



# Piramal Enterprises Limited

## Investor Presentation Q4 & Annual FY2023



## 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.*

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

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# 1. Overview and Strategic Roadmap

## PEL at a Glance



### Retail Lending

**₹32,144** Crore<sup>1</sup>

(Housing, MSME, Other Secured and Unsecured Loans)



### Wholesale Lending

**₹31,845** Crore

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



### Alternative Assets

**~\$1** Billion<sup>2</sup>

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



### Life Insurance

**₹1,495** Crore<sup>3</sup>

(Joint Venture with Prudential International Insurance Holdings)



### Investments in Shriram

**₹6,211** Crore<sup>4</sup>

(Stake in Shriram Finance, Shriram Life Insurance, Shriram General Insurance and Shriram Investment)

**Presence across retail and wholesale lending, as well as fund-based platforms and investments, with assets of ~INR 80,000 Cr.**

Notes: (1) 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

(2) Committed Funds

(3) FY23 Gross Written Premium

(4) Investments in Shriram Finance based on market value; Shriram Life Insurance, Shriram General Insurance and Shriram Investment based on fair value

## 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

## Medium Term Strategic Priorities

1 Mid to high teens AUM growth



2 AUM mix of 2/3rd Retail and 1/3rd Wholesale



3 Lending to 'Bharat' markets in Retail lending



4 Building a new granular Wholesale lending



5 Tech and Analytics at the core of lending



6 Conservative liabilities mix



7 Opportunistic inorganic plays



8 3% ROA, Mid teens ROE







## 2. Performance Highlights



## FY23 Performance...

### AUM Diversification

Significantly improved Retail : Wholesale mix to 50 : 50 from 33 : 67 in FY22

### Retail AUM Growth

Retail AUM<sup>1</sup> grew 49% YoY to INR 32,144 Cr vs INR 21,552 Cr in FY22

### Wholesale 1.0\* AUM Reduction

Wholesale 1.0\* AUM reduced 33% YoY to INR 29,053 Cr vs INR 43,175 Cr in FY22

### Wholesale Stage 2 + 3 Reduction

Stage 2+3 assets reduced 39% QoQ to INR 6,374 Cr vs INR 10,369 Cr in Q3FY23

### Wholesale 2.0^ AUM Build-Up

Built a Wholesale 2.0^ AUM worth INR 2,792 Cr across Real Estate (RE) and Corporate Mid Market Loans (CMML)

### GNPA Ratio

GNPA ratio reduced to 3.8% in Q4 FY23 vs 4% in Q3FY23

Notes: (1) 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

Internal Use--Corporate 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

## ...FY23 Performance

### Profitability

PAT<sup>1</sup> 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

### Balance Sheet Strength

Maintained a strong consolidated net worth of INR 31,059 Cr for FY23,  
Capital Adequacy Ratio of 31% on consolidated balance sheet

### Liquidity

Cash and liquid investments of INR 7,430 Cr (9% of Total Assets)

### Credit Cost

Annualized Credit Cost stood at 1.9% in Q4FY23 vs 10.3% in 9MFY23

### Borrowing Cost

Average borrowing cost for FY23 reduced to 8.6% vs 9.6% in FY22

### Operating Cost

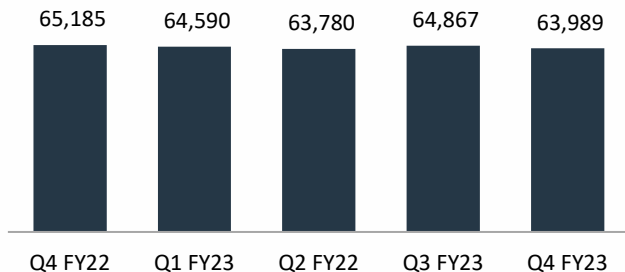
Annualized Cost-to-AUM ratio increased to 3.1% vs 1.9% in FY22 due to continued investments  
in Retail Lending

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

## Assets Under Management – Significant Improvement In Diversification

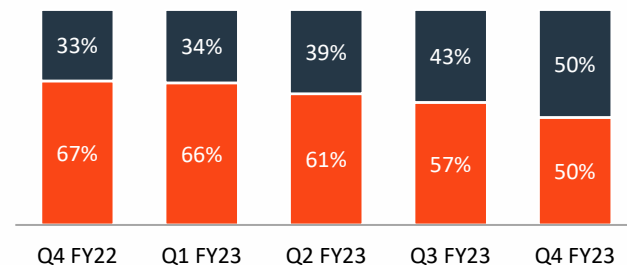
### AUM remain stable despite changing AUM Mix

In INR Cr.



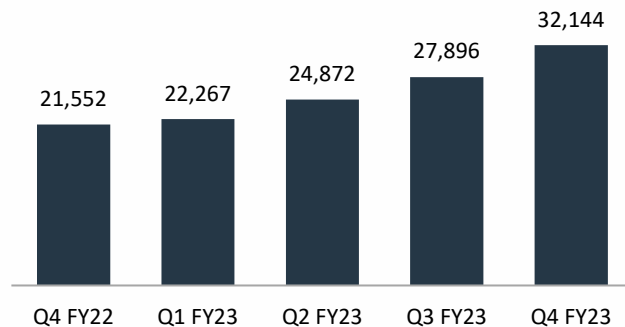
### AUM Mix improved to 50 : 50

Wholesale Retail<sup>1</sup>



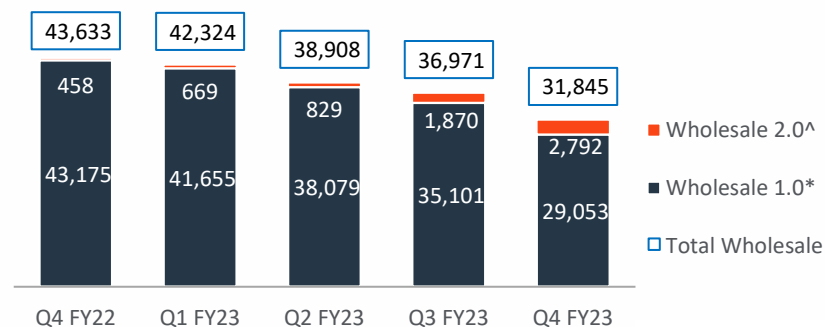
### Retail AUM<sup>1</sup> grew by 49% YoY

In INR Cr.



### Wholesale 1.0\* AUM reduced by 33% YoY

In INR Cr.

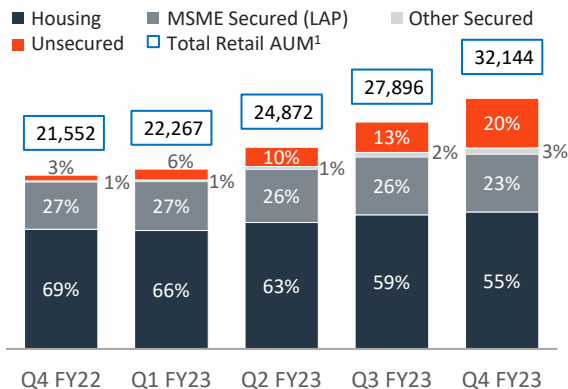


Notes: (^) Wholesale 2.0 refers to loans sanctioned under CMML and new RE loans from FY22 onwards (\*) Wholesale 1.0 refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0

(1) Retail AUM includes Security Receipts (SRs) & Pass-through certificates (PTC) and excludes acquired off-book assets in the nature of Direct Assignment (DA) & PTC as part of the DHFL acquisition

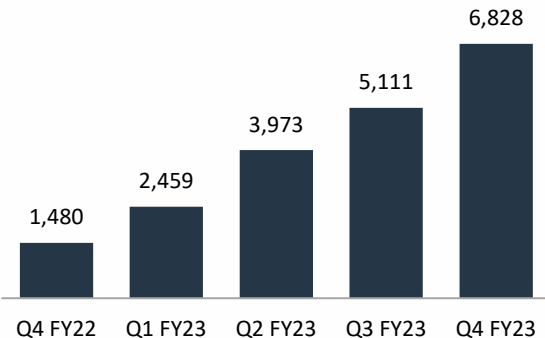
## Retail Lending – Growing Across Business Verticals

### Retail AUM<sup>1</sup> grew by 49% YoY



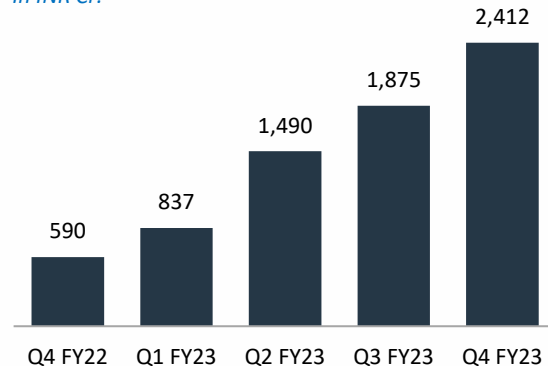
### Quarterly disbursements grew by 361% YoY

In INR Cr.



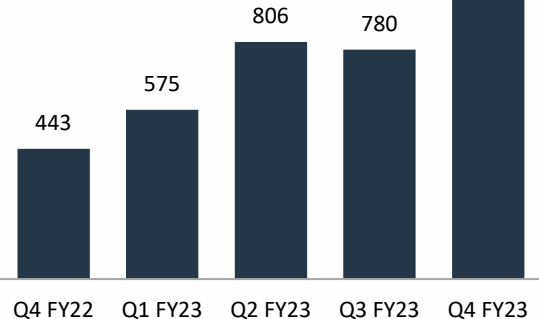
### Housing disbursements grew by 309% YoY

In INR Cr.



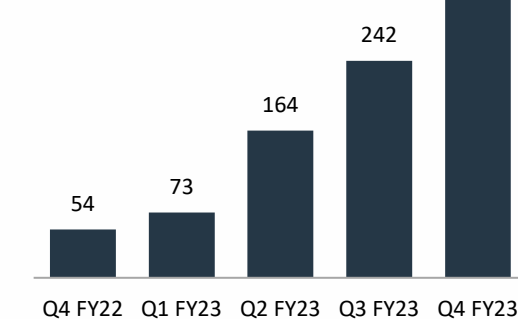
### Secured MSME (LAP) disbursements grew by 118% YoY

In INR Cr.



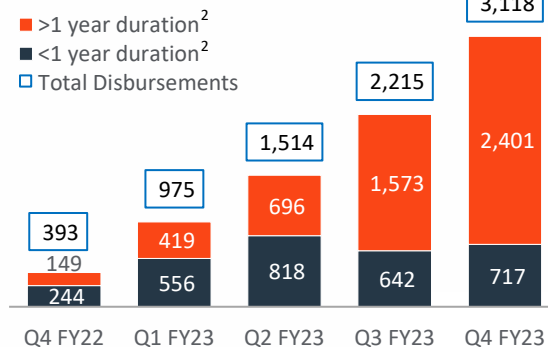
### Other Secured disbursements grew by 515% YoY

In INR Cr.



### Unsecured disbursements grew by 693% YoY

In INR Cr.



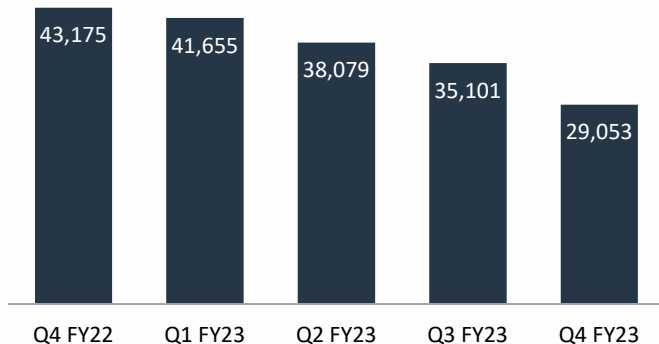
Notes: (1) Retail AUM includes Security Receipts (SRs) & Pass-through certificates (PTC) and excludes acquired off-book assets in the nature of Direct Assignment (DA) & PTC as part of the DHFL acquisition

(2) Duration refers to Disbursal / Sanctioned Tenure

## Wholesale Lending – Rationalizing Existing Portfolio; Growing New Book

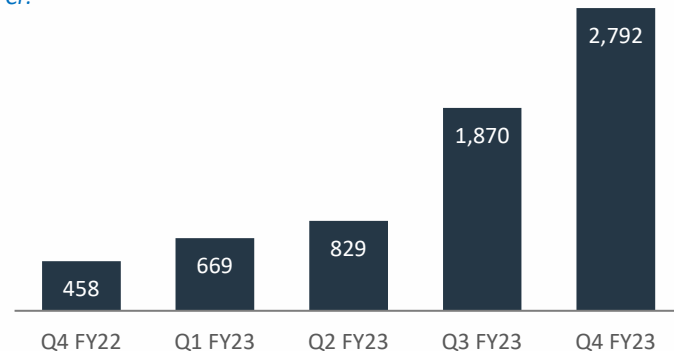
### Wholesale 1.0\* AUM reduced by 33% YoY

In INR Cr.



