

9<sup>th</sup> November, 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

**Sub: Press Release and Investor Presentation – Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter and half year ended 30<sup>th</sup> September, 2023**

Dear Sir / Madam,

Further to our intimation made earlier with regard to Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter and half year ended 30<sup>th</sup> September, 2023 ('Financial Results'), please find enclosed herewith the Press Release and the Investor Presentation on the Financial Results.

The above information is also available on the website of the Company at [www.piramal.com](http://www.piramal.com).

Request you to please take the above on record.

Thanking you,

Yours truly,  
For **Piramal Enterprises Limited**

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

Encl.: a/a

**PRESS RELEASE**
**Piramal Enterprises Limited announces consolidated results for Q2 and H1 FY2024**

**Mumbai, India | November 9<sup>th</sup>, 2023:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Second Quarter (Q2) FY2024 ended 30<sup>th</sup> September 2023.

**Consolidated Highlights**

- Total Assets Under Management (AUM) up 4% QoQ and 5% YoY to INR 66,933 Cr.
- Retail to Wholesale AUM mix improved to 58:42 from 39:61 in Q2 FY23.
- Retail AUM<sup>1</sup> grew 55% YoY to INR 38,604 Cr.
- Wholesale 1.0\* AUM down 8% QoQ, while Wholesale 2.0^ AUM grew 48% QoQ.
- Reported Profit After Tax (PAT) for Q2 FY24 stood at INR 48 Cr.
  - PAT, excluding exceptionals and one-offs, stood at INR 113 Cr vs INR 30 Cr in Q1 FY24.
- Successfully completed share buyback of INR 1,750 Cr, announced by the Board last quarter.
- Strong net worth of INR 28,710 Cr with capital adequacy ratio of 31% on consolidated balance sheet.
- Consolidated GNPA ratio down 10 bps to 2.7%, NNPA ratio flat at 1.5%.

**Ajay Piramal, Chairman, Piramal Enterprises Ltd.**, said, "Our performance in the second quarter was supported by growth in AUM, led by retail business. The improved mix between the retail and wholesale showcases our dedicated efforts in building a robust and diversified non-banking financial institution.

We are consistently progressing on our strategic journey of building a leading multi-product retail business, optimally running down Wholesale 1.0\* book and building a granular Wholesale 2.0^ book. During this quarter, we also made progress on underlying profitability and asset quality of our portfolio.

We are also pleased that we completed the share buyback during the quarter, thus reiterating our commitment to value creation. Our balance sheet reflects a robust financial position, characterized by strong net worth and capital adequacy ratio.

Our retail lending business is consistently growing, driven by increased disbursements to fulfil the credit needs of the "Bharat" market. We will continue investing in talent, branches, cognitive intelligence, and data analytics to keep this momentum going.

In wholesale lending, we have significantly reduced our Wholesale 1.0\* AUM, with a concerted effort to further streamline this portfolio. Our Wholesale 2.0^ book is performing well, in line with or ahead of underwriting."

**Key Business Highlights**
**Retail Lending**

- **AUM**
  - Retail AUM<sup>1</sup> grew 55% YoY to INR 38,604 Cr, contributing 58% to overall AUM mix.
- **Disbursements**
  - Quarterly disbursements grew 57% YoY to INR 6,246 Cr.

- Housing disbursements grew 55% YoY to INR 2,313 Cr.
- Disbursement yields<sup>2</sup> stood at 14.2% from 14.7% in Q1 FY24.

- **Asset Quality**

- 90+ DPD<sup>3</sup> delinquency stable-to-down across retail products.

- **Scale and Presence**

- 442 branches and 142 microfinance active branches, serving 596 districts across 25 states.
- Customer franchise now stands at 3.6 Mn; Active customers stood at 1.1 Mn.
- >2.5 lakh new customers acquired during the quarter.

### Wholesale Lending

- **AUM**

- Wholesale 1.0\* AUM reduced 8% QoQ to INR 23,827 Cr.
- Wholesale 2.0^ AUM up 48% QoQ to INR 4,501 Cr.

- **Wholesale 2.0^ Disbursements**

- Disbursed INR 1,819 Cr in Q2 FY24, of which INR 1,115 Cr was disbursed in the month of Sep'2023.
- Average ticket size of Real Estate loans is INR 172 Cr and Corporate Mid-Market Lending is INR 64 Cr.
- Received pre-payments worth INR 966 Cr over last six quarters.

- **Asset Quality**

- Provision Coverage Ratio (PCR) of Wholesale AUM stood at 7.1%.
- Stage 1<sup>4</sup> AUM of INR 17,381 Cr, have an average yield of 12%.
- Stage 2+3 assets reduced by 63% YoY to INR 4,126 with a PCR of 32%.
- Wholesale 2.0^ portfolio is performing well, in line with or ahead of underwriting, as reflected in prepayments.
- SRs reduced by 9% QoQ to INR 4,862 Cr, Wholesale SRs reduced by 13% QoQ to INR 3,259 Cr.
- As resolution processes continue, we expect our SR portfolio to reduce in near term, while few more ARC sales are expected over the next two quarters.

### Liability Management

- We continue to focus on diversifying our borrowing mix including securitization.
- The fixed : floating rate debt mix improved to 54:46 and will continue to see further improvement in the coming few quarters.
- Our borrowing cost improved to 8.6% from 8.8% in Q2 FY23.
- Our ALM is well-matched with positive gaps across all buckets.

**Consolidated Profit & Loss:**
*(In INR Crores, unless specified)*

Consolidated Income Statement	Q2 FY24	Q1 FY24	QoQ %	Q2 FY23	YoY %	H1 FY24	H1 FY23	YoY %
Interest Income	1,800	1,725	4%	1,842	(2%)	3,525	3,872	(9%)
Less: Interest Expense	1,050	1,044	1%	1,013	4%	2,094	2,064	1%
<b>Net Interest Income (A)</b>	<b>750</b>	<b>681</b>	<b>10%</b>	<b>829</b>	<b>(9%)</b>	<b>1,431</b>	<b>1,807</b>	<b>(21%)</b>
Fee & Commission	125	90	39%	48	159%	215	111	93%
Dividend	13	76	(83%)	-	-	90	-	-
Others	26	44	(41%)	66	(61%)	69	94	(26)
<b>Other Income (B)</b>	<b>164</b>	<b>210</b>	<b>(22%)</b>	<b>114</b>	<b>44%</b>	<b>374</b>	<b>205</b>	<b>82%</b>
<b>Total Income (A+B)</b>	<b>914</b>	<b>891</b>	<b>3%</b>	<b>943</b>	<b>(3%)</b>	<b>1,806</b>	<b>2,013</b>	<b>(10%)</b>
Less: Operating Expenses (Opex)	664	628	6%	541	23%	1,293	983	31%
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>250</b>	<b>263</b>	<b>(5%)</b>	<b>402</b>	<b>(38%)</b>	<b>513</b>	<b>1,030</b>	<b>(50%)</b>
Less: Loan Loss Provisions & FV Loss / (Gain)	198	179	-	3,257	(94%)	377	3,347	(89%)
Less: Shriram FV Loss / (Gain)	-	(855)	-	-	-	(855)	-	-
<b>Profit Before Tax Goodwill Write-Off</b>	<b>53</b>	<b>939</b>	<b>-</b>	<b>(2,855)</b>	<b>-</b>	<b>991</b>	<b>(2,317)</b>	<b>-</b>
Less: Goodwill Write-Off	-	278	-	-	-	278	-	-
<b>Profit Before Tax</b>	<b>53</b>	<b>661</b>	<b>-</b>	<b>(2,855)</b>	<b>-</b>	<b>713</b>	<b>(2,317)</b>	<b>-</b>
Less: Current & Deferred Tax	11	173	-	(694)	-	184	(548)	-
<b>Profit After Tax (PAT)</b>	<b>42</b>	<b>488</b>	<b>-</b>	<b>(2,161)</b>	<b>-</b>	<b>530</b>	<b>(1,769)</b>	<b>-</b>
Add: Associate Income	71	21	236%	172	(59%)	92	321	(71%)
<b>PAT Before Exceptional Gain / (Loss)</b>	<b>113</b>	<b>509</b>	<b>-</b>	<b>(1,989)</b>	<b>-</b>	<b>621</b>	<b>(1,447)</b>	<b>-</b>
Add: Exceptional Gain / (Loss) <sup>5</sup>	(64)	-	-	452	(114%)	(64)	8,066	(101%)
<b>Reported Net Profit / Loss after Tax</b>	<b>48</b>	<b>509</b>	<b>-</b>	<b>(1,536)</b>	<b>-</b>	<b>557</b>	<b>6,619</b>	<b>-</b>

Notes: (^) Wholesale 2.0 refers to loans sanctioned under new RE and 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) & Pass-through certificates (PTC) (INR 1,782 Cr for Q2 FY24), Direct Assignment (DA) (INR 612 Cr as of Q2 FY24) and excludes acquired off-book assets (INR 10,959 Cr for Q2 FY24) in the nature of DA & PTC as part of the DHFL acquisition.

(2) Disbursements of <1 yr. duration (3% for Q2 FY24) having higher average yield (15.8% for Q2 FY24) not included in the above calculation.

(3) 90+ DPD delinquency = 90 to 179 days DPD.

(4) Excludes land / receivables, SRs and DHFL book.

(5) In furtherance to the order dated 5<sup>th</sup> September 2023 and 20<sup>th</sup> September 2023 of the Hon'ble Delhi High Court in W.P. (CRL) 2555/2023, Piramal Fund Management Private Limited, has agreed to refund / return the principal amounts to all investors of Indiareit PMS as a one-time payment without admission of any liability and without prejudice basis.

**About Piramal Enterprises Ltd:**

Piramal Enterprises Ltd. (PEL) is a leading diversified Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI), with presence across retail lending, wholesale lending, and fund-based platforms. The company has investments and assets worth ~\$10 billion, with a network of branches across 25 states/UTs.

PEL has built a technology platform, which is driven by artificial intelligence (AI), with innovative financial solutions that cater to the needs of varied industry verticals. PEL has steered dynamic business growth over the three decades of its existence, staying focused on both organic as well as inorganic growth strategy.

PEL made its foray into the financial services sector with Piramal Capital & Housing Finance Ltd., a housing finance company registered with the Reserve Bank of India that is engaged in various financial services businesses. The company provides end-to-end financing solutions in both wholesale and retail funding opportunities across sectors such as real estate and infrastructure, renewable energy, hospitality, logistics, industrials, and auto components.

Within retail lending, through its multi-product platform, the Company offers home loans, loans for small businesses and loans for working capital to customers in affordable housing and mass affluent segments across tier I, II and III cities. Within wholesale lending, the business provides financing to real estate developers, as well as corporate clients in select sectors.

PEL has also formed strategic partnerships with leading financial institutions such as CPPIB, APG and Ivanhoe Cambridge (CDPQ) across various investment platforms. Piramal Alternatives, the fund management business, provides customised financing solutions to high-quality corporates through – 'Piramal Credit Fund', a performing, sector-agnostic Credit fund with capital commitment from CDPQ; and 'IndiaRF', a distressed asset investing platform with Bain Capital Credit, which invests in equity and/or debt across non-real estate sectors. The Company also has a 50% stake in Pramerica Life Insurance – a joint venture with Prudential International Insurance Holdings.

For more information visit: [www.piramal.com](http://www.piramal.com), [Facebook](#), [Twitter](#), [LinkedIn](#)

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# Piramal Enterprises

Q2 & H1 FY24 results presentation

9<sup>th</sup> November 2023



# Table of contents

- 1 Key highlights
- 2 Retail lending
- 3 Wholesale lending
- 4 Financial performance
- 5 Appendix



# 1. Key highlights



## Q2 FY24 business performance

### AUM diversification and growth

Retail : Wholesale mix now at 58:42 (vs 33:67 at end-FY22)  
 AUM up 4%QoQ and 5% YoY to INR 66,933 Cr, after seven quarters of broadly unchanged overall AUM

### Retail scale up

Retail AUM<sup>1</sup> scaling up steadily, up 55% YoY to INR 38,604 Cr

### Wholesale 1.0\* AUM reduction Wholesale 2.0^ AUM buildout

Wholesale 1.0\* AUM down 8% QoQ to INR 23,827 Cr

Wholesale 2.0^ AUM up 48% QoQ to INR 4,501 Cr

### NPA ratios

GNPA ratio at 2.7% (vs 2.8% in Q1 FY24)

NNPA ratio stable at 1.5%

### Retail asset quality

90+ DPD<sup>2</sup> stable-to-down across retail products

### SRs resolutions

SRs reduced by 9% QoQ to INR 4,862 Cr, Wholesale SRs down 13% QoQ to INR 3,259 Cr

Notes: (1) Retail AUM includes security receipts (SRs) & pass-through certificates (PTC) (INR 1,779 Cr for Q2 FY24), direct assignment (DA) (INR 612 Cr as of Q2 FY24) and excludes acquired off-book assets (INR 10,959 Cr for Q2 FY24) in the nature of DA & PTC as part of the DHFL acquisition

(^) 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

(2) 90+ DPD delinquency = 90 to 179 days DPD

## Q2 FY24 financial performance

**NII**

**Recovers sequentially:** NII<sup>1</sup> up 10% QoQ led by recovery in NIM (up 38bps QoQ)

**Other income**

**Fees led strength:** Other income<sup>2</sup> up 13% QoQ led by fees

**PPOP**

PPOP<sup>3</sup> up 27% QoQ; led by total income<sup>3</sup> up 11% QoQ vs opex up 6% QoQ.

**Credit cost**

**Within expected range:** 2Q24 credit cost at 121 bps (vs 113 bps in Q1 FY24)

**PAT**

Reported PAT of INR 48 Cr (vs INR 509 Cr in Q1 FY24)  
 PAT, excluding exceptionals and one-offs, at INR 113 Cr (vs INR 30 Cr in Q1FY24)

**Balance sheet strength**

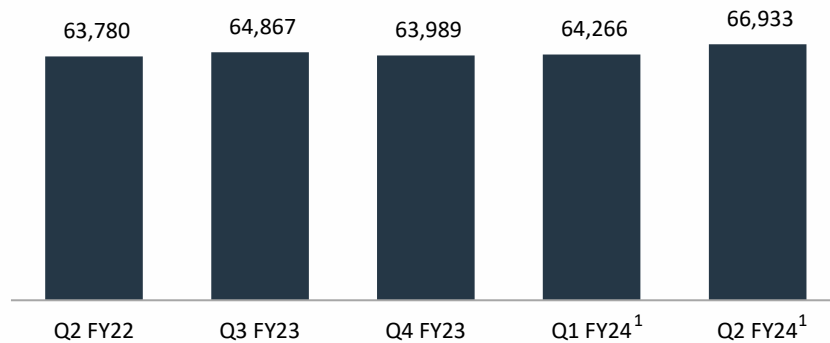
**Strongly capitalised:** Capital adequacy at 31% with net worth of INR 28,710 Cr  
 Completed share buyback of INR 1,750 Cr in Q2 FY24

Notes: (1) Net interest income = interest income - interest expense  
 (2) Other income includes all non-interest income and excludes dividend income  
 (3) Excluding dividend income from investments

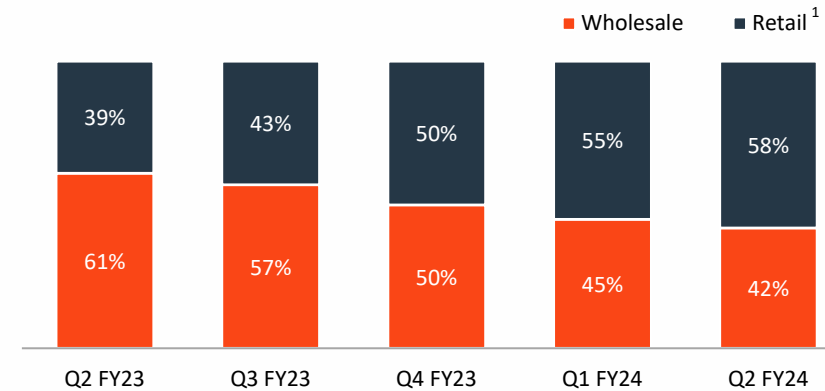
# AUM growth picks up along with continued diversification

## AUM up 5% YoY & up 4% QoQ

In INR Cr.

