



Piramal Enterprises Limited

Conference Presentation

November 2022

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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.

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These materials are not a prospectus, a statement in lieu of a prospectus, an offering circular, an invitation or an advertisement or an offer document under the Indian Companies Act, 2013 together with the rules and regulations made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States or in any other jurisdiction.



PEL: A Listed Diversified NBFC

PEL: At a Glance



Retail Lending

₹24,872

Crоре

(Loans towards affordable housing and MSMEs; Off-Balance Sheet assets¹ of INR 16,611 crore)



Wholesale Lending

₹38,908

Crоре

(Loans to Residential and Commercial Real Estate Developers & Corporates)



Alternative Assets

~\$1.0

Billion²

(Marquee Partners in Investment platforms including CDPQ and Bain Capital Credit)



Life Insurance

₹1,099

Crоре³

(Joint Venture with Prudential International Insurance Holdings)



Investments in Shriram

₹5,733

Crоре⁴

(20% stake in Shriram Capital and ~10% stake in Shriram City Union Finance)

Presence across retail and wholesale lending, as well as fund-based platforms and investments, with assets of ~\$10bn

PEL: A Leading Listed Diversified NBFC



1

India-wide platform to address the **diverse financing needs** of the under-served 'Bharat' market



2

Holds a **leading HFC**, focused on **affordable housing**



3

Dominant position in **Real Estate Developer Financing**



4

Building a strong position in the **MSME lending**



5

Partnerships with marquee institutional investors, fintechs / consumer techs

Q2FY23: Key Metrics

Overall	Retail	Wholesale
Total AUM (+35% from pre-merger) INR 63,780 Crore	Retail Loan Book (12% YoY growth) INR 24,872 Crore	Assets Under Management (lower by 13% YoY) INR 38,908 Crore
Equity on PEL Balance Sheet (INR19,273 ¹ Cr for lending business) INR 27,472 Crore	Quarterly Disbursements (up 8x YoY and 62% QoQ) INR 3,973 Crore	New CMML² Lending Book (ticket sizes avg. ~INR 50 Cr.) INR 804 Crore
Retail : Wholesale Loan Book Mix (12:88 pre-merger) 43 : 57	No of Products (up from 6 last year) 11	Stage 1 Assets (2.7% provisions on stage 1 assets) INR 27,865 Crore
GNPA ratio / NNPA ratio (3.7%/1.8% in Q1 FY23) 3.7% / 1.3%	No. of Branches (up from 14 pre-merger) 343	% Provisioning to Wholesale Loan Book (5.8% in Q2FY22) 13.4%
Capital Adequacy Ratio (26% in Q2FY22) 23%	POCI Recoveries (Since the acquisition) INR 1,517 Crore	Provisioning % on Stage 3 Loan (52% in Q2 FY22) 74%

Notes (1)Excluding equity under Pharma business (2)CMML: Corporate Mid Market Lending, included in Wholesale Assets Under Management
Pre Merger : Q1FY22



Executing on our Strategy

PEL Transformation: Embarking upon Phase 3

Phase 1 (Mar-19 to Jun-21)

Strengthening and Consolidation

- Raised capital and improved capital adequacy
- Deleveraged the business and strengthened liabilities
- Increased granularity of the wholesale book
- Took additional provisions

Capital Adequacy:	Mar-19	>	Jun-21
	22%		39%

Provision: (% of AUM)	1.9%	>	5.8%
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High Exposure A/Cs ⁽¹⁾ :	3	>	NIL
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Phase 2 (Jun-21 to Mar-22)

Quantum Growth and Transition

- Significant increase in loan book size post the DHFL acquisition – creating a leading HFC in India
- Completed DHFL acquisition and integration
- Transformation from a wholesale-led to a well-diversified business

Retail Loan Book:	Jun-21	>	Mar-22
	5,156 Cr		21,552 Cr

Retail Share in Loans:	11%	>	36%
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Retail Customers:	~22,000	>	>1 mn ⁽²⁾
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Phase 3 (Ongoing)

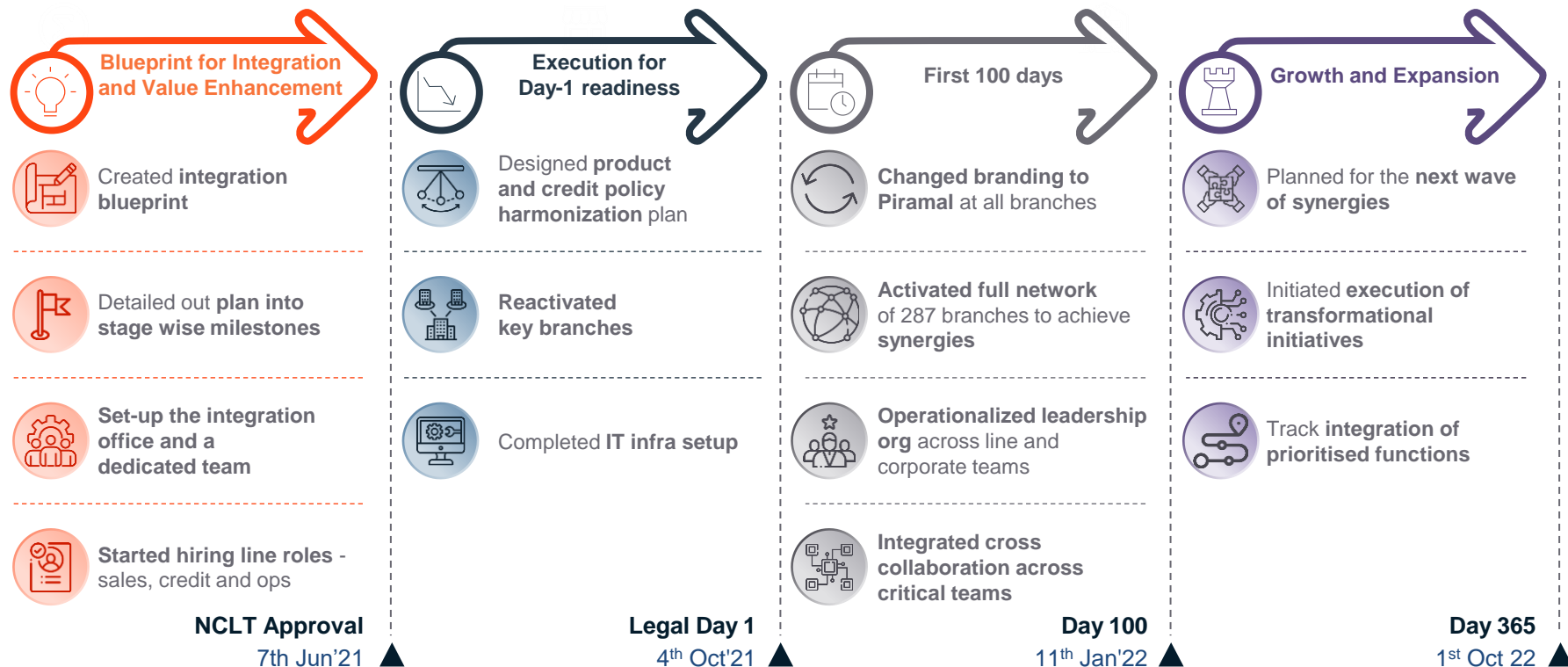
Sustainable growth and profitability

- Scale-up the overall loan book
- Leverage DHFL's platform to cross-sell
- Significantly increase retail loans share to two-third

Balanced trade-offs between 3 key vectors of lending



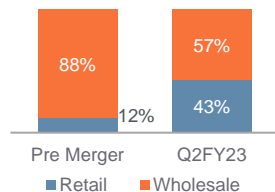
Effective Project Execution Enabling Successful Integration of DHFL



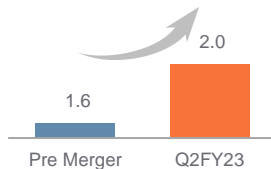
We Are at a One Year Post-merger Milestone

Acquisition Boosted our Transformation Journey...

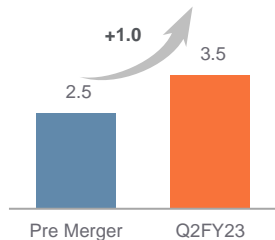
Loan Book Mix (Wholesale: Retail)



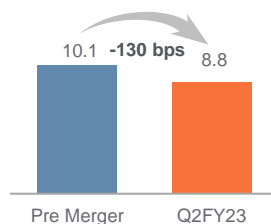
Net Debt to Equity



Avg. Maturity of Borrowings (Yrs)

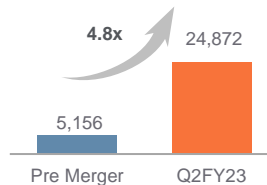


Avg. cost of Borrowings (%)

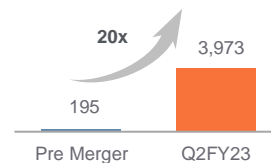


...Enabling Us to Rapidly Scale our Retail Platform

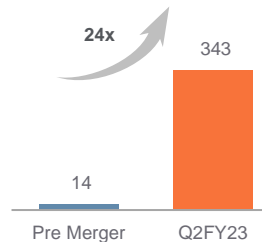
Retail Loan Book (INR Cr.)



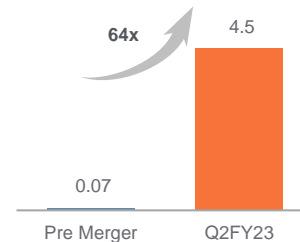
Disbursements (INR Cr.)



Branches (no.)



New Customers Acquired (lacs)

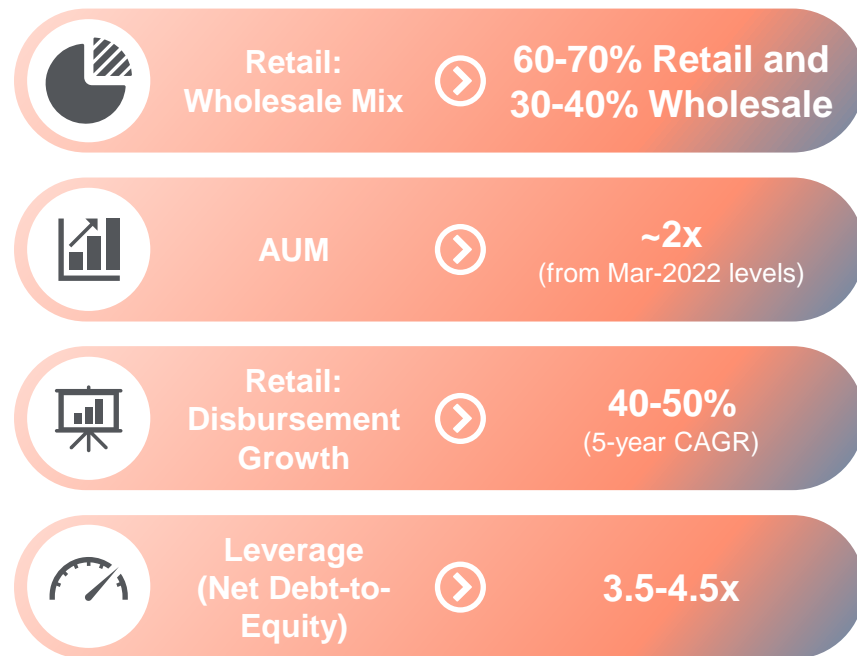


Phase 3: Sustainable Growth and Profitability

Balance Between 3 Principal Vectors of Financial Services



Phase 3: FY2027 Aspirations



Key Strategic Priorities

1 Aim to achieve a loan book mix of 2/3rd retail and 1/3rd wholesale in 5 years



2 Lower cost of borrowings, driven by diversification of loan book and funding sources



3 Further optimize capital utilization through loan book growth and inorganic initiatives



4 Maintaining adequate provision to manage future contingencies



5 Improve returns through growth, lower borrowing costs, change in product mix within retail and higher capital utilization





Our Differentiators

PEL: Platform Built on Sound Structural Pillars

-  **1 Strong Balance Sheet Creating Headroom for Organic and Inorganic Growth**
-  **2 Large and Diversified Portfolio with Increasing Retail Orientation**
-  **3 Retail: Twin Engines to Unlock Future Growth**
-  **4 Leveraging Cutting edge technology and AI / ML capabilities**
-  **5 Wholesale: De-risking, Granularizing Existing Portfolio**
-  **6 Rebuilding high quality Wholesale book, capitalizing on the market gap**
-  **7 Diversified Borrowing Mix with Stable & Long-term Funding**



