REPORT ON

RECOMMENDATION OF SHARE EXCHANGE RATIO

FOR THE PROPOSED AMALGAMATION

OF

PIRAMAL ENTERPRISES LIMITED

AND

PIRAMAL CAPITAL & HOUSING FINANCE LIMITED

CERTIFIED TRUE COPY

For Piramal Capital & Housing Finance Limited

Bipin Singh
Company Secretary

BANSI S. MEHTA VALUERS LLP
Registered valuer – Securities or Financial Assets
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai – 400 020.

CONTENTS

1. Glossary 2
2. Introduction 3
3. Data obtained and sources of information 6
4. Consideration of Factors for Determination of Share Exchange Ratio 7
5. Conclusion 8
6. Limitations and Disclaimers 9
Appendix A: Broad Summary of Data Obtained and Sources of Information 11
Appendix B: Information required pursuant to SEBI Master Circular 12
Appendix C: Terms of NCRPS proposed to be issued 13

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

1. Glossary

Abbreviation	Definition
BSE	BSE Limited
Companies	PEL and PCHFL collectively
ICAI	Institute of Chartered Accountants of India
IVS	ICAI Valuation Standards
NCRPS	Redeemable Preference Shares proposed to be issued as part of the consideration pursuant to Proposed Amalgamation. Terms of preference shares are attached herewith as Appendix C.
NSE	National Stock Exchange of India Limited
PCHFL	Piramal Capital & Housing Finance Limited
PEL	Piramal Enterprises Limited
Report Date	Means the date of this Report
SEBI	Securities and Exchange Board of India
SEBI Master Circular - Equity	SEBI Circular No. SEBI/HO/CFD/POD-2/ P/CIR/2023/93 dated June 20, 2023, as amended from time to time or any other circulars issued by SEBI applicable to schemes of arrangement from time to time [pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
Stock Exchanges	Both BSE and NSE collectively
the Management	Management of PEL
the Managements	Management of PEL and PCHFL
Transferee	Piramal Capital & Housing Finance Limited
Transferor	Piramal Enterprises Limited
Valuation Date	May 8, 2024

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

2. Introduction

2.1 There is a proposal before the Boards of Directors of PEL and PCHFL to consider the proposed amalgamation of PEL into PCHFL pursuant to a scheme of arrangement under sections 230-232 read with section 66 and section 52 of Companies Act, 2013, including the rules and regulations made thereunder (hereinafter referred to as "**the Scheme**"). Pursuant to the amalgamation, NCRPS[1] and equity shares of PCHFL would be issued to the shareholders of PEL as consideration. The said transaction is referred to as the "**Proposed Amalgamation**".

2.2 In light of the above, we have been appointed by the Managements vide Engagement Letter dated April 16, 2024 to recommend the Share Exchange Ratio for the allotment of equity shares and NCRPS of PCHFL, to the shareholders of PEL as consideration for the Proposed Amalgamation, in accordance with the requirements under the Companies Act, 2013 including the rules and regulations made there under.

2.3 This report ("**Report**") sets out the findings of our exercise.

2.4 Brief Profile of the Companies:

- **Profile of PEL**

  PEL was incorporated on 26 April 1947 under the provisions of the Indian Companies Act, 1913 [CIN: L24110MH1947PLC005719]. The registered office of PEL is at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West) Mumbai-400070, Maharashtra, India. PEL is engaged in the business of providing financial services, including wholesale and retail lending services, directly and indirectly.

- **Profile of PCHFL**

  PCHFL was incorporated on 11 April 1984 under the provisions of the Companies Act, 1956 [CIN: U65910MH1984PLC032639] and is registered as a housing finance company with the National Housing Bank. The registered office of PCHFL is at 601, 6th Floor, Amiti building, Agastya Corporate Park Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai-400070, Maharashtra, India. PCHFL is engaged in the business of housing finance, along with corporate, retail and real estate lending.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

[1] Subject to RBI approval

- **Share Capital and Shareholding pattern of PEL**

The authorised, issued, subscribed and paid-up share capital of PEL as at March 31, 2024 is as follows:

