

28<sup>th</sup> August, 2023

**BSE Limited**

P.J. Towers, Dalal Street, Fort,  
Mumbai- 400 001  
BSE scrip code: 500302

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051  
NSE symbol: PEL

Dear Sir / Madam,

**Sub: Investor Presentation under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

Please find enclosed the investor presentation made to Analyst/ Investors under Regulation 30 of the Listing Regulations.

Pursuant to Regulation 46 of the Listing Regulations the presentation will also be uploaded on the website of the Company i.e. [www.piramal.com](http://www.piramal.com).

Kindly take the above on record.

Thanking you,

Yours truly,  
For **Piramal Enterprises Limited**

**Bipin Singh**  
**Company Secretary**

Encl.: a/a

**Piramal Enterprises Limited**

CIN : L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai 400 070 India  
Secretarial Dept : Ground Floor, B Block, Agastya Corporate Park, Opp. Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai, Maharashtra 400070, India

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[piramal.com](http://piramal.com)



Piramal Enterprises Ltd.

**INVESTOR DAY**  
**AUGUST 2023**

## 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.*

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# Agenda

1. Introduction

5. Insurance

2. Retail

6. Financial overview

3. Wholesale

7. Closing remarks

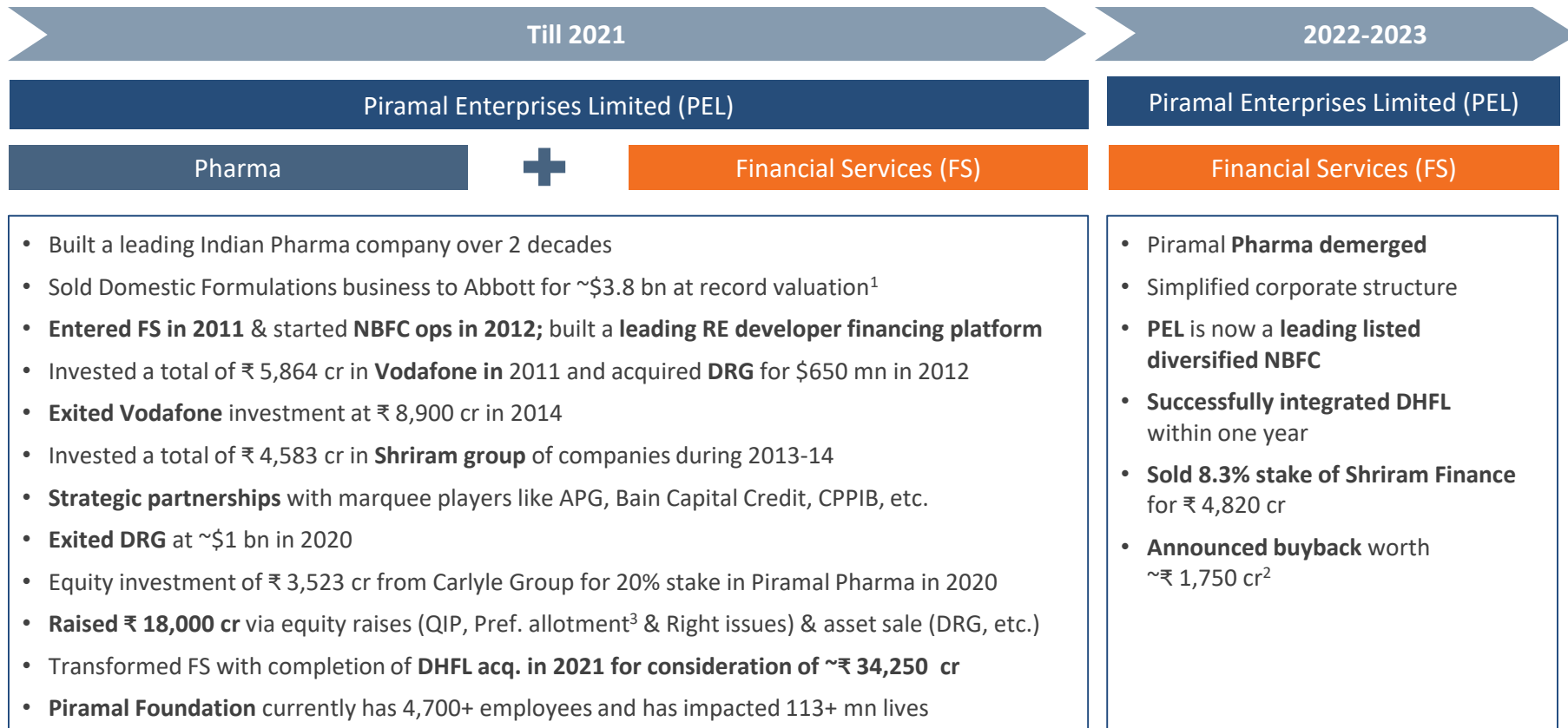
4. Alternatives

8. Q&A



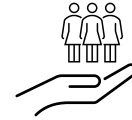
# 1. Introduction

## We are now a pureplay Financial Services company

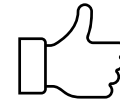


Note: <sup>1</sup> The transaction happened at 9x FY10 Sales and 30x FY10 EBITDA, creating new industry benchmarks for valuation; <sup>2</sup> Buyback of equity shares of the company of up to 1,40,00,000 number of equity shares of face value of ₹ 2 each representing 5.87% of the pre-buyback fully paid-up equity shares; <sup>3</sup> Preferential Allotment

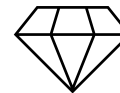
We stay true to our  
purpose of **'Doing Well  
and Doing Good'** by...



**Serving People**



**Making a positive  
difference**



**Living our values**

## We have a strong management team on-board



**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*



## Revamped our board with industry leaders having deep expertise in FS and Tech



**Shikha Sharma**

*Non-Executive Director*  
Former MD & CEO,  
Axis bank



**Anjali Bansal**

*Independent Director*  
Founder,  
Avaana Capital



**Kunal Bahl**

*Independent Director*  
CEO & Co-Founder,  
Snapdeal



**Rajiv Mehrishi**

*Independent Director*  
Former Finance Secy.,  
GoI<sup>1</sup>



**Anita George**

*Independent Director*  
Former Sr. Director,  
WBG<sup>2</sup>



**Puneet Dalmia**

*Independent Director*  
MD,  
Dalmia Bharat Group



**S Ramadorai**

*Independent Director*  
Former Vice Chairman,  
TCS



**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<sup>3</sup>

**Guided by  
Expert Counsel**



**Nitin Nohria**

*Senior Advisor*  
Former Dean,  
Harvard Business School

Note: <sup>1</sup> Government of India; <sup>2</sup> World Bank Group; <sup>3</sup> Economic Law Practice

## Our vision is to become a world class Retail led NBFC



**Building a leading Housing focused diversified retail business**



**Leveraging Phygital strategy to serve budget customers in Tier 2/3 cities**



**Accelerated run down of WS 1.0 book**



**Building diversified and granular WS 2.0 book**



**Strength of balance sheet to support M&As**

# Core presence in lending, as well as in other platforms, with assets of ~₹ 75,000 cr Piramal

## Lending



**Retail**  
AUM

**₹ 34,891**  
Crore<sup>1</sup>

*(Multi-product retail platform - Housing, MSME, Other Secured and Unsecured Loans)*



**Wholesale**  
AUM

**₹ 29,047**  
Crore

*(Residential and Commercial RE Developers & Mid Market Corporates)*

## Other businesses/investments



**Alternatives**  
Committed Funds

**~\$ 1.0**  
Billion

*(Marquee Partners including CDPQ and Bain Capital Credit)*



**Life Insurance**  
GWP<sup>2</sup>

**₹ 1,495**  
Crore

*(JV with Prudential International Insurance Holdings)*



**Investments in Shriram**

**₹ 2,278**  
Crore<sup>3</sup>

*(Stake in Shriram Life Insurance, Shriram General Insurance and Shriram Investment)*

Note: <sup>1</sup> Retail AUM includes Security Receipts (SRs) & Pass-through certificates (PTC) (₹ 1,800 cr for 1Q FY24) and excludes acquired off-book assets (₹ 12,520 cr for 1Q FY24) in the nature of Direct Assignment (DA) & PTC as part of the DHFL acquisition; <sup>2</sup> FY23 Gross Written Premium; <sup>3</sup> Investments in Shriram Life Insurance, Shriram General Insurance and Shriram Investment based on fair value

# Stepping back into growth mode: Pursuing diversified growth

## Changing mix and pursuing growth

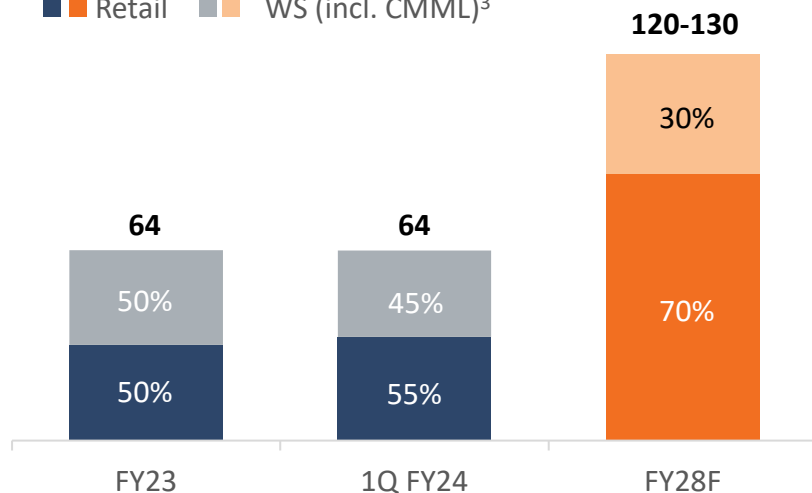
### Lending AUM

In ₹ '000 cr

Retail CAGR<sup>1</sup>: **23%**

Total CAGR<sup>1</sup>: **15%**

■ Retail ■ WS (incl. CMML)<sup>3</sup>



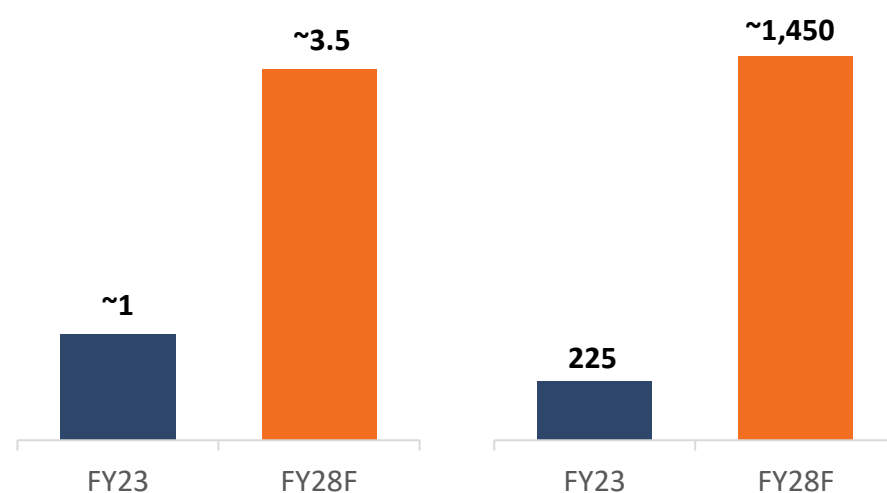
## Scaling up other value drivers

### Alternatives fund size

In \$ bn

### Life Insurance APE<sup>2</sup>

In ₹ cr



**Aim to achieve 3-3.3% ROA at consolidated level by FY28**

Note: <sup>1</sup> From FY23; <sup>2</sup> Annualized Premium Equivalent; <sup>3</sup> WS: Wholesale and CMML: Corporate Mid Market Lending

## Significant transformations implemented (1/2)

### Corporate

- **Demonstrated strong balance sheet & steady net worth** amidst major changes
  - Equity of ₹ 30,844 cr (Jun-23)
- Completed stressed asset recognition cycle and **made sufficient provisions**
- **Retail sector focus** : AUM as % of total book changed from 12% (Pre-DHFL) → 33% (post-merger) → 55% (1Q24)
- **Re constituted and set up committees** for stronger governance - E.g. Risk, Audit and Compliance

### Business

#### Retail

- Completed DHFL acquisition in Sep-21 and **successfully integrated within one year**
- **Reactivated bare shell DHFL branches** through investments in branch infra and personnel

#### Wholesale

- **Accelerated run down of WS 1.0 book** (₹ 43,175 cr to ₹ 26,002 cr )
  - **Addressed asset side** quality issues by **proactively derecognizing and acting** on it
- **Building granular WS 2.0 book** in a calibrated manner

## Significant transformations implemented (2/2)

### Treasury

#### Key actions

- Replaced **ST with LT borrowings**<sup>1</sup>
- **Reduced COB**<sup>2</sup> from 9.6% in Mar-22 to 8.6% in Jun-23
- **Maintain strong ALM profile** with positive ALM gap

#### Plan ahead

- Building best-in-class **low-cost liability franchise with diversified borrowing profile**
  - Augment current sources and add more partners
  - Develop new sources at scale through diversification
  - Continue strengthening asset side financing options

### M&A

#### Key actions

- Completed 8.3% stake sale of **Shriram Finance for ₹ 4,820 cr**
- **Share buyback worth ₹ 1,750 cr** to reward shareholders
- **Investing in leading fintech players** having high potential – E.g. Fibe (EarlySalary)

#### Plan ahead

- Enhance growth through **multi-dimensional M&A strategy**
- Value unlocking through **stake sale in remaining Shriram cos.**



## 2. Retail

# Experienced and strong leadership team to drive retail business



**Jairam Sridharan**  
CEO, Retail



**Jagdeep Mallareddy**

**Chief Business Officer**

25+ years



**Sunit Madan**

**Chief Operating Officer**

25+ years



**Saurabh Mittal**

**Chief Technology Officer**

20+ years



**Markandey Upadhyay**

**Chief Data & Analytics Officer**

20+ years



**Vipul Agarwal**

**Business Head – Partnerships**

20+ years



**Arvind Iyer**

**Head – Marketing**

15+ years





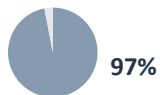
## DHFL has been fully integrated

### Integration

Product and policy integration	✓	Day 0
Branches rebranding	✓	Day 0
People and org. integration	✓	3 months
Branches reactivation	✓	9 months
Tech integration	✓	12 months
Conversion to multiproduct branches	✓	12 months (92% branches)

### DHFL employee feedback (in Dec-21)

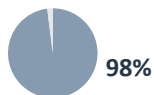
■ Yes  
■ No



Do you feel integration was smooth and are you confident for future?



Do you agree that technology has made their job easier?



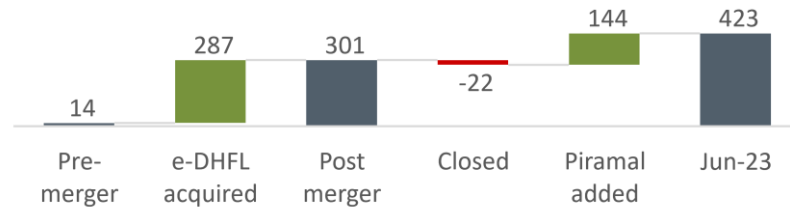
Do you fully understand business polices, processes and systems?



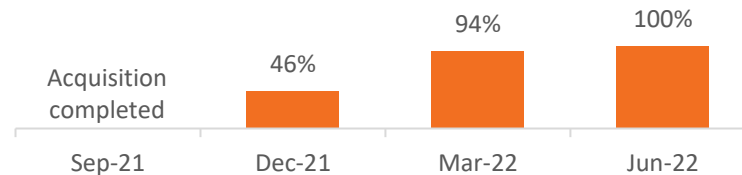
Do you find Career Opportunity Program to be fair?

