



Piramal Enterprises Limited
Q2 & H1 FY2023 Results Presentation

November 2022



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1. Q2FY23 Financial Performance

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

Q2FY23: Key Numbers

Overall		Retail		Wholesale	
Total AUM (Up 35% since 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 CMML ² 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%

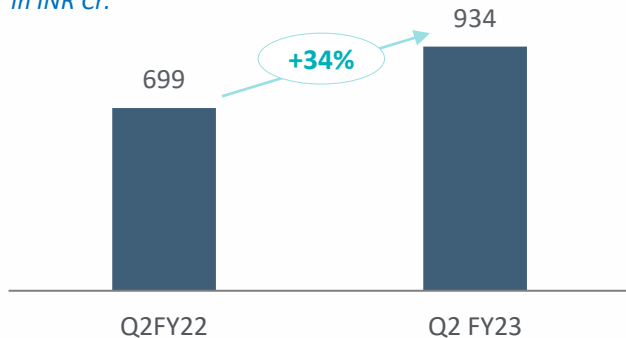
Notes (1) Excluding equity under Pharma business (2) CMML: Corporate Mid Market Lending, included in Wholesale Assets Under Management
Pre-Merger : Q1FY22



P&L Performance

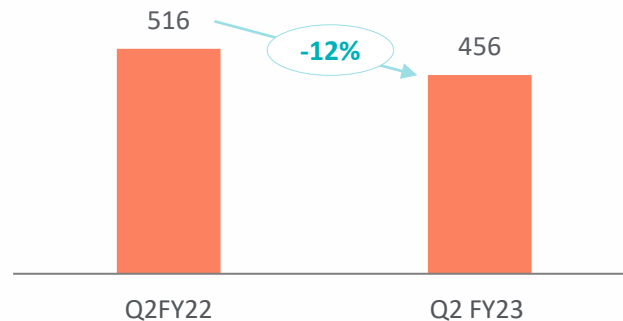
Net Interest Income

In INR Cr.



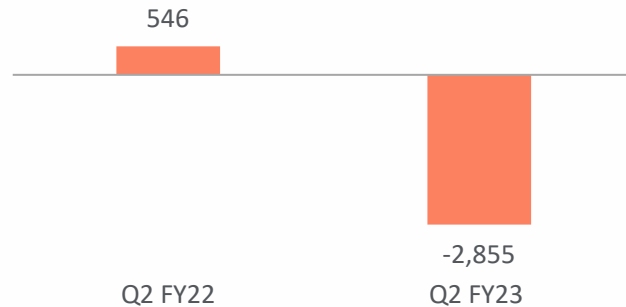
Pre-Provisioning Operating Profit (PPOP)

In INR Cr.



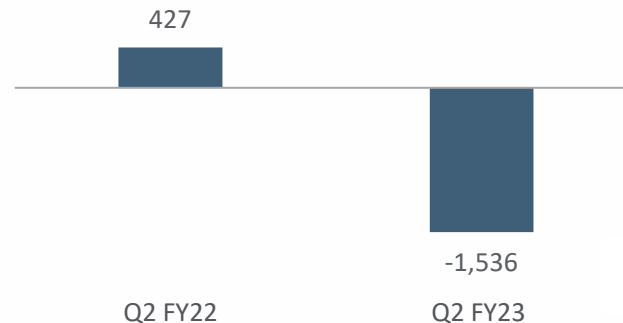
Profit Before Tax

In INR Cr.



Profit After Tax

In INR Cr.

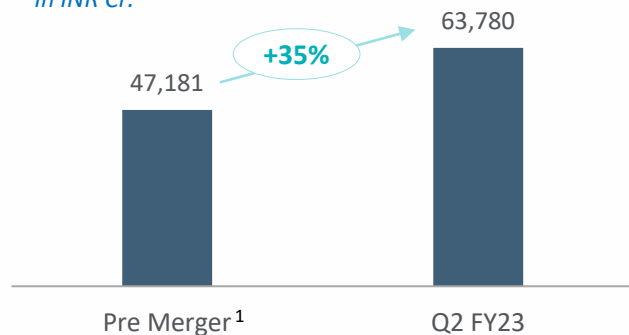




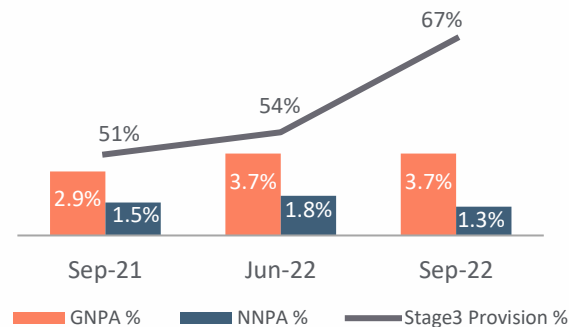
Assets Under Management & Asset Quality

Assets Under Management

In INR Cr.

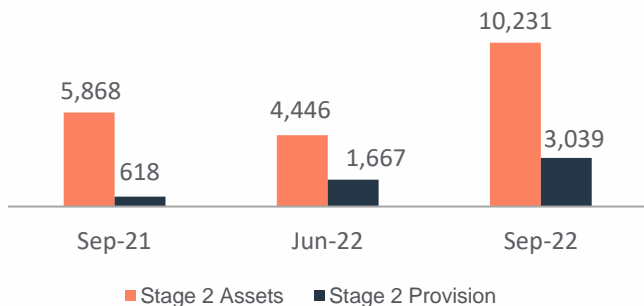


Stage 3 Assets



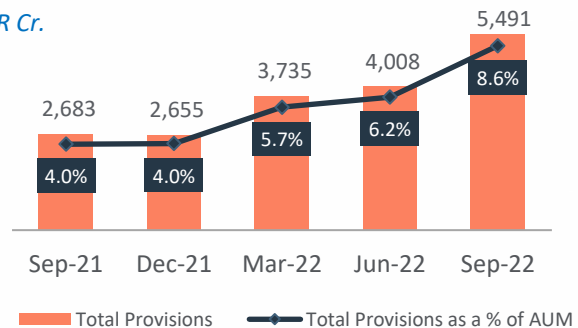
Stage 2 Assets

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%

Note: AUM includes loans, investment in nature of credit substitute and Security Receipts/Pass Through Certificates

Asset Classification: Wholesale Assets

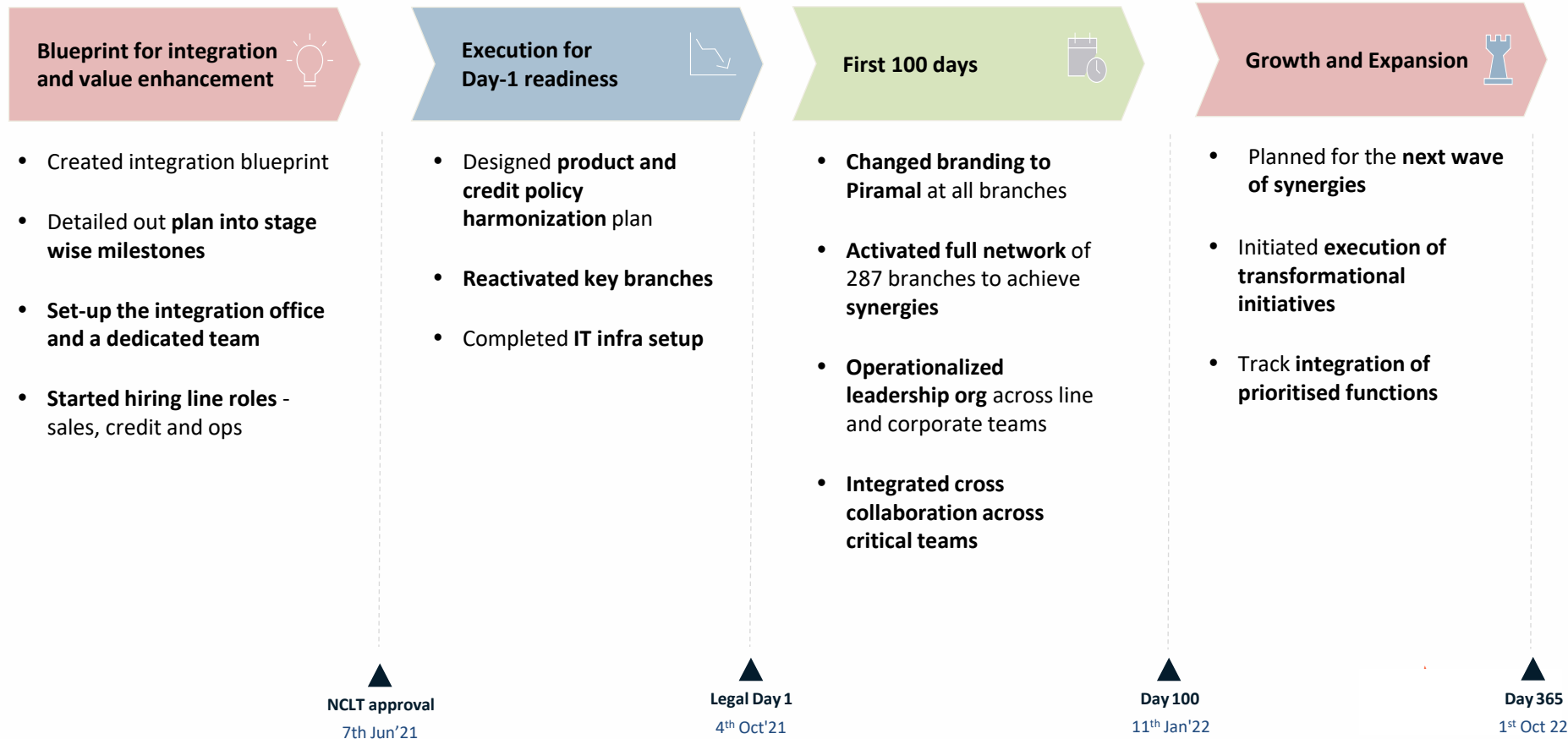
Total Assets (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	27,865	36,520	39,357
Stage-2	9,208	3,750	3,172
Stage-3	1,836	2,054	1,878
Total	38,908	42,324	44,407
Total Provisions (INR Cr.)	Sep-2022	Jun-2022	Sep-2021
Stage-1	742	876	993
Stage-2	3,001	1,638	602
Stage-3	1,366	1,193	972
Total	5,109	3,707	2,567
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 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 assets
- With increased focus on recoveries/ monetization, Wholesale book size will moderate in the short term.

