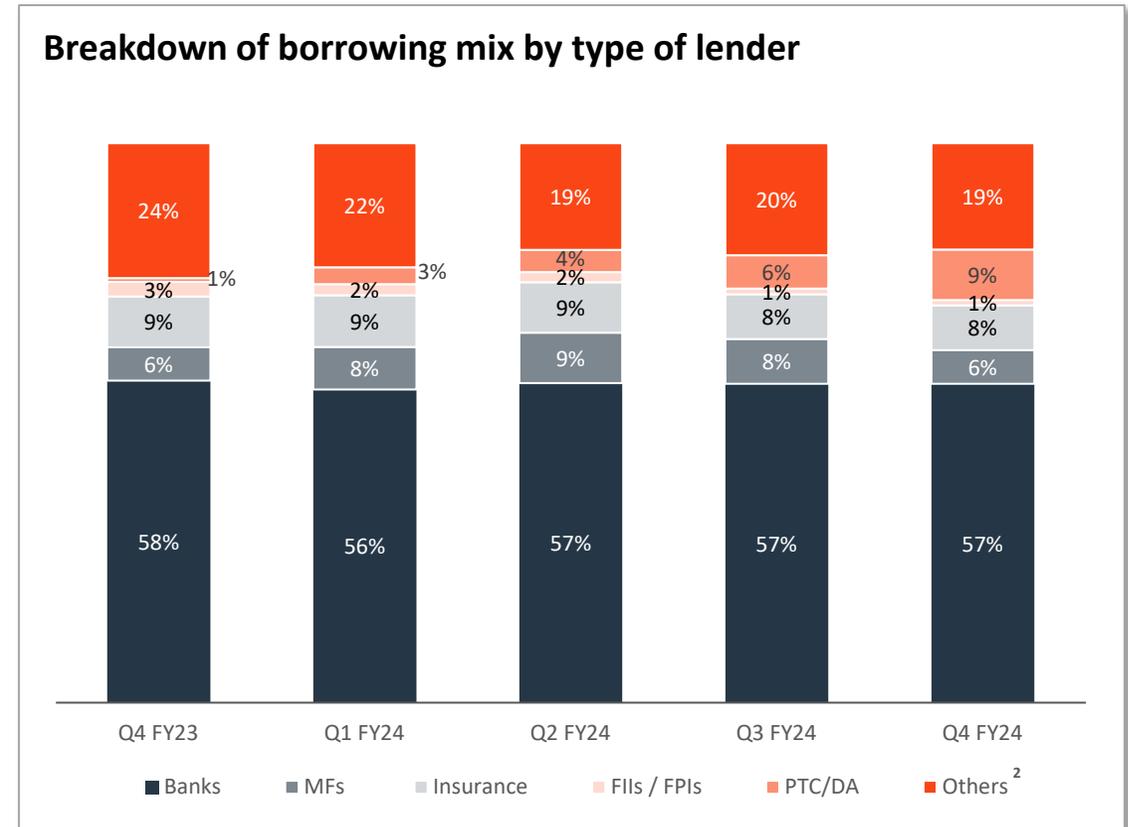
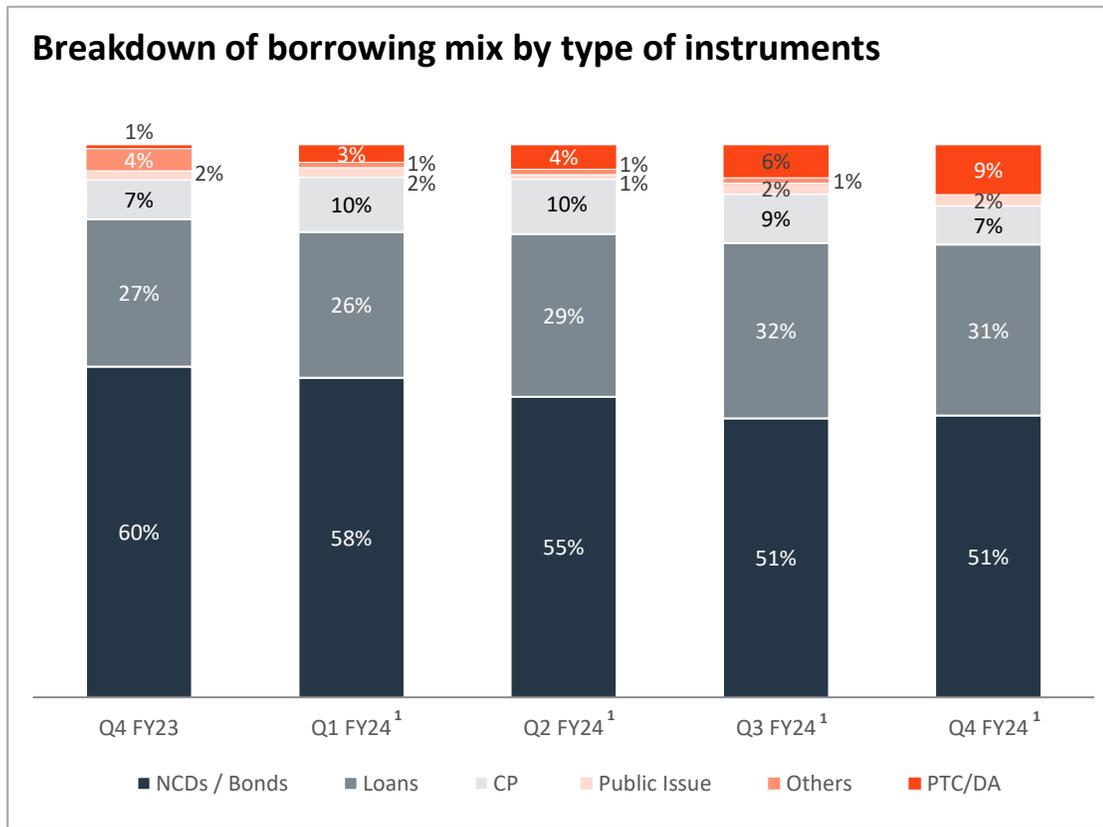
Consolidated balance sheet		(INR Cr.)	
Particulars	Q4 FY24	Q3 FY24	
Assets			
Cash & liquid investments	6,247	6,588	
Gross asset under management	67,219	66,407	
ECL provision	3,429	2,859	
Net assets under management	63,790	63,548	
Investments in Shriram group	1,708	2,278	
Investments in alternatives and others	2,537	2,658	
Fixed assets	2,734	2,726	
Net assets / (liability)	2,943	2,293	
Total assets	79,959	80,091	
Liabilities			
Net worth	26,557	26,376	
Gross debt	53,402	53,715	
Total liabilities	79,959	80,091	
Key ratios			
Gross debt to equity (x)	2.0	2.0	
Net debt to equity (x)	1.8	1.8	

Liabilities management



Notes: (1) Cumulative GAP = Cumulative inflows up to 1-year – cumulative outflows up to 1-year
 (2) GAP% = Net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows
 (3) Liabilities includes fixed rate borrowings of INR 17,097 Cr for FY23 & 16,172 Cr for Q4 FY24

Diversifying the borrowing mix



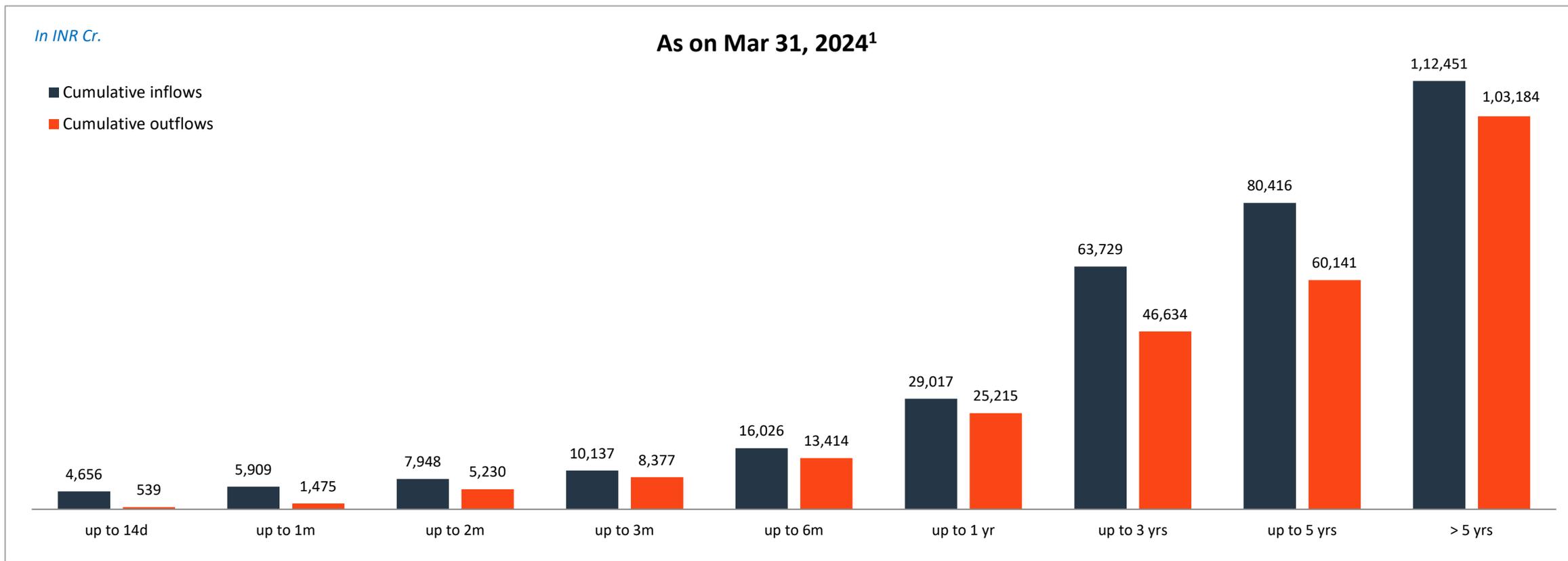
Ratings update

Long term ratings
 ICRA & CARE: AA
 Outlook Stable

Short term ratings
 CRISIL, ICRA, CARE: A1+

Notes: (1) Includes direct assignment (DA) of INR 1,598 Cr as of Q4 FY24, INR 875 Cr as of Q3 FY24, INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24
 (2) Includes employee benefit funds, NHB, other financial institutions and individuals/HUFs/corporates etc. which contribute 4%, 3%, 2% and 11% respectively to overall borrowings

Asset-liability profile

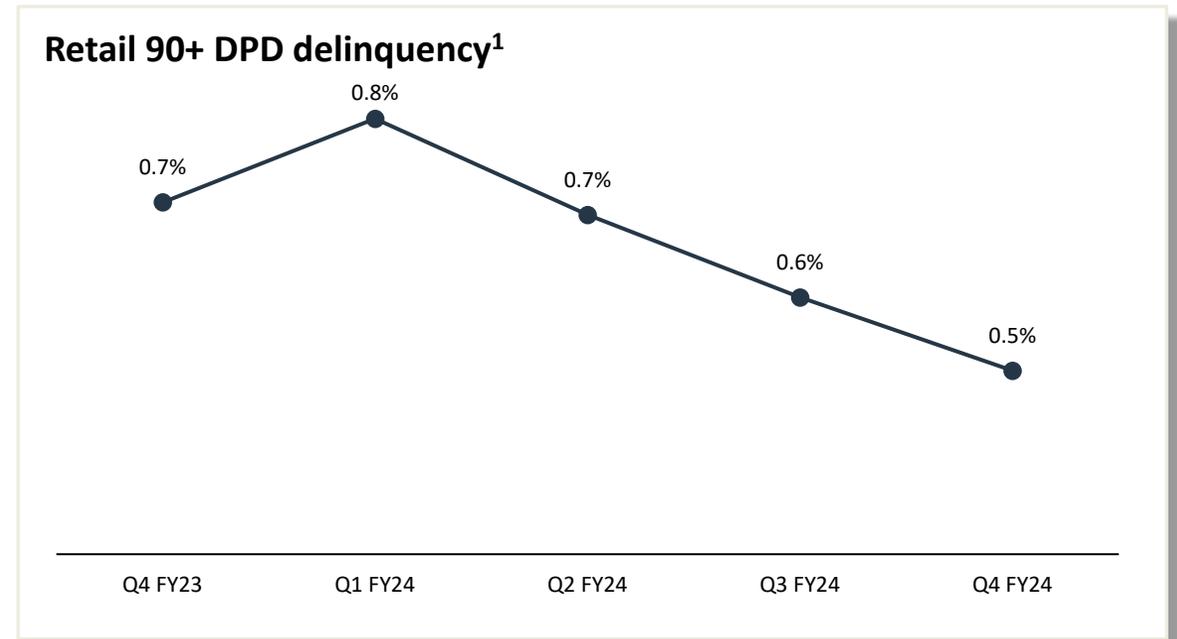
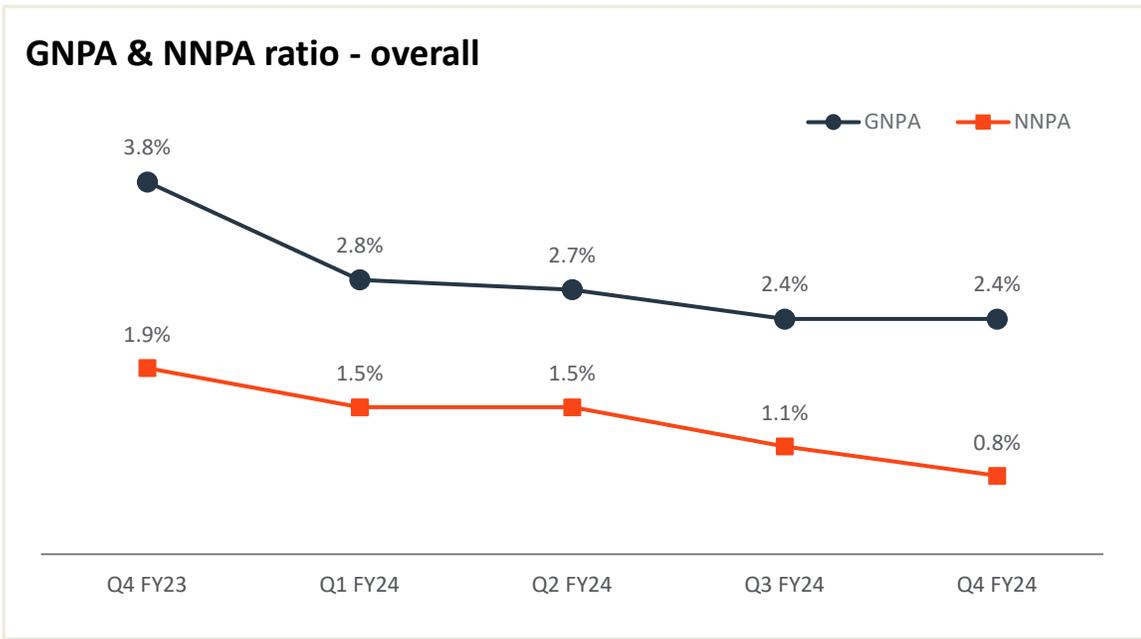


Cumulative GAP² (%)



