

29th January, 2024

BSE Limited

1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai- 400 001
BSE Scrip Code: 500302

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051
NSE Symbol: PEL

Sub: Press Release and Investor Presentation – Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter and nine months ended 31st December, 2023

Dear Sir / Madam,

Further to our intimation made earlier with regard to Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter and nine months ended 31st December, 2023 ('Financial Results'), please find enclosed herewith the Press Release and the Investor Presentation on the Financial Results.

The above information is also available on the website of the Company at www.piramal.com.

Request you to please take the above on record.

Thanking you,

Yours truly,

For **Piramal Enterprises Limited**

Bipin Singh
Company Secretary

Encl.: a/a

PRESS RELEASE**Piramal Enterprises Limited announces consolidated results for Q3 and 9M FY2024**

Mumbai, India | January 29th, 2024: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Third Quarter (Q3) FY2024 ended 31st December 2023.

Consolidated Highlights

- Total Assets Under Management (AUM) up 6% QoQ and 9% YoY, excluding impact of AIF provisions¹.
 - Provisions¹ of INR 3,540 Cr taken pursuant to RBI circular on AIF investments, led to reduction in AUM.
 - We remain confident of full recovery of the AIF investments.
- Growth² to Legacy³ AUM mix improved to 72:28 from 34:66 in FY22.s
 - Growth² AUM grew 63% YoY to INR 48,590 Cr.
 - Legacy³ AUM down 47% YoY to INR 18,693 Cr, down 57% since FY22.
 - Retail⁴ to Wholesale AUM mix improved to 64:36 from 33:67 in FY22.
- On AUM growth and AUM mix, the company is thus running ahead of the medium term guidance.
- Consolidated GNPA ratio down 33bps QoQ to 2.4% and NNPA ratio down 37bps QoQ to 1.1%.
- Profit After Tax (PAT) for Q3 FY24 stood at INR 290 Cr, excluding impact of AIF provisions¹.
 - Reported loss of INR 2,378 Cr (vs PAT of INR 48 Cr in Q2 FY24) after the impact of AIF provisions¹.
- Net worth stood at INR 26,376 Cr with capital adequacy ratio at 24.3% on consolidated balance sheet.
- Announced sale of INR 1,440 Cr from Shriram investments (carrying value of INR 569 Cr). We expect closure in Q4 FY24; the proceeds from the transaction will further strengthen our balance sheet.

Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, *"We have achieved significant milestones outlined in our strategic roadmap earlier in this financial year. We have made progress across key areas, including AUM growth momentum, business mix optimization, enhanced underlying operating profitability, and improved asset quality. Notably, we are surpassing our medium-term guidance in terms of growth and business mix.*

In response to the RBI circular issued in December, we made complete provisions for our investments in AIFs, subsequently removing them from our AUM. Our confidence in the full recovery of these investments remains strong, which is evident in the positive payment record thus far.

We have made substantial enhancements to our net interest margins, achieved robust fee income growth, and optimized opex ratios to deliver a strong core operating profit. Our commitment is to further enhance profitability by optimizing operating leverage in our growth business and reducing the contribution of the legacy business.

Positioned as an at-scale player in both retail and wholesale segments, PEL is poised for continued growth and improved profitability. The trajectory forward involves steadily scaling up our growth business, strategically winding down legacy wholesale assets, and divesting non-core assets. We believe, this approach will drive future growth and sustained profitability."

Key Business Highlights

Growth Business – Retail Lending

- **AUM**
 - Retail AUM⁴ grew 54% YoY to INR 43,028 Cr.
 - Mortgage⁵ AUM grew 27% YoY to INR 29,579, contributing 72% to Retail AUM.
- **Disbursements**
 - Quarterly disbursements grew 50% YoY to INR 7,692 Cr.
 - Mortgage disbursements grew 48% YoY to INR 3,920 Cr.
 - Disbursement yields⁶ up 30bps YoY to 14.2%.
- **Asset Quality**
 - 90+ DPD⁷ delinquency stable-to-down across retail products.
- **Scale and Presence**
 - 470 branches and 179 microfinance active branches, serving 625 districts across 25 states.
 - Customer franchise now stands at 3.9 Mn; Active customers stood at 1.2 Mn.
 - ~3 lakh new customers acquired during the quarter.

Growth Business – Wholesale 2.0[^] Lending

- **AUM**
 - Wholesale 2.0[^] AUM grew 24% QoQ to INR 5,562 Cr.
- **Disbursements**
 - Disbursed INR 1,798 Cr in Q3 FY24, of which INR 1,005 Cr was disbursed in the month of Dec'2023.
 - Pre-payments received worth INR 1,175 Cr over last 3 quarters.
 - For Real Estate (RE) loans, yield⁸ stood at 13.9% and ticket size⁹ stood at INR 157 Cr.
 - For Corporate Mid-Market Lending (CMMML), yield⁸ stood at 12.6% and ticket size⁹ stood at INR 57 Cr.
- **Asset Quality**
 - Portfolio is performing well, in line with or ahead of underwriting, as reflected in prepayments.

Legacy Business – Wholesale 1.0* Lending

- **AUM**
 - Wholesale 1.0* AUM reduced 47% YoY to INR 18,693 Cr.
 - Continue to rapidly rundown our legacy book over coming quarters also.
- **Recovery and Realisation**
 - Generated gross liquidity of ~INR 7,100 Cr over last 3 quarters
 - Avg. yield⁸ of loans (excluding Stage 3 assets, SRs and land & receivables) stood at 11.6%.
- **Asset Quality**
 - Stage 2+3 assets down 54% YoY to INR 4,721 with a PCR of 32%.
 - SRs down 6% since Q1 FY24, led by cash realisation of INR 909 Cr.
 - Concluded 2 ARC transactions in Q3 FY24 with total deal value of INR 775 Cr under 15:85 structure. SR's issued worth INR 660 Cr at 51% mark down to face value of underlying assets.
 - As resolution processes continue, we expect our SR portfolio to reduce in near term.

Liability Management

- We continue to focus on diversifying our borrowing mix including securitization.
- The fixed : floating rate debt mix stood at 51:49.
- Our borrowing cost stood at 8.7%.
- Our ALM is well-matched with positive gaps across all buckets.