SHARE CAPITAL	AMOUNT (INR in Crores)
Authorised:	
25,40,00,00,000 equity shares of INR 2 each	5080.00
30,00,000 preference shares of INR 100 each	30.00
2,40,00,000 preference shares of INR 10 each	24.00
10,50,00,000 unclassified shares of INR 2 each	21.00
Total	**5,155.00**
Issued Capital	
22,46,88,273 equity shares of INR 2 each	44.94
Total	44.94
Subscribed and fully paid up	
22,46,63,700 equity shares of INR 2 each	44.93
Total	**44.93**

Source: Management of PEL

The foregoing equity share capital is held as follows as on March 31, 2024:

Particulars	Number of Shares Held	Percentage of Shareholding
Promoter & Group	10,37,79,035	46.19%
Public	11,97,77,007	53.31%
Non-Promoter Non-Public	11,07,658	0.49%
Total	**22,46,63,700**	**100.00%**

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

- **Shareholding pattern of PCHFL**

The authorised, issued, subscribed and paid-up share capital of PCHFL as on March 31, 2024 is as follows:

SHARE CAPITAL	AMOUNT (INR in Crores)
Authorised: 25,84,03,90,024 equity shares of INR 10 each 25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of INR 1,000 each	25,840.39 250.00
Issued, Subscribed and fully paid up: 23,36,46,91,751 equity shares of INR 10 each	23,364.69

Source: Management of PCHFL

The foregoing share capital is held as follows:

Particulars	Number of Shares Held	Percentage of Shareholding
PEL	23,36,46,91,751	100.00%
Total	**23,36,46,91,751**	**100.00%**

It is understood that upon the Scheme coming into effect, the authorised share capital of PCHFL shall be reclassified into shares with a face value of INR 2 each.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

3. Data obtained and sources of information

3.1 We have called for and obtained such data, information, etc. as were necessary for the purpose of this assignment, which have been, as far as possible, made available to us by the Managements. **Appendix A** hereto broadly summarizes the data obtained.

3.2 For the purpose of this assignment, we have relied on such data summarized in the said Appendix and other related information and explanations provided to me in this regard.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

4. Consideration of Factors for Determination of Share Exchange Ratio

For the purpose of arriving at the Share exchange ratio for the Proposed Amalgamation, we have examined, considered and placed reliance on various details, data, documents, accounts, statements furnished and explanations and information given to us and have proceeded to find out the ratio on a consideration of the following factors:

4.1 All the properties and the liabilities of PEL shall be transferred to PCHFL pursuant to the Proposed Amalgamation from the Appointed Date.

4.2 The consolidated net asset value of PEL and that of PCHFL pursuant to the amalgamation would be the same, as PCHFL is a wholly owned subsidiary of PEL.

4.3 As can be observed from the shareholding pattern, PCHFL is a wholly owned subsidiary of PEL. Upon the Scheme being effective, the entire existing share capital of PCHFL shall stand cancelled and new equity shares and NCRPS shall be allotted to the shareholders of PEL holding shares therein on the record date as defined in the Scheme. Therefore, only the shareholders of PEL shall hold shares of PCHFL. Thus, effectively the shareholding in PCHFL would continue to mirror the shareholding of PEL. Hence, the Proposed Amalgamation will not have any impact on the beneficial economic interest of the equity shareholders of PEL as the equity shareholders of PEL would continue to hold the equity shares of PCHFL.

4.4 Further, we have given due consideration to the twin factors of the level of paid-up equity share capital that is considered reasonable for PCHFL and of avoiding fractions in the share exchange.

4.5 From the foregoing, it is evident that the question or aspect of adjusting the interest of equity shareholders between two or more disparate groups (which is ordinarily at the root of fixing such ratio of exchange) is not relevant in this case since upon the amalgamation, the shareholders of PEL would become the shareholders of PCHFL.

4.6 It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the IVS effective for all the valuation reports issued on or after July 1, 2018. The IVS is mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. However, as the current exercise does not entail valuation, the question of following the Valuation Standards does not arise.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

5. Conclusion

Based on the foregoing data, considerations and steps followed, in our opinion the Share Exchange Ratio would be as follows:

1) 1 (One) equity share of PCHFL of INR 2/- each fully paid up for every 1 (One) equity share of PEL of INR 2/- each fully paid up.

and

2) 1 (One) NCRPS of PCHFL of INR 67 each fully paid up for every 1 (One) equity share of PEL of INR 2/- each fully paid up.