Notes: (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

Asset quality



- **Wholesale stage 2+3 assets** are down 33% YoY to INR 4,274 Cr with PCR of 37% vs 32% in Q3 FY24
- **SRs down 10%** since Q1 FY24, led by cash realisation of INR 1,401 Cr

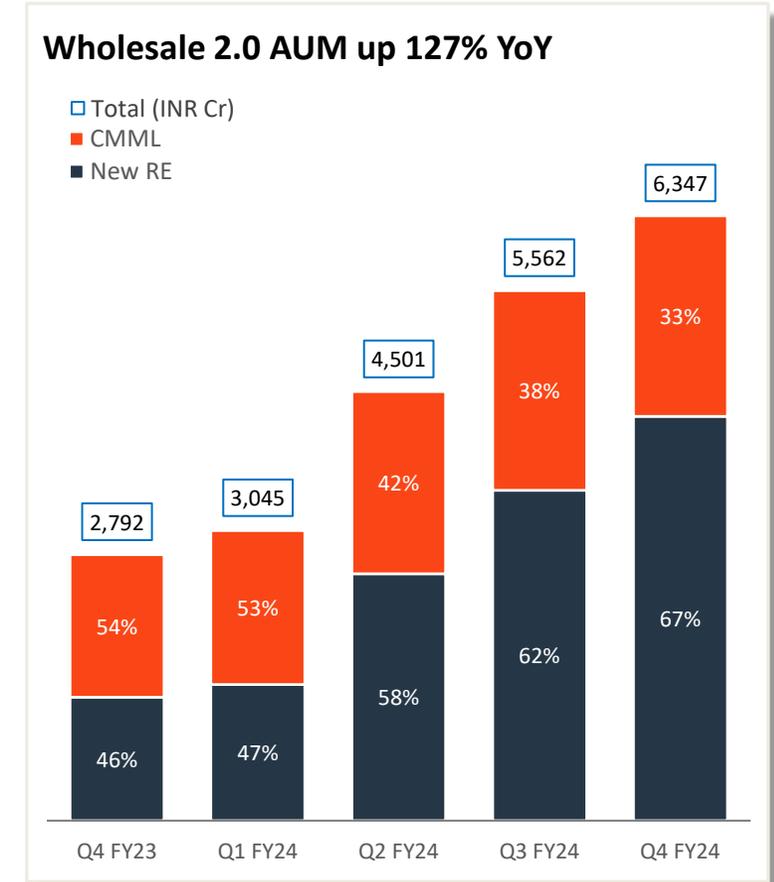
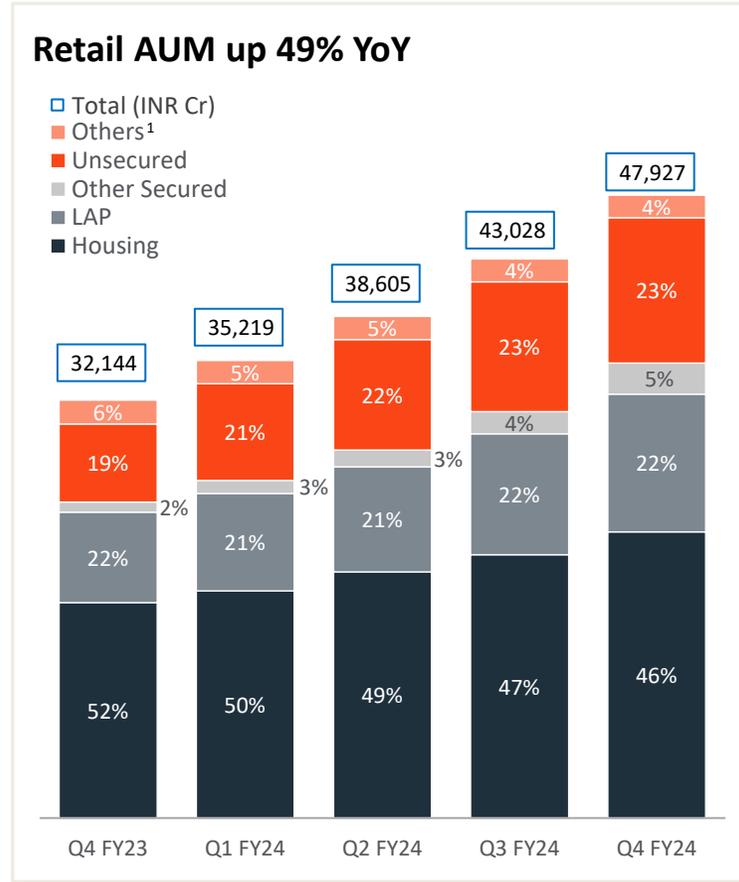
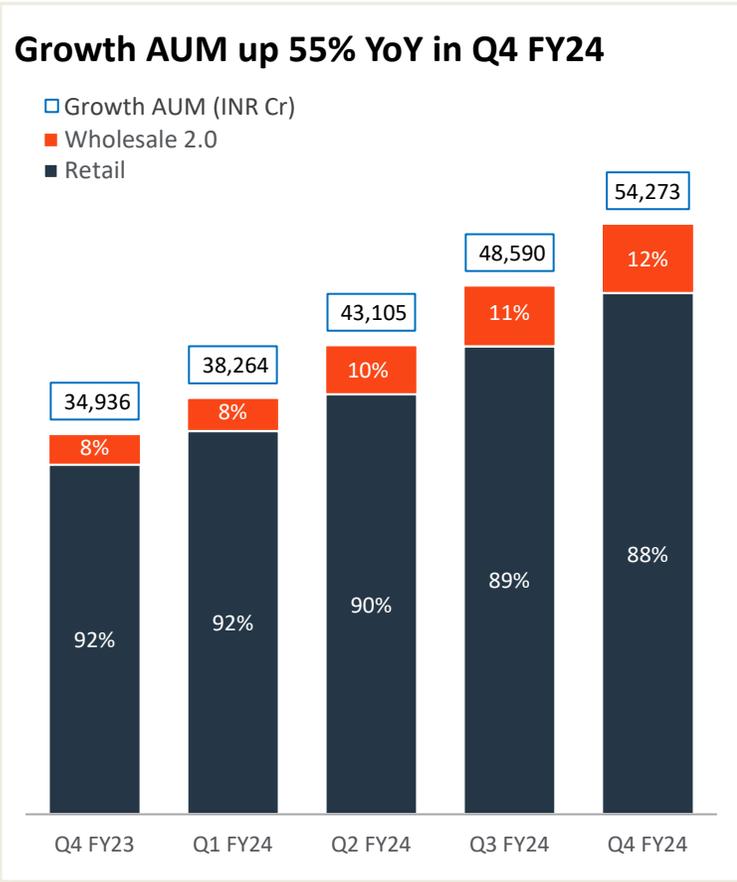
Note: (1) 90+ DPD delinquency = 90 to 179 days DPD



A) Q4 & FY24 Performance

3. Growth business

Growth AUM of INR 54.3k Cr, 57% CAGR since FY22



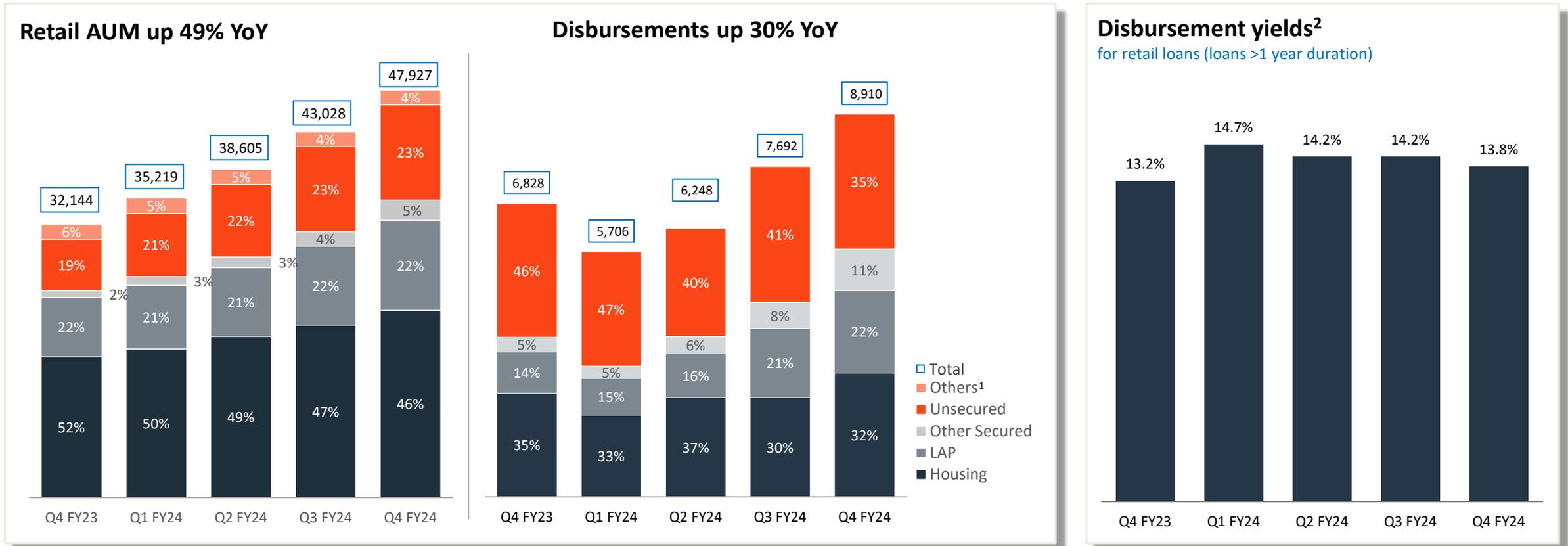
Note: (1) Others includes SRs (INR 1,579 Cr as of Q4 FY24) & pass-through certificates (PTC) (INR 152 Cr as of Q4 FY24)



A) Q4 & FY24 Performance

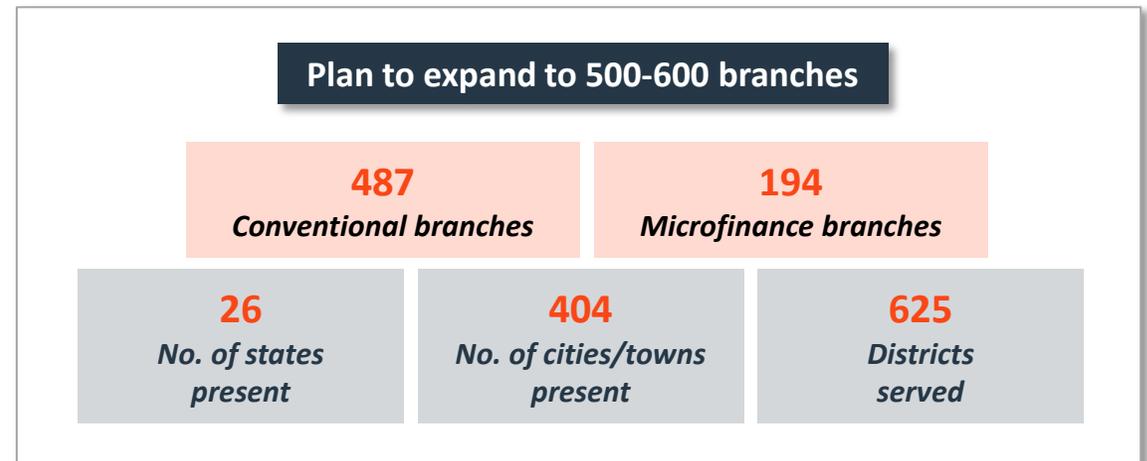
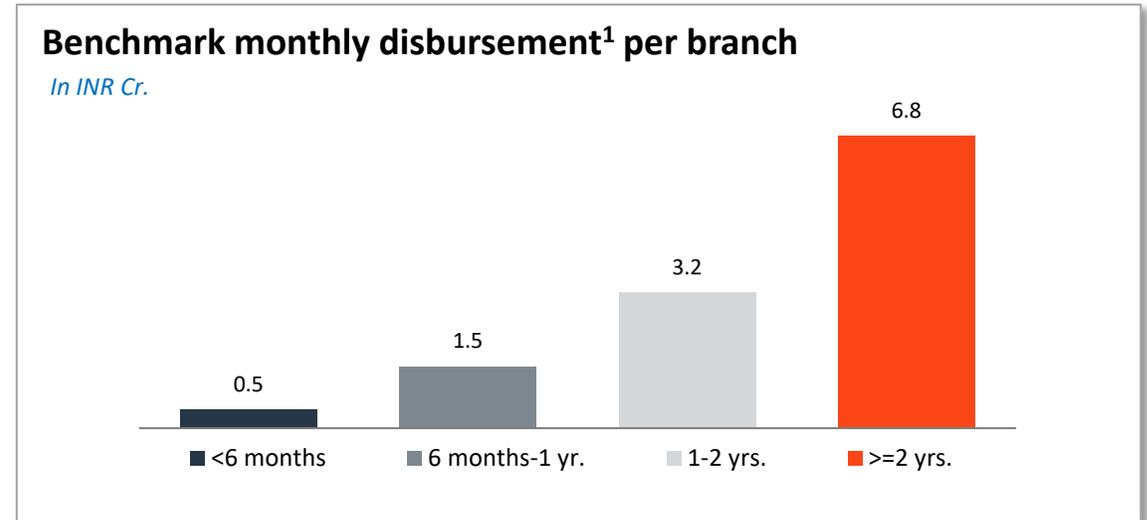
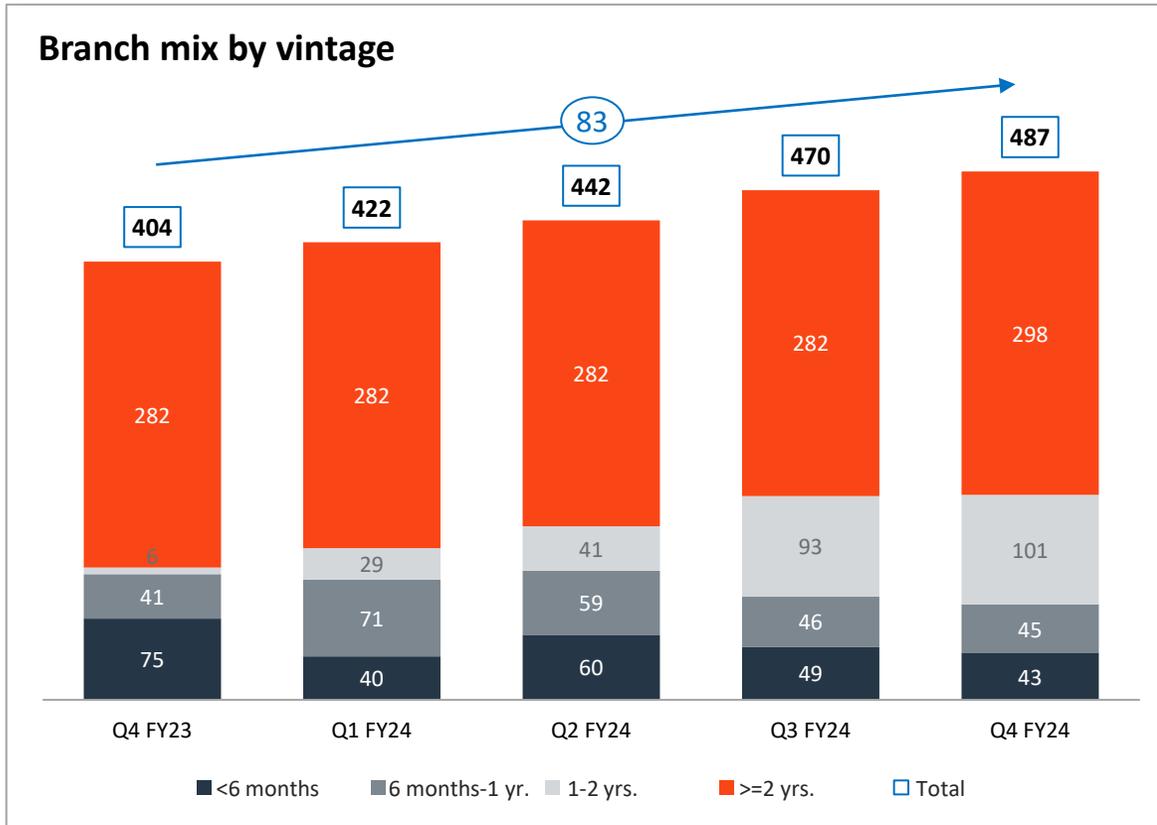
3. Growth business
a. Retail lending