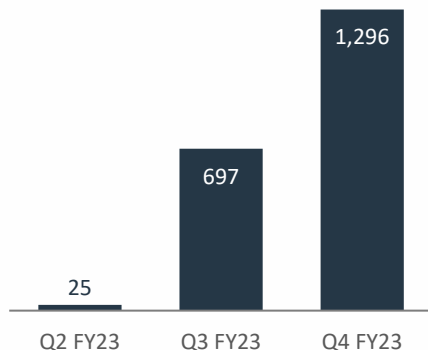
### Wholesale 2.0^ AUM grew by 510% YoY

In INR Cr.



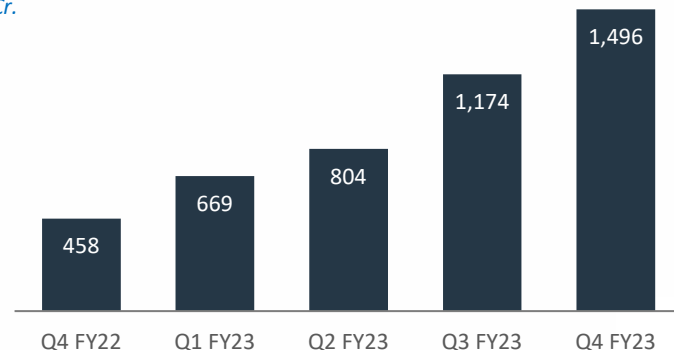
### New RE AUM grew by 86% QoQ

In INR Cr.



### New CMML AUM grew by 227% YoY

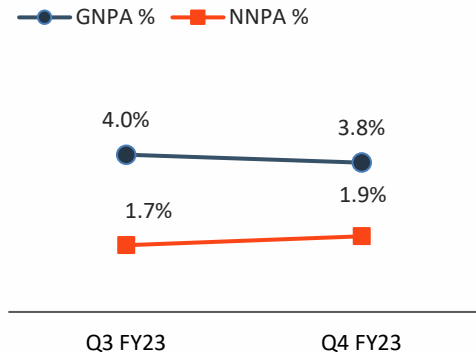
In INR Cr.



Note: (A) 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

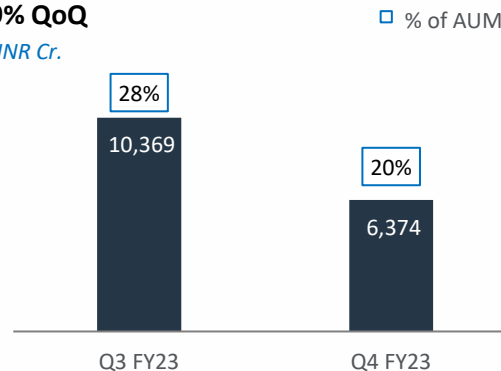
## Improving Asset Quality And Provisioning Trends

### Overall GNPA and NNPA Ratio



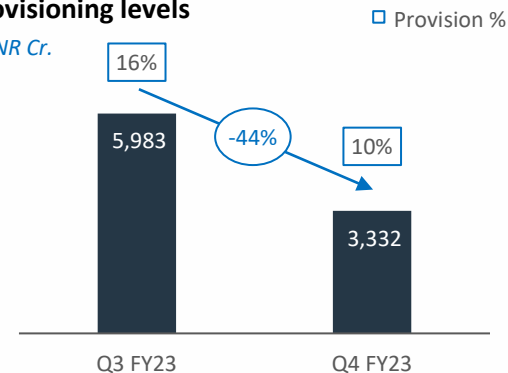
### Stage 2+3 Wholesale assets reduced by 39% QoQ

In INR Cr.



### Gradually normalizing Wholesale provisioning levels

In INR Cr.



- GNPA and NNPA Ratios remain largely stable
- Provision Coverage Ratio of Wholesale AUM reduced to 10% vs 16% in Q3FY23, resulting from resolution of few stressed loans
  - Wholesale provisions reduced by 44% to INR 3,332 Cr vs INR 5,983 Cr in Q3FY23
- Stage 2 + 3 Wholesale AUM reduced by 39% to INR 6,374 Cr vs INR 10,369 Cr in Q3FY23
  - Stage 2 + 3 assets as a % Wholesale AUM reduced from 20% vs 28% in Q3FY23

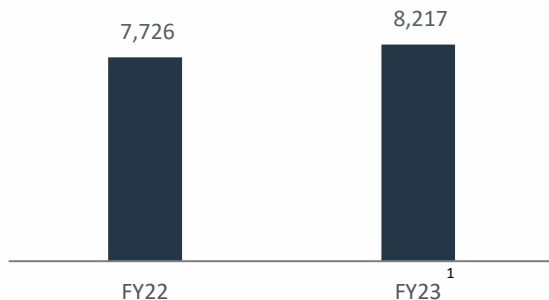
Concluded 4 stressed asset monetization transactions in Q4FY23, through a combination of asset sale and ARC deals

- ✓ Exited a large Holdco loan namely Mytrah, thereby achieving a reduction of INR 1,908 Cr in a single transaction
- ✓ Concluded sale of an NPA portfolio in cash
- ✓ Concluded sale of certain stressed assets through 2 separate ARC transactions under 15:85 structure

## FY23 P&L Performance – Steady Profitability In A Year Of Significant Provisioning

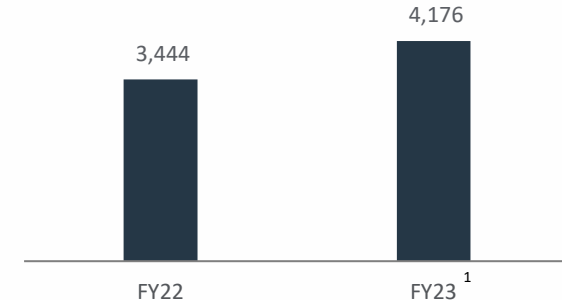
Operating Income<sup>1</sup> grew by 6% YoY

*In INR Cr.*



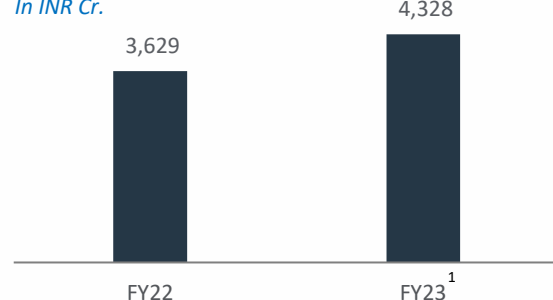
Net Interest Income<sup>1</sup> grew by 21% YoY

*In INR Cr.*



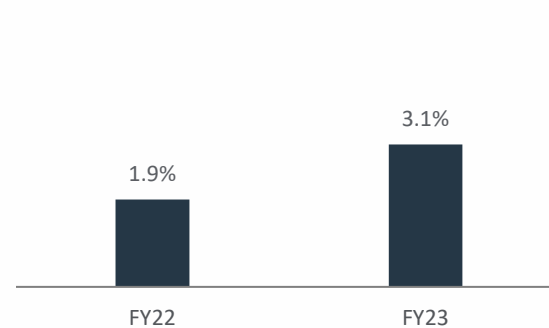
Total income<sup>1</sup>, net of interest expenses grew by 19% YoY

*In INR Cr.*



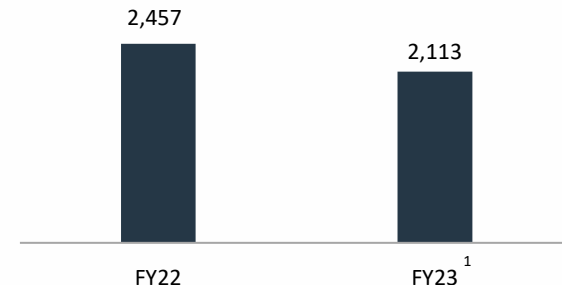
Annualised Cost-to-AUM Ratio

*As % of Lending AUM*



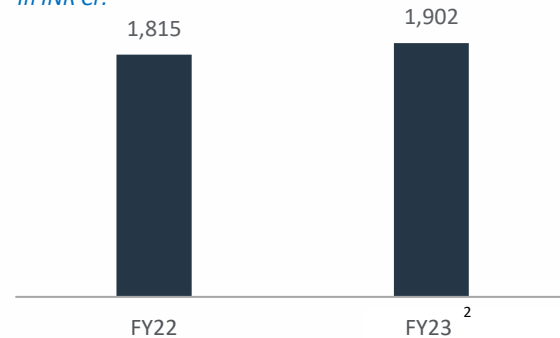
Pre-Provisioning Operating Profit<sup>1</sup> (PPOP) reduced by 14% YoY

*In INR Cr.*



Profit After Tax<sup>2</sup> grew by 5% YoY

*In INR Cr.*



Notes: (1) Excluding INR 717 Cr of gains on account of restructuring of Shriram Investments

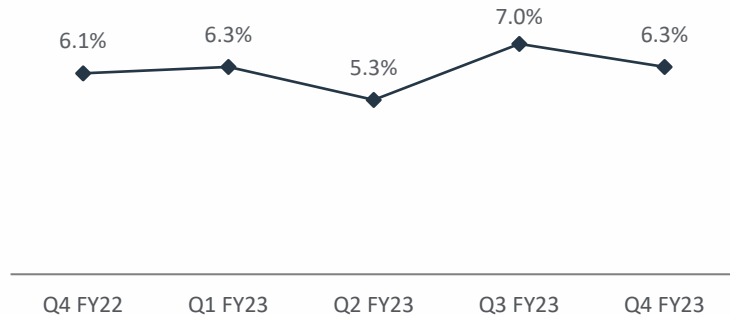
(2) Excluding exceptional gain of INR 8,066 Cr in FY23 pertaining to demerger related transaction



## Q4 FY23 P&L Performance for Lending Business

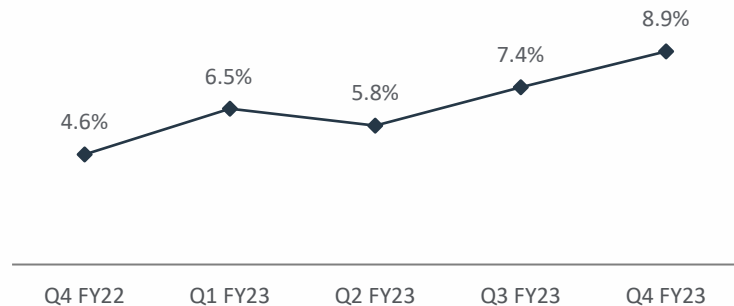
### Net Operating Income<sup>1</sup>

% of AUM



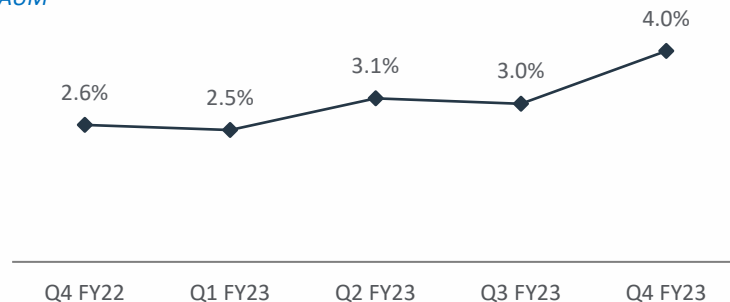
### Fee Income<sup>2</sup>

% of Total Income



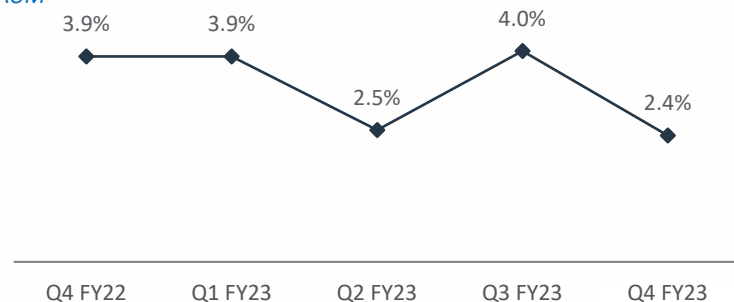
### Annualised Cost-to-AUM

% of AUM



### Pre-Provisioning Operating Profit (PPOP)

% of AUM



Note: (1) Net Operating Income = Net Interest Income + Fee Income

(2) Fee Income as a % of Total Income = Fee Income / Net Operating Income

## Robust Liability Management

### Average Cost of Borrowings improved during the year

In %



### Maturity of Borrowings remain above 3 years

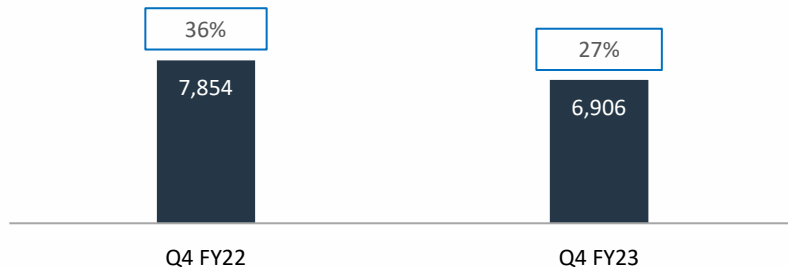
In years, weighted average on a residual basis