### Building on DHFL platform

#### Building on acquired branches

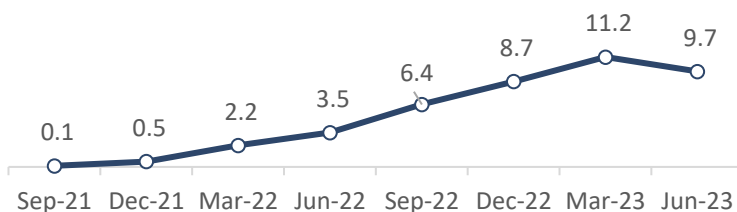


#### Branches activated within 9M



#### Quarterly disbursements per branch in e-DHFL branches (₹ cr)

#### Accelerating productivity at e-DHFL branches



## Executive summary



We are building a **diversified retail business with Housing as the foundation**



Our target segment is the **budget customer of Bharat**



Our core differentiation: Execution rigour on a **“High tech + High touch” strategy**



Our business is **gaining traction** in all our chosen segments



**Credit risk continues to be benign**, but some clouds gathering on the industry’s horizon



We are building towards a **2.5-3% ROA business** by FY28

## Portfolio construct

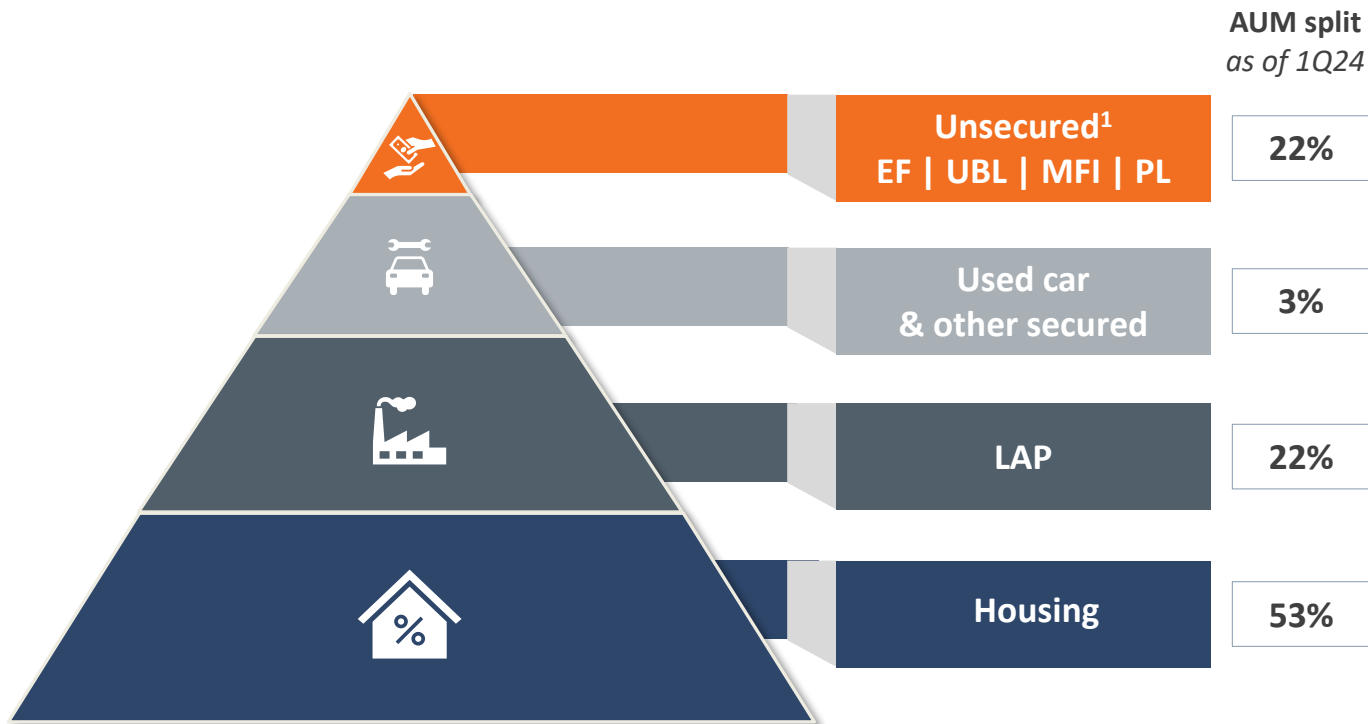
### Guiding principles

**Diversified retail,**  
not monoline

**Build for scale,**  
not niches

**Avoid direct  
competition** with banks

### Focus segments



Note: <sup>1</sup> EF: Embedded Finance; UBL: Unsecured Business Loan; MFI: Microfinance; PL: Personal Loans

## Who is our typical customer?



**47%**

From tier  
2/3 towns

**39 yrs**

Median  
age

**69%**

Self  
employed

**45%**

Female  
applicants<sup>1</sup>

**3.3+ million customers<sup>2</sup>  
and growing**

Note: Data for Piramal (new book) excluding EF customers; <sup>1</sup> Including co-applicants; <sup>2</sup> Total customer franchise includes existing / past borrowers as well as co-borrowers



**What's the most  
fundamental issue faced  
by our customer?**

## The fundamental issue: Access to Credit

Pervasive perception of inaccessibility of credit – “*हमें loan कौन देगा?*”  
leads to a reluctance to even attempt for a loan



I never thought I could get a loan, never tried to get a loan. Banks don't entertain people like us who have small businesses - they ask for too many documents which we do not always have

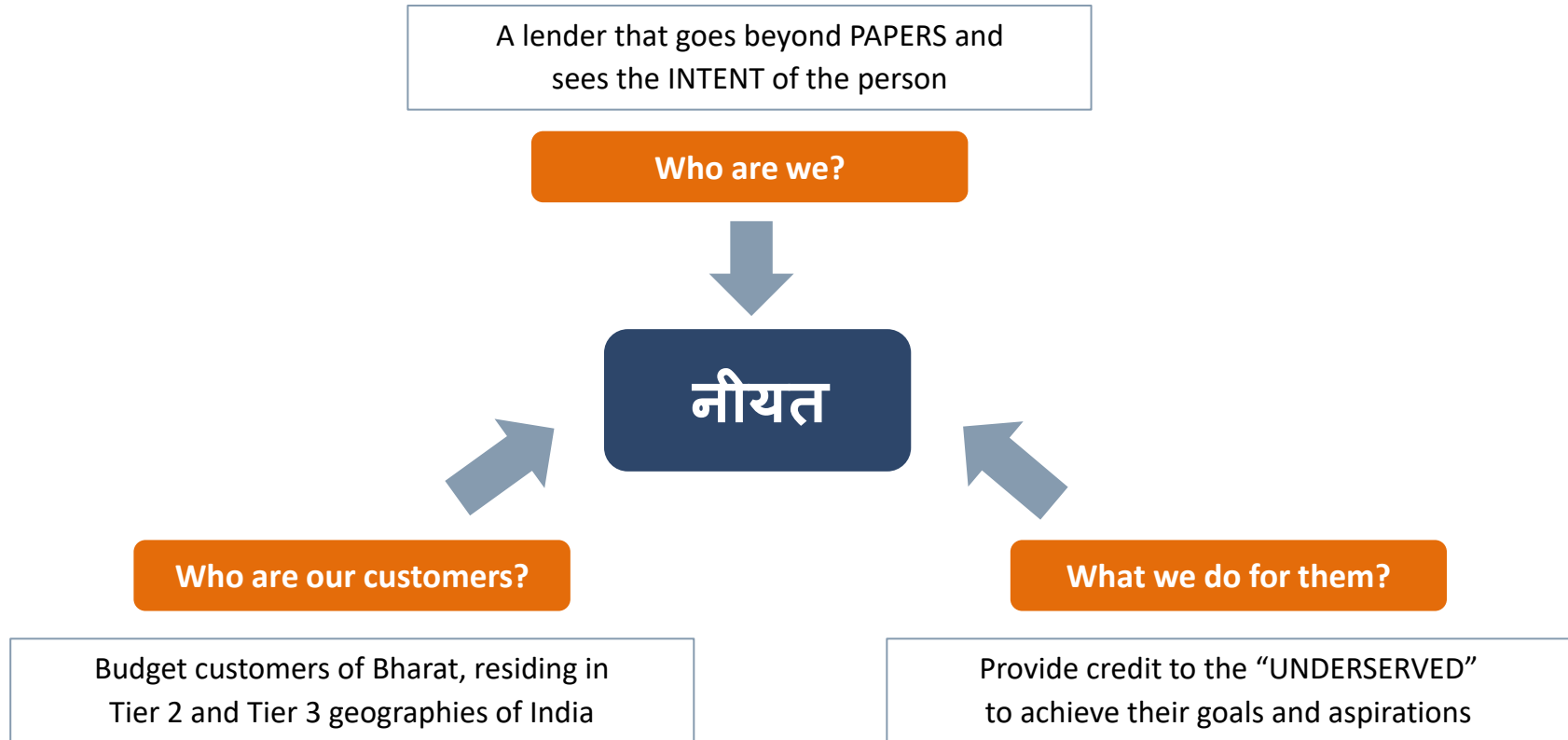
- Tailor from Surat



I never thought I could get a loan for my house, but seeing the ad of Piramal, I applied and got a home loan, and now my new house is getting built - Piramal helped me realize my dream

- Electrical contractor from Amravati

## This insight led to our brand positioning (1/2)



## This insight led to our brand positioning (2/2)



**Hum Kaagaz Se Zyaada,  
Neeyat Dekhte Hain**



## How do we serve this population effectively and at scale? (1/2)



**High Touch**



**High Tech**

## How do we serve this population effectively and at scale? (1/2)

Home loan  
as an example

Sales and  
Sourcing

Eligibility checks

Underwriting (u/w)  
and sanction

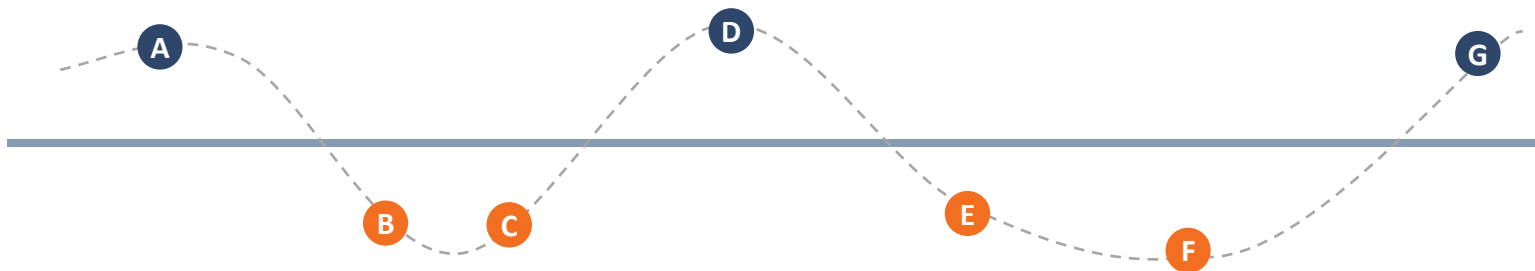
Monitoring

Collections

High Touch



High Tech



**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<sup>1</sup> and Appraisal<sup>2</sup>** done to ascertain payment capacity  
**E. Parallel processing** through seamless **integration of diverse data sources into ML models**

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

**G. Large on ground collections team**

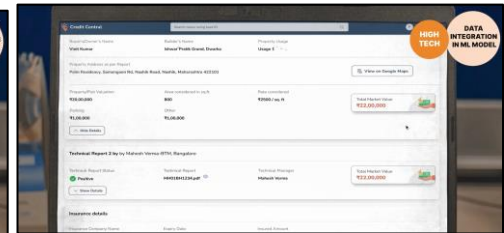
# How do we serve this population effectively and at scale? (2/2)



High Touch



High Tech



## How we are executing on High Touch



1.

Strong Pan India  
network



2.

Personal Discussion  
based u/w<sup>1</sup>



3.

In-house appraisal  
capability



4.

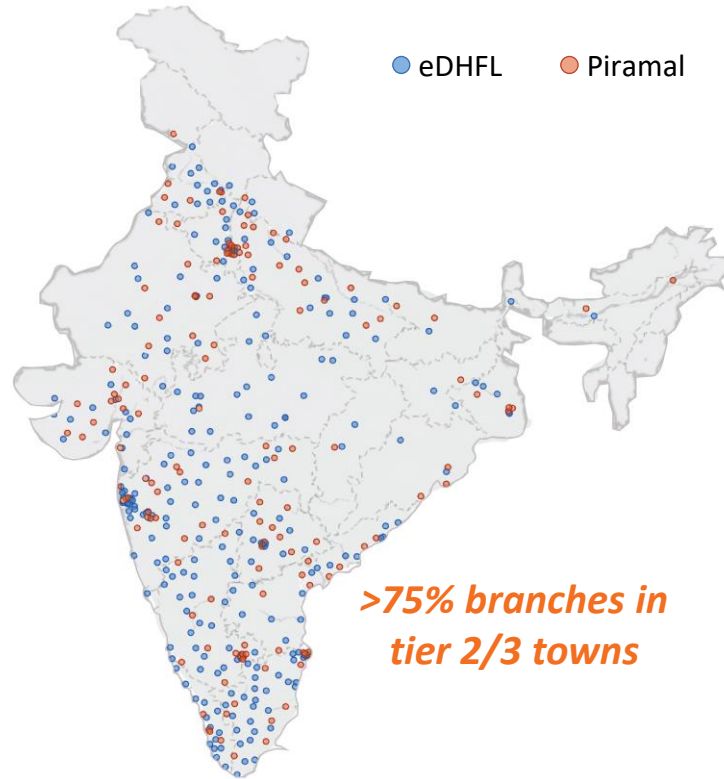
Large collections  
team

## How we are executing on High Touch



1.

Strong Pan India  
network



423

*Conventional Branches*

136

*Microfinance Branches*

339

*Cities/Towns*

25

*States*

13,200+

*Employees*

## How we are executing on High Touch



2.

Personal Discussion  
based u/w<sup>1</sup>

**600+**

Credit managers  
in Branches

**85+**

Credit managers  
in CPU<sup>1</sup>

**86,000+**

PD Visits  
in FY23

### Visuals from our physical PD



*Mobile shop owner  
from Bhilwara*



*Tailor Master  
from Gwalior*



*Marble Trader  
From Shahpura*

### Leaders with high domain expertise



**Nilesh Lahoti**

Head - Credit underwriting  
20+ years

BAJAJ FINANCE LIMITED

 ICICI Bank

## How we are executing on High Touch



3.

In-house appraisal<sup>1</sup>  
capability

**220+**

On-roll  
Appraisal Staff

**75,000+**

Appraisal Visits  
in FY23

**2+ appraisals**

mandatory where property  
value > ₹ 50 lacs

### Our appraisal staff on site



*Road constructor  
from Bangalore*



*Hotel owner  
from Aurangabad*



*Govt. servant  
from Jalna*

Note: <sup>1</sup> Involves process of valuing and appraising the property on-site

## How we are executing on High Touch



4.

Large collections  
team

1,190+

Collection  
staff

164

No. of  
agencies

6,000+

Pin codes

750+

Yards for vehicles<sup>1</sup>

### SARFAESI properties



Mumbai



Surat



Pune

28,500+

SARFAESI in progress<sup>2</sup>

1,170+

Properties in possession<sup>2</sup>

### Leaders with high domain expertise



**Deepak Khanna**

Head – Collections and Fraud Control Unit  
20+ years



Note: <sup>1</sup> We have an agreement with Shriram Automall and Mahindra First Choice Wheels for yard services to park the repossessed vehicles; <sup>2</sup> Includes DHFL and POCI cases



## How we are executing on **High Tech**



**1.**

**Machine Learning  
(ML) scorecards**



**2.**

**Digital  
journeys**



**3.**

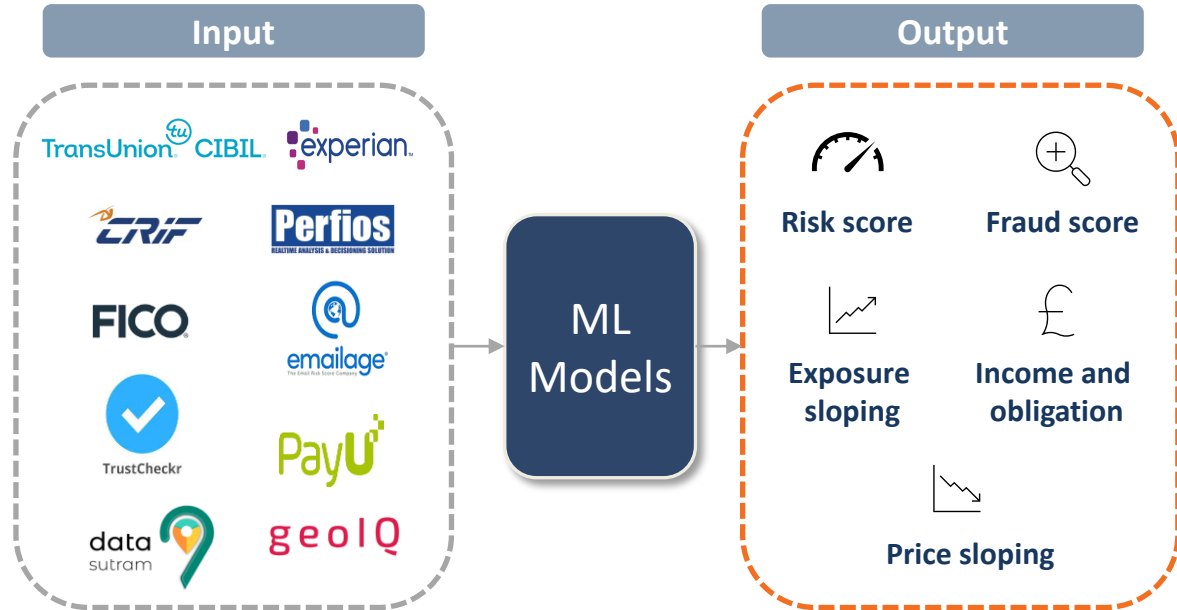
**Information  
enabled workforce**

## How we are executing on High Tech



### 1. ML scorecards

We have created 30+ proprietary ML models across products / processes from underwriting to recoveries