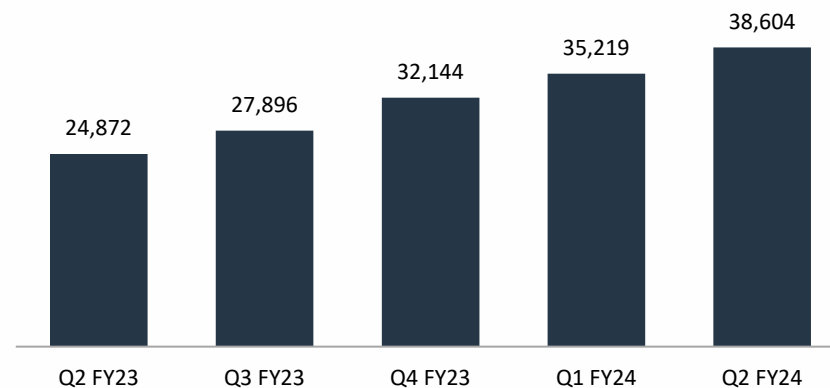


## AUM mix now at 58 : 42 for Retail : Wholesale



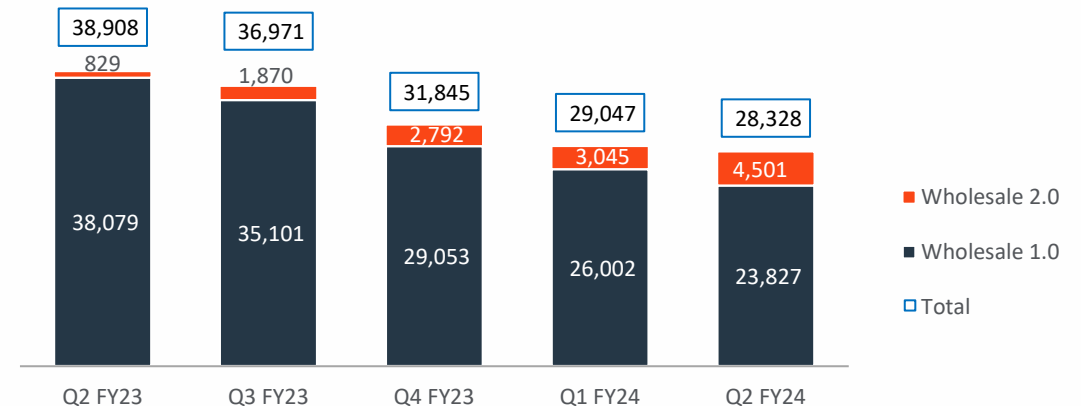
## Retail AUM<sup>1</sup> up 55% YoY

In INR Cr.



## Wholesale 1.0 AUM down 8% QoQ & 2.0 AUM up 48% QoQ

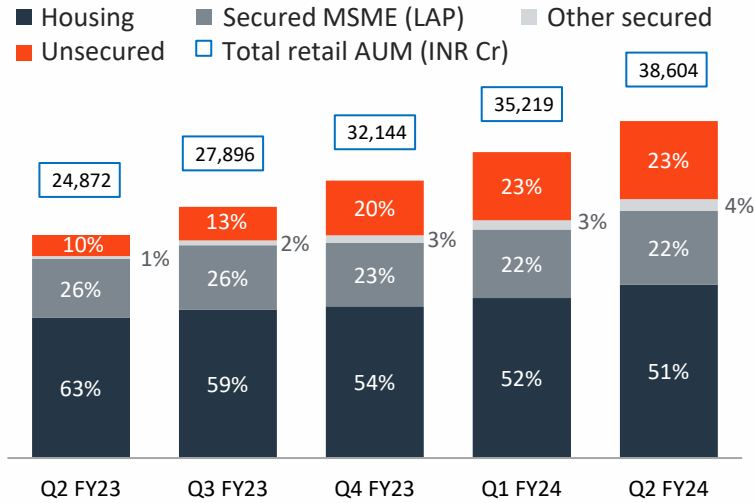
In INR Cr.



Note: (1) Retail AUM includes direct assignment (DA) of INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24

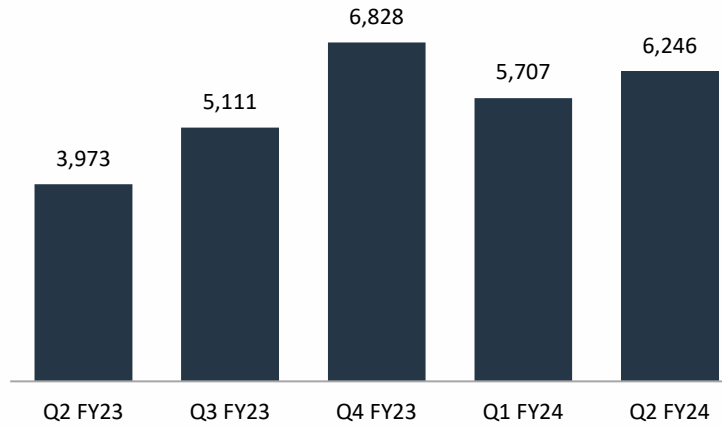
# Retail lending – growth across business verticals

## Retail AUM up 55% YoY



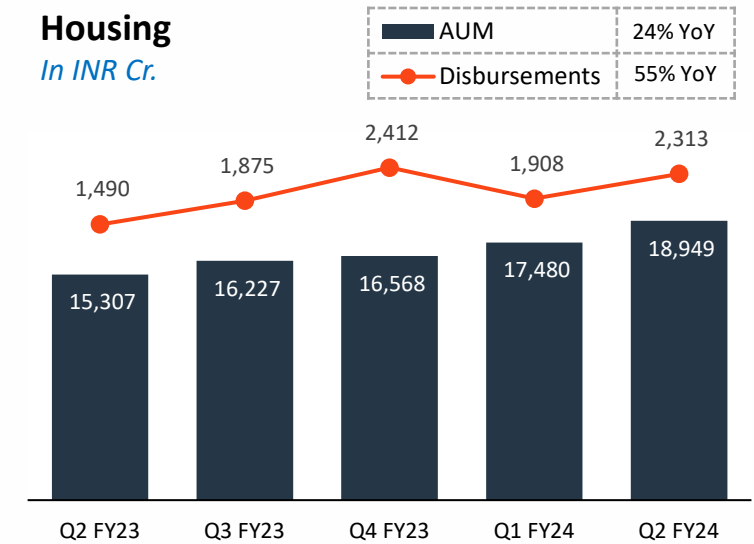
## Disbursements up 57% YoY

In INR Cr.



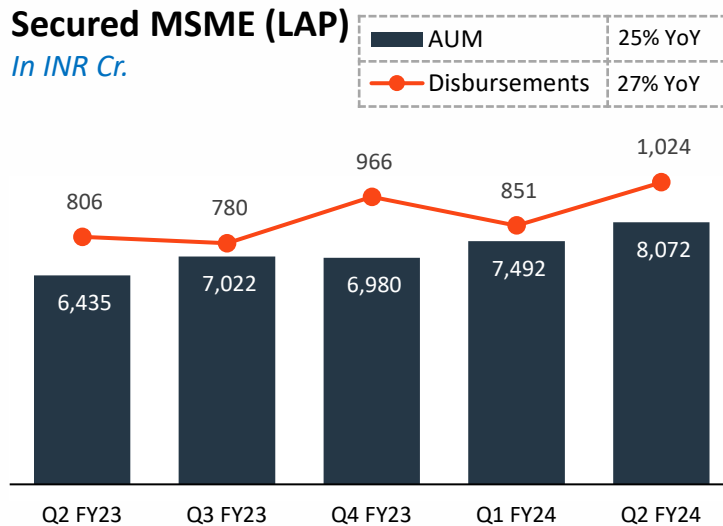
## Housing

In INR Cr.



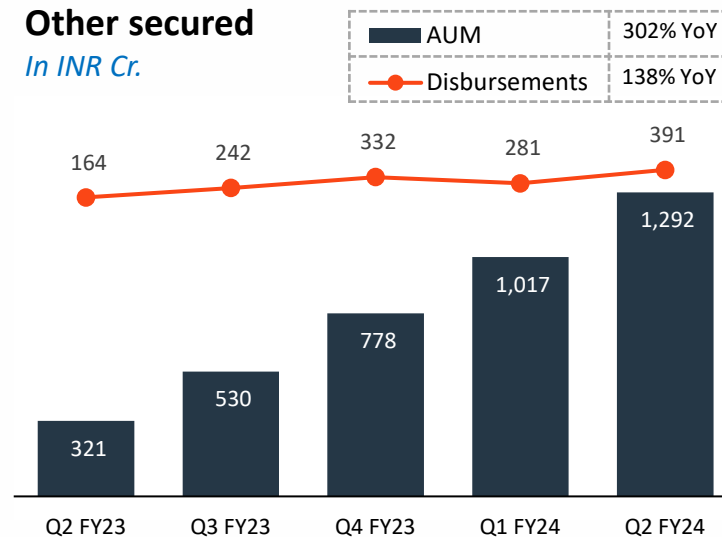
## Secured MSME (LAP)

In INR Cr.



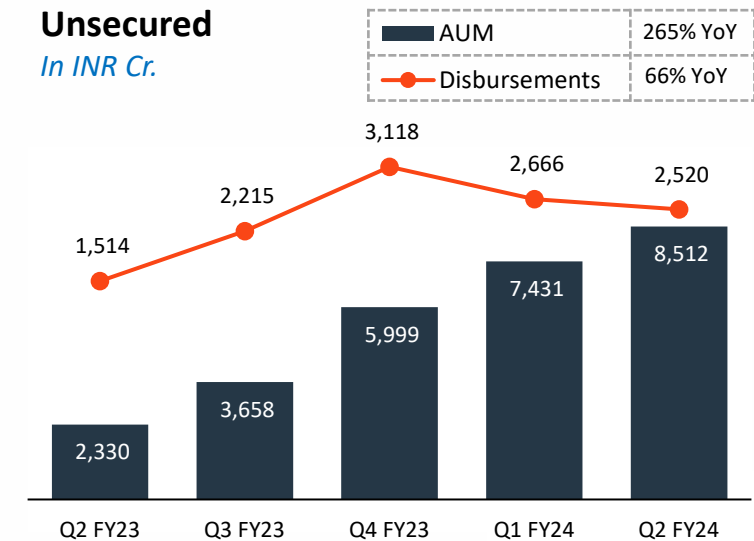
## Other secured

In INR Cr.



## Unsecured

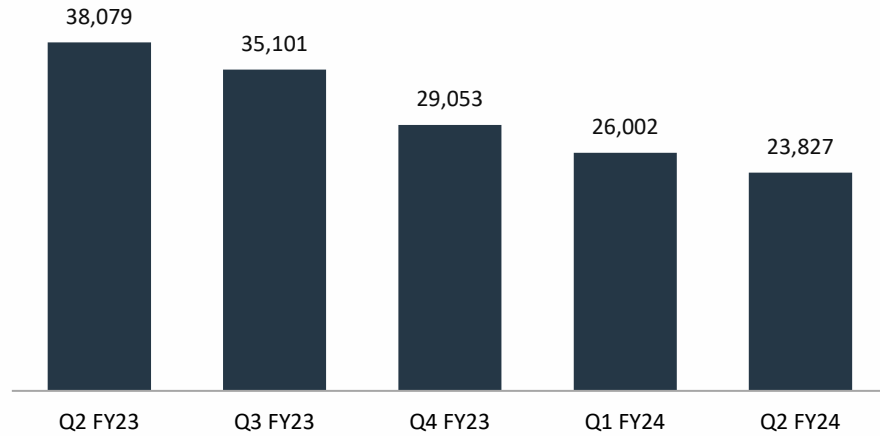
In INR Cr.



# Wholesale – effective rundown of old book and building a granular new book

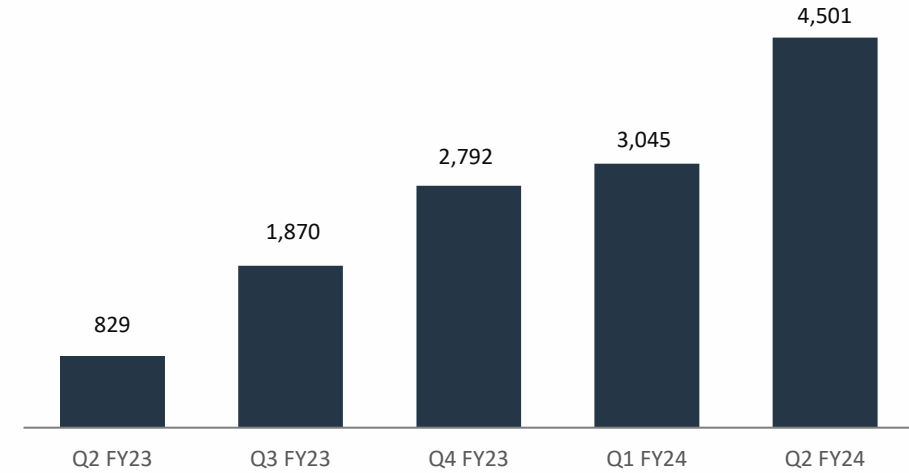
## Wholesale 1.0 AUM down 8% QoQ

*In INR Cr.*



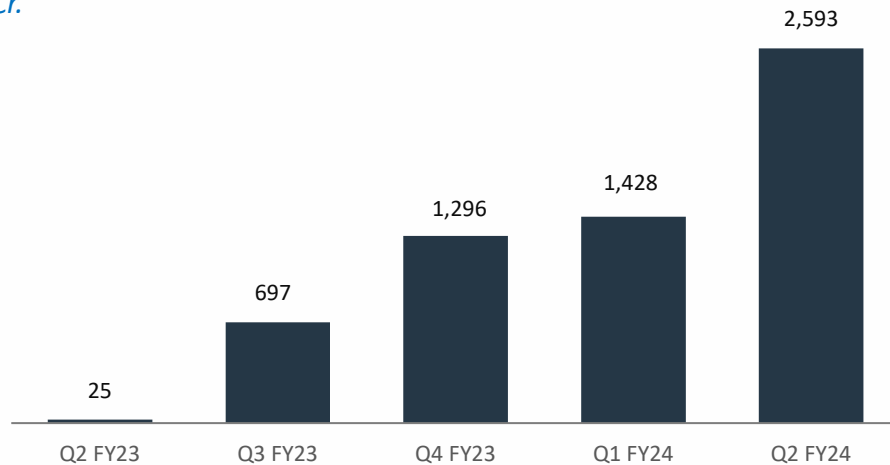
## Wholesale 2.0 AUM up 48% QoQ

*In INR Cr.*



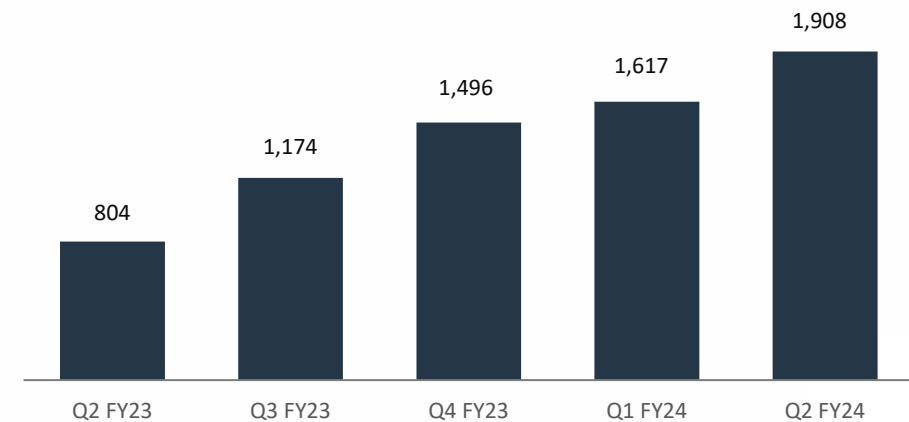
## New RE AUM up 82% QoQ

*In INR Cr.*



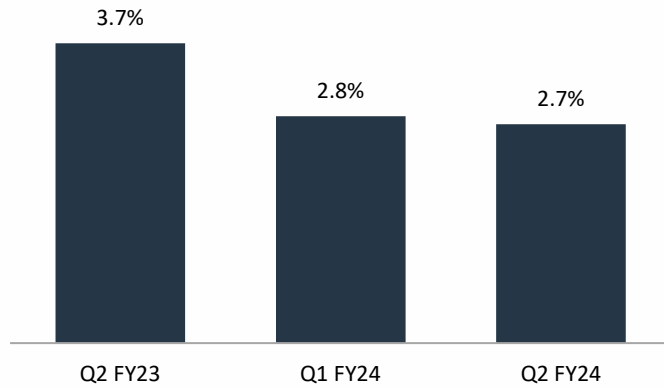
## New CMML AUM up 18% QoQ

*In INR Cr.*

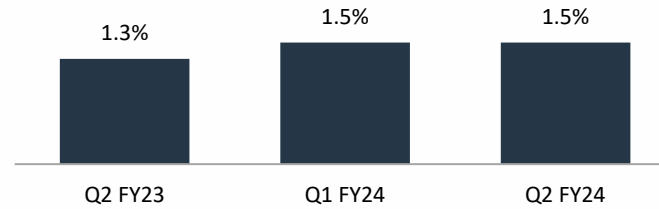


# Resolution of stressed assets and provisioning trends

**GNPA ratio – continues downward trend**

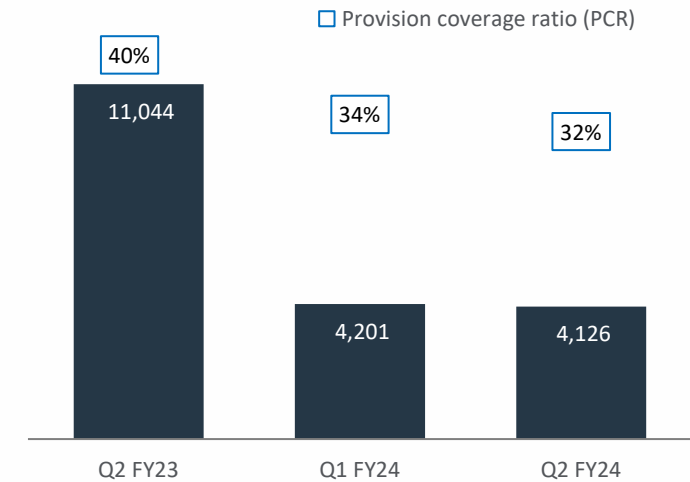


**NNPA ratio – largely stable**



**Wholesale stage 2+3 assets**

*In INR Cr.*

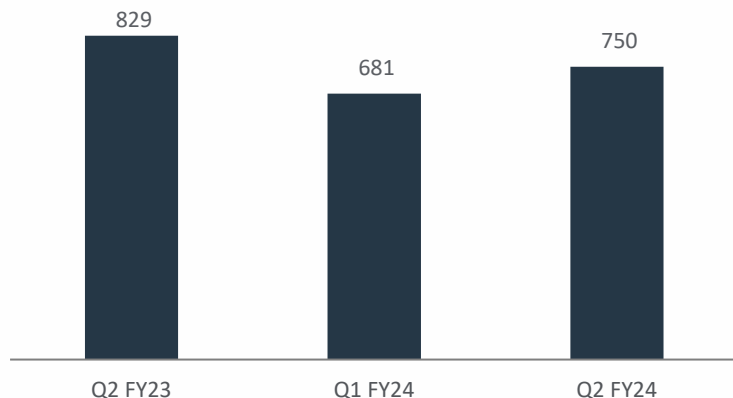


- **SRs** reduced by 9% QoQ to INR 4,862 Cr, of which 67% has wholesale loans as underlying assets
  - Wholesale SRs down 13% QoQ to INR 3,259 Cr
  