### Maintaining healthy Cumulative ALM GAP<sup>1</sup> (up to 1 year)

In INR Cr, period-end

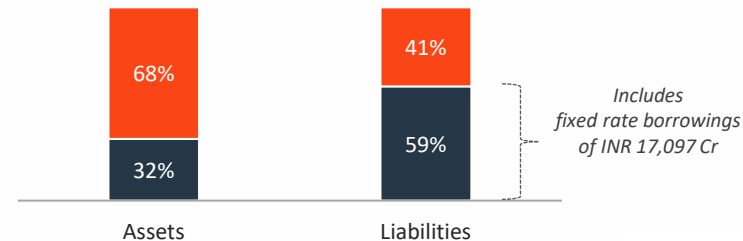
□ GAP %<sup>2</sup>



### Balanced Fixed : Floating Rate Mix in current rate environment

As of Mar-2023

■ Fixed Rate ■ Floating Rate



Note: (1) Cumulative GAP = Cumulative inflows up to 1-year – Cumulative outflows up to 1-year; (2) GAP% = Net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows

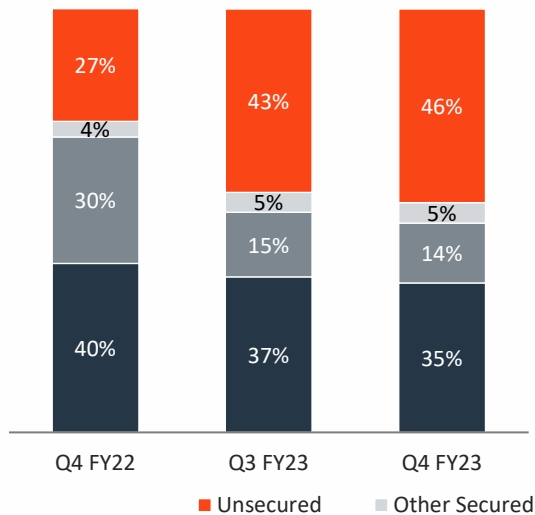


### 3. Retail Lending

## Moving Towards Target Product Mix, Improving Yields

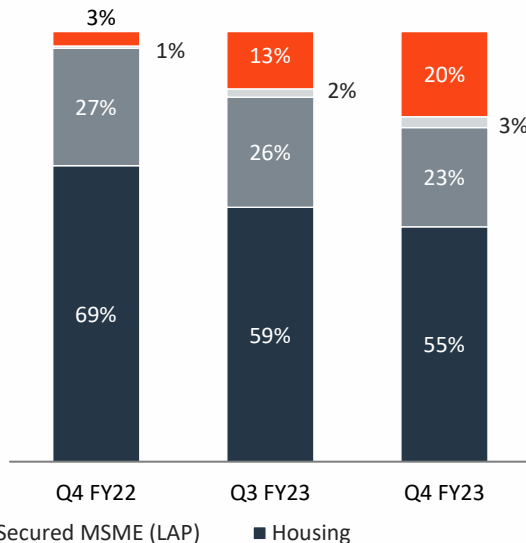
### Disbursements by product family

%, based on value for retail loans



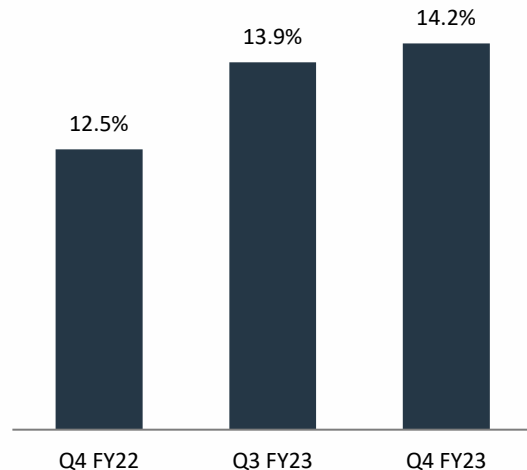
### Retail AUM<sup>1</sup> by product family

%, based on value for retail loans



### Disbursement yields

%, for retail loans (loans >1 year duration)



### Disbursements by duration<sup>2</sup>

%, based on value for retail loans



### Retail AUM<sup>1</sup> by duration<sup>2</sup>

%, based on value for retail loans



Notes: (1) Retail AUM excludes Security Receipts (SRs) & Pass-through certificates (PTC)

(2) Duration refers to Contractual Tenure



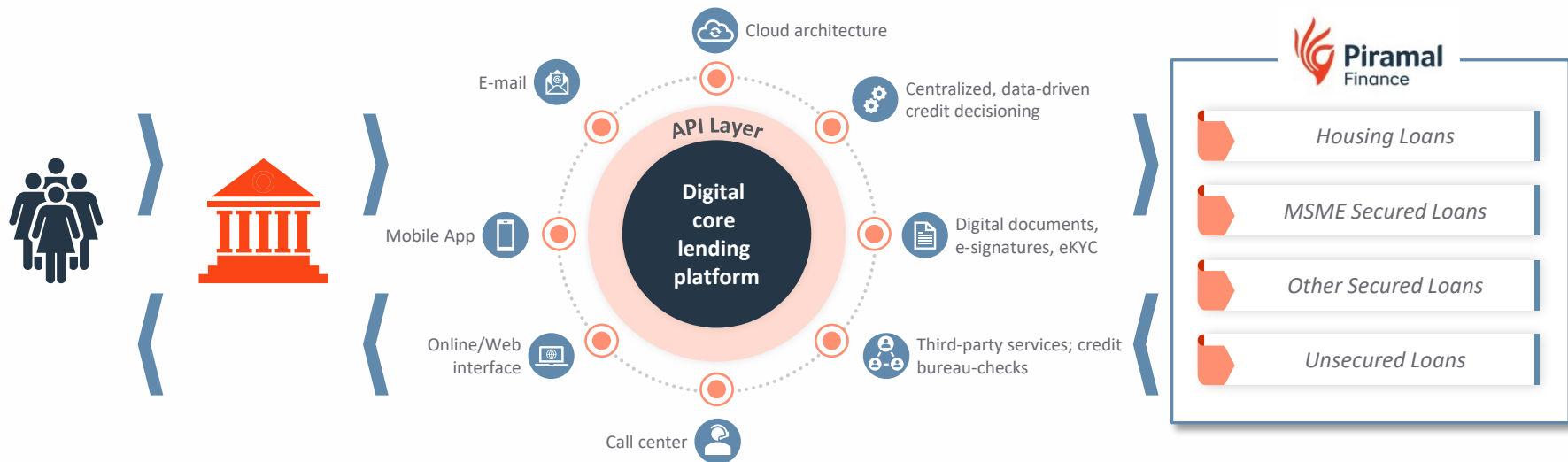
Improvement in disbursement yield driven by change in product mix

## 'Technology Backed Lending': Physically-distributed, Digitally-enabled

*Physical infrastructure*

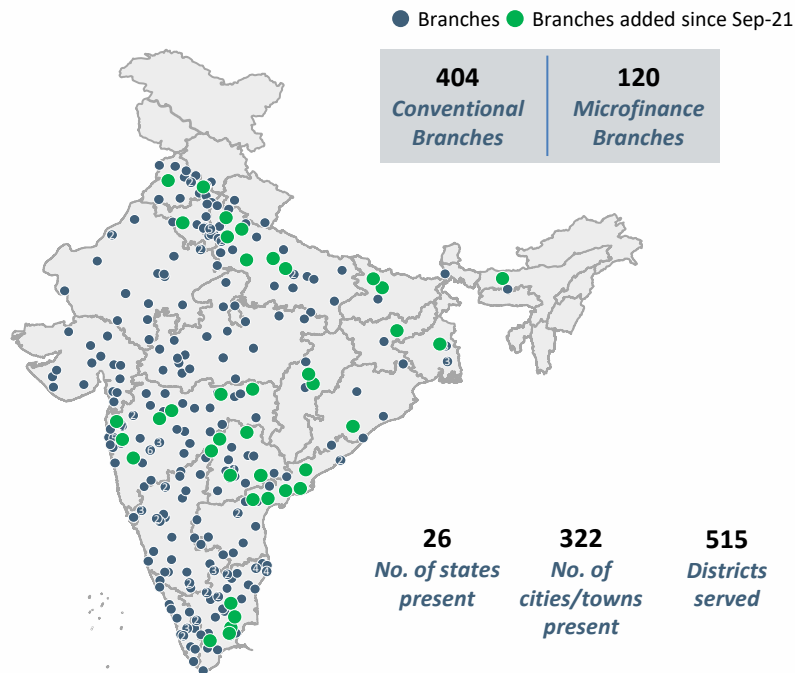
*'Feet-on-the-ground'*

*Innovative customized  
product offerings*



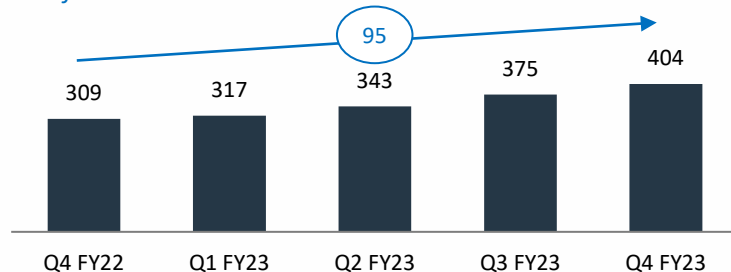
## Added 95 New Branches (Net) During FY23

Plan to expand to 500-600 branches



404 disbursement active branches

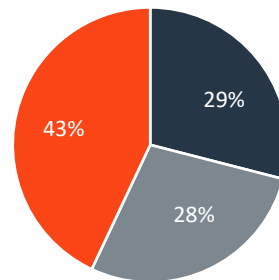
No. of conventional branches



Retail AUM<sup>1</sup> split

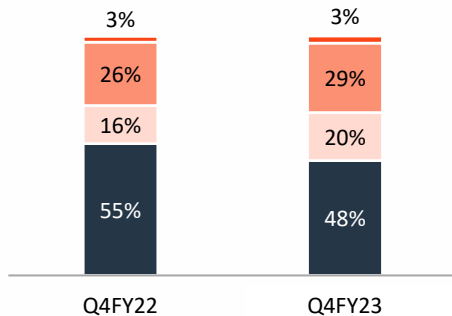
By Geographic Concentration

■ North & East ■ South ■ West



By Metro Adjacent, Tier 1, 2 & 3 cities<sup>2</sup>

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



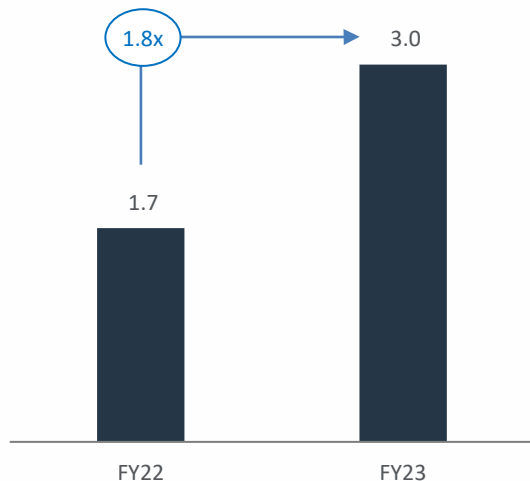
Notes: (1) Retail AUM excludes Security Receipts (SRs) & Pass-through certificates (PTC)