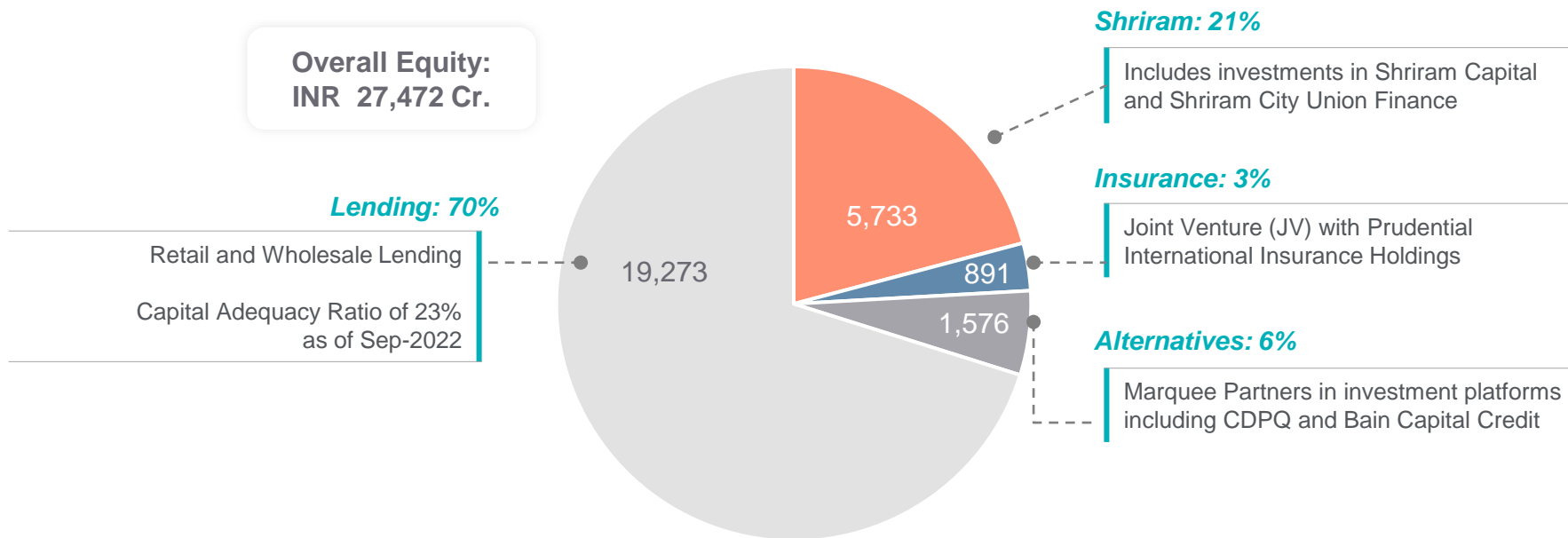
1. Strong Balance Sheet Creating Headroom for Organic and Inorganic Growth

1

Strong Balance Sheet With Significant Headroom for Organic & Inorganic Growth

Overall Equity - As of Sep 30, 2022

(In INR Crores)

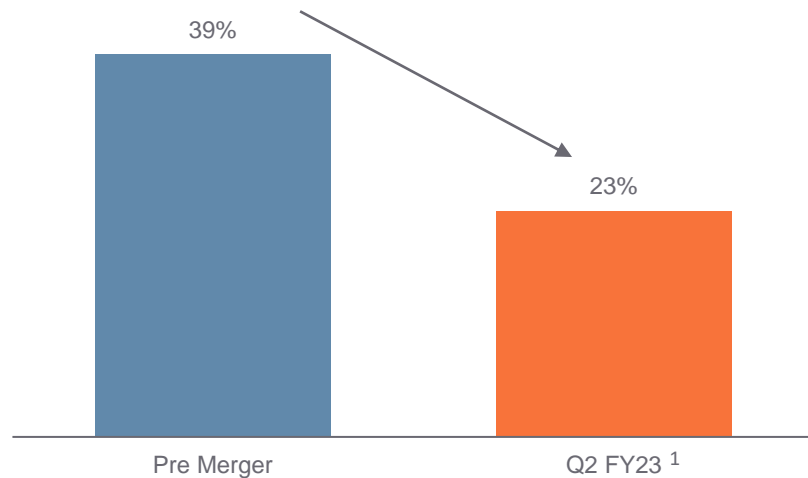


1

Capital Optimization and Low Leverage Enabling Growth Capital

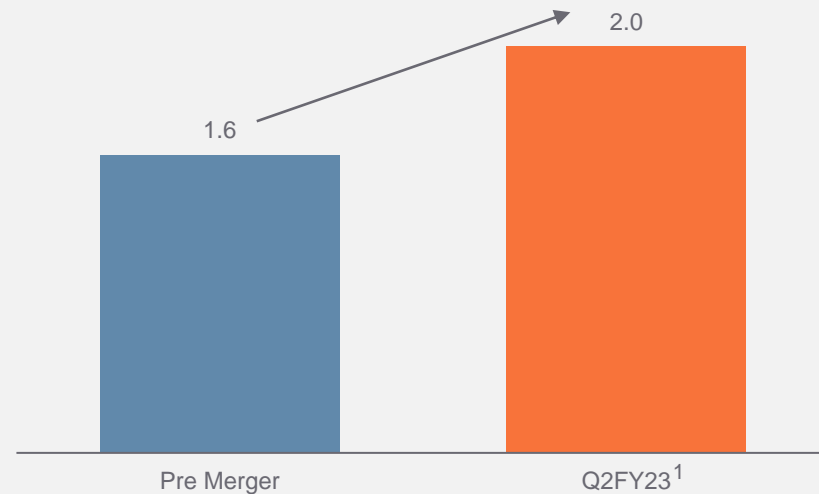
Capital Optimization since the acquisition

Capital Adequacy Ratio %
Lending Business



Low leverage after transaction ensures sufficient growth capital

Net Debt-to-equity
Lending Business





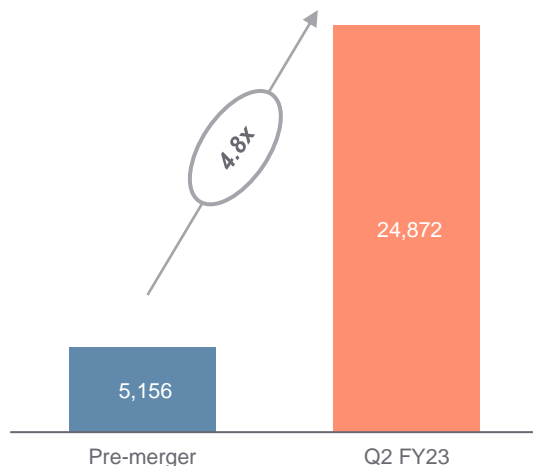
2. Large and Diversified Portfolio with Increasing Retail Orientation

AUM: Sizeable Scale, Growth and Diversification

PEL is amongst India's Top 10 Diversified NBFCs

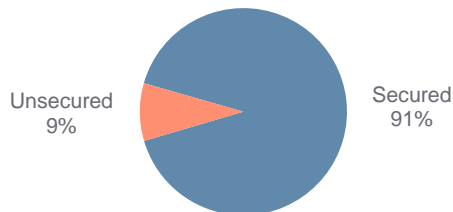
(INR Cr)

Retail Loans

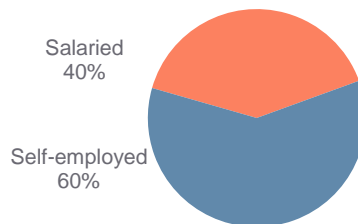


Diversified AUM Mix with Strong focus on Granularizing the AUM

Breakdown of loan book by category

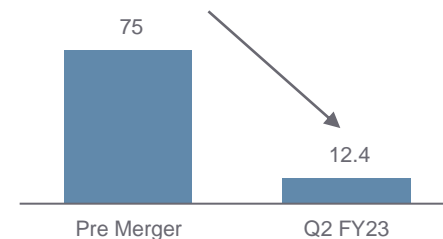


Breakdown of loan book by customer segment (As of Q2FY23)



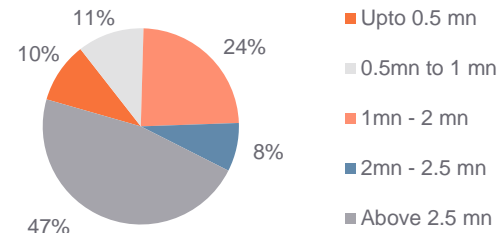
Average Ticket Size

INR Lakhs



Retail Loan Book split by ticket size

INR

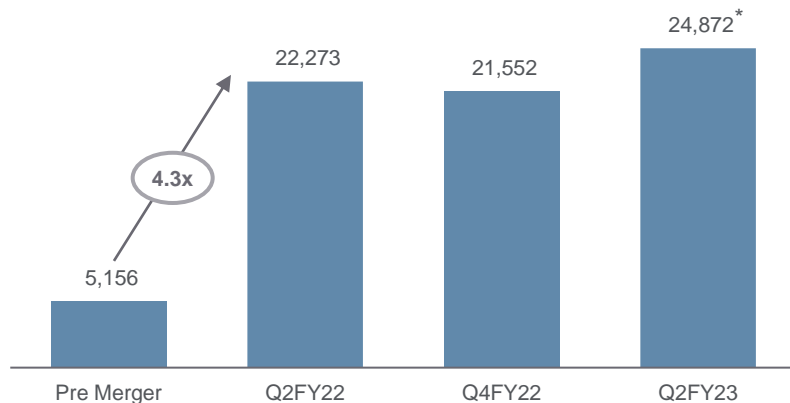


Retail: Substantial Growth in Share of Retail, Approaching ~50% in Near Term

Focused on becoming more retail oriented

Retail loan book

In INR Cr.

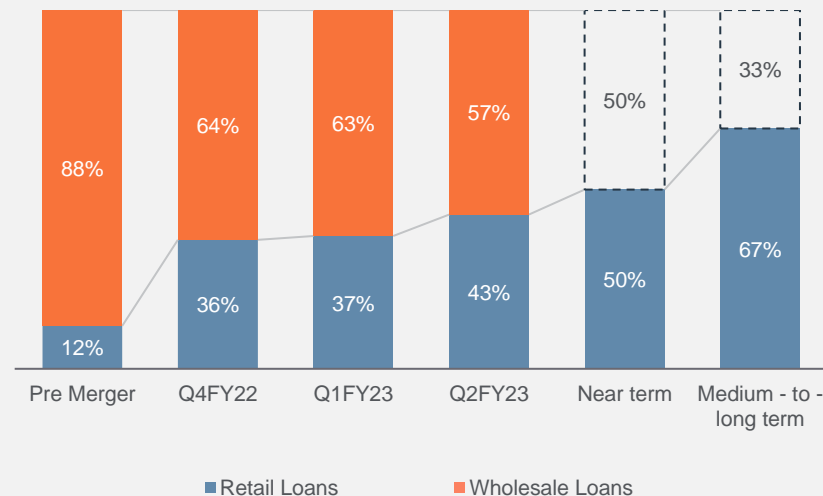


* Note: In addition to the loan book, the business manages INR 16,611 Crores of securitized, fee-earning assets¹

Share of retail loans targeted to two-thirds in medium to long term

Loan Book Mix

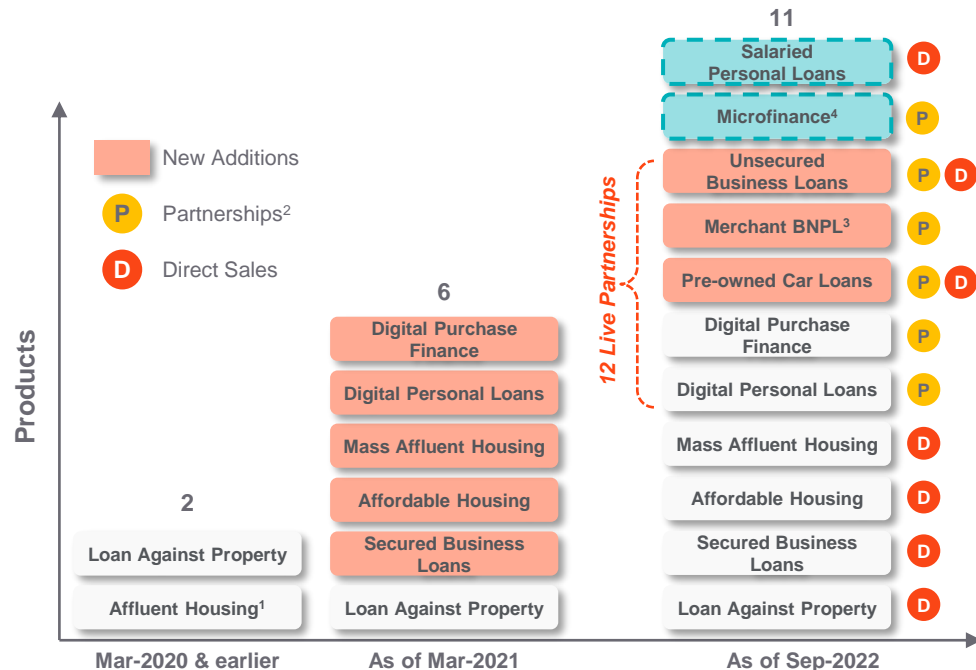
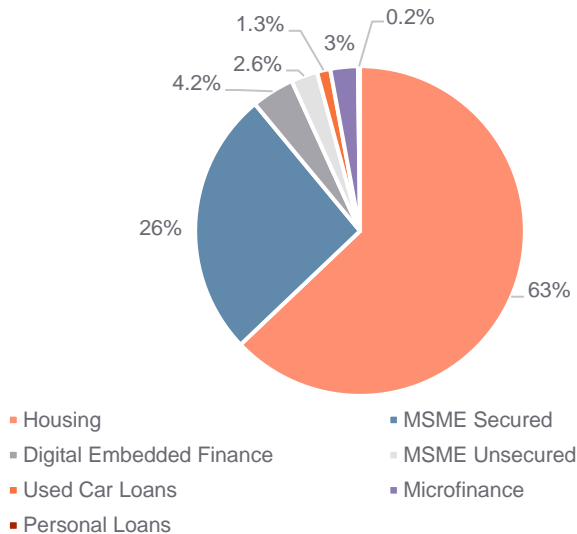
%