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

Consolidated Income Statement	Q3 FY24	Q2 FY24	QoQ %	Q3 FY23	YoY %	9M FY24	9M FY23	YoY %
Interest Income	1,953	1,800	8%	2,006	(3%)	5,478	5,878	(7%)
Less: Interest Expense	1,118	1,050	6%	973	15%	3,212	3,038	6%
Net Interest Income (A)	835	750	11%	1,033	(19%)	2,266	2,840	(20%)
Fee & Commission	155	125	23%	84	83%	370	196	89%
Dividend	9	13	(31%)	-	-	99	-	-
Others	88 ^{\$}	26	241%	776	(89%)	157	870	(82%)
Other Income (B)	251	164	53%	861	(71%)	626	1,066	(41%)
Total Income (A+B)	1,086	914	19%	1,893	(43%)	2,892	3,906	(26%)
Less: Operating Expenses (Opex)	697	664	5%	559	25%	1,989	1,541	29%
Pre-Provision Operating Profit (PPOP)	389	250	55%	1,335	(71%)	903	2,365	(62%)
Less: Loan Loss Provisions & FV Loss / (Gain)	257	198	30%	1,535	(83%)	634	4,882	(87%)
Less: Shriram FV Loss / (Gain)	-	-	-	(260)	-	(855)	(260)	-
Profit Before Tax Goodwill Write-Off	132	53	151%	59	122%	1,123	(2,258)	-
Less: Goodwill Write-Off	-	-	-	-	-	278	-	-
Profit Before Tax	132	53	151%	59	122%	845	(2,258)	-
Less: Current & Deferred Tax	39	25	-	(105)	-	237	(653)	-
Less: Tax adjustment of earlier years	(124) [#]	(14)	-	(3,327)	-	(139)	(3,327)	-
Profit After Tax (PAT)	217	42	419%	3,491	(94%)	747	1,723	(57%)
Add: Associate Income	73	71	3%	54	35%	165	376	(56%)
PAT Before Exceptional Gain / (Loss)	290	113	158%	3,545	(92%)	912	2,098	(57%)
Add: Exceptional Gain / (Loss)	(2,668) ¹	(64)	-	-	-	(2,732)	8,066	-
Reported Net Profit / Loss after Tax	(2,378)	48	-	3,545	-	(1,821)	10,164	-

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

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

(\$) Includes INR 64 Cr pertaining to interest income from Income Tax refunds in Q3FY24.

(#) Includes INR 124 Cr pertaining to litigative tax refund of eDHFL of FY 2019-20, which was released to us in December 2023 post receipt of favourable order from Income Tax Appellate Tribunal.

(1) Provisions of INR 3,540 Cr (INR 2,668 Cr post tax) taken pursuant to the RBI circular on investments in AIFs dated 19th Dec 2023.

(2) Growth business comprises of Retail and Wholesale 2.0 lending.

(3) Legacy business comprises of Wholesale 1.0 lending.

(4) Retail AUM includes security receipts (SRs) (INR 1,594 Cr as of Q3 FY24) & pass through certificates (PTC) (INR 164 Cr as of Q3 FY24), direct assignment (DA) (INR 875 Cr as of Q3 FY24) and excludes acquired off book assets (INR 10,286 Cr as of Q3 FY24) in the nature of DA & PTC as part of the DHFL acquisition.

(5) Mortgage comprises of Housing and LAP loans.

(6) Disbursements of <1 yr. duration (4% for Q3 FY24) having higher average yield (14.6% for Q3 FY24) not included in the above calculation.

(7) 90+ DPD delinquency = 90 to 179 days DPD.

(8) Average yield % includes fee income.

(9) Average ticket size per loan based on sanctioned value.

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. PEL has built a technology platform driven by artificial intelligence (AI), with innovative financial solutions that cater to the needs of varied industry verticals. PEL made its foray into the financial services sector with Piramal Capital & Housing Finance Ltd. (referred to as Piramal Finance), a housing finance company registered with the Reserve Bank of India that is engaged in various financial services businesses.

In retail lending, Piramal Finance is one of the leading players that addresses the diverse financing needs of the under-served and unserved people of the 'Bharat' market. It has over 3 million customers and presence in 25 states with a network of over 450 branches. It offers multiple products, including home loans, loan against property, used car loans, small business loans to Indian budget conscious customers at the periphery of metros and in Tier I, II and III cities.

Within wholesale lending, PEL 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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Piramal Enterprises

Q3 & 9M FY24 results presentation
29th January 2024



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1. Key highlights

Q3 FY24 business performance

Growth business – in momentum

Retail¹ + Wholesale 2.0[^]

Growth AUM of INR 48,590 Cr accounts for 72% of total AUM; 57% CAGR since FY22

Legacy² business – rapid run down

Wholesale 1.0^{}*

Wholesale 1.0^{*} AUM down 22% QoQ to INR 18,693 Cr, down 57% since end-FY22

Total AUM growth

Total AUM growth picked up to 6% QoQ and 9% YoY, excluding the impact of AIF provision related reduction at quarter-end

A leader in affordable housing finance

Mortgage² AUM of INR 29,579 Cr with disbursements up 48% YoY

Asset quality

GNPA ratio down 33bps QoQ to 2.4% and NNPA ratio down 37bps QoQ to 1.1%

90+ DPD³ stable-to-down across retail products

SRs resolutions

SRs down 6% since Q1 FY24, led by cash realisation of INR 909 Cr

Notes: (^) Wholesale 2.0 refers to loans sanctioned under new real estate (RE) and corporate mid market loans (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) (INR 1,594 Cr as of Q3 FY24) & pass-through certificates (PTC) (INR 164 Cr as of Q3 FY24), direct assignment (DA) (INR 875 Cr as of Q3 FY24) and excludes acquired off-book assets (INR 10,286 Cr as of Q3 FY24) in the nature of DA & PTC as part of the DHFL acquisition
 (2) Mortgage AUM comprises of housing and LAP loans
 (3) 90+ DPD delinquency = 90 to 179 days DPD

Q3 FY24 financial performance

NII and other income

NII¹ continues to recover: up 11% QoQ led by recovery in NIM (up 28bps QoQ)
Other income² up 18% QoQ, led by fees (up 23% QoQ)

PPOP

PPOP² up 33% QoQ to INR 316 Cr; led by total income² up 12% QoQ vs **opex** up 5% QoQ

Credit cost

Within expected range: at 162 bps³ (vs 121 bps in Q2 FY24)

Impact of AIF circular

Provision of INR 3,540 Cr pursuant to RBI circular on AIFs; leading to **reduction in AUM**
 Impacts **capital adequacy** by ~400bps

PAT

PAT of INR 290 Cr, excluding the impact of AIF provision
 Reported loss of INR 2,378 Cr (vs PAT of INR 48 Cr in Q2 FY24)

Balance sheet strength

Capital adequacy at 24.3% with **net worth** of INR 26,376 Cr

Shriram transaction

Announced sale of INR 1,440 Cr from Shriram investments (carrying value of INR 569 Cr)
 We expect closure in Q4 FY24; proceeds from the transaction will further strengthen our balance sheet