Prudential write-off of INR 360 Cr undertaken during the quarter

2. One year of DHFL acquisition

Effective project execution enabling successful integration of DHFL



Significant progress made in year one of merger

1. Growth : Substantial growth in retail composition to 43% of loan book

2. Disbursements : Growth of 8x from pre-merger levels in last 12 months

3. Scale & Presence : Growth of network from 14 to 343 branches, increasing presence in tier2/3 cities and towns

4. Product Expansion: 100% branches active; 82% activated with multiple products

5. Customer Segment: Expanded customer franchise to 2.2 mn; cumulative cross sell of ~INR 945 cr over a year

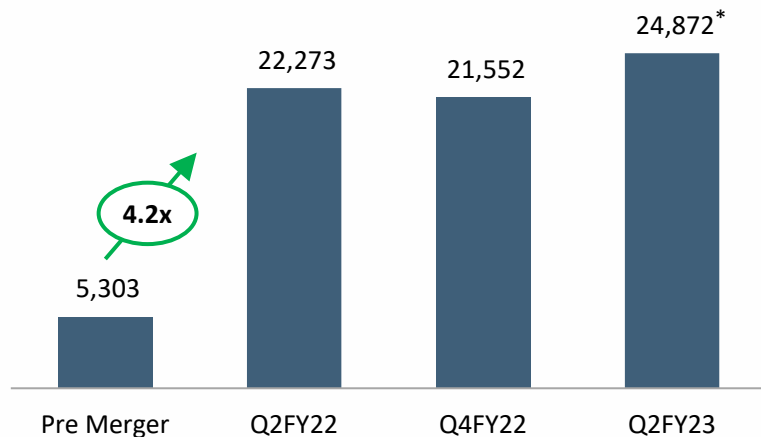
6. Recoveries: Focused efforts on collections enabling continued recoveries from POCI book

1. Growth: Substantial growth in retail composition to 43% of loan book

Focused on becoming more retail oriented

Retail loan book

In INR Cr.

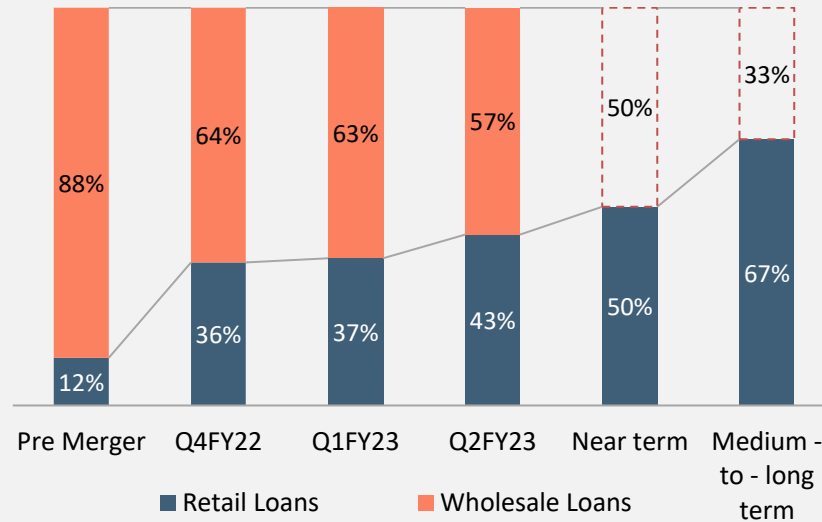


* Note: In addition to the loan book, the business manages INR 16,611 Crores of securitized, fee-earning assets¹

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

Loan Book Mix

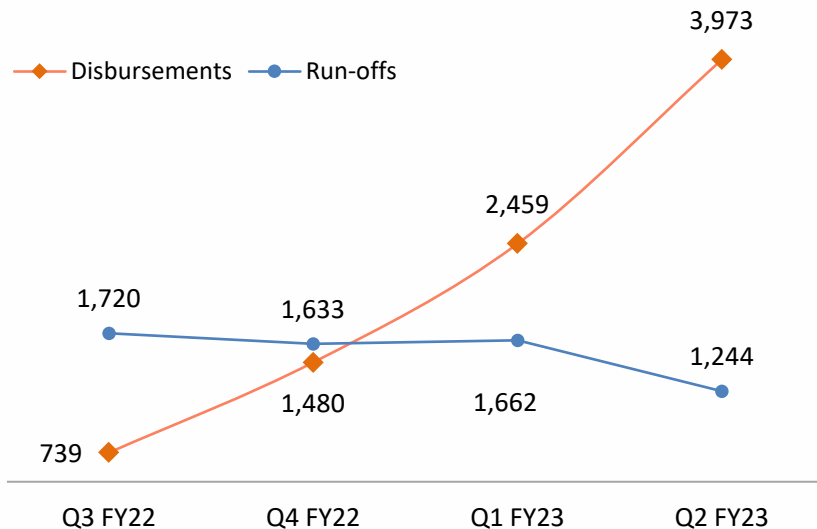
%



2. Disbursements: Growth of 8x from pre merger levels in last 12 months

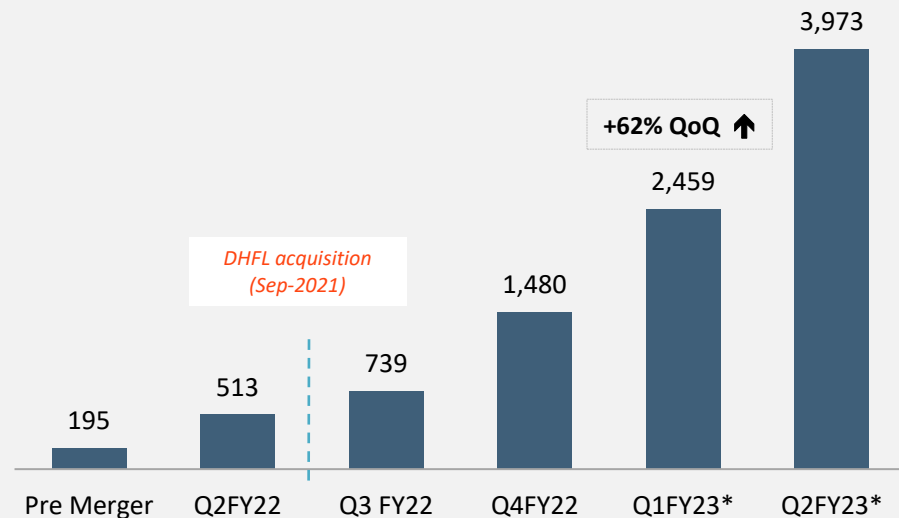
Ahead of our earlier guidance to achieve disbursements of INR 2,500-3,500 Cr. in Q3 FY23

Retail disbursements vs. run-offs¹
In INR Cr.



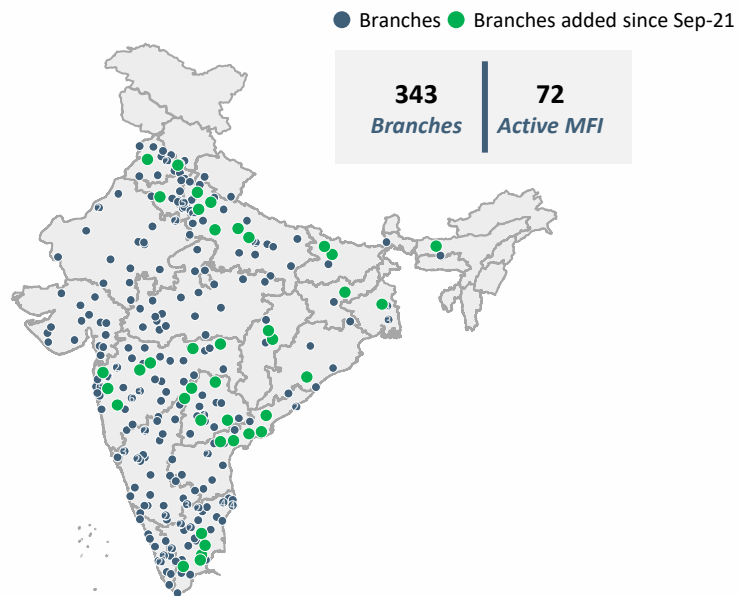
Disbursements growth at 62% QoQ basis

Retail loans – Quarterly disbursements
In INR Cr.



3. Scale: Growth of network from 14 to 343 branches

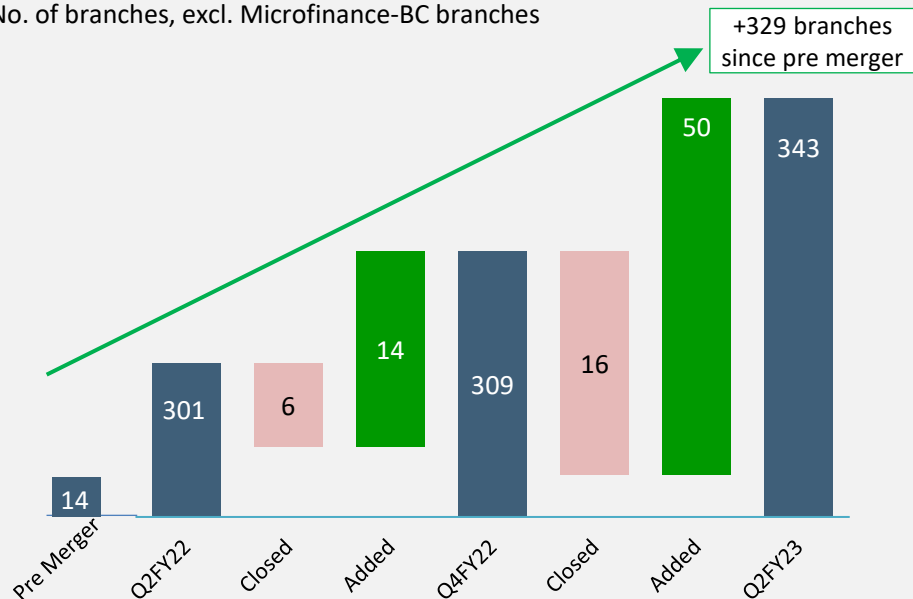
Integration with DHFL branches – plan to expand to 500-600 branches in 5 years



50 new disbursement active branches in H1FY23

Branch additions

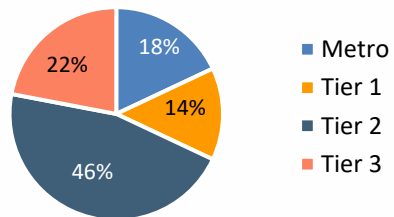
No. of branches, excl. Microfinance-BC branches



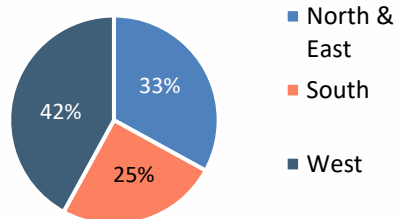
3. Presence: Increasing presence in tier 2/3 cities and towns