2 Products: Expanding Retail Lending Platform

Healthy mix of Physical and Digital Loans

Retail AUM Mix %
Sept'22



2

Customer: Expanded Customer Franchise to 2.2 mn

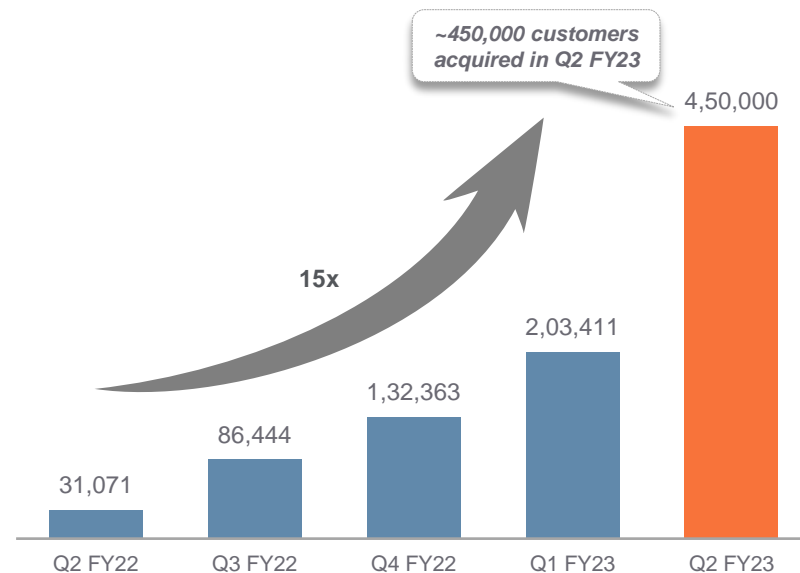
Customer Franchise¹

mn



- We continue to grow our customer franchise
- Cross Sell Disbursements ~INR 945 Cr since acquisition

Catering to Customers Across Affordable Housing Segments
(New Customers Acquired)



2

Disbursements : Up by 8x from pre-merger levels in last 12 months

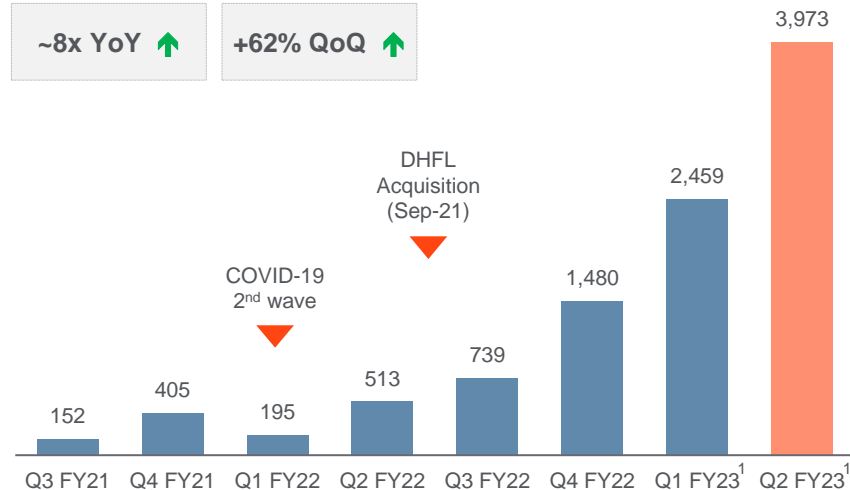
Retail Loans – Quarterly Disbursements

(In INR Cr.)

Q2 FY23 Performance:

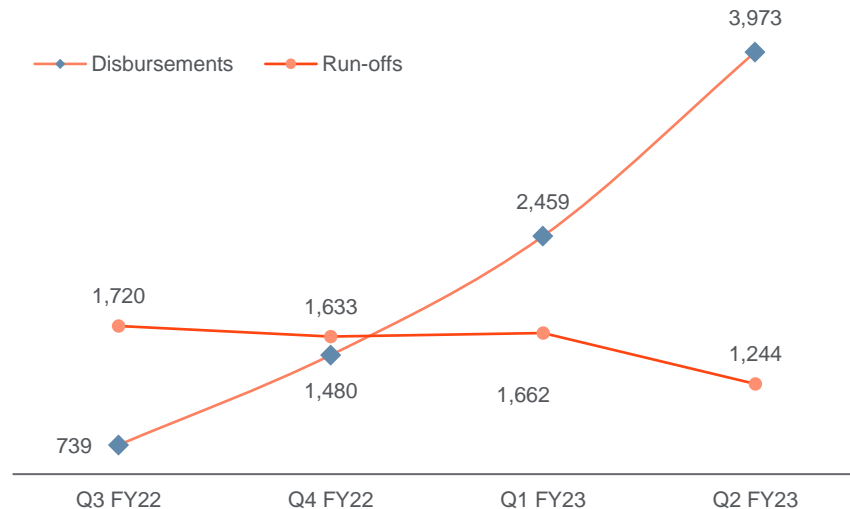
~8x YoY ↑

+62% QoQ ↑



Retail disbursements vs. run-offs¹

In INR Cr.

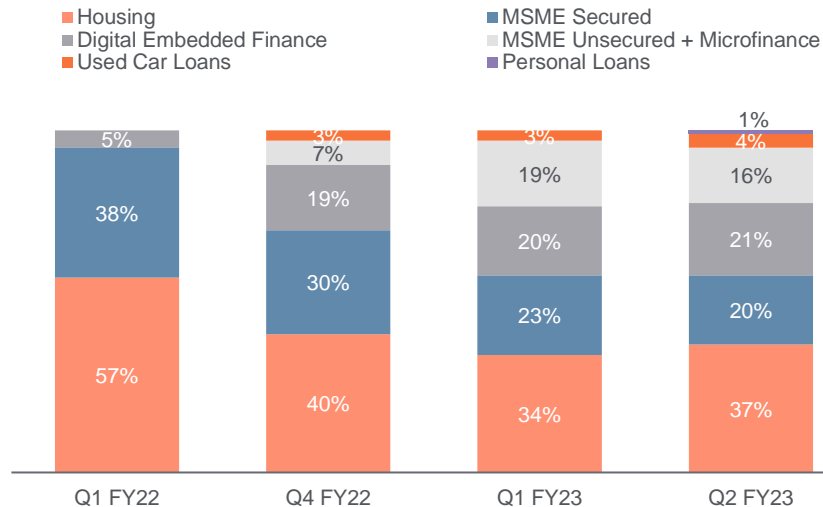


Ahead of our earlier guidance to achieve disbursements of INR 2,500-3,500 Cr. in Q3 FY23 (8x of pre-DHFL acquisition levels)

Yields: Healthy Disbursement Mix Driving Improvement in Retail Yields

Retail Disbursements Across Product Segments

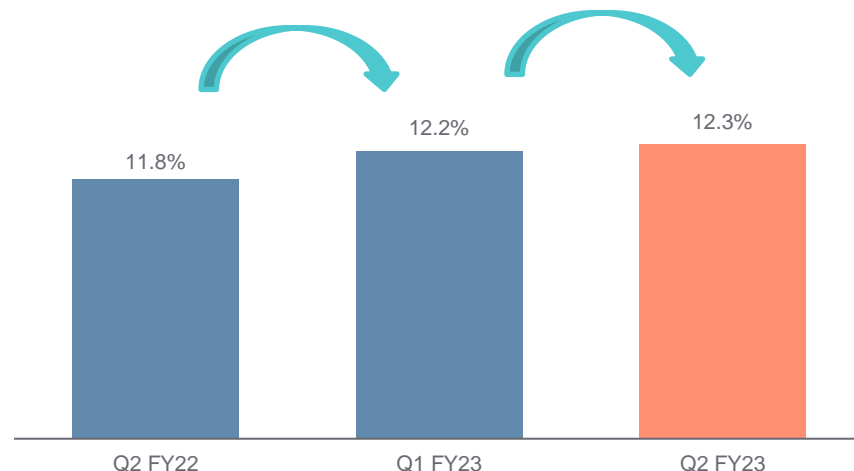
%, based on value for retail loans, data pertaining to organic growth / disbursements



Improvement in Retail Disbursement Yields

%, for retail loans (excl. embedded finance)

Embedded finance business has a higher disbursement yield



71% of value of loans originated in house; 29% by DSAs

Recoveries: Continued Recoveries from POCI Book



100% of Stage 2 and Stage 3 book of the acquired retail portfolio of DHFL was classified as POCI book



Face value was INR 9,488 Cr, was fair valued at INR 3,604 Cr. at the time of merger



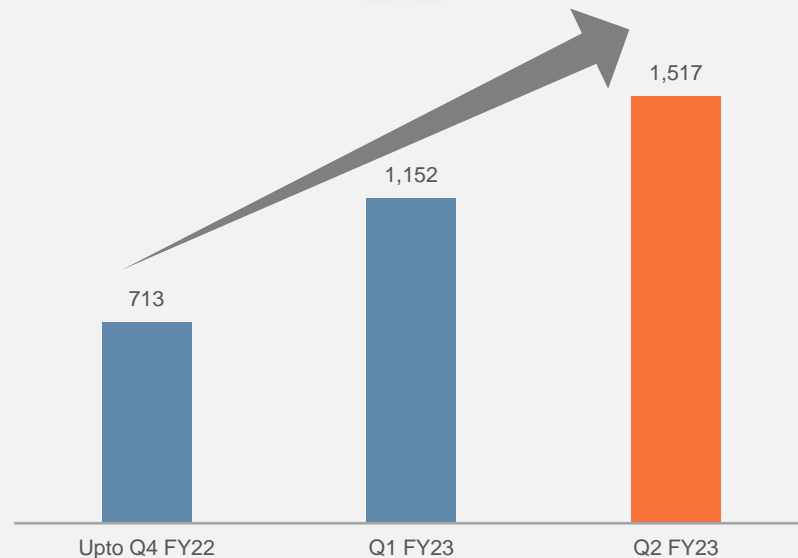
Any collections over and above the expected cash flow in the POCI book, are P&L accretive



POCI book stood at INR 3,204 Cr. as on Q2 FY23

Continue to Have Recoveries¹ in the POCI Book

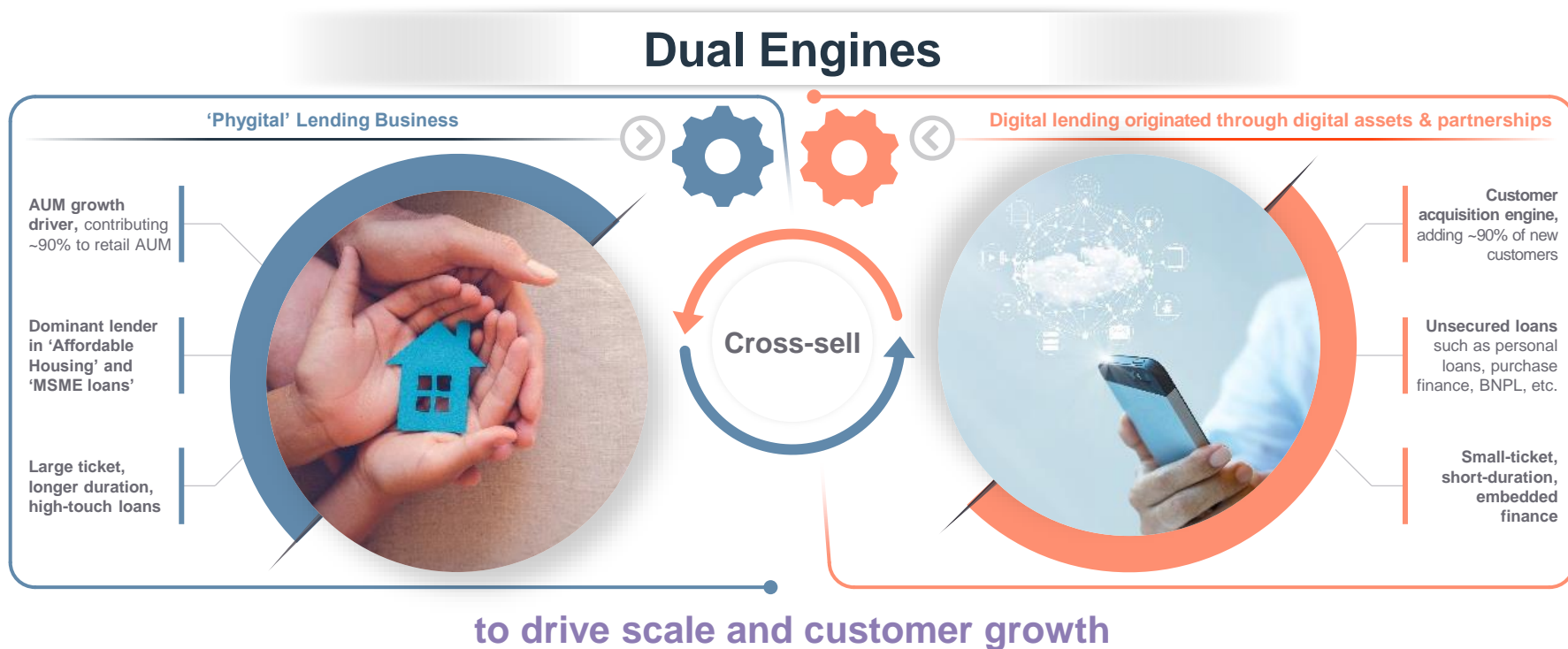
Cumulative Recoveries from POCI Book (INR Cr.)