Retail – growth across product verticals; yields now in a stable range



Note: (1) Others includes SRs (INR 1,579 Cr as of Q4 FY24) & pass-through certificates (PTC) (INR 152 Cr as of Q4 FY24)
 (2) Disbursements of <1 yr. duration (3% for Q4 FY24) having higher average yield (14.5% for Q4 FY24) not included in the above calculation

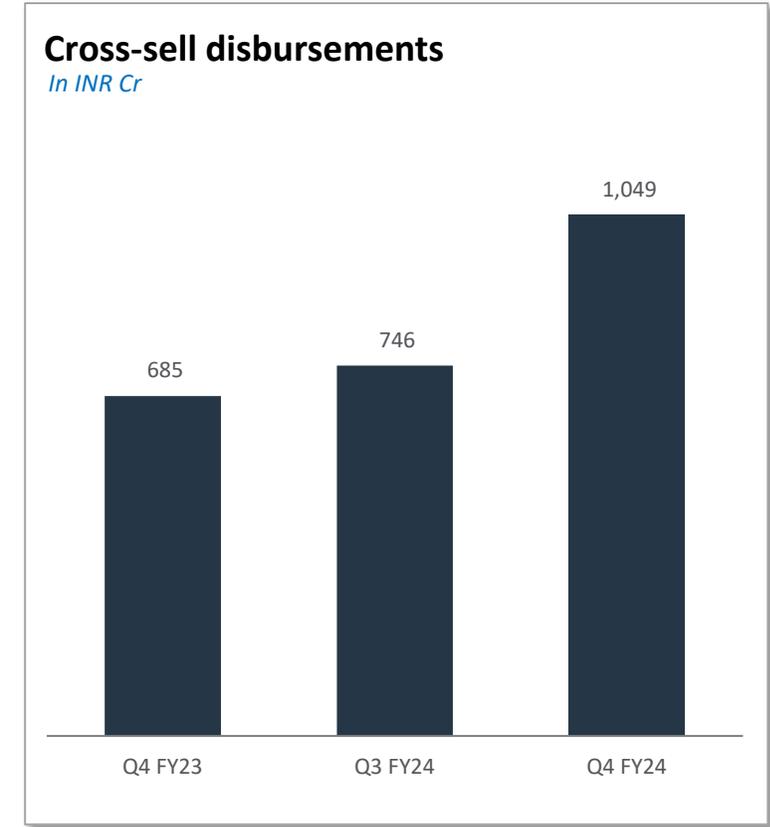
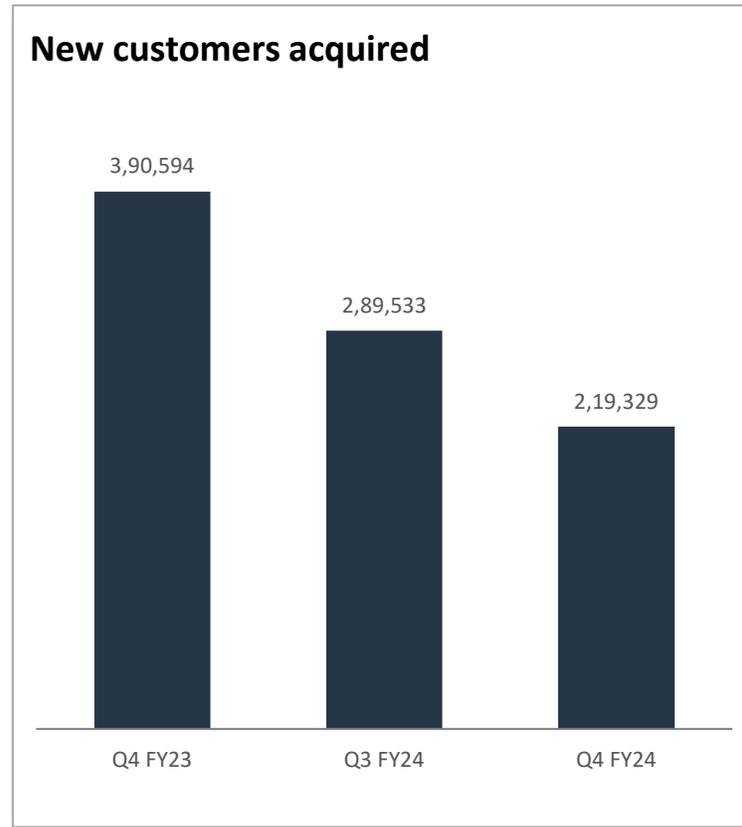
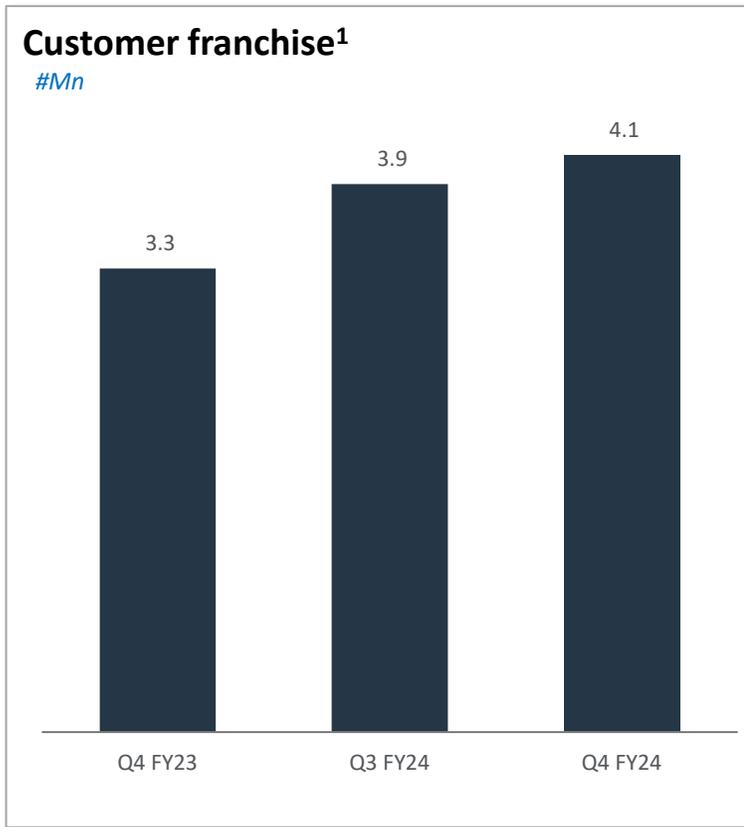
Branch mix has been shifting towards newer branches; productivity improvement on the cards



➤ 80% of retail AUM's geographic exposure² is in metro adjacent and tier-2 & 3 cities as of 31st Mar '24

Note: (1) Only for branch led products
 (2) Population considered Tier 1: 40+ lacs, Tier2: 10-40 lacs, Tier3: <10 lacs; metro adjacent locations carved out from tier 1/2/3 for centres in peripheries of metros.

Expanded customer franchise to 4.1 mn

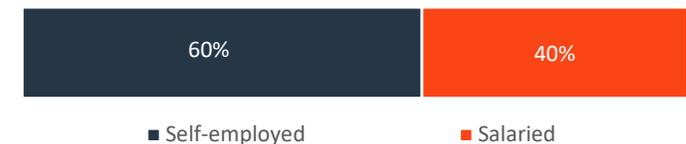


Retail AUM by category



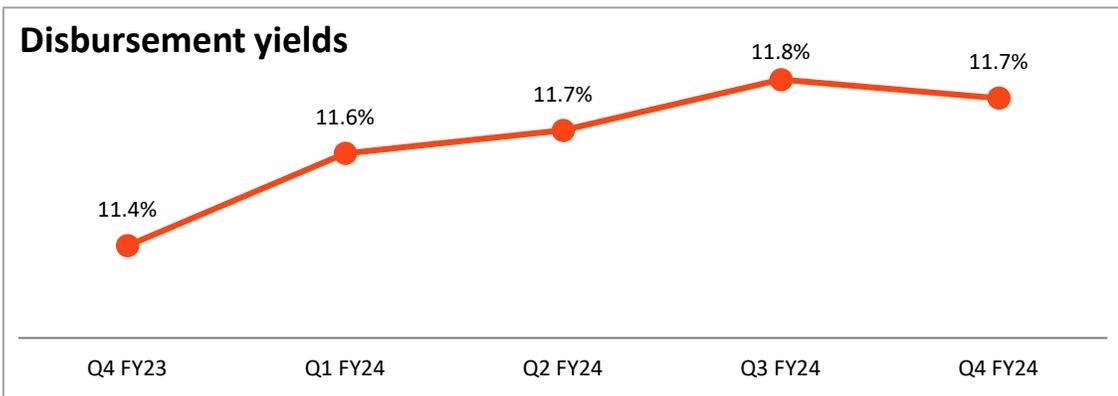
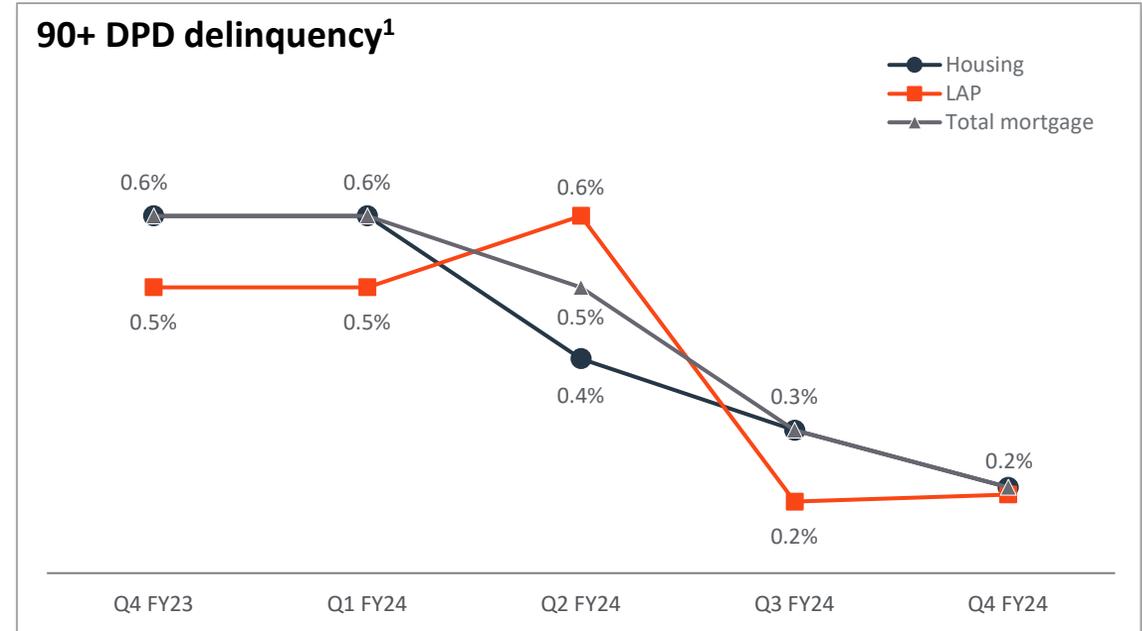
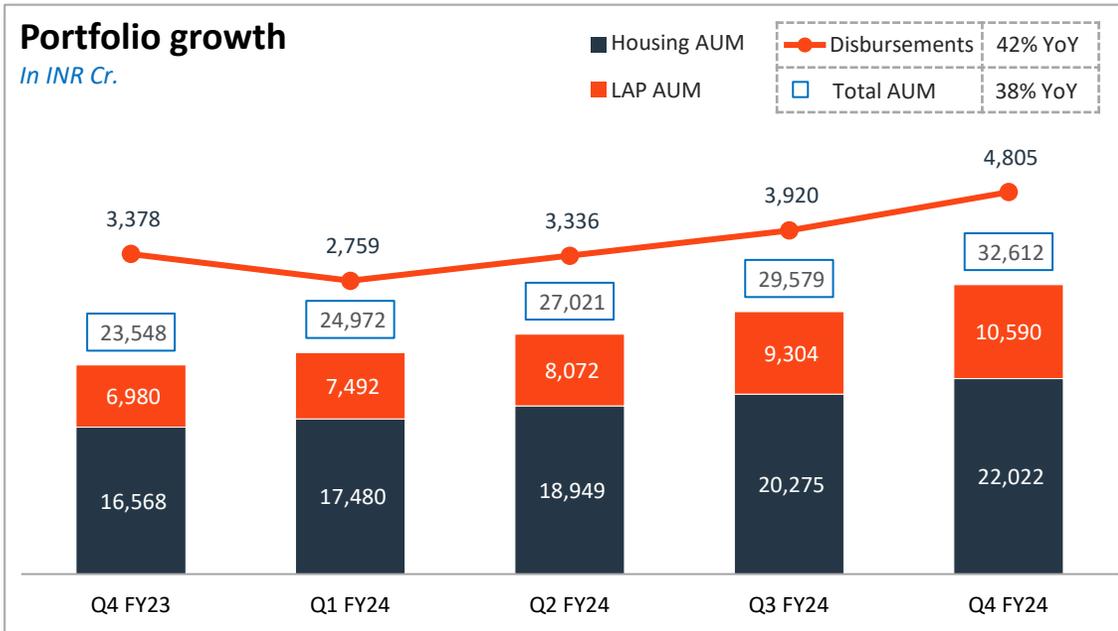
- We continue to grow our customer franchise
- 1.3 mn active customers

Retail AUM by customer type



Note: (1) Customer franchise includes existing / past borrowers as well as co-borrowers

Mortgage: 68% of retail AUM, up 38% YoY; at-scale lender in affordable housing (1/3)