Increased presence in small & mid-market across India

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

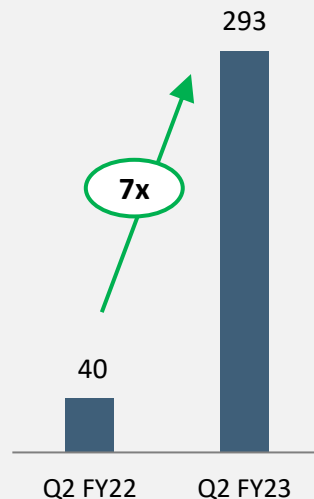


% Loan Book split by geographic concentration
Sept-2022

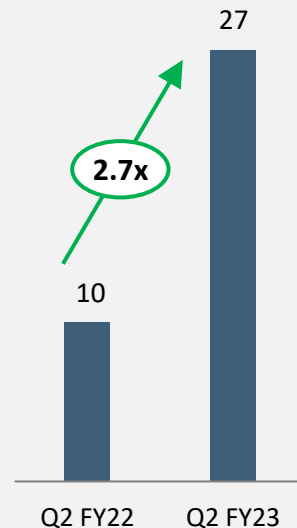


Plan to be present in 1,000 locations in 5 years

No. of locations
cities/towns



No. of states

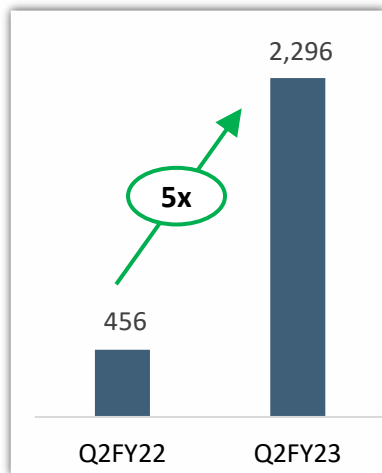


4. Product Expansion: 100% branches active; 82% activated with multiple products

Home Loans continue to do well

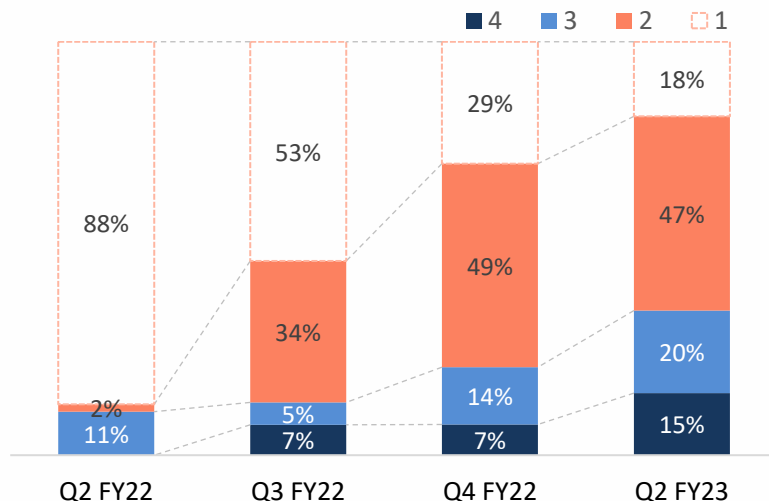
Home Loans / Loan against Property
Quarterly disbursements

In INR Cr.



Branches activated with multiple products

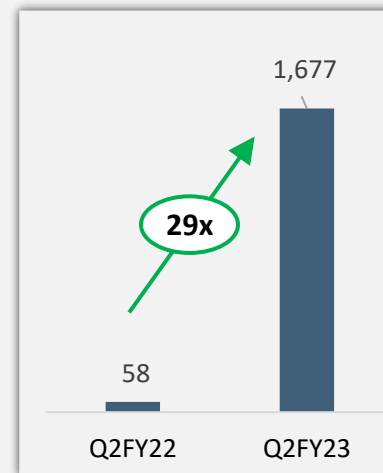
Breakdown of branches by no. of products sold



Resulting in disbursement growth across product lines

Other Loans
Quarterly disbursements

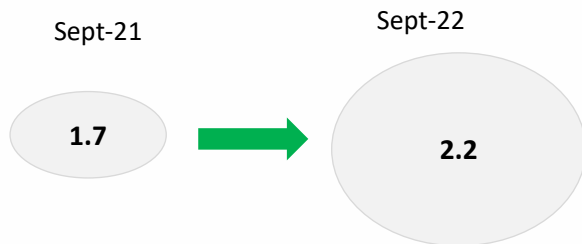
In INR Cr.



5. Customer Segment: Expanded customer franchise to 2.2 mn

Customer Franchise¹

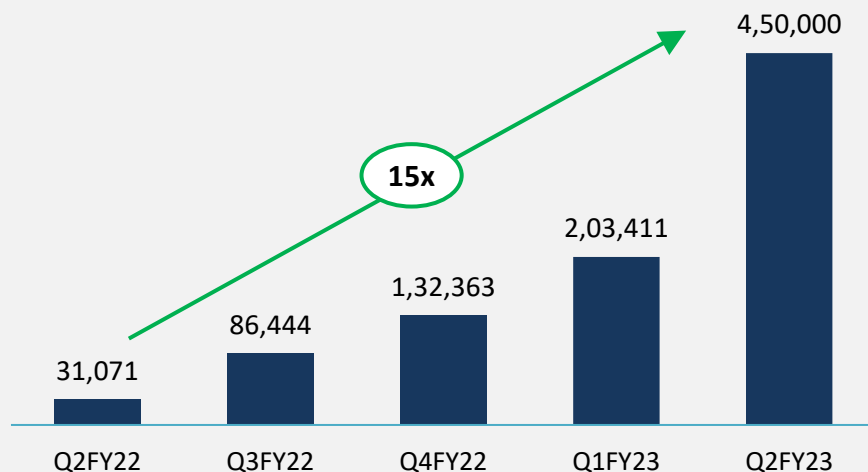
mn



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

Catering to customers across affordable and housing segments

New Customers Acquired



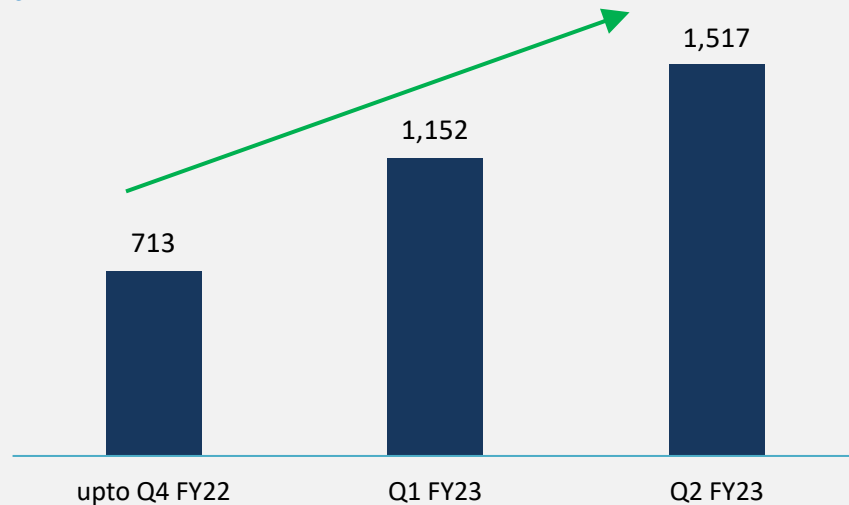
6. Recoveries: Continued recoveries from POCI book

- 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.



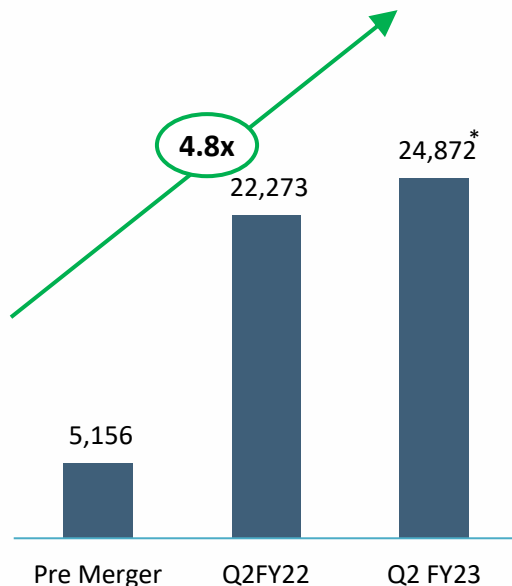


3. Retail Lending

Total Retail AUM: An at-scale lender in the affordable segment

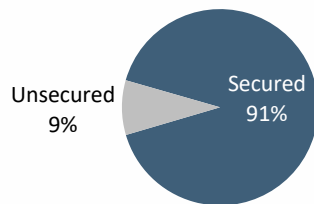
Retail loan book growth

INR Cr.



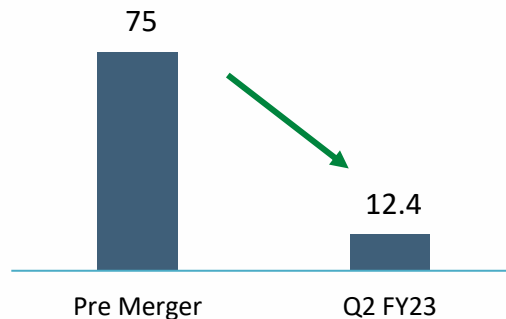
* Note: In addition to the loan book, the business manages INR 16,611 Crores of securitized, fee-earning assets¹

Breakdown of loan book by category

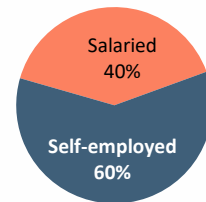


Average Ticket Size

INR Lakhs

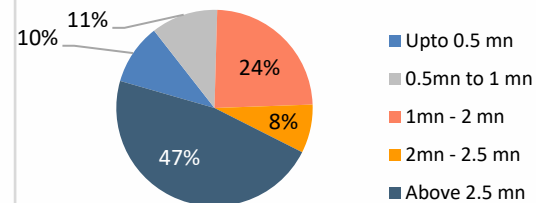


Breakdown of loan book by customer segment (As of Q2FY23)



Retail Loan Book split by ticket size

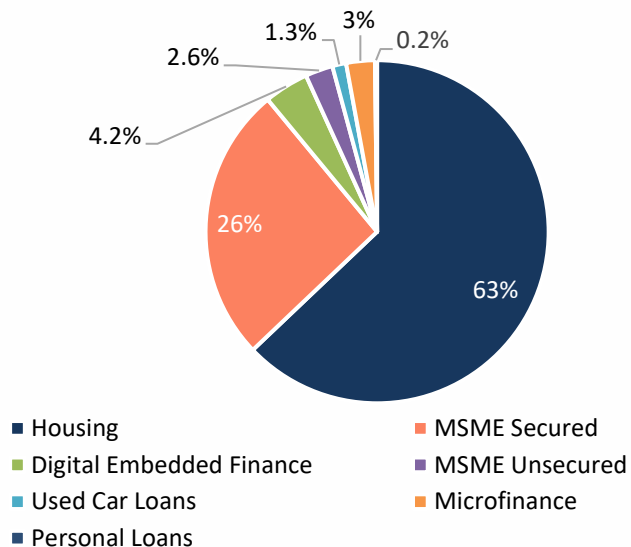
INR



Diversification: Expanding product offerings across the spectrum

Healthy mix of 'Phygital' and Digital Loans

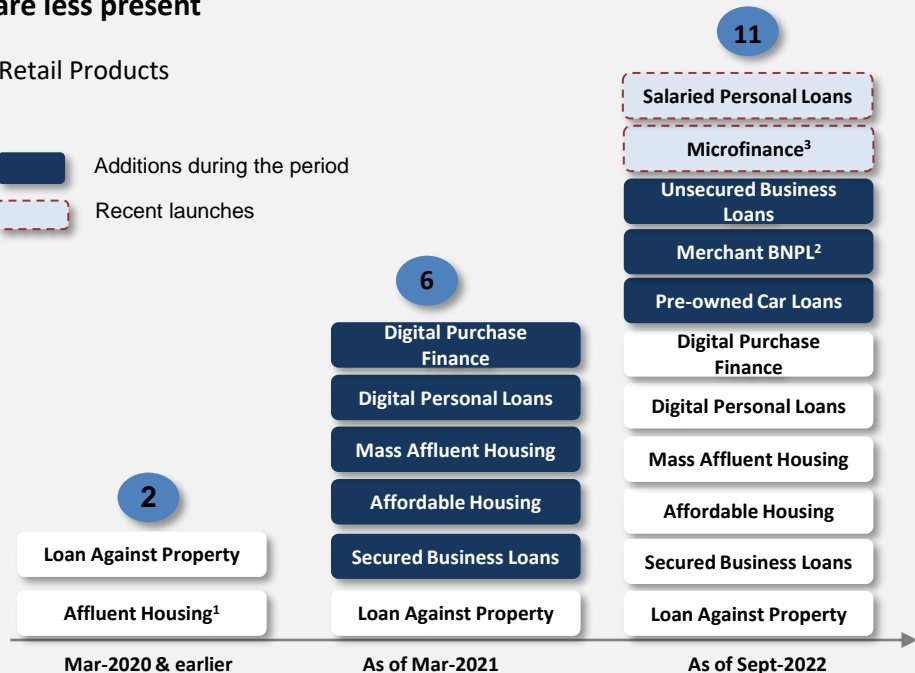
Retail AUM Mix %
Sept'22



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

Retail Products








Additions during the period
 Recent launches



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 Q1 FY2023

Products: A multi-product retail lending platform across the risk-reward spectrum