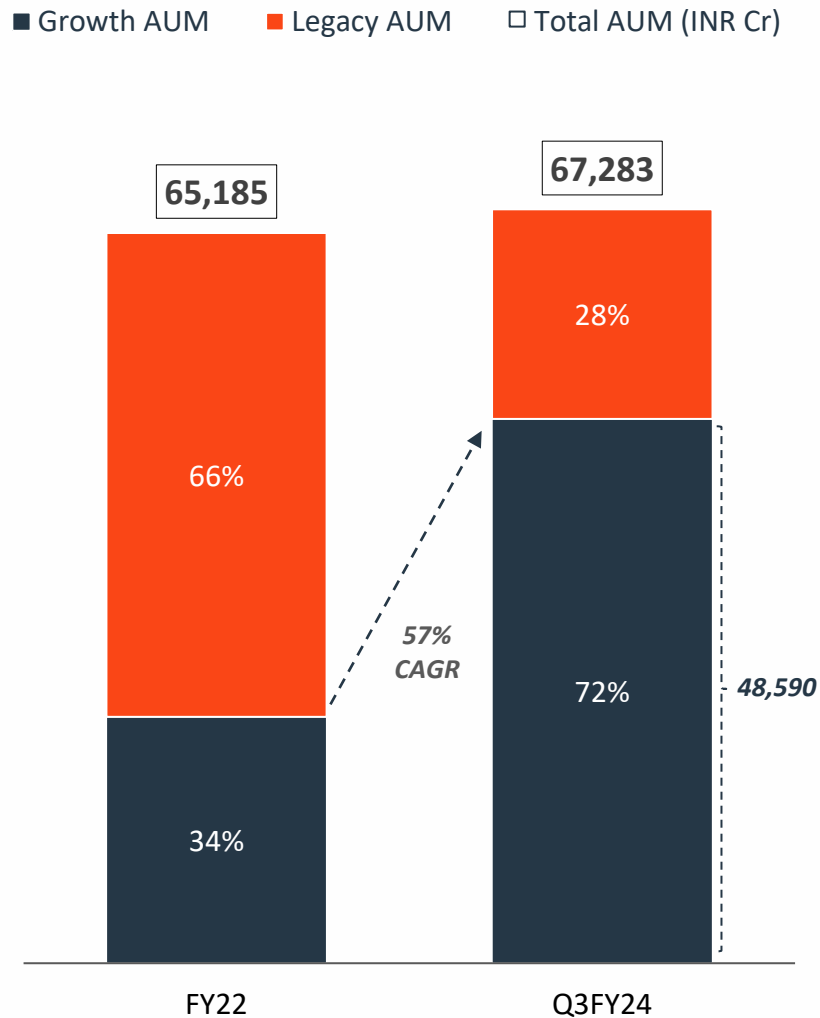
Notes: (1) Net interest income = interest income - interest expense

(2) Includes all non-interest income and excludes dividend income & one-offs

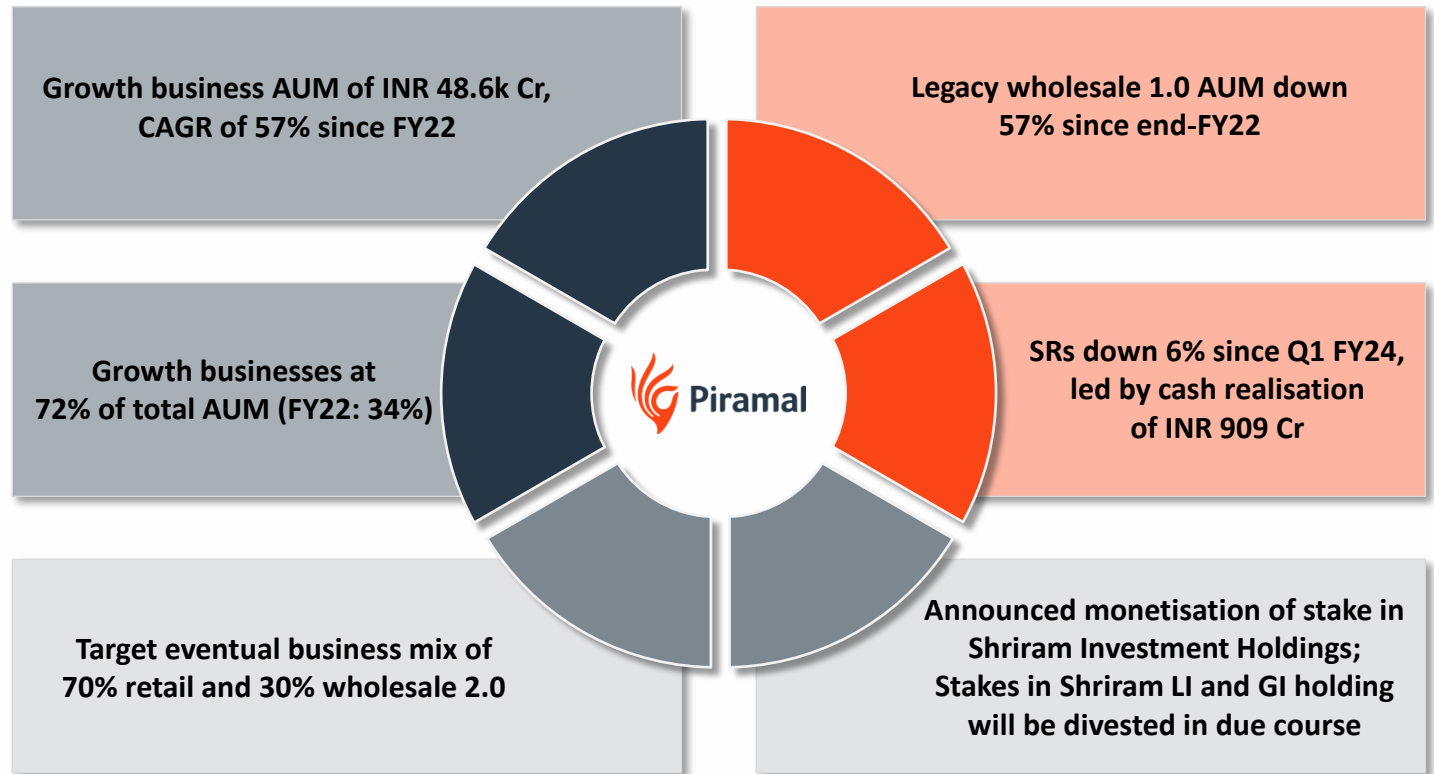
(3) Excludes provisions of INR 3,540 Cr (pre-tax) taken pursuant to the RBI circular on investments in AIFs dated 19th Dec 2023

Growth business now dominates AUM and B/S (1/4)

Steady scale up of growth business...