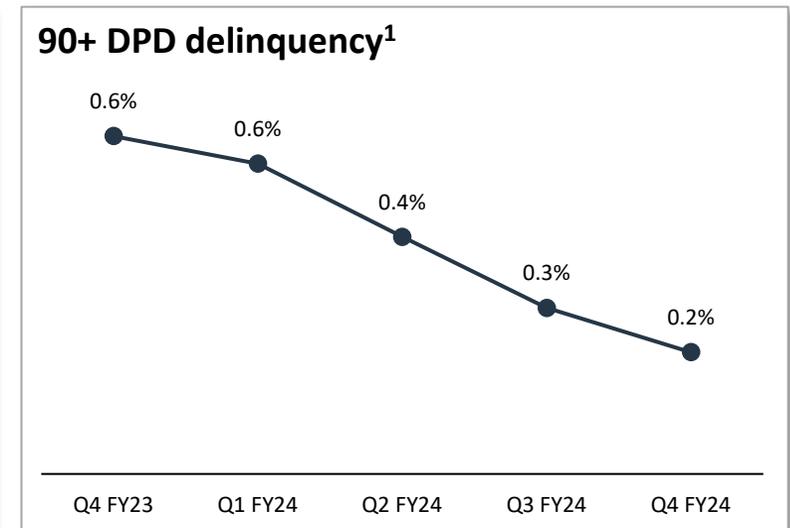
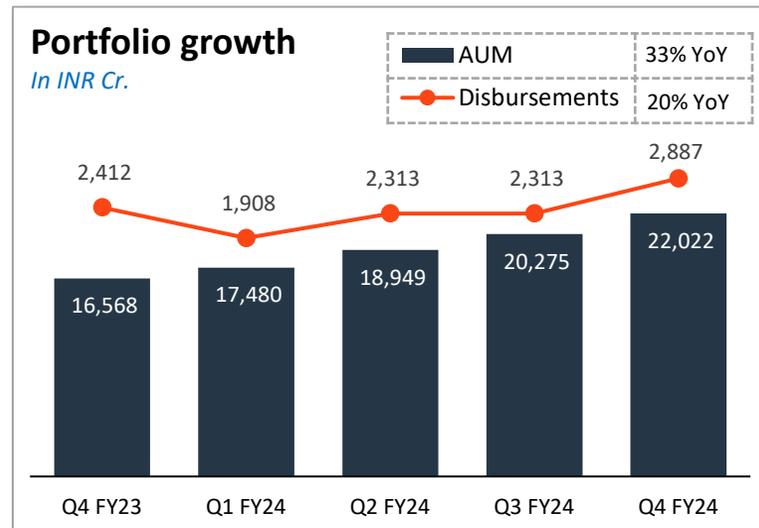
AUM by customer type



- Mortgage is the hook product in retail segment
- For any new branch, we start with mortgage before launching other products after some time

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

Mortgage - Housing loans: sustained growth momentum - improving portfolio quality (2/3)



67%

Lending in tier 2/3 cities



19 Lac

Average ticket size



61%

Average LTV



747

Average CIBIL score



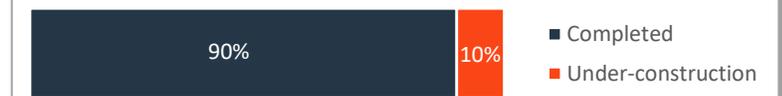
11.1%

Disbursement yield

AUM by customer type

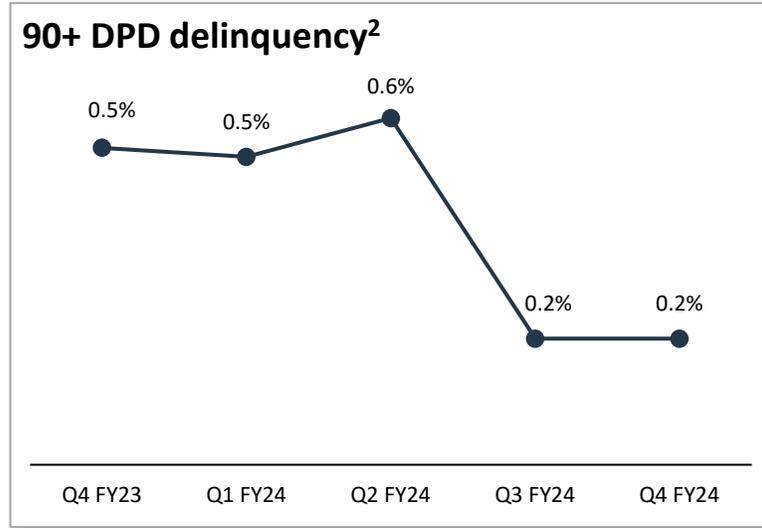
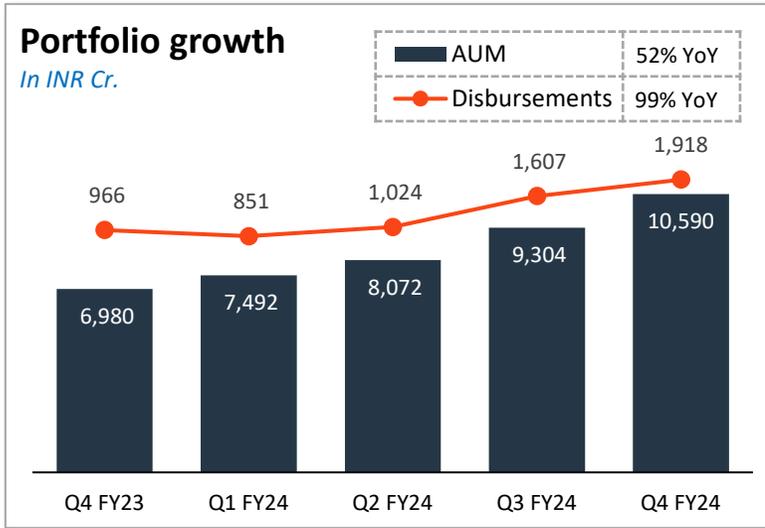


AUM by stage of construction



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

Mortgage – LAP: AUM up 52% YoY; sharp uptick in disbursements (3/3)



66%

Lending in tier
2/3 cities



25 Lac

Average
ticket size



47%

Average LTV



754

Average
CIBIL score



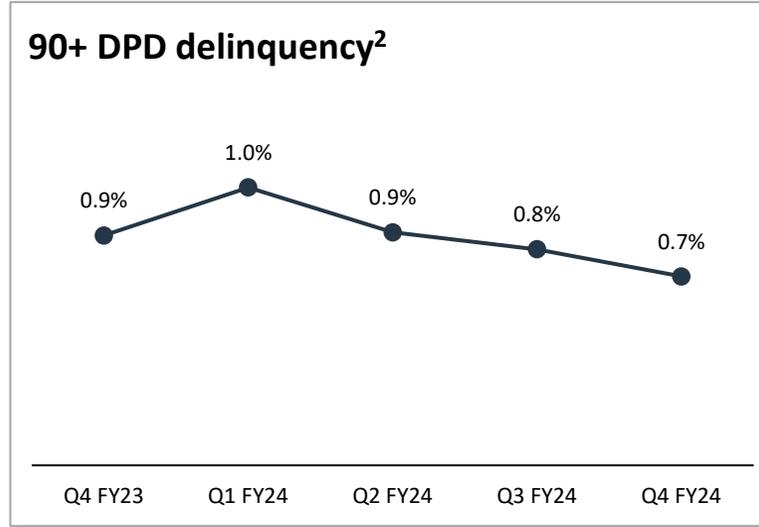
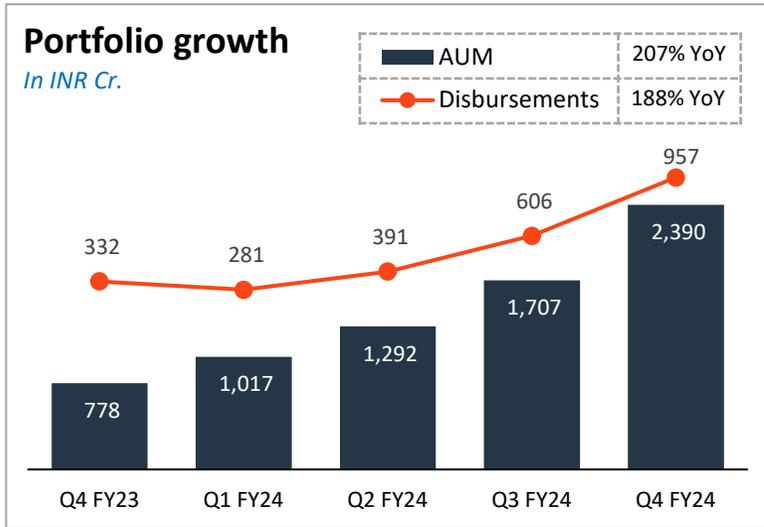
12.6%

Disbursement
yield



Notes: (1) Concluded a DA sale transaction of INR 865 Cr in Q4FY24, INR 193 Cr in Q3 FY24 and INR 342 Cr in Q2 FY24
 (2) 90+ DPD delinquency = 90 to 179 days DPD

Other secured loans: *steep growth trajectory in used car loans*

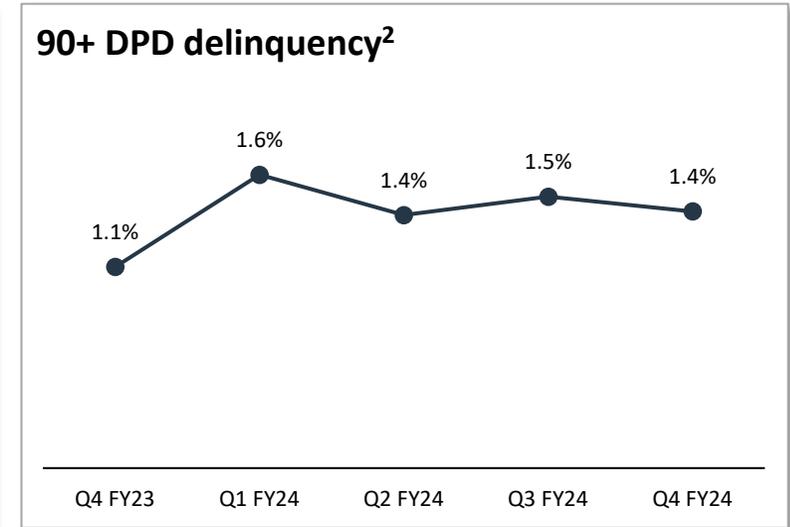
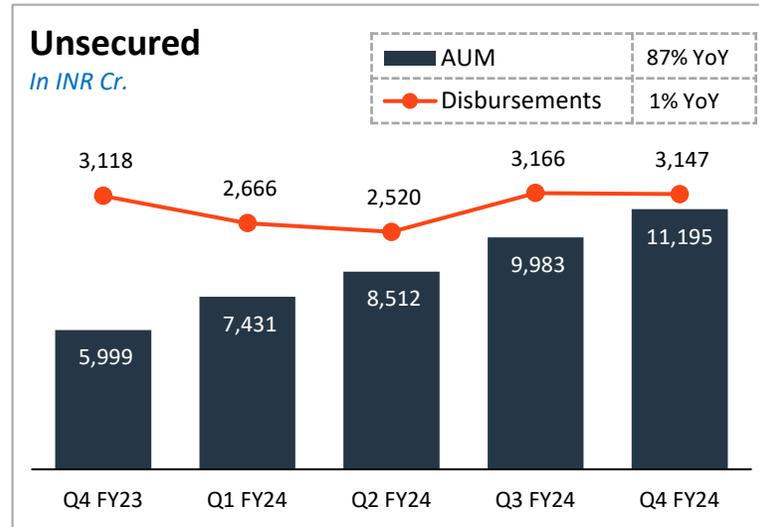


56%	7 Lac	75%	746	15.1%
Lending in tier 2/3 cities	Average ticket size	Average LTV	Average CIBIL score	Disbursement yield



Note: (1) Includes Loan against mutual fund (LAMF) AUM of INR 273 Cr as of Q4 FY24, INR 96 Cr as of Q3 FY24, INR 37 Cr as of Q2 FY24 and INR 9 Cr as of Q1 FY24
(2) 90+ DPD delinquency = 90 to 179 days DPD

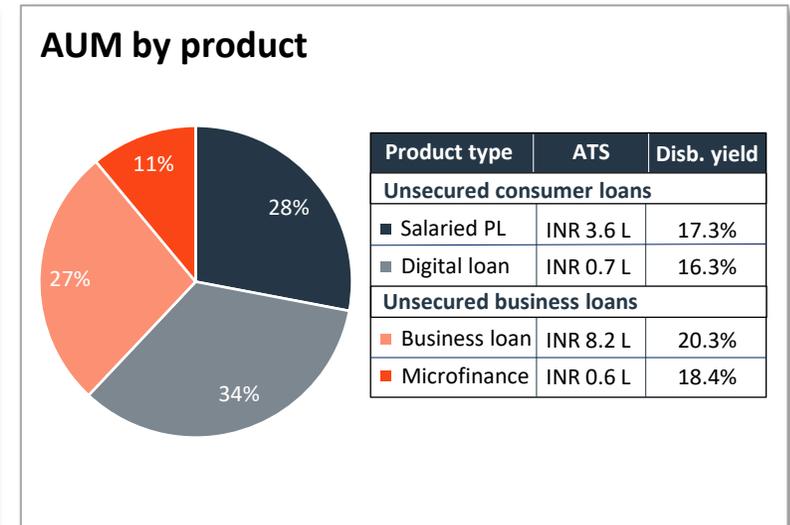
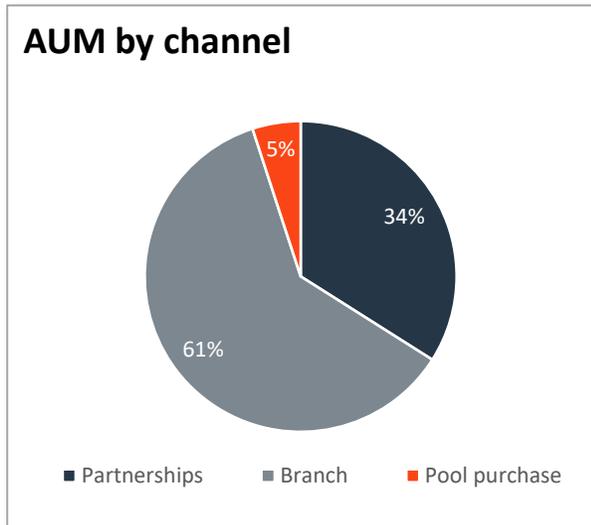
Unsecured loans: *disbursement controlled in last 12 months, risk is under control (1/4)*