As provided in the Scheme, if the approval of the Reserve Bank of India is not received for issuance of NCRPS, then upon the Scheme becoming effective, PCHFL would only issue and allot Equity Shares to the shareholders of PEL in which case the ratio specified at serial number 2 above would not become effective. Since the proposed amalgamation would result in mirror image shareholding (and on consideration of factors detailed in paragraph 4 of this Report), this change would not impact the ratio specified at serial number 1.

Specific Consideration:

The SEBI Master Circular - Equity requires the valuation report for a scheme of arrangement to provide certain information in a specified format. The current transaction does not trigger the requirement for valuation under SEBI Master Circular - Equity since there is no change in shareholding. However, we have given in **Appendix B** the disclosure required under the specified format.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

6. Limitations and Disclaimers

6.1 The Report is to be read in totality and not in parts.

6.2 The Report is based on the information furnished to us being complete and accurate in all material respect. In no event, we shall be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

6.3 We have relied on the written representations from the Managements that the information contained in this Report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the share exchange ratio.

6.4 The estimate of future financial performance is as projected by the Managements, which represents their view of reasonable expectations at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material.

6.5 The information presented in this report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

6.6 Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, we do not express any opinion with regard to the same.

6.7 The Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. For the avoidance of doubt, this restriction will not preclude the clients from providing a copy of this Report to third party advisors, shareholders, creditors, or judicial and regulatory authorities in relation to the Proposed Amalgamation.

6.8 No investigation of the Demerged Undertaking, PEL's claim to the title of assets has been made for the purpose of this assignment and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The Report is not, nor should it be construed, as our opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.

6.9 The recommendation is based on the regulatory environment that existed at the Report Date. We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report. The fee for the engagement is not contingent upon the results reported.

6.10 The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/ unaudited balance sheets of the Companies, if any, provided to us.

6.11 This Report does not look into the business/ commercial reasons/economic rationale behind the proposed Scheme, nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Scheme as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

6.12 Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

6.13 We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

6.14 This Report is subject to the laws of India. In addition, this Report does not in any manner address the price at which equity shares of PEL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our Report and opinion/ analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

6.15 Disclosure Of Registered Valuer Interest Or Conflict, If Any And Other Affirmative Statements

We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this assignment.

For **Bansi S. Mehta Valuers LLP**
Registered Valuer
IBBI Registration Number: IBBI/RV-E/06/2022/172

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Pilgrim Capital & Housing Finance Ltd. ★

DRUSHTI DESAI
IBBI Registration Number: IBBI/RV/06/2019/10666
Partner
Place: Mumbai

Date: May 8, 2024
UDIN: 24102062BKEUCD7400

Appendix A: Broad Summary of Data Obtained and Sources of Information

From the Managements:

1. Provisional Financial Statements of PEL and PCHFL for the year ended March 31, 2024.
2. Limited reviewed financial results of PEL for the period ended December 31, 2023.
3. Draft Scheme between PEL, PCHFL and their shareholders and creditors.
4. Other relevant information.
5. Answers to specific questions and issues raised by us after examining the foregoing data.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

Appendix B: Information required pursuant to SEBI Master Circular

As mentioned earlier, upon implementation of the Scheme, all the shareholders of PEL would become shareholders of PCHFL resulting in a mirror image shareholding. Therefore, there is no change in shareholding as illustrated in Para 4(d) SEBI Circular No. SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Therefore, we have not carried out a valuation of these entities under the generally accepted principles of valuation.

Valuation Approach	PEL		PCHFL	
	Value per Equity Share/ NCRPS of PEL (INR)	Weight	Value per Equity Share/ NCRPS of PCHFL (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative Value per Share	NA		NA	
Share Exchange Ratio (A/B) (Rounded)	**NA**		**NA**	

NA stands for Not Applicable / Not Adopted

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

Appendix C: Terms of NCRPS proposed to be issued

Instrument	Non - Cumulative Redeemable Preference shares (NCRPS)
Face Value	INR 67 per share (Total quantum - INR 1,498 crs)
Coupon	0.01%
Tenure	3 years
Redemption	The Company shall redeem at premium, 1/3th of the total value of the Non - Cumulative Redeemable Preference Shares every year from the date of allotment such that to provide an IRR of 9% at the time of redemption
Listing	Proposed to be listed on the same stock exchanges on which the equity shares of the company are listed
Transferability	Each NCRPS shall be freely transferable at the option of the holder subject to the applicable laws