(2) Population Considered Tier 1: 40+ lacs, Tier2: 10-40 lacs, Tier3: <10 lacs

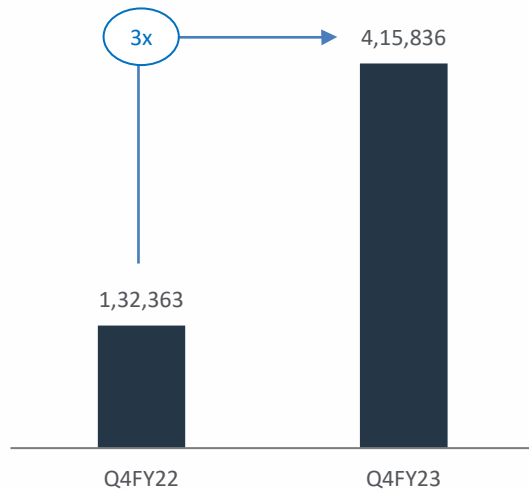
## Expanded Customer Franchise To 3.0 Mn

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

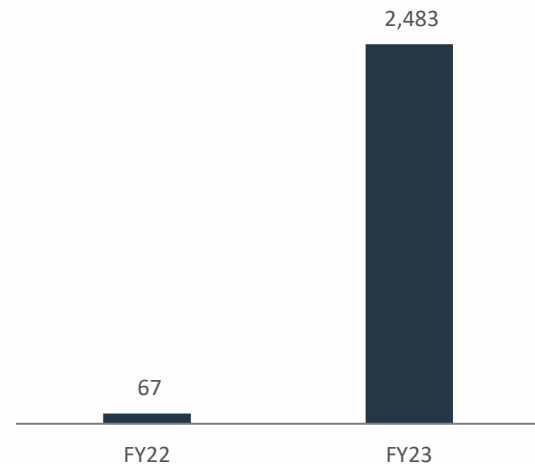
# Mn



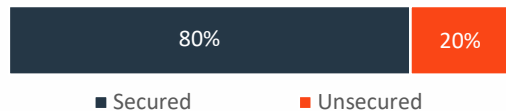
### New customers acquired



### Cross-sell disbursements



### Breakup of Retail AUM<sup>2</sup> by category



- ✓ We continue to grow our customer franchise
- Active customers crossed 1 Mn

### Breakup of Retail AUM<sup>2</sup> by customer type



Notes: (1) Customer Franchise includes existing / past borrowers as well as co-borrowers

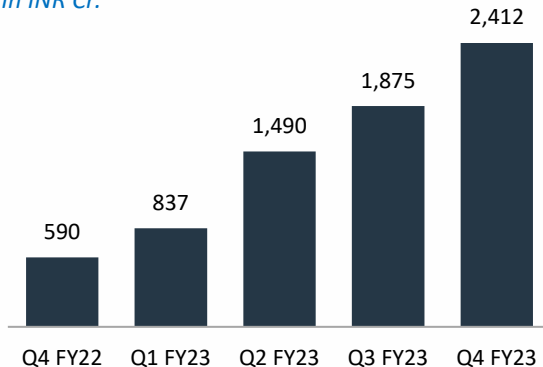
(2) Retail AUM excludes Security Receipts (SRs) & Pass-through certificates (PTC)



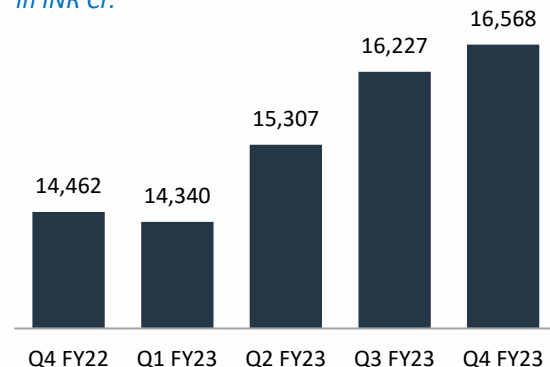
## Housing Loans: *Fast growing, at-scale lender in Affordable Housing*



**Quarterly disbursements**  
In INR Cr.



**AUM growth**  
In INR Cr.



**67%**

Lending in Tier  
2/3 cities



**18 Lac**

Avg. Ticket Size



**61%**

Avg. LTV



**748**

Avg. CIBIL Score



**0.59%**

90+ DPD  
Delinquency<sup>1</sup>

Notes: (1) 90+ DPD Delinquency = 90 days DPD to 179 days DPD

### Breakup of AUM by customer type



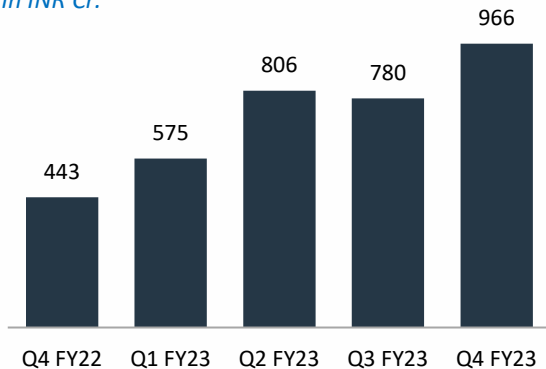
### Breakup of AUM by stage of construction



## Secured MSME (LAP) Loans: 120% YoY growth in disbursements

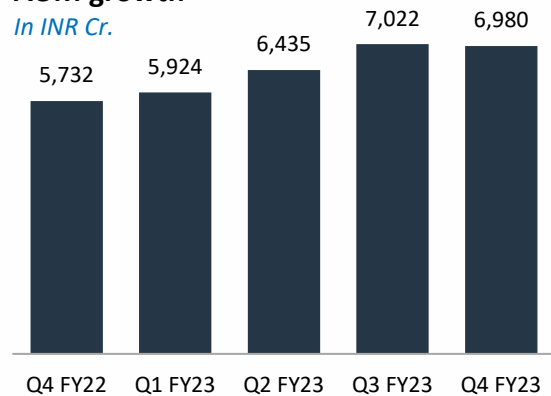
### Quarterly disbursements

In INR Cr.



### AUM growth

In INR Cr.



67%

Lending in Tier  
2/3 cities



21 Lac

Avg. Ticket Size



46%

Avg. LTV



745

Avg. CIBIL Score



0.53%

90+ DPD  
Delinquency

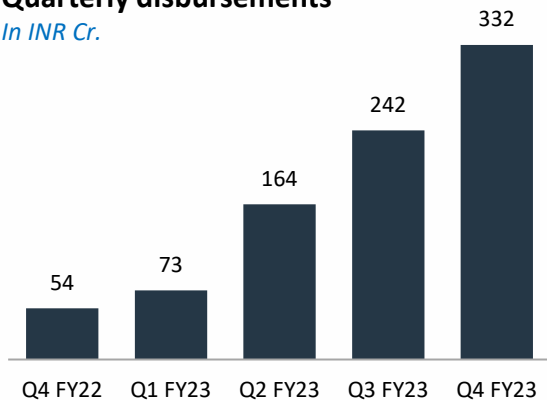


Notes: (1) 90+ DPD Delinquency = 90 days DPD to 179 days DPD

## Other Secured Loans: *Steep growth trajectory in Used Car Loans*

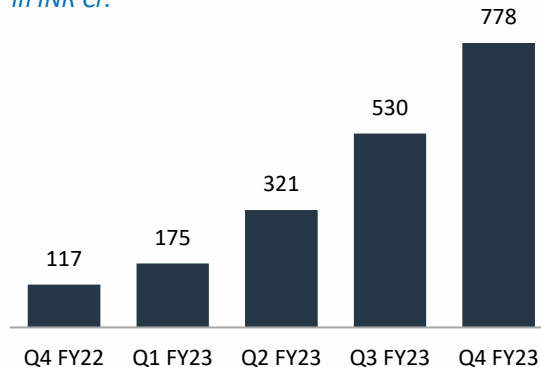
### Quarterly disbursements

In INR Cr.



### AUM growth

In INR Cr.



**51%**

Lending in Tier  
2/3 cities



**6 Lac**

Avg. Ticket Size



**77%**

Avg. LTV



**737**

Avg. CIBIL Score



**0.85%**

90+ DPD  
Delinquency



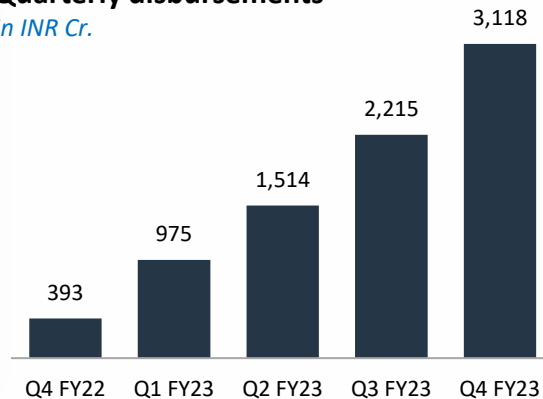
Notes: (1) 90+ DPD Delinquency = 90 days DPD to 179 days DPD

## Unsecured Loans: *Strong growth, from multiple form factors and channels*



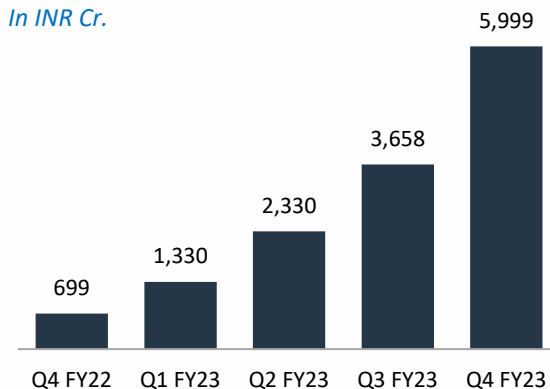
### Quarterly disbursements

In INR Cr.

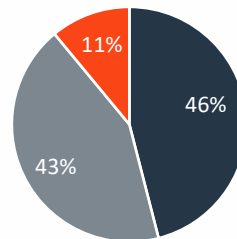


### AUM growth

In INR Cr.

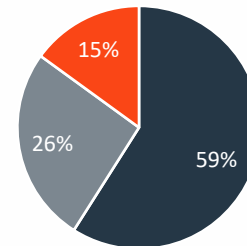


### Unsecured AUM by channel



■ Partnerships ■ Branch ■ Pool purchase

### Unsecured AUM by product



■ Personal Loan ■ Unsecured MSME ■ Microfinance



8,80,000

Customers  
Served



753

Avg. CIBIL Score



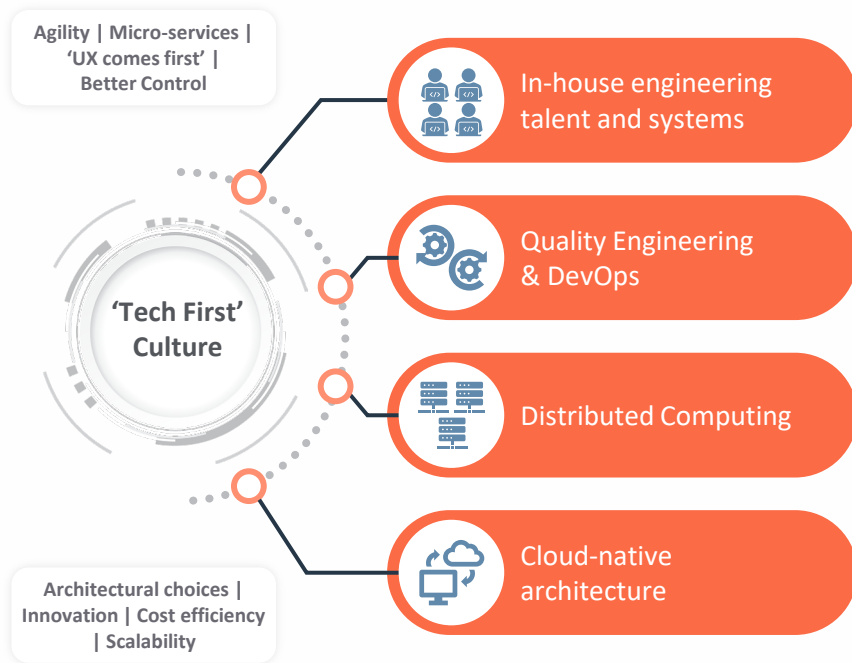
1.10%

90+ DPD  
Delinquency







Notes: (1) 90+ DPD Delinquency = 90 days DPD to 179 days DPD

# Cutting Edge Technology at the Core

## Our Tech Strategy and Choices



## Powered by Key Digital Assets

-  **Launched new 'Innovation Hub'** in Bengaluru in Q3 FY23
-  **Mobile apps** on Android and iOS
-  **Generic API stack** for Embedded Finance partners
-  **Platform for sales partners/DSAs** to reduce TAT
-  **KYC platform** to enhance single customer journey
-  **Credit Policy Engine** to integrate new data sources