17,41,995
Customers served

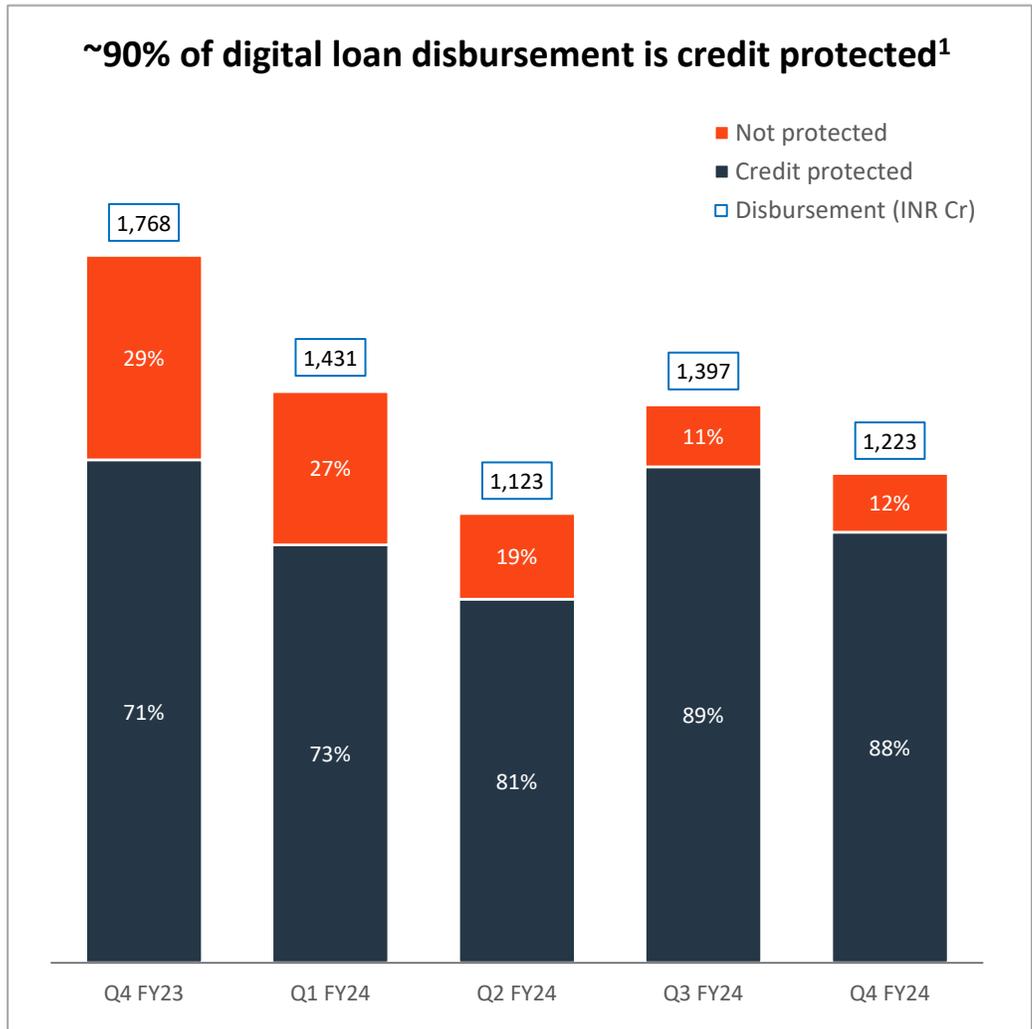
765
Average CIBIL score

17.6%
Disbursement yield



Notes: (1) Concluded a co-lending transaction of INR 34 Cr in Q4 FY24
 (2) 90+ DPD delinquency = 90 to 179 days DPD

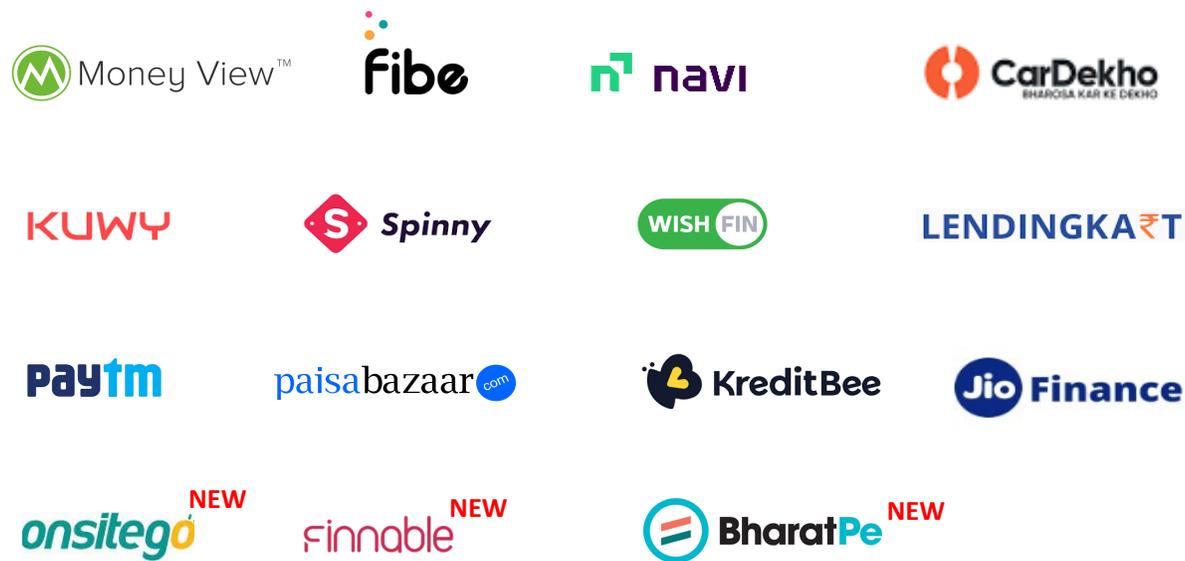
Digital embedded finance: scaling-up partnerships with fintech & consumer tech firms (4/4)



25 programs live across 15 partners

Fintech NBFCs	Transaction platforms	Service providers	Edtechs / Education institutes
MSME platforms	OEMs	Gold collateral companies	Product manufacturers

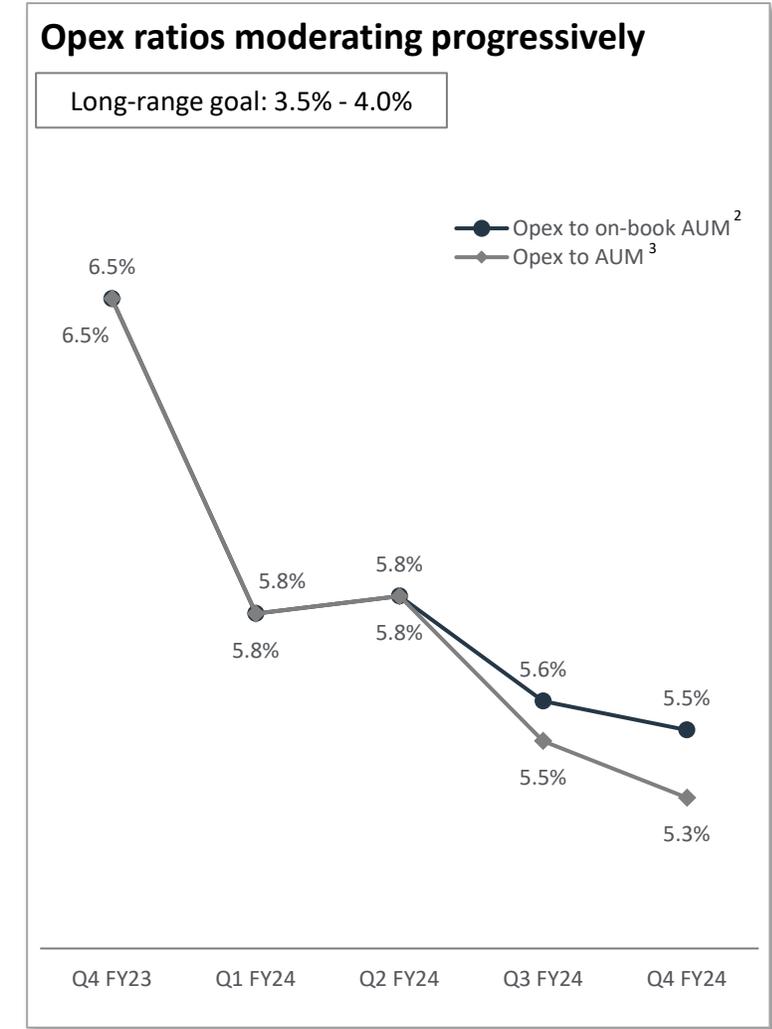
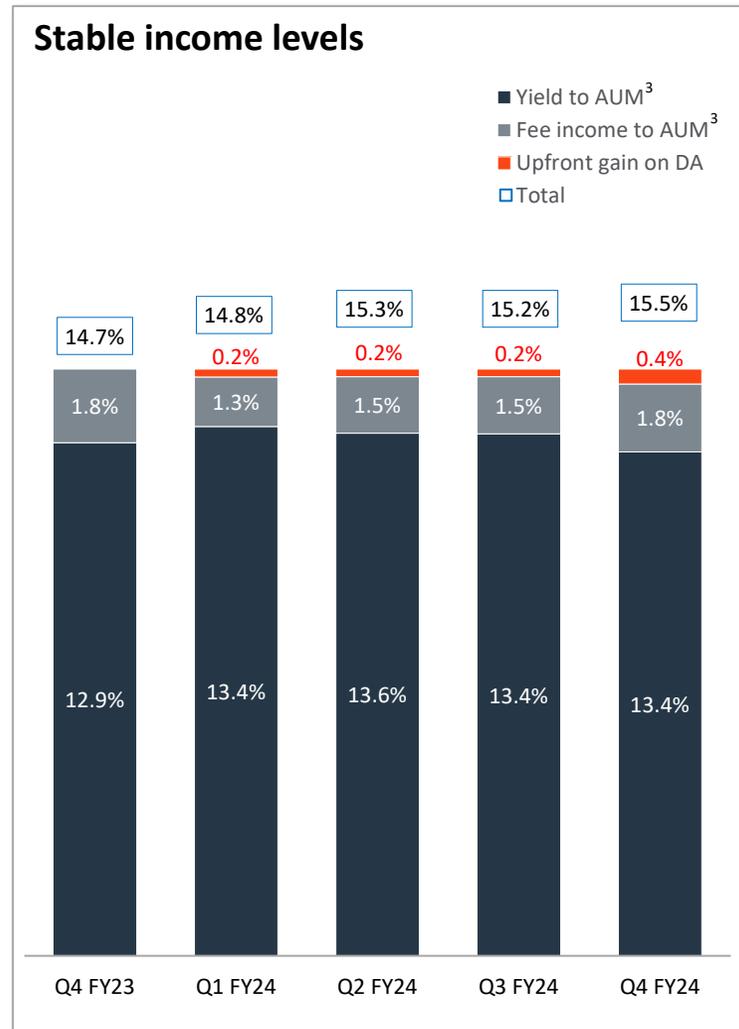
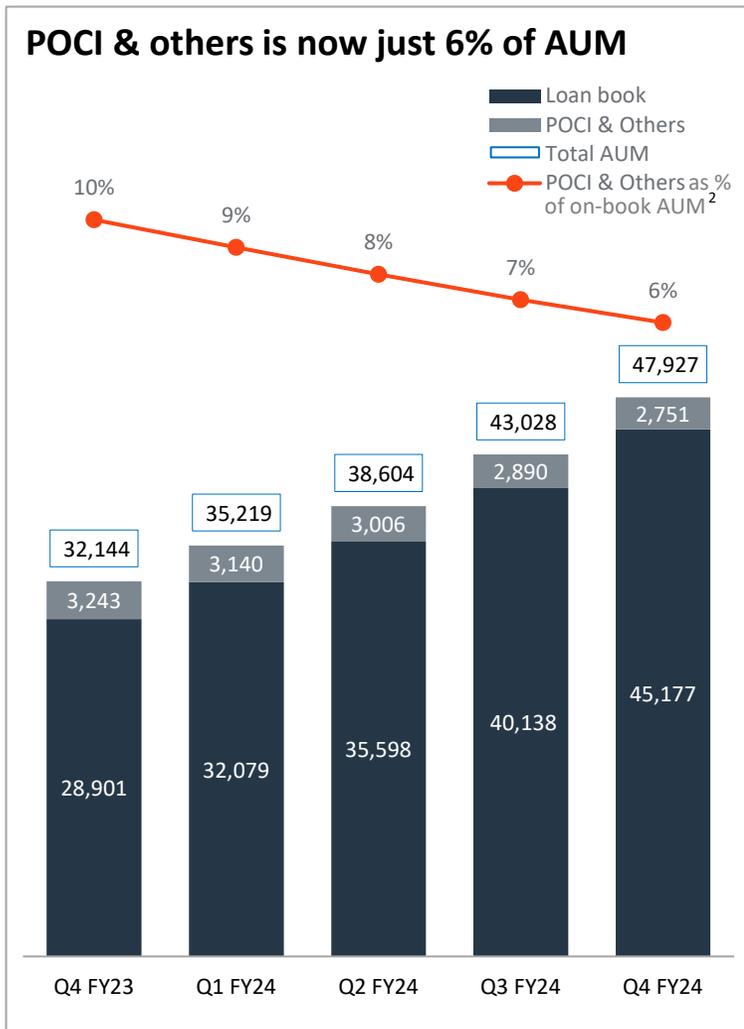
Our live partners



Our exposure to customers originated through the partnership with Paytm is <3% of total unsecured AUM as of 31st Mar 2024

Note: (1) Credit protected primarily through FLDG

Stable income profile along with reduced POCI¹ book; opex ratios moderating



Note: (1) Purchased or originated credit impaired (POCI)
 (2) On-book AUM excludes DA
 (3) AUM includes loan book, POCI, SRs & PTC and excludes DA