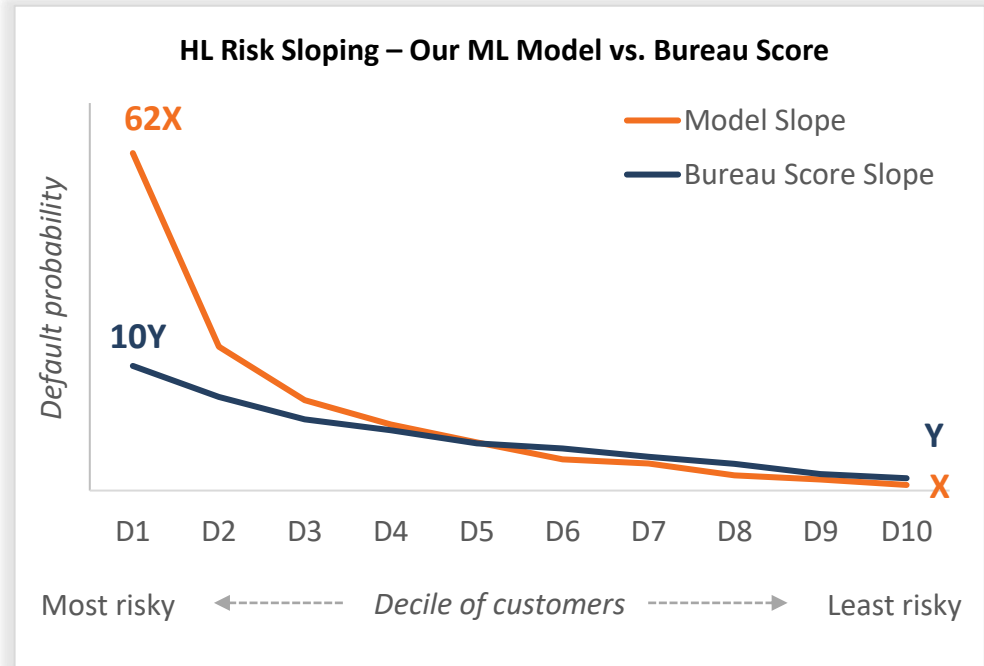


## How we are executing on High Tech



### 1. ML scorecards

Our propriety models have significantly higher predictive power than Bureau Scores



Better prediction of quality of customers through our ML models  
(62 times vs 10 times D1/D10 risk in HL example)

# How we are executing on High Tech



## 2. Digital journeys

Piramal Finance

### Score Card Generation Module

Data from OKYC	✓
OKYC Success	✓
Address Match	✓
Name Match	✓
Entity Type Match	✓

**HIGH TECH** **AI/ML DRIVEN PARAMETERIZED LENDING**

Credit Central

Search cases using lead ID

Buyer's/Owner's Name Vinil Kumar	Builder's Name Ishwar/Pratik Grand, Dwarka	Property Usage Usage 1	
Property Address as per Report Palm Residency, Samangaon Rd, Nashik Road, Nashik, Maharashtra 422101			<a href="#">View on Google Maps</a>
Property/Plot Valuation ₹20,00,000	Area considered in sq.ft. 800	Rate considered ₹2500 / sq. ft	Total Market Value ₹22,00,000
Parking ₹1,00,000	Other ₹1,00,000		
<a href="#">Hide Details</a>			
Technical Report 2 by Mahesh Verma-BTM, Bangalore			
Technical Report Status Positive	Technical Report MH01BH1234.pdf	Technical Manager Mahesh Verma	Total Market Value ₹22,00,000
<a href="#">Show Details</a>			
Insurance details			
Insurance Company Name	Expiry Date	Insured Amount	

**HIGH TECH** **DATA INTEGRATION IN ML MODEL**

# How we are executing on High Tech



3.

Information  
enabled workforce

We publish **100+**  
automated  
dashboards  
which receive  
**~3 views per**  
employee per day



## How we are executing on **High Tech**



3.

Information  
enabled workforce



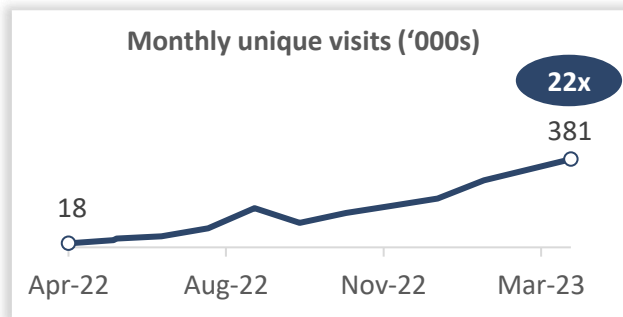
## How we are executing on High Tech



3.

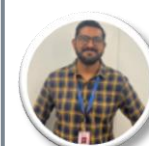
### Information enabled workforce

#### Dashboards adoption among employees is growing exponentially



I start my day with Dashboards!  
They give a view on where we stand on all parameters (growth, profitability & risk). Helps me take specific interventions

- Mukul Dashaputre, AVP, Mortgages



Dashboards are like a bible to us! Helps us track important KPIs. Variety of visualizations help in measuring progress & enhancing business

- Raghvendra Saxena, AVP, PL

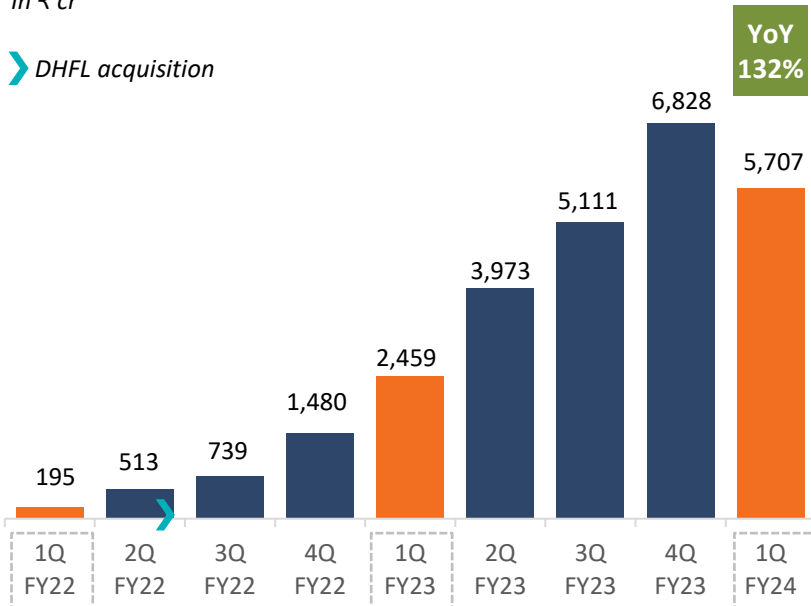


In the two years since DHFL acquisition, our execution in Retail has been strong (1/3)  Piramal

## Disbursements

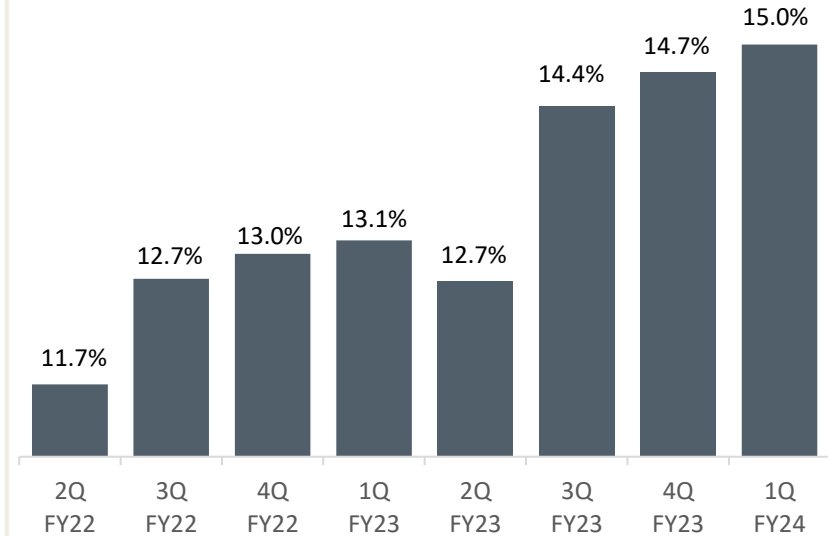
In ₹ cr

> DHFL acquisition



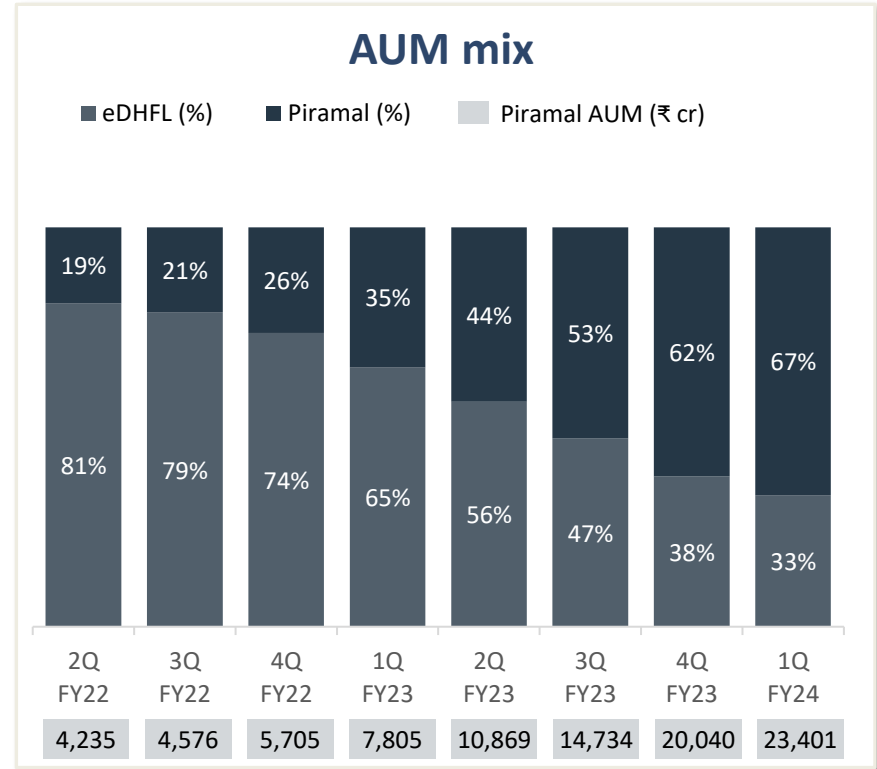
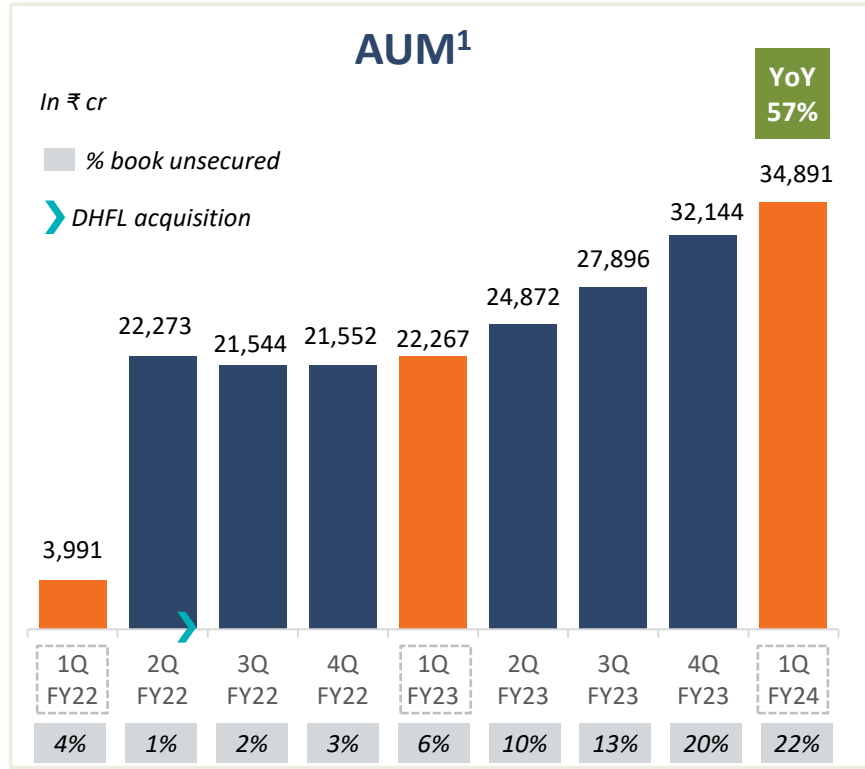
## Disbursement yields

In %





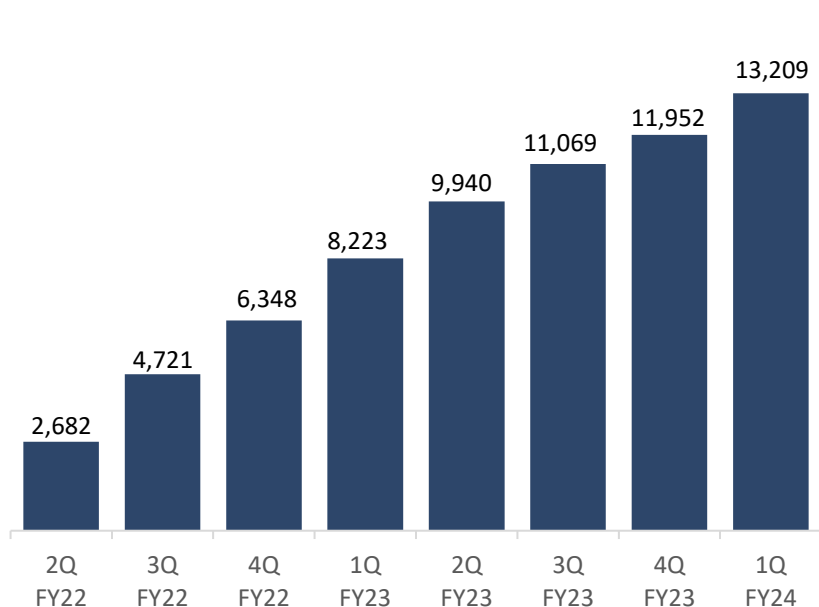
# In the two years since DHFL acquisition, our execution in Retail has been strong (2/3) Piramal



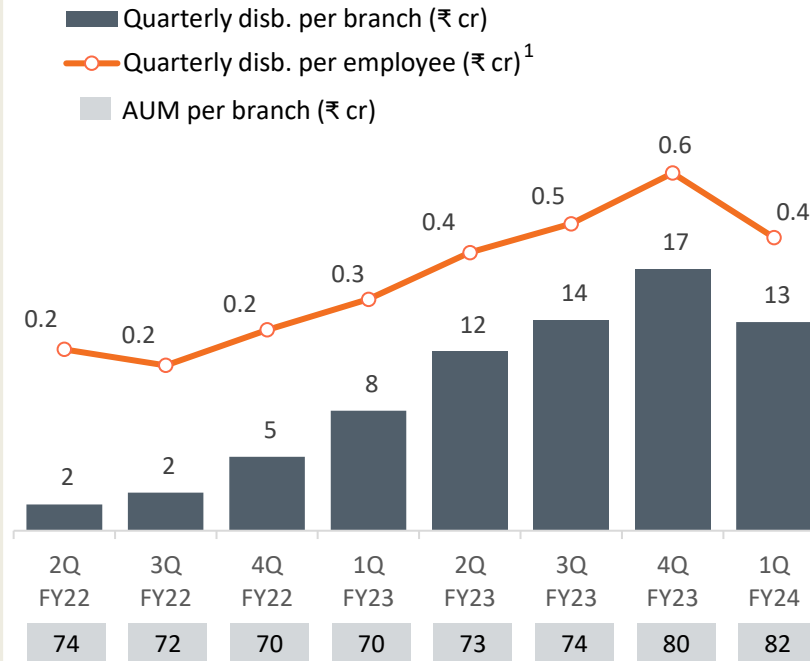
Note: <sup>1</sup>Including SRs/PTCs

In the two years since DHFL acquisition, our execution in Retail has been strong (3/3)  Piramal

## Headcount<sup>1</sup>



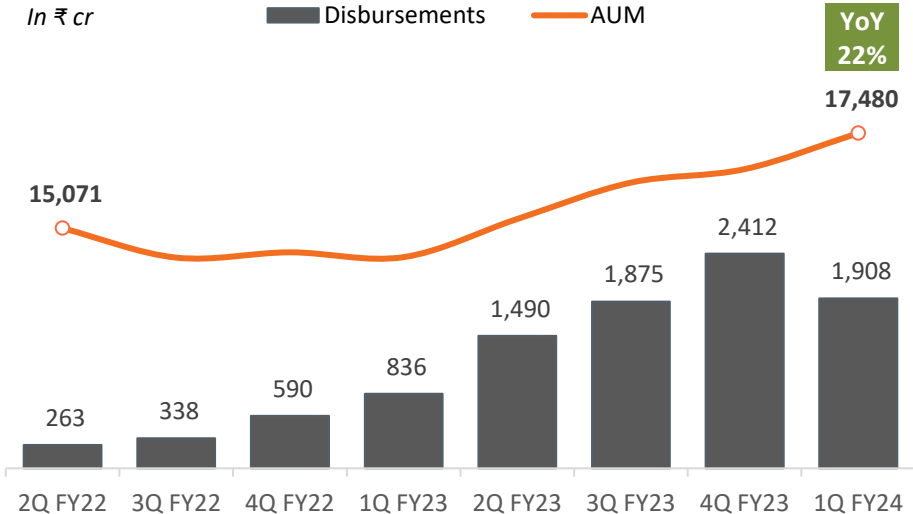
## Productivity metrics



Note: <sup>1</sup> Employee base includes on-roll and off-role employees

## Housing loans business overview

### Portfolio growth



For 1Q24:

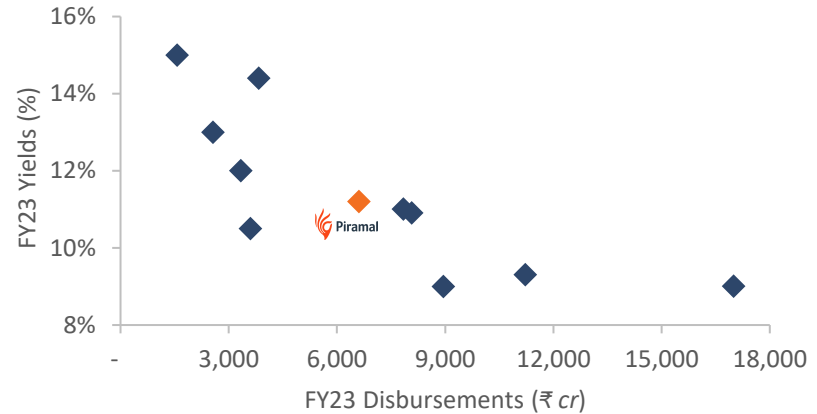
**11.2%**  
Disbursal  
yield

**18 lacs**  
Avg.  
ticket size

**68%**  
Self  
employed

**73%**  
In-house  
sourcing

### Segment play within housing<sup>1</sup>



### Leaders with high domain expertise



**Syed Imtiaz Ahmed**

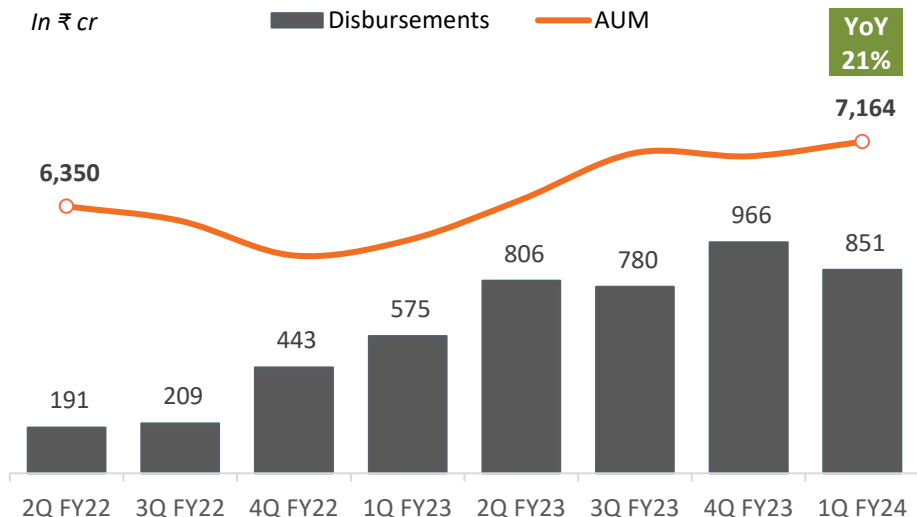
Business Head - Housing Finance  
25+ years



Note: <sup>1</sup> Represents metrics of 10 peer NBFCs having significant presence in the HL space. Data collected from company reports, broker reports and expert inputs

## LAP business overview

### Portfolio growth



For 1Q24:

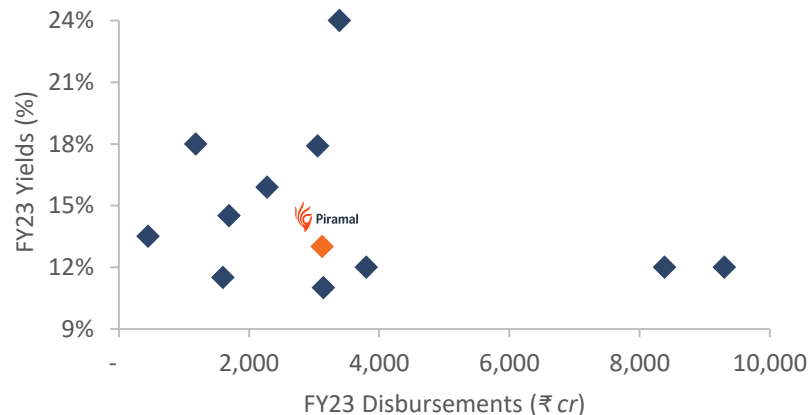
**12.6%**  
Disbursal  
yield

**20 lacs**  
Avg.  
ticket size

**84%**  
Self  
employed

**54%**  
In-house  
sourcing

### Segment play within LAP<sup>1</sup>



### Leaders with high domain expertise



**Mayank Jain**

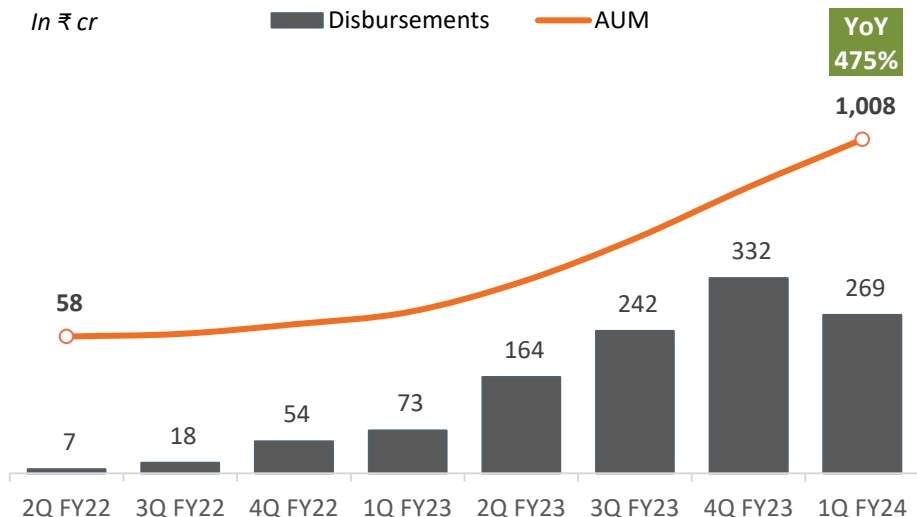
Business Head - LAP  
20+ years



Note: <sup>1</sup> Represents metrics of 11 peer NBFCs having significant presence in the LAP space. Data collected from company reports, broker reports and expert inputs

## Used Cars Loans (UCL) business overview

### Portfolio growth



For 1Q24:

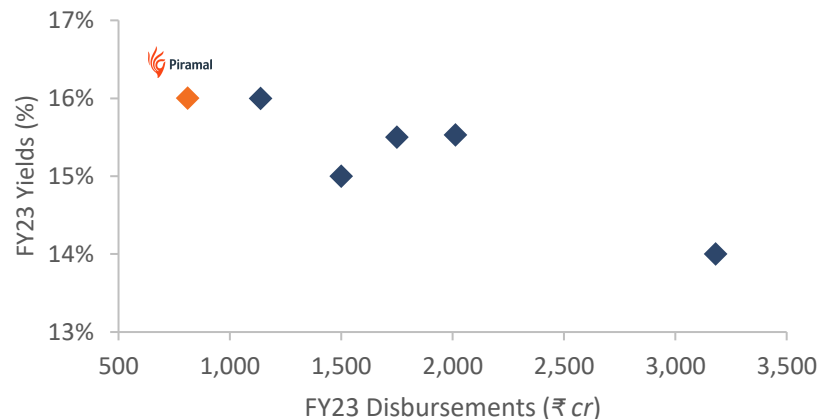
**16.4%**  
Disbursal  
yield

**6 lacs**  
Avg.  
ticket size

**80%**  
Self  
employed

**62%**  
In-house  
sourcing

### Segment play within UCL<sup>1</sup>



### Leaders with high domain expertise



**Kamesh Chaudhary**

Business Head - UCL  
20+ years

VOLKSWAGEN  
FINANCIAL SERVICES

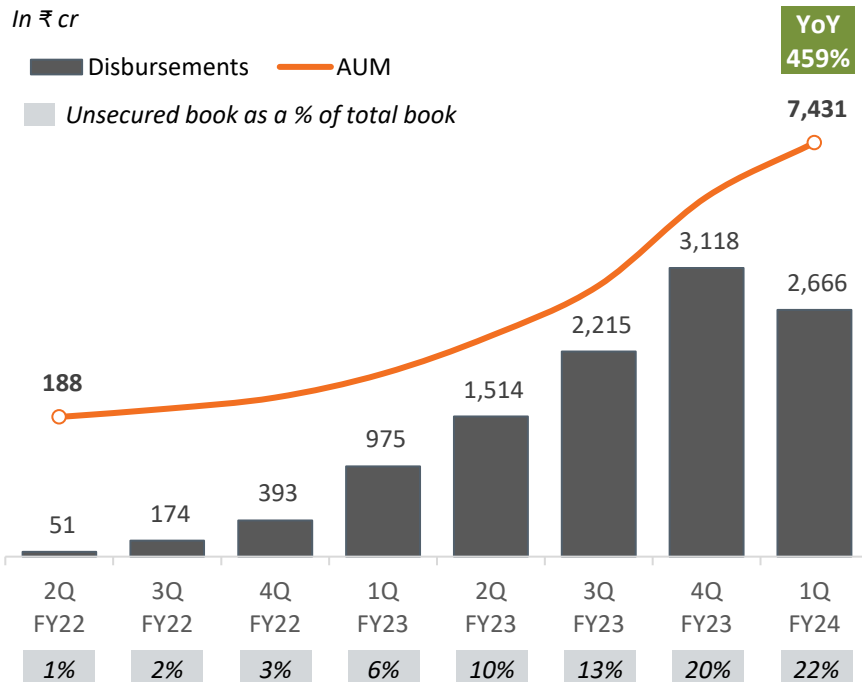
TOYOTA  
FINANCIAL SERVICES

ICICI Bank

Note: <sup>1</sup> Represents metrics of 5 peer NBFCs having significant presence in the UCL space. Data collected from company reports, broker reports and expert inputs

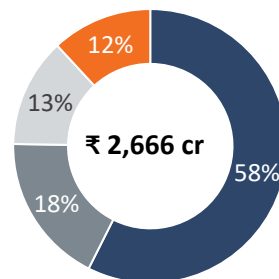
## Unsecured business overview (1/2)

### Portfolio growth

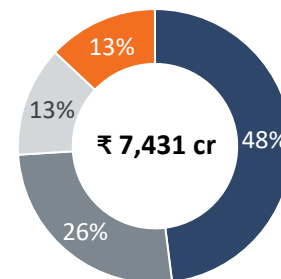


### Portfolio split<sup>1</sup>

#### Disbursements - 1Q24



#### AUM - 1Q24



■ EF ■ UBL ■ PL ■ MFI

### Leaders with high domain expertise



#### Rajasekhar A

Business Head – Personal loans  
25+ years

BAJAJ FINANCE LIMITED 

Note: <sup>1</sup> EF: Embedded Finance; UBL: Unsecured Business Loan; MFI: Microfinance; PL: Personal Loans

## Unsecured business overview (2/2)

### Embedded Finance

Yield: **19.2%**

ATS: ₹ **0.4 lacs**

Tenor: **2 years**

Self employed: **50%**

### Microfinance<sup>1</sup>

Yield: **18.8%**

ATS: ₹ **0.3 lacs**

Tenor: **2 years**

Self employed: **100%**

### Unsecured business loans

Yield: **19.9%**

ATS: ₹ **6.4 lacs**

Tenor: **4 years**

Self employed: **100%**

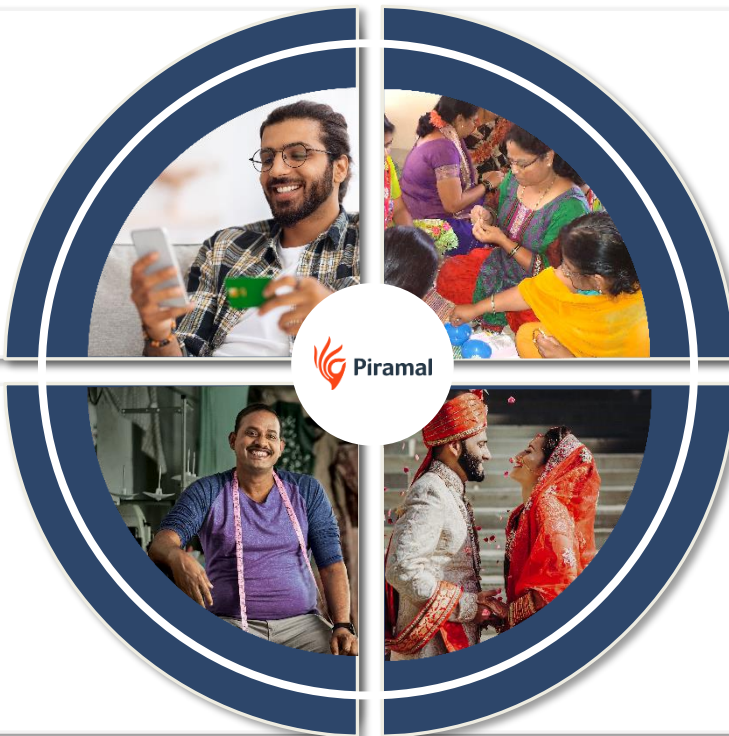
### Personal loans

Yield: **18.0%**

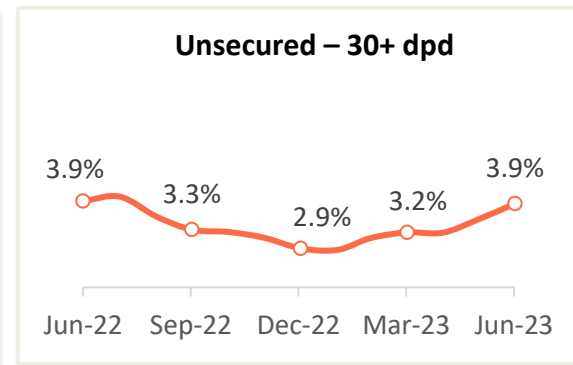
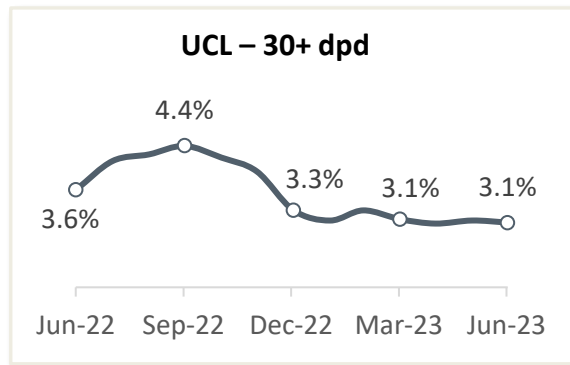
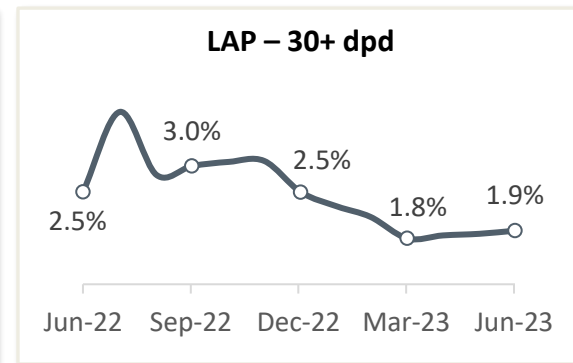
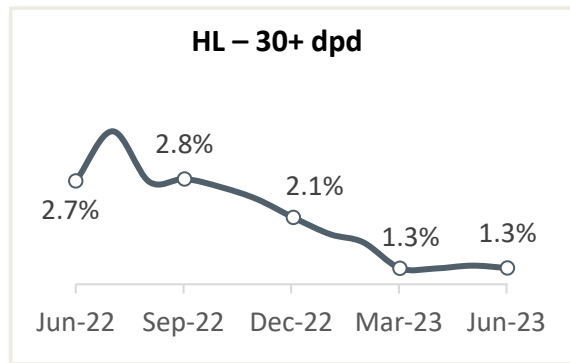
ATS: ₹ **4.6 lacs**

