

PRESS RELEASE
Piramal Enterprises Limited announces consolidated results for Q2 and H1 FY2024

Mumbai, India | November 9th, 2023: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Second Quarter (Q2) FY2024 ended 30th September 2023.

Consolidated Highlights

- Total Assets Under Management (AUM) up 4% QoQ and 5% YoY to INR 66,933 Cr.
- Retail to Wholesale AUM mix improved to 58:42 from 39:61 in Q2 FY23.
- Retail AUM¹ grew 55% YoY to INR 38,604 Cr.
- Wholesale 1.0* AUM down 8% QoQ, while Wholesale 2.0^ AUM grew 48% QoQ.
- Reported Profit After Tax (PAT) for Q2 FY24 stood at INR 48 Cr.
 - PAT, excluding exceptionals and one-offs, stood at INR 113 Cr vs INR 30 Cr in Q1 FY24.
- Successfully completed share buyback of INR 1,750 Cr, announced by the Board last quarter.
- Strong net worth of INR 28,710 Cr with capital adequacy ratio of 31% on consolidated balance sheet.
- Consolidated GNPA ratio down 10 bps to 2.7%, NNPA ratio flat at 1.5%.

Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, "Our performance in the second quarter was supported by growth in AUM, led by retail business. The improved mix between the retail and wholesale showcases our dedicated efforts in building a robust and diversified non-banking financial institution.

We are consistently progressing on our strategic journey of building a leading multi-product retail business, optimally running down Wholesale 1.0* book and building a granular Wholesale 2.0^ book. During this quarter, we also made progress on underlying profitability and asset quality of our portfolio.

We are also pleased that we completed the share buyback during the quarter, thus reiterating our commitment to value creation. Our balance sheet reflects a robust financial position, characterized by strong net worth and capital adequacy ratio.

Our retail lending business is consistently growing, driven by increased disbursements to fulfil the credit needs of the "Bharat" market. We will continue investing in talent, branches, cognitive intelligence, and data analytics to keep this momentum going.

In wholesale lending, we have significantly reduced our Wholesale 1.0* AUM, with a concerted effort to further streamline this portfolio. Our Wholesale 2.0^ book is performing well, in line with or ahead of underwriting."

Key Business Highlights
Retail Lending

- **AUM**
 - Retail AUM¹ grew 55% YoY to INR 38,604 Cr, contributing 58% to overall AUM mix.
- **Disbursements**
 - Quarterly disbursements grew 57% YoY to INR 6,246 Cr.

- Housing disbursements grew 55% YoY to INR 2,313 Cr.
- Disbursement yields² stood at 14.2% from 14.7% in Q1 FY24.

- **Asset Quality**

- 90+ DPD³ delinquency stable-to-down across retail products.

- **Scale and Presence**

- 442 branches and 142 microfinance active branches, serving 596 districts across 25 states.
- Customer franchise now stands at 3.6 Mn; Active customers stood at 1.1 Mn.
- >2.5 lakh new customers acquired during the quarter.

Wholesale Lending

- **AUM**

- Wholesale 1.0* AUM reduced 8% QoQ to INR 23,827 Cr.
- Wholesale 2.0^ AUM up 48% QoQ to INR 4,501 Cr.

- **Wholesale 2.0^ Disbursements**

- Disbursed INR 1,819 Cr in Q2 FY24, of which INR 1,115 Cr was disbursed in the month of Sep'2023.
- Average ticket size of Real Estate loans is INR 172 Cr and Corporate Mid-Market Lending is INR 64 Cr.
- Received pre-payments worth INR 966 Cr over last six quarters.