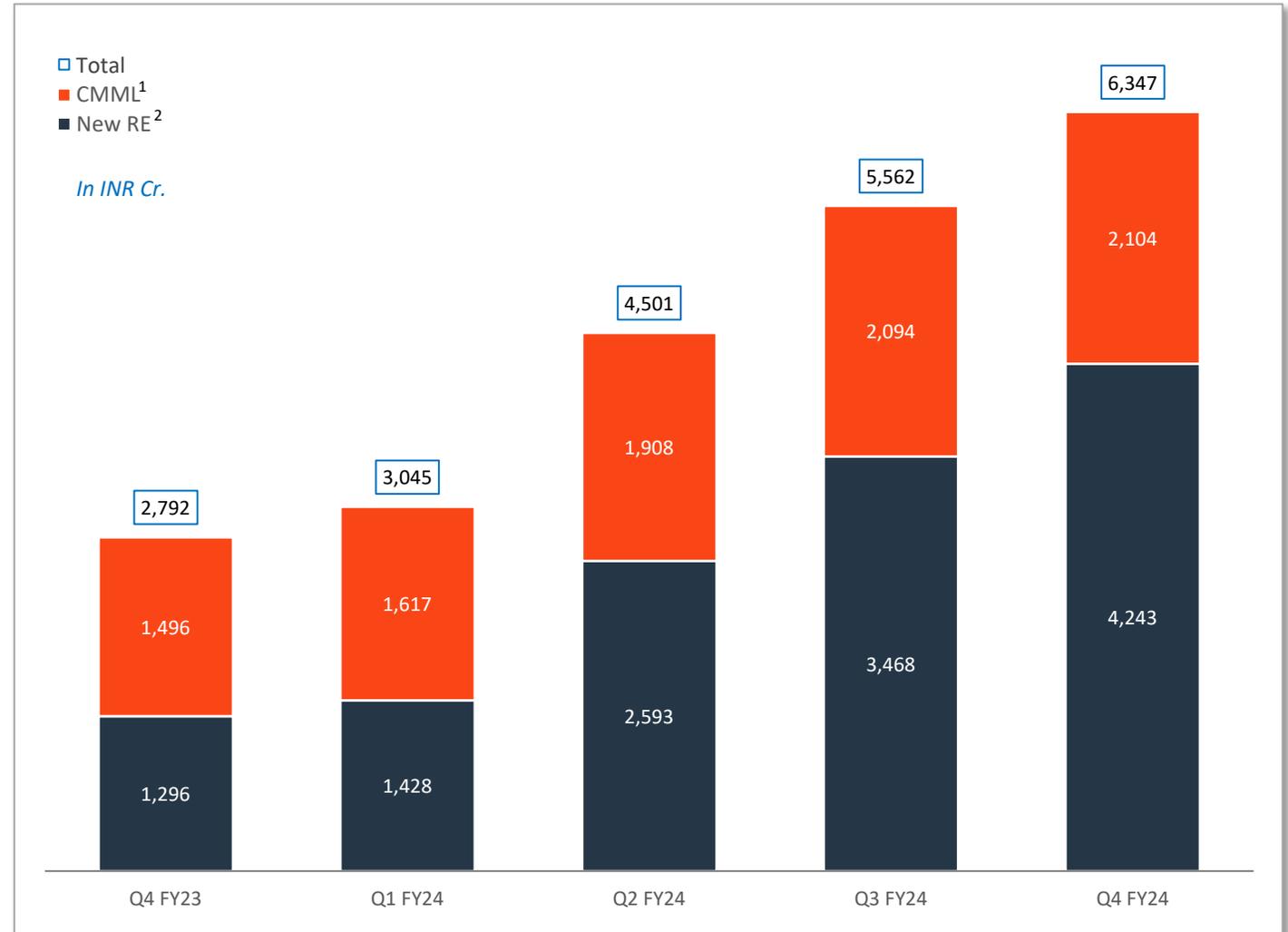


A) Q4 & FY24 Performance

3. Growth business
a. Wholesale lending

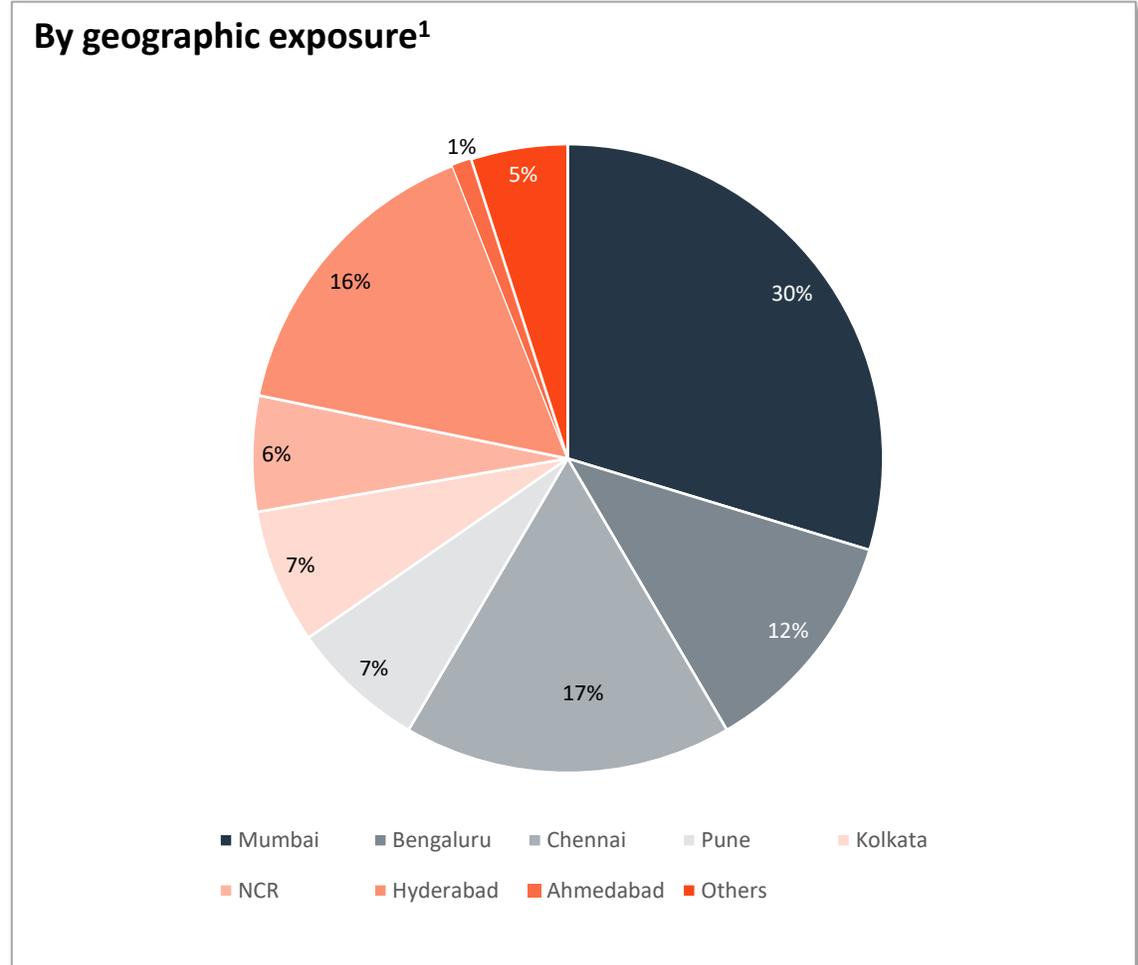
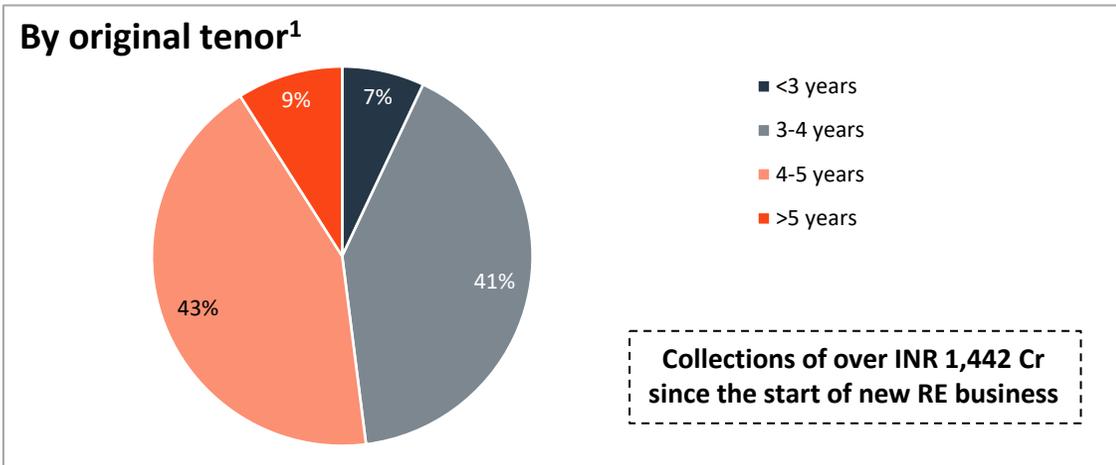
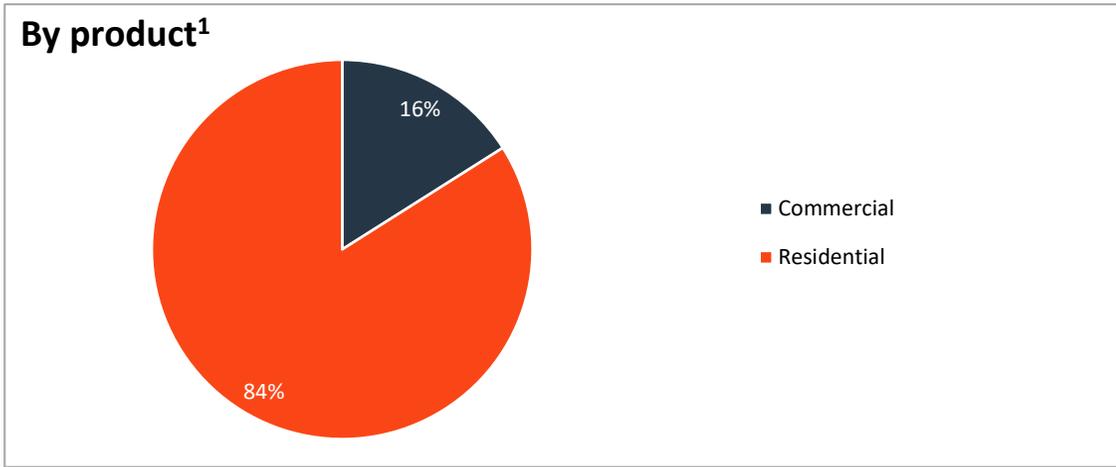
Wholesale 2.0 - Building a diversified and granular book backed by cash flows and assets

- **Wholesale 2.0 AUM** growth of 14% QoQ
- **Disbursements** of INR 1,448 Cr in Q4 FY24; INR 967 Cr disbursed in Mar'2024
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Pre-payments** received worth INR 2,314 Cr in FY24



Note: (1) CMML : Corporate mid market lending
 (2) RE : Real estate

New real estate loans: capitalizing on the market gap and leveraging our strengths



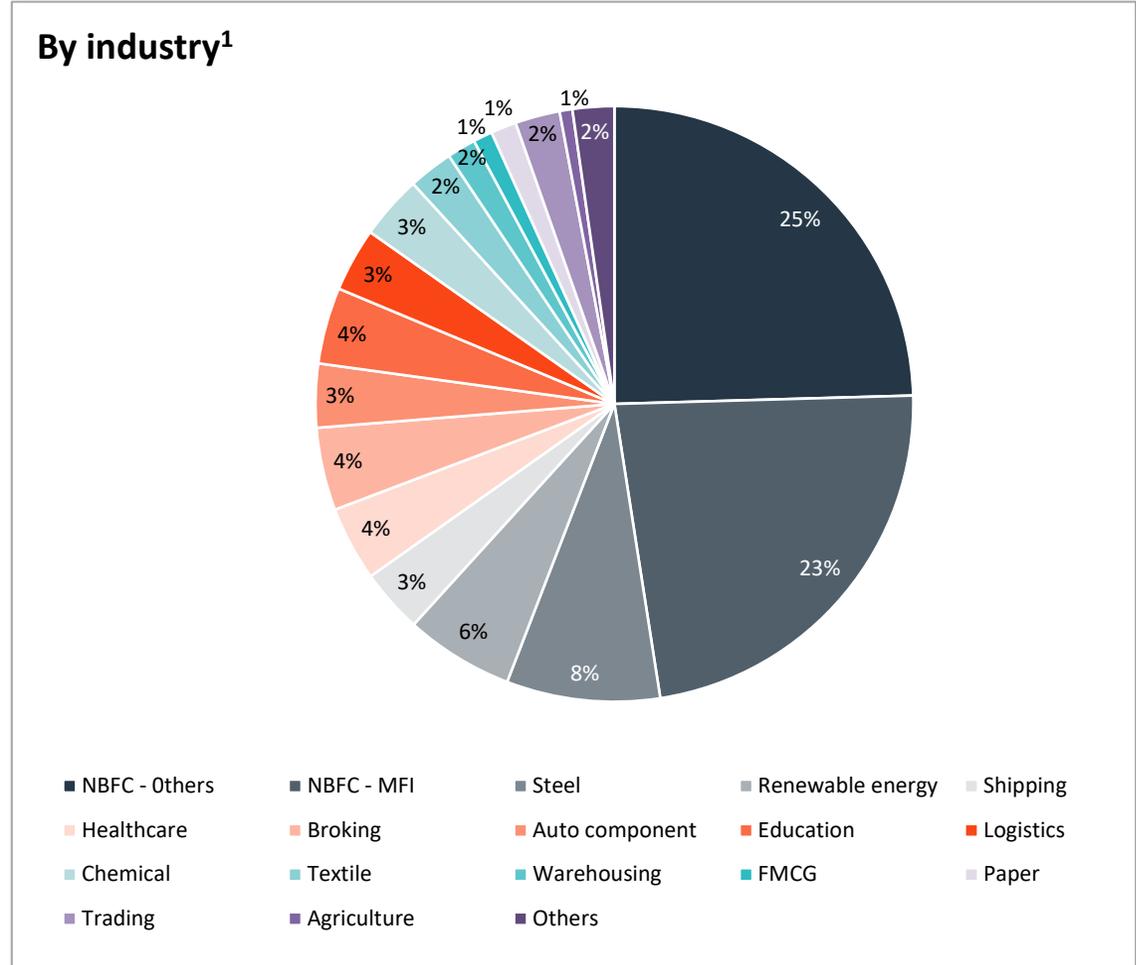
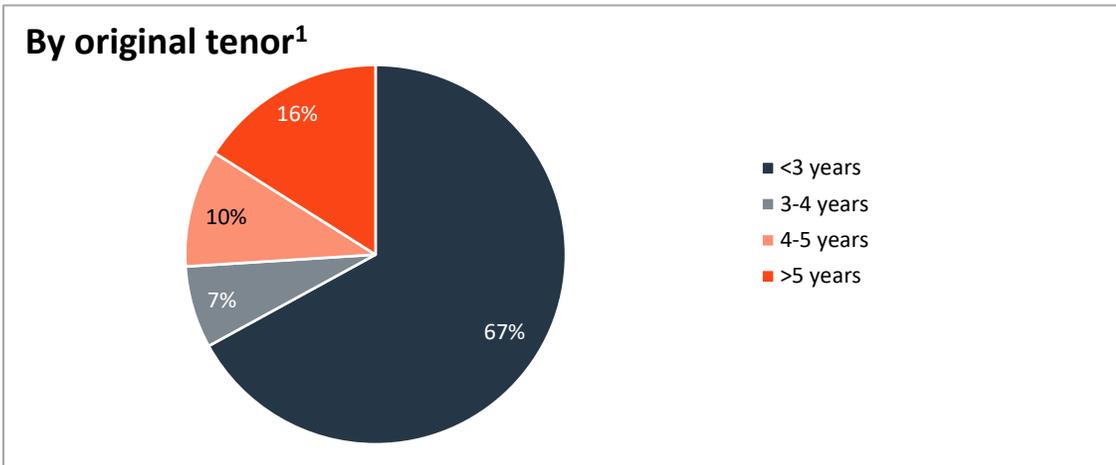
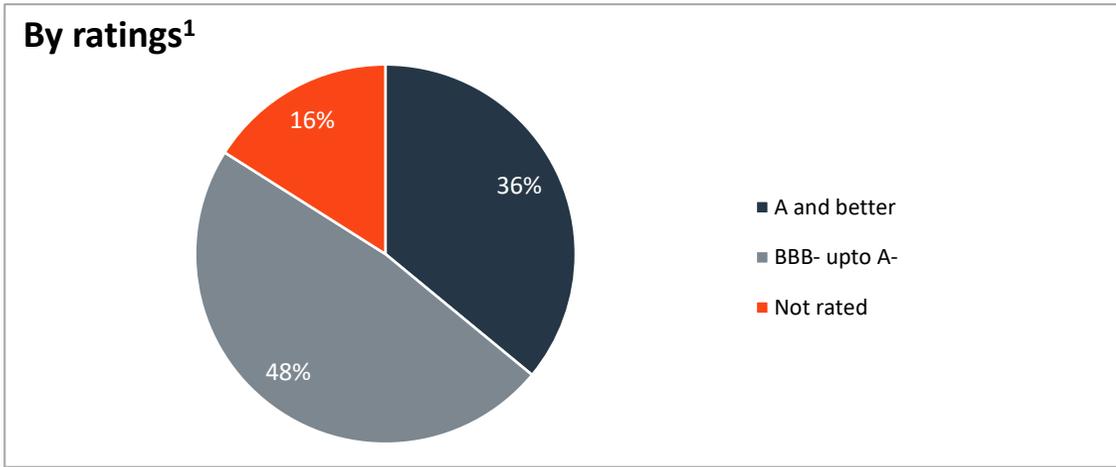
Average ticket size¹ / loan
INR 141 Cr