...and rundown of legacy wholesale and exit of non-core assets

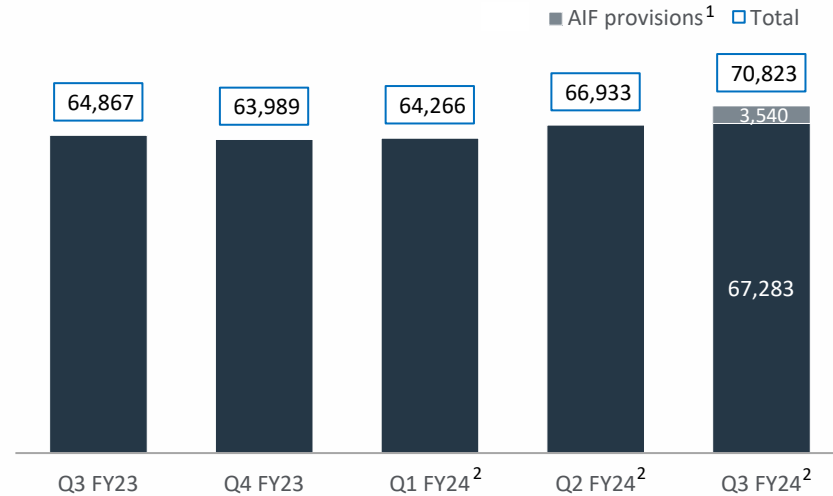


**PEL now an at-scale player in chosen retail and wholesale segments;
With continued scale-up and improving profitability, growth business to drive company earnings**

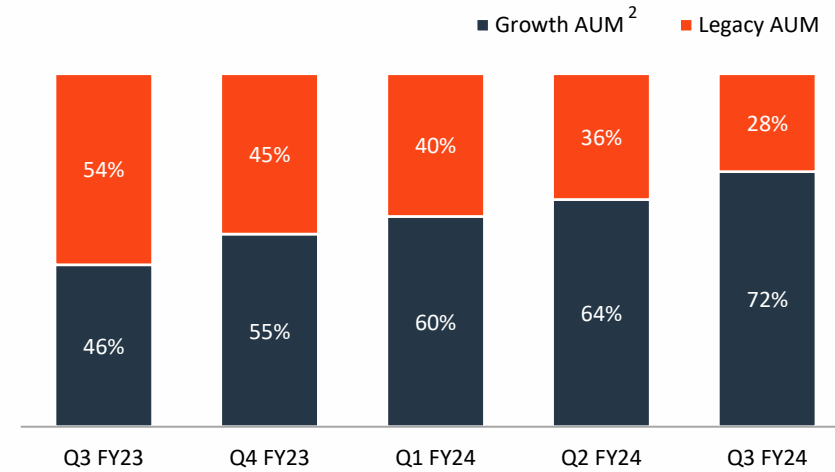
Growth business now in driver seat (2/4)

AUM up 6% QoQ and 9% YoY

In INR Cr.

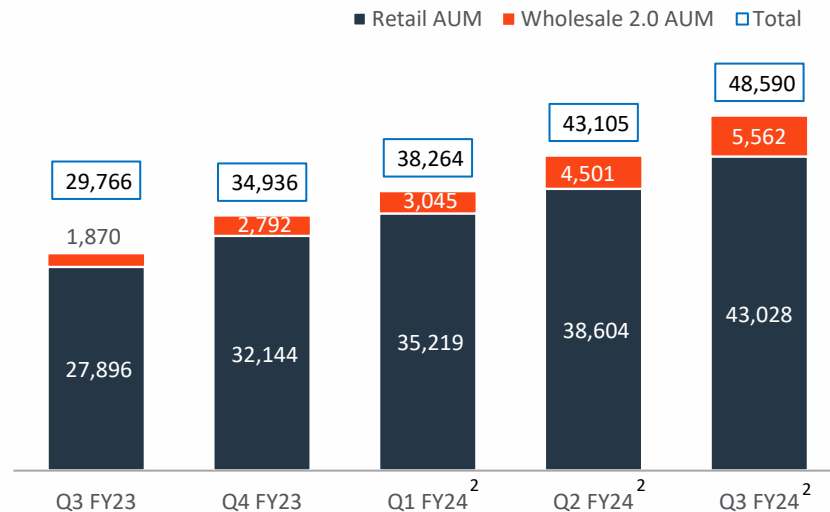


AUM mix now at 72 : 28 for growth : legacy



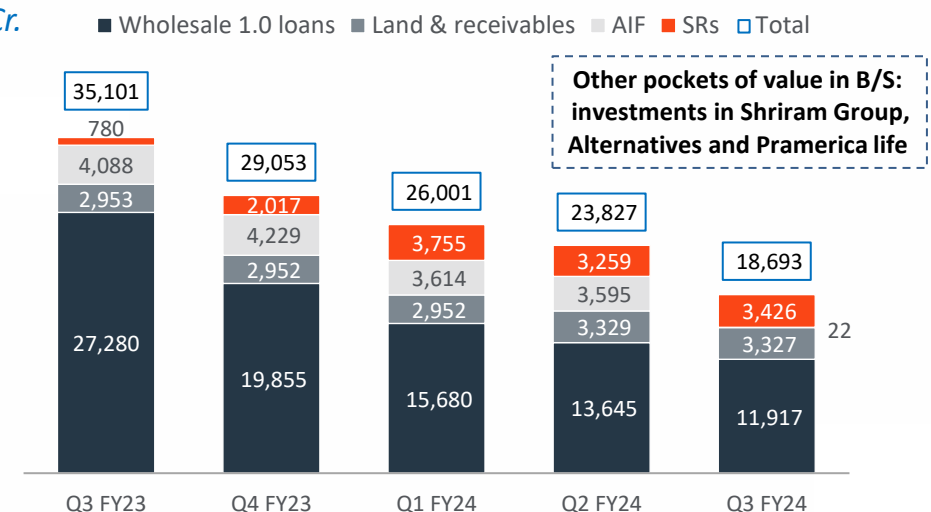
Growth AUM up 13% QoQ and 63% YoY

In INR Cr.



Legacy AUM down 22% QoQ and 47% YoY

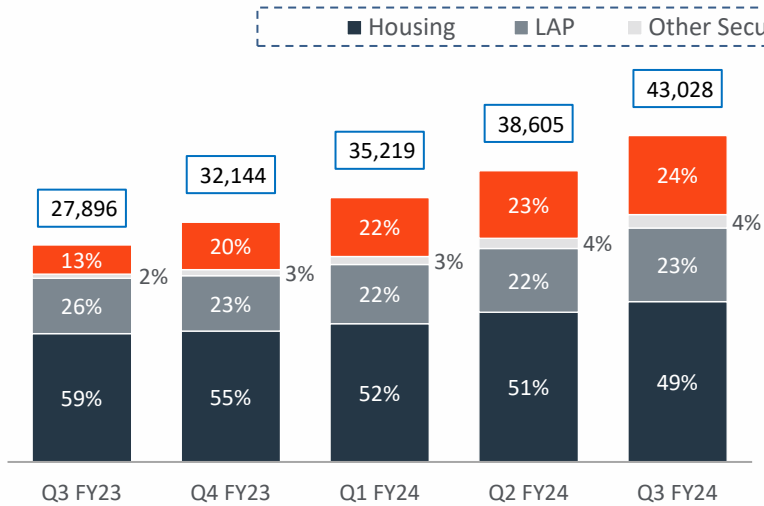
In INR Cr.