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

REPORT ON

ENTITLEMENT RATIO

FOR THE

LISTED NCD HODLERS

ON THE PROPOSED AMALGAMATION

OF

PIRAMAL ENTERPRISES LIMITED

AND

PIRAMAL CAPITAL & HOUSING FINANCE LIMITED

CERTIFIED TRUE COPY
For Piramal Capital & Housing Finance Limited
Bipin Singh
Company Secretary

BANSI S. MEHTA VALUERS LLP
Registered valuer – Securities or Financial Assets
11/13, Botawala Building, 2nd Floor,
Horniman Circle, Fort,
Mumbai – 400 020.

CONTENTS

1. Glossary 2
2. Introduction 3
3. Data obtained and sources of information 6
4. Consideration of Factors for Determination of Entitlement Ratio 7
5. Conclusion 8
6. Limitations and Disclaimers 9
Appendix A: Broad Summary Of Data Obtained and Sources of Information 11
Appendix B: Terms of PEL Debentures 12
Appendix C: Terms of PCHFL Debentures 13

1. Glossary

Abbreviation	Definition
BSE	BSE Limited
Companies	PEL and PCHFL collectively
ICAI	Institute of Chartered Accountants of India
IVS	ICAI Valuation Standards
NSE	National Stock Exchange of India Limited
PCHFL	Piramal Capital & Housing Finance Limited
PCHFL Debentures	Debentures issued by PCHFL as specifically defined in para 1.4.6 below.
PEL	Piramal Enterprises Limited
PEL Debentures	Debentures issued by PEL as specifically defined in para 1.4.4 below.
Report Date	Means the date of this Report
RPS	Redeemable Preference Shares proposed to be issued as part of the consideration pursuant to Proposed Amalgamation
SEBI	Securities and Exchange Board of India
SEBI Master Circular -Debt	SEBI Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022, as amended from time to time [pursuant to Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
Stock Exchanges	Both BSE and NSE collectively
the Management	Management of PEL
the Managements	Management of PEL and PCHFL
Transferee	Piramal Capital & Housing Finance Limited
Transferor	Piramal Enterprises Limited
Valuation Date	May 8, 2024

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

2. Introduction

2.1. There is a proposal before the Board of Directors of PEL and PCHFL to consider a proposed merger of PEL into PCHFL pursuant to a scheme of arrangement under sections 230-232 read with section 66 and section 52 of Companies Act, 2013, including the rules and regulations made thereunder (hereinafter referred to as "**the Scheme**"). Pursuant to the amalgamation, Non-Convertible Redeemable Preference Shares[1] and equity shares of PCHFL would be issued to the shareholders of PEL as consideration for the proposed amalgamation. The said transaction is referred to as the "**Proposed Amalgamation**".

Further, in connection with the Proposed Amalgamation, the NCD holders of PEL will become NCD holders of PCHFL with exactly the same terms.

2.2. In light of the above, we have been appointed by the Managements vide Engagement Letter dated April 16, 2024 to comment on impact of the Scheme on the NCD holders of PEL and PCHFL.

2.3. This report ("**Report**") sets out the findings of our exercise.

2.4. Brief Profile of the Companies:

2.4.1. Profile of PEL

PEL was incorporated on 26 April 1947 under the provisions of the Indian Companies Act, 1913 [CIN: L24110MH1947PLC005719]. The registered office of PEL is at Piramal Ananta, Agastya Corporate Park, Kamani Junction, LBS Marg, Kurla (West) Mumbai-400070, Maharashtra, India. PEL is engaged in the business of providing financial services, including wholesale and retail lending services, directly and indirectly. The equity shares of PEL and the PEL Debentures are listed on the Stock Exchanges.

