

## PRESS RELEASE

**Piramal Enterprises Limited announces consolidated results for Q1 FY2024**

- Total Assets Under Management (AUM) stood at INR 63,938 Cr; Retail lending grew to 55% of AUM, from 34% in Q1 FY23.
- Retail AUM<sup>1</sup> grew 57% YoY to INR 34,891 Cr; Quarterly Retail disbursements grew 132% YoY to INR 5,707 Cr.
- Wholesale 1.0\* AUM reduced by 38% YoY to INR 26,002 Cr; Wholesale 2.0^ AUM grew by 355% YoY to INR 3,045 Cr.
- Profit After Tax (PAT) for Q1 FY24 stood at INR 509 Cr<sup>2</sup>, led by gain of INR 855 Cr on sale of Shriram Finance Limited stake.
- Sold 8.34% stake (3.12 Cr shares) of Shriram Finance Limited for INR 4,820 Cr<sup>3</sup> at INR 1,545 per share.
- The Board of Directors have approved a buyback of equity shares of the company of up to 1,40,00,000 number of equity shares of face value of INR 2 each representing 5.87% of the pre-buyback fully paid-up equity shares at a price of INR 1,250 per share, aggregating to INR 1,750 Cr, through the tender offer route. The promoter and promoter group shall not participate in the buyback.

**Mumbai, India | July 28<sup>th</sup>, 2023:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the First Quarter (Q1) FY2024 ended 30<sup>th</sup> June 2023.

**Consolidated Highlights**

- Total AUM remain stable at INR 63,938 Cr, while Retail to Wholesale AUM mix improved to 55:45.
- PAT for Q1 FY24 stood at INR 509 Cr<sup>2</sup>, led by gain of INR 855 Cr on sale of Shriram Finance Limited stake.
- Sold 8.34% stake (3.12 Cr shares) of Shriram Finance Limited for INR 4,820 Cr<sup>3</sup> at INR 1,545 per share.
- Strong consolidated net worth of INR 30,844 Cr with Capital Adequacy Ratio of 34.3% on consolidated balance sheet.
- Cash and liquid investments of INR 9,613 Cr (12% of Total Assets).
- Average borrowing cost for Q1 FY24 reduced to 8.6% from 8.8% in Q1 FY23.
- GNPA ratio reduced to 2.8% from 3.8% in Q4 FY23.
- NNPA ratio reduced to 1.5% from 1.9% in Q4 FY23.
- The Board of Directors have approved a buyback of equity shares of the company of up to 1,40,00,000 number of equity shares of face value of INR 2 each representing 5.87% of the pre-buyback fully paid-up equity shares at a price of INR 1,250 per share, aggregating to INR 1,750 Cr, through the tender offer route.
  - The promoter and promoter group shall not participate in the buyback.
  - Price of INR 1,250 per share is a premium of 25% over the last closing price of the stock market intimation date.
  - Considering this buyback and dividends paid over the past 12 months, the company has returned a total of INR 3,278 Cr which is ~16% of the company's 3 months average market capitalization.
  - The entire process is expected to be completed within 2 months.

**Ajay Piramal, Chairman, Piramal Enterprises Ltd.**, said, “In line with our consistent focus on long term value creation for stakeholders and effective utilisation of capital, the Board of Directors of the company are pleased to announce the buyback of equity shares of the company. The promoter and promoter group shall not participate in the buyback. This capital allocation strategy aims to combine investing in our core business and returning excess capital to shareholders.

Our Q1 performance is in line with our endeavour towards building a large diversified non-banking financial company. In the mid to long term, we aim to have retail lending account for two-thirds of our assets, reflecting our strategic focus.

In Retail lending, we have achieved sustained growth in the retail sector, fulfilling the credit needs of the "Bharat" market through our technology-led multi-product franchise. This business now contributes to 55% of our AUM. While we actively expand our retail lending business, we are simultaneously investing in human resources, branch infrastructure, technology, and analytics to ensure its future growth.

In Wholesale lending, we are capitalising on market gaps and leveraging our strengths to build the new cash flow and asset-backed Wholesale 2.0 book across real estate and corporate mid-market lending. We have reduced our Wholesale 1.0\* AUM by 38% YoY. Our Stage 2 + 3 AUM has reduced by 34% QoQ and we are focused on further bringing these down.”

### Key Business Highlights

#### Retail Lending

- **AUM**
  - Retail AUM<sup>1</sup> grew 57% YoY to INR 34,891 Cr, contributing 55% to overall AUM mix.
- **Disbursement Growth**
  - Quarterly disbursements grew 132% YoY to INR 5,707 Cr.
  - Housing disbursements grew 128% YoY to INR 1,908 Cr.
  - Disbursement yields<sup>4</sup> improved to 14.7% from 14.2% in Q4 FY23.
- **Scale and Presence**
  - 423 branches serving 587 districts across 25 states.
  - Customer franchise now stands at ~3.3 Mn; Active customers stood at 1 Mn.
  - >2.8 lakh new customers acquired during the quarter.