3. Retail: Twin Engines to Unlock Future Growth

Adopting a 'Twin Engine' Approach for Retail Business



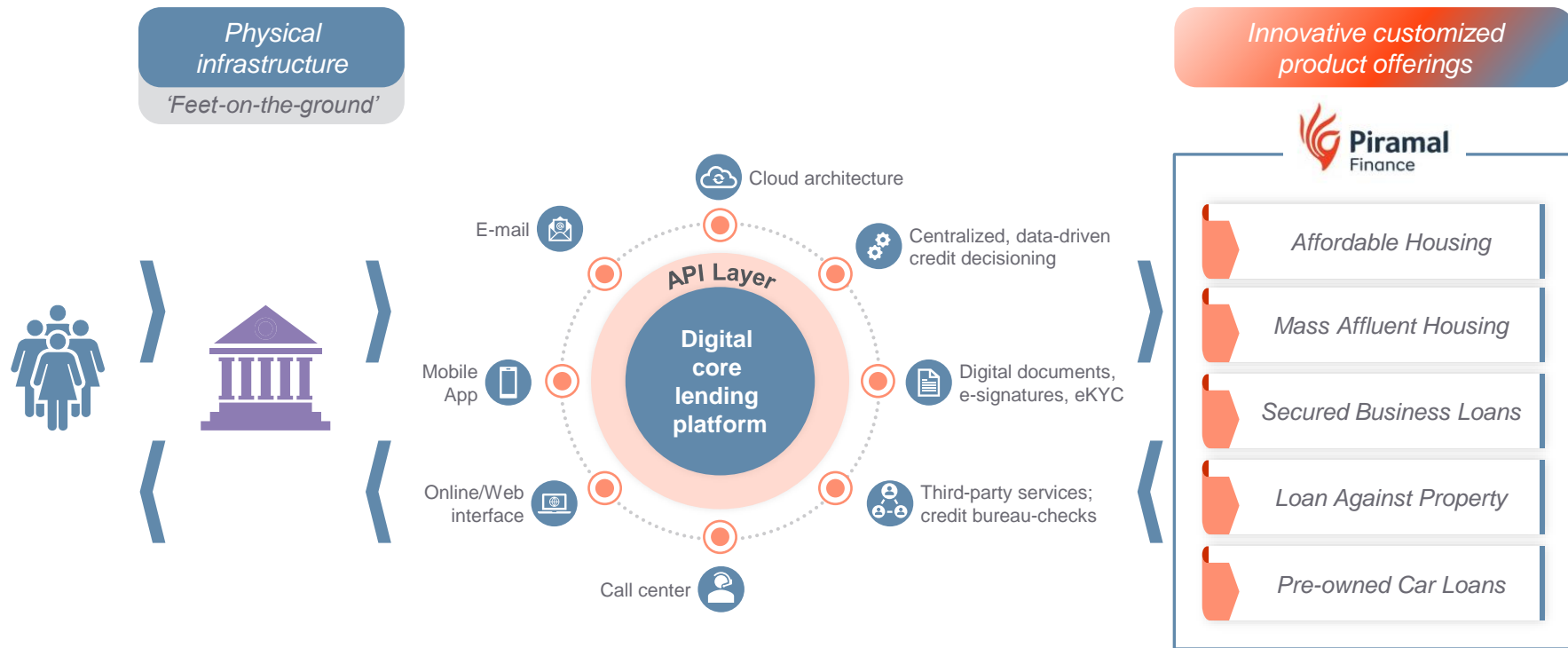
Retail Lending Platform with Multiple Products Across the Risk-Reward Spectrum

Expanded Our Product Offering in Q2 FY23 with the Addition of Salaried Personal Loans

	Product Segments (Retail Lending)	Products	Avg. disbursement ticket size (INR L)	Disbursement yield (%)	Share in disbursements (%)	Loan Book % (Q2FY23)
↑ ‘Phygita’ lending ↓ Digital lending	 Housing	Affordable Housing	17	10.8%	37%	63%
		Mass Affluent Housing				
	 MSME Secured	Secured Business Loans	20	12.1%	20%	26%
		Loan Against Property				
	 Microfinance ¹ NEW	Microfinance Loans	0.3	18.6%	8%	2.8%
	 Personal Loans NEW	Salaried Personal Loans	4.3	19.1%	1%	0.2%
	 Used Car Loans	Pre-owned Car Loans	4.9	14.8%	4%	1.3%
	 MSME Unsecured	Unsecured Business Loans	5.6	19.6%	8%	2.6%
		Merchant BNPL				
	 Digital Embedded Finance	Digital Purchase Finance	1.3	14.5%	21%	4.2%
		Digital Personal Loans				
	Weighted Avg. / Total		12.4	12.7%	100%	100%

3

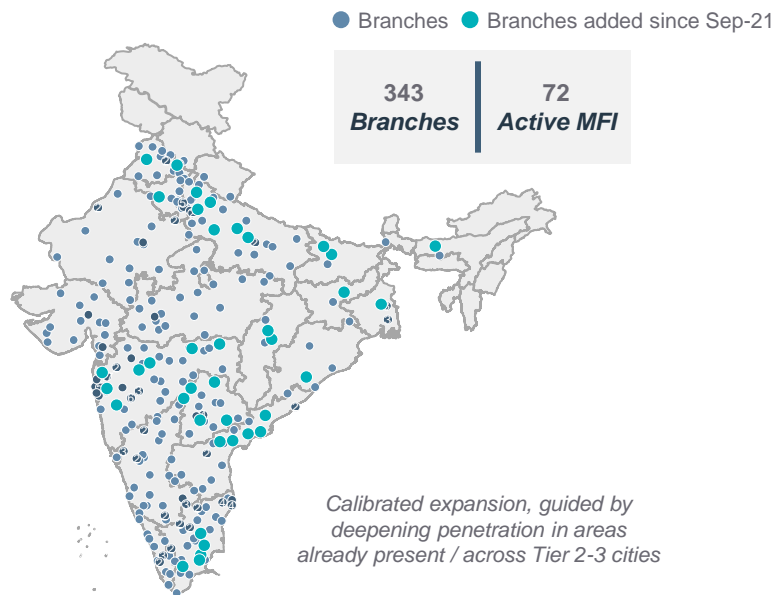
'Phygital Lending': Physically-distributed, Digitally-enabled



3

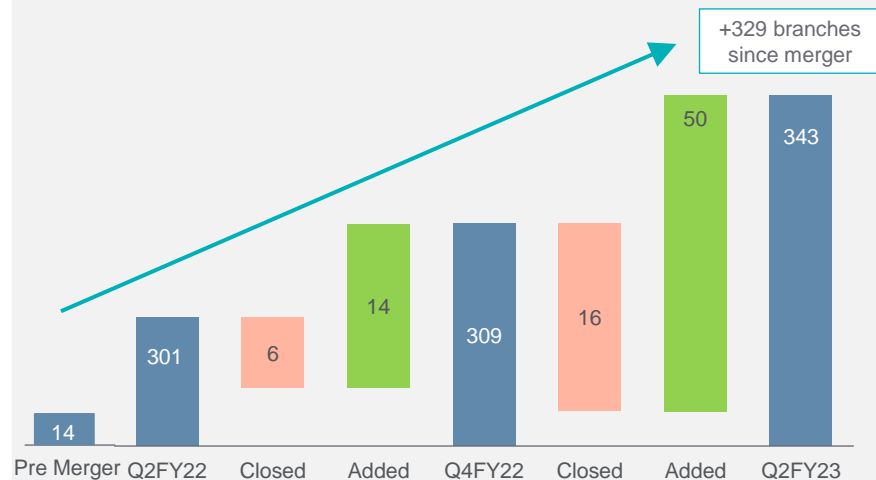
Physical: Pan-India and Expanding Distribution Network from 14 to 343 branches

Integration with DHFL branches – plan to expand to 500-600 branches in 5 years



50 new disbursement active branches in H1FY23

Branch additions
No. of branches, excl. Microfinance-BC branches

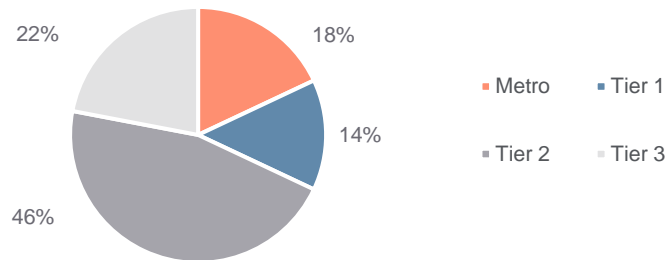


- **Branches:** Add 100 branches in FY2023; expand to 500-600 branches with presence in ~1,000 locations in 5 years
- **Microfinance-BC branches:** Activate ~100 Microfinance branches across 4-5 states in the near-to-medium term

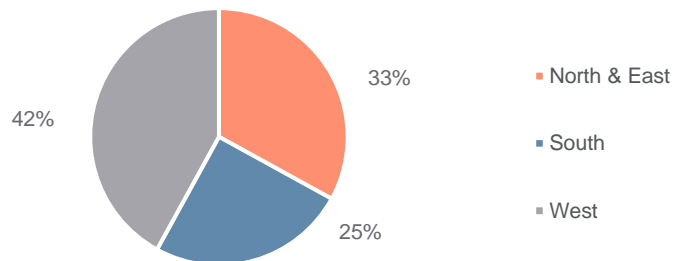
Physical: Strengthening Penetration in Tier 2/3 Cities and Towns

Increased presence in small & mid-market across India

% branches split by Tier¹ 1/2/3 cities/towns Sept-2022

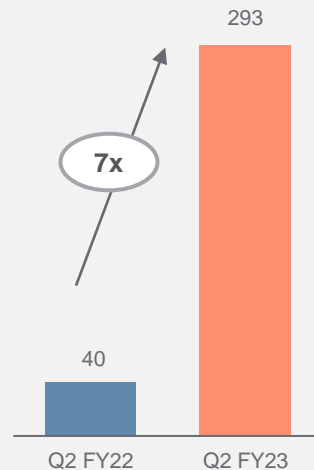


% Loan Book split by geographic concentration Sept-2022

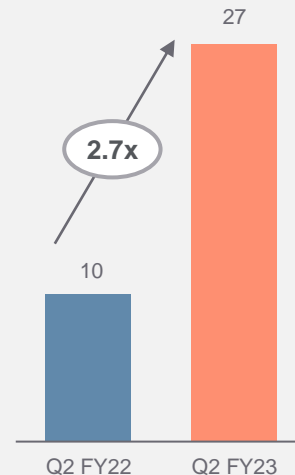


Plan to be present in 1,000 locations in 5 years

No. of locations
cities/towns



No. of states

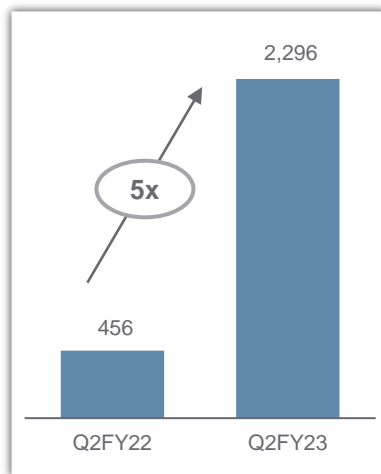


3

Physical: 100% Branches Active; 82% Activated with Multiple Products

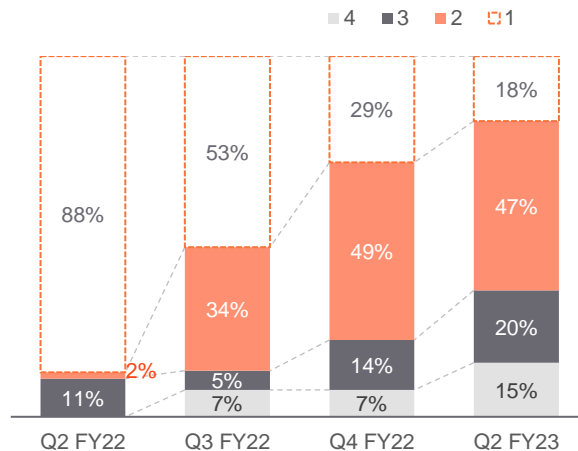
Home Loans continue to do well

Home Loans / Loan against Property
Quarterly disbursements
In INR Cr.



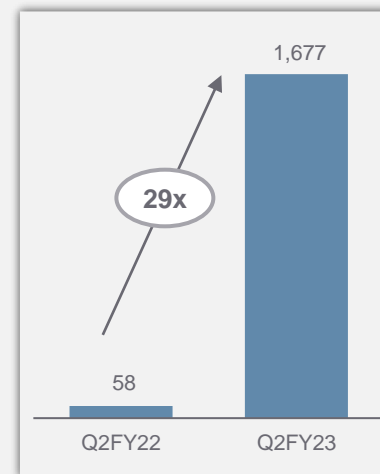
Branches activated with multiple products

Breakdown of branches by no. of products sold



Resulting in disbursement growth across product lines

Other Loans
Quarterly disbursements
In INR Cr.