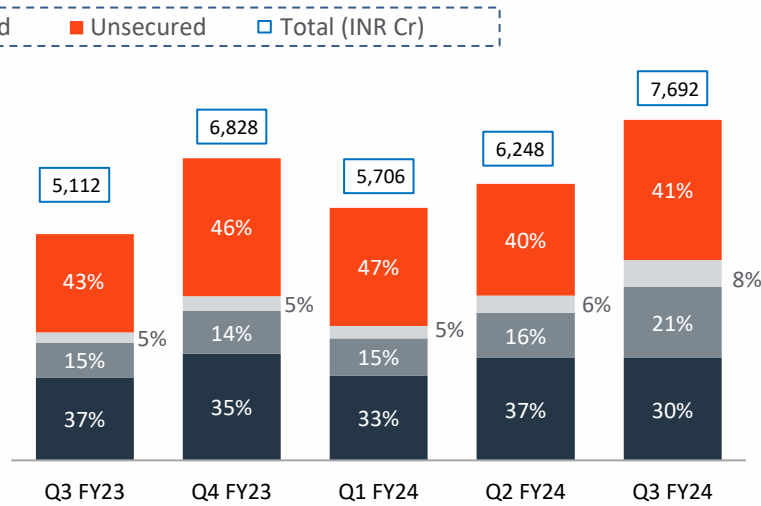
Note: (1) Provisions of INR 3,540 Cr taken pursuant to the RBI circular on investments in AIFs dated 19th Dec 2023; led to reduction in AUM at quarter-end
(2) Retail AUM includes direct assignment (DA) of INR 875 Cr as of Q3 FY24, INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24

Retail – growth across product verticals (3/4)

Retail AUM up 54% YoY

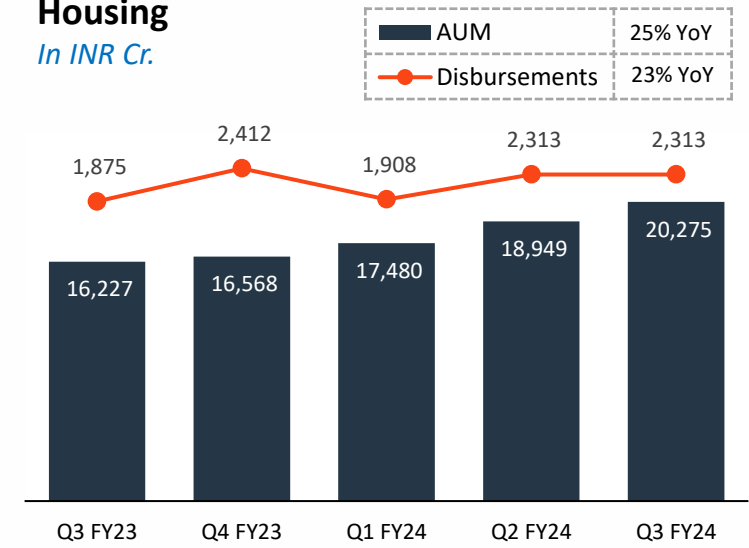


Disbursements up 50% YoY



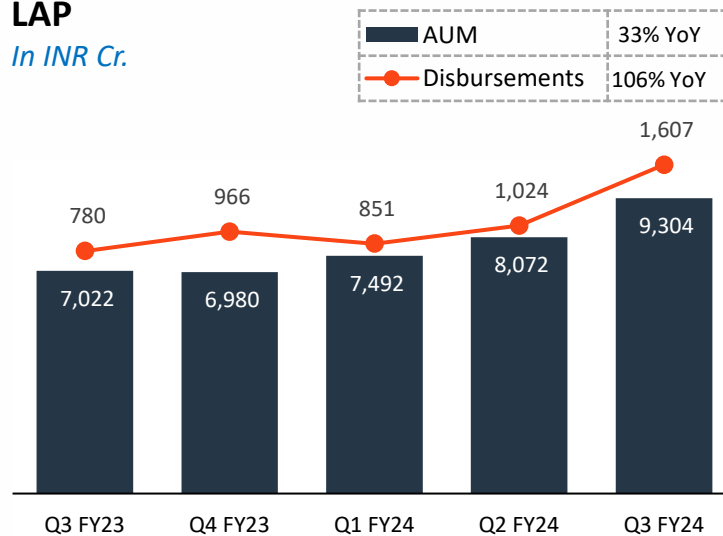
Housing

In INR Cr.



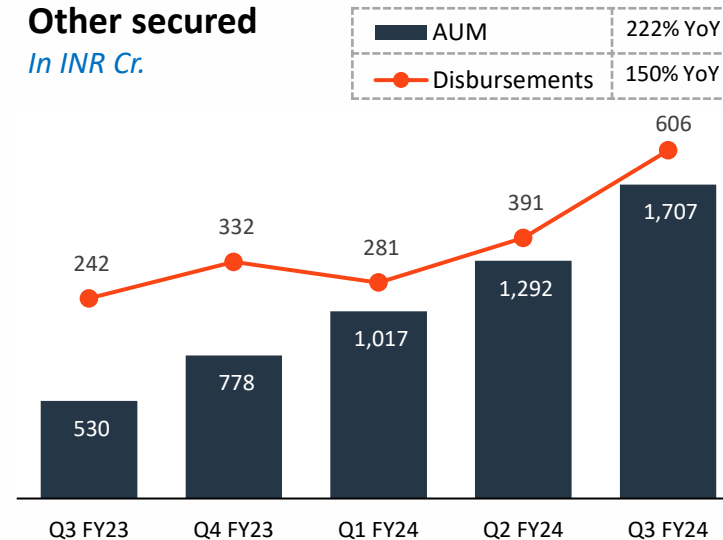
LAP

In INR Cr.



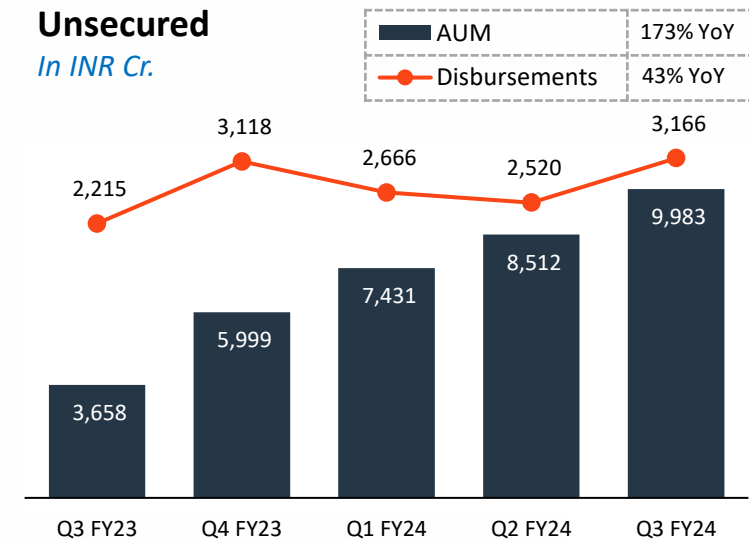
Other secured

In INR Cr.



Unsecured

In INR Cr.