#### Wholesale Lending

- **AUM**
  - Wholesale 1.0\* AUM reduced by 38% YoY to INR 26,002 Cr; Wholesale Stage 2+3 assets reduced by 34% QoQ to INR 4,201 Cr.
  - Built Wholesale 2.0^ AUM worth INR 3,045 Cr across Real Estate and Corporate Mid-Market Lending (CMML).
- **Asset Classification and Provisioning**
  - Provision Coverage Ratio of Wholesale AUM reduced to 7.6% from 10.5% in Q4 FY23, resulted from sell down and resolution of few stressed assets.
  - Generated over INR 2,431 Cr of net cash realisation in Q1 FY24 through accelerated repayments and resolution proceeds of Wholesale 1.0\* portfolio in line with the provisions on these assets

- Concluded sale of certain wholesale loans including loans acquired from DHFL, through two separate ARC transactions in Q1 FY24.
- Security Receipts (SR) were issued worth INR 2,004 Cr and cash received worth INR 316 Cr after mark down of 62%.
- Various SR transactions consummated have been appropriately provided for over the quarters.
- SR portfolio is expected to reduce in the future via a combination of sales, enforcement and collections at our carrying value. We have dedicated teams focussed on these resolutions.

### Liability Management

- We continue to focus on diversifying our borrowing mix including securitization.
- The fixed : floating rate debt mix has improved to 57:43 and will continue to see further improvement in the next few quarters.
- Our cost of borrowings has improved to 8.6% from 8.8% in Q1 FY23.
- Our ALM is well-matched with positive gaps across all buckets.

### Consolidated Profit & Loss:

(In INR Crores, unless specified)

PEL Consolidated	Q1 FY24	Q4 FY23	QoQ %	Q1 FY23	YoY %
<b>Interest Income</b>	<b>1,725</b>	<b>1,921</b>	<b>(10%)</b>	<b>2,039</b>	<b>(15%)</b>
Other Operating Income	189	211	(10%)	58	224%
Other Income	21	11	84%	23	(10%)
<b>Total Income</b>	<b>1,935</b>	<b>2,143</b>	<b>(10%)</b>	<b>2,121</b>	<b>(9%)</b>
Less: Interest Expense	1,044	1,004	4%	1,051	(1%)
<b>Net Interest Income</b>	<b>891</b>	<b>1,140</b>	<b>(22%)</b>	<b>1,069</b>	<b>(17%)</b>
Less: Operating Expenses	628 <sup>5</sup>	673	(7%)	442	42%
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>263</b>	<b>466</b>	<b>(44%)</b>	<b>628</b>	<b>(58%)</b>
Less: Loan Loss Provisions & FV Loss / (Gain)	179	298	(40%)	90	99%
Less: Shriram FV Loss / (Gain)	(855)	375	-	0	-
<b>Profit Before Tax Goodwill Write-Off</b>	<b>939</b>	<b>(207)</b>	<b>-</b>	<b>538</b>	<b>75%</b>
Less: Goodwill Write-Off	278	0	-	0	-
<b>Profit Before Tax</b>	<b>661</b>	<b>(207)</b>	<b>-</b>	<b>538</b>	<b>23%</b>
Current & Deferred Tax	173	2	-	145	19%
<b>Profit After Tax (PAT)</b>	<b>488</b>	<b>(209)</b>	<b>-</b>	<b>392</b>	<b>24%</b>
Associate Income	21	13	61%	149	(86%)
<b>PAT Before Exceptional Gain / (Loss)</b>	<b>509</b>	<b>(196)</b>	<b>-</b>	<b>542</b>	<b>(6%)</b>
Exceptional (Expense) / Gain	0	0	-	7,614 <sup>6</sup>	(100%)
<b>PAT After Exceptional Gain / (Loss)</b>	<b>509</b>	<b>(196)</b>	<b>-</b>	<b>8,155</b>	<b>(94%)</b>
Profit from Discontinuing Operation	0	0	-	0	-
<b>Reported Net Profit / Loss after Tax</b>	<b>509</b>	<b>(196)</b>	<b>-</b>	<b>8,155</b>	<b>(94%)</b>

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 (SR) & 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) PAT for Q1 FY24 includes gain of INR 855 Cr on Shriram investments and goodwill write-off of INR 278 Cr.

(3) Net of fees / expenses is INR 4,789 Cr.

(4) Disbursements of <1 yr. duration (10% for Q1 FY24) having higher average yield (18.8% for Q1 FY24) not included in the above calculation.

- (5) Operating expenses excludes goodwill write-off of INR 278 Cr. With this write-off, we have goodwill of INR 2 Cr in our books.
- (6) Exceptional gain of INR 7,614 Cr pertains to Pharma 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 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.

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

---

**For Media Queries:**

Rajiv Banerjee  
Group Head - Corporate Communications  
[rajiv.banerjee@piramal.com](mailto:rajiv.banerjee@piramal.com)

**For Investors:**

Ravi Singh  
Head - Investor Relations  
[singh.ravi@piramal.com](mailto:singh.ravi@piramal.com)