- **Wholesale stage 2+3 assets** reduced 63% YoY to INR 4,126 Cr with PCR of 32%

# P&L performance – consolidated entity

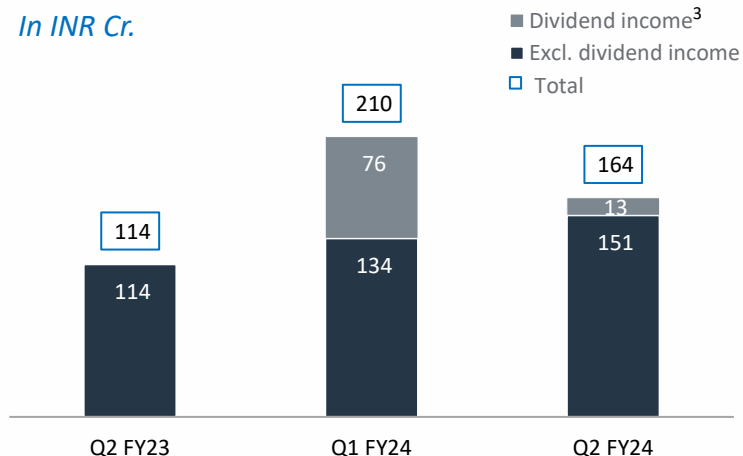
## Net interest income<sup>1</sup> – recovers sequentially

In INR Cr.



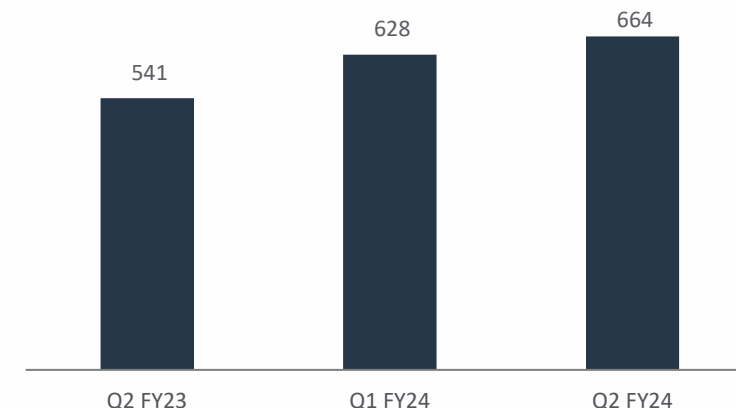
## Other income<sup>2</sup> – fee growth continues

In INR Cr.



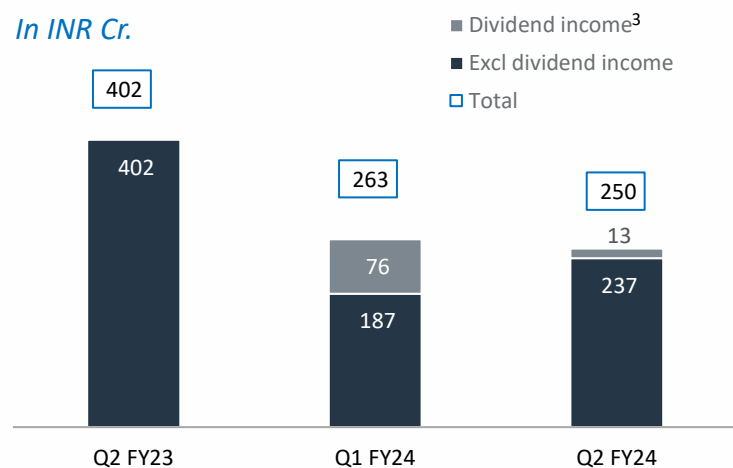
## Opex – led by changing AUM mix & investments

In INR Cr.



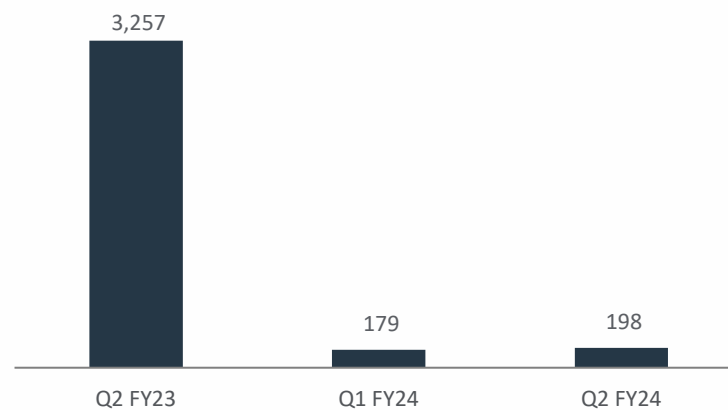
## PPOP – supported by NII & fee

In INR Cr.



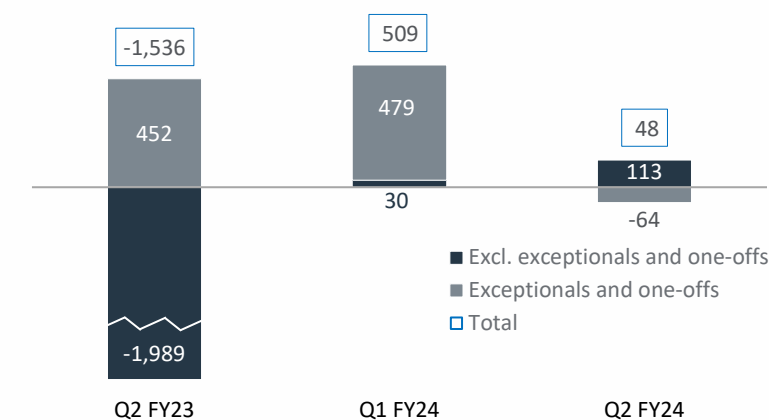
## Credit Cost – largely stable

In INR Cr.



## PAT – at INR 113 Cr, ex-exceptionals and one-offs

In INR Cr.

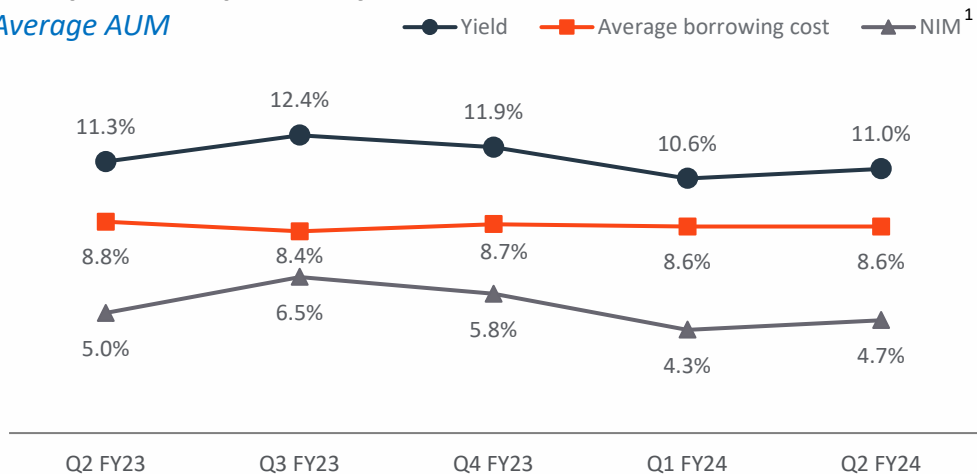


Notes: (1) Net interest income = interest income - interest expense  
 (2) Other income includes all non-interest income  
 (3) Dividend income in Q1 FY24 (INR 76 Cr) includes INR 62 Cr from the Shriram investments sold in Q1 FY24

# P&L performance – lending business

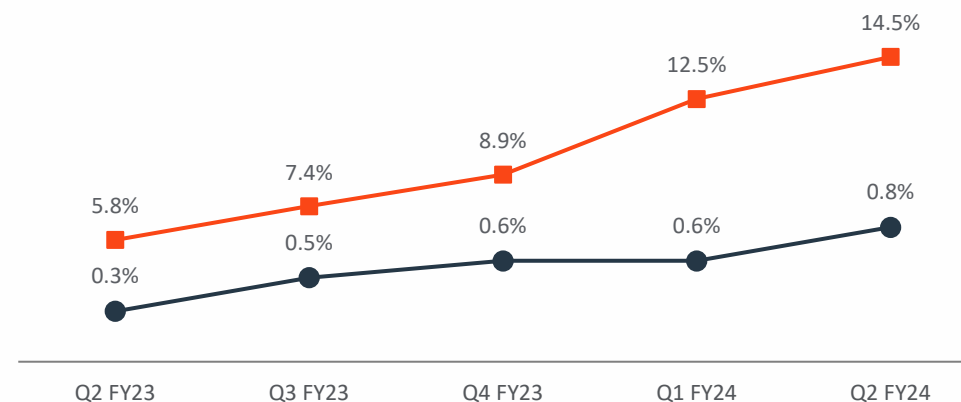
## NIM – expands sequentially

% of Average AUM



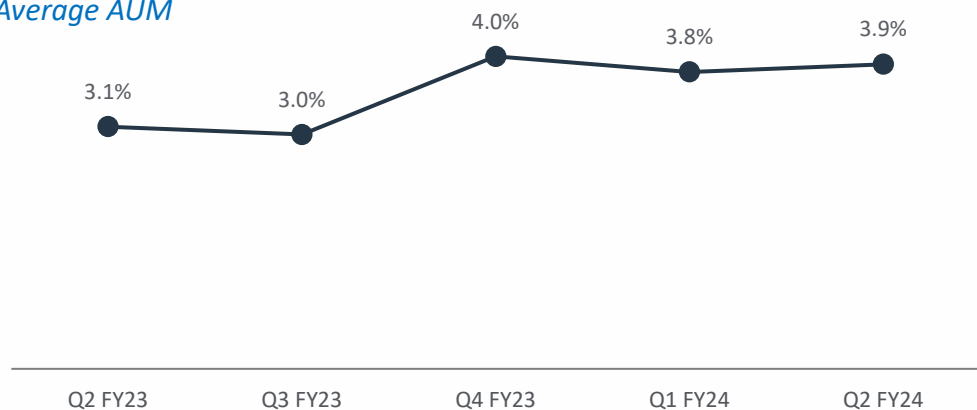
## Fee income – continues to grow

% of Total income<sup>2</sup>    % of Average AUM



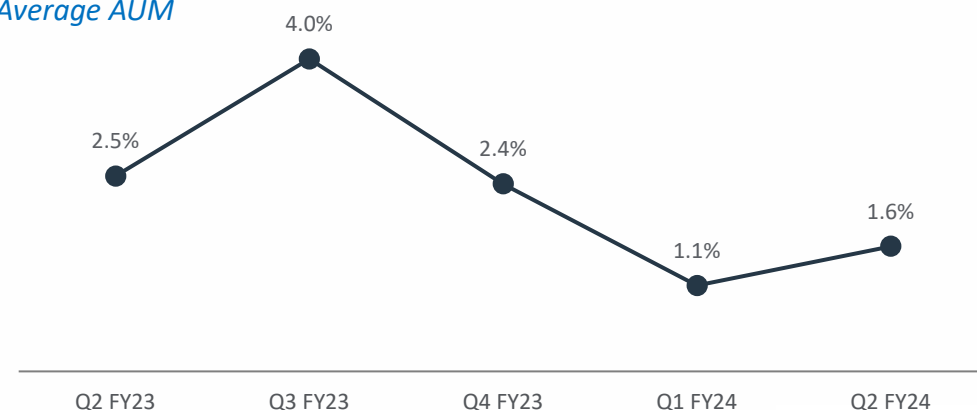
## Opex – broadly stable QoQ

% of Average AUM



## PPOP<sup>3</sup> – recovers QoQ

% of Average AUM



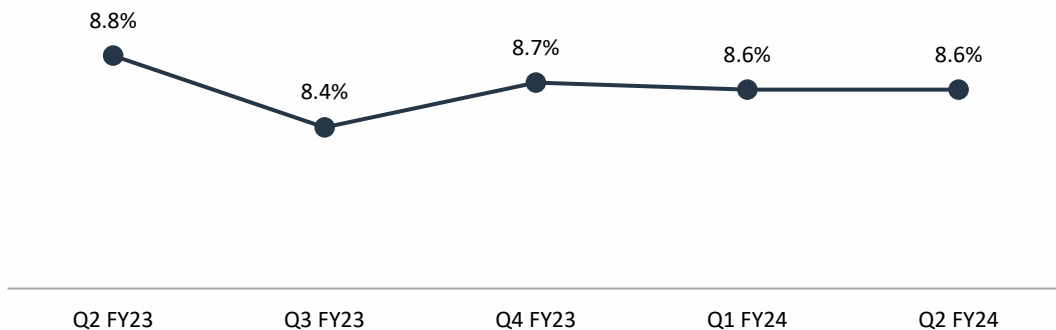
Notes: (1) Net interest margin = net interest income / average AUM  
 (2) Total income = net interest income + fee income  
 (3) Excludes dividend income



# Stable liability management

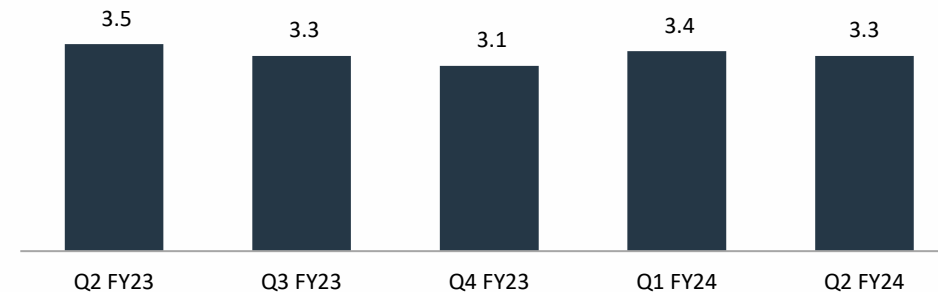
## Average borrowing cost

In %



## Maturity of borrowings

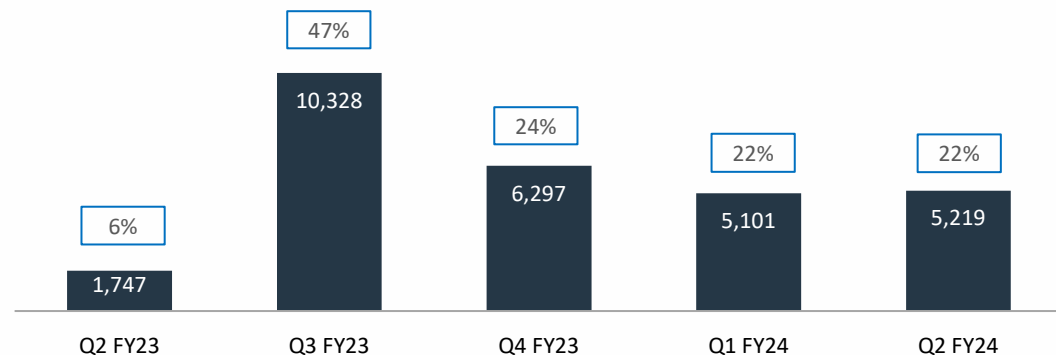
In years, weighted average on a residual basis