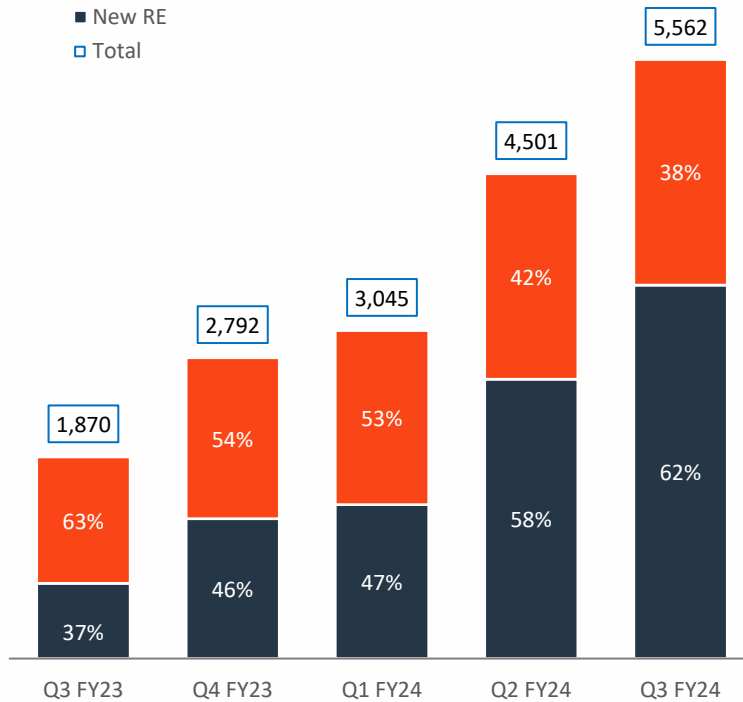


Wholesale 2.0 – building a granular new book (4/4)

Wholesale 2.0 AUM up 24% QoQ

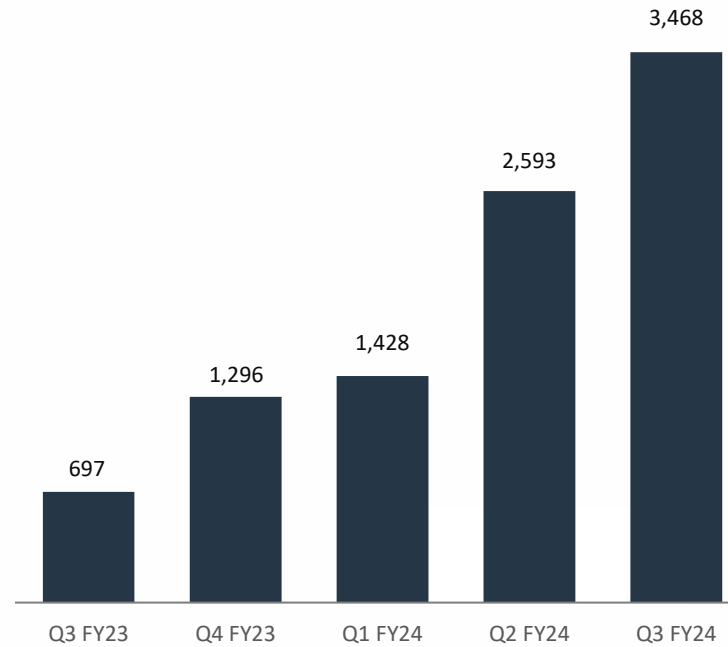
In INR Cr.

■ CMMML
■ New RE
■ Total



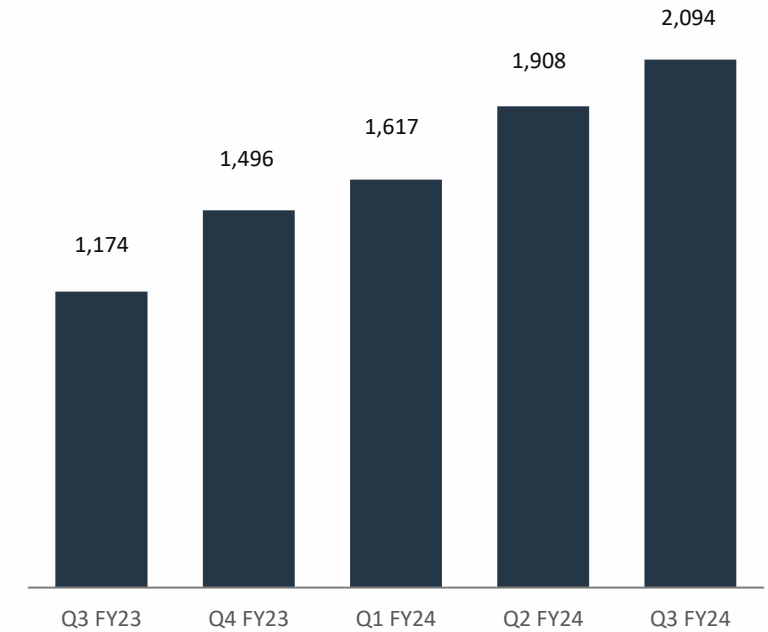
New RE¹ AUM up 34% QoQ

In INR Cr.



CMML² AUM up 10% QoQ

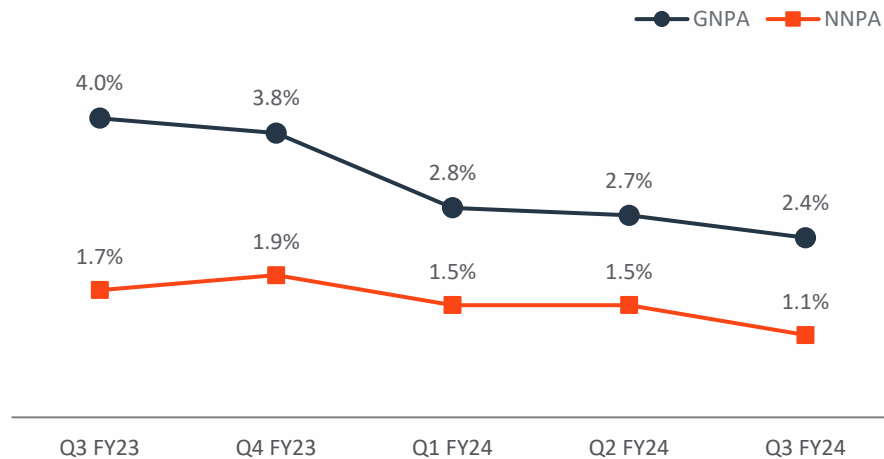
In INR Cr.