Tenor: **5 years**

Self employed: **3%**



# Strong emphasis on risk management has resulted in a favorable credit risk profile (1/2) Piramal

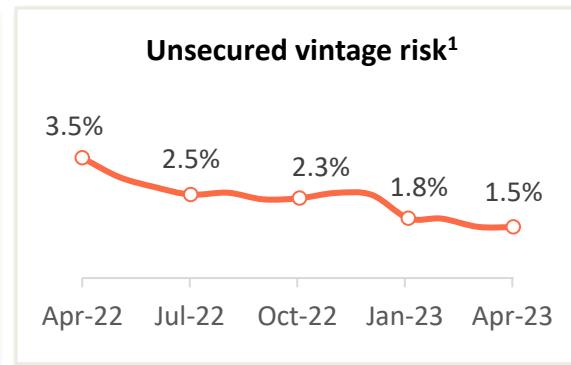
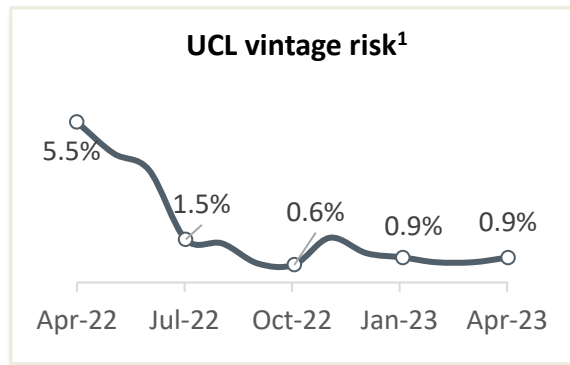
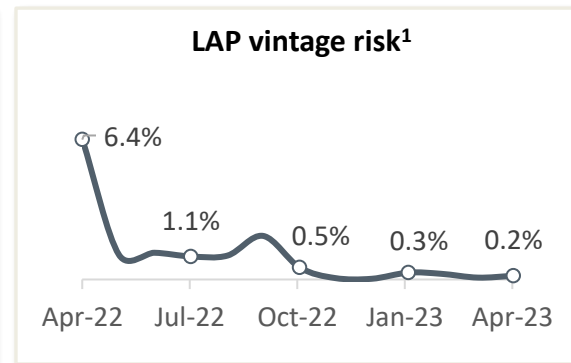
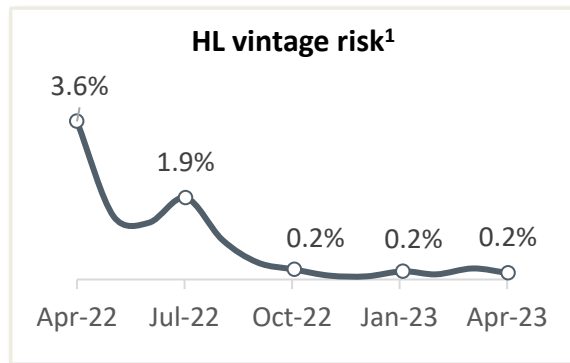
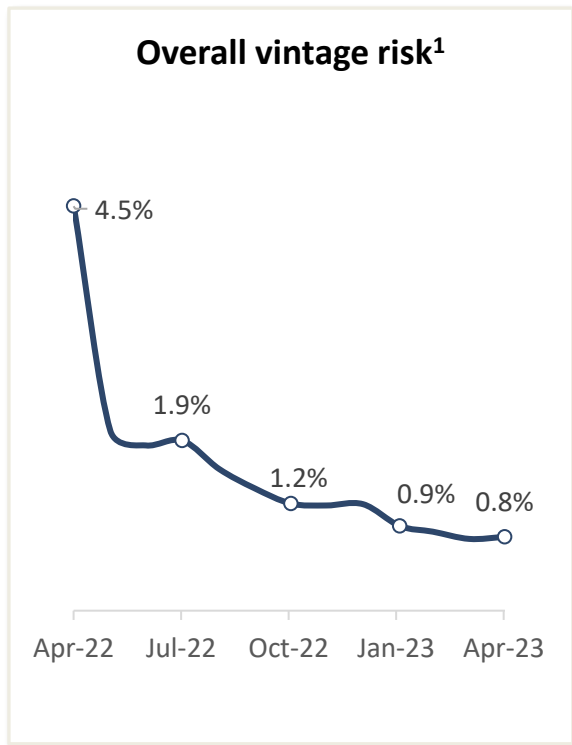


■ Secured ■ Unsecured

Note: Data represented for Piramal (new book); 30+ dpd delinquency = 30 to 179 days past due as % of AUM



# Strong emphasis on risk management has resulted in a favorable credit risk profile (2/2) Piramal



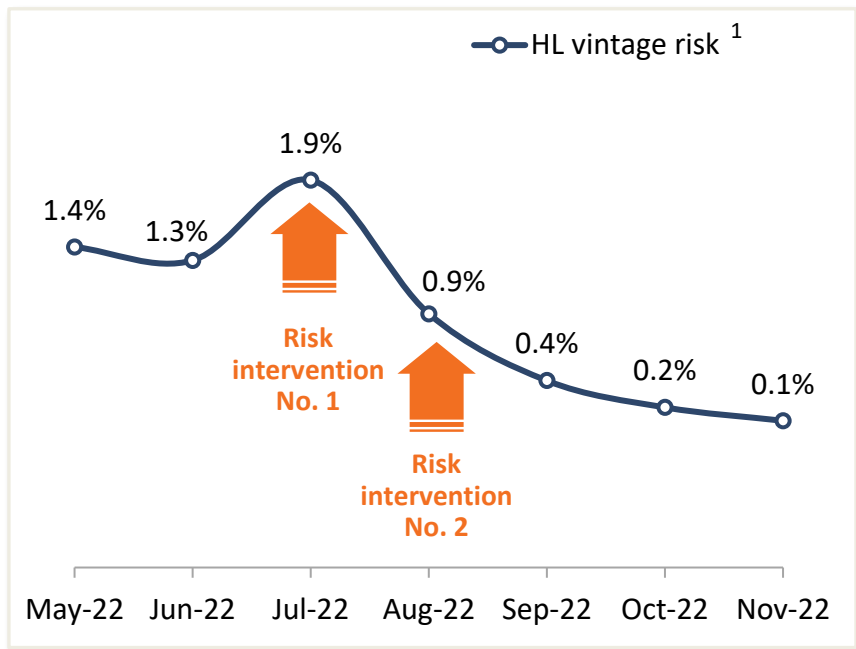
■ Secured ■ Unsecured

Note: <sup>1</sup>Trend of vintage risk for 30+ at 3 Month-on-Book (MoB) mark

## We watch early delinquencies closely and act promptly

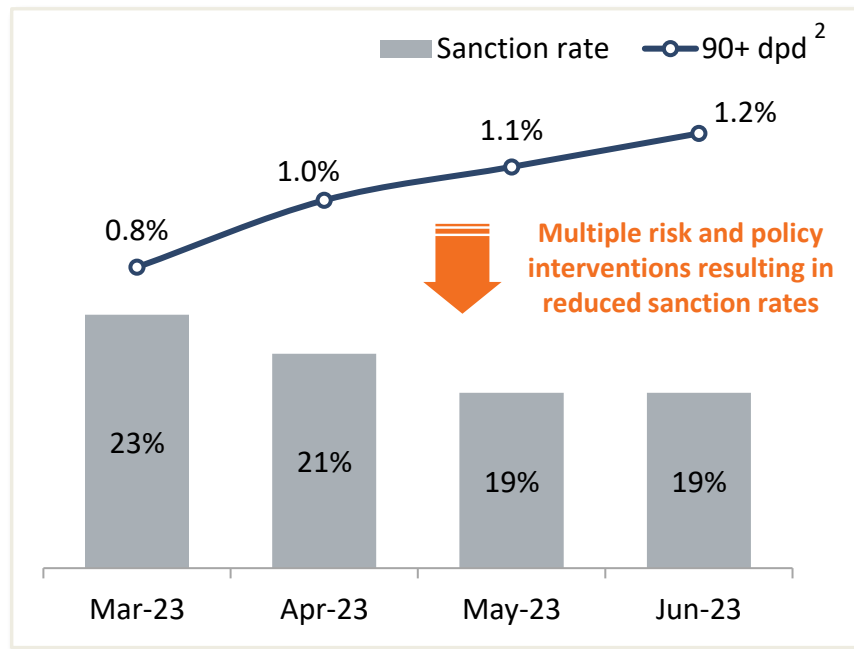
### Case study on early corrective action on risk

#### HL– Early risk corrected post various interventions



### Taking actions in unsecured lending

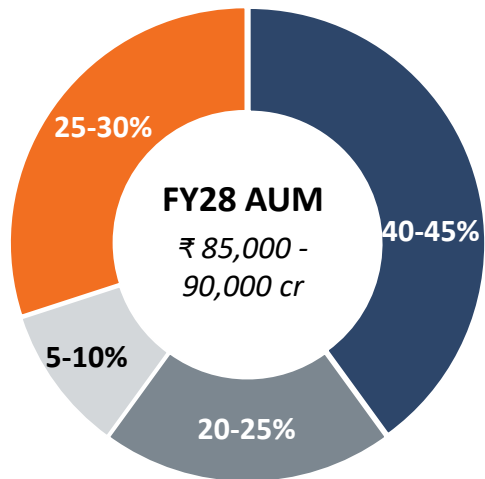
#### UBL – Actions against some early signs of concern



Note: <sup>1</sup>Trend of vintage risk for 30+ at 3 Month-on-Book (MoB) mark ; <sup>2</sup>90+ dpd delinquency = 90 to 179 days past due as % of AUM

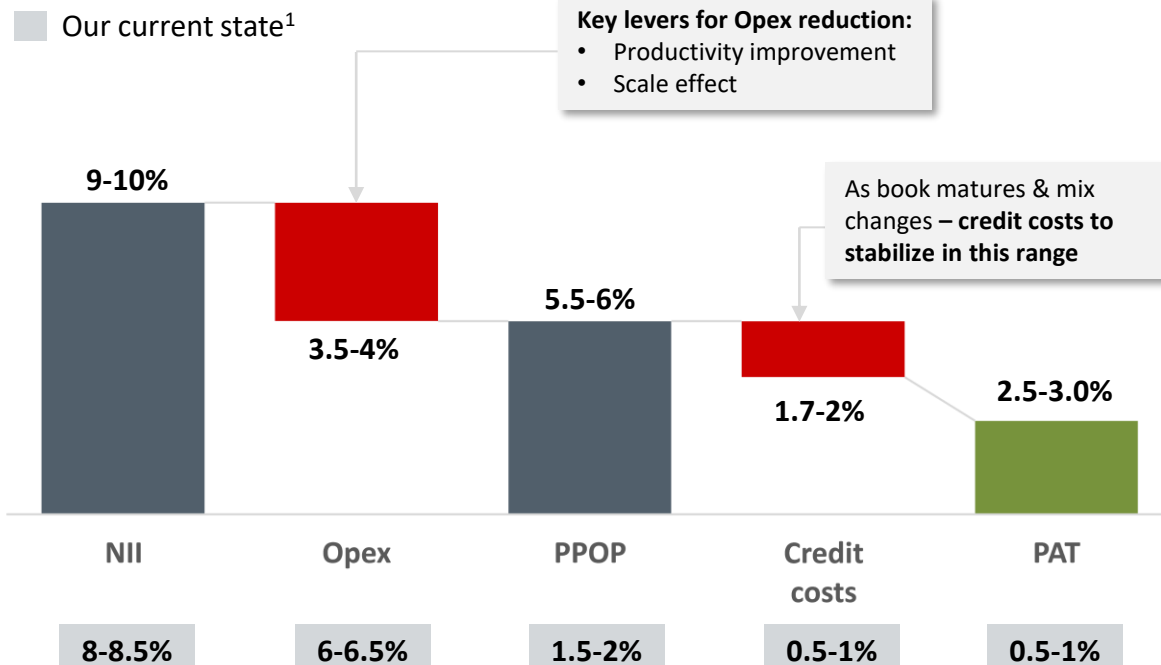
## What we are building towards

### Target mix for retail business



■ HL      ■ LAP  
■ Used cars      ■ Unsecured

### Building a steady state 2.5-3.0% ROA business



Note: NII: Net Interest Income (includes fee income); PPOP: Pre-Provisioning Operating Profit; <sup>1</sup>Excludes DHFL profits on POCI book

## In conclusion

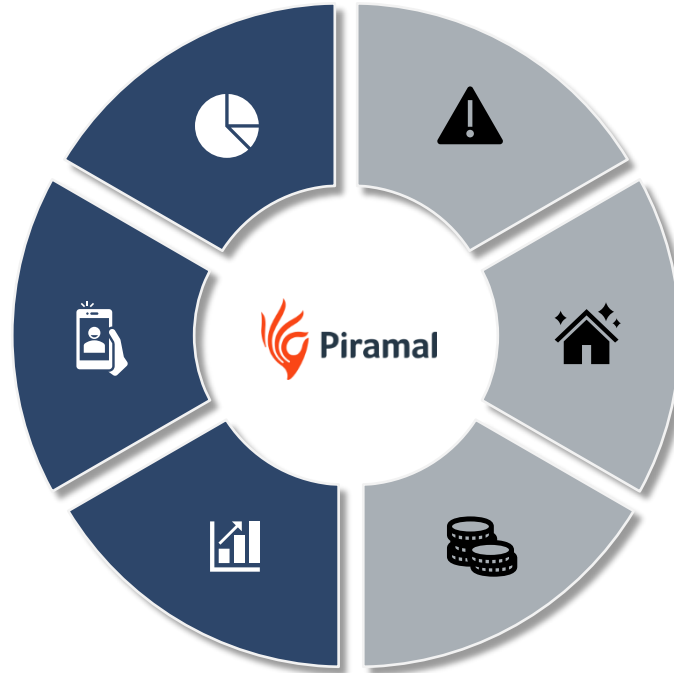
### ◀◀ Our execution

### Key monitorables ▶▶▶

**Building a diversified retail business**

**Strong rigour on “High tech + High touch” strategy**

**Building a 2.5-3% ROA business by FY28**



**Risk environment in Unsecured Lending**

**Growth sustenance in Affordable Housing**

**Monitor trends in Opex to Assets**

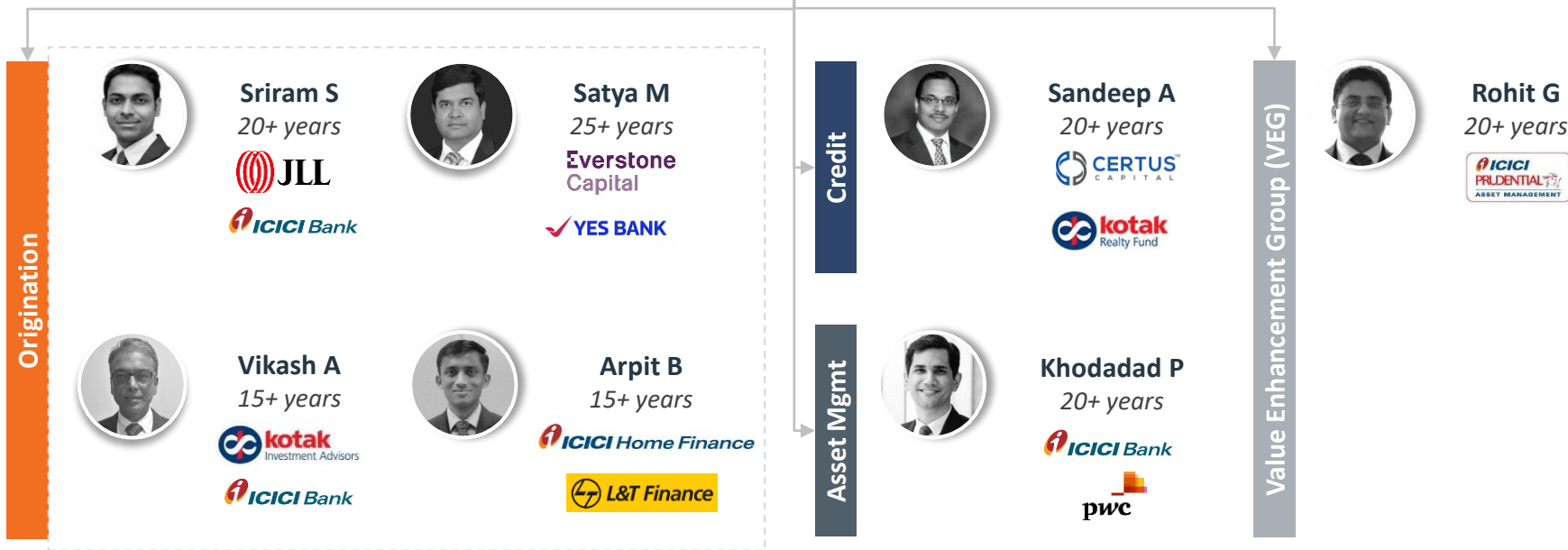


# 3. Wholesale

# Experienced and strong leadership team to drive wholesale business



**Yesh Nadkarni**  
CEO, Wholesale



## Executive summary (1/2)

### Strategic objectives

#### Wholesale 1.0 (Old book)

*Optimal book reduction using various tools*



#### Wholesale 2.0 (New book)

*Regain dominance by capitalizing on market gap and our capability*

### Core differentiators



#### Strong management team

*with expertise across u/w, deal structuring, recoveries, Asset Management, Credit, etc.*