# 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

**7,31,975**

Applications  
processed  
during Q4 FY23

### AI/ML Models for NPA Recovery

**33,459**

Customers  
queued

### AI/ML Models for Retention

**21,889**

Cases  
processed  
during Q4 FY23

### DHFL Acquisition

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

**Real-time  
visualization  
dashboard**

**Risk Monitoring  
Platform**





## 4. Wholesale Lending

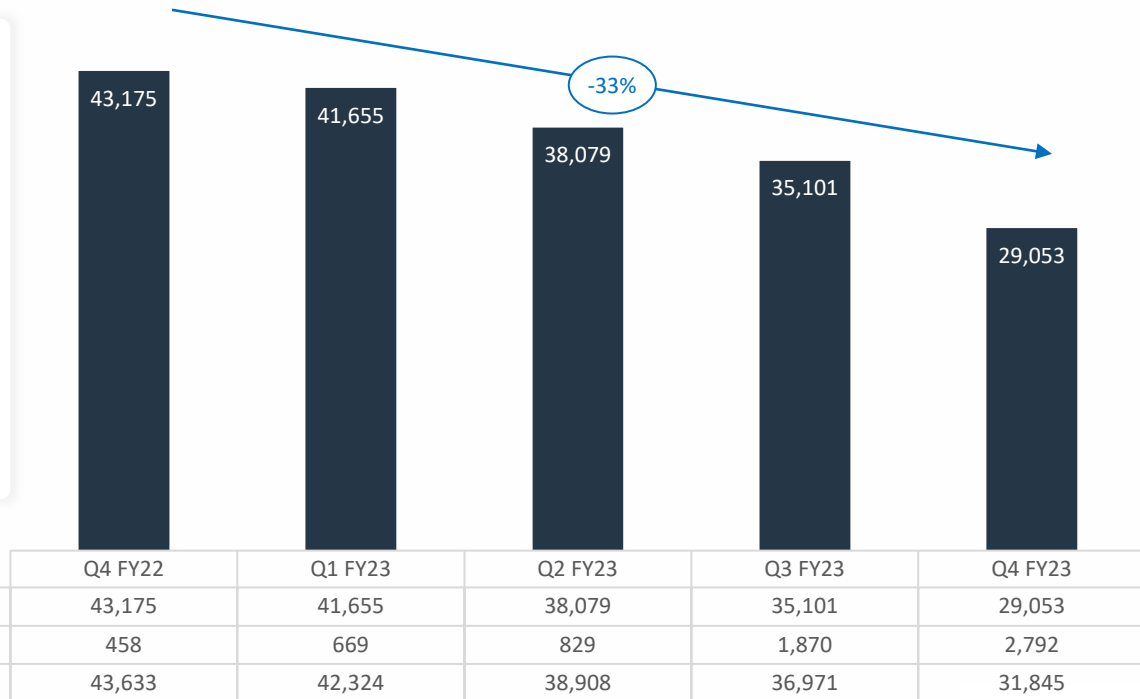


# Continue To Reduce Wholesale 1.0\* AUM While Building A Granular Wholesale 2.0^ AUM

## Wholesale AUM<sup>1</sup>

In INR Cr.

- Wholesale 1.0\* AUM reduced by INR 14,122 Cr (down by 33%) since Mar-2022
  - Concluded 4 stressed asset monetization transactions during the quarter, through a combination of asset sale and ARC deals
  - Generated over INR 12,500 Cr of cash realisation through accelerated repayments and resolution proceeds of Wholesale 1.0\* portfolio in line with the provisions on these assets
- Built a Wholesale 2.0^ AUM worth INR 2,792 Cr as of Mar-2023.



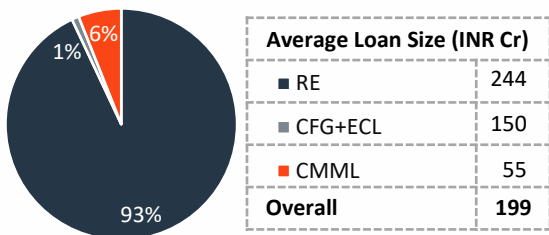
Notes: (^) Wholesale 2.0 refers to loans sanctioned under CMML and new RE loans from FY22 onwards (\*) Wholesale 1.0 refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0.

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

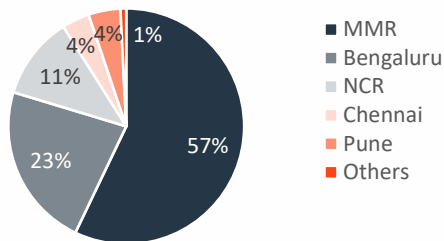
## Stage 1 Composition

Total Stage 1 AUM of INR 25,471 Cr with an average yield of 10.3%

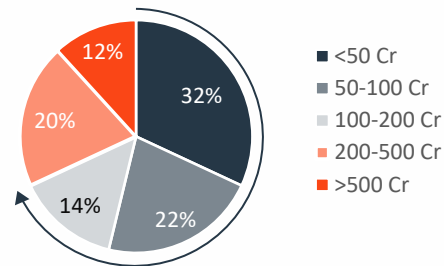
**Sector Composition<sup>1</sup>** - Over 90% of the book is into Real Estate lending; largely excludes promoter holdco corporate lending



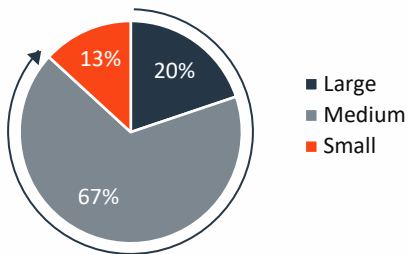
**Geographical Exposure<sup>1</sup>** - Diversified across multiple geographies



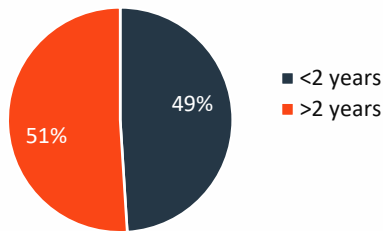
**Granularity<sup>1</sup>** - 68% of the number of loans are below INR 200 Cr



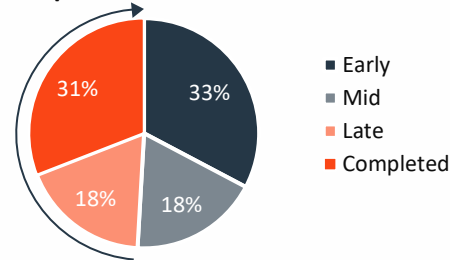
**Developer Categorisation<sup>2</sup>** - 87% of the book is large and medium developers



**Contractual Repayments<sup>1</sup>** - 49% of stage 1 repayments expected in less than 2 years



**Stage of Construction<sup>2</sup>** - 49% of the book is late stage or completed



Notes: (1) Excludes development rights of Rs.1,335 Cr and DHFL book of INR 653 Cr; includes Wholesale 2.0 AUM of INR 2,792 Cr

(2) For RE book only

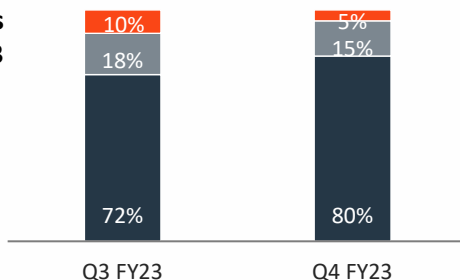
CFG: Corporate Finance; ECL: Emerging Corporate Lending

## Stage 2 + 3 Assets: Recoveries And Resolution Plan

Stage 2 + 3 AUM reduced by 39% to INR 6,374 Cr vs INR 10,369 Cr in Q3FY23

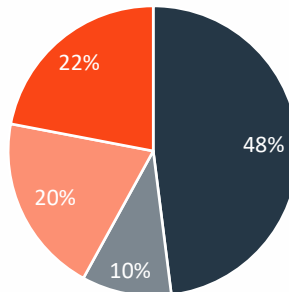
**Stage-wise breakup of Wholesale AUM -**  
Significant reduction in Stage 2 + 3 assets as a % of Wholesale AUM to 20% in Q4FY23 from 28% in Q3FY23

- Stage 3
- Stage 2
- Stage 1



**Stage 2 + 3 AUM reduction -** Reduced by INR 3,995 Cr (down 39% QoQ), led by resolution of stressed assets

- Exit of a large Holdco loan
- Sale of NPA portfolio
- Sale to ARCs under 15:85 structure
- Others



**Concluded 4 stressed asset monetization transactions during Q4FY23 -** Through a combination of asset sale and ARC deals

- Exited a large Holdco loan namely Mytrah, thereby achieving a reduction of INR 1,908 Cr in a single transaction
- Concluded sale of an NPA portfolio in cash
- Concluded sale of certain stressed assets through 2 separate ARC transactions under 15:85 structure



**A focused professional team is involved in monitoring and executing the resolution strategy for complex recoveries and enforcement, aimed to improve recoveries and monetization of assets**

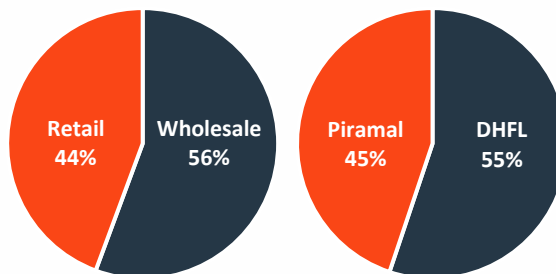
## Security Receipts Portfolio

### Outstanding SRs

In INR Cr.

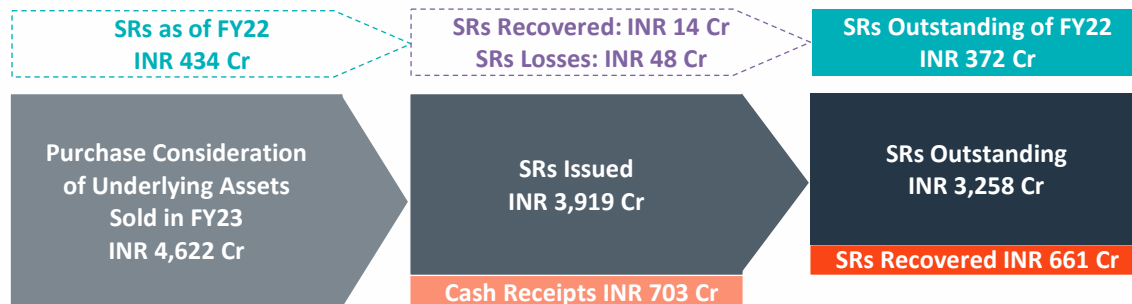


### Composition of SRs portfolio



- We are deploying the following tools for resolution of stressed assets:
  - (a) Monetization of underlying assets
  - (b) One-time settlements
  - (c) Enforcement via IBC / other means
  - (d) Portfolio sales to ARCs in cash and / or SRs
- **ARC sales are being undertaken at post-provisioning valuations**
- 44% of the outstanding SRs have Retail loans as underlying assets

### Movement in SRs (including transactions of FY23)



- SRs were issued at 63% mark down to face value of underlying assets sold in FY23.
- Post the transactions, we received INR 1,364 Cr (11% of FV) through Cash Receipts & SRs Recovery.