All DHFL branches activated; focusing on optimization and productivity

Phygital: Customers Across Affordable Housing and MSME Segments



Small Business Owner
Kirana Store' Owner
In Bahadurgarh, Haryana

- Required Working capital for wholesale trading in nearby localities



Small Business Owner
Tailor in Meerut,
Uttar Pradesh

- Required loans for renovation of shop



Cash Salaried
Runs a Coaching Center
In Ulhasnagar, Maharashtra

- To purchase a 1BHK in Thane



Self-employed
Trader Of Plywood
In Dewas , Madhya Pradesh

- To buy a plot and construct a house



Self-employed
Electrical Contractor
In Kannur, Kerala

- To buy a house for self occupation

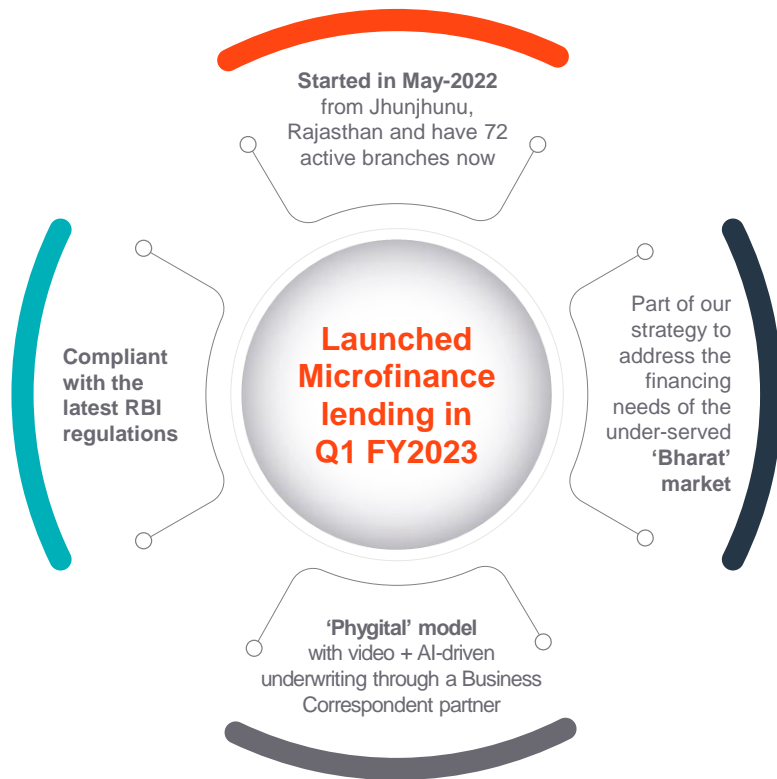


Small Business Owner
Pharmacy Owner
In Kanchipuram, Tamil Nadu

- Small business loan

Overall, a diversified customer mix with 60% Self-employed and 40% Salaried

Phygital: Microfinance Launched in Q1FY23 Through the BC Model



Microfinance-BC: Key Highlights As of Sep-2022



72

Active Microfinance branches

INR 40¹ Crores
Q2FY23 disbursements

INR 0.33 lacs
Average Ticket Size

Rural
Joint Liability Groups



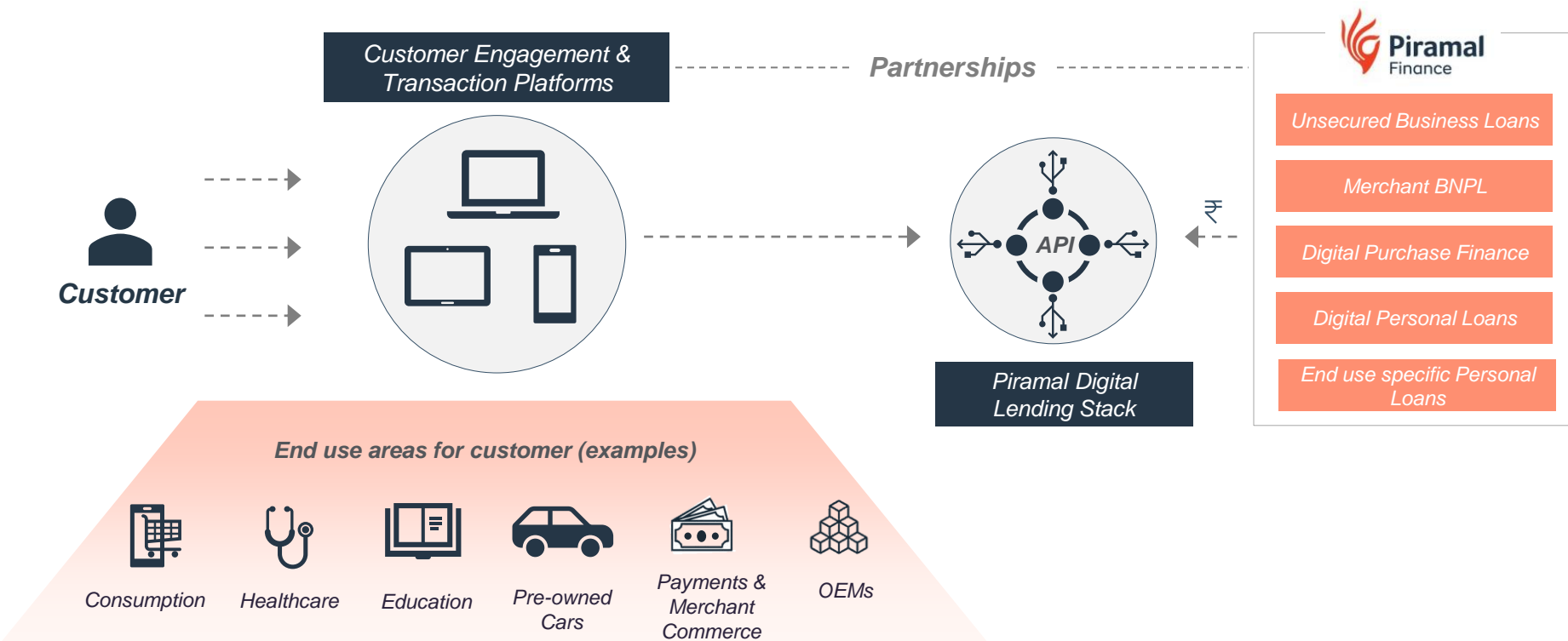
3

Phygital: Salaried Personal Loans Launched in Q2FY23



3

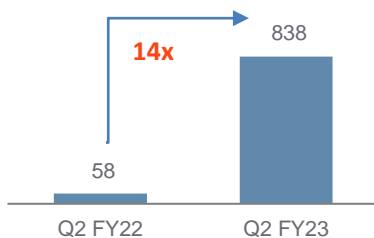
Digital: Embedding Credit as a Microservice Into Customer Journeys



Digital: Increasing Contribution and Catering to Customers Across End Use Areas

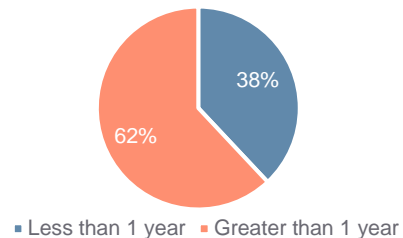
Quarterly Disbursements

In INR Cr.



Digital Loans Duration

% book.



Key Highlights:

22

Programs launched

13,302

Pin-codes Served

90%

Share of Customers Acquired
(Q2 FY23)

21%

Contribution to Disbursements
(Q2 FY23)

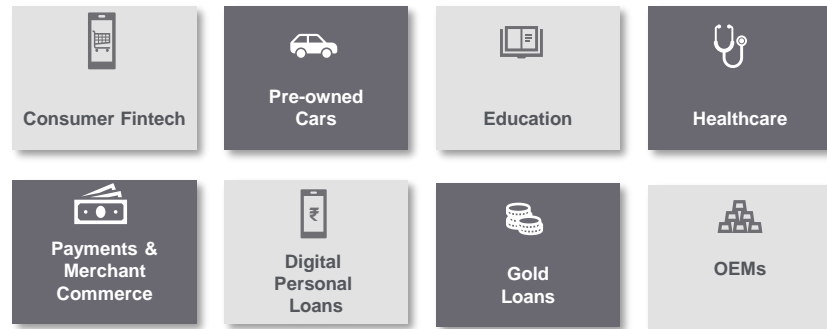
36 seconds

Least Time Taken for
Disbursed Loan

98%

Loans with Zero-manual
Intervention

Categories in focus for Embedded Finance solutions



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**

Digital: Scaling-up Partnerships with Marquee FinTech and Consumer Tech Firms

22 programs launched since inception

Fintech NBFCs

MSME platforms

Transaction platforms

OEMs

Service providers

Gold Collateral Companies

Edtechs / Education Institutes

Product manufacturers

Our Partners



KUWY



india
gold



Money View™



indifi



CREDITVIDYA

INDIALEND

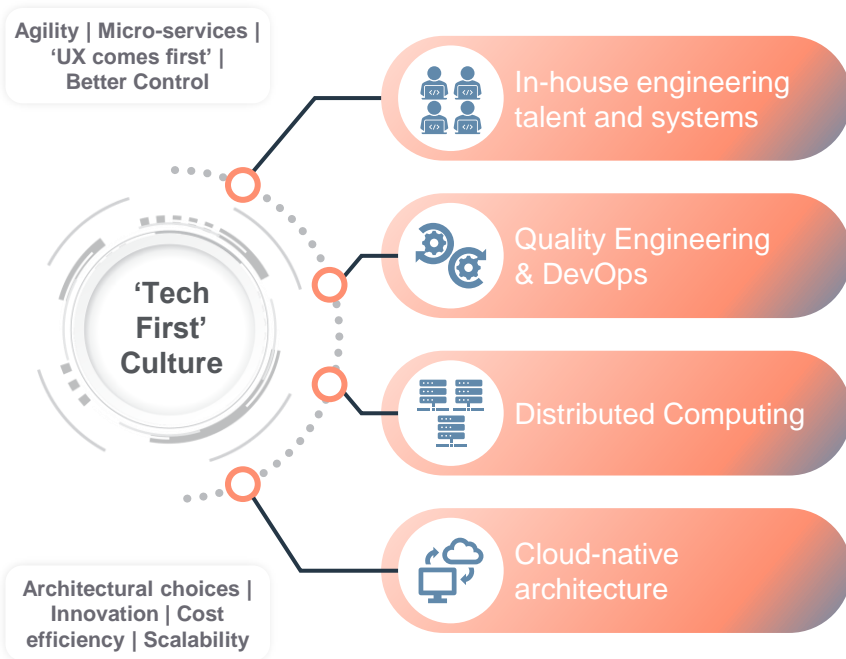




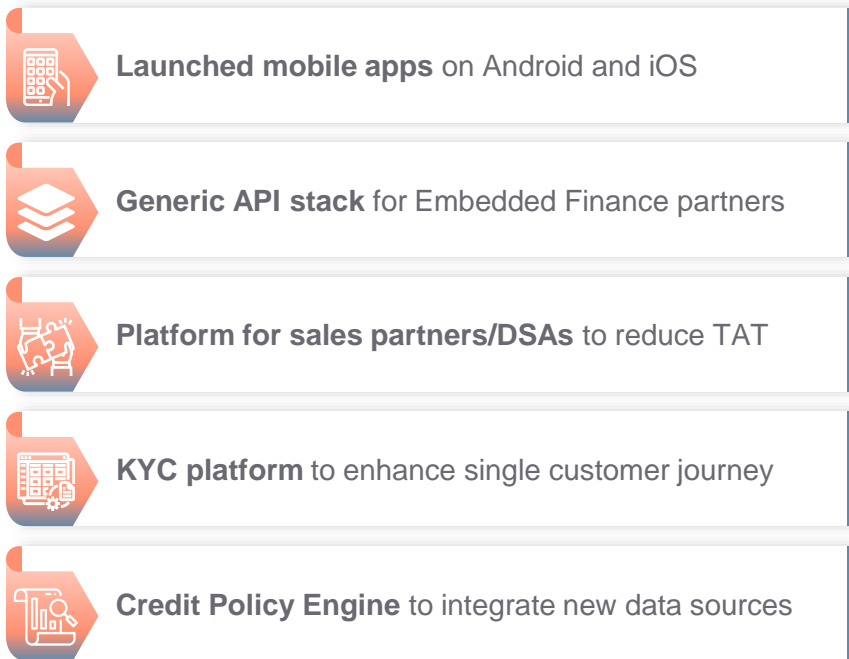
4. Leveraging cutting edge Technology and AI / ML capabilities

Cutting Edge Technology at the Core

Our Tech Strategy and Choices



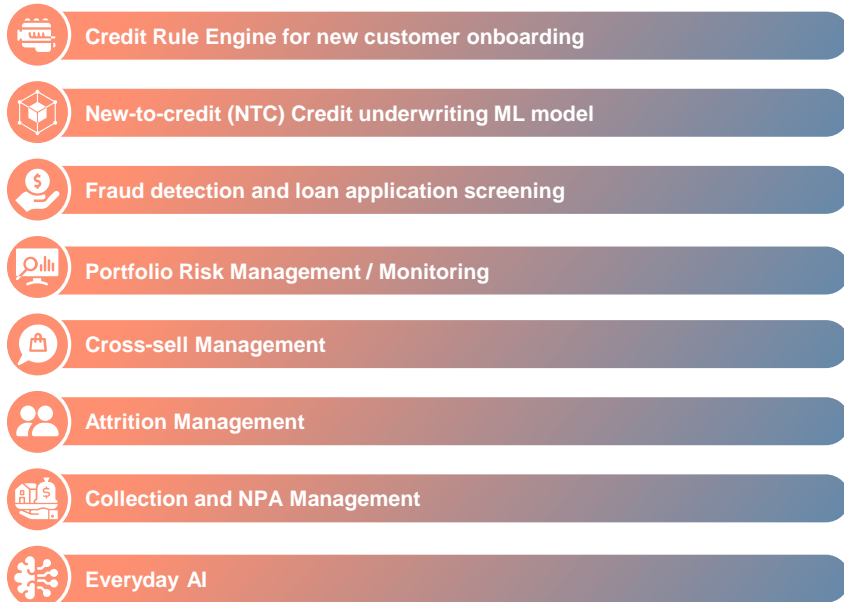
Digital Assets Created / Launched During FY2022



Extensively Leveraging AI/ML capabilities

AI/ML: Key Aspect Every Step of the Way

Extensive use of AI/ML capabilities, Decision Sciences and automated Business Intelligence (BI) in almost every aspect to re-imagine the entire customer journey



Leveraging Data Science / AI in Retail Lending

AI/ML Risk Models for Acquisition

2,70,000

Applications processed

DHFL Acquisition

Developed proprietary AI/ML models to predict default risk in the acquired portfolio – portfolio performance in line with expectations

AI/ML Models for NPA Recovery

40,000

Customers queued

Real-time visualization dashboard

80+

KPIs tracked

- Real-time
- Deep drill-down functionality
- One information platform

AI/ML Models for Retention

20,216

Cases processed

Risk Monitoring Platform

Monitoring key risk indicators such as:

Early Warning

Delinquency

Bounce

NPA

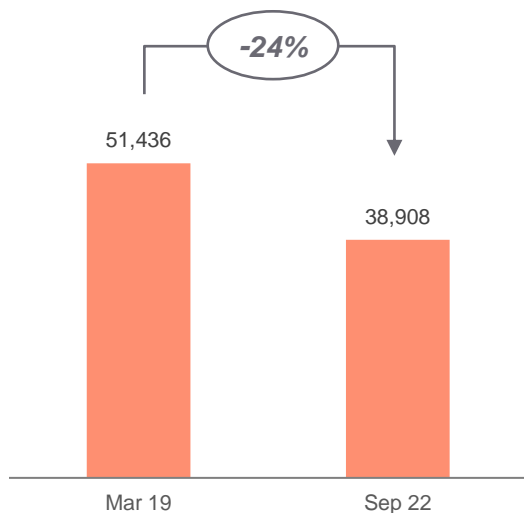


5. Wholesale: De-risking, Granularizing Existing Portfolio

Large Wholesale Lending Portfolio with Higher Granularization

Wholesale AUM (incl. DHFL)¹

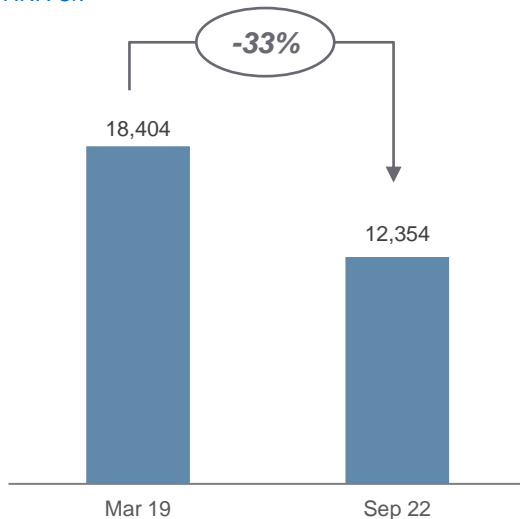
In INR Cr.