#### Deep domain knowledge & strong relationship

*in real estate wholesale lending ecosystem*



#### Comprehensive product offering

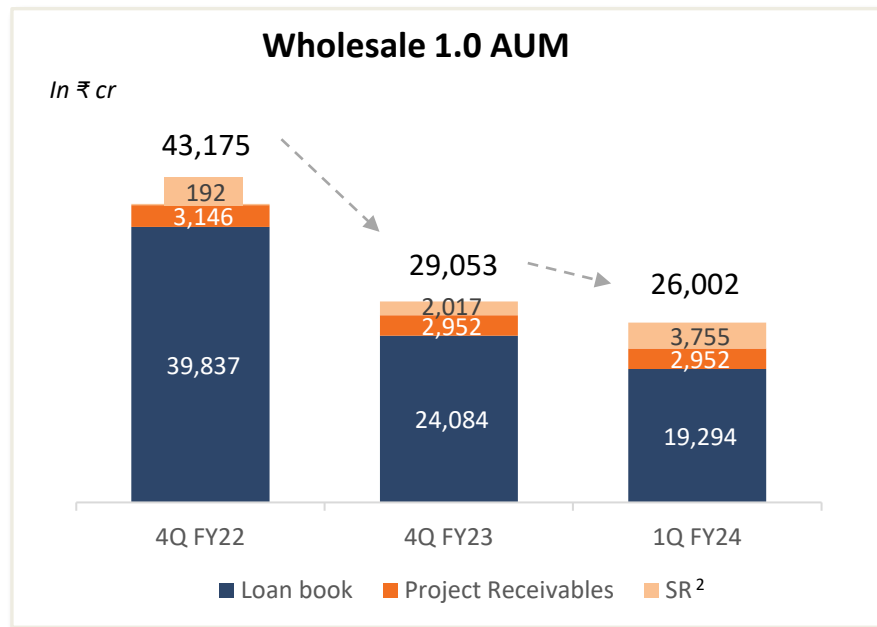
*across real estate and corporate lending space*



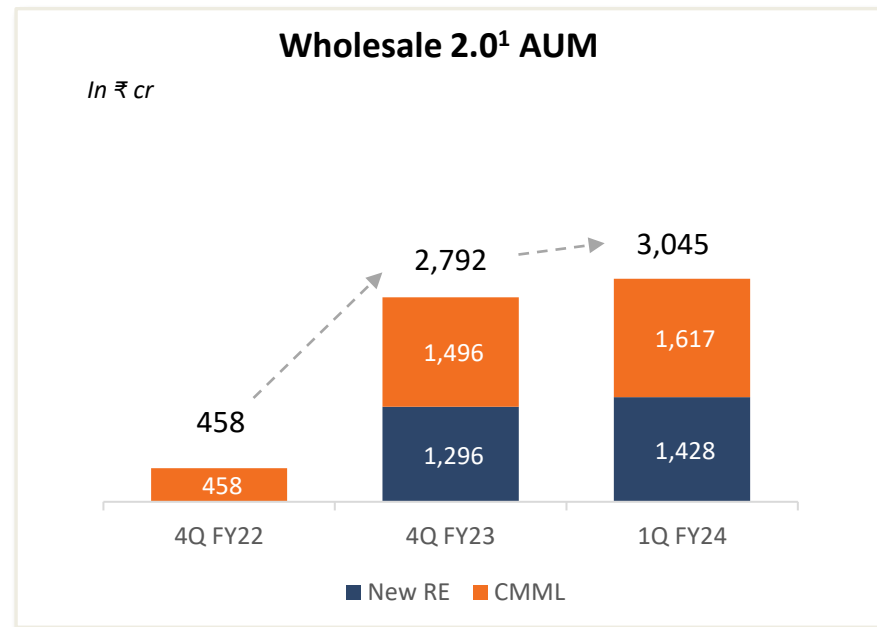
#### Right organization structure

*and focus on risk and governance*

## Executive summary (2/2)



**Continue momentum to reduce  
Wholesale 1.0 book size**



**Build ~₹ 35,000 – 40,000 cr book  
across RE and CMML<sup>2</sup> business by FY28**

**Build a business of 3.5-4% ROA by FY28**

Note: <sup>1</sup> Wholesale 2.0 refers to loans sanctioned from FY22 onwards; <sup>2</sup> SR: Securities Receipts, CMML: Corporate Mid Market Lending





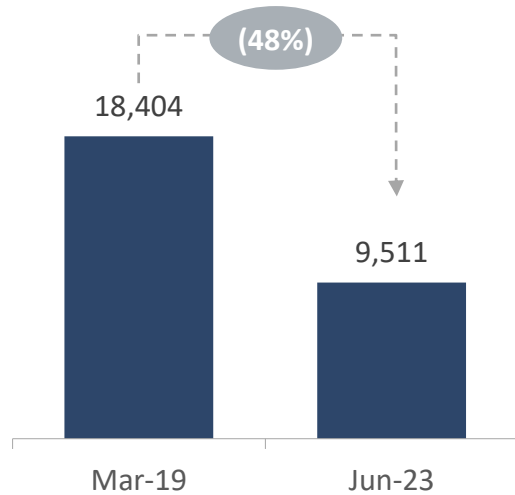
**Wholesale  
1.0**

**Run down WS 1.0 optimally  
using various tools**

## Strong focus on diversification and reduced exposure

### Reducing exposure to top 10 accounts

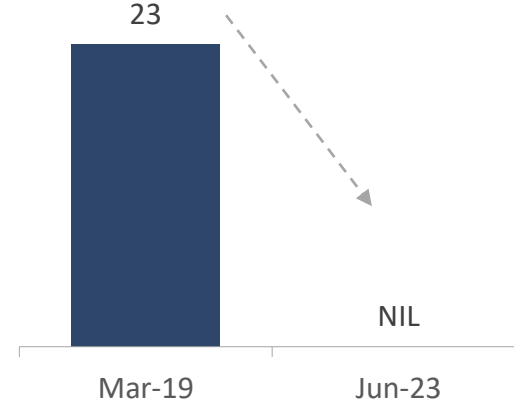
In ₹ cr



Exposure to top-10 accounts reduced 48% since Mar-2019 (by ₹ 8,893 cr)

### Eliminating large single borrower exposures

No. of accounts >5% of net worth



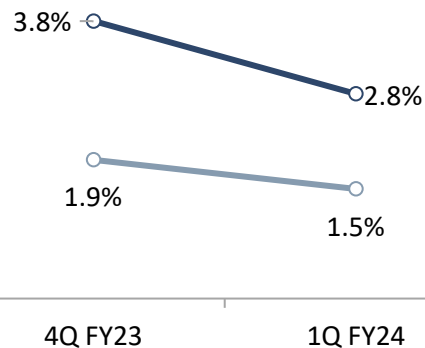
No account<sup>1</sup> exceeds 5% of financial services net worth, as of June-2023

## Improving asset quality and normalizing provisioning trend

### Overall GNPA and NNPA Ratio

In %

—○ GNPA —○ NNPA

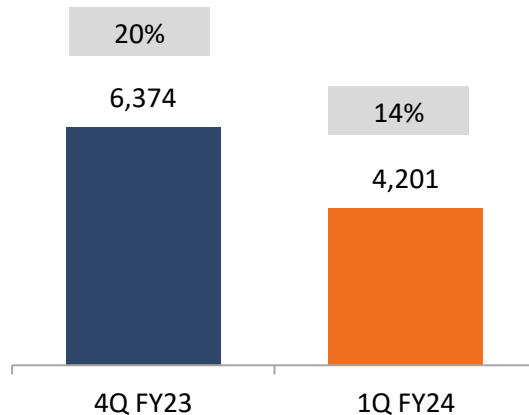


Largely stable

### Stage 2+3 Wholesale assets

In ₹ cr

■ % of AUM

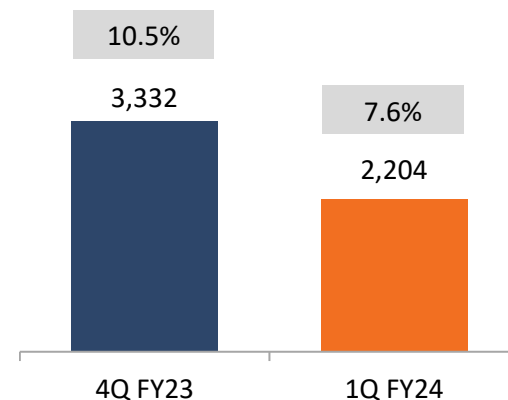


Declining gradually and reduced by 34% QoQ

### Wholesale provisioning

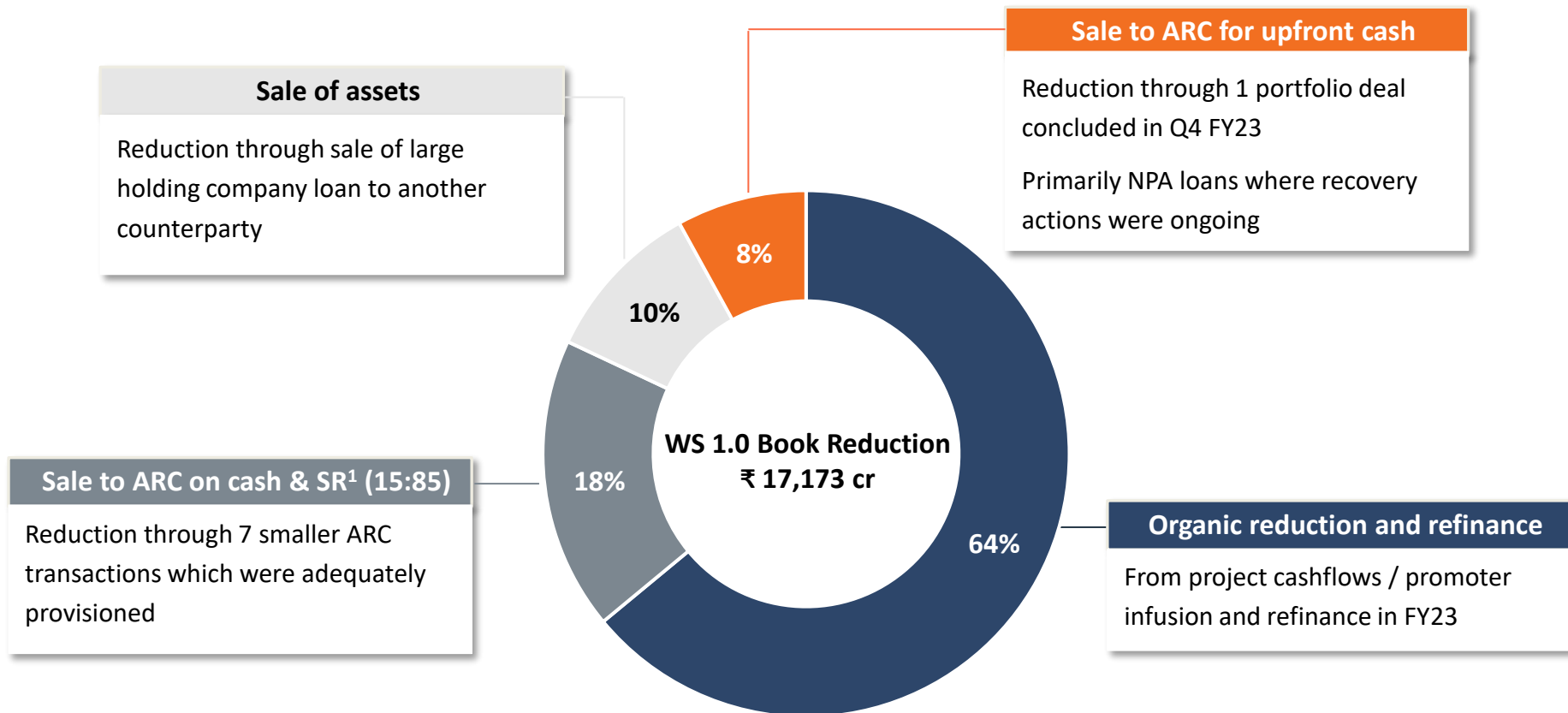
In ₹ cr

■ Provision as % of AUM



Normalizing provisioning trends

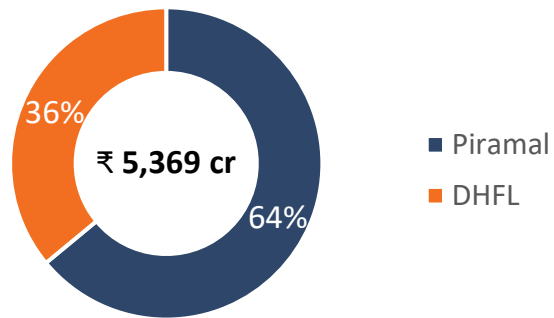
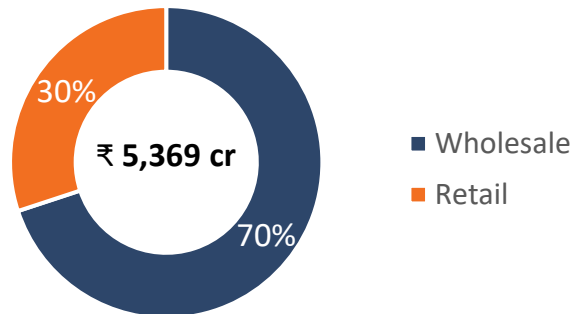
## Successful modes of recovery of Wholesale 1.0 portfolio using various tools



Note: <sup>1</sup>Securities Receipts

## Security Receipts (SR) Portfolio

### Current outstanding



7 SR transactions happened in FY23 and 1Q FY24

63% markdown on total gross o/s, ₹ 1,007 cr cash received

Redemption of ~₹ 926 cr till date

Expected to reduce via combination of sales, enforcement and collections



## Wholesale 2.0

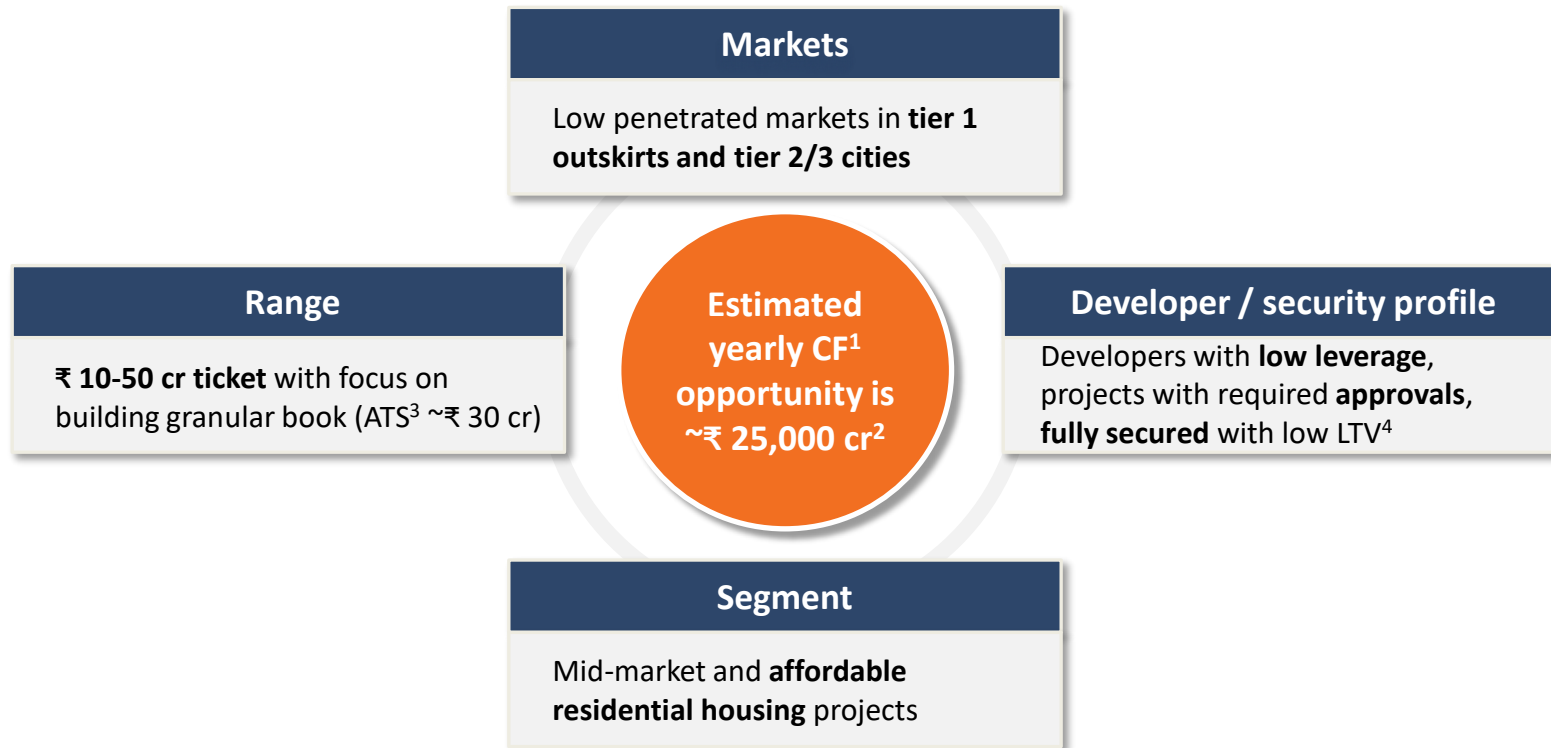
**Build a dominant and profitable  
wholesale credit franchise**

## Multiple factors leading to a revival in real estate lending industry



**Capturing this market opportunity through strong footprint across all key markets**

## Small Developer Finance (SDF) opportunity and strategy



**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**

Source : PropEquity, Liases Foras

Note: <sup>1</sup> Construction Finance; <sup>2</sup> Calculated as average of PropEquity & Liases Foras data; <sup>3</sup> Average Ticket Size; <sup>4</sup> Loan to Value