Expanded our product offering in Q2 FY23 with the addition of salaried personal loans

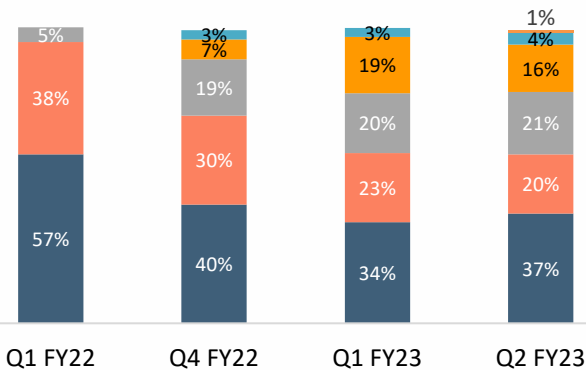
	Product Segments (Retail Lending)	Products	Avg. disbursement ticket size (INR L)	Disbursement yield (%)	Share in disbursements (%)	Loan Book % (Q2FY23)
↑ 'Phygital' lending	 Housing	Affordable Housing	17	10.8%	37%	63%
		Mass Affluent Housing				
	 MSME Secured	Secured Business Loans	20	12.1%	20%	26%
		Loan Against Property				
	 Microfinance ^{1 NEW}	Microfinance Loans	0.3	18.6%	8%	2.8%
↓ Digital lending	 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%

Healthy disbursement mix across product segments

Disbursements across product segments

%, based on value for retail loans

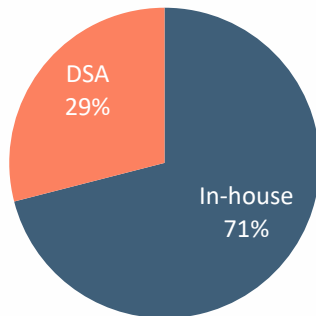
- Personal Loans
- Used Car Loans
- MSME Unsecured + Microfinance
- Digital Embedded Finance
- MSME Secured
- Housing



Note: Data pertaining to organic disbursements / growth

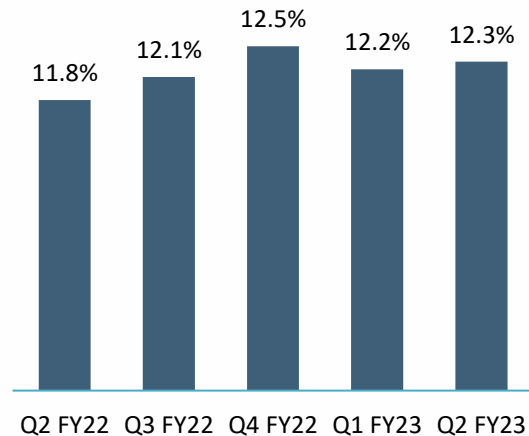
Disbursement origination

%, based on value for retail loans



Disbursement yields

%, for retail loans (excl. embedded finance)



Phyigital - Microfinance **NEW**

Launched in Q1 FY2023 through the BC model

Launched Microfinance lending during the quarter



Started in May-2022 from Jhunjhunu, Rajasthan



'Phyigital' model with video + AI-driven underwriting through BC partner



Part of our strategy to **address the financing needs** of the under-served **'Bharat' market**



Compliant with the latest RBI regulations

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

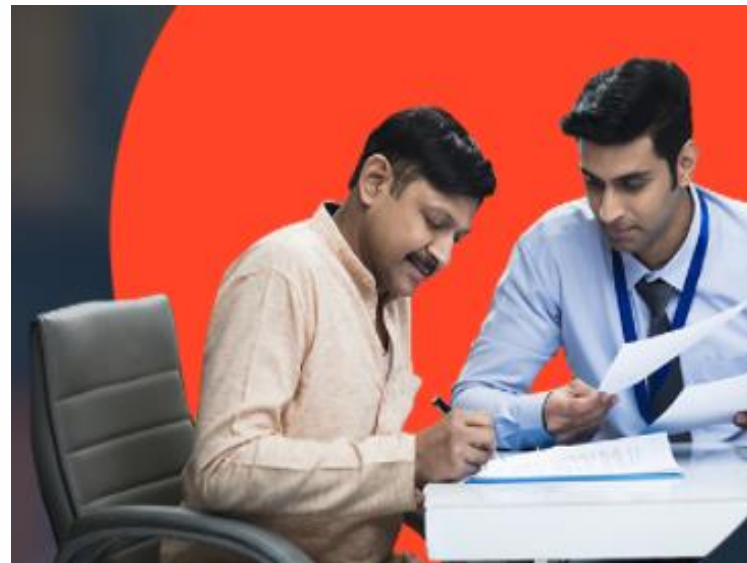
Joint Liability Groups



Phyigital – Salaried Personal Loans ^{NEW}

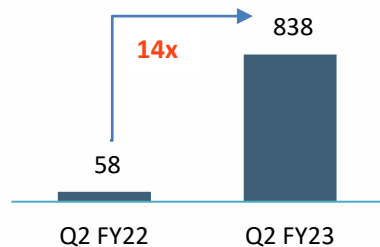
Launched in Q2 FY23

Product	Personal loan to salaried individuals requiring funds for personal use
Target Segment	Salaried Individuals
Tenor	1-5 years
Avg. Ticket Size	~INR 4-5 lakhs
Avg. Yield%	~19%

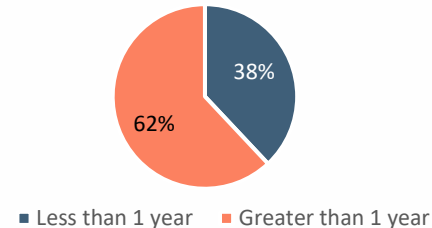


Digital Embedded Finance: Scaling-up partnerships with Fintech and Consumer Tech firms

Quarterly disbursements
In INR Cr.



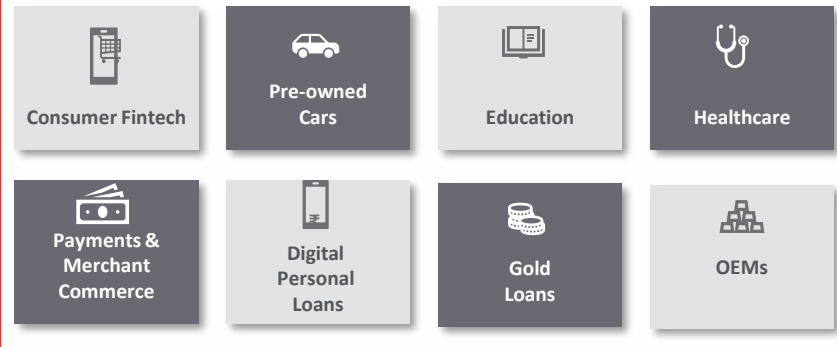
Digital Loans Duration
% book.



Key Highlights:

22 Programs launched	13,302 Pin-codes Serviced
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**

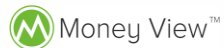


Partnerships with marquee Fintechs and Consumer techs

22 programs launched since inception



Our Partners

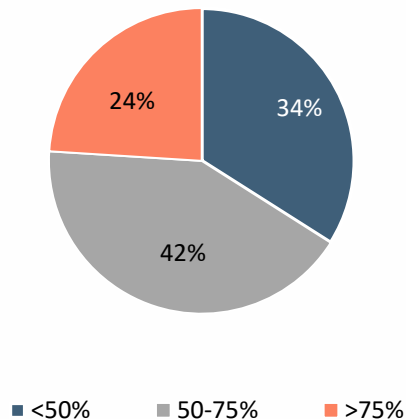




Asset Mix: Retail Portfolio

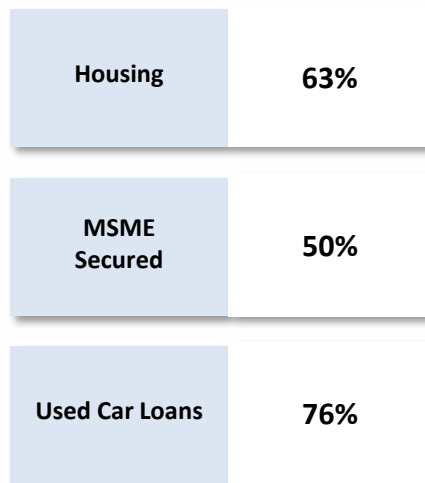
76% of loan book with an LTV of $\leq 75\%$

For Secured Lending Segments, %



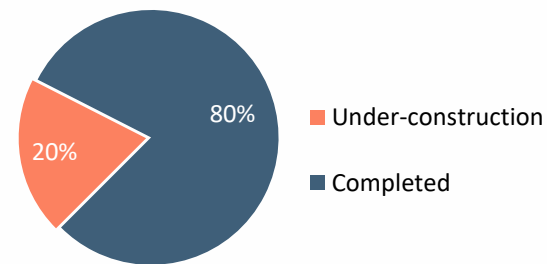
Average loan-to-value

For Secured Lending Segments, %



By stage of construction

For Housing segment only



Other highlights:

- Asset quality of the acquired book was in line with expectations
- Median CIBIL score of customers stood at 746 of Sep-2022



4. Wholesale Lending



Strategic Priorities for the Wholesale Lending business

A

Short-term: Effective management of asset quality & recovery cycle of current book

- ✓ To maintain the quality of stage 1 book
- ✓ To work on stage 2/3 to maximize recovery and performance

B

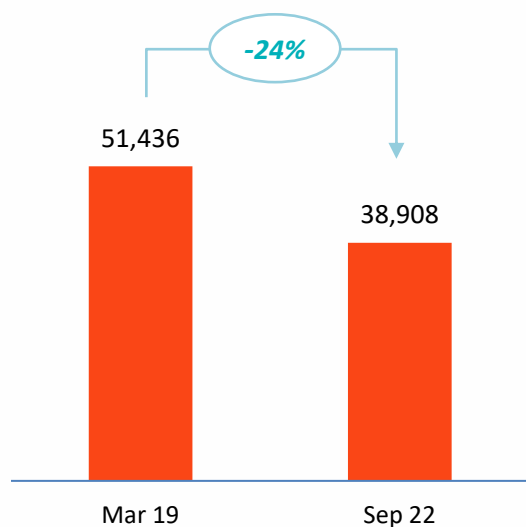
Mid-term: Rebuild high quality wholesale book

- ✓ Capitalize on the market gap
- ✓ Build a diversified and granular book backed by cash flows and assets

A: Progressed over last few years to make the loan book more granular

Wholesale AUM (incl. DHFL)¹

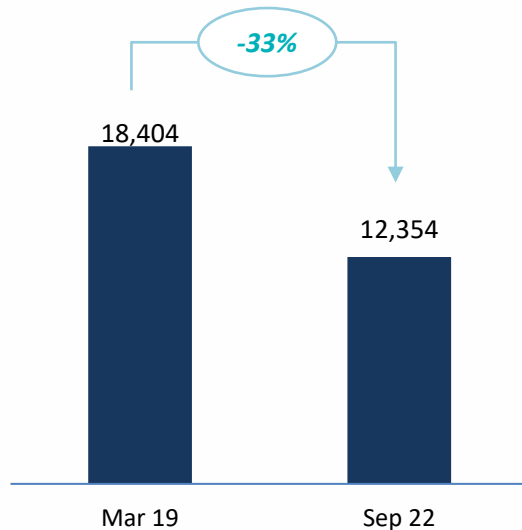
In INR Cr.