## Cumulative ALM gap<sup>1</sup> (up to 1 year)

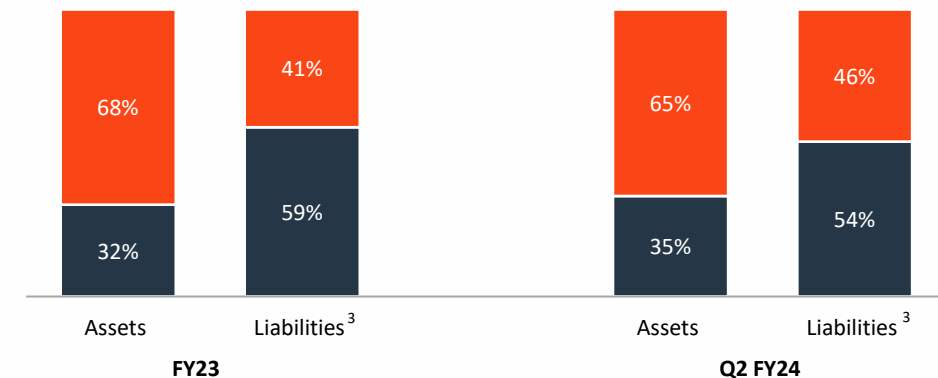
In INR Cr, period-end

□ GAP %<sup>2</sup>



## Fixed : Floating rate mix

■ Fixed rate ■ Floating rate



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 Q4 FY23 & 16,635 Cr for Q2 FY24

## Strategic priorities

Key metrics	Q2 FY24	FY28E <sup>1</sup>
Total AUM (INR '000 Cr)	~67 <i>(up 5% YoY)</i>	120-130 <i>(15% CAGR<sup>2</sup>)</i>
Retail : Wholesale mix	58 : 42	70 : 30
Retail AUM growth	55% YoY	23% CAGR <sup>2</sup>
ROA <sup>3</sup>	0.6%	3-3.3% <i>(Retail ROA: 2.5-3%; Wholesale ROA: 3.5-4%)</i>
Asset to equity (A/E)	2.7	3.7



### Lending to 'Bharat' markets in retail lending

- Building a housing focused diversified retail business
- Strong rigour on "High Tech + High Touch" strategy



### Building a diversified and granular wholesale business

- Optimal run down of Wholesale 1.0 AUM
- Building a profitable Wholesale 2.0 AUM



### Conservative liabilities mix



### Tech and analytics at the core of lending

Notes: (1) FY28 expectations as presented at [Investor Day](#) on 28 August 2023

(2) Over FY23

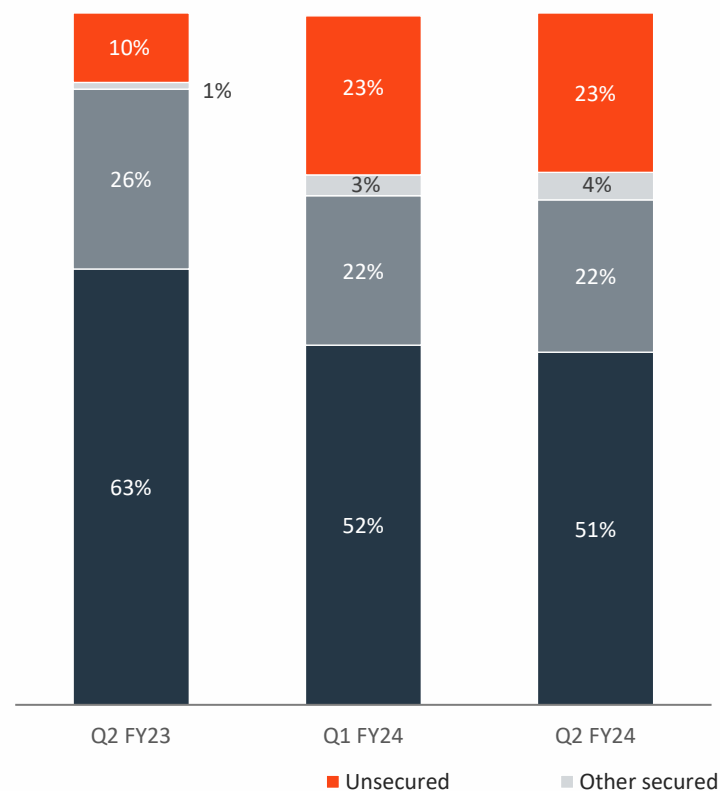
(3) ROA excludes exceptionals and one-offs



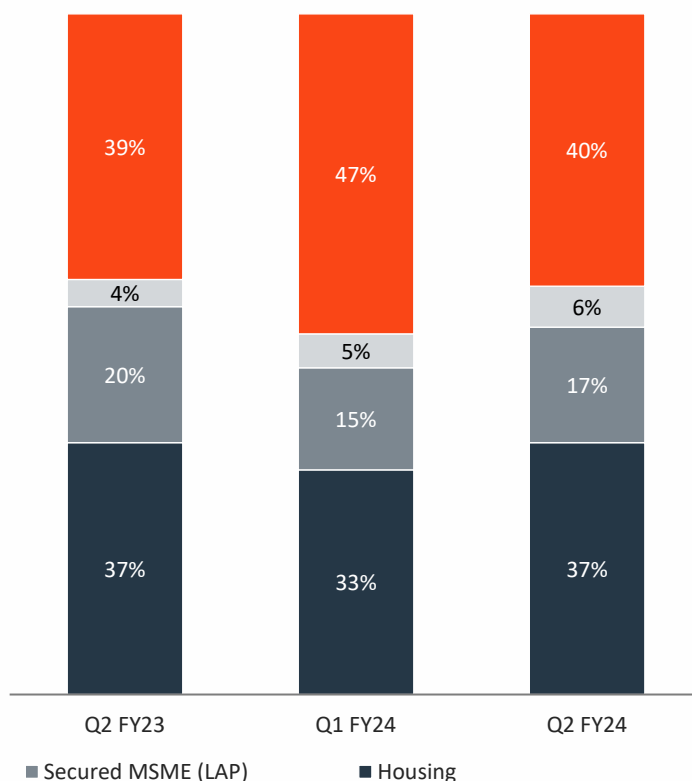
## 2. Retail lending

# Aligned with desired product mix – yields now in a range after a large mix driven shift

**Retail AUM by product family**  
based on value for retail loans



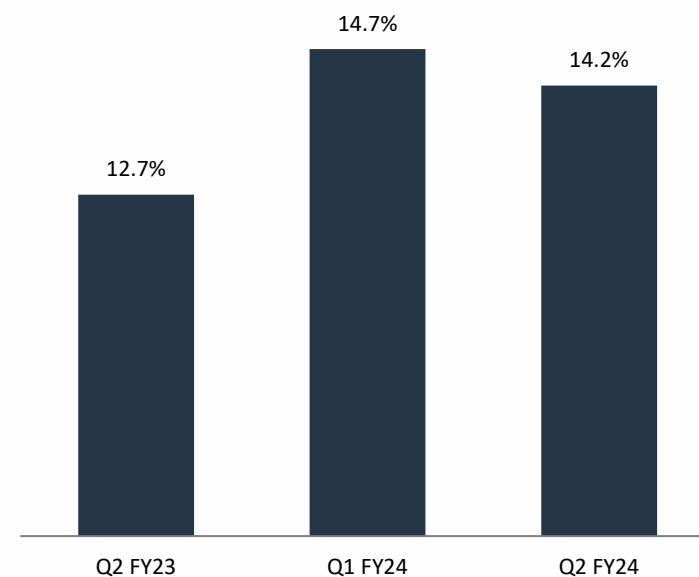
**Disbursements by product family**  
based on value for retail loans



**Disbursement yields<sup>1</sup>**  
for retail loans (loans >1 year duration)

QoQ decrease on account of:

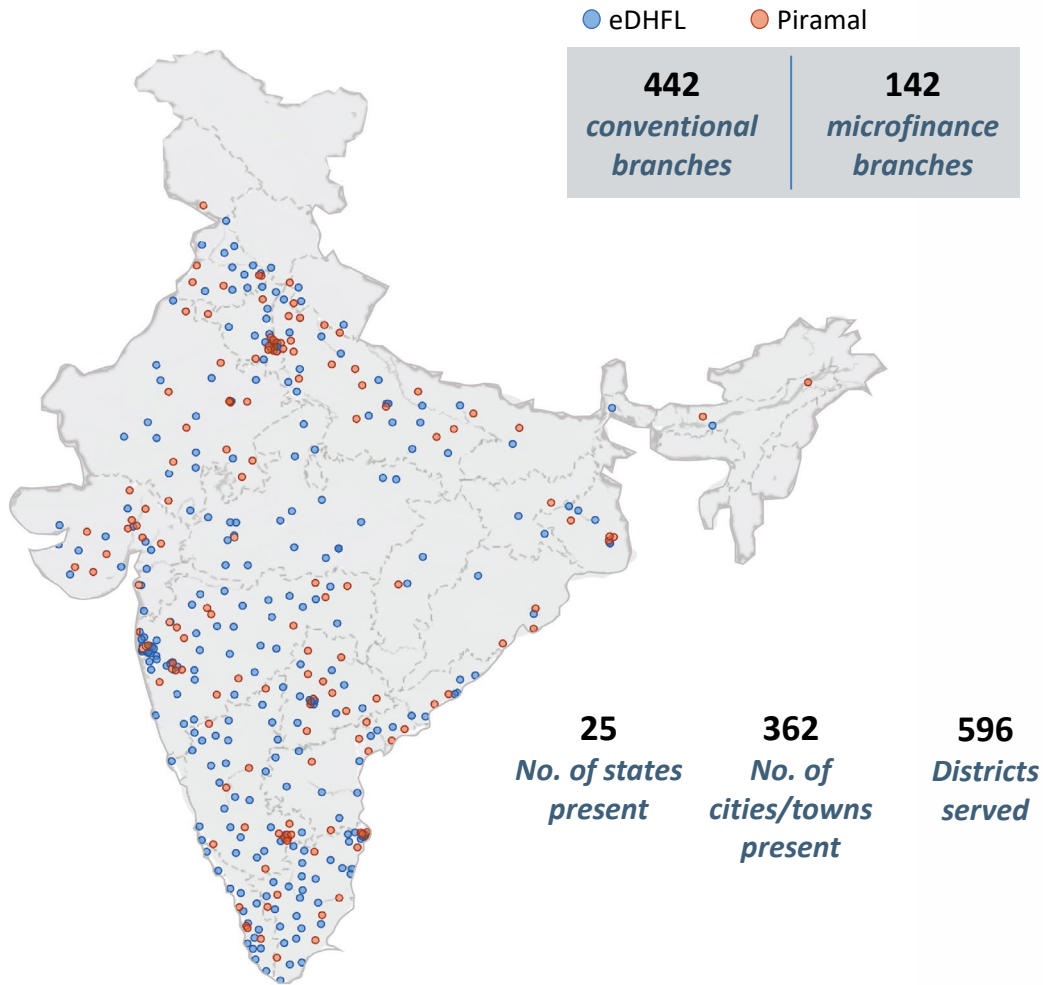
- Decrease in % share of unsecured disbursement
- Change in commercials for key partners due to new RBI digital lending guidelines



Note: (1) Disbursements of <1 yr. duration (3% for Q2 FY24) having higher average yield (15.8% for Q2 FY24) not included in the above calculation

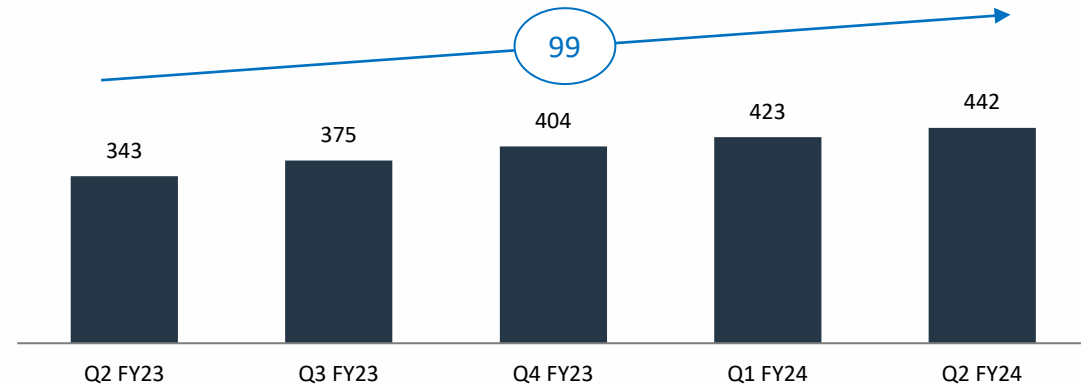
# Growth of network from 423 to 442 branches

Plan to expand to 500-600 branches



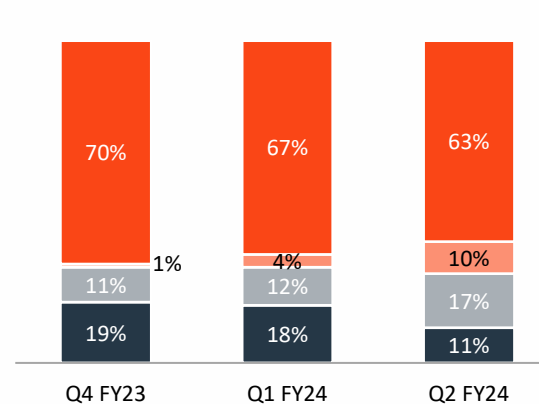
## 442 disbursement active branches

*No. of conventional branches*



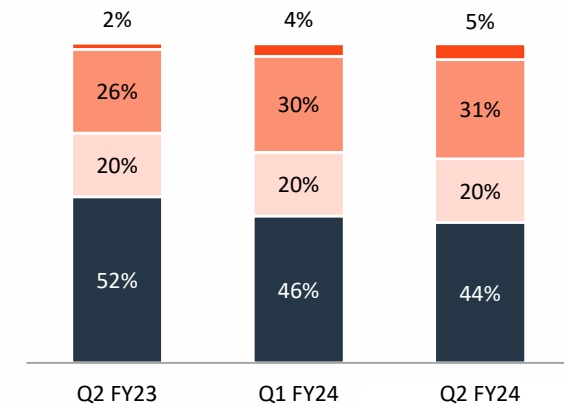
## Branch mix by vintage

■ <6 months ■ 6 months-1 yr. ■ 1-2 yrs. ■ >=2 yrs.



## Retail AUM by geographic exposure<sup>1</sup>

■ Metro Adjacent ■ Tier-1 ■ Tier-2 ■ Tier-3

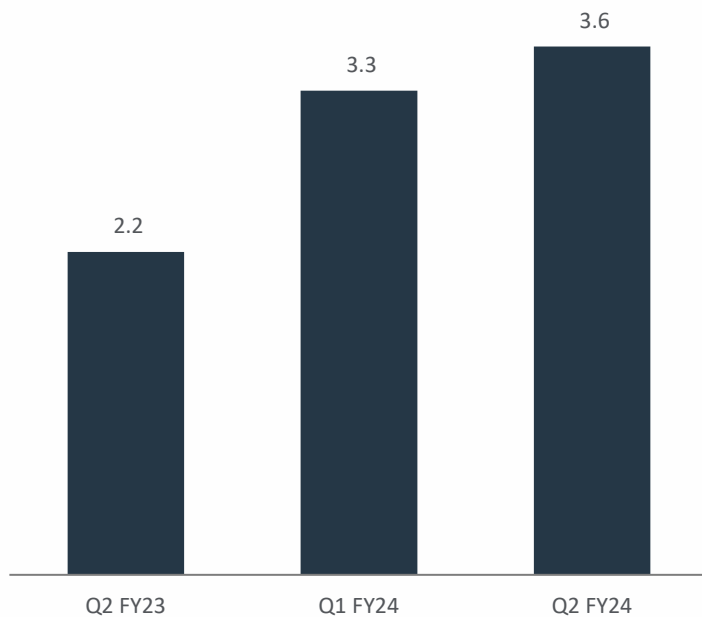


Note: (1) Population considered Tier 1: 40+ lacs, Tier2: 10-40 lacs, Tier3: <10 lacs; metro adjacent locations carved out from tier 1/2/3 for centres in peripheries of metros.