- 24% reduction since Mar-2019, which includes real estate and corporate loans

Top-10 Exposures

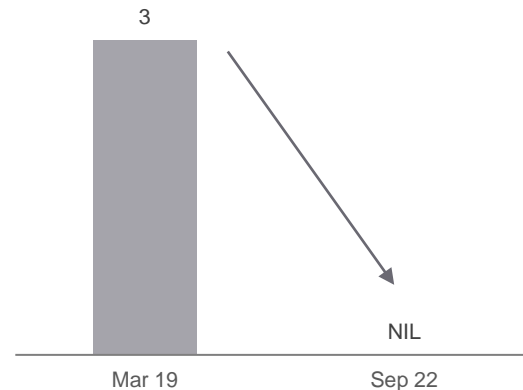
In INR Cr.



- Exposure to top-10 accounts reduced 33% since Mar-2019 (by INR 6,050 Cr.)

Single-borrower Exposures

■ No. of accounts
>10% of net worth



- No account² exceeds 10% of net worth, as of Sep-2022

Asset Classification: Wholesale Assets

Total Assets (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	27,865	36,520	39,357
Stage-2	9,208	3,750	3,172
Stage-3	1,836	2,054	1,878
Total	38,908	42,324	44,407
Total Provisions (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	742	876	993
Stage-2	3,001	1,638	602
Stage-3	1,366	1,193	972
Total	5,109	3,707	2,567
Asset Quality Ratios (%)	Sep-2022	Jun-2022	Sep-2021
GNPA Ratio (% of total AUM in Stage-3)	4.7%	4.9%	4.2%
NNPA Ratio	1.4%	2.2%	2.2%
Total Provisions as a % of Total AUM	13.1%	8.8%	5.8%
Total Provision as a % of GNPA's	278.3%	180.5%	136.7%
Provision Coverage Ratio – Stage 1	2.7%	2.4%	2.5%
Provision Coverage Ratio – Stage 2	33%	44%	19%
Provision Coverage Ratio - Stage 3	74%	58%	52%



Wholesale AUM reduced 13% in 12 months



INR 5,888 Cr Assets moved from Stage 1 to Stage 2 largely completing asset recognition cycle



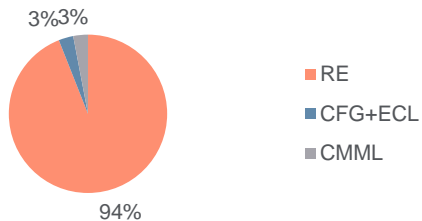
Well provided for Stage 2, Stage 3 assets



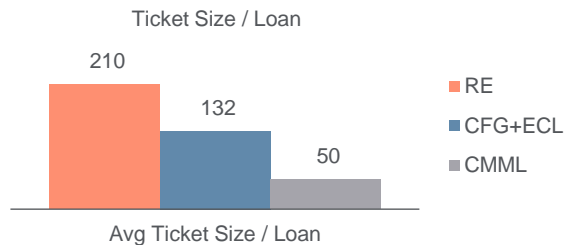
With increased focus on recoveries/monetization, Wholesale book will moderate in the short term

Composition of Stage 1 Wholesale Book

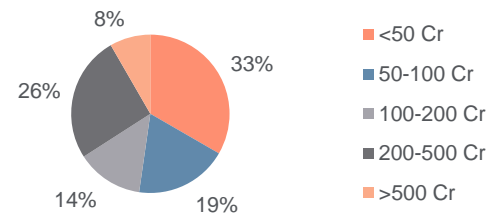
Sector Composition¹ – Over 90% of the stage 1 wholesale book into Real Estate lending; largely excludes promoter holdco corporate lending



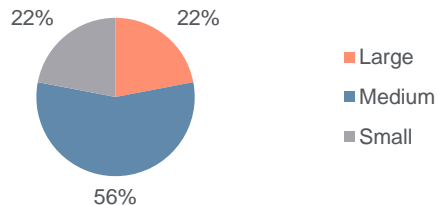
Ticket Size Distribution¹ – Weighted Average of INR 187 Crore per loan



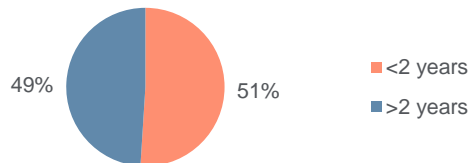
Granularity¹ – 66% of the number of loans are below INR 200 Crore



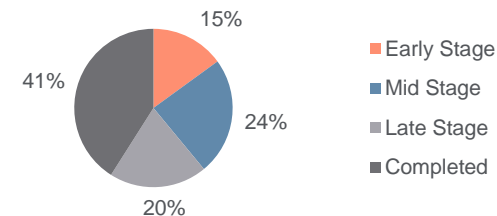
Developer Categorisation² – 78% of the book is large and medium developers



Contractual Repayments¹ – More than 50% of stage 1 repayments expected in less than 2 years



Stage of Construction² – 60% of the book is late stage or completed





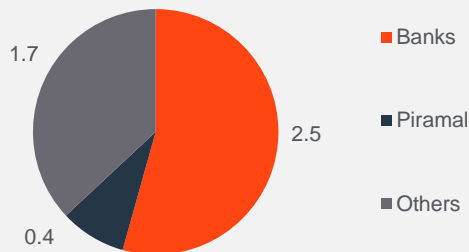
**6. Rebuilding high quality
Wholesale book, capitalizing on
the market gap**

Well Positioned to Leverage the Real Estate Industry Tailwinds & Low Penetration

Large Real Estate Lending Market of INR 4.5 Lakh Cr.

In INR Lakh Cr.

Source: RBI, Various Annual Reports



Progressing to Rebuild Our Real Estate Developer Financing Book

- Deals under execution worth over INR 1,000 Cr
- Granular and Diversified Real Estate Developer Financing Book
- To build exposure in select markets across Tier 1, 2, and 3 cities
- Best in class governance and risk management

From Cyclical & Structural Perspectives, It Is Good Time to Build up the Lending Book

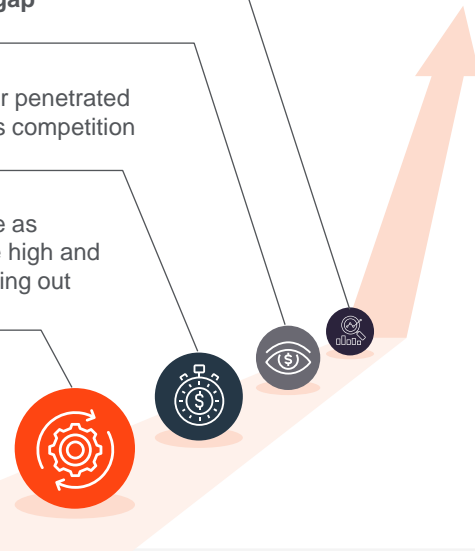
NBFC / HFC Space is getting vacated
resulting in **major market gap**

Tier 2 and Tier 3 Markets
Markets are relatively under penetrated
Attractive space due to less competition

Opportune Timing:
Beginning of a growth cycle as
affordability is at an all time high and
inventory levels are bottoming out

Developer consolidation
resulting in **better quality ecosystem**

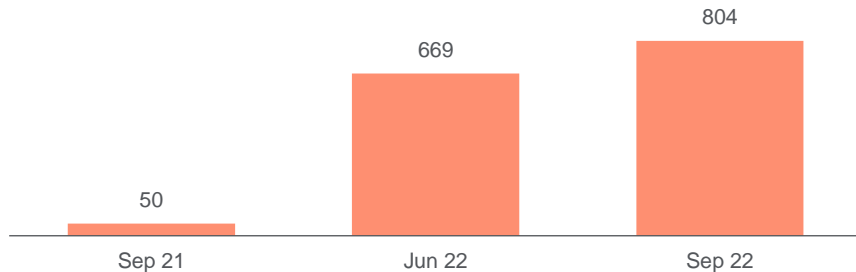
**Scale +
Profits +
Leadership**



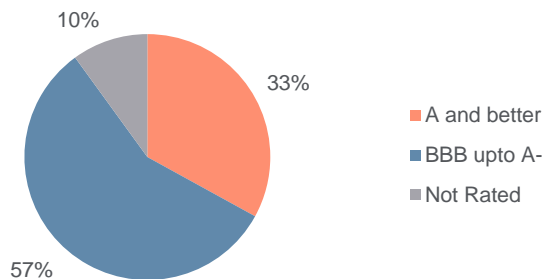
De-risking Through Granular and Cashflow Backed Corporate Mid-Market Lending

AUM (Corporate Mid Market Lending)

In INR Cr.

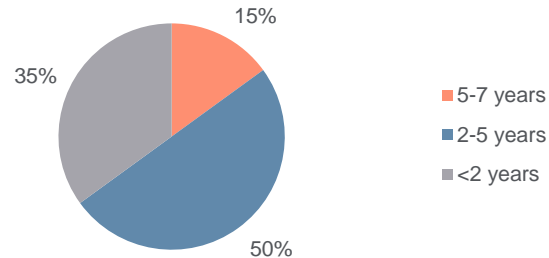


AUM (Corporate Mid Market Lending)

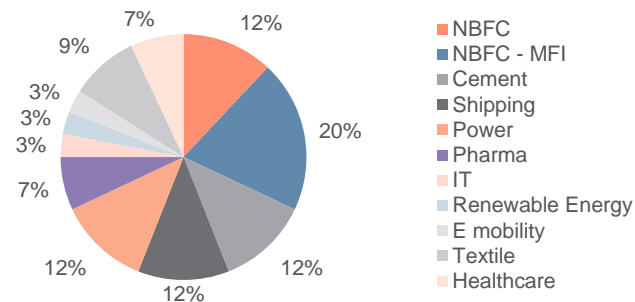


By Original Tenor

As of Sep-2022





By Industry



Wholesale Lending

Foundation Pillars in Place

 Granularity + Diversification	 Risk Appetite & Governance	 Right Organization Structure	 Active Asset Management	 Focus on ALM	 Alignment of Interest
<ul style="list-style-type: none"> Building a granular and diversified wholesale book across real estate and mid market corporate lending 	<ul style="list-style-type: none"> Separated guardrails Strong approval and governance Proactive asset monitoring 	<ul style="list-style-type: none"> Separated credit and organization Asset Mgmt works with Organization Strengthened Credit 	<ul style="list-style-type: none"> Quarterly detailed portfolio review meeting Dedicated Inv. Committees for RE and CMMML 	<ul style="list-style-type: none"> Pro-active asset liability management – match funding; active participation in ALCO 	<ul style="list-style-type: none"> Long term incentive embedded in the compensation for the team

Risk + Control Functions + Technology Embedded in the Process

Risk Group	Control Functions (Legal, Compliance, Operations, Finance)	Technology (Pinnacle; analytics driven)
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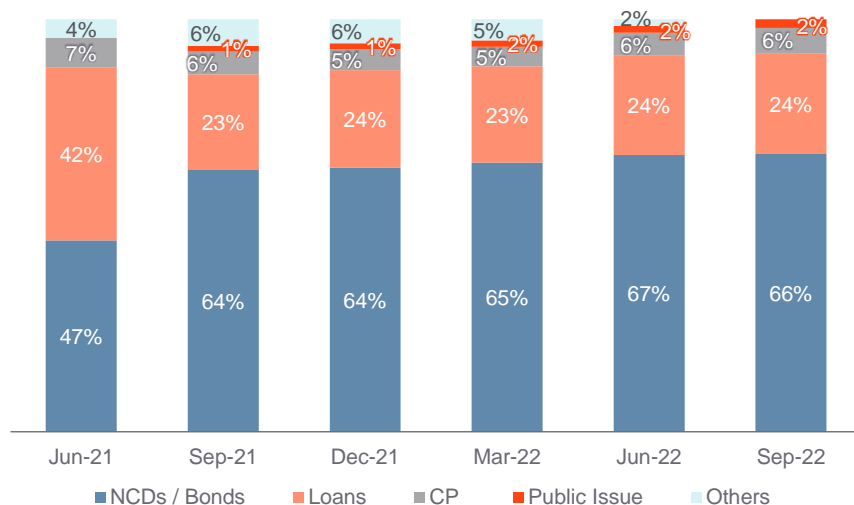
Catering to a large addressable market (having few credit providers), by adopting a calibrated approach, with focus on cash flow-backed lending