Average yield %²
14.2%

Average loan tenor³
4.5 years

Notes: (1) Based on sanctioned value
 (2) Average yield % includes fee income
 (3) Based on sanctioned value & represents average door to door tenor

Corporate mid market lending: *building a granular book backed by cash flows*



Average ticket size¹ / loan
INR 59 Cr

Average yield %²
12.6%

Average loan tenor³
3.2 years

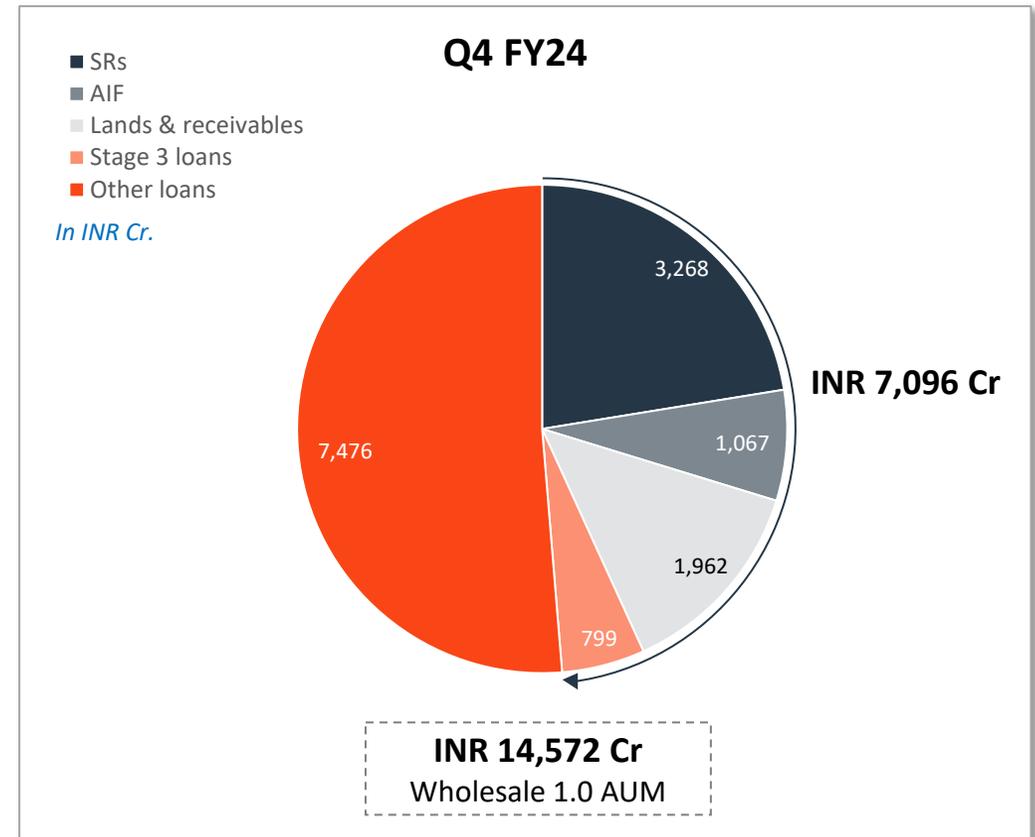
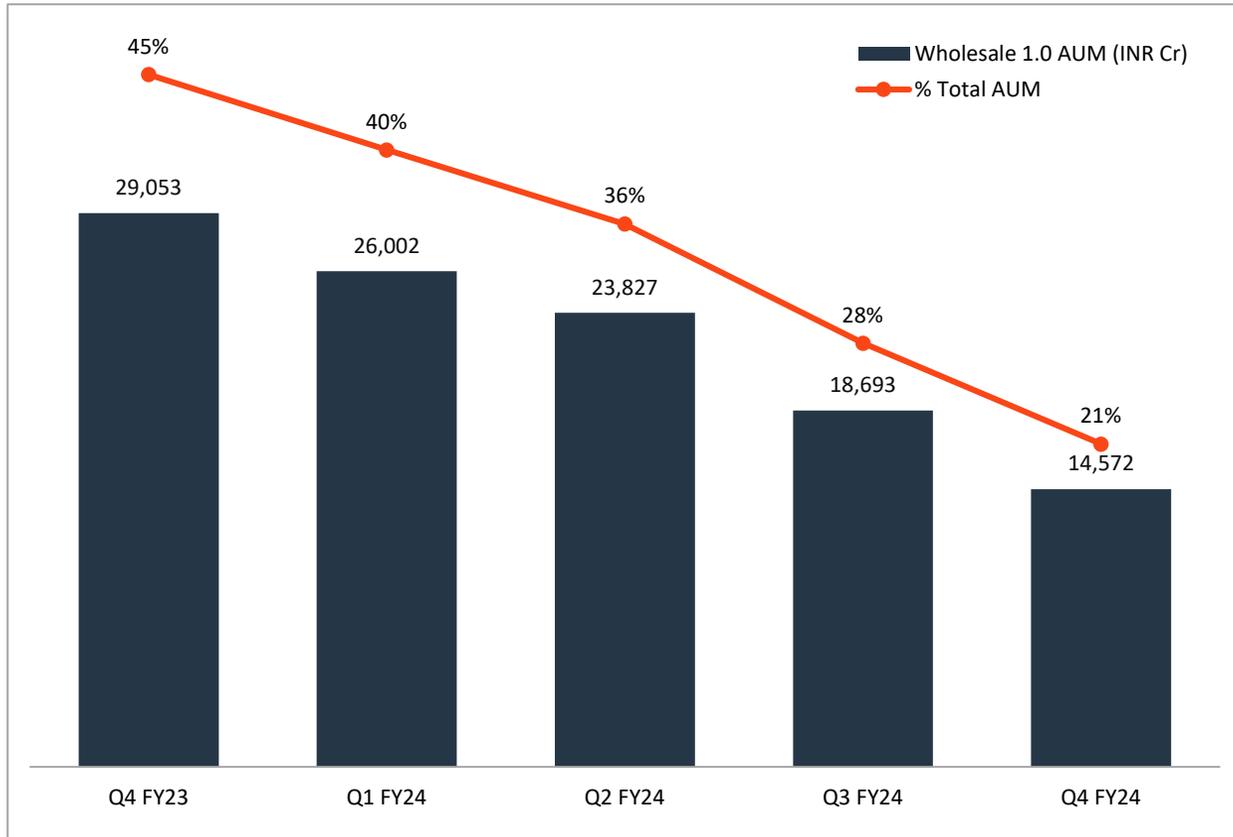
Notes: (1) Based on sanctioned value
 (2) Average Yield % includes fee income
 (3) Based on sanctioned value & represents average door to door tenor



A) Q4 & FY24 Performance

4. Legacy business

Continue to rapidly reduce Wholesale 1.0 AUM



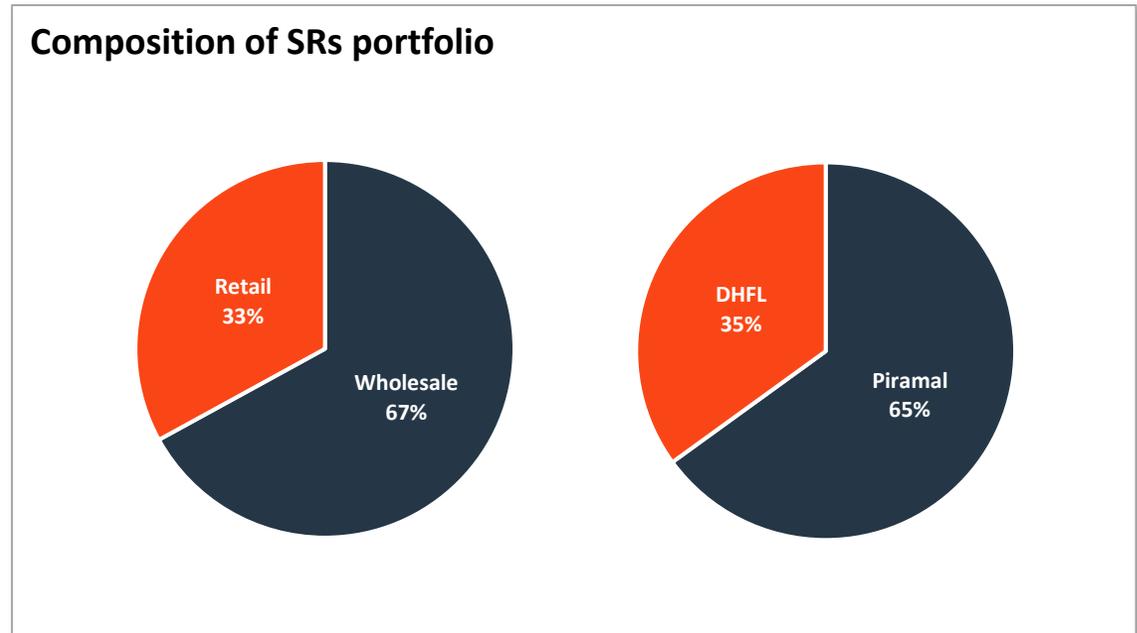
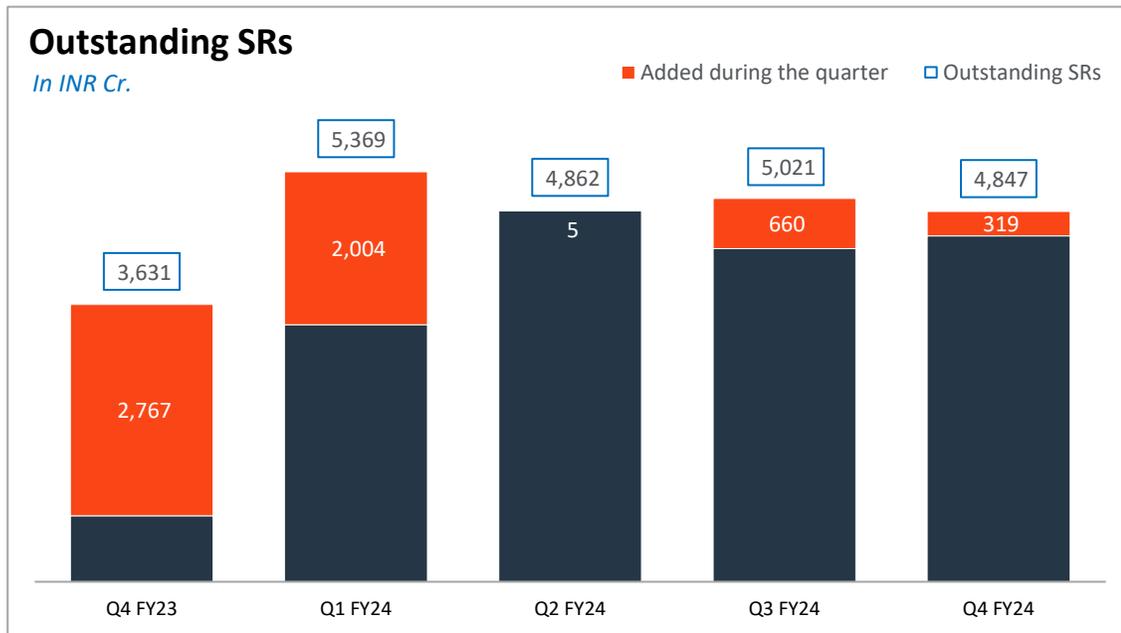
- **Wholesale 1.0 AUM** down 22% QoQ & 50% YoY to INR 14,572 Cr
- Generated gross **liquidity** of INR 10,245 Cr in FY24
- To continue the **rundown** of our legacy book in coming quarters also

Average yields¹

5.8% Total wholesale 1.0	11.3% Wholesale 1.0 loans, exc. Stage 3, SRs, land & receivables and AIF
------------------------------------	--

Notes: (1) Average yield % includes fee income

Overall security receipts portfolio – peaked in Q1 FY24



- SRs down 10% since Q1 FY24, led by **cash realisation of INR 1,401 Cr.** With gross addition of INR 319 Cr in Q4 FY24, SR book stood at 4,847 Cr
- Concluded **1 ARC transactions** in Q4 FY24 with total deal value of INR 375 Cr under 15:85 structure. SR's issued worth INR 319 Cr

As resolution processes continue, we expect our SR portfolio to reduce in near term



B. Corporate action

Overview – consolidation of lending businesses

Proposing to merge PEL and PCHFL in single entity, renamed Piramal Finance

Proposed Reorganization

- PCHFL to be renamed as Piramal Finance Ltd (PFL) upon receipt of NBFC-ICC license
- Further, PEL is proposed to merge with PFL, and list pursuant to merger
- Merger consideration
 - In lieu of every 1 equity share of PEL, its shareholders will get 1 (one) equity share of PFL and subject to RBI approval, 1 (one) NCRPS² of INR 67 of PFL

Core Objectives

- Smooth transition and seamless regulatory compliance
- Shareholders to gain direct access to the entire lending business
- Simplification of the group structure

Regulatory Considerations

HFC – PBC requirements

- HFCs are required to comply with Principal Business Criteria (PBC); minimum 60% of loans to housing finance & minimum 50% of loans to individuals for housing finance
- PCHFL, by virtue of its current diversified lending profile, has not been able to fulfill the above PBC requirement
- PCHFL is in process of submitting an application to the RBI for conversion of its HFC license to an NBFC-ICC license --> Resulting in two distinct NBFC licenses within the same group
- Existing HFC license to continue in the interim period until the receipt of NBFC-ICC license

Upper layer NBFC – Listing requirement

- PCHFL, being classified as an Upper Layer NBFC, is required to be mandatorily listed by Sep 2025

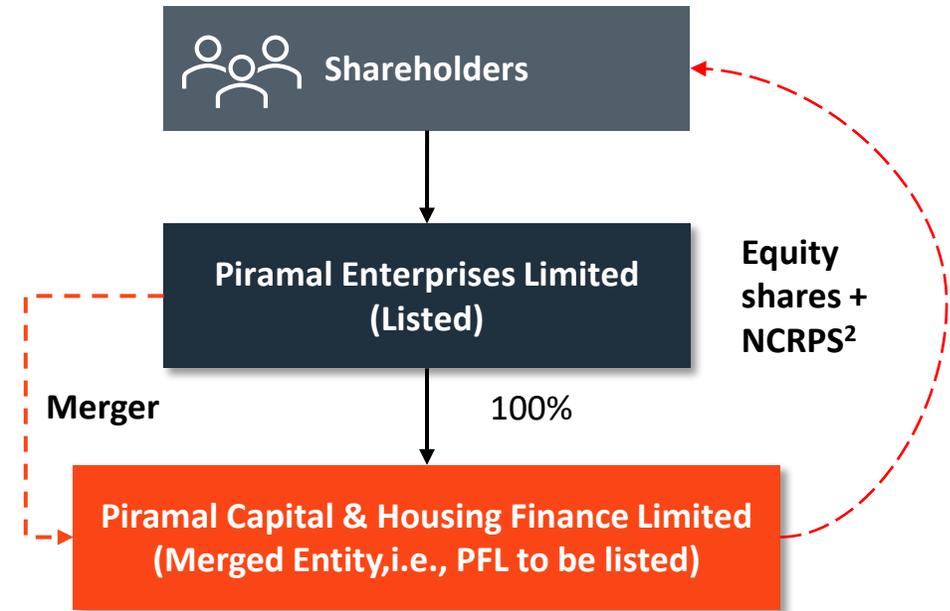
Notes: (1) Above reorganization subject to requisite statutory and regulatory approvals

(2) NCRPS – Non-Convertible Non-Cumulative Non-Participating Redeemable Preference Shares; Quantum : INR 1,498 Cr, NCRPS to be issued at face value of INR 67, Tenor: 3 years. Redemption: 1/3rd of the total value every year, IRR at Redemption: 9% p.a.