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

Top-10 Exposures

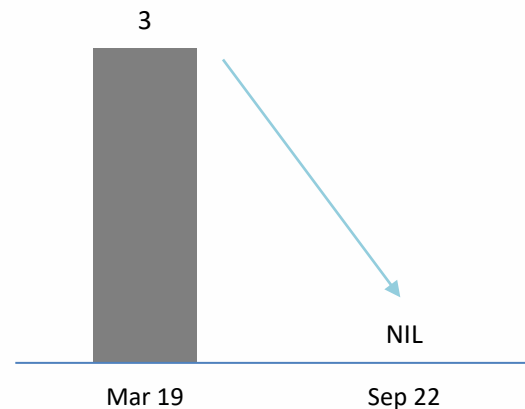
In INR Cr.



- 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

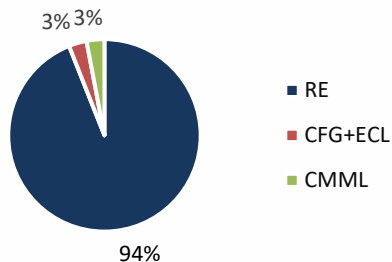


- No account² exceeds 10% of net worth, as of Sep-2022

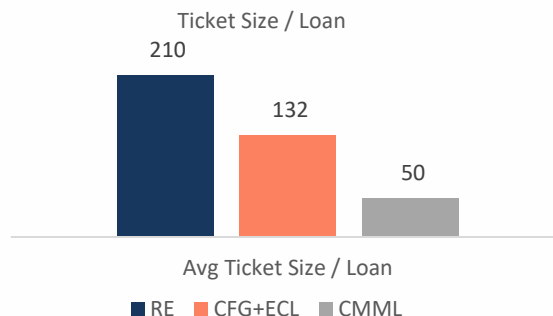


A: Composition of Stage 1 Wholesale Book

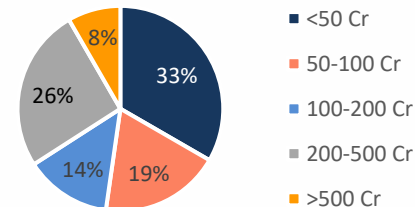
Sector Composition¹ – Over 90% of the stage 1 wholesale book into Real Estate lending; largely excludes promoter holdco corporate lending



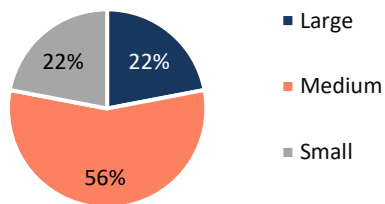
Ticket Size Distribution¹ – Weighted Average of INR 187 Crore per loan



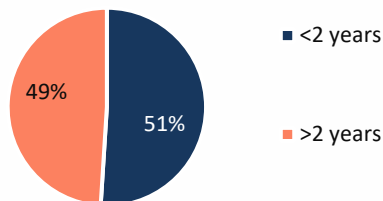
Granularity¹ – 66% of the number of loans are below INR 200 Crore



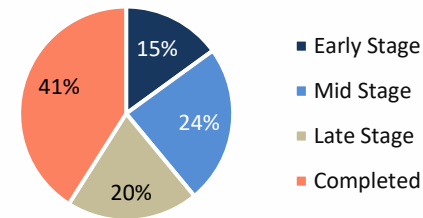
Developer Categorisation² – 78% of the book is large and medium developers



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

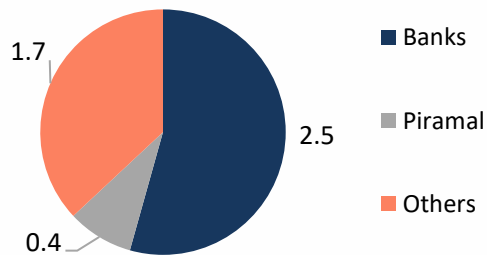


Stage of Construction² – 60% of the book is late stage or completed



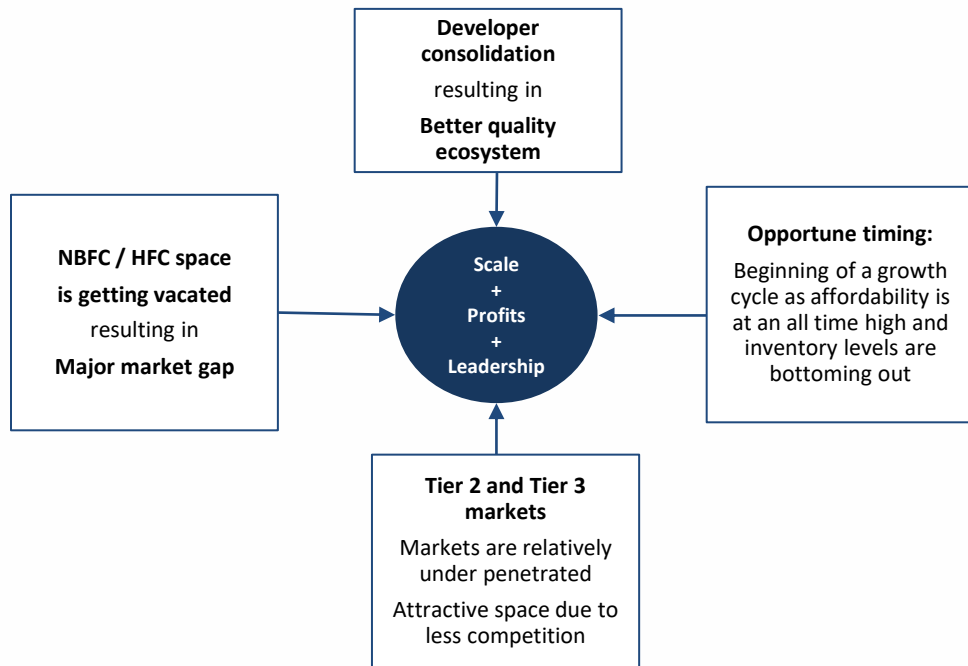
B: Capitalizing on the market gap and leveraging our strengths in the Real Estate space

Large Real Estate lending market of INR 4.5 Lakh Crore
In INR Lakh Cr.



Source: RBI, Various Annual Reports

From cyclical & structural perspectives, it is good time to build up the lending book



Progressing to rebuild our Real Estate Developer Financing book

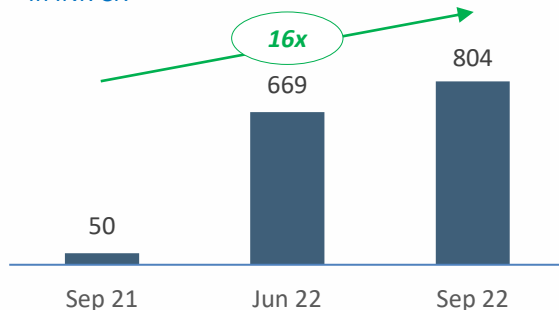
- ☐ Deals under execution worth over INR 1,000 Cr
- ☐ Granular and Diversified Real Estate Developer Financing Book
- ☐ To build exposure in select markets across Tier 1, 2, and 3 cities
- ☐ Best in class governance and risk management



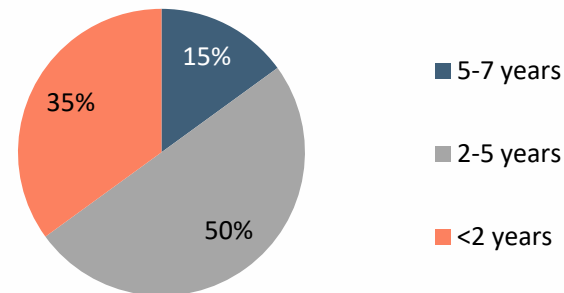
B: Diversifying through building a granular and cash flow backed Corporate Mid Market Lending business

AUM (Corporate Mid Market Lending)

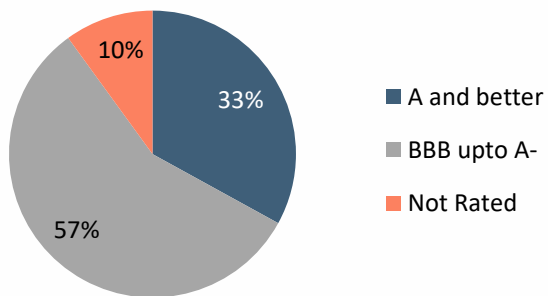
In INR Cr.



