

# Piramal Enterprises Limited

## Financial Services Day

30<sup>th</sup> August 2018



**Piramal Enterprises Limited**

**Asset Monitoring**





# Asset Monitoring – Real Estate

## What does the Asset Monitoring team do ?

### Physical Presence at Site

#### 'Ears to the ground' approach

- Periodic site visits  
(Monthly/quarterly)
- Construction status
- Real time feedback to Team
- Micro Market Analysis

### Operating Performance

#### Adherence to Business Plan

- Actual v/s Budget  
(Sales Velocity, Selling Price, Collection, Costs)
- Cash Cover Ratio (Actual v/s Budget)
- Sales Trend Analysis
- NOC issuance

### EWS Meetings

#### 'Early Warning Signals' identified

- Project performance
- Key issues highlighted
- Action items
- Market trends
- Regulatory developments

Localised Asset Managers with  
Techno-financial background

18

Escrow Accounts monitored

800+

Projects pan India

380+

Site Visits / month

190+

NOCs issued per month

1,000+

Micro markets tracked

100+

Team of CA / Civil Engineers having worked  
at Developers / Consultants /NBFCs

In-house technology platform for data  
capturing and operational scalability

Data analytics for exception reporting and  
highlighting trends

## Residential project – Central Mumbai

Sep'16 – 5<sup>th</sup> Floor completed



Dec'16 – 9<sup>th</sup> Floor Completed



Oct'17 – Finishing near completion



Monthly construction progress monitored

## Sample of Site Visit Report



Tower Name	Expected Completion date	Mar 07,2017	Feb 03,2017	Jan 04,2017	Dec 01,2016	Nov 14,2016	Oct 10,2016	Sep 02,2016	Aug 04,2016	Jul 13,2016
Labours on site		190	150	50	30	70	135	70	6	15
Tower – D	Dec -17		Further Approval Received		-	-		Approval Received	Stalled	Stalled
RCC	Apr-17	9 <sup>th</sup> Floor Completed	6 <sup>th</sup> Floor Completed	5 <sup>th</sup> Floor Completed / Ramp in Progress	5 <sup>th</sup> Floor Completed	5 <sup>th</sup> Floor Completed	4 <sup>th</sup> Floor completed	3 <sup>rd</sup> Floor in Progress	2 <sup>nd</sup> floor completed	2 <sup>nd</sup> floor completed
Block Work	Jun-17	6 <sup>th</sup> Floor completed	Gr to 5 <sup>th</sup> flr in Progress	Gr to 4 <sup>th</sup> flr in Progress	Gr to 4 <sup>th</sup> flr in Progress	Gr to 4 <sup>th</sup> flr in Progress	Gr to 4 <sup>th</sup> flr in Progress	Gr Floor in Progress	-	-
Plastering / Gypsum	Aug-17	Gypsum / False Ceiling in progress Upto 4 <sup>th</sup> floor	Gypsum / False Ceiling in progress Upto 4 <sup>th</sup> floor	Gypsum / False Ceiling in progress Upto 4 <sup>th</sup> floor	Sample office completed	-	-	-	-	-
Flooring	Sep-17	-	-	-	-	-	-	-	-	-
Finishes	Dec-17	Finishes in progress upto 2 <sup>nd</sup> floor	Finishes in progress upto 2 <sup>nd</sup> floor	-	-	-	-	-	-	-

Dashboard of site visits prepared on monthly basis



# Asset Monitoring – Non Real Estate

## Replicating best practices of Real Estate monitoring to Corporate Lending

### Client Engagement

#### 'Ears to the ground' approach

- Site visits
- PMC & Board Meetings
- Engagement with Lender's Engineer
- Sector Updates

### Performance Review

#### Adherence to Business Plan

- Actual v/s Budget
- Operating and financial analysis
- NOC issuance
- Escrow statement

### Deliverables

#### 'Early Warning Signals' identified

- EWS meetings
- Portfolio review with Color coding
- APG Portfolio Updates

Feedback

6 member team of CA/ MBAs

Total exp of ~50 years in Banks, NBFCs, Fund

Multi-sectoral and multi-product expertise

Sectors Tracked (nos)

10 +

Projects managed pan India (nos)

200 +

Renewable Energy Portfolio  
(In MW)

6000 +

Learning's incorporated in new deals



## Wind project site visit photos: Andhra Pradesh

Operating wind turbines along with 33 kV lines



33 kV line connecting with the sub-station



20 operating turbines each of 2 MW

## Auto component site visit photos: Tamil Nadu

Furnace where iron scrap is melted



Molten metal is poured in moulds for casting



## Sample of overall Portfolio Performance Review Sheet

### AUM Summary (INR Cr)

Category	No. of Deals	Total
<b>Green</b> – No major concerns		
<b>Yellow</b> – Closely monitor for next 6 months		
<b>Amber</b> – Envisage stress over next 6 months		
<b>Red</b> – Overdue		
<b>Total</b>		



Teams spend significant time post disbursement to **detect and react to early warning signals (EWS)**

#### *Key parameters for colour coding*

1. Site visit findings
2. Approval timelines
3. Construction cost
4. Sales Velocity in terms of units, area and value
5. Pricing – per sq ft and ticket size
6. Collections
7. Cover computation
8. Ability to meet principal and interest obligations
9. Discussions with developers / promoters

**Piramal Enterprises Limited**

**Thank you**