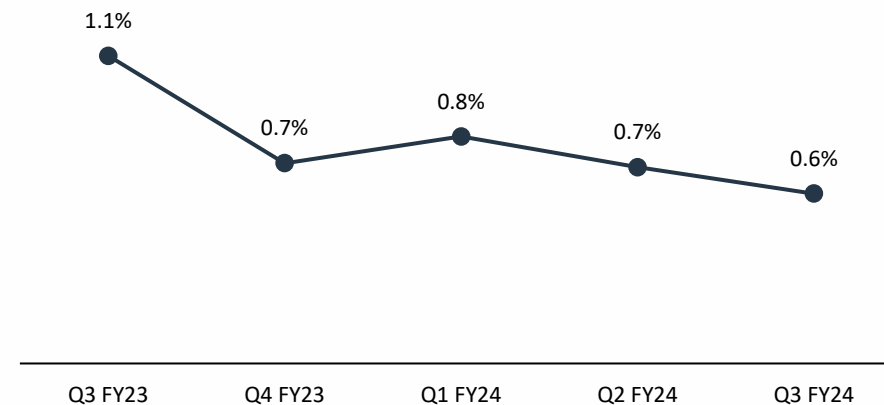
Note: (1) RE : Real estate
(2) CMML : Corporate mid market lending

Asset quality – reduction in NPA ratios and retail DPDs

GNPA & NNPA ratio



Retail 90+ DPD delinquency¹



- **Wholesale stage 2+3 assets** are down 54% YoY to INR 4,721 Cr with PCR of 32%, unchanged QoQ
- **SRs down** 6% since Q1 FY24, led by cash realisation of INR 909 Cr

Impact of RBI's AIF circular – provision made; confident of full recovery

- In PEL and PCHFL, we have AIF exposure in two schemes relating to our legacy wholesale 1.0 business. We are Limited Partners (LPs) in these schemes.

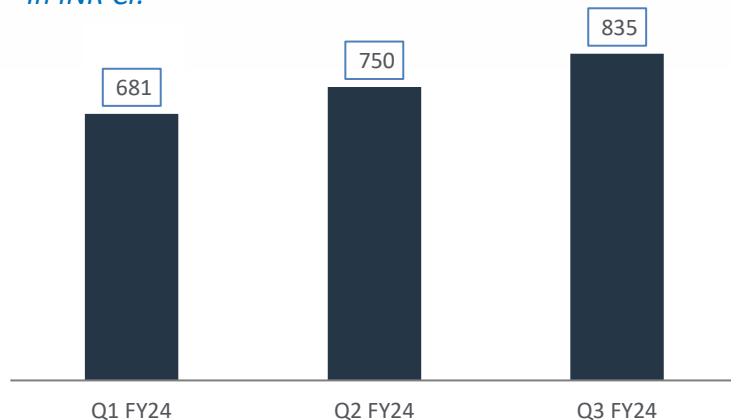
	PEL's exposure (INR Cr)	AIF overlap with loans, Dec'23 (INR Cr)	Treatment
AIF – A	3,142 ¹	1,746	Provision of INR 3,142 Cr
AIF – B	398	Nil	Provision of INR 398 Cr

- **Provisions** of INR 3,540 Cr taken pursuant to the RBI circular on investments in AIFs dated 19th December 2023.
 - Excluding the impact of these provisions, Q3 FY24 **PAT** and **CRAR** would have been INR 290 Cr and 28.4%, respectively.
 - Excluding these provisions, Total AUM up 6% QoQ and 9% YoY to INR 70,823 Cr.
- We remain **confident of full recovery** of the AIF investments.
 - PEL and PCHFL have received INR 1,137 Cr so far as repayment of interest and principal on these units.
- In addition, in our AIF schemes relating to our **alternatives business** (where we are fund managers), there is no impact of the RBI circular.

P&L performance – consolidated entity: progressively improving over three quarters

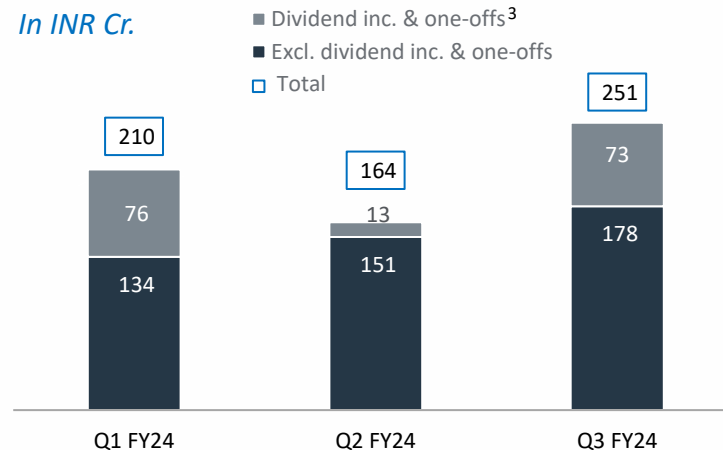
Net interest income¹ – continues to recover

In INR Cr.



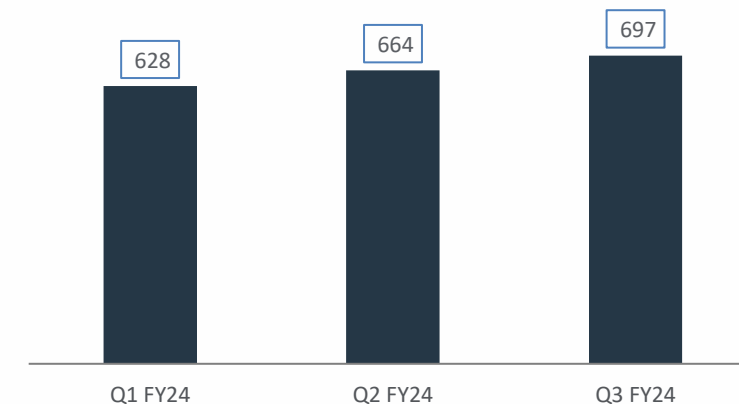
Other income² – fee growth sustaining

In INR Cr.



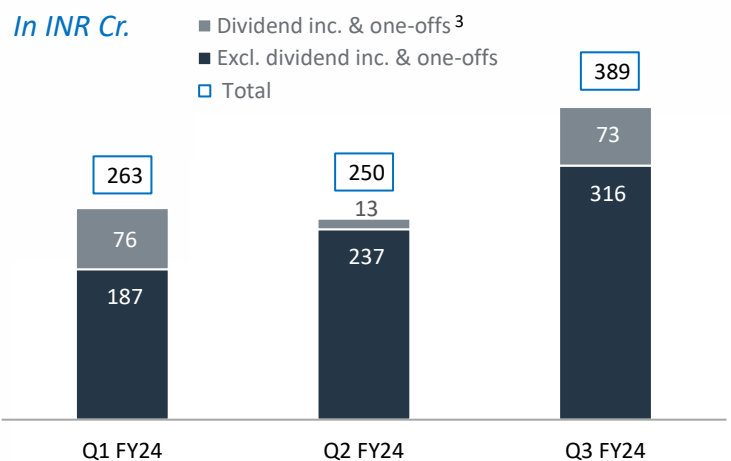
Opex – led by changing AUM mix & investments

In INR Cr.



