

PRESS RELEASE

Piramal Enterprises Limited announces consolidated results for Q4 and Annual FY2023

- Profit After Tax (PAT)¹ for FY23 grew 5% YoY to INR 1,902 Cr.
- The Board has recommended a dividend of INR 31 per share, subject to shareholders' approval.
- Total Assets Under Management (AUM) stood at INR 63,989 Cr; Retail lending grew to 50% of AUM, from 33% in FY22.
- Retail AUM² grew 49% YoY to INR 32,144 Cr; Quarterly disbursements grew 34% QoQ and 361% YoY to INR 6,828 Cr in the Retail business.
- Wholesale 1.0* AUM reduced by 33% YoY to INR 29,053 Cr; Wholesale 2.0^ AUM grew by 510% YoY to INR 2,792 Cr.
- Stage 2+3 Wholesale assets reduced by 39% QoQ.

Mumbai, India | May 5, 2023: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Fourth Quarter (Q4) and Annual FY2023 ended 31st March 2023.

Consolidated Highlights

- PAT¹ for FY23 grew 5% YoY to INR 1,902 Cr.
- PAT for Q4FY23 stood at INR (196) Cr, led by MTM loss of INR 375 Cr on Shriram investments.
- The Board has recommended a dividend of INR 31 per share, subject to shareholders' approval at the AGM; the total dividend pay-out would be INR 740 Cr.
- Strong consolidated net worth of INR 31,059 Cr for FY23 with Capital Adequacy Ratio of 31% on consolidated balance sheet.
- Cash and liquid investments of INR 7,430 Cr (9% of Total Assets).
- GNPA ratio reduced to 3.8% in Q4 FY23 from 4% in Q3FY23.
- Total provisions as a % of Total AUM now stands at 6.2% in Q4FY23.
- Average borrowing cost for FY23 reduced to 8.6% from 9.6% in FY22.

Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, "We are pleased with our resilient performance amid macroeconomic and geopolitical headwinds. India continues to remain a relative "bright spot" in the world and will likely contribute significantly to global growth in the coming years.

In Retail, we have achieved substantial growth and this business now contributes to 50% of our AUM. We are consciously pivoting to a technology-led multi-product strategy to continue building a large diversified NBFC. As we continue to expand our retail lending business, we are also investing in manpower, branch infrastructure, technology and analytics for its future growth.

In Wholesale, we have reduced our Wholesale 1.0* AUM by 33% YoY. Our Stage 2 + 3 AUM has reduced by 39% QoQ and we are focused on further bringing these down. We remain focused on ensuring sustained value creation for all stakeholders.”

Key Business Highlights	
Retail	
<ul style="list-style-type: none"> ▪ AUM <ul style="list-style-type: none"> - Retail AUM² grew 49% YoY to INR 32,144 Cr, contributing 50% to overall AUM mix. ▪ Disbursement Growth <ul style="list-style-type: none"> - Quarterly disbursements grew 34% QoQ and 361% YoY to INR 6,828 Cr. - Housing disbursements grew 309% YoY to INR 2,412 Cr. - Disbursement yields³ stood at 14.2% for Q4FY23. ▪ Scale and Presence <ul style="list-style-type: none"> - 404 branches serving 515 districts in 26 states. - Our customer franchise now stands at ~3 Mn; Active customers crossed 1 Mn. - >4 lakh new customers acquired during the quarter. 	
Wholesale	
<ul style="list-style-type: none"> ▪ AUM <ul style="list-style-type: none"> - Wholesale 1.0* AUM reduced by 33% YoY to INR 29,053 Cr. - Built a Wholesale 2.0[^] AUM worth INR 2,792 Cr across Real Estate and Corporate Mid Market Loans (CMML). ▪ Asset Classification and Provisioning <ul style="list-style-type: none"> - GNPA ratio reduced to 3.8% in Q4 FY23 from 4% in Q3FY23. - Provision Coverage Ratio of Wholesale AUM is 10% in Q4FY23. - Stage 2 + 3 AUM reduced by 39% QoQ to INR 6,374 Cr from INR 10,369 Cr in Q3FY23. - Concluded 4 stressed asset monetization transactions in Q4FY23, through a combination of asset sale and ARC deals. 	
Robust Liability Management	
<ul style="list-style-type: none"> - Well-matched ALM with positive gaps in all buckets. - Due to strong balance sheet and healthy liability mix, the average borrowing cost reduced to 8.6% in FY23 from 9.6% in FY23. - 59% of liabilities are fixed in nature. 	