## Corporate & Mid-Market Lending (CMML) focus areas



Predominantly  
**OpCo loans**



Backed by  
**cashflow / assets**



**Mid sized**  
**companies with**  
revenue  
between  
₹ 100-2,500 cr



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



**Diversified**  
**sectors in**  
manufacturing,  
services & NBFC

# Differentiate ourselves across multiple parameters w.r.t. banks and other NBFCs Piramal



**1.**

**Expertise,  
experience &  
relationship**

---



**2.**

**Re-engineered  
organizational  
structure**

---



**3.**

**Robust  
underwriting,  
proactive Asset  
Management  
and strong  
resolution**

---



**4.**

**Independent  
risk  
management &  
governance**

---



**5.**

**Technology  
enabled  
business**

---

# 1 Building new Wholesale book by capitalizing strong existing relationships and expertise



**>₹ 1 lakh cr**

*RE disbursements  
in last 10 years*



**12 cities**

*Spread across all  
regions*



**>200**

*Developer group  
relationships*



**60+**

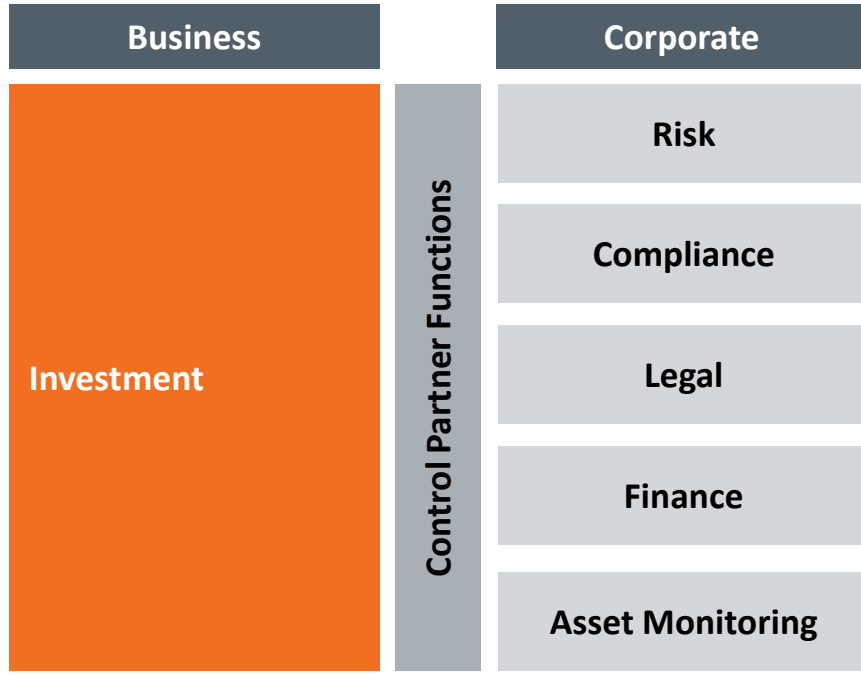
*Origination  
professionals*

2

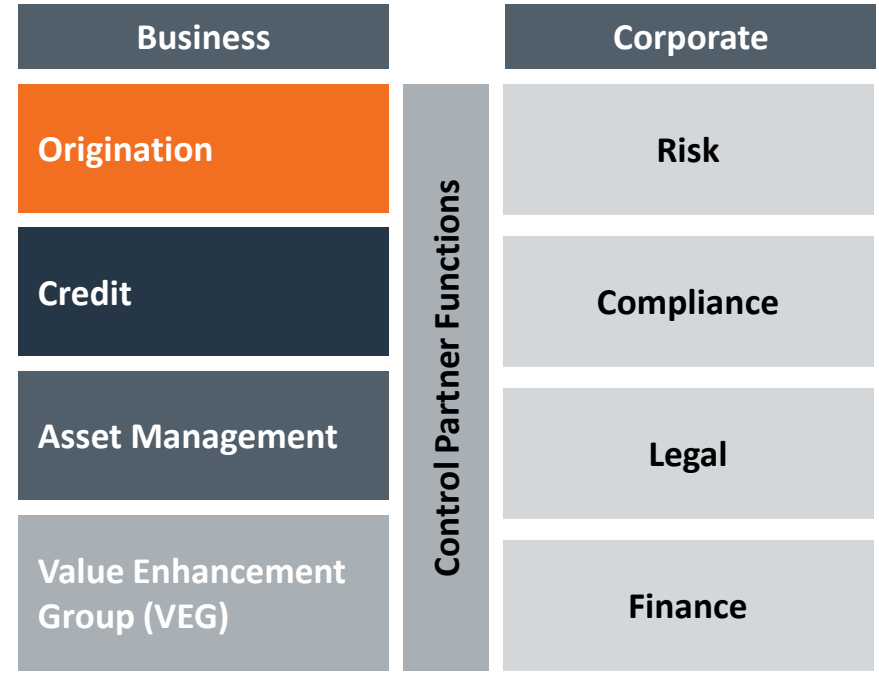
## Reengineered organizational structure with independent corporate functions



### Previous Organization Structure



### Revised Organization Structure




### 3 Stringent credit approval & Asset Management processes

#### Credit team ensuring processes and checks in place



Deal pipeline funnel

#### Proactive Asset Management & reporting

 AM Coding

Coding	Debt Servicing (next 4 quarters)
No issues	No issues envisaged
Manageable	High probability of timely debt service
To be Addressed	Proactive asset management and follow up
Overdue / Highly Likely	Probability of default

#### Value Enhancement Group to deal with difficult cases

Experienced / dedicated centralized team to manage stressed account

- Define a/c wise strategy
- Expertise in different resolution instruments
- Proactive and efficient resolution
- Deep bench of talent

## 4 Independent risk management & governance

### Independent risk structure



**Narayan Prasad Kambhatla**

Chief Risk Officer  
15+ years



Strong risk management structure with a team of 11 people

Independent reporting structure with direct reporting to RMC<sup>1</sup> of the Board

### Strong Governance Framework

Deal Clearing  
Committee  
(DCC)

- Inputs taken from business, risk, legal and compliance

Executive Credit  
Committee  
(ECC)

- Credit approving committee for evaluation and sanction of WS loans

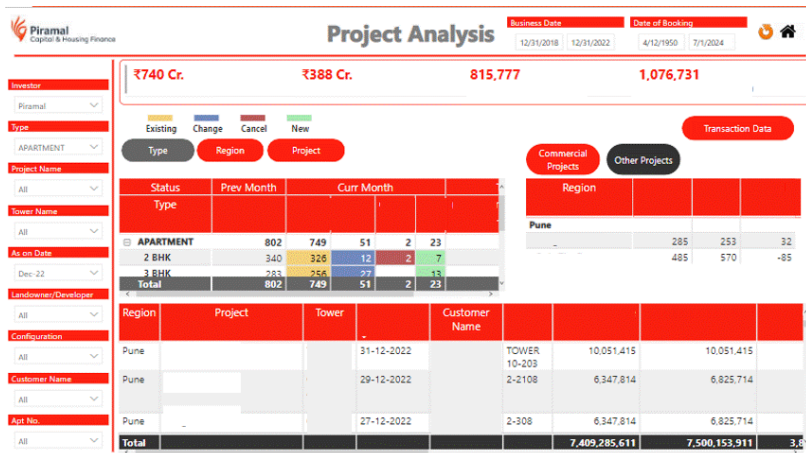
Portfolio Mgmt  
Committee  
(PMC)

- Quarterly reporting
- Portfolio composition & health
- Codification of deals
- Immediate action for potential EWS<sup>2</sup>

## 5 Significant investment on technology to drive faster TAT and decision making

### Data visualization to enable faster decision making

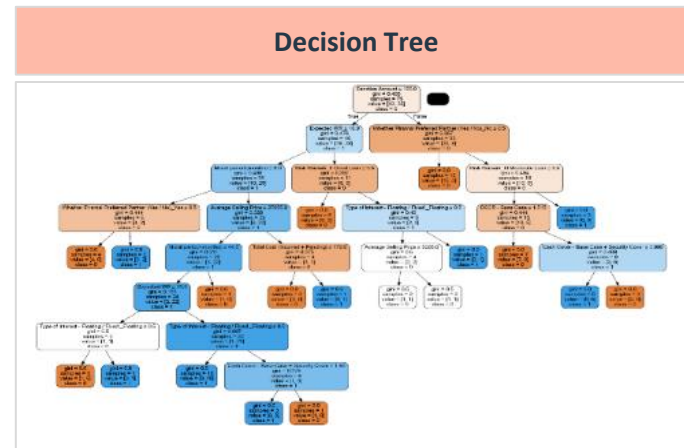
Leverage technology and analytics across deal life cycle



Dashboards for leads, deals, book analytics, developer MIS

### Integration of data analytics & tech automation for robust deal underwriting process

Digitization of deal data & external integrations for AI/ML

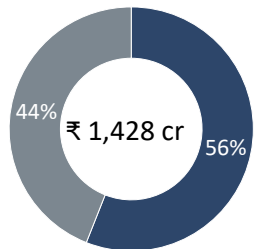


Analytics driven decision making

## Building a granular and diversified book (1Q FY24)

### New Real Estate Lending<sup>1</sup>

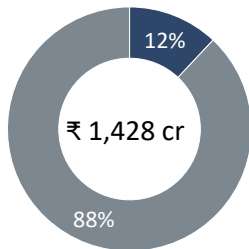
#### By Product



- Apartments
- Plots

**165 cr**  
Avg.  
ticket size

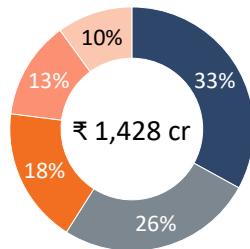
#### By Original Tenor



- <3 years
- 3-5 years

**13.8%**  
Avg.  
Yield<sup>2</sup>

#### By Geography



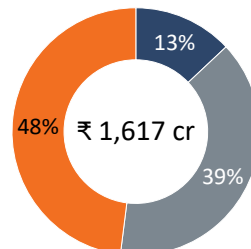
- Mumbai
- Kolkata
- Chennai
- Bengaluru
- Pune

**4.2 yr**  
Avg. Loan  
Tenor<sup>3</sup>

Against disbursed amount, received ₹ 456 cr prepayment  
with 100% collection efficiency

### Corporate Mid Market Lending

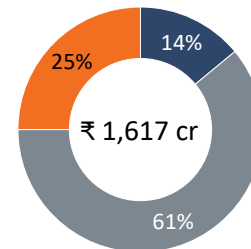
#### By Original Tenor



- 5-7 years
- 2-5 years
- <2 years

**53 cr**  
Avg.  
ticket size

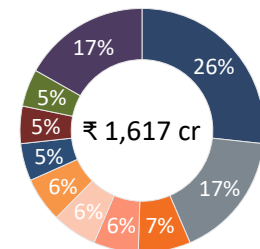
#### By Ratings



- A and better
- BBB upto A-
- Not Rated

**12.5%**  
Avg.  
Yield<sup>2</sup>

#### By Industry



- NBFC - MFI
- NBFC
- Power
- Healthcare
- Auto Component
- Shipping
- Education
- Steel
- Broking
- Others

**16+**  
Industries  
covered

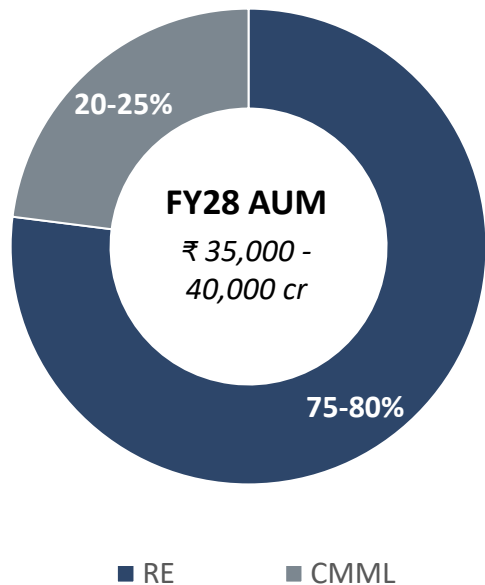
100% collection efficiency with 0 DPD in 18 months

Note: <sup>1</sup> Excludes loan having sanction value of ₹ 650 cr, fully exited on 1<sup>st</sup> July 2023; <sup>2</sup> Average Yield % includes fee income; <sup>3</sup> Represents average door to door tenor, <sup>4</sup> Textile, Industrial minerals, Warehousing, Renewable Energy, FMCG, Pharma, E-mobility

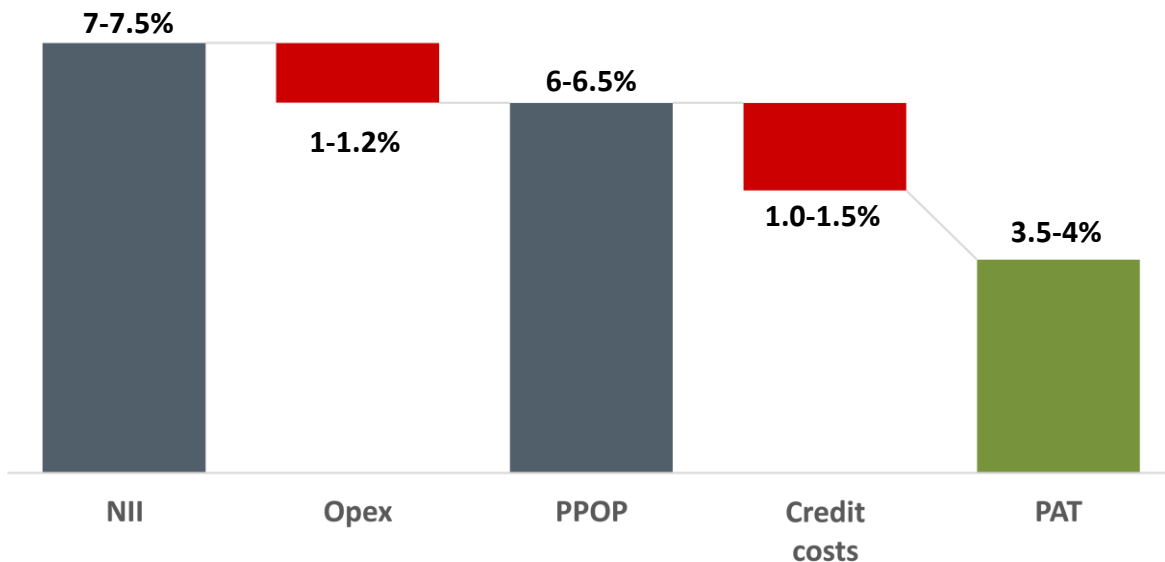


## What we are building towards

### Target mix for WS business



### Building a steady state 3.5-4% ROA business



Note: NII: Net Interest Income (includes fee income); PPOP: Pre-Provisioning Operating Profit

## In conclusion

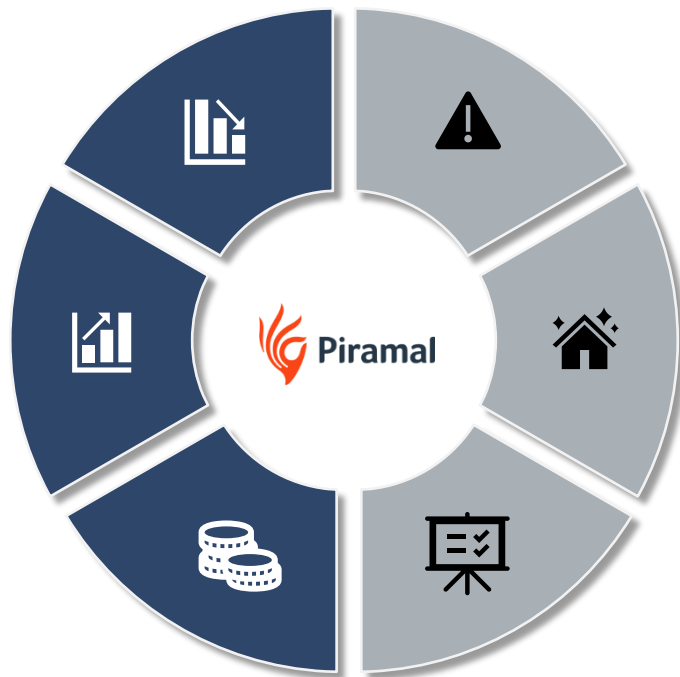
◀◀◀ **Our execution**

**Key monitorables** ▶▶▶

**Effective rundown of WS 1.0 portfolio**

**Building a granular WS 2.0 portfolio**

**Building a 3.5-4% ROA business by FY28**



**WS 1.0 book rundown and SRs reduction / resolution**

**Monitor the status of stage 2 + 3 loan portfolio**

**Growth of WS 2.0 book**



# 4. Alternatives

# Experienced and strong leadership team to drive alternatives business



**Kalpesh Kikani**  
CEO, Piramal Alternatives



**Shantanu Nalavadi**

**MD – India  
Resurgence Fund**

30+ years

**nsr** | new silk route  
GROWTH CAPITAL



**Naval Totla**

**Co-head – Hybrid  
Growth Fund**

25+ years



**Gurudutta Mishra**

**Principal – Performing  
Credit Fund**

20+ years



**Dhiren Thakkar**

**Chief Financial  
Officer**

20+ years



**Vaibhav Rekhi**

**Partner – Funds  
and Capital**

20+ years



## Present in various funds with marquee investors having strong performance track record



Fund	Partner/Co-sponsor	Capital <sup>1</sup>	Gross IRR <sup>1</sup>
<p><b>Piramal Performing Credit Fund</b> <i>(Launched in Feb-2020)</i></p>		<p><b>\$300 mn</b> committed; ~70% deployed</p>	<p>~17%</p>
<p><b>India Resurgence Fund</b> <i>(Launched in Sep-2018)</i></p>	  	<p><b>\$629 mn</b> committed; ~72% deployed</p>	<p>~23%</p>