PCHFL – Natural Choice for Consolidation

- Interest income ~3.4x of PEL
- AUM ~4x of PEL AUM
- 99% of the total footprint with PCHFL
- + 95% of lending business employees are housed in PCHFL

Transaction Mechanics¹



Disproportionately higher scale, geographic footprint and salesforce relative to PEL

Originates almost the entire credit portfolio for both entities

Minimizes operational inconvenience associated with transfer of infrastructure, assets, etc.

PFL to be an NBFC-ICC with enhanced scale and larger target addressable market

Notes: (1) Group structure chart is not exhaustive
 (2) Subject to RBI approval

Consolidation of Businesses – Key Benefits

Robust Balance Sheet



- Combined balance sheet to enjoy **efficiency in treasury operations** and **enhanced access to capital markets** for the entire lending business
- Currently group does not avail concessional NHB¹ refinancing facility – no material impact expected on the overall borrowing cost post merger

Operational Efficiencies



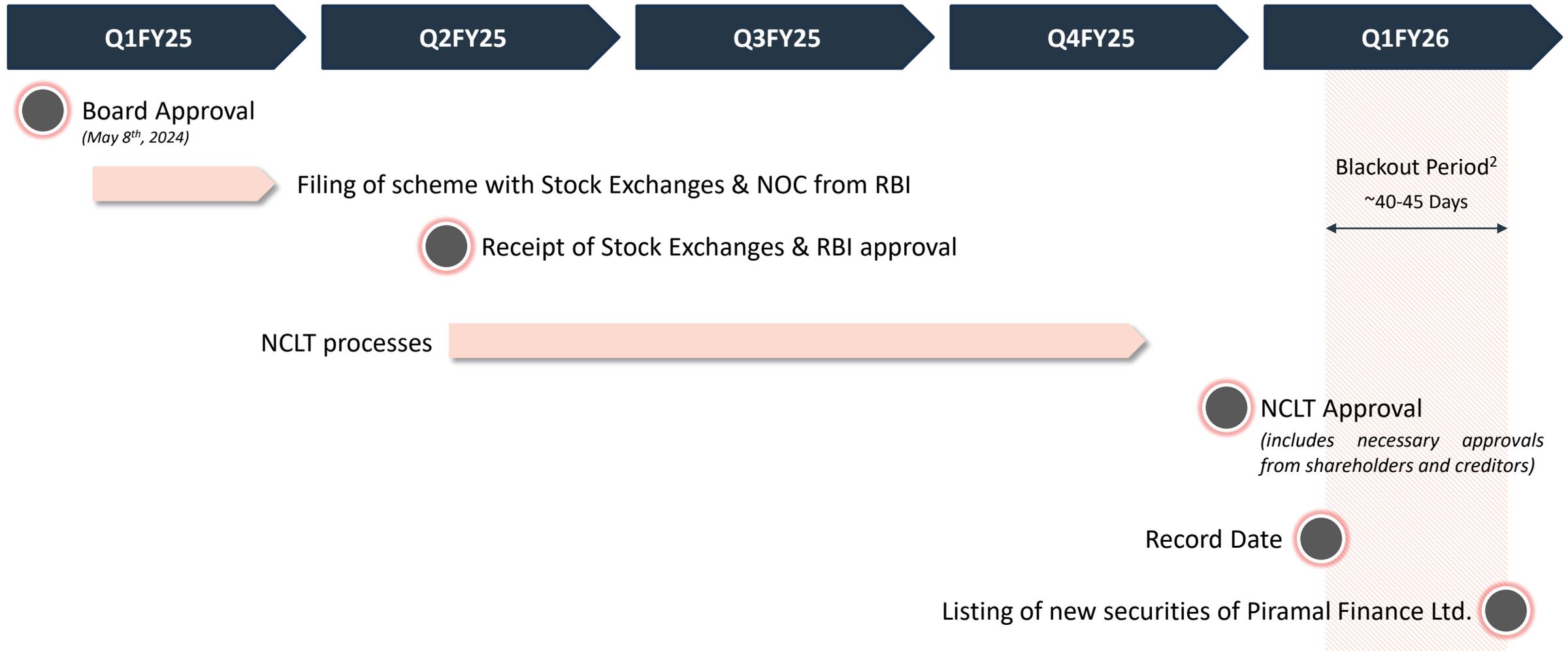
- Revenue synergies from **wider array of offerings** in financial services being provided to a **larger customer set**
- **Improvement in opex ratio** – led by reduction of overlapping operational & compliance costs and benefits from economies of scale
- Single entity enables more efficient and compliant cross-sell across the customer base

Value Accretion to Shareholders



- PEL shareholders to fully retain economic interest through **direct holding in the entire lending business** than a multi-layered structure
- Additionally, NCRPS proposed to be issued to shareholders as merger consideration, subject to regulatory approval

Key Indicative Events and Tentative Timelines¹



The proposed merger is expected to take ~9-12 months¹ for completion

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

Transaction Advisors

Financial Advisor & Fairness Opinion Provider for PEL



Fairness Opinion Provider for PCHFL



Independent Valuer

BANSI S. MEHTA & CO.

Legal Advisor



Tax Advisor





C. Appendix

Total assets: asset classification

Total assets (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	60,308	58,906	54,956
Stage 2	4,461	4,946	5,553
Stage 3	1,430	1,424	2,055
Sub-Total	66,199	65,276	62,564
POCI	1,020	1,132	1,425
Total AUM¹	67,219	66,408	63,989
Total provisions (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	1,567	1,052	1,571
Stage 2	928	1,027	1,375
Stage 3	934	779	1,017
Total	3,429	2,859	3,964
Asset quality ratios (%)	Q4 FY24	Q3 FY24	Q4 FY23
Provision coverage ratio - stage 1	2.6%	1.8%	2.9%
Provision coverage ratio - stage 2	21%	21%	25%
Provision coverage ratio - stage 3	65%	55%	50%
Total provisions as a % of total AUM	5.1%	4.3%	6.2%
GNPA ratio (%)	2.4%	2.4%	3.8%
NNPA ratio (%)	0.8%	1.1%	1.9%

Notes: (1) Excludes direct assignment (DA) (INR 1,598 Cr as of Q4 FY24), Co-lending (INR 27 Cr as of FY24) and DA (INR 875 Cr as of Q3 FY24)

Retail assets: asset classification

Total assets (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	43,664	39,373	29,485
Stage 2	986	967	709
Stage 3	631	681	526
Sub-Total	45,280	41,021	30,719
POCI	1,020	1,132	1,425
Total AUM¹	46,301	42,153	32,144
Total provisions (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	538	481	428
Stage 2	32	32	34
Stage 3	230	248	171
Total	800	762	632
Asset quality ratios (%)	Q4 FY24	Q3 FY24	Q4 FY23
Provision coverage ratio - stage 1	1.2%	1.2%	1.5%
Provision coverage ratio - stage 2	3.3%	3.3%	4.8%
Provision coverage ratio - stage 3	36%	36%	32%
Total provisions as a % of total AUM	1.7%	1.8%	2.0%

Notes: (1) Excludes direct assignment (DA) (INR 1,598 Cr as of Q4 FY24), Co-lending (INR 27 Cr as of FY24) and DA (INR 875 Cr as of Q3 FY24)

Wholesale assets: asset classification

Total assets (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	16,644	19,533	25,471
Stage 2	3,475	3,979	4,844
Stage 3	799	742	1,530
Total AUM	20,919	24,254	31,845
Total provisions (INR Cr.)	Q4 FY24	Q3 FY24	Q4 FY23
Stage 1	1,029	571	1,143
Stage 2	896	995	1,341
Stage 3	705	531	847
Total	2,629	2,097	3,332
Asset quality ratios (%)	Q4 FY24	Q3 FY24	Q4 FY23
Provision coverage ratio - stage 1	6.2%	2.9%	4.5%
Provision coverage ratio - stage 2	26%	25%	28%
Provision coverage ratio - stage 3	88%	72%	55%
Total provisions as a % of total AUM	12.6%	8.6%	10.5%

Multi-product retail lending platform across the risk-reward spectrum – Q4 FY24

Product Segments	Products	Average disbursement ticket size (INR lakh)	Disbursement yield (%)	Share in disbursements (%)	AUM yield ¹ (%)	Share in AUM ² (%)
 Housing	Affordable housing	19.2	11.1%	32.4%	11.5%	45.9%
	Mass affluent housing					
	Budget housing					
 Secured MSME (LAP)	Secured business loan	24.2	12.6%	21.5%	12.8%	22.1%
	Loan against property (LAP)					
	LAP plus					
 Other secured	Pre-owned car loans	6.7	15.1%	10.7%	15.0%	5.0%
 Unsecured	Salaried personal loans	3.6	17.3%	11.0%	17.7%	6.5%
	Microfinance loans	0.6	18.4%	4.0%	18.6%	2.5%
	Unsecured business loans	8.2	20.3%	6.6%	20.1%	6.4%
	Merchant BNPL					
	Digital purchase finance	0.7	16.3%	13.7%	17.2%	8.0%
	Digital personal loans					
Total / weighted average		13.4	13.8%		13.4%	

Note: (1) Weightage average yield excludes POCl and pertains to all customers outstanding as of 31st March 2024

(2) The balance 3.6% (to make the total 100%) consists of SRs (INR 1,579 Cr as of Q4 FY24) & pass-through certificates (PTC) (INR 152 Cr as of Q4 FY24)

Driving Change: Pioneering ESG for Strategic Impact



“As we embarked on our sustainability journey, we have conducted a materiality survey and identified four key pillars that will enhance our performance and guide our strategic focus.”

Key ESG Performance Metrics



Piramal Foundation: We focus on improving the lives of vulnerable communities by strengthening Government systems and leveraging the power of youth, with the spirit of service or “sewa bhaav”

 Impact Vulnerable Communities in India

 Strengthen Systems to Deliver Better Impact



Aspirational Districts
Improve indicators in education, health and nutrition



Strengthen Institutions
Transform public systems by fostering spirit of Sewa Bhaav in leaders across domains of education, health, climate change and justice



Tribal Communities
Overcome key health challenges and improve health indicators



Digital Transformation
Develop technology, integrate systems

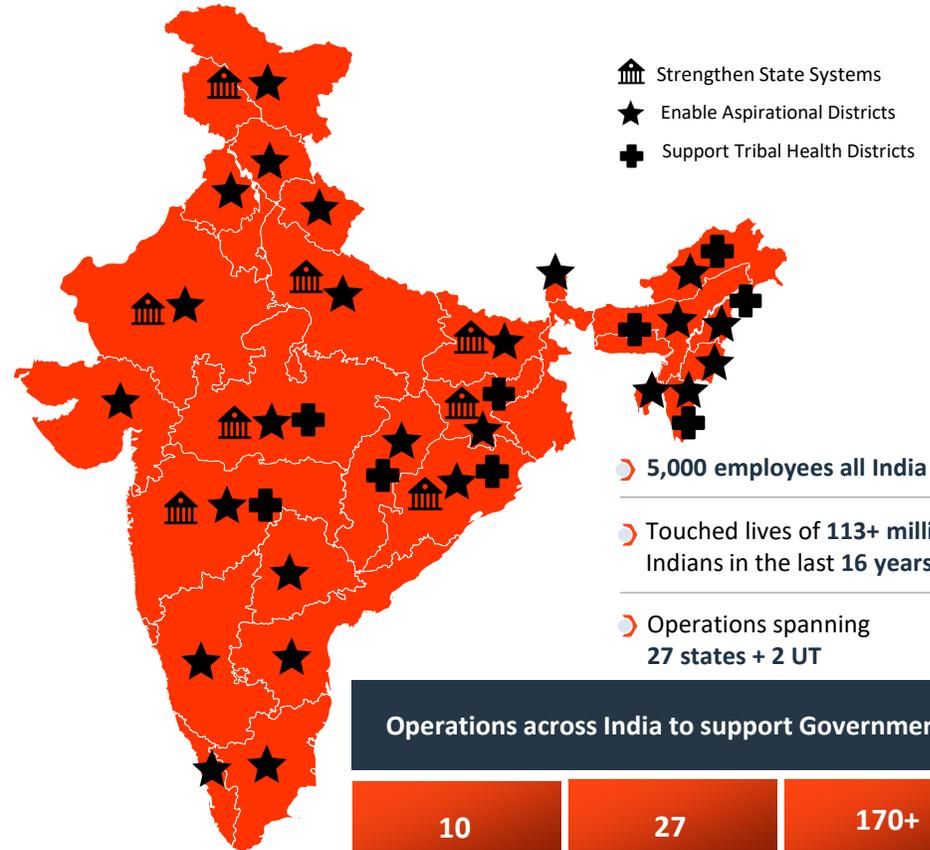
 Create Future Leaders



Youth
Nation building



Rural Women
Strengthen communities



- 5,000 employees all India
- Touched lives of 113+ million Indians in the last 16 years
- Operations spanning 27 states + 2 UT

Operations across India to support Governments		
10	27	170+
Central Ministries	States supported	Districts supported

Strong partnerships with international and national organizations, Governments and academia to amplify its impact

Disclaimer

Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 rules thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.

Dial-in details for Q4 & FY24 earnings conference call

Event details	Location & time	Telephone numbers
<p>Conference call on 8th May 2024</p>	<p>India – 5:00 PM (India standard time)</p>	<p>Universal dial-in +91 22 6280 1264 / +91 22 7115 8165</p>
	<p>USA – 7:30 AM (Eastern time – New York)</p>	<p>Toll free number 1 866 746 2133</p>
	<p>UK – 12:30 AM (London time)</p>	<p>Toll free number 0 808 101 1573</p>
	<p>Singapore – 7:30 PM (Singapore time)</p>	<p>Toll free number 800 101 2045</p>
	<p>Hong Kong – 7:30 PM (Hong Kong time)</p>	<p>Toll free number 800 964 448</p>
	<p><u>Online Registration:</u> We recommend to kindly pre-register using this link</p> <div data-bbox="555 1072 1172 1206">  <p>Click here to ExpressJoin the Call</p> </div>	<p><i>To enable the participants to connect to the conference call without having to wait for an operator, please register at the above-mentioned link. You will receive dial in numbers, passcode, and a pin for the concall on the registered email address provided by you. Kindly dial into the call on the Conference Call date and use the passcode & pin to connect to call.</i></p>

Please dial-in 10 minutes prior to the conference schedule to ensure that you are connected in time

Thank You

For Investors:

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