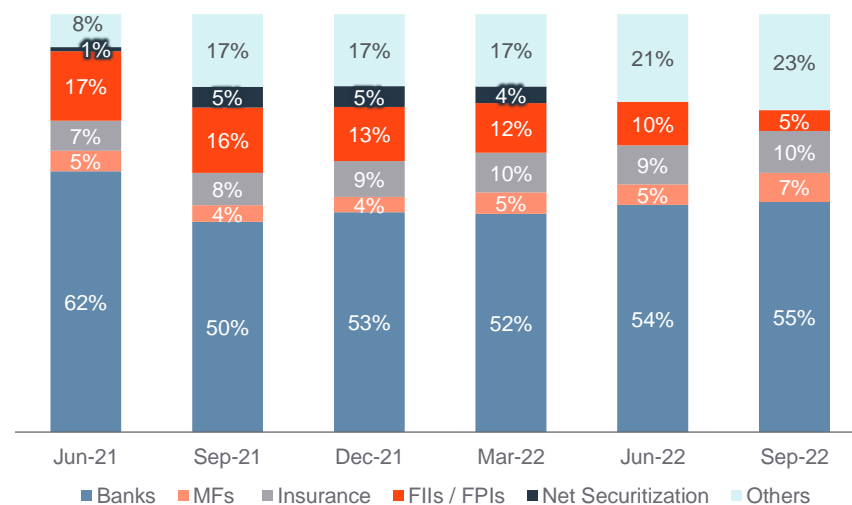
7. Diversified Borrowing Mix with Stable & Long-term Funding

7 Diversifying The Borrowing Mix

Breakdown of Borrowing Mix by Type of Instruments



Breakdown of Borrowing Mix by Type of Lender¹



Ratings Update

Long Term Ratings

ICRA & CARE: AA

Outlook Stable

Short Term Ratings

CRISIL, ICRA, CARE: A1+

Robust Liability Management with Higher Proportion of Long-term Borrowings

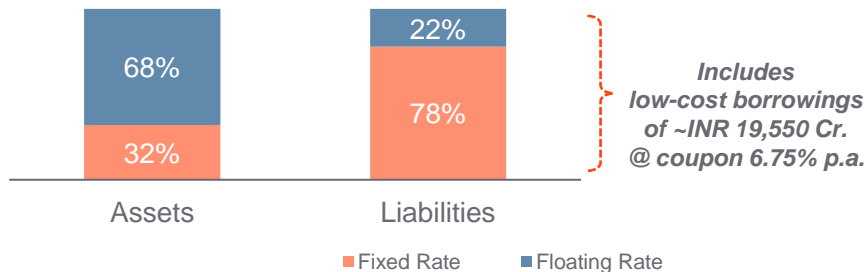
Increase in maturity of borrowings since the acquisition

Average Maturity of Borrowings
in years, weighted average on a residual basis



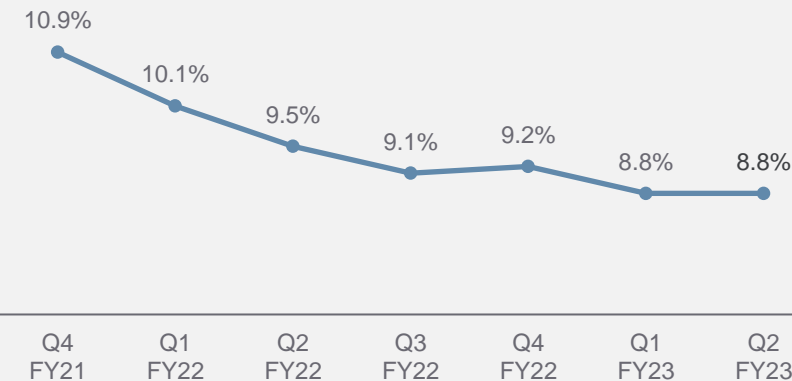
Large part of our borrowings are fixed in nature

Fixed : Floating Rate Mix
As of Sept-2022



Borrowing cost dropped over last one year

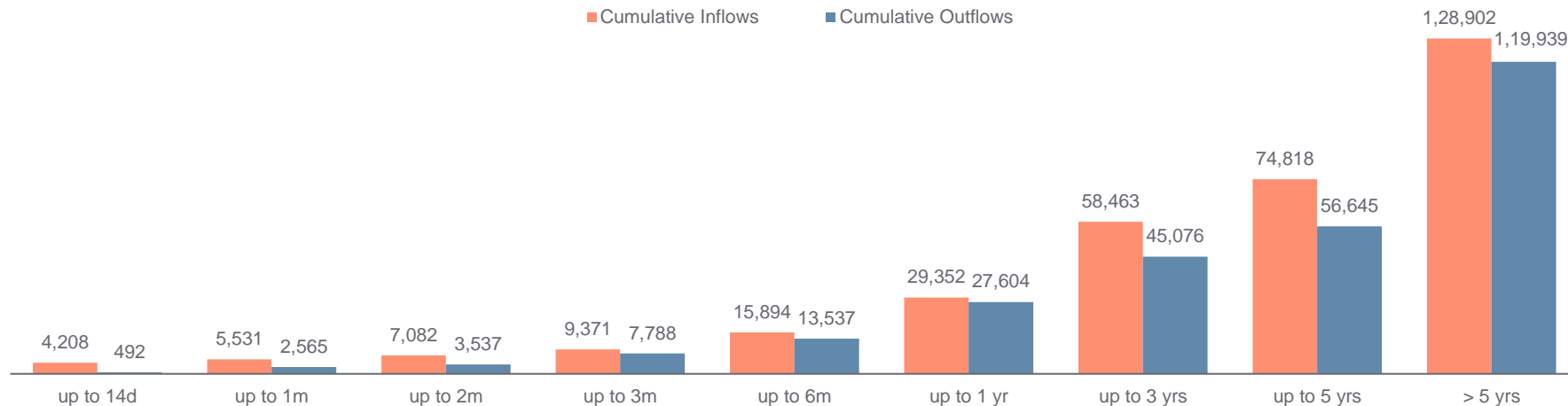
Average Cost of Borrowings
In %, for PEL



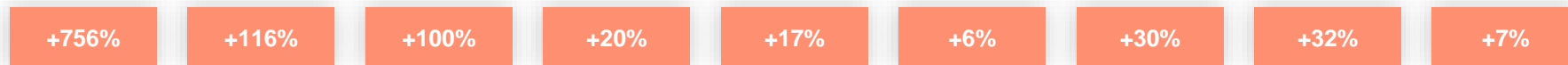
7 Asset-Liability Profile

ALM Profile - As on Sep 30, 2022 ⁽¹⁾

(in INR crores)



Cumulative GAP2 (%)



Notes: (1) ALM excluding Pharma Business and Shriram Investments. 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.



Key Financial Metrics

Key Income Statement Metrics

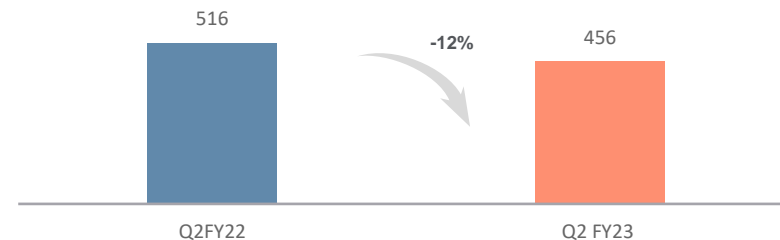
Net Interest Income

In INR Cr.



Pre-Provisioning Operating Profit (PPOP)

In INR Cr.



Profit Before Tax

In INR Cr.



Profit After Tax

In INR Cr.



Profit and Loss Statement

(in INR crores)

PEL Consolidated	Q2 FY23	Q2 FY22	Y-o-Y Growth%	Q1 FY23	Q-o-Q Growth%	H1 FY23	H1 FY22	Y-o-Y Growth%
Operating Income	1,947	1,613	21%	2,130	-9%	4,077	3,207	27%
Less - Interest Expense	1,013	914	11%	1,051	-4%	2,064	1,857	11%
Net Interest Income	934	699	34%	1,079	-13%	2,013	1,350	49%
Other Income	63	27	132%	23	177%	86	50	72%
Total Income, net of interest expenses	997	726	37%	1,101	-9%	2,099	1,400	50%
Less - Operating expenses	541	209	158%	442	23%	983	419	135%
Pre provision Operating Profit (PPOP)	456	516	-12%	660	-31%	1,116	981	14%
Less: Loan Loss Provisions & FV loss/(Gain)	3,311	(29)		122		3,433	(105)	
Profit Before Tax	(2,855)	546	-623%	538	-631%	(2,317)	1,086	-313%
Current & Deferred tax	(694)	98	-805%	145	577%	(548)	232	-336%
Profit After Tax (Before Associate Income)	(2,161)	447	-583%	392	-651%	(1,769)	854	-307%
Associate Income	172	100	72%	149	15%	321	251	28%
PAT before exceptional	(1,989)	547	-463%	542	-467%	(1,447)	1,105	-231%
Exceptional (Expense)/ Gain	452	(153)		7,614¹		8,066	(153)	
PAT after exceptional	(1,536)	395	-489%	8,155	-119%	6,619	952	595%
Profit from Discontinuing Operation	-	32		-		-	8	
Reported Net Profit/(Loss) after Tax	(1,536)	427	-460%	8,155	-119%	6,619	960	589%

Notes: (1) Exceptional gain of INR 7614 Cr in Q1FY23 pertaining to a demerger adjustment; explained in detail in slide no 54 in the appendix
Gain on mutual fund investments is clubbed under operating income

Balance Sheet and Key Ratios

Consolidated Balance Sheet

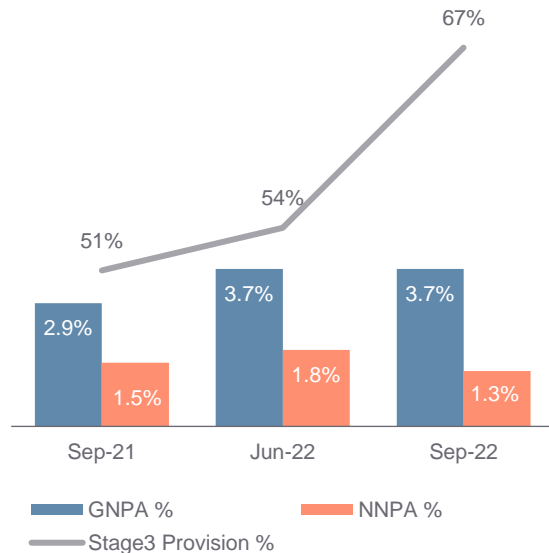
Particulars	Sep'22 (Unaudited)
Assets	
Cash & Liquid Investments	6,984
Loans	46,481
Investments	20,584
Other Assets	6,341
	80,389
Liabilities	
Net worth	27,472
Borrowings	47,320
Other Liability	5,597
	80,389

Key Ratios

Ratios	Q2FY23	H1FY23
Yield % ¹	10.9%	11.4%
Cost of Borrowing %	8.8%	8.7%
NIM % ¹	4.6%	5.1%
Cost to Income %	55.3%	47.3%
Gross Debt to Equity ²	2.4	2.4
Net Debt to Equity ²	2.0	2.0

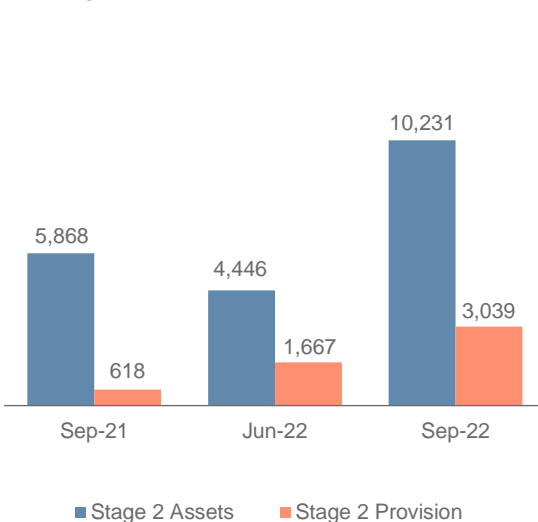
Asset Quality and Conservative Provisioning Policy

Stage 3 Assets



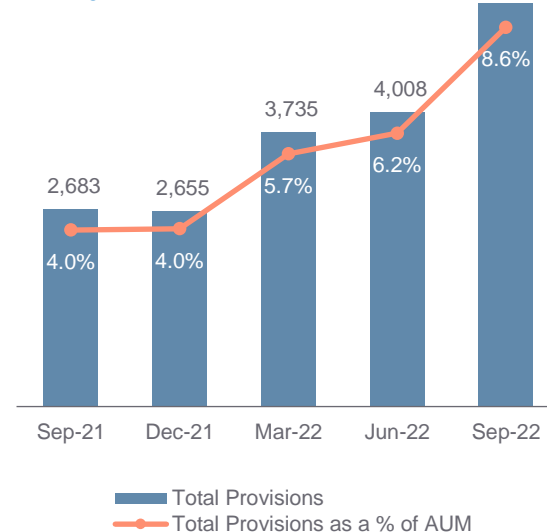
Stage 2 Assets

In INR Cr.