Notes: (^) Wholesale 2.0 refers to loans sanctioned under CMML and new RE loans from FY22 onwards.

(*) Wholesale 1.0 refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0.

(1) Excluding exceptional gain of INR 8,066 Cr in FY23 pertaining to demerger related transaction.

(2) Retail AUM includes Security Receipts (SRs) & Pass-through certificates (PTC) (INR 1,819 Cr for Q4FY23) and excludes acquired off-book assets (INR 13,433 Cr for Q4 FY23) in the nature of Direct Assignment (DA) & PTC as part of the DHFL acquisition.

(3) Excluding loans < 1 year duration.

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

PEL Consolidated	Q4 FY23	Q3 FY23	% QoQ Growth	Q4 FY22	% YoY Growth	FY23	FY22	% YoY Growth
Interest Income	1,921	2,006	(4%)	2,292	(16%)	7,799	7,523	4%
Other Operating Income	211	805 ¹	(74%)	55	288%	1,136	203	460%
Operating Income	2,132	2,811	(24%)	2,347	(9%)	8,934	7,726	16%
Less: Interest Expense	1,004	973	3%	1,175	(15%)	4,041	4,282	(6%)
Net Interest Income	1,128	1,838	(39%)	1,172	(4%)	4,893	3,444	42%
Other Income	11	55	(80%)	92	(88%)	152	185	(18%)
Total Income, Net Of Interest Expenses	1,140	1,893	(40%)	1,263	(10%)	5,045	3,629	39%
Less: Operating Expenses	674	559	21%	443	52%	2,215	1,172	89%
Pre-provision Operating Profit (PPOP)	466	1,335	(65%)	820	(43%)	2,830	2,457	15%
Less: Loan Loss Provisions & FV Loss / (Gain)	298	1,535	(81%)	1,071	(72%)	5,179	830	524%
Less: Shriram FV Loss / (Gain) ²	375	(260)	(244%)	-	-	115	-	-
Profit Before Tax	(207)	59	(448%)	(251)	(18%)	(2,464)	1,628	(251%)
Less: Current & Deferred Tax	2	(3,432) ³	(100%)	(37)	(106%)	(3,978)	406	(1,079%)
Profit After Tax (PAT)	(209)	3,491	(106%)	(214)	(2%)	1,514	1,221	24%
Associate Income	13	54	(76%)	169	(92%)	389	594	(35%)
PAT Before Exceptional Gain	(196)	3,545	(106%)	(45)	335%	1,902	1,815	5%
Exceptional (Expense) / Gain	-	-	-	-	-	8,066 ⁴	(153)	(5,375%)
PAT After Exceptional Gain	(196)	3,545	(106%)	(45)	335%	9,969	1,662	500%
Profit From Discontinuing Operation	-	-	-	196	(100%)	-	337	(100%)
Reported Net Profit / Loss After Tax	(196)	3,545	(106%)	151	(230%)	9,969	1,999	399%

- Notes:
- (1) Includes INR 717 Cr of gains on account of initial recognition wrt restructuring of Shriram Investments.
 - (2) Refers to subsequent mark to market (MTM) loss / gain on Shriram investments.
 - (3) INR 3,328 Cr of reversal of income tax provision.
 - (4) Exceptional gain of INR 8,066 Cr in FY23 pertaining to demerger related transaction.

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 over 375 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. PEL also has equity investments in the Shriram Group, a leading financial conglomerate in India.

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

For Media Queries:

Rajiv Banerjee
Group Head - Corporate Communications
rajiv.banerjee@piramal.com

For Investors:

investor.relations@piramal.com