As resolution processes continue, we expect more ARC sales over the next two quarters and related continued enforcement

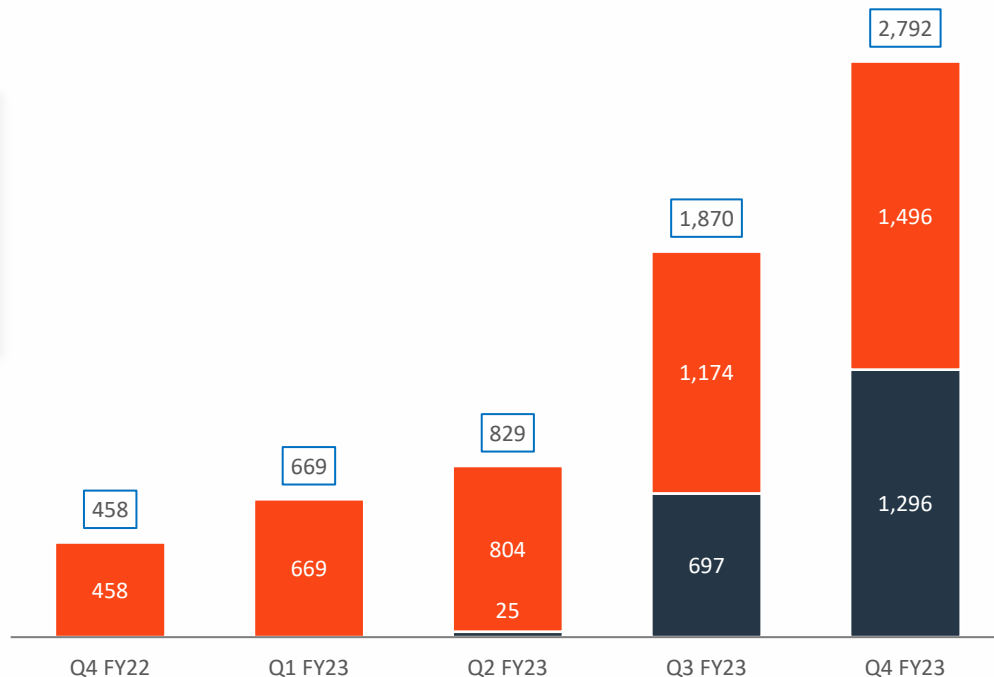
# Building A Diversified And Granular Book Backed By Cash Flows And Assets

## Wholesale 2.0^ AUM

INR Cr.

- Built a Wholesale 2.0^ AUM across Real Estate and Corporate Mid Market Loans worth INR 2,792 Cr as of Mar-2023
- Added new loans worth INR 922 Cr, leading to a growth of 49% QoQ

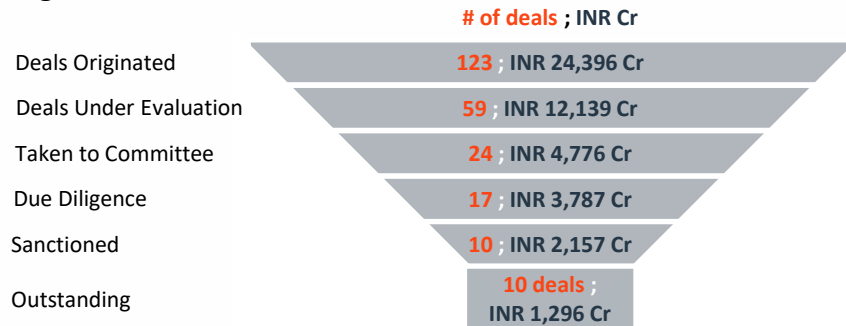
- New CMML
- New RE
- Wholesale 2.0^ AUM



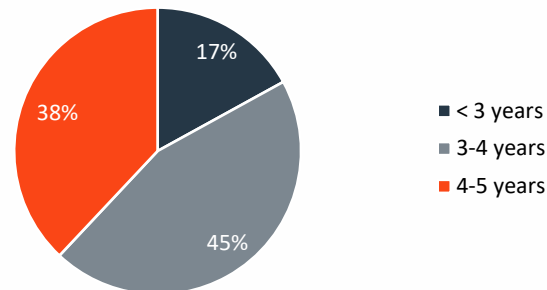
Note: (^) Wholesale 2.0 refers to loans sanctioned under CMML and new RE loans from FY22 onwards

## New Real Estate Loans: Capitalizing On The Market Gap And Leveraging Our Strengths

### Origination Funnel



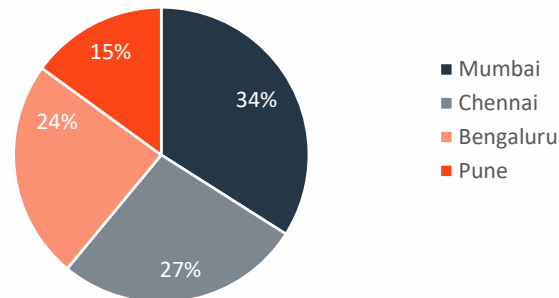
### By Original Tenor



### Progressing to rebuild our Real Estate Developer Finance book

- Deals worth INR 1,296 Cr outstanding as on Mar-2023
- Granular and diversified Real Estate developer finance book
- To build exposure in select markets across Tier 1, 2, and 3 cities
- Best in class governance and risk management

### By Geographic Exposure



Average Ticket Size / Loan  
INR 216 Cr

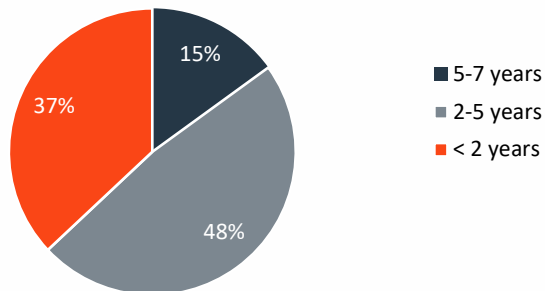
Average Yield % <sup>1</sup>  
14.9%

Average Loan Tenor  
4.1 years

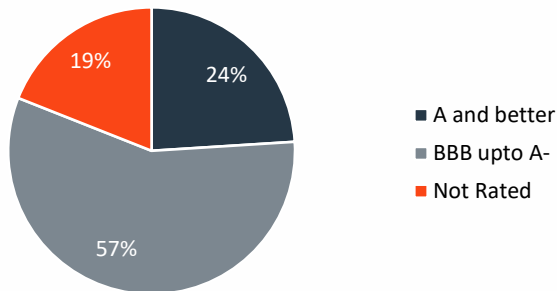
Note: (1) Average Yield % includes fee income

## Corporate Mid Market Lending: *Building a granular book backed by cash flows*

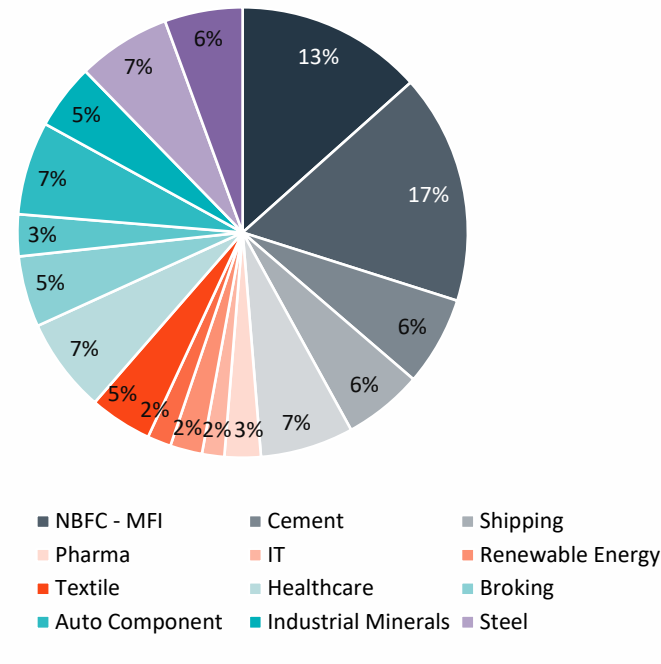
By Original Tenor



By Ratings



By Industry



Average Ticket Size / Loan  
INR 55 Cr

Average Yield %<sup>1</sup>  
12.3%

Average Loan Tenor  
3.5 years







Note: (1) Average Yield % includes fee income



# Risk Management, Governance, and Internal Controls

## Wholesale Lending

### Foundation Pillars in Place

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

### Risk + Control Functions + Technology Embedded in the Process

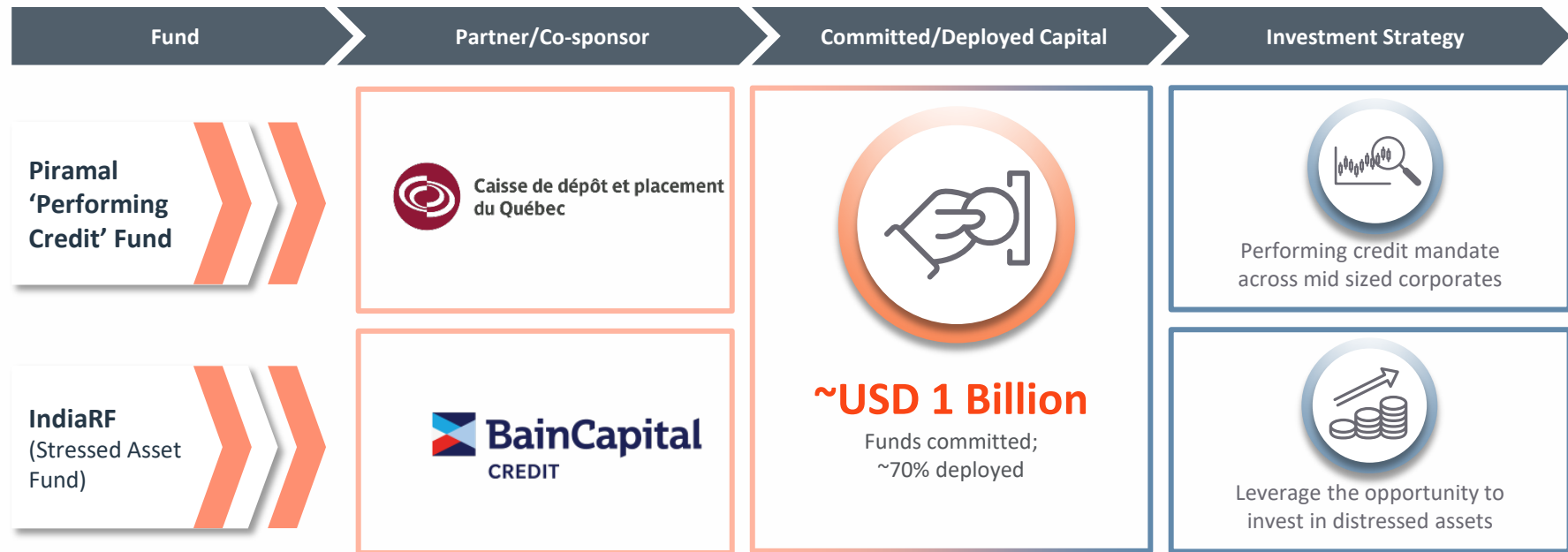
Risk Group	Control Functions (Legal, Compliance, Operations, Finance)	Technology (Pinnacle; analytics driven)
------------	---	--

**Catering to a large addressable market (having few credit providers), by adopting a calibrated approach, with focus on cash flow-backed lending**



## 5. Non-Lending Business

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



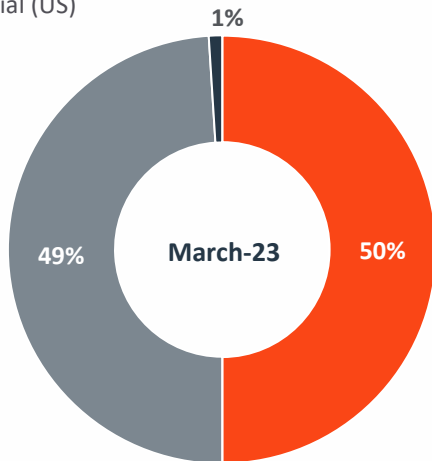
Return on sponsor commitments as well as income (in the form of both fee and carry) are likely to further improve, as we scale up existing funds and expand the product suite

## Life Insurance: JV with Prudential International Insurance Holdings

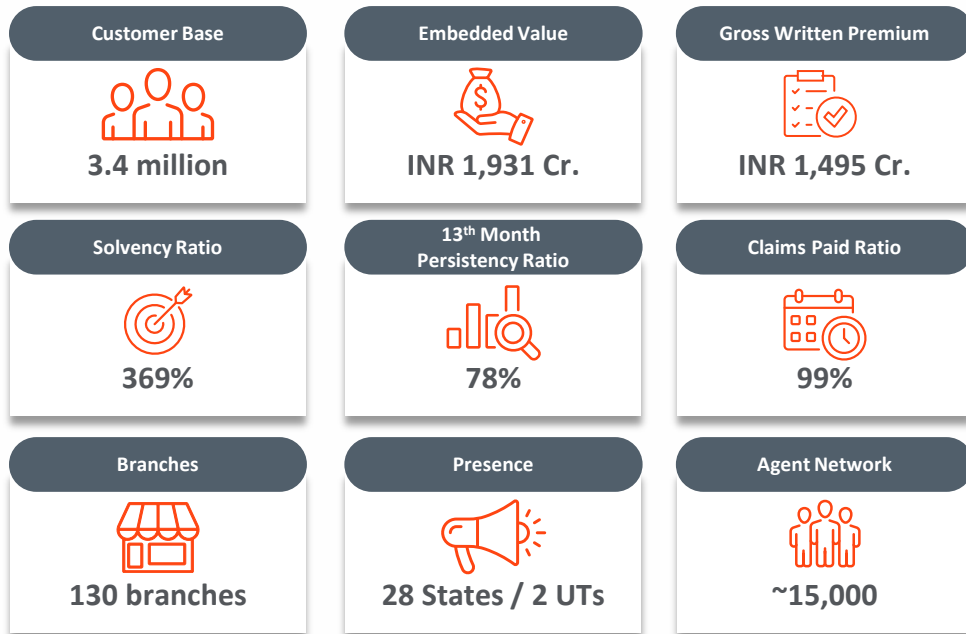
### Shareholding Pattern of Pramerica Life Insurance (PLI)

(in %)

- Piramal Enterprises Ltd.
- Prudential (US)
- Others



(as of FY23)



Strong foundation in place for next phase of growth



## 6. Financial Performance

# Profit and Loss Statement

*In INR Cr.*

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

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

## Balance Sheet and Key Ratios

### Consolidated Balance Sheet

(INR Cr.)