2.4.2. Profile of PCHFL

PCHFL was incorporated on 11 April 1984 under the provisions of the Companies Act, 1956 [CIN: U65910MH1984PLC032639] and is registered as a housing finance company with the National Housing Bank. The registered office of PCHFL is at 601, 6th Floor, Amiti building, Agastya Corporate Park Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai-400070, Maharashtra, India. PCHFL is engaged in the business of housing finance, along with corporate, retail and real estate lending. The PCHFL Debentures are listed on the Stock Exchanges.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

[1] Subject to RBI approval

2.4.3. **Share Capital and Shareholding pattern of PEL**

The authorised, issued, subscribed and paid-up share capital of PEL as at March 31, 2024 is as follows:

SHARE CAPITAL	AMOUNT (INR in Crores)
Authorised:	
25,40,00,00,000 equity shares of INR 2 each	5080.00
30,00,000 preference shares of INR 100 each	30.00
2,40,00,000 preference shares of INR 10 each	24.00
10,50,00,000 unclassified shares of INR 2 each	21.00
Total	**5,155.00**
Issued Capital	
22,46,88,273 equity shares of INR 2 each	44.94
Total	44.94
Subscribed and fully paid up	
22,46,63,700 equity shares of INR 2 each	44.93
Total	**44.93**

Source: Management of PEL

The foregoing equity share capital is held as follows as on March 31, 2024:

Particulars	Number of Shares Held	Percentage of Shareholding
Promoter & Group	10,37,79,035	46.19%
Public	11,97,77,007	53.31%
Non-Promoter Non-Public	11,07,658	0.49%
Total	**22,46,63,700**	**100.00%**

2.4.4. **PEL Debentures**

PEL has issued both listed and unlisted Non-Convertible Debentures (NCDs). Details of the said NCDs are given in Appendix B. The outstanding amount of these NCDs as on March 31, 2024 is INR 2683.70 Crores. The said NCDs (except NCDs with ISIN INE140A07781 amounting to INR 800.00 Crores) are listed on BSE and NSE.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER

Piramal Capital & Housing Finance Ltd. ★

2.4.5. **Share Capital and Shareholding pattern of PCHFL**

The authorised, issued, subscribed and paid-up share capital of PCHFL as on March 31, 2024 is as follows:

SHARE CAPITAL	AMOUNT (INR in Crores)
Authorised: 25,84,03,90,024 equity shares of INR 10 each 25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of INR 1,000 each	25,840.39 250.00
Issued, Subscribed and fully paid up: 23,36,46,91,751 equity shares of INR 10 each	23,364.69

Source: Management of PCHFL

The foregoing share capital is held as follows:

Particulars	Number of Shares Held	Percentage of Shareholding
PEL and its nominees	23,36,46,91,751	100.00%
Total	**23,36,46,91,751**	**100.00%**

It is understood that upon the Scheme coming into effect, the authorised share capital of PCHFL shall be reclassified into shares with a face value of INR 2 each.

2.4.6. **PCHFL Debentures**

PCHFL has issued both listed and unlisted Non-Convertible Debentures (NCDs). Details of the said NCDs are given in Appendix B. The outstanding amount of these NCDs as on March 31, 2024 is INR 26,096.43 Crores. The said NCDs (except NCDs with ISIN INE516Y07139 amounting to INR 90.00 Crores) are listed on BSE and NSE.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

3. Data obtained and sources of information

3.1 We have called for and obtained such data, information, etc. as were necessary for the purpose of this assignment, which have been, as far as possible, made available to us by the Managements. **Appendix A** hereto broadly summarizes the data obtained.

3.2 For the purpose of this assignment, we have relied on such data summarized in the said Appendix and other related information and explanations provided to me in this regard.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

4. Consideration of Factors for Determination of Entitlement Ratio

For the purpose of arriving at the entitlement ratio for NCD holders for the Proposed Amalgamation, we have examined, considered and placed reliance on various details, data, documents, accounts, statements furnished and explanations and information given to us and have proceeded to find out the ratio on a consideration of the following factors:

4.1 Pursuant to the Scheme, the NCDs of PEL shall be transferred to PCHFL on the same terms, including the coupon rate, tenure, ISIN, redemption price, quantum, and nature of security. It may be noted that these would also be listed NCDs.

4.2 Further, it is understood from the Managements that the credit rating of existing NCDs of PEL and the NCDs of PCHFL is identical.

4.3 Insofar as the issue of RPS of PCHFL pursuant to the Proposed Amalgamation is concerned, it may be noted that the RPS proposed to be issued would rank subservient to the NCDs in the priority of claims. Existing NCD holders of PEL would continue to hold the same NCDs without any change in the terms.

4.4 The Management has provided us with their outlook of operating and financial cashflows of the merged entity. Based on these cash flows as projected by the Management, including the incremental borrowings, and repayment of RPS, we understand that the merged entity will meet the interest and repayment obligations of PEL Debentures and PCHFL Debentures.