**Propose to increase AUM from ~\$1 bn to ~\$3.5 bn by FY28**

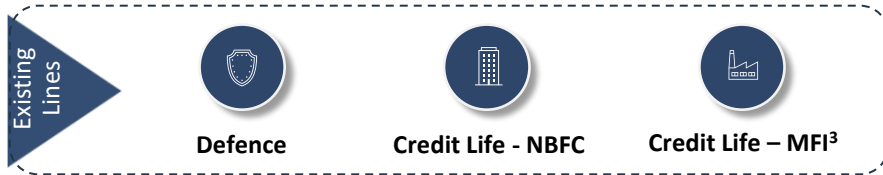
**Plan to launch follow-on funds** for both existing funds and launching new funds such as Hybrid fund

Note: <sup>1</sup> Deployment % is as of August 16, 2023 and IRR is as of June 30, 2023



# 5. Insurance

# Pramerica Life – Introduction



- **Strong market dominance** and **healthy share** in niche spaces
- **Highest market share** in Defence segment. ‘Prahri’ most salient brand<sup>5</sup> after LIC
- Expertise in running Worksite model & Monthly mode businesses
- Since inception, partnered with **100+** MFIs, **50+** Rural & Co-operative Banks

## Governance & processes ensured ‘Quality of Business’

**78%**  
13M Persistency

**98.8%**  
Claims Paid Ratio<sup>4</sup>

**369%**  
Solvency Margin

**NO**  
Adverse Regulatory  
Observations

**Reduction**  
in Customer Complaints<sup>6</sup>

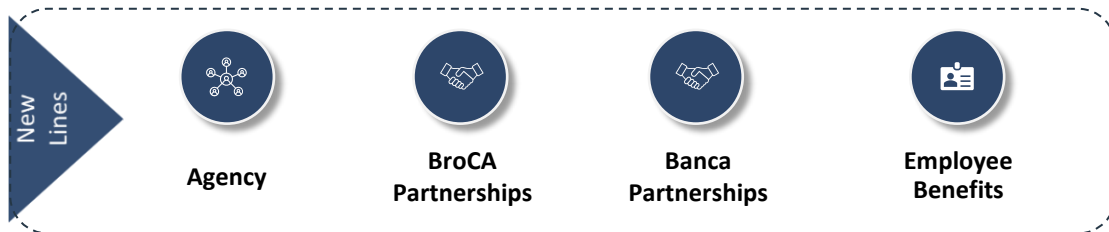
**Increase**  
in Employee Productivity

**People capability**  
Employee centric culture | GPTW<sup>7</sup>

**Tech capability**  
Online journey | External integration

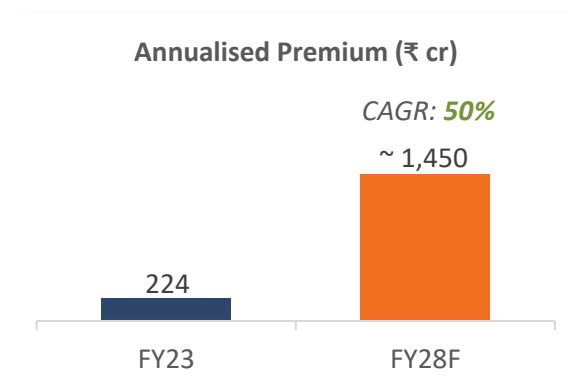
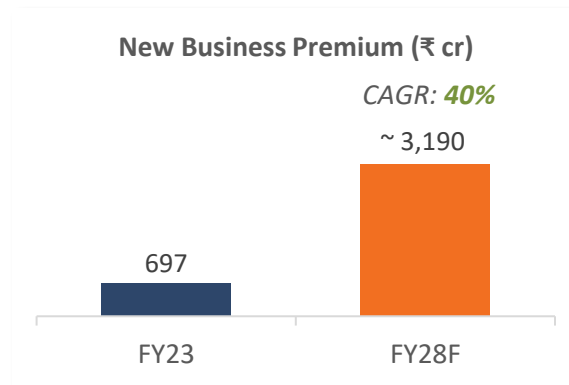
Note: <sup>1</sup> Basis New Business Premium (NBP); <sup>2</sup> Rank for YTD Jul-23; <sup>3</sup> Microfinance institutions; <sup>4</sup> For retail; <sup>5</sup> Brand Health Survey by Nielsen IQ; <sup>6</sup> Per 10,000 policies sold; <sup>7</sup> Great Place To Work Certified

## Growth with value creation



- **Strengthening market leadership** in established businesses
- **Expanding retail distribution** with Agency & BroCA<sup>1</sup> scale up & initiation of Bancassurance
- Driving **balanced product mix** by growing Unit Linked business
- Exploring and deepening **synergies** with Piramal's distribution
- Building capabilities in other **growth & value levers**, such as Health, Retirement, Annuity, etc.

Note: <sup>1</sup> Brokers & Corporate Agents

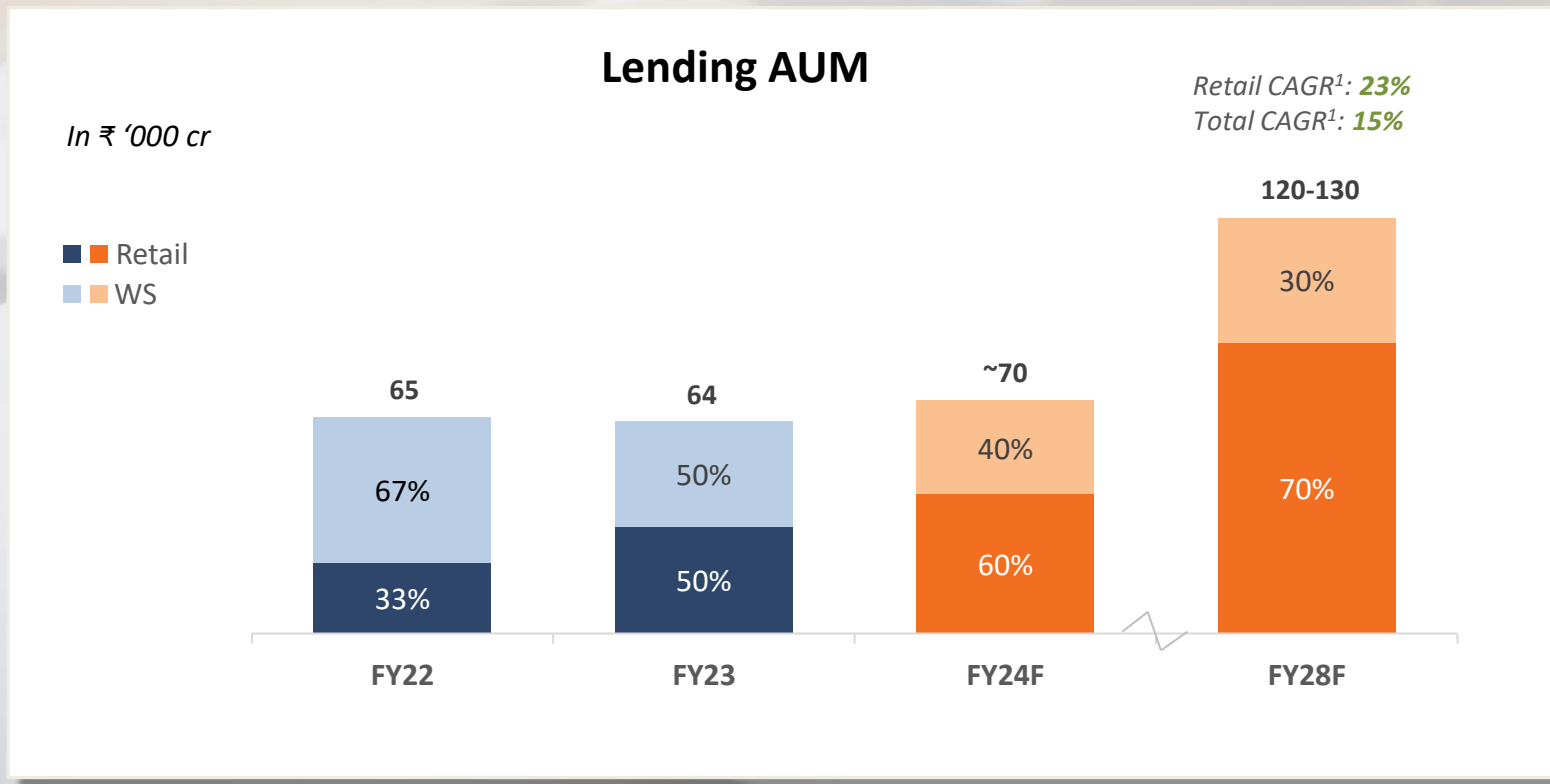






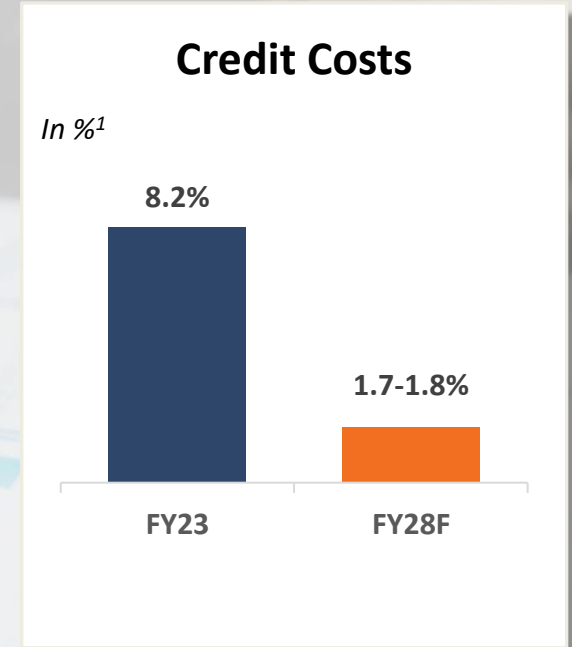
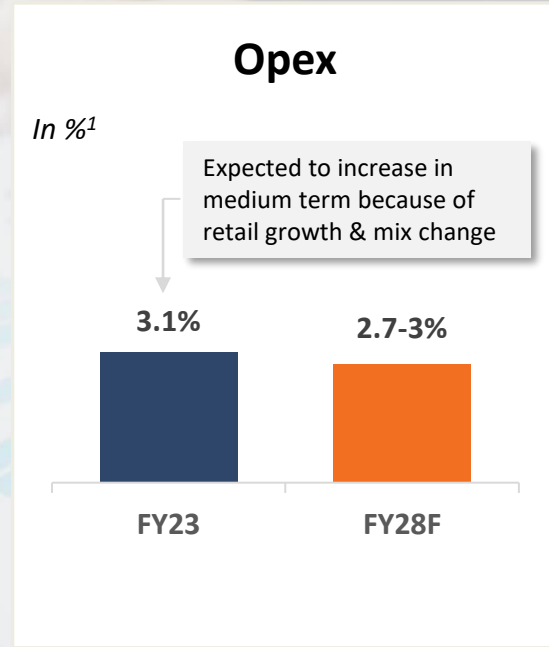
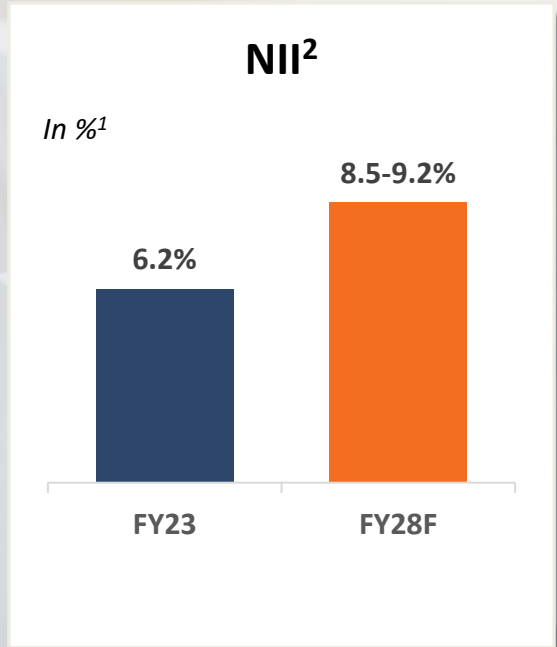
# 6. Financial overview

# AUM to grow 2X by FY28



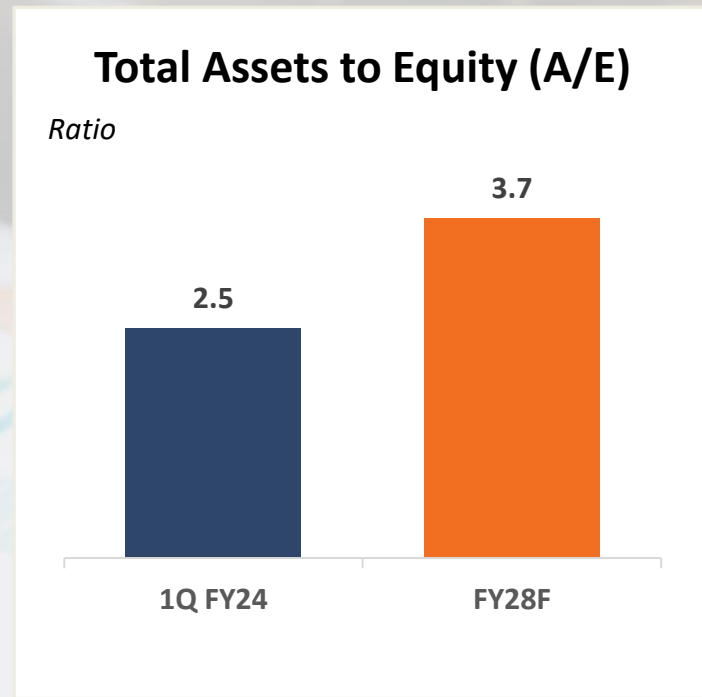
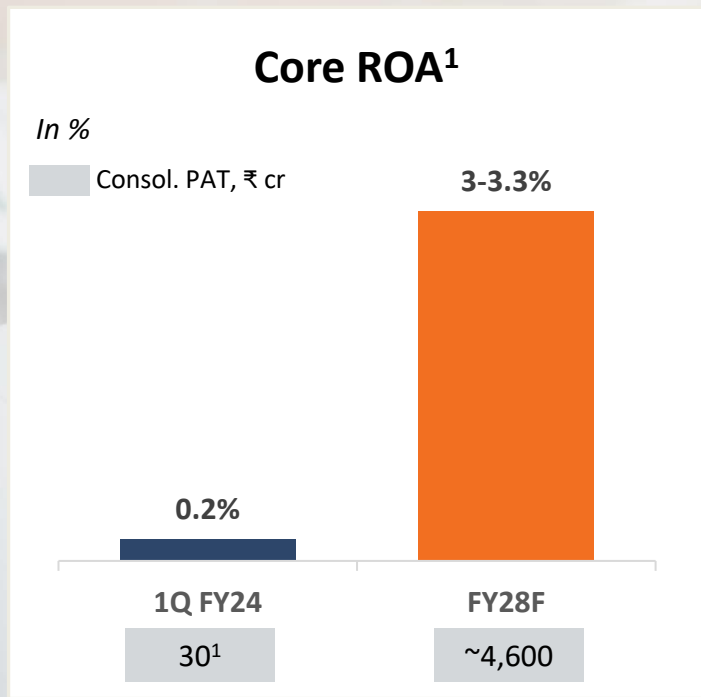
Note: <sup>1</sup> From FY23

# Key operating metrics to drive performance efficiency of lending business



Note: <sup>1</sup>As percentage of Lending AUM; <sup>2</sup> NII includes fee income

Expect to reach 3-3.3% consolidated ROA with 3.7x A/E by FY28



Ability to further enhance ratios, through efficient capital utilization from M&As and corporate actions

Note: <sup>1</sup> 1Q FY24 ROA excludes impact of extraordinary gains on Shriram investments and goodwill write-off in PFMP



# 7. Closing remarks

## Closing remarks



**Stepping back into the growth mode with aim to achieve 3-3.3% ROA by FY28**



**Building a leading Housing focused diversified retail franchise with “High Touch + High Tech” strategy**



**WS 1.0 book run down and building a granular WS 2.0**



**Leveraging balance sheet strength to pursue M&A**

**On path to become a world class retail led NBFC**



# 8. Q&A

# Thank You

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