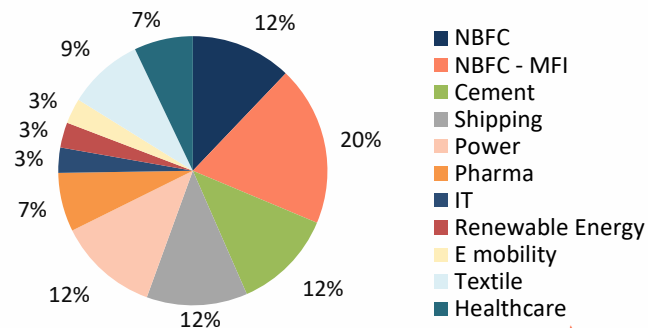
By Original Tenor As of Sep-2022



By Ratings



By Industry





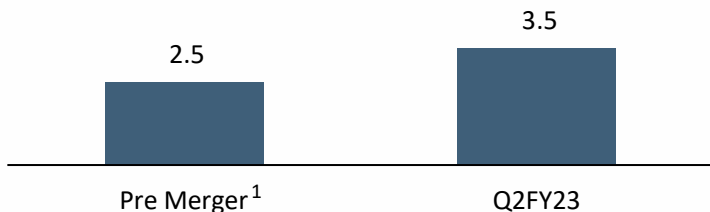
5. Liabilities

Liability Management: Higher proportion of long-term borrowings

Increase in maturity of borrowings since the acquisition

Average Maturity of Borrowings

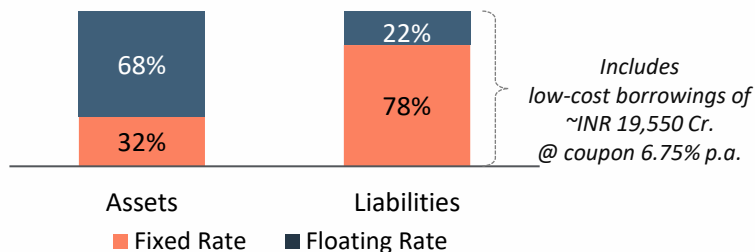
in years, weighted average on a residual basis



Large part of our borrowings are fixed in nature

Fixed : Floating Rate Mix

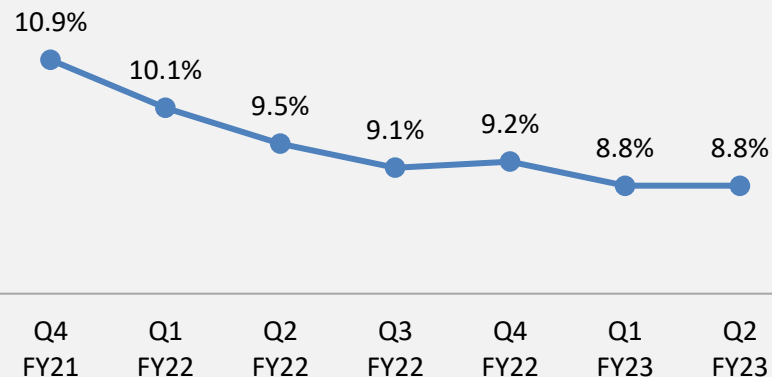
As of Sept-2022



Borrowing cost dropped over last one year

Average Cost of Borrowings

In %, for PEL

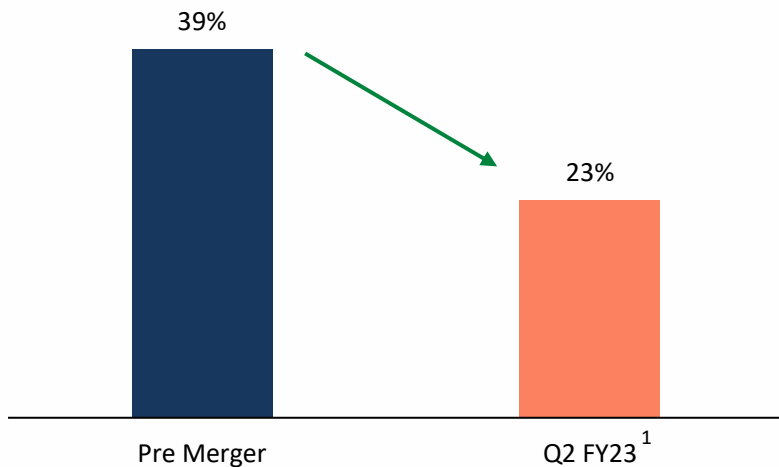




Liability Management: Higher proportion of long-term borrowings

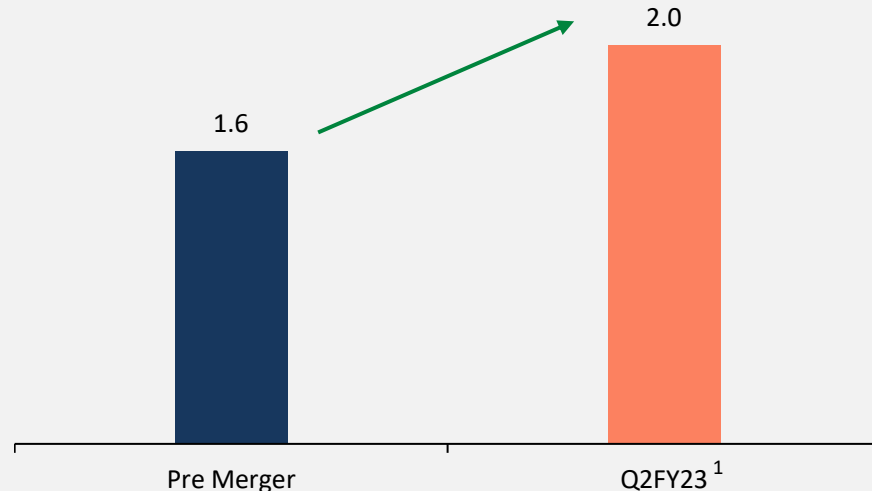
Capital Optimization since the acquisition

Capital Adequacy Ratio %
Lending Business



Low leverage after transaction ensures sufficient growth capital

Net Debt-to-equity
Lending Business

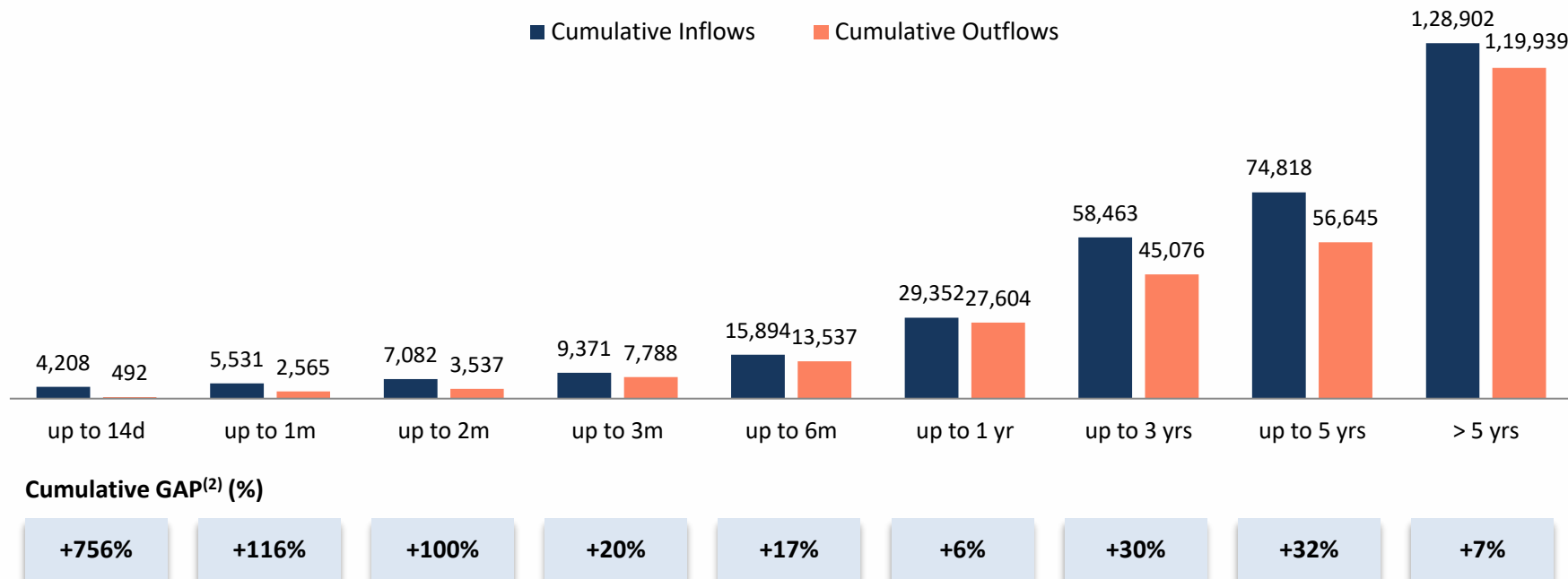




Asset-Liability Profile

(in INR crores)

As on Sep 30, 2022⁽¹⁾



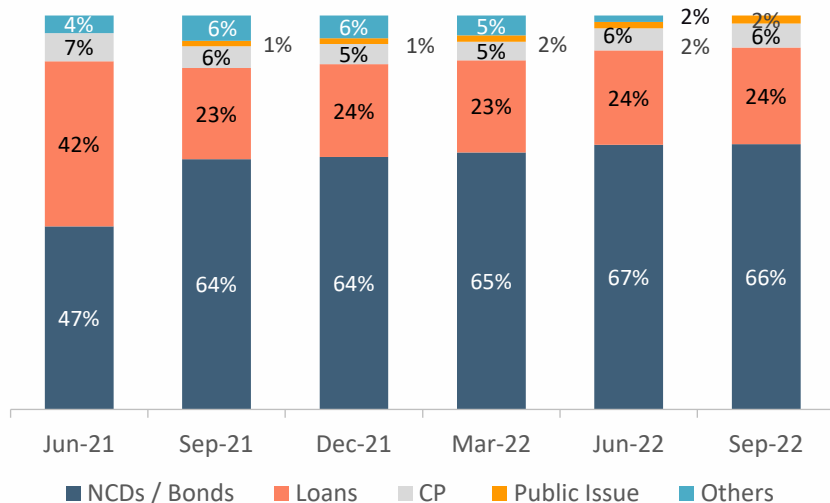
Notes: (1) Based on static ALM for wholesale and behavioral ALM for the retail portfolio.

(2) Cumulative GAP (%) = Net flows (i.e. cumulative inflows – cumulative outflows) as a % of cumulative outflows.

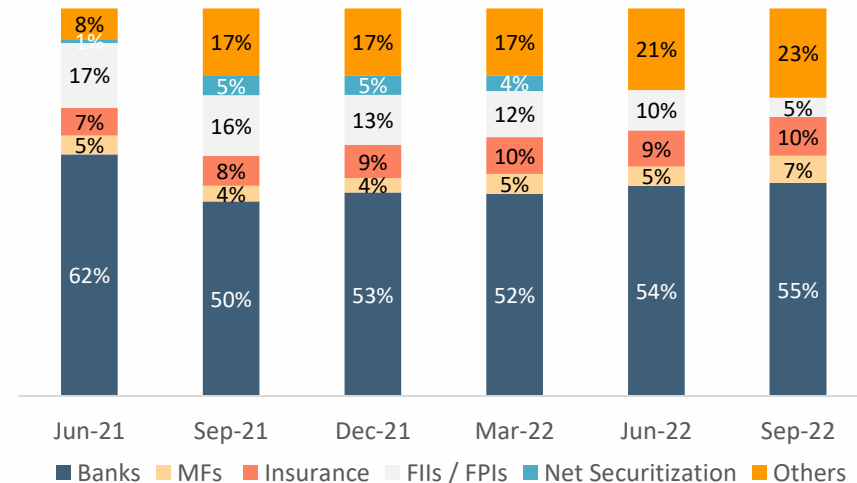


Diversifying The Borrowing Mix

Breakdown of Borrowing Mix by Type of Instruments



Breakdown of Borrowing Mix by Type of Lender¹



Ratings Update

Long Term Ratings

ICRA & CARE: AA

Outlook Stable

Short Term Ratings

CRISIL, ICRA, CARE: A1+

Notes: (1) 'Others' include employee benefit funds, financial institutions (incl. NHB) and Individuals/HUFs/Corporates, etc., which contribute 5%, 5% and 13%, respectively, to overall borrowings