4.5 Based on the above in our view, the economic interest of the NCD holders of PEL and PCHFL would remain unchanged.

4.6 It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the IVS effective for all the valuation reports issued on or after July 1, 2018. The IVS is mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. However, as the current exercise does not entail valuation, the question of following the Valuation Standards does not arise.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

5. Conclusion

In view of the above:

- the economic interest of the NCD holders of PEL would remain unchanged in PCHFL. Hence, based on the foregoing considerations and steps followed, in our opinion the fair ratio of entitlement for NCDs would be as follows:

  For every 1 (One) NCD of PEL 1 (one) NCD of PCHFL of equivalent face and paid-up value, coupon rate, tenure, redemption price, quantum and nature of security

- the economic interest of PCHFL Debenture holders would not be affected pursuant to the Proposed Amalgamation.

Computation of Fair Ratio of Entitlement

	PEL		PCHFL	
	Value per NCD	Weight	Value per NCD	Weight
Asset Approach	NA	-	NA	-
Income Approach	NA	-	NA	-
Market Approach	NA	-	NA	-
Relative Value per NCD	**NA**		**NA**	
Exchange Ratio			**NA**	

NA – Not applicable

As explained above, we have not applied any of the valuation methods to arrive at value per NCD, since the NCD holders of PEL would hold same instruments in PCHFL and there will be no change on the value of the NCD. Hence, computation of fair /relative value per NCD is not relevant

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

6. Limitations and Disclaimers

6.1 The Report is to be read in totality and not in parts.

6.2 The Report is based on the information furnished to us being complete and accurate in all material respect. In no event, we shall be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

6.3 We have relied on the written representations from the Managements that the information contained in this Report is materially accurate and complete in the manner of its portrayal and therefore forms a reliable basis for the share entitlement ratio.

6.4 The estimate of future financial performance is as projected by the Managements, which represents their view of reasonable expectations at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material.

6.5 The information presented in this report does not reflect the outcome of any financial due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

6.6 Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have, therefore, not performed any audit, review or examination of any of the historical or prospective information used and therefore, we do not express any opinion with regard to the same.

6.7 The Report is meant for the specific purpose mentioned herein and should not be used for any purpose other than the purpose mentioned herein. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. For the avoidance of doubt, this restriction will not preclude the clients from providing a copy of this Report to third party advisors, shareholders, creditors, or judicial and regulatory authorities in relation to the Proposed Amalgamation.

6.8 No investigation of PEL's claim to the title of assets has been made for the purpose of this assignment and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The Report is not, nor should it be construed, as our opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.

6.9 The recommendation is based on the regulatory environment that existed at the Report Date. We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report. The fee for the engagement is not contingent upon the results reported.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER

Piramal Capital & Housing Finance Ltd.

6.10 The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/ unaudited balance sheets of the Companies, if any, provided to us.

6.11 This Report does not look into the business/ commercial reasons/economic rationale behind the proposed Scheme, nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Scheme as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

6.12 Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us.

6.13 We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

6.14 This Report is subject to the laws of India. In addition, this Report does not in any manner address the price at which equity shares of PEL shall trade following announcement of the Proposed Amalgamation and we express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. Our Report and opinion/ analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

6.15 Disclosure of Registered Valuer Interest or Conflict, if Any And Other Affirmative Statements

We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this assignment.

For **Bansi S. Mehta Valuers LLP**
Registered Valuer
IBBI Registration Number: IBBI/RV–E/06/2022/172

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

DRUSHTI DESAI
IBBI Registration Number: IBBI/RV/06/2019/10666
Partner
Place: Mumbai

Piramal Capital & Housing Finance Ltd. ★

Date: May 8, 2024
UDIN: 24102062BKEVCE4892

Appendix A: Broad Summary Of Data Obtained and Sources of Information

From the Managements:

1. Provisional Financial Statements of PEL and PCHFL for the year ended March 31, 2024.
2. Limited reviewed financial results of PEL for the period ended December 31, 2023.
3. Cashflows of the PCHFL post-amalgamation from FY 2024-25 to FY 2029-30.
4. Draft Scheme between PEL, PCHFL and their shareholders and creditors.
5. Terms of PEL Debentures and PCHFL Debentures.
6. Other relevant information.
7. Answers to specific questions and issues raised by me after examining the foregoing data.