Total Provisions

In INR Cr.



Largely completing asset recognition cycle

Asset Classification: Total Assets

Total Assets (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	48,134	54,438	59,167
Stage-2	10,231	4,446	5,868
Stage-3	2,210	2,362	1,950
Sub-total	60,575	61,247	66,985
POCI	3,204	3,344	
Total	63,780	64,590	66,985

Total Provisions (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	978	1,059	1,064
Stage-2	3,039	1,667	618
Stage-3	1,475	1,282	1,001
Total	5,491	4,008	2,683

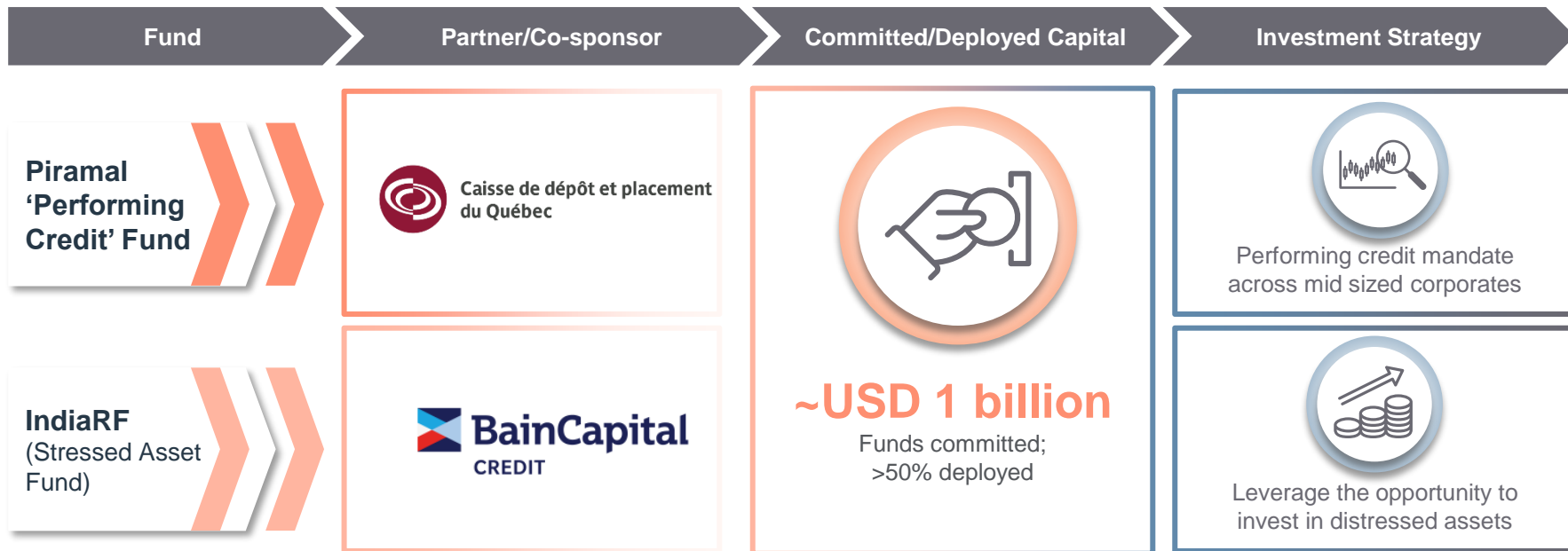
Asset Quality Ratios (%)	Sep-2022	Jun-2022	Sep-2021
GNPA Ratio (% of total AUM in Stage-3)	3.7%	3.7%	2.9%
NNPA Ratio	1.3%	1.8%	1.5%
Total Provisions as a % of Total AUM	8.6%	6.2%	4.0%
Total Provision as a % of GNPA's	248%	170%	138%
Provision Coverage Ratio – Stage 1	2.0%	2.0%	1.8%
Provision Coverage Ratio – Stage 2	30%	37%	11%
Provision Coverage Ratio - Stage 3	67%	54%	51%



Non-Lending Business

Brief Overview

Alternatives: Fund Management with Marquee Investors; ~USD 1 bn of Committed Funds

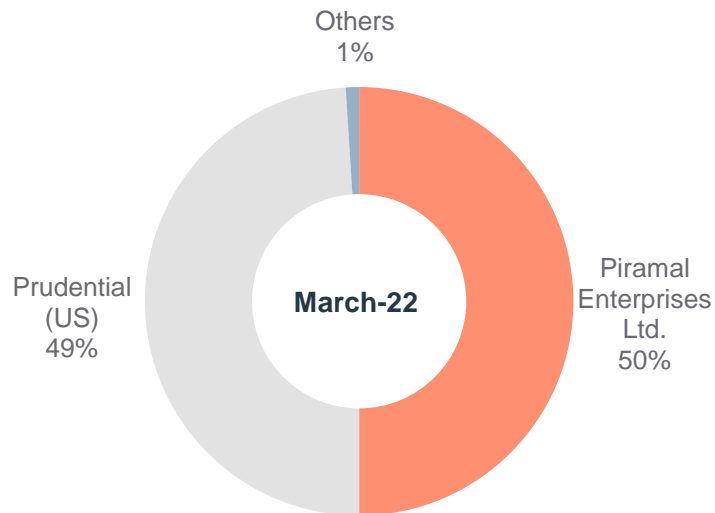


Return on sponsor commitments as well as income (in the form of both fee and carry) are likely to further improve, as we scale up existing funds and expand the product suite

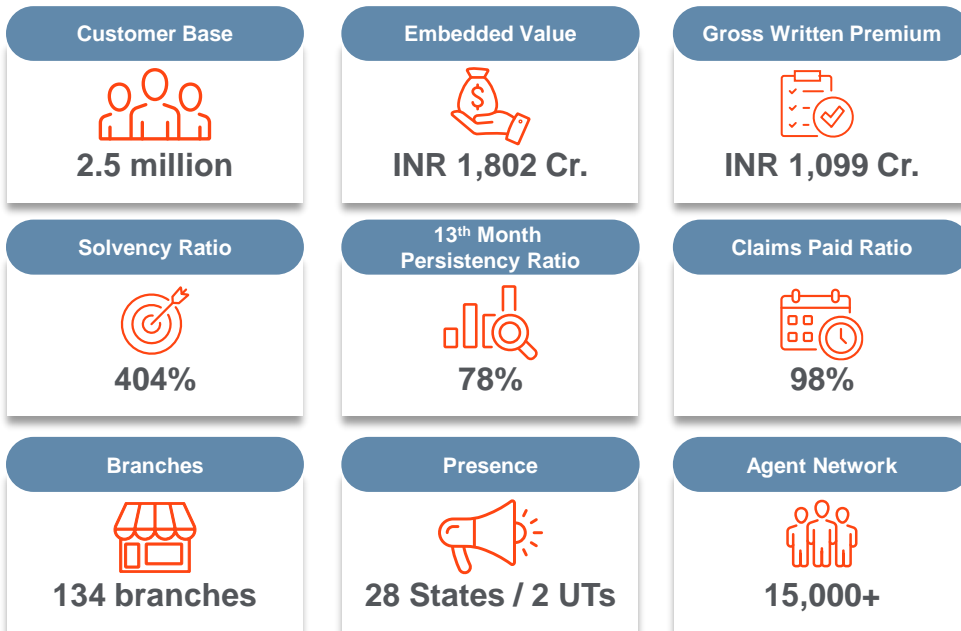
Life Insurance: JV with Prudential International Insurance Holdings

Shareholding Pattern of Pramerica Life Insurance (PLI)

(in %)



(as of FY22)



Strong foundation in place for next phase of growth



Focus on ESG

Pioneer in ESG Endeavors

ESG Highlights in 2021-22



Ranked 12th with an A+ Rating in
"BW Businessworld India's Most
Sustainable Companies"
(April 2022)

- **Digital Centre of Excellence**, for in-house technology and analytics – supporting innovation in key issues like customer data privacy & security
- **Technology-led multi-product** retail lending platform, part of our 'Phygital' approach
- **Financial Literacy** training for micro finance customers
- **CSR activities** led by Piramal Foundation
- **Affordable housing product**, serving 'Bharat' customers
- Independent **Enterprise Risk Management (ERM)** system, Independent Board including **women** director and Risk and Audit Committee
- **Whistle-blower** mechanisms and **POSH** Policies in place for effective in-house governance

113 Mn
Lives
touched

40%
Corporate
roles filled by
women

2.7 Mn
People
impacted by
COVID-19
relief

112
Aspirational
districts
across India

Sustainability is embedded in our core value system. We have embarked on a journey to be a leader in Sustainable Finance

We are working with a leading Big4 consulting firm to support us on this journey



Key Outcomes

- ✓ **Market Differentiation**
- ✓ **Long Term Value Creation**
- ✓ **ESG based new products**
- ✓ **Build our Sustainable Financing agenda**

Piramal Foundation's Initiatives Touched Lives of 100+ Million Indians in Last 15 Years Across 27 States

Impacting Vulnerable Communities

Collaborators Onboarded



- 1,059 Local NGOs
- 8,162 Gram Panchayats
- 6,651 Faith Leaders
- ~20,000 tribal healers
- ~1,91,300 community influencers
- ~29,000 tribal youth

- Implemented “Aashwasan” campaign across 174 tribal districts and reached ~1.65 crore people
- Buniyaadi Shiksha Abhiyaan: 110 districts aligned, ~16,560 demo schools selected and ~54,300 middle managers and teachers trained



Strengthening Systems to Deliver Better Impact

Improving Service Delivery

- 121 Mobile Medical Units and Tele-medicine centers and 2 Health Info Helplines
- 27 health facilities digitised

Building State Digital Capacity

- ~2,500 officials and ~1,300 front-line workers empowered with digital capabilities
- 6 Health Dept. portals developed, maintained

Education Leaders Trained

- Cluster/school level: ~11,600
- Block level: ~1,660
- State/district level: ~1,540



Creating Future Leaders

Alumni

Gandhi Fellowship

1,712

Karuna Fellowship

178

Currently enrolled

1,250

76



Piramal Foundation: Domain Expertise, Implementation Capability, and Partnerships With Government to Contribute Towards India's Equitable & Inclusive Growth



Impact Vulnerable Communities in India



Strengthen Systems to Deliver Better Impact



Create Future Leaders



Aspirational Districts

Improve indicators in education, health and nutrition



Strengthen Institutions

Legal, Organisation Development, Communications



Youth

Nation building



Tribal Communities

Overcome key health challenges and improve health indicators



Build Collaboration

Government functionaries



Rural Women

Strengthen communities



Children with Special Needs

Special needs school for children under 3



Digital Transformation

Develop technology, integrate systems

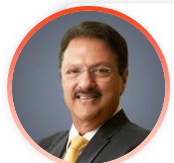


Young Professionals

Ethical corporate leaders

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

Board of Directors



Ajay Piramal

Chairman,
Piramal Group



Dr. Swati A. Piramal

Vice Chairperson,
Piramal Group



Anand Piramal

Executive Director,
Piramal Group



Nandini Piramal

Non-Executive
Director



S. Ramodarai

Independent Director



Vijay Shah

Non-Executive Director



Kunal Bahl

Independent Director



Suhail Nathani

Independent Director



Anjali Bansal

Independent Director



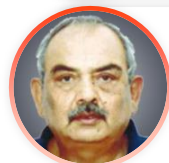
Puneet Dalmia

Independent Director



Shikha Sharma

Non-Executive,
Non-Independent Director



Rajiv Mehrishi

Independent Director



Gautam Doshi

Independent Director



Anita George

Independent Director



Appendix

Q2FY23: Key Highlights

Completed the demerger of Piramal Pharma. Reporting first quarterly results for PEL as a listed NBFC

Retail Lending: Successfully completed one year of DHFL acquisition

12% YoY growth in loan book

Retail lending grew to 43% of loan book now, from 12% pre-merger

8x YoY growth in retail disbursements

Wholesale Lending: AUM reduced by 13% in last 12 months

INR 5,888 Cr of assets moved from stage 1 to stage 2, largely completing asset recognition cycle

Well provided for stage 2 and stage 3 loans

Strong balance sheet with equity of INR 27,472 Cr available for organic as well as inorganic growth

Capital Adequacy Ratio of 23% & Net Debt to Equity ratio at 2x for lending business

Cash and cash equivalents of INR 6,984 Cr

Additional pockets of value embedded in the balance sheet

Demerger Accounting

- As part of the pharma demerger process, we conducted the fair valuation of the PPL undertaking on 1st April 2022
 - Book value of Pharma business (excluding minority interest) in PEL worth INR 5,368 Cr was fair valued to INR 12,982 Cr
 - The difference between the Fair Value amount and the Book Value amount of INR 7,614 Cr It was accounted through the P&L in Q1FY23 with corresponding increase in net asset value of Pharma business
- Further, in August 2022 on receipt of the NCLT order approving the demerger, the business was again re-valued in line with Ind AS 10 requirements
 - In this process, additional INR 760 Cr was further accounted as gain in the P&L in Q2 FY23 which too was accounted through the P&L in Q2FY23 with corresponding increase in net asset value of Pharma business
- As on NCLT approval date, August 12, 2022 the Pharma business equity was INR 13,742 Cr represented by equivalent net assets
- On demerger of Pharma business the net assets of INR 13,742 Cr got transferred to Piramal Pharma Limited and equivalent debit was accounted in Retained Earnings
- In addition, exceptional reorganisation costs of INR 308 Cr (net of taxes) was also incurred, comprising prepayments on borrowings, PEL's share of stamp duty cost etc

The net gain in P&L on account of fair valuation is net worth neutral



For Investors:

Hitesh Dhaddha

Chief Investor Relations Officer

Email : hitesh.dhaddha@piramal.com

Phone : +91 22 3046 6306



Piramal