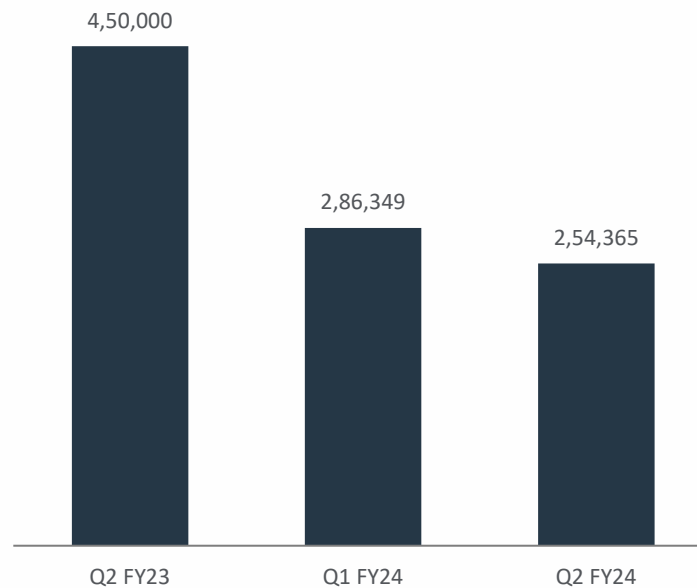
# Expanded customer franchise to 3.6 mn

## Customer franchise<sup>1</sup>

# Mn

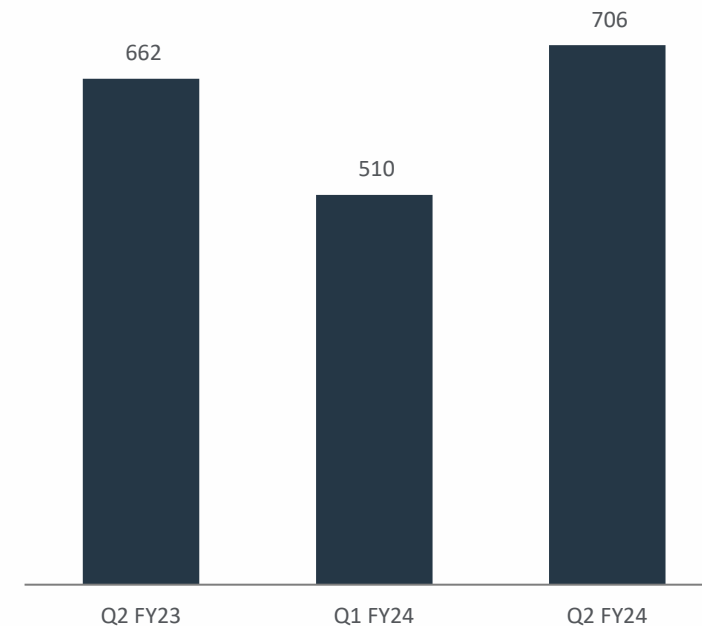


## New customers acquired

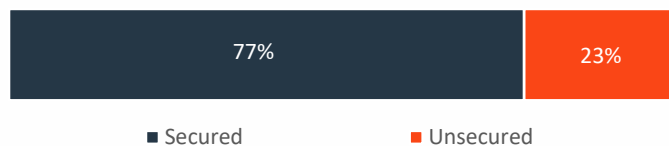


## Cross-sell disbursements

In INR Cr

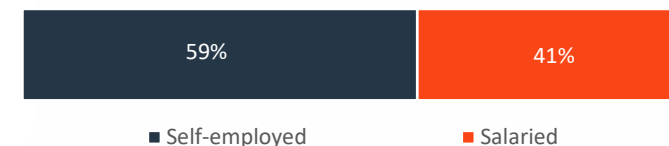


## Retail AUM by category



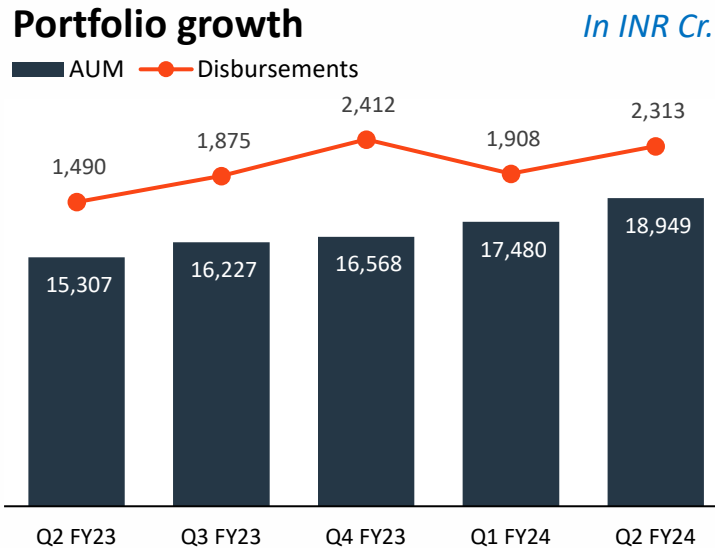
- We continue to grow our customer franchise
- 1.1 mn active customers

## Retail AUM by customer type

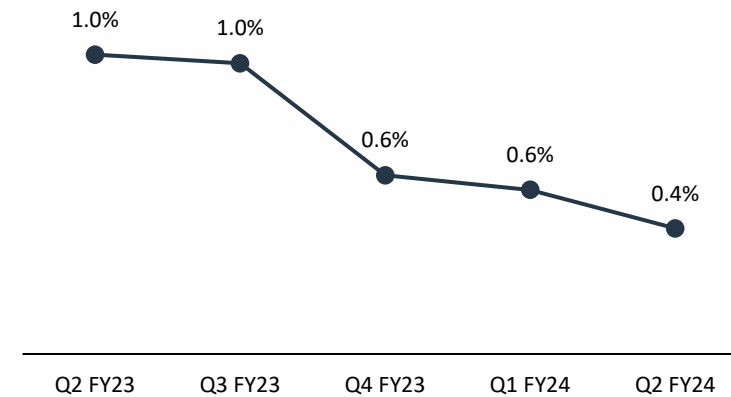


Note: (1) Customer franchise includes existing / past borrowers as well as co-borrowers

# Housing loans: fast growing, at-scale lender in affordable housing



### 90+ DPD delinquency<sup>1</sup>



**69%**

Lending in tier 2/3 cities



**18 Lac**

Average ticket size



**60%**

Average LTV



**747**

Average CIBIL score



**11.2%**

Disbursement yield

### Housing AUM by customer type



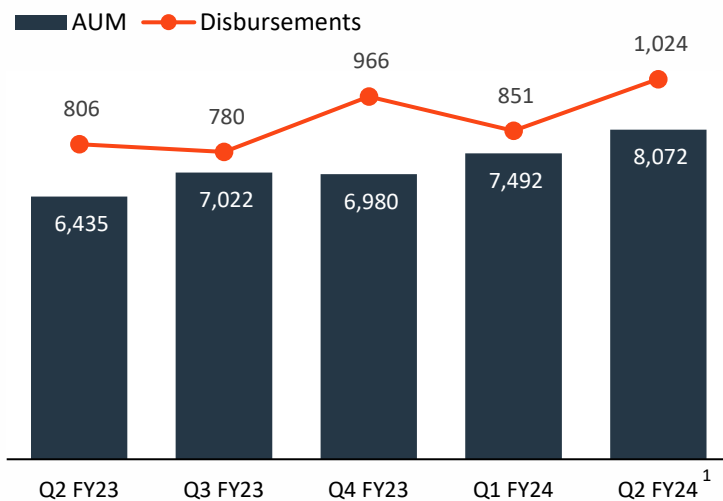
### Housing AUM by stage of construction



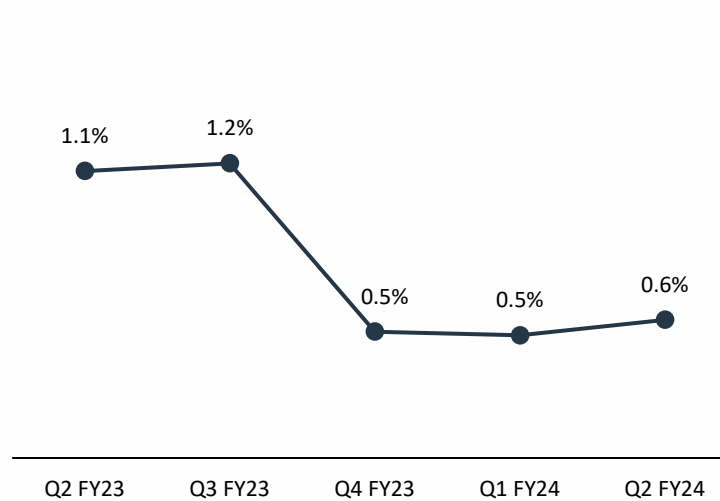
Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

# Secured MSME (LAP) loans: AUM and disbursements up 25-27% YoY

## Portfolio growth



## 90+ DPD delinquency<sup>2</sup>



**67%**

Lending in tier 2/3 cities



**22 Lac**

Average ticket size



**47%**

Average LTV



**744**

Average CIBIL score



**12.8%**

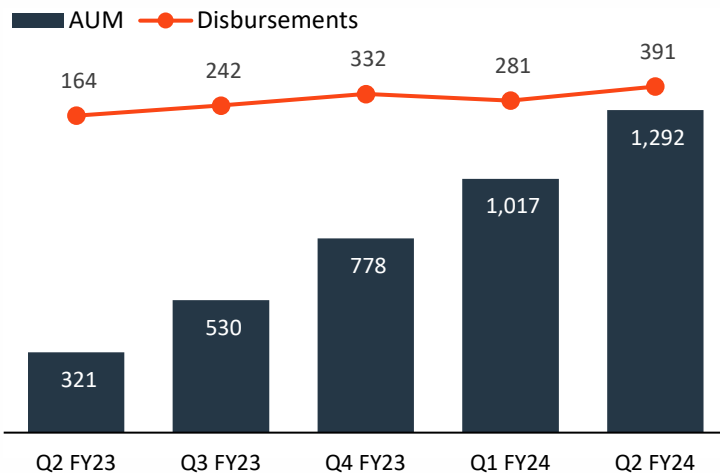
Disbursement yield

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

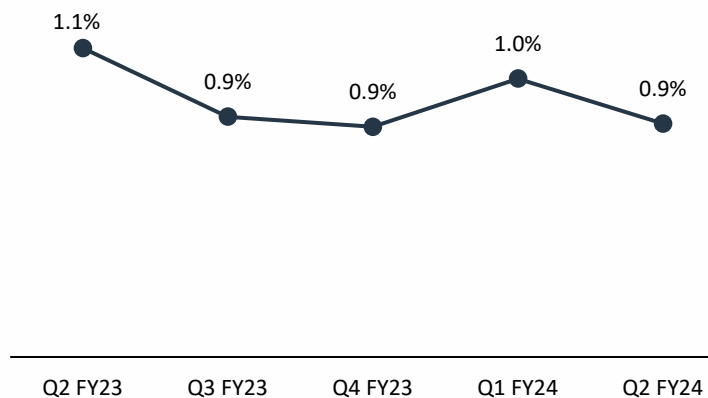


# Other secured loans: *steep growth trajectory in used car loans*

## Portfolio growth



## 90+ DPD delinquency<sup>1</sup>



**54%**

Lending in tier 2/3 cities



**6 Lac**

Average ticket size



**76%**

Average LTV



**741**

Average CIBIL score

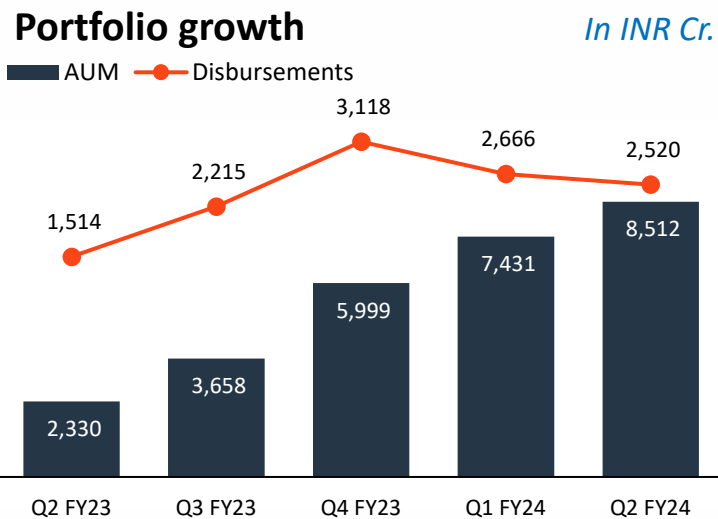


**14.8%**

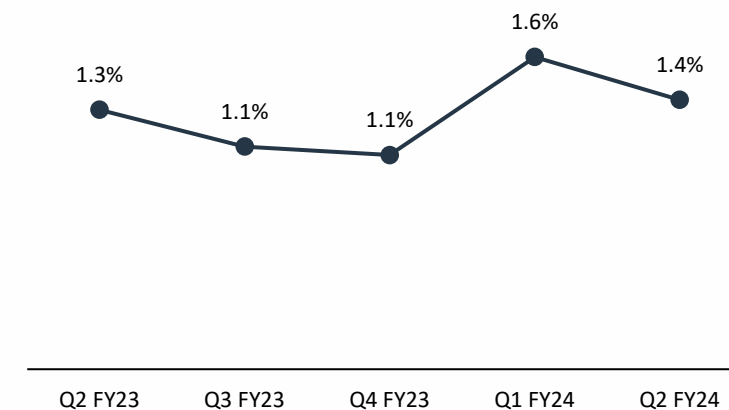
Disbursement yield

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

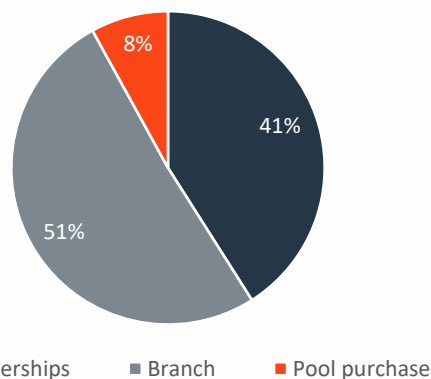
# Unsecured loans: *disbursement slowed in last 6 months, risk is under control*



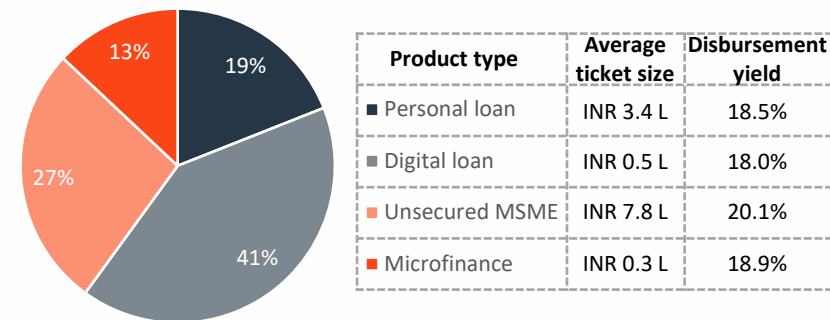
### 90+ DPD delinquency<sup>1</sup>



### Unsecured AUM by channel



### Unsecured AUM by product



13,36,498

Customers served



760

Average CIBIL score



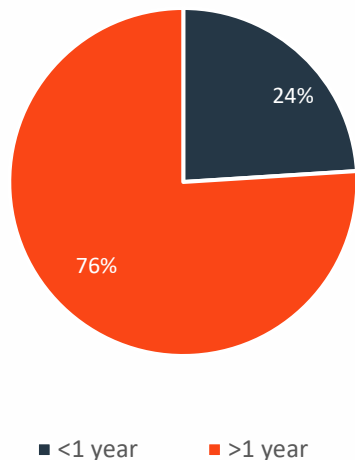
18.6%

Disbursement yield

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

# Digital embedded finance: scaling-up partnerships with fintech and consumer tech firms

Digital loans duration  
% AUM



Key highlights:

- 25** programs launched
- 11,05,581** customers served
- 36 seconds** least time taken for disbursed loan
- 99%** loans with zero-manual intervention

Key Capabilities:

- ✓ Highly modular, in-house developed loan origination & rule engine
- ✓ Generic API stack for easy integration
- ✓ Agile squads for rapid go-to-market and scale up
- ✓ Proprietary fraud and underwriting models
- ✓ Deep in-house collections capabilities