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★

Appendix B: Terms of PEL Debentures

ISIN	Sr.No	NCDs	O/S Rs. in crs	Availed Date	Maturity Date	Base	Spread	Monthly Rate
INE140A07179	1	NCD_Trust Investments	35.00	14-Jul-16	14-Jul-26	9.75%	0.00%	9.75%
INE140A07211	2	NCD_Trust Investments_Series II	5.00	19-Jul-16	17-Jul-26	9.75%	0.00%	9.75%
INE140A07658	3	NCD_MLD IV	0.00	27-Sep-21	27-Mar-24	8.00%	0.00%	8.00%
INE140A07666	4	NCD_MLD V	125.00	02-Mar-22	02-Sep-24	8.00%	0.00%	8.00%
INE140A07666	5	NCD_MLD VI	175.00	28-Mar-22	02-Sep-24	8.00%	0.00%	8.00%
INE140A07674	6	NCD_MLD VII	100.00	04-May-22	04-Nov-24	8.00%	0.00%	8.00%
INE140A07682	7	NCD_MLD VIII	100.00	24-May-22	24-May-24	8.00%	0.00%	8.00%
INE140A07682	8	NCD_MLD IX	70.00	15-Jul-22	24-May-24	8.00%	0.00%	8.00%
INE140A07682	9	NCD_MLD X	75.00	02-Aug-22	24-May-24	8.00%	0.00%	8.00%
INE140A07690	10	NCD_MLD XI	215.00	20-Sep-22	20-Sep-24	8.00%	0.00%	8.00%
INE140A07708	11	*NCD_MLD XII*	50.30	23-Sep-22	23-May-25	8.10%	0.00%	8.10%
INE140A07708	12	NCD_MLD XIII	50.50	09-Nov-22	23-May 25	8.10%	0.00%	8.10%
INE140A07682	13	NCD_MLD Series IV XIV	100.00	01 Dec-22	24-May-24	8.00%	0.00%	8.00%
INE140A07732	14	NCD_Sporta Technologies Pvt Ltd	100.00	10-Mar-23	29-May-26	8.75%	0.00%	8.75%
INE140A07781	15	NCD - SCB	800.00	30-Oct-23	28-Oct-24	7.35%	1.70%	9.05%
INE140A07740	16	NCD Series II - 3 years - Annual Coupo	131.35	03-Nov-23	03-Nov-26	9.05%	0.00%	9.05%
INE140A07757	17	NCD Series I - 2 years - Annual Coupon	272.91	03-Nov-23	03-Nov-25	9.00%	0.00%	9.00%
INE140A07765	18	NCD Series III - 5 years - Annual Coup	72.75	03-Nov-23	03-Nov-28	9.20%	0.00%	9.20%
INE140A07773	19	NCD Series IV - 10 years - Annual Cou	55.89	03-Nov-23	03 Nov 33	9.35%	0.00%	9.35%
INE140A07799	20	Kotak Mahindra Bank Limited	150.00	29-Feb-24	27-Feb-26	9.35%	0.00%	9.35%
		TOTAL	2683.70		Weighted Avg	8.15%		8.66%

BANSI S. MEHTA VALUERS LLP REGISTERED VALUER

Piramal Capital & Housing Finance Ltd.