- **Asset Quality**

- Provision Coverage Ratio (PCR) of Wholesale AUM stood at 7.1%.
- Stage 1⁴ AUM of INR 17,381 Cr, have an average yield of 12%.
- Stage 2+3 assets reduced by 63% YoY to INR 4,126 with a PCR of 32%.
- Wholesale 2.0^ portfolio is performing well, in line with or ahead of underwriting, as reflected in prepayments.
- SRs reduced by 9% QoQ to INR 4,862 Cr, Wholesale SRs reduced by 13% QoQ to INR 3,259 Cr.
- As resolution processes continue, we expect our SR portfolio to reduce in near term, while few more ARC sales are expected over the next two quarters.

Liability Management

- We continue to focus on diversifying our borrowing mix including securitization.
- The fixed : floating rate debt mix improved to 54:46 and will continue to see further improvement in the coming few quarters.
- Our borrowing cost improved to 8.6% from 8.8% in Q2 FY23.
- Our ALM is well-matched with positive gaps across all buckets.

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

Consolidated Income Statement	Q2 FY24	Q1 FY24	QoQ %	Q2 FY23	YoY %	H1 FY24	H1 FY23	YoY %
Interest Income	1,800	1,725	4%	1,842	(2%)	3,525	3,872	(9%)
Less: Interest Expense	1,050	1,044	1%	1,013	4%	2,094	2,064	1%
Net Interest Income (A)	750	681	10%	829	(9%)	1,431	1,807	(21%)
Fee & Commission	125	90	39%	48	159%	215	111	93%
Dividend	13	76	(83%)	-	-	90	-	-
Others	26	44	(41%)	66	(61%)	69	94	(26)
Other Income (B)	164	210	(22%)	114	44%	374	205	82%
Total Income (A+B)	914	891	3%	943	(3%)	1,806	2,013	(10%)
Less: Operating Expenses (Opex)	664	628	6%	541	23%	1,293	983	31%
Pre-Provision Operating Profit (PPOP)	250	263	(5%)	402	(38%)	513	1,030	(50%)
Less: Loan Loss Provisions & FV Loss / (Gain)	198	179	-	3,257	(94%)	377	3,347	(89%)
Less: Shriram FV Loss / (Gain)	-	(855)	-	-	-	(855)	-	-
Profit Before Tax Goodwill Write-Off	53	939	-	(2,855)	-	991	(2,317)	-
Less: Goodwill Write-Off	-	278	-	-	-	278	-	-
Profit Before Tax	53	661	-	(2,855)	-	713	(2,317)	-
Less: Current & Deferred Tax	11	173	-	(694)	-	184	(548)	-
Profit After Tax (PAT)	42	488	-	(2,161)	-	530	(1,769)	-
Add: Associate Income	71	21	236%	172	(59%)	92	321	(71%)
PAT Before Exceptional Gain / (Loss)	113	509	-	(1,989)	-	621	(1,447)	-
Add: Exceptional Gain / (Loss) ⁵	(64)	-	-	452	(114%)	(64)	8,066	(101%)
Reported Net Profit / Loss after Tax	48	509	-	(1,536)	-	557	6,619	-

Notes: (^) Wholesale 2.0 refers to loans sanctioned under new RE and CMML 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) (INR 1,782 Cr for Q2 FY24), Direct Assignment (DA) (INR 612 Cr as of Q2 FY24) and excludes acquired off-book assets (INR 10,959 Cr for Q2 FY24) in the nature of DA & PTC as part of the DHFL acquisition.

(2) Disbursements of <1 yr. duration (3% for Q2 FY24) having higher average yield (15.8% for Q2 FY24) not included in the above calculation.

(3) 90+ DPD delinquency = 90 to 179 days DPD.

(4) Excludes land / receivables, SRs and DHFL book.

(5) In furtherance to the order dated 5th September 2023 and 20th September 2023 of the Hon'ble Delhi High Court in W.P. (CRL) 2555/2023, Piramal Fund Management Private Limited, has agreed to refund / return the principal amounts to all investors of Indiareit PMS as a one-time payment without admission of any liability and without prejudice basis.

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, [Facebook](#), [Twitter](#), [LinkedIn](#)

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