Particulars	FY23	FY22
<b><u>Assets</u></b>		
Cash & Liquid Investments	7,430	8,815
Gross Asset Under Management	63,989	66,119
ECL Provision	3,964	3,584
Net Assets Under Management	60,025	62,534
Investments in Shriram Group	6,211	5,094
Investments in Alternatives and Others	2,361	2,607
Fixed Assets / Intangibles	1,934	875
Net Assets / (Liability)	1,920	(876)
<b>Total Assets</b>	<b>79,882</b>	<b>79,050</b>
<b><u>Liabilities</u></b>		
Net Worth	31,059	30,120
Gross Debt	48,823	48,930
<b>Total Liabilities</b>	<b>79,882</b>	<b>79,050</b>

### Key Ratios

Ratios	FY23	FY22
Yield (% of AUM)	<b>12.0%</b>	<b>12.9%</b>
Cost of Borrowing (%)	<b>8.6%</b>	<b>9.6%</b>
NIM (% of AUM)	<b>5.8%</b>	<b>5.3%</b>
Cost to Assets (% of AUM)	<b>3.1%</b>	<b>1.9%</b>
Gross Debt to Equity (x)	<b>1.6</b>	<b>1.6</b>
Net Debt to Equity (x)	<b>1.3</b>	<b>1.3</b>

# Equity Profile

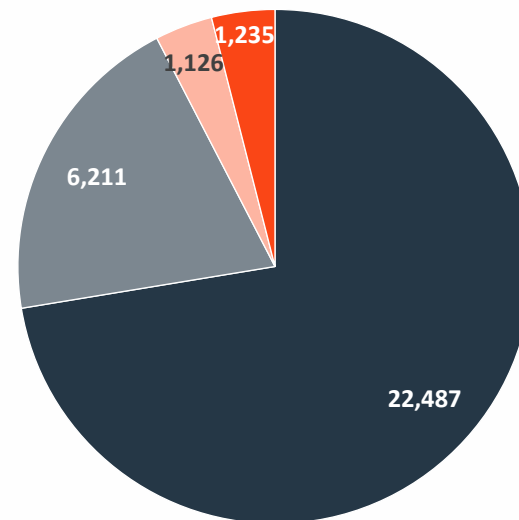
## Equity Movement

(INR Cr.)

Particulars	FY23
Opening Equity <sup>1</sup>	30,120
Net Profit	9,969
Pharma Demerger Impact	(8,372)
Dividend Payout	(788)
Movement in Other Comprehensive Income (OCI)	131
<b>Closing Equity</b>	<b>31,059</b>

## Equity Break-up

(INR Cr.)



■ Lending ■ Shriram ■ Alternatives ■ Insurance and Others

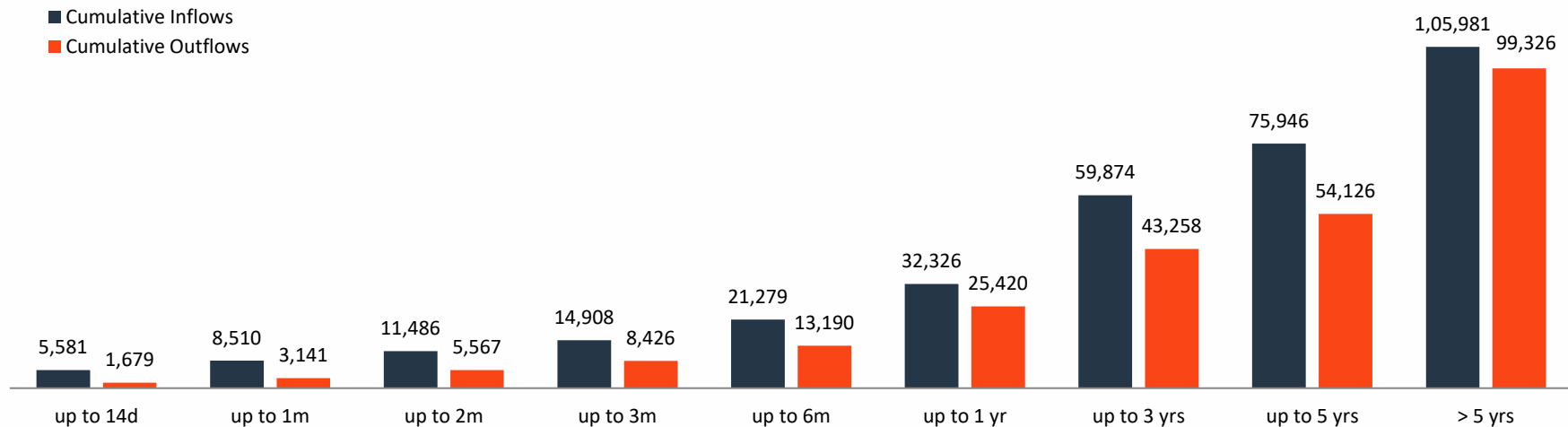
Note: (1) Opening Equity is excluding Pharma business



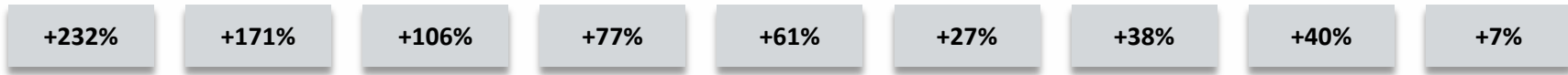
# Asset-Liability Profile

In INR Cr.

As on Mar 31, 2023<sup>1</sup>



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

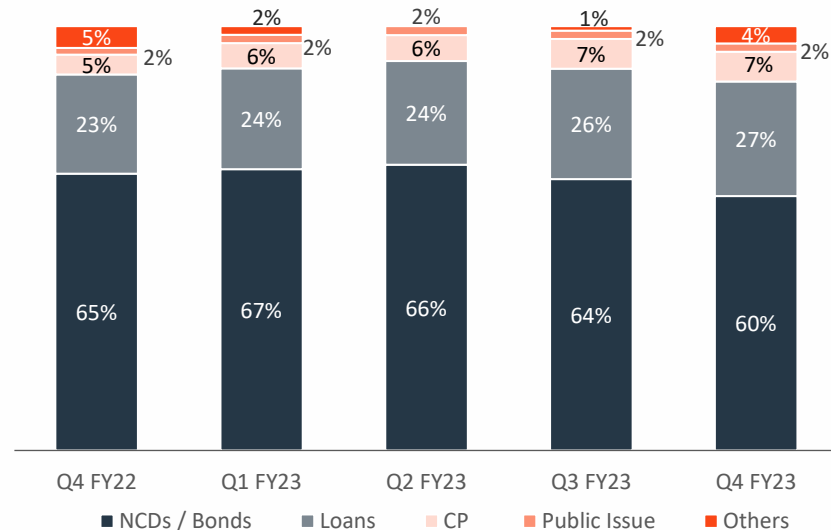


Notes: (1) Based on static ALM for wholesale and behavioral ALM for the retail portfolio

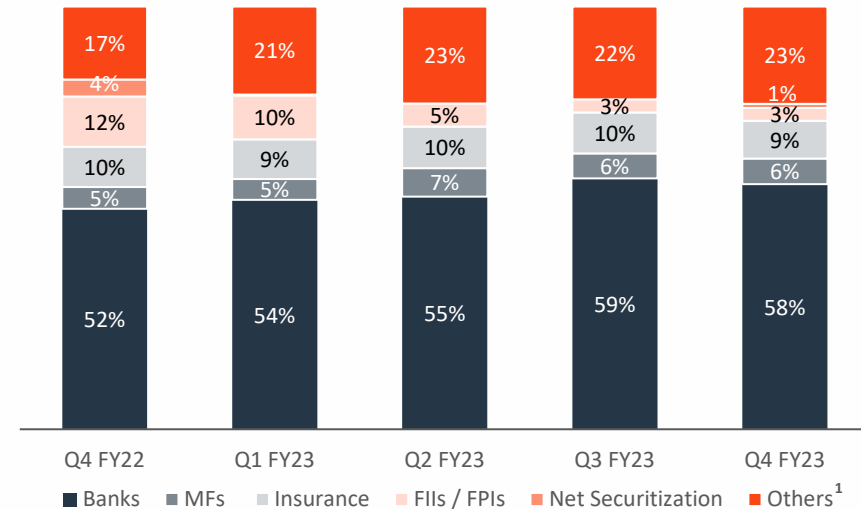
(2) Cumulative GAP (%) = Net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows

## Diversifying The Borrowing Mix

Breakdown of Borrowing Mix by Type of Instruments



Breakdown of Borrowing Mix by Type of Lender



### Ratings Update

#### Long Term Ratings

ICRA & CARE: AA

Outlook Stable

#### Short Term Ratings

CRISIL, ICRA, CARE: A1+

Note: (1) 'Others' include employee benefit funds, financial institutions (incl. NHB) and Individuals/HUFs/Corporates and CROMS etc., which contribute 5%, 6%, 12% and 2% respectively, to overall borrowings.

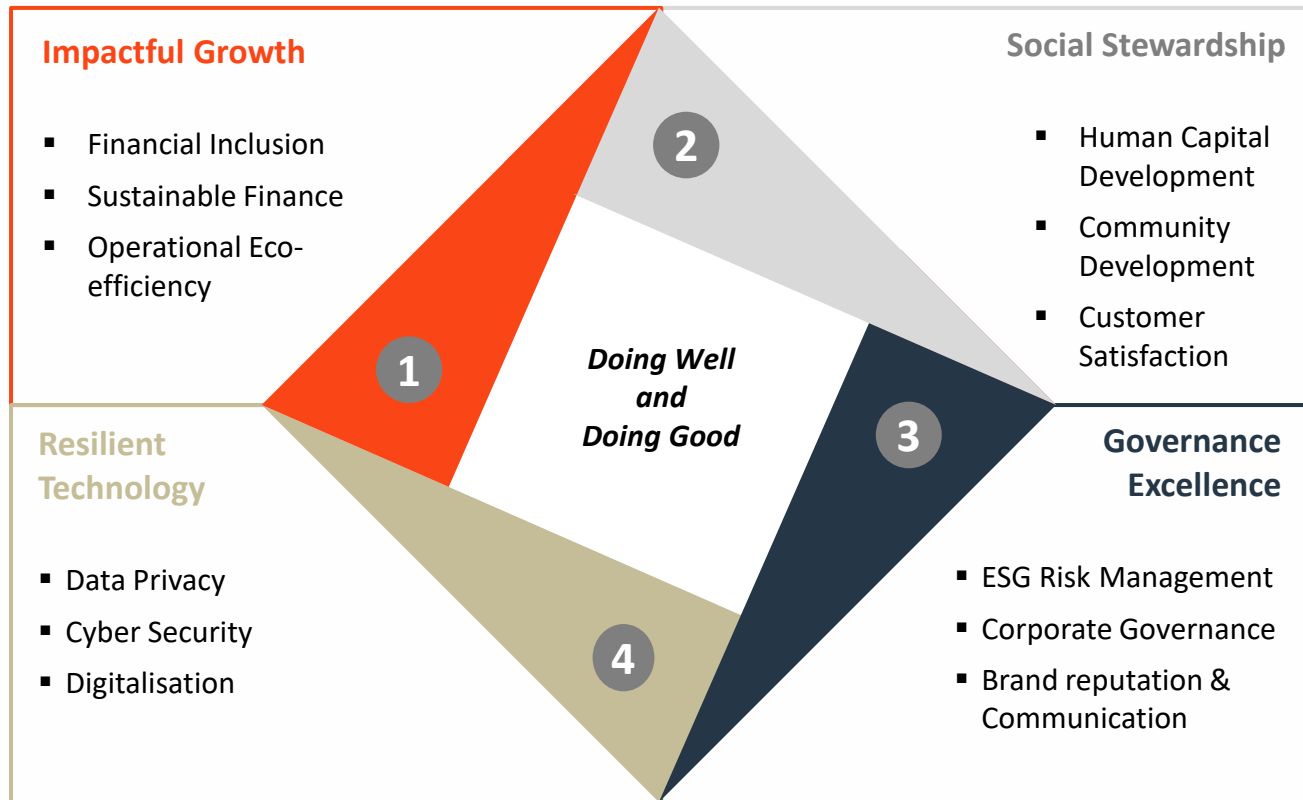


## 7. Focus on ESG



# Pioneer in ESG Endeavors

## Our ESG strategy



## Key Outcomes

- ✓ Strengthens Market Position
- ✓ Long Term Value Creation
- ✓ ESG integrated new products
- ✓ Build our Sustainable Financing agenda
- ✓ Alignment with ESG Ratings