Appendix C: Terms of PCHFL Debentures

ISIN	Sr. No.	NCDs	O/S Rs. in crs	Date Availed	Maturity Date	Base	Spread	Mthly Rate
INE641O08035	1	NCD_Tier II L&T	127.60	08-Mar-2017	08-Mar-2027	9.55%	0.00	9.55%
INE641O07037	2	NCD Rasoi Ltd - 3000 Cr Umbrella	-	10-Mar-2017	07-Mar-2024	8.95%	0.00	0.00%
INE641O07086	3	NCD Welspun India Ltd	25.00	04-May-2017	03-May-2024	8.75%	0.00	8.75%
INE641O07144	4	NCD LIC	167.00	20-Sep-2017	19-Sep-2025	7.96%	0.00	7.96%
INE641O07144	5	NCD LIC	167.00	20-Sep-2017	20-Sep-2027	7.96%	0.00	7.96%
INE641O07144	6	NCD LIC	166.00	20-Sep-2017	18-Sep-2026	7.96%	0.00	7.96%
INE641O07185	7	NCD BAPS	35.00	05-Oct-2018	03-Oct-2025	9.25%	0.00	9.25%
INE516Y07014	8	NCD LIC	167.00	19-Dec-2018	18-Dec-2026	9.27%	0.00	9.27%
INE516Y07014	9	NCD LIC	167.00	19-Dec-2018	17-Dec-2027	9.27%	0.00	9.27%
INE516Y07014	10	NCD LIC	166.00	19-Dec-2018	19-Dec-2028	9.27%	0.00	9.27%
INE516Y07063	11	NCD LIC	500.00	11-Mar-2019	11-Mar-2027	9.51%	0.00	9.51%
INE516Y07063	12	NCD LIC	500.00	11-Mar-2019	10-Mar-2028	9.51%	0.00	9.51%
INE516Y07063	13	NCD LIC	500.00	11-Mar-2019	09-Mar-2029	9.51%	0.00	9.51%
INE516Y07139	14	NCD IFC	90.00	14-Jun-2019	08-Nov-2024	10.00%	0.00	10.00%
INE516Y07246	15	NCD NVS	50.00	03-Nov-2020	01-Nov-2030	9.32%	0.00	9.32%
INE516Y07261	16	NCD- SBI,Union,Indian, Reliance	2,000.00	12-Mar-2021	12-Mar-2026	9.25%	0.00	9.25%
INE516Y07279	17	NCD- SBI,Union,Indian	2,050.00	19-Mar-2021	19-Mar-2026	9.25%	0.00	9.25%
INE516Y07295	18	NCD NVS-II	25.00	30-Mar-2021	28-Mar-2031	9.00%	0.00	9.00%
INE516Y07329	19	NCD Vizag PF	20.00	29-Jun-2021	27-Jun-2031	8.85%	0.00	8.85%
INE516Y07352	20	NCD Public Issue Cat 1&2 3yr	1.38	23-Jul-2021	23-Jul-2024	8.25%	0.00	8.25%
INE516Y07402	21	NCD_Public Issue Cat 3&4 3yr	154.26	23-Jul-2021	23-Jul-2024	8.50%	0.00	8.50%
INE516Y07360	22	NCD Public Issue Cat 1&2 5yr	10.75	23-Jul-2021	23-Jul-2026	8.50%	0.00	8.50%
INE516Y07410	23	NCD Public Issue Cat 3&4 5yr	80.87	23-Jul-2021	23-Jul-2026	8.75%	0.00	8.75%
INE516Y07378	24	NCD Public Issue Cat 1&2 10yr	0.12	23-Jul-2021	23-Jul-2031	8.75%	0.00	8.75%
INE516Y07428	25	NCD Public Issue Cat 3&4 10yr	154.01	23-Jul-2021	23-Jul-2031	9.00%	0.00	9.00%
INE516Y07444	26	NCD DHFL	16,172.46	28-Sep-2021	26-Sep-2031	6.75%	0.00	6.75%
INE516Y07451	27	NCD Sporta/ AK / Nippon /Nippon	100.00	21-Apr-2023	25-May-2026	8.75%	0.00	8.75%
INE516Y07469	26	NCD STANDARD CHARTERED BANK	500.00	04-May-2023	17-May-2024	7.35%	1.6%	8.95%
INE516Y07477	29	NCD Barclays Nippon BNP Royal Sundram	600.00	13-Jul-2023	30-Dec-2024	8.80%	0.0%	8.80%
INE516Y07485	30	NCD CITI BANK, CITICORP FINANCE INDIA LIM	600.00	22-Nov-2023	21-Feb-2025	7.01%	1.9%	8.91%
INE516Y07485	31	NCD CITI BANK NA	200.00	30-Jan-2024	21-Feb-2025	7.01%	1.9%	8.91%
INE516Y07493	30	NCD STANDARD CHARTERED BANK	500.00	13-Feb-2024	26-Feb-2025	7.39%	1.8%	9.22%
INE516Y07501	31	NCD CITI BANK NA	100.00	06-Mar-2024	04-Apr-2025	6.93%	2.2%	9.08%
		TOTAL	**26,096.43**		**Weighted Avg**	**7.52%**		**7.66%**

BANSI S. MEHTA VALUERS LLP ★ REGISTERED VALUER ★

Piramal Capital & Housing Finance Ltd. ★