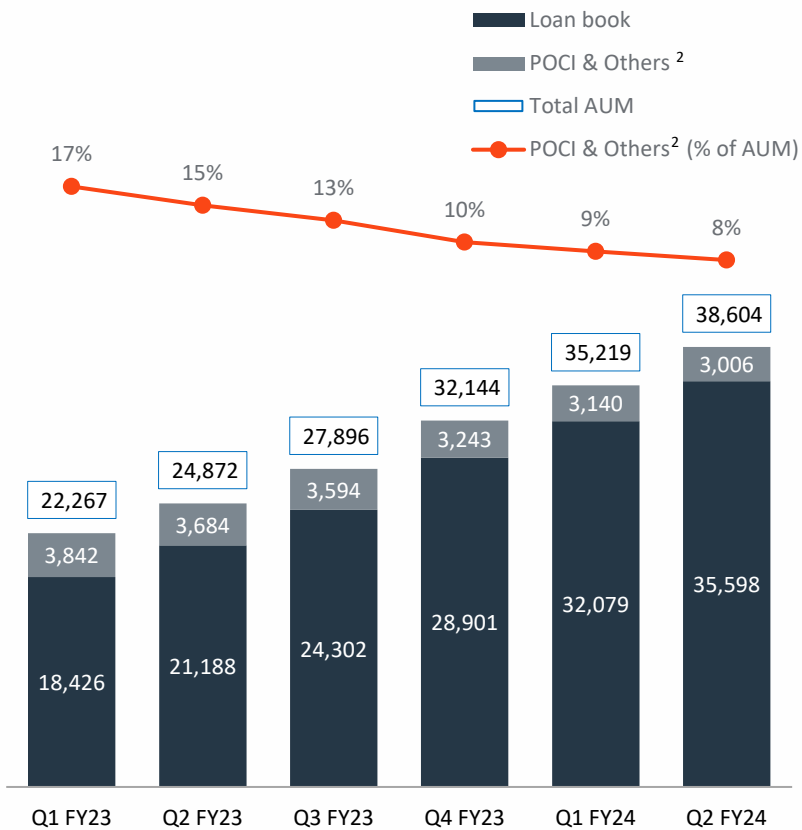
25 programs live across 16 partners

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

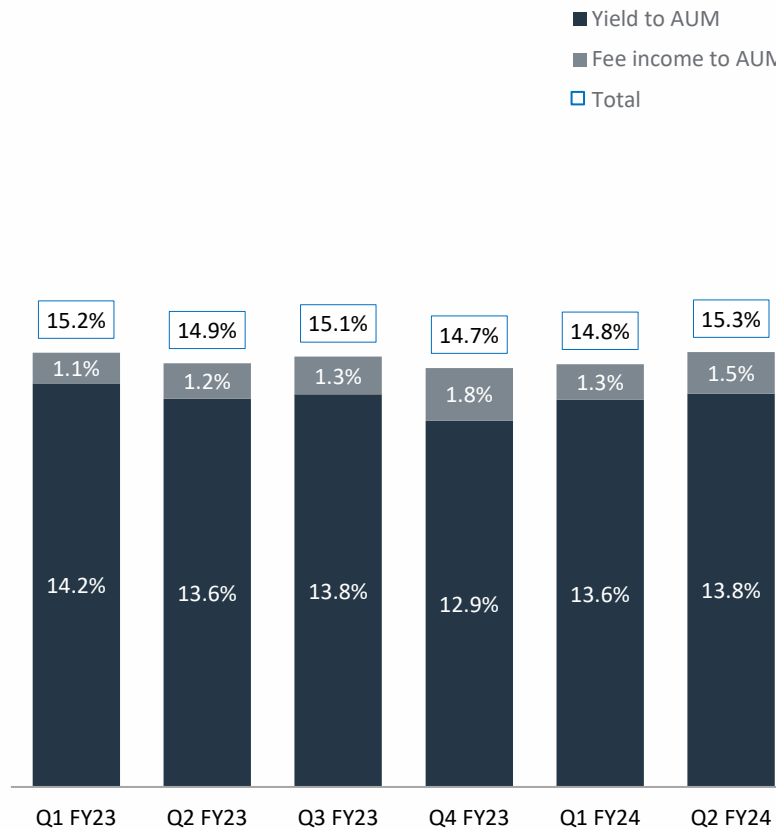
Our live partners

# Stable income profile along with reduced POCI<sup>1</sup> book; opex stabilising as well

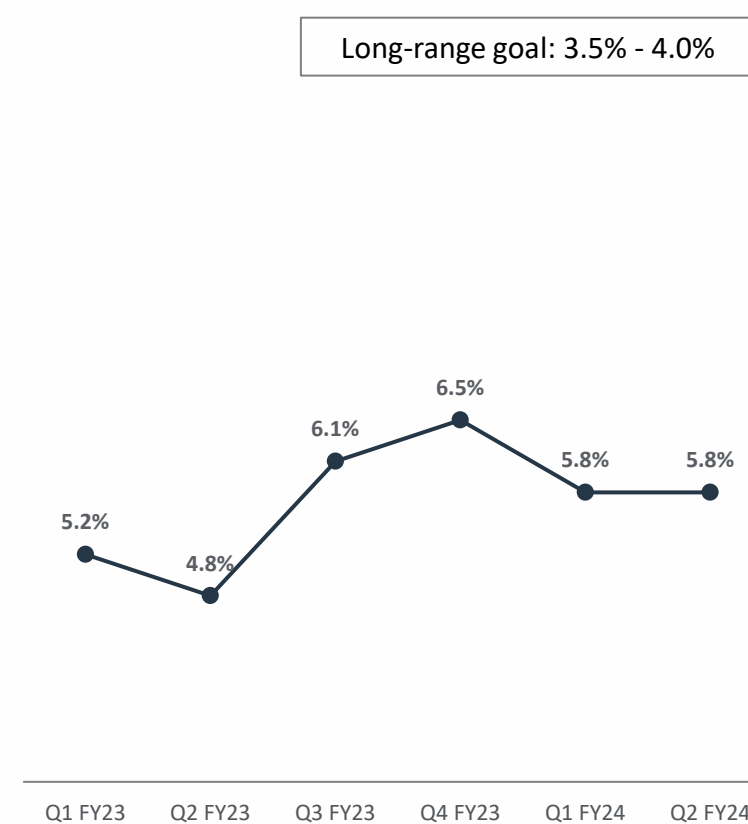
POCI & others<sup>2</sup> is now just 8% of AUM...



...the income level has been stable



Opex - stable sequentially



Note: (1) Purchased or originated credit impaired (POCI)  
 (2) Includes SRs & PTC

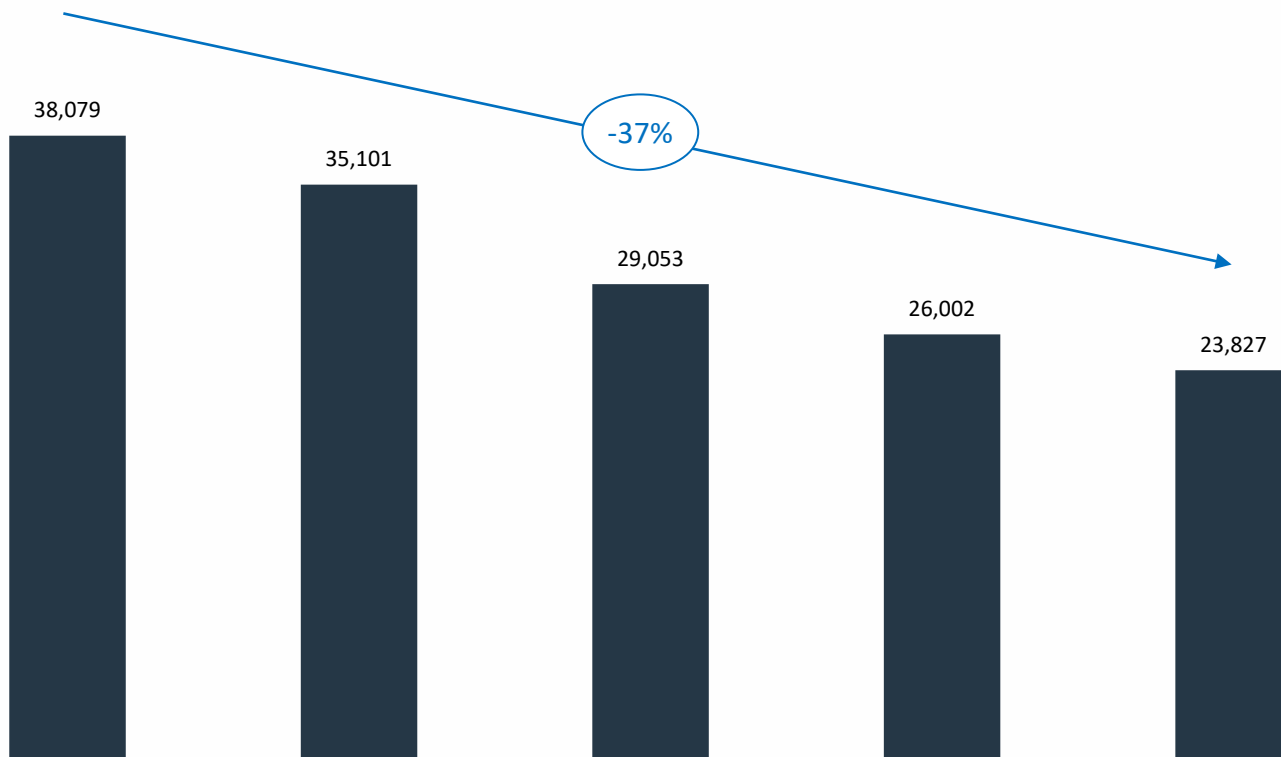


### 3. Wholesale lending

# Continue to reduce Wholesale 1.0 AUM while building a granular Wholesale 2.0 AUM

In INR Cr.

- **Wholesale 1.0** AUM down 8% QoQ to INR 23,827 Cr, rundown of 45% since Mar'2022
- **Wholesale 2.0** AUM up 48% QoQ to INR 4,501 Cr, across Real Estate and Corporate Mid Market Loans



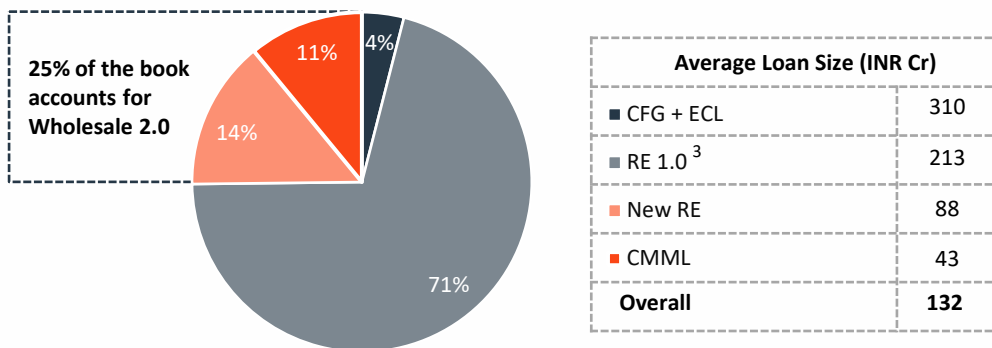
	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
■ Wholesale 1.0 AUM	38,079	35,101	29,053	26,002	23,827
Wholesale 2.0 AUM	829	1,870	2,792	3,045	4,501
Total Wholesale AUM <sup>1</sup>	38,908	36,971	31,845	29,047	28,328

Note: (1) Includes loan book, PEL's share in AIFs and investments

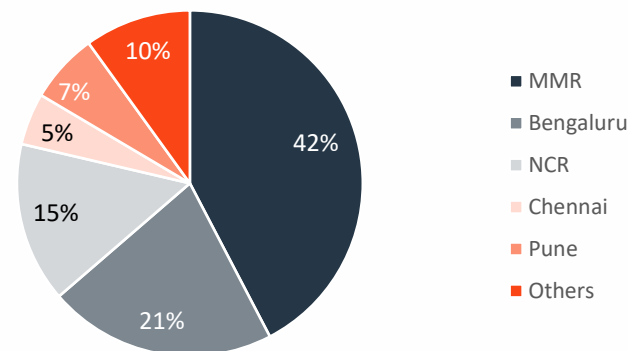
# Stage 1 (Loans/NCDs)<sup>1</sup> composition

Stage 1 (Loans/NCDs)<sup>1</sup> AUM of INR 17,381 Cr with an average yield of 12%

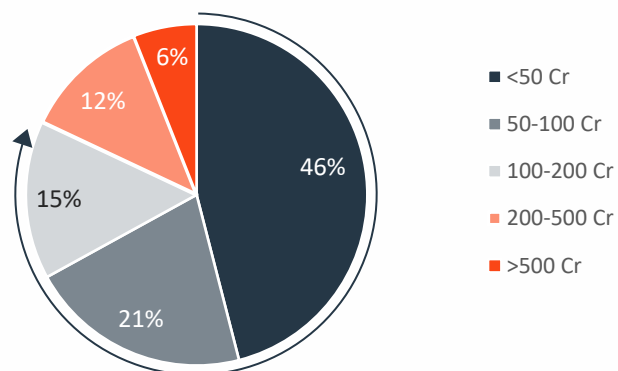
**Sector composition<sup>1</sup>** - Over 85% of the book is into real estate lending; largely excludes promoter holdco corporate lending



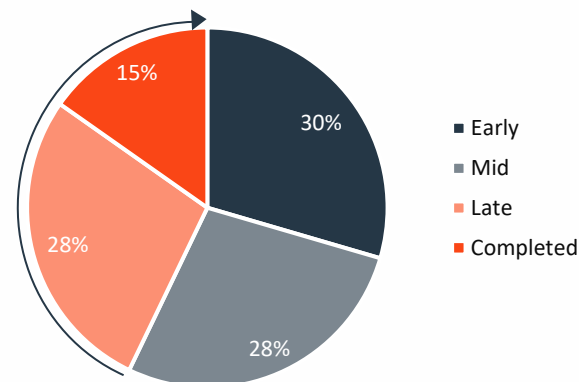
**Geographical exposure<sup>1</sup>** - Diversified AUM across multiple geographies



**Granularity<sup>1</sup>** - 82% of the number of loans are below INR 200 Cr



**Stage of Construction<sup>2</sup>** - 43% of the number of projects are late stage or completed

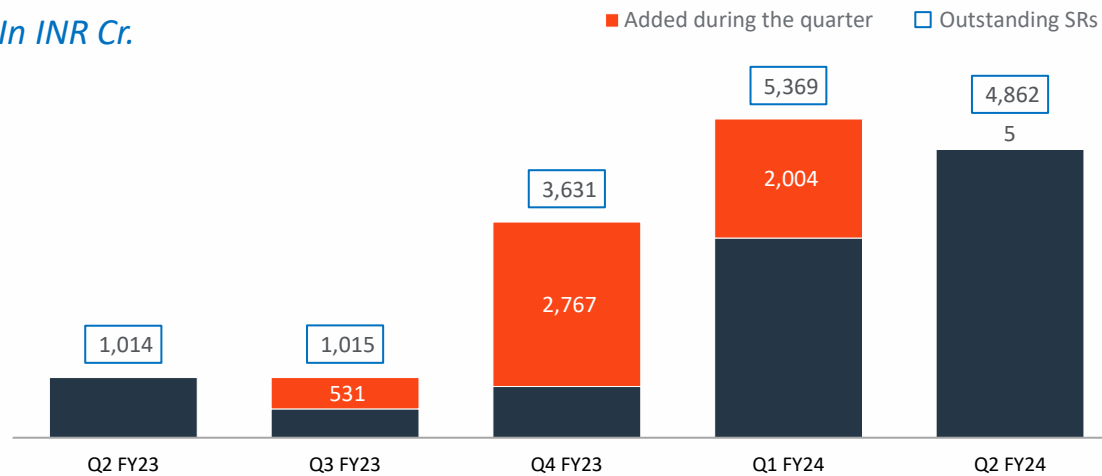


Notes: (1) Excludes land / receivables, SRs and DHFL book  
 (2) For RE book only  
 (3) RE 1.0 refers to RE loans excluding the new RE loans sanctioned under Wholesale 2.0  
 CFG: corporate finance; ECL: emerging corporate lending

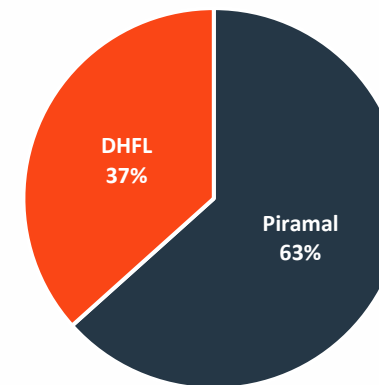
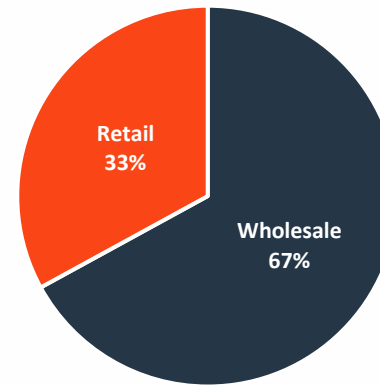
# Security receipts portfolio