# 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
- 21,041 tribal healers
- 1,93,303 community influencers
- 48,802 tribal youth

- Implemented "Aashwasan" campaign across 174 tribal districts and reached ~1.65 crore people
- Buniyaadi Shiksha Abhiyaan: 110 districts aligned, 16,561 demo schools selected and 55,280 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
- 42 health facilities digitized

### Building State Digital Capacity

- 3,243 officials and 13,793 front-line workers empowered with digital capabilities
- 6 Health Dept. portals developed, maintained

### Education Leaders Trained

- Cluster/school level: 23,002
- Block level: 3,740
- State/district level: 2,340



## Creating Future Leaders

Alumni

1,712

178

Currently enrolled

1,041

285

### Gandhi Fellowship

### Karuna Fellowship





# 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, Organization 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**



## 8. Appendix

## Total Assets: Asset Classification

Total Assets (INR Cr.)	Q4 FY23	Q3 FY23	Q4 FY22
Stage-1	54,956	49,725	55,420
Stage-2	5,553	7,741	4,072
Stage-3	2,055	4,264 <sup>1</sup>	2,227
<b>Sub-Total</b>	<b>62,564</b>	<b>61,730</b>	61,720
POCI	1,425	3,137	3,465
<b>Total AUM</b>	<b>63,989</b>	<b>64,867</b>	<b>65,185</b>
Total Provisions (INR Cr.)	Q4 FY23	Q3 FY23	Q4 FY22
Stage-1	1,571	1,659	1,126
Stage-2	1,375	1,960	1,380
Stage-3	1,017	2,867 <sup>1</sup>	1,229
<b>Total</b>	<b>3,964</b>	<b>6,485</b>	<b>3,735</b>
Asset Quality Ratios (%)	Q4 FY23	Q3 FY23	Q4 FY22
Provision Coverage Ratio - Stage 1	2.9%	3.3%	2.0%
Provision Coverage Ratio - Stage 2	25%	25%	34%
Provision Coverage Ratio - Stage 3	50%	67%	55%
<b>Total Provisions as a % of Total AUM</b>	<b>6.2%</b>	<b>10.0%</b>	<b>5.7%</b>
<b>GNPA Ratio (%)<sup>2</sup></b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.4%</b>
<b>NNPA Ratio (%)<sup>2</sup></b>	<b>1.9%</b>	<b>1.7%</b>	<b>1.6%</b>

Notes: Prudential write-off of INR 644 Cr undertaken during Q4FY23 and INR 771 Cr during Q3FY23

(1) Stage 3 of Q3FY23 includes a client group from a non-RE sector which was credit impaired, having an aggregate outstanding exposure of INR 1,908 Cr with a total provision of INR 1,483 Cr. We exited the said exposure in Q4FY23, thereby achieving a reduction of INR 1908 Cr in a single transaction.

(2) GNPA and NNPA ratio for Q4FY23 & Q3FY23 are disclosed basis the regulatory reporting.



## Wholesale Assets: Asset Classification

Total Assets (INR Cr.)	Q4 FY23	Q3 FY23	Q4 FY22
Stage-1	25,471	26,603	38,098
Stage-2	4,844	6,598	3,542
Stage-3	1,530	3,770 <sup>1</sup>	1,993
<b>Total AUM</b>	<b>31,845</b>	<b>36,971</b>	<b>43,633</b>
Total Provisions (INR Cr.)	Q4 FY23	Q3 FY23	Q4 FY22
Stage-1	1,143	1,346	949
Stage-2	1,341	1,915	1,351
Stage-3	847	2,722 <sup>1</sup>	1,158
<b>Total</b>	<b>3,332</b>	<b>5,983</b>	<b>3,457</b>
Asset Quality Ratios (%)	Q4 FY23	Q3 FY23	Q4 FY22
Provision Coverage Ratio - Stage 1	4.5%	5.1%	2.5%
Provision Coverage Ratio - Stage 2	28%	29%	38%
Provision Coverage Ratio - Stage 3	55%	72%	58%
<b>Total Provisions as a % of Total AUM</b>	<b>10.5%</b>	<b>16.2%</b>	<b>7.9%</b>

Notes: Prudential write-off of INR 644 Cr undertaken during Q4FY23 and INR 771 Cr during Q3FY23

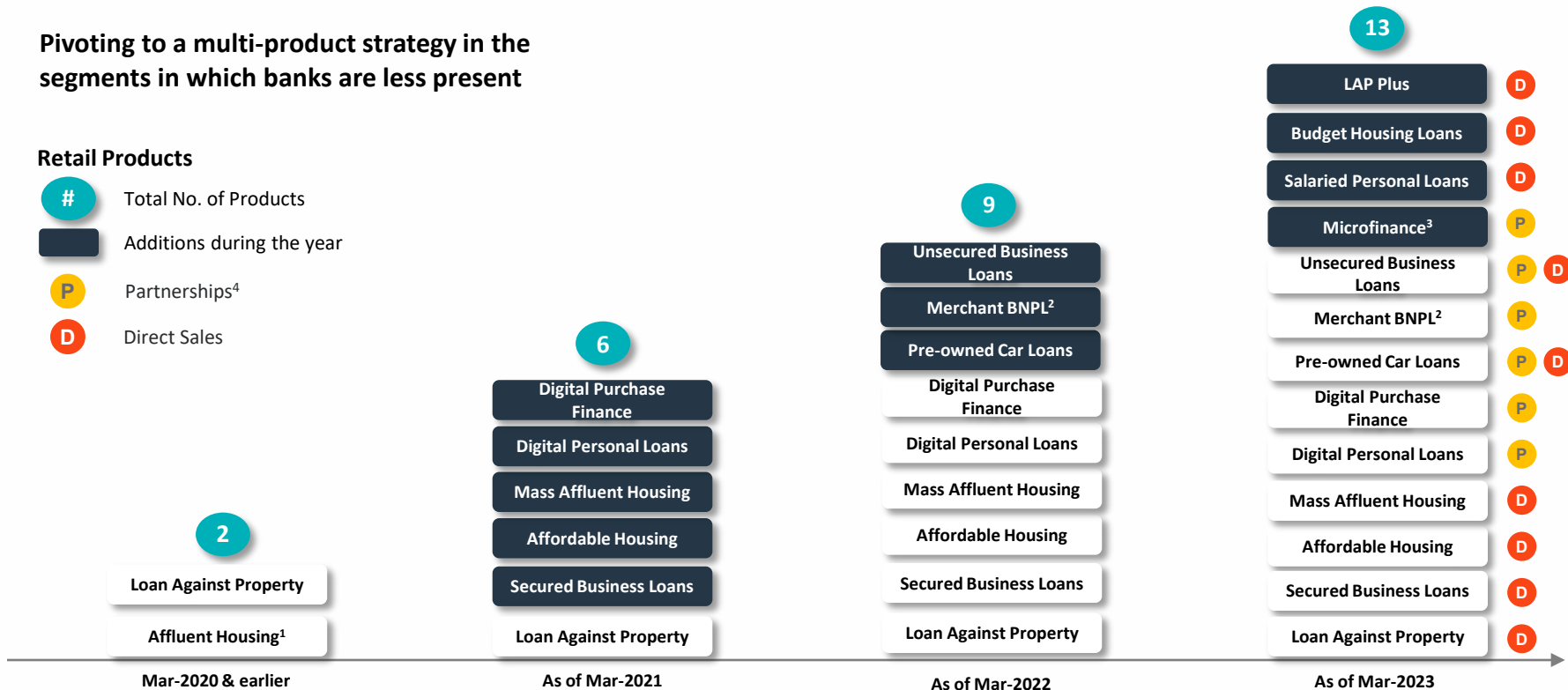
(1) Stage 3 of Q3FY23 includes a client group from a non-RE sector which was credit impaired, having an aggregate outstanding exposure of INR 1,908 Cr with a total provision of INR 1,483 Cr. We exited the said exposure in Q4FY23, thereby achieving a reduction of INR 1908 Cr in a single transaction.

# Expanding Retail Product Offerings Across The Spectrum

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

## Retail Products

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







Notes: (1) Exited 'Affluent Housing' (in terms of new business) as the business pivots towards 'Affordable' and 'Mass Affluent' Housing under the new strategy

(2) BNPL: Buy now, pay later

(3) Launched Micro-finance through the Business Correspondent (BC) model in Q1 FY2023

(4) Launched in partnership with leading FinTech and Consumer Tech firms

## Multi-Product Retail Lending Platform Across The Risk-Reward Spectrum – Q4FY23

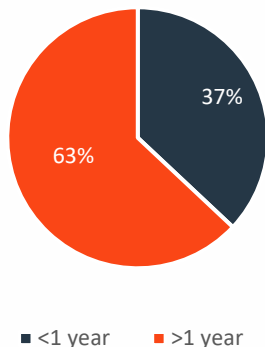
Product Segments	Products	Avg. Disbursement Ticket Size (INR Lakh)	Disbursement Yield (%)	Share in Disbursements (%)	AUM <sup>1</sup> Yield (%)	Share in AUM <sup>1</sup> (%)
 Housing	Affordable Housing	18.3	10.9%	35.3%	11.2%	54.6%
	Mass Affluent Housing					
	Budget Housing					
 Secured MSME (LAP)	Secured Business Loan	20.9	12.5%	14.1%	12.5%	23.0%
	Loan Against Property (LAP)					
	LAP Plus					
 Other Secured	Pre-owned Car Loans	6.0	16.1%	4.9%	15.9%	2.6%
 Unsecured	Salaried Personal Loans	4.5	17.6%	5.9%	18.2%	2.7%
	Microfinance Loans	0.3	18.8%	6.3%	18.8%	2.9%
	Unsecured Business Loans	6.2	19.3%	7.6%	19.4%	5.2%
	Merchant BNPL					
	Digital Purchase Finance	0.9	19.3%	25.9%	18.2%	9.0%
	Digital Personal Loans					
Weighted Avg. / Total		11.1	14.7%	100%	12.8%	100%

Note: (1) Retail AUM excludes Security Receipts (SRs) & Pass-through certificates (PTC)

# Digital Embedded Finance: Scaling-up Partnerships With Fintech And Consumer Tech Firms

## Digital Loans Duration

% AUM



## Key Highlights:

**20**  
programs launched

**~880,000**  
customers served

**36 seconds**  
least time taken for  
disbursed loan

**98%**  
loans with zero-manual  
intervention

## Key Capabilities:

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

## 20 programs live across 18 partners

Fintech NBFCs	Transaction Platforms	Service Providers	Edtechs / Education Institutes
MSME Platforms	OEMs	Gold Collateral Companies	Product Manufacturers

## Our Partners



KUWY



india  
gold



indifi



INDIALEND



FINANCEPEER  
| GROW TOGETHER



NEW  
LENDINGKA ₹T

**Thank You**

**For Investors:**

[investor.relations@piramal.com](mailto:investor.relations@piramal.com)