6. Financial Statements



Profit and Loss

(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)		7,614 ¹		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

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

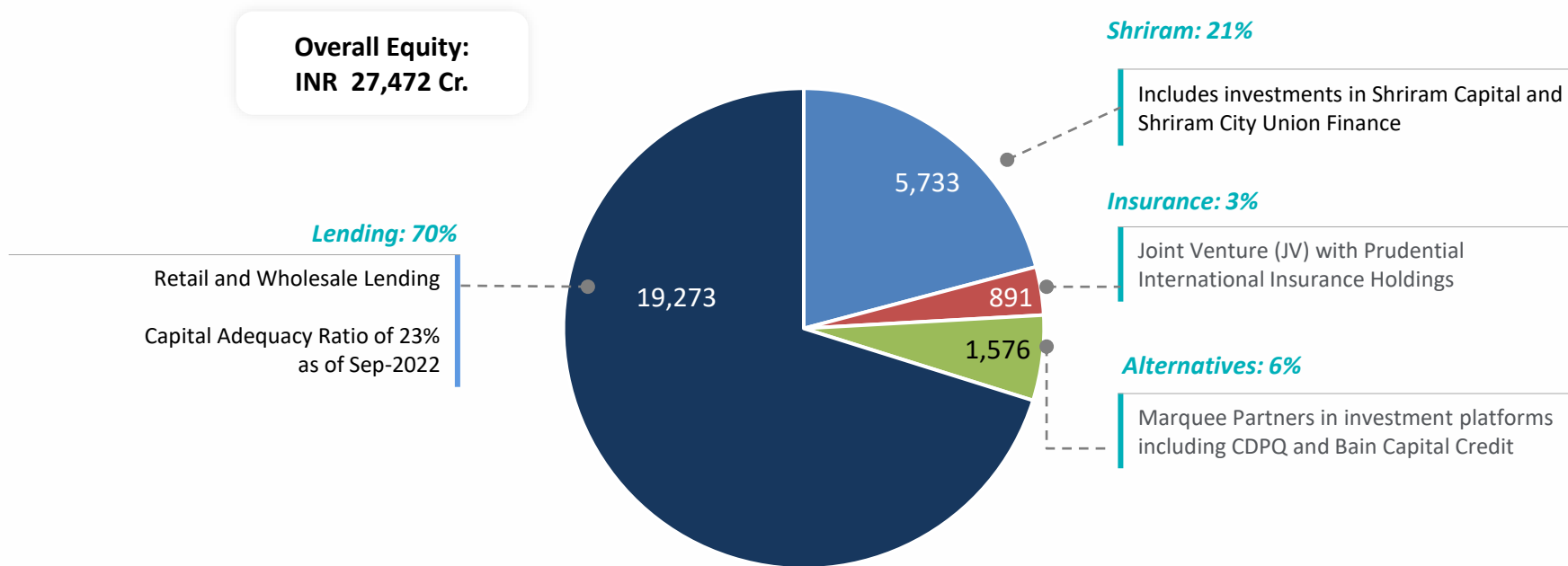
Key Ratios

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

Note (1) Yields and NIMs excludes POCl and Fair Value Gains (2). D/E for Q2FY23 and H1FY23 has been calculated considering equity of INR 19,273 Cr (i.e. equity under Lending)



Creating Significant Headroom for Organic and Inorganic Growth



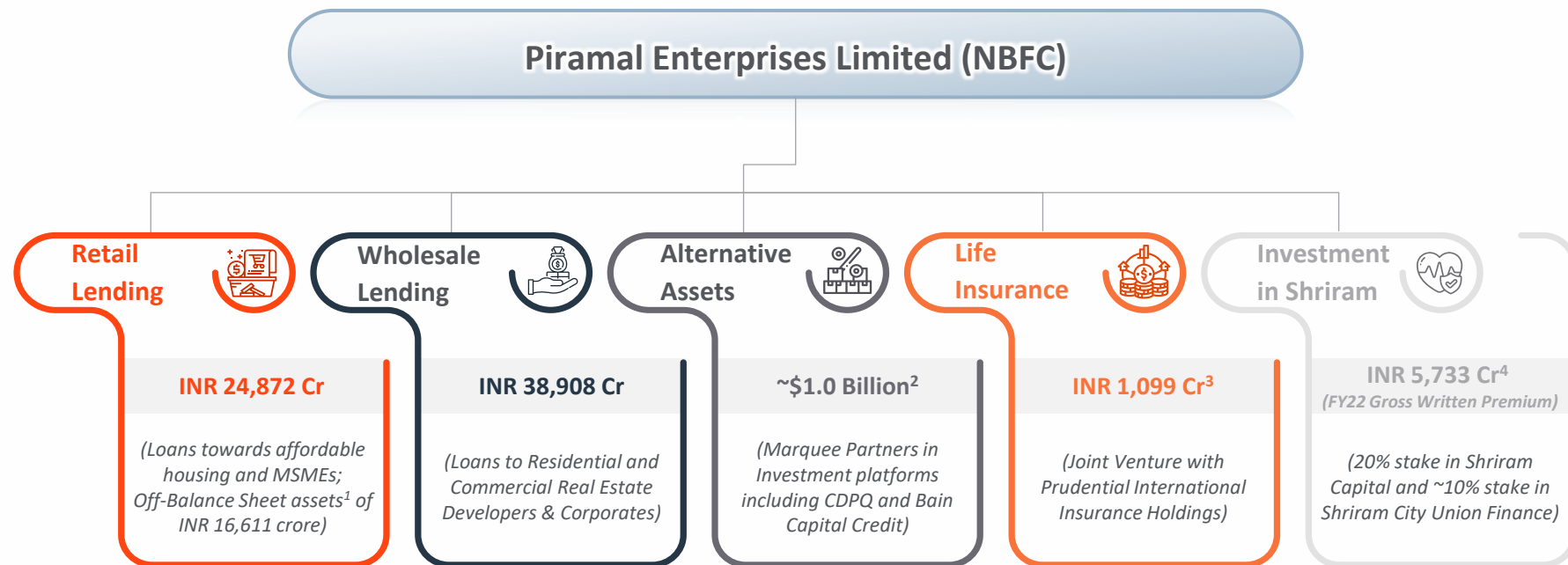
Strong balance sheet with equity of INR 27,472 Crores

Note: Post demerger, additional unallocated equity (excluding Shriram investments), worth INR ~4,800 Cr has been allocated to the lending business.



7. Appendix

Piramal Enterprises Limited: Business Overview



Data as of 30th Sep 2022. Notes: 1. Fee-earning Securitized Assets /Pool purchases; 2. Committed Funds; 3. FY22 Gross Written Premium; 4. Investments in Shriram City Union Finance based on market value; Shriram Capital based on book value, including accumulated profits

Transformation Journey

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
- Created adequate 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 (Commencing)

Sustainable growth and profitability

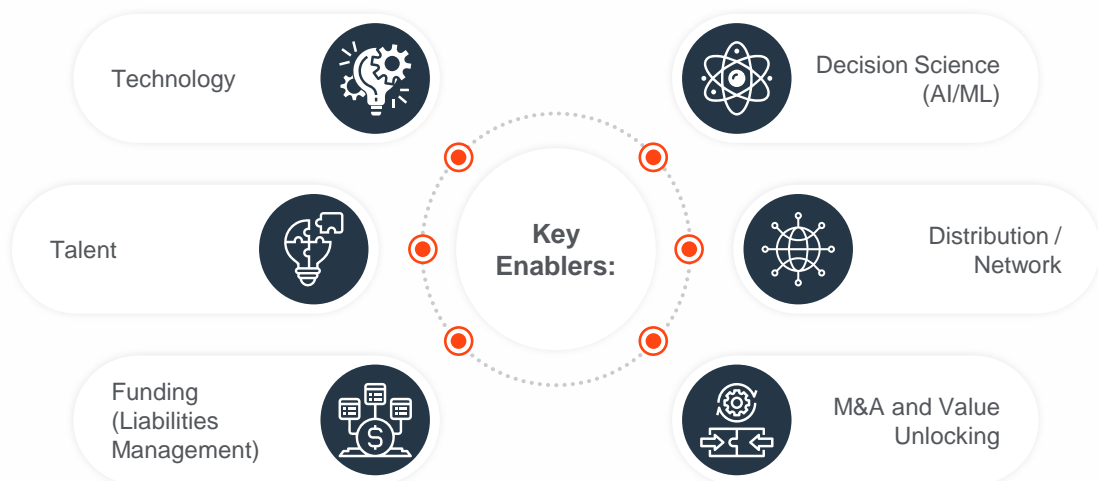
- Scale-up the overall loan book
- Leverage DHFL's platform to cross-sell
- Significantly increase retail loans share to two-third