## Outstanding SRs

*In INR Cr.*



## Composition of SRs portfolio



- **SRs** down by 9% QoQ to INR 4,862 Cr, of which 67% have wholesale loans as underlying assets
- **Wholesale SRs** down 13% QoQ to INR 3,259 Cr

As resolution processes continue, we expect our SR portfolio to reduce in near term, while few more ARC sales are expected over the next two quarters

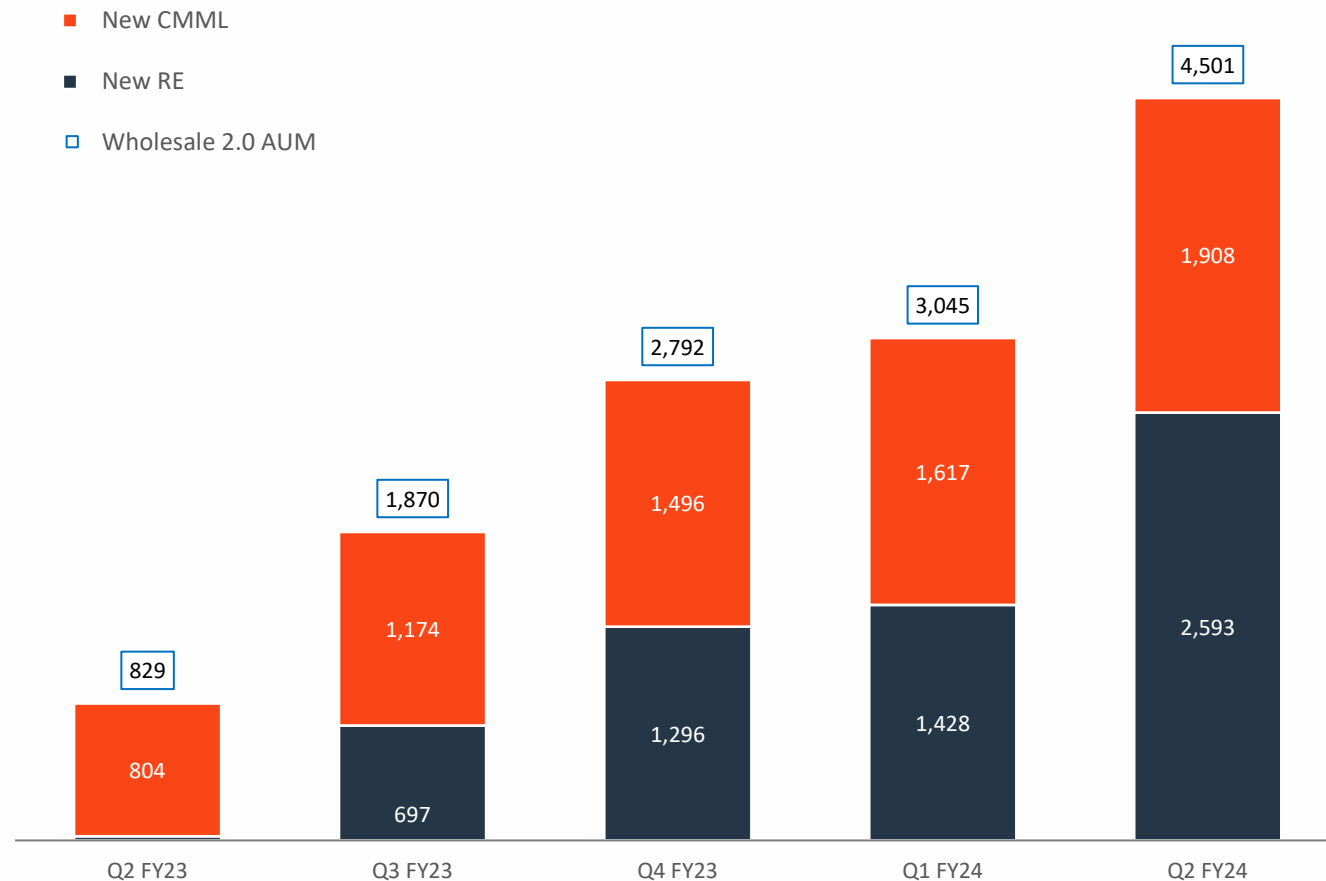


# Building a diversified and granular book backed by cash flows and assets

## Wholesale 2.0 AUM

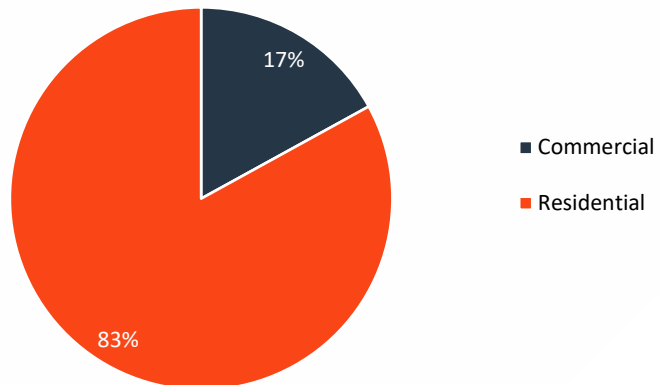
INR Cr.

- Growth of 48% QoQ
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Disbursements** of INR 1,819 Cr in Q2 FY24; INR 1,115 Cr disbursed in Sep'2023
- **Pre-payments** received worth INR 966 Cr over last six quarters

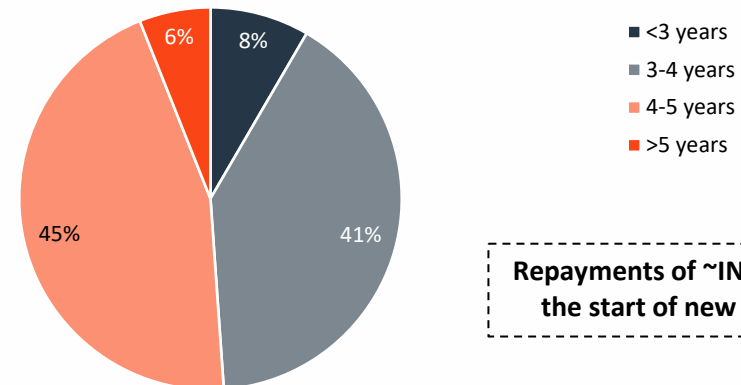


# New real estate loans: capitalizing on the market gap and leveraging our strengths

By product<sup>1</sup>



By original tenor<sup>1</sup>

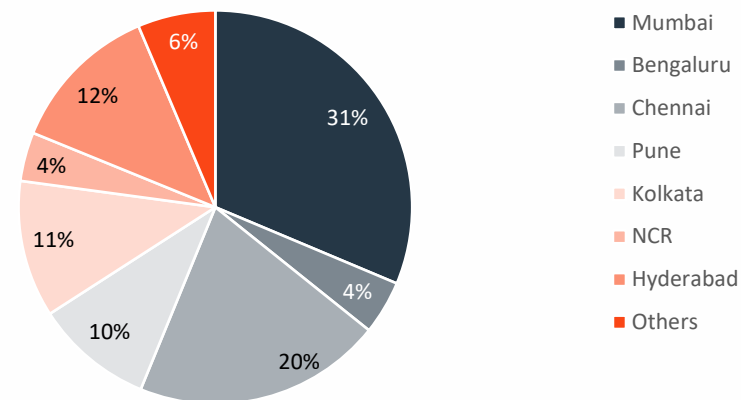


Repayments of ~INR 730 Cr since the start of new RE business

## Progressing to rebuild our real estate developer finance book

- Granular and diversified real estate developer finance book
- Build exposure in select markets across tier 1 & 2 cities
- Best in class governance and risk management

By geographic exposure<sup>1</sup>



Average ticket size<sup>1</sup> / loan  
INR 172 Cr

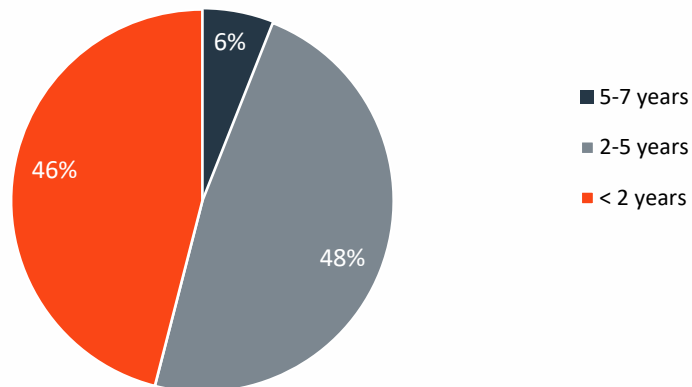
Average yield %<sup>2</sup>  
13.7%

Average loan tenor<sup>3</sup>  
4.4 years

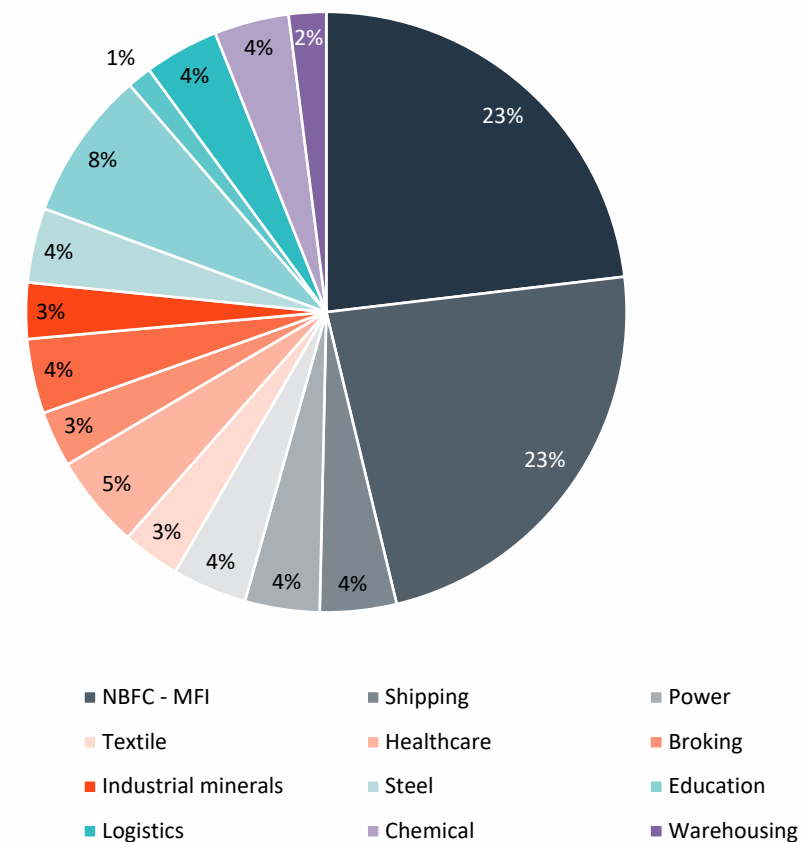
Notes: (1) Based on sanctioned value  
(2) Average yield % includes fee income  
(3) Based on sanctioned value & represents average door to door tenor

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

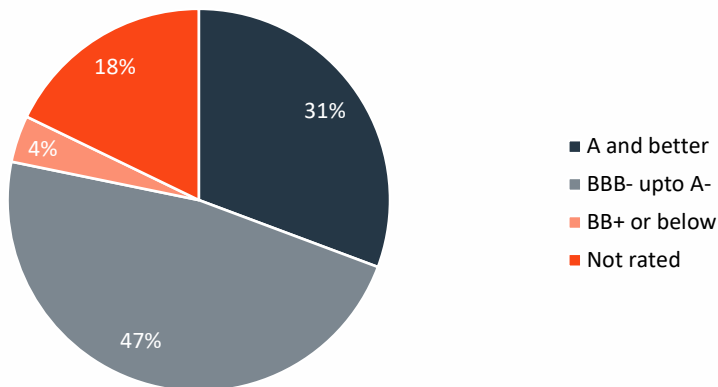
By original tenor<sup>1</sup>



By industry<sup>1</sup>



By ratings<sup>1</sup>



Average ticket size<sup>1</sup> / loan  
INR 64 Cr

Average yield %<sup>2</sup>  
12.8%

Average loan tenor<sup>3</sup>  
3.1 years

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



## 4. Financial performance

# Profit and loss statement

*In INR Cr.*

Consolidated income statement	Q2 FY24	Q1 FY24	QoQ %	Q2 FY23	YoY %	H1 FY24	H1 FY23	YoY %
Interest income	1,800	1,725	4%	1,842	(2%)	3,525	3,872	(9%)
Less: Interest expense	1,050	1,044	1%	1,013	4%	2,094	2,064	1%
<b>Net interest income (A)</b>	<b>750</b>	<b>681</b>	<b>10%</b>	<b>829</b>	<b>(9%)</b>	<b>1,431</b>	<b>1,807</b>	<b>(21%)</b>
Fee & commission	125	90	39%	48	159%	215	111	93%
Dividend	13	76	(83%)	-	-	90	-	-
Others	26	44	(41%)	66	(61%)	69	94	(26)
<b>Other income (B)</b>	<b>164</b>	<b>210</b>	<b>(22%)</b>	<b>114</b>	<b>44%</b>	<b>374</b>	<b>205</b>	<b>82%</b>
<b>Total income (A+B)</b>	<b>914</b>	<b>891</b>	<b>3%</b>	<b>943</b>	<b>(3%)</b>	<b>1,806</b>	<b>2,013</b>	<b>(10%)</b>
Less: Operating expenses (Opex)	664	628	6%	541	23%	1,293	983	31%
<b>Pre-provision operating profit (PPOP)</b>	<b>250</b>	<b>263</b>	<b>(5%)</b>	<b>402</b>	<b>(38%)</b>	<b>513</b>	<b>1,030</b>	<b>(50%)</b>
Less: Loan loss provisions & FV loss / (gain)	198	179	-	3,257	-	377	3,347	-
Less: Shriram FV loss / (gain)	-	(855)	-	-	-	(855)	-	-
<b>Profit before tax goodwill write-off</b>	<b>53</b>	<b>939</b>	<b>-</b>	<b>(2,855)</b>	<b>-</b>	<b>991</b>	<b>(2,317)</b>	<b>-</b>
Less: Goodwill write-off	-	278	-	-	-	278	-	-
<b>Profit before tax</b>	<b>53</b>	<b>661</b>	<b>-</b>	<b>(2,855)</b>	<b>-</b>	<b>713</b>	<b>(2,317)</b>	<b>-</b>
Less: Current & deferred tax	11	173	-	(694)	-	184	(548)	-
<b>Profit after tax (PAT)</b>	<b>42</b>	<b>488</b>	<b>-</b>	<b>(2,161)</b>	<b>-</b>	<b>530</b>	<b>(1,769)</b>	<b>-</b>
Add: Associate income	71	21	236%	172	(59%)	92	321	(71%)
<b>PAT before exceptional gain / (loss)</b>	<b>113</b>	<b>509</b>	<b>-</b>	<b>(1,989)</b>	<b>-</b>	<b>621</b>	<b>(1,447)</b>	<b>-</b>
Add: Exceptional gain / (loss)	(64) <sup>1</sup>	-	-	452	-	(64)	8,066	-
<b>Reported net profit / loss after tax</b>	<b>48</b>	<b>509</b>	<b>-</b>	<b>(1,536)</b>	<b>-</b>	<b>557</b>	<b>6,619</b>	<b>-</b>

Note: (1) In furtherance to the order dated 5<sup>th</sup> September 2023 and 20<sup>th</sup> September 2023 of the Hon'ble Delhi High Court in W.P.(CRL) 2555/2023, Piramal Fund Management Private Limited, has agreed to refund / return the principal amounts to all investors of Indiareit PMS as a one-time payment without admission of any liability and without prejudice basis