Balanced trade-offs between 3 key vectors of lending



Key levers in place to ensure Sustainable Growth and Profitability

Key Enablers

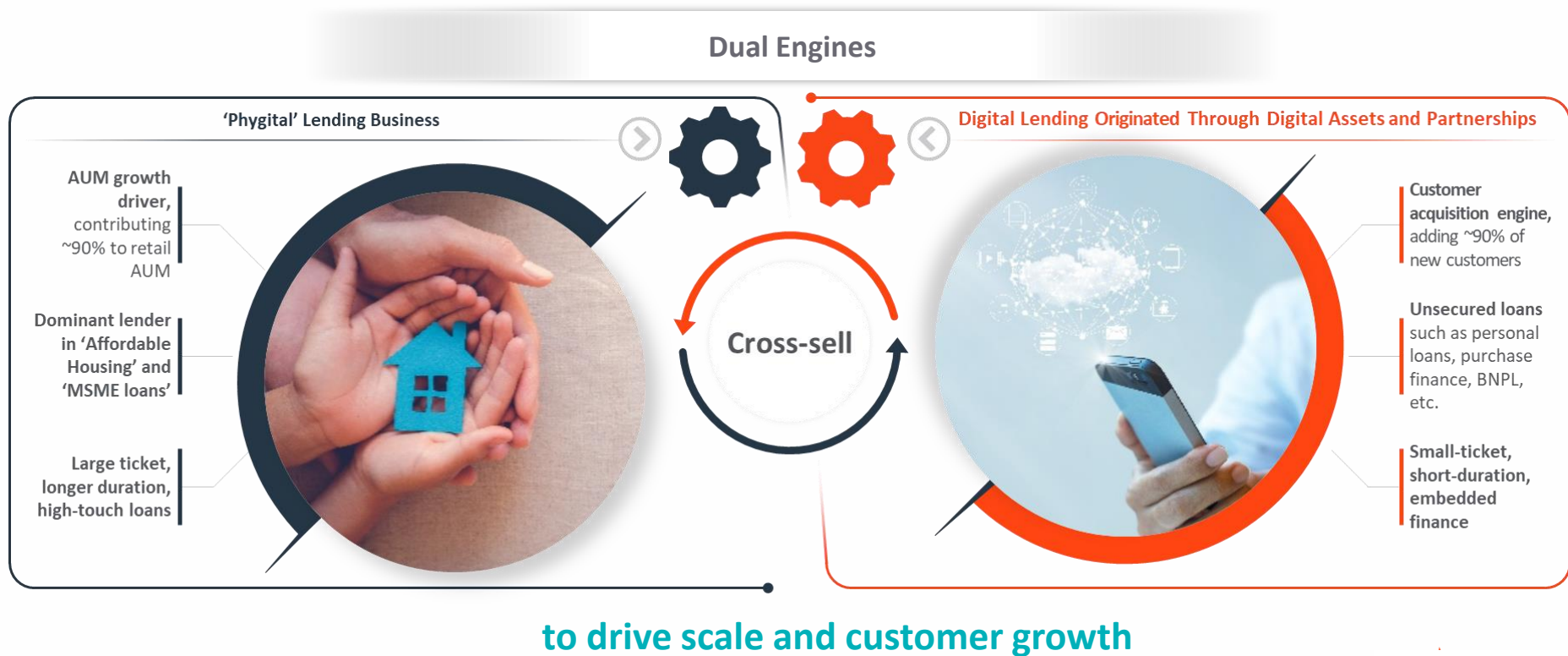


Phase 3: FY2027 Aspirations



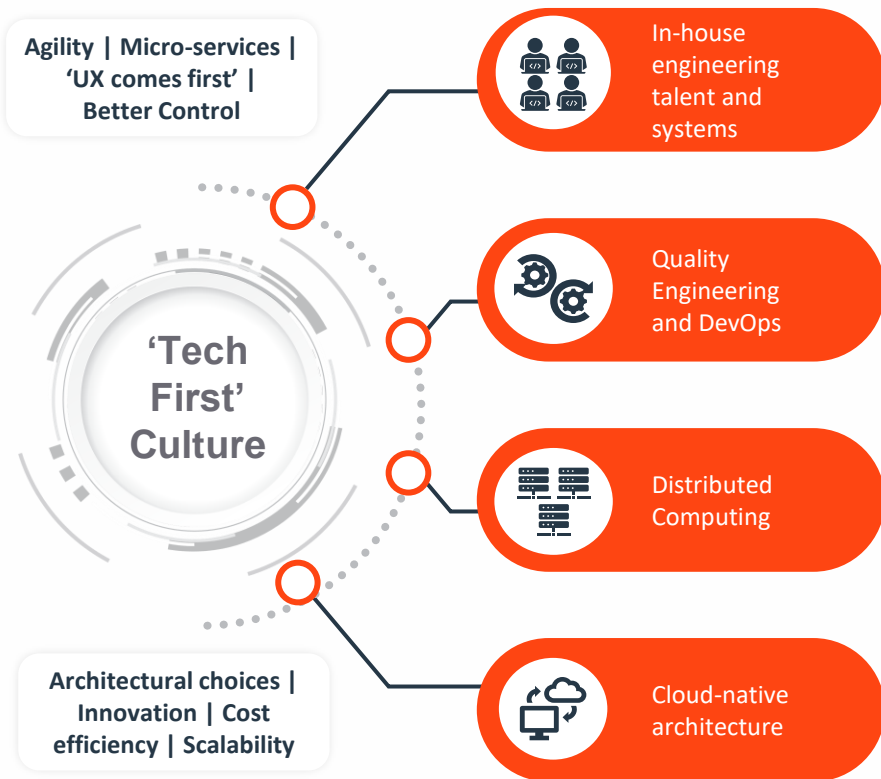
To become a diversified NBFC with Scale with the right balance among growth, risk and profitability

'Twin Engine' Approach: 'Phygital' Lending and Digital Lending: Twin Engines for Retail Business

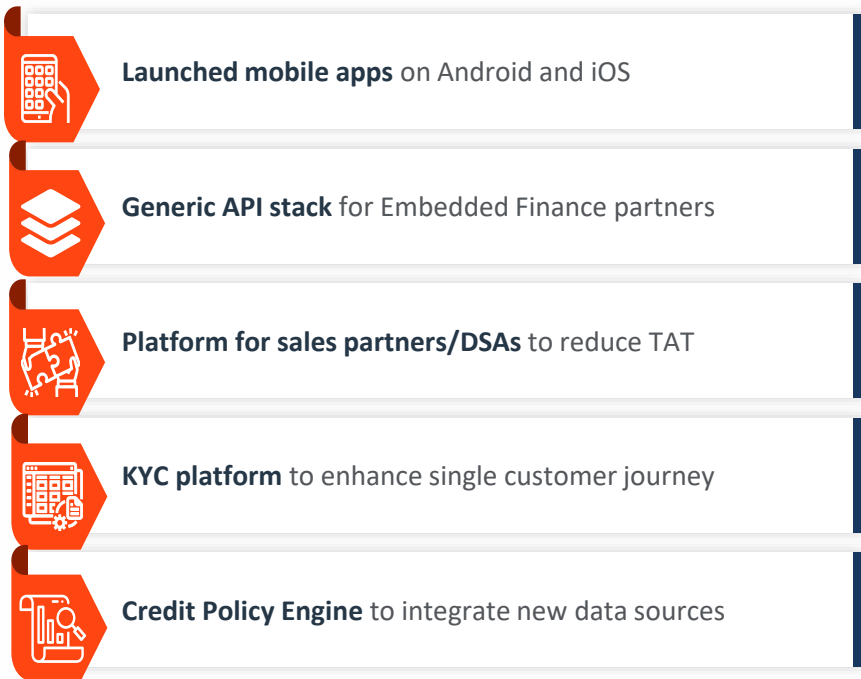


Technology Strategy: Cutting Edge Technology At the Core

Our Tech Strategy and Choices



Digital Assets Created/Launched During FY2022



Extensively Leveraging AI/ML: Across All Key Aspects

AI / ML: Key aspect every step of the way

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



Credit Rule Engine for new customer onboarding



New-to-credit (NTC) Credit underwriting ML model



Fraud detection and loan application screening



Portfolio Risk Management/Monitoring



Cross-sell Management



Attrition Management



Collection and NPA Management



Everyday AI

Leveraging Data Science/AI in Retail Lending

(As of Q2FY23)

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

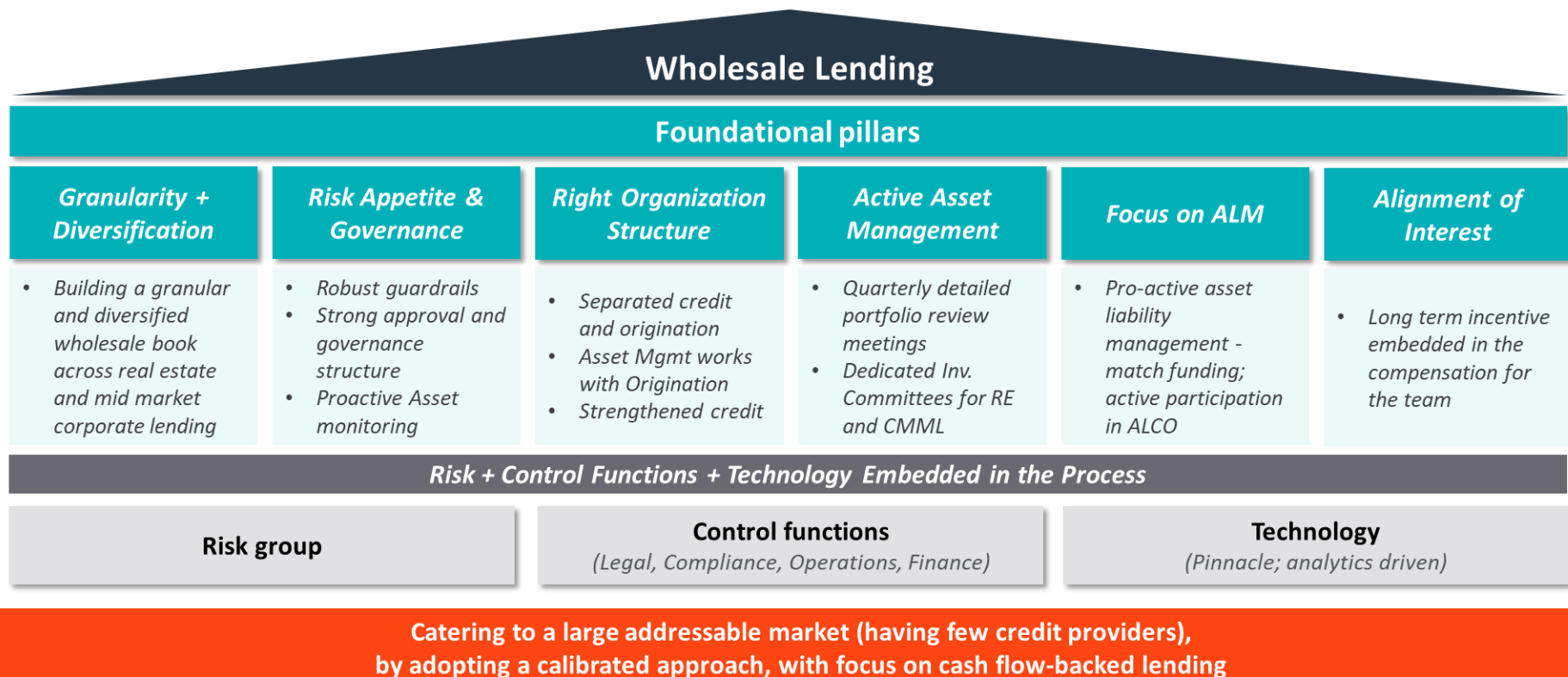
20,216

Cases processed

Risk Monitoring Platform

Monitoring key risk indicators such as:
Early Warning
Delinquency
Bounce
NPA

Wholesale Lending: Risk Management, Governance, and Internal Controls



Disbursements by Products

Products (INR Cr.)	Q2FY23	Q1FY23	Q2FY22
Housing	1,490	837	264
MSME Secured	806	575	191
Digital Unsecured	837	497	58
MSME Unsecured	319	196	-
Used Car Loans	164	73	-
Microfinance	327	283	-
Salaried Personal Loans	31	-	-
Total	3,973	2,459	513

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

Dial-in details for Q2 FY2023 Earnings Conference Call

Event	Location & Time	Telephone Number
Conference call on 9 th November, 2022	India – 6:00 PM IST	+91 22 6280 1264 / +91 22 7115 8165 (Primary Number)
		1800 120 1221 (Toll free number)
	USA – 7:30 AM (Eastern Time – New York)	Toll free number 18667462133
	UK – 12:30 PM (London Time)	Toll free number 08081011573
	Singapore – 8:30 PM (Singapore Time)	Toll free number 8001012045
	Hong Kong – 8:30 PM (Hong Kong Time)	Toll free number 800964448
For online registration	Please use this link for prior registration to reduce wait time at the time of joining the call – Registration Link	

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Except for the historical information contained herein, statements in this presentation and any subsequent discussions, which include words or phrases such as 'will', 'aim', 'will likely result', 'would', 'believe', 'may', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'likely', 'project', 'on-course', 'should', 'potential', 'pipeline', 'guidance', 'will pursue' 'trend line' and similar expressions or variations of such expressions may constitute 'forward-looking statements'.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to Piramal Enterprise Limited's ability to successfully implement its strategy, the Company's growth and expansion plans, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, cash flow projections, exposure to market risks as well as other risks.

Piramal Enterprises Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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.

Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period.



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