## Balance sheet and key ratios

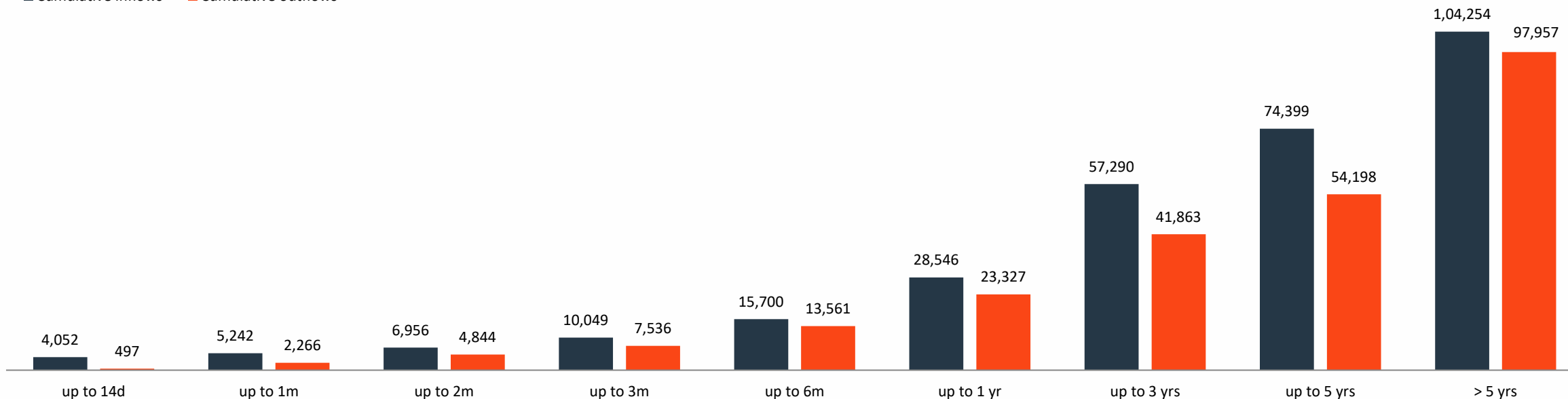
Consolidated balance sheet		(INR Cr.)	
Particulars	Q2 FY24	Q1 FY24	
<b>Assets</b>			
Cash & liquid investments	6,588	9,613	
Gross asset under management	66,321	63,938	
ECL provision	2,666	2,828	
Net assets under management	63,654	61,110	
Investments in Shriram group	2,278	2,278	
Investments in alternatives and others	2,398	2,252	
Fixed assets	1,703	1,686	
Net assets / (liability)	1,346	982	
<b>Total assets</b>	<b>77,966</b>	<b>77,921</b>	
<b>Liabilities</b>			
Net worth	28,710	30,844	
Gross debt	49,256	47,077	
<b>Total liabilities</b>	<b>77,966</b>	<b>77,921</b>	
<b>Key ratios</b>			
Gross debt to equity (x)	1.7	1.5	
Net debt to equity (x)	1.5	1.2	

# Asset-liability profile

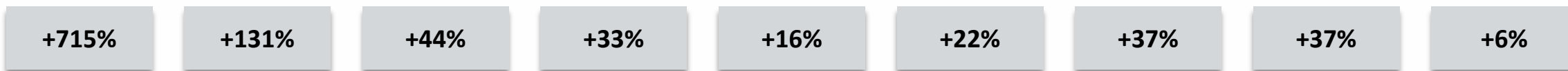
In INR Cr.

As on Sep 30, 2023<sup>1</sup>

■ Cumulative inflows ■ Cumulative outflows



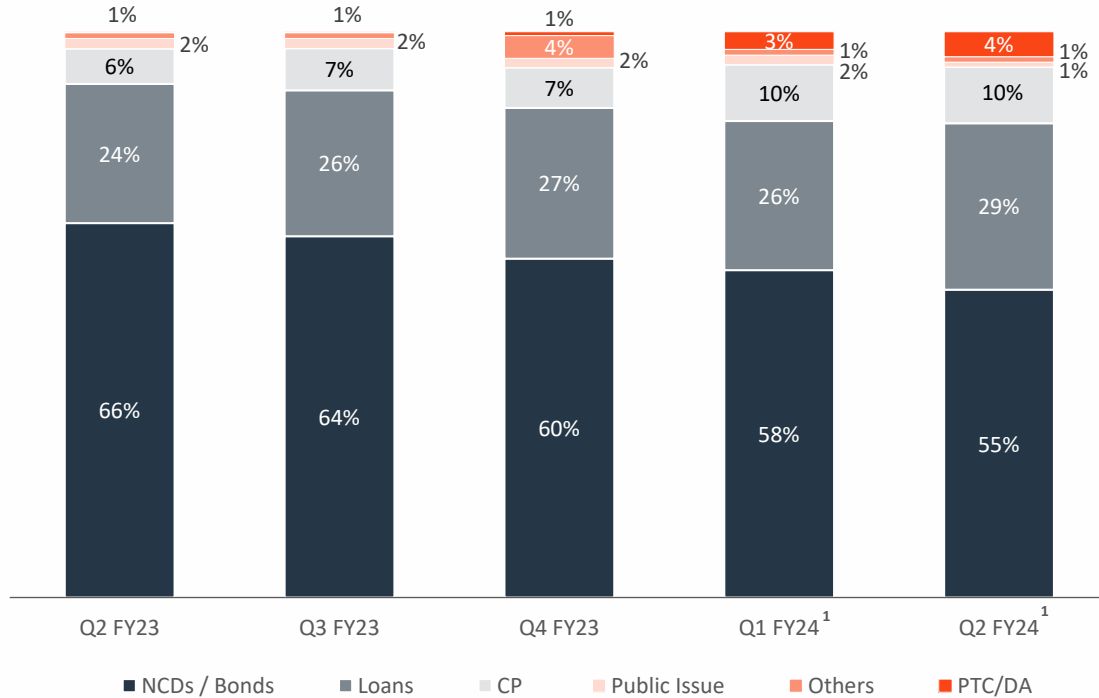
## Cumulative GAP<sup>2</sup> (%)



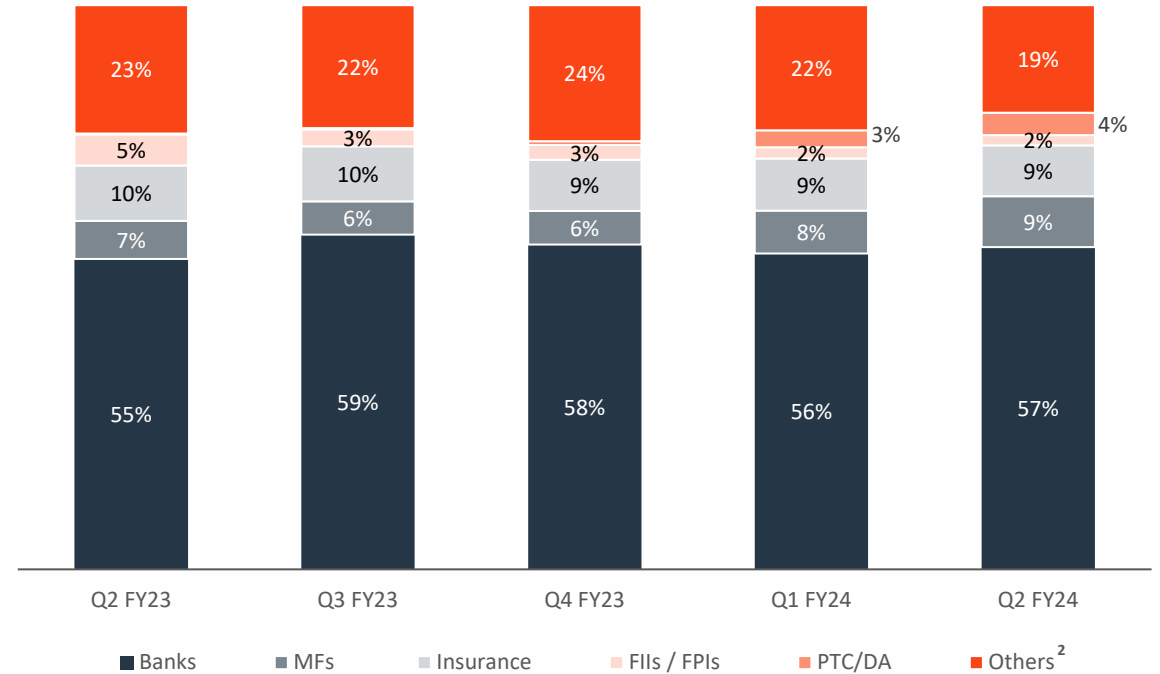
Notes: (1) Based on static ALM for wholesale and behavioral ALM for the retail portfolio  
 (2) Cumulative GAP (%) = net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows

# Diversifying the borrowing mix

### Breakdown of borrowing mix by type of instruments



### Breakdown of borrowing mix by type of lender



**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 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%, 4%, 2% and 10% respectively to overall borrowings





## 5. Appendix

## Total assets: asset classification

Total assets (INR Cr.)	Q2 FY24	Q1 FY24	Q2 FY23
Stage 1	59,419	56,950	48,134
Stage 2	4,146	4,164	10,231
Stage 3	1,529	1,484	2,210
<b>Sub-Total</b>	<b>65,094</b>	<b>62,598</b>	<b>60,575</b>
POCI	1,227	1,340	3,204
<b>Total AUM<sup>1</sup></b>	<b>66,321</b>	<b>63,938</b>	<b>63,780</b>
Total provisions (INR Cr.)	Q2 FY24	Q1 FY24	Q2 FY23
Stage 1	1,111	1,149	978
Stage 2	843	967	3,039
Stage 3	712	712	1,475
<b>Total</b>	<b>2,666</b>	<b>2,828</b>	<b>5,491</b>
Asset quality ratios (%)	Q2 FY24	Q1 FY24	Q2 FY23
Provision coverage ratio - stage 1	1.9%	2.0%	2.0%
Provision coverage ratio - stage 2	20%	23%	30%
Provision coverage ratio - stage 3	47%	48%	67%
<b>Total provisions as a % of total AUM</b>	<b>4.0%</b>	<b>4.4%</b>	<b>8.6%</b>
<b>GNPA ratio (%)</b>	<b>2.7%</b>	<b>2.8%</b>	<b>3.7%</b>
<b>NNPA ratio (%)</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.3%</b>

Note: (1) Excludes direct assignment (DA) of INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24

## Wholesale assets: asset classification

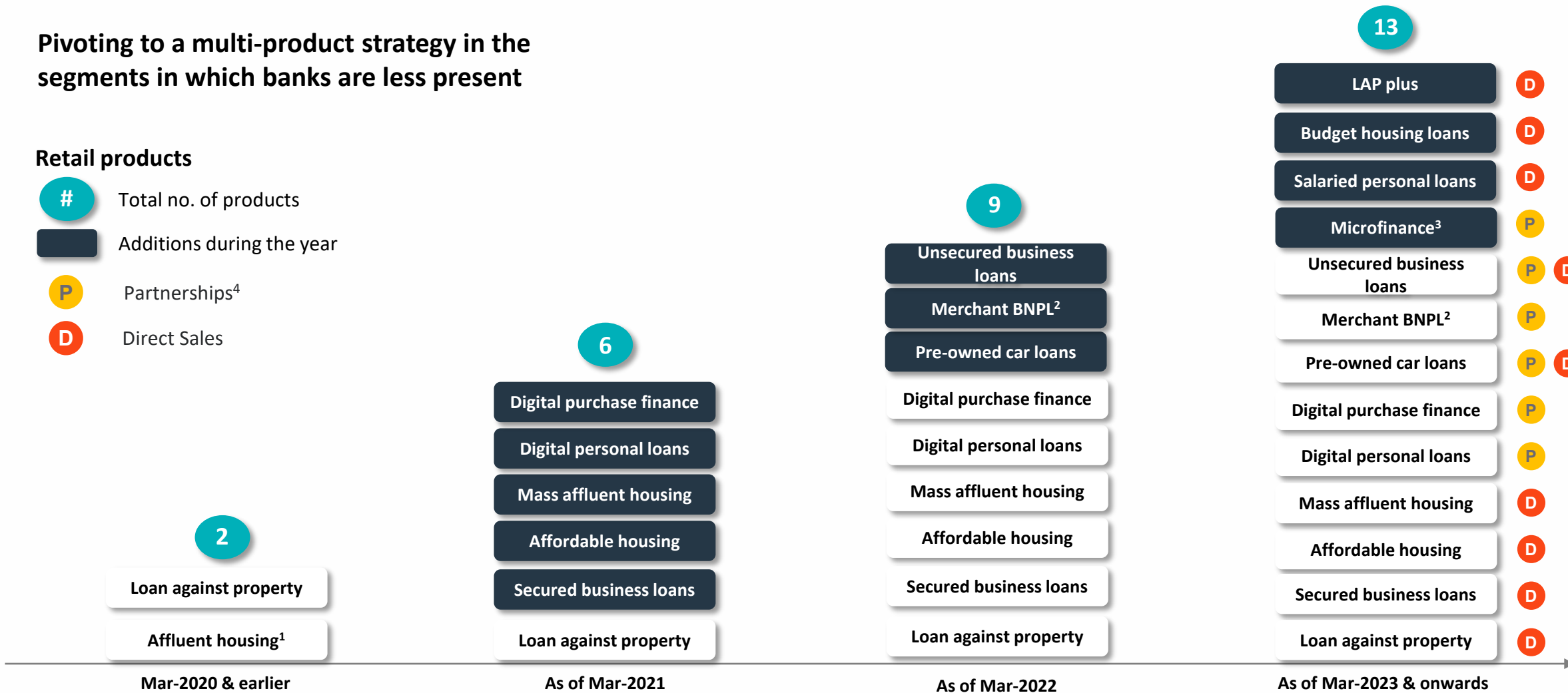
Total assets (INR Cr.)	Q2 FY24	Q1 FY24	Q2 FY23
Stage 1	24,202	24,846	27,865
Stage 2	3,258	3,335	9,208
Stage 3	868	866	1,836
<b>Total AUM</b>	<b>28,328</b>	<b>29,047</b>	<b>38,908</b>
Total provisions (INR Cr.)	Q2 FY24	Q1 FY24	Q2 FY23
Stage 1	695	774	742
Stage 2	814	939	3,001
Stage 3	488	491	1,366
<b>Total</b>	<b>1,997</b>	<b>2,204</b>	<b>5,109</b>
Asset quality ratios (%)	Q2 FY24	Q1 FY24	Q2 FY23
Provision coverage ratio - stage 1	2.9%	3.1%	2.7%
Provision coverage ratio - stage 2	25%	28%	33%
Provision coverage ratio - stage 3	56%	57%	74%
<b>Total provisions as a % of total AUM</b>	<b>7.1%</b>	<b>7.6%</b>	<b>13.1%</b>

# Expanding retail product offerings across the spectrum

Pivoting to a multi-product strategy in the segments in which banks are less present





## Retail products

- # Total no. of products
- Additions during the year
- P Partnerships<sup>4</sup>
- D Direct Sales



Notes: (1) Exited 'Affluent housing' (in terms of new business) as the business pivots towards 'Affordable' and 'Mass affluent' housing under the new strategy  
 (2) BNPL: Buy now, pay later  
 (3) Launched micro-finance through the business correspondent (BC) model in Q2 FY23  
 (4) Launched in partnership with leading fintech and consumer tech firms

## Multi-product retail lending platform across the risk-reward spectrum – Q2 FY24

Product Segments	Products	Average disbursement ticket size (INR lakh)	Disbursement yield (%)	Share in disbursements (%)	AUM yield <sup>1</sup> (%)	Share in AUM (%)
 Housing	Affordable housing	18.1	11.2%	37.0%	11.4%	51.5%
	Mass affluent housing					
	Budget housing					
 Secured MSME (LAP)	Secured business loan	21.7	12.8%	16.4%	12.8%	21.9%
	Loan against property (LAP)					
	LAP plus					
 Other secured	Pre-owned car loans	6.5	14.8%	6.3%	15.0%	3.5%
 Unsecured	Salaried personal loans	3.4	18.5%	9.0%	17.9%	4.5%
	Microfinance loans	0.3	18.9%	5.9%	18.8%	3.0%
	Unsecured business loans	7.8	20.1%	7.4%	19.8%	6.2%
	Merchant BNPL					
	Digital purchase finance	0.5	18.0%	18.0%	17.5%	9.4%
	Digital personal loans					
<b>Total / weighted average</b>		<b>11.7</b>	<b>14.3%</b>	<b>100%</b>	<b>13.2%</b>	<b>100%</b>

Note: (1) Weightage average yield excludes POCl and pertains to all customers outstanding as of 30<sup>th</sup> September 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'.*



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*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.*

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## Dial-in details for Q2 FY24 earnings conference call

Event details	Location & time	Telephone numbers
Conference call on <b>9<sup>th</sup> November 2023</b>	India – 5:00 PM (India standard time)	Universal dial-in +91 22 6280 1366 / +91 22 7115 8267
	USA – 6:30 AM (Eastern time – New York)	Toll free number 1 866 746 2133
	UK – 11:30 AM (London time)	Toll free number 0 808 101 1573
	Singapore – 7:30 PM (Singapore time)	Toll free number 800 101 2045
	Hong Kong – 7:30 PM (Hong Kong time)	Toll free number 800 964 448
	<p><u>Online Registration:</u> We recommend to kindly pre-register using this link</p>  	<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 &amp; 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**

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