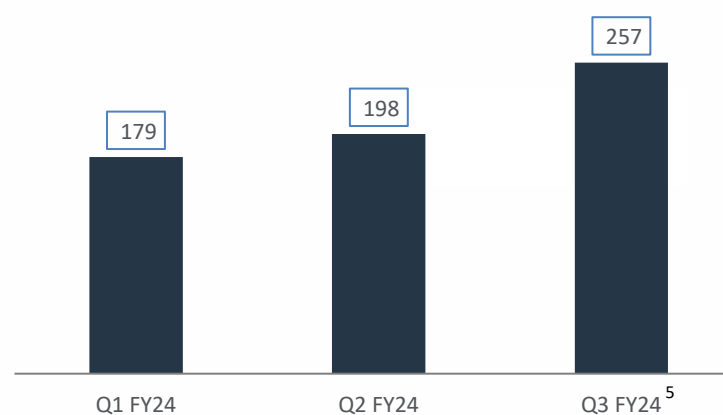
PPOP – supported by NII & fee

In INR Cr.



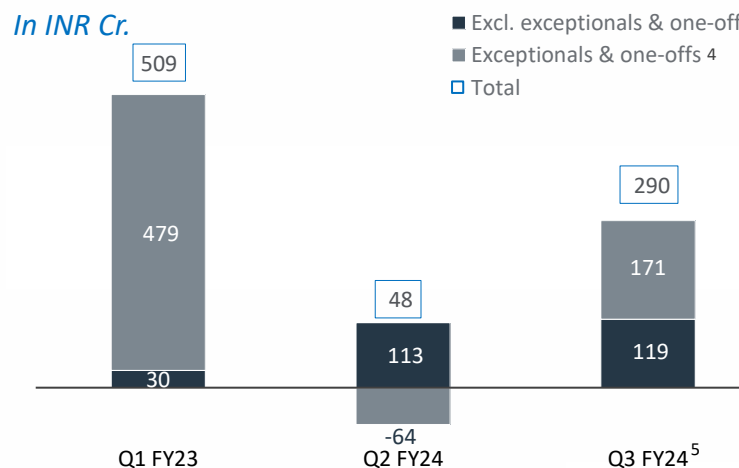
Credit Cost – within the expected range

In INR Cr.



PAT – at INR 119 Cr, ex-exceptionals & one-offs

In INR Cr.



Notes: (1) Net interest income = interest income - interest expense

(2) Other income includes all non-interest income

(3) Dividend from Shriram investments; one-offs includes INR 64 Cr of interest income from Income Tax refunds in Q3FY24

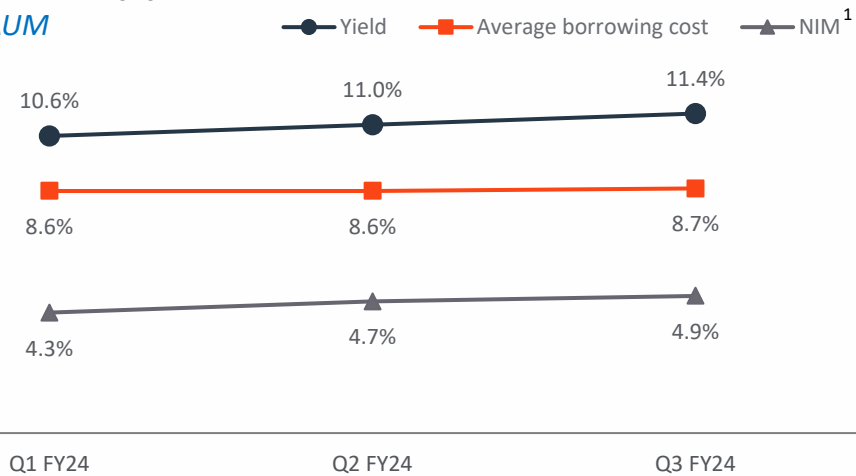
(4) Includes INR 124 Cr pertaining to litigative tax refund of eDHFL of FY 2019-20 and INR 47 Cr of interest income (post tax) on Income Tax refunds in Q3FY24

(5) Excludes provisions of INR 3,540 Cr (INR 2,668 Cr post-tax) taken pursuant to the RBI circular on investments in AIFs dated 19th Dec 2023

P&L performance – lending business

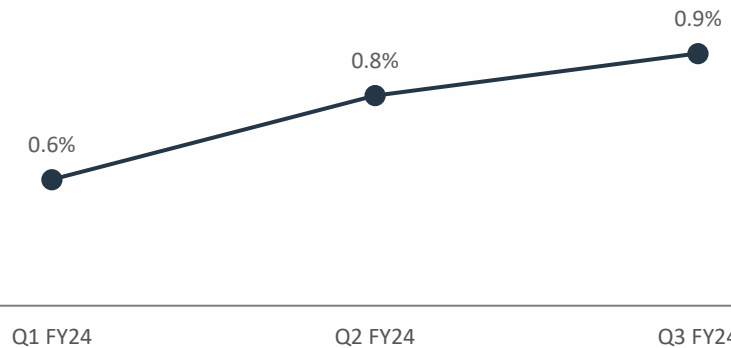
NIM expands, led by yields

% of Average AUM



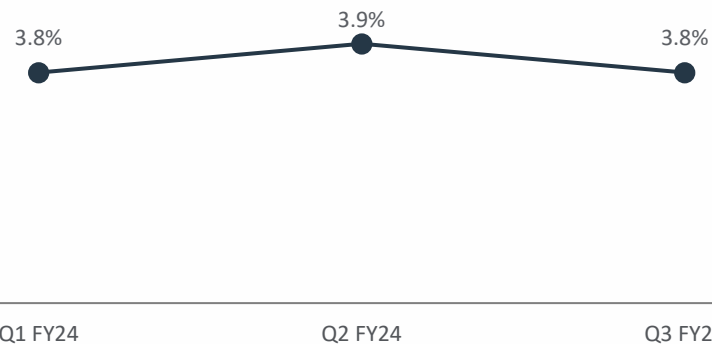
Fee income – continues to grow

% of Average AUM



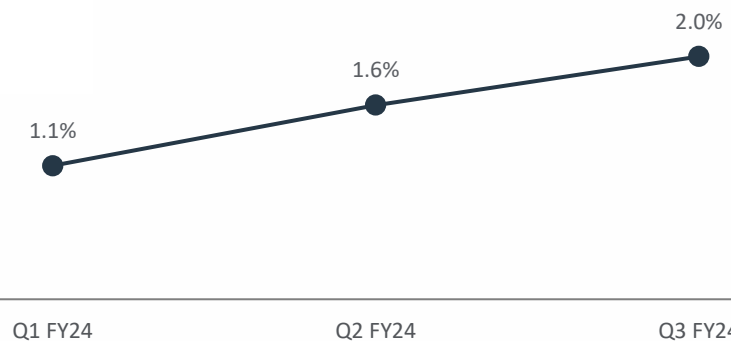
Opex – broadly stable QoQ

% of Average AUM



PPOP² – recovery sustaining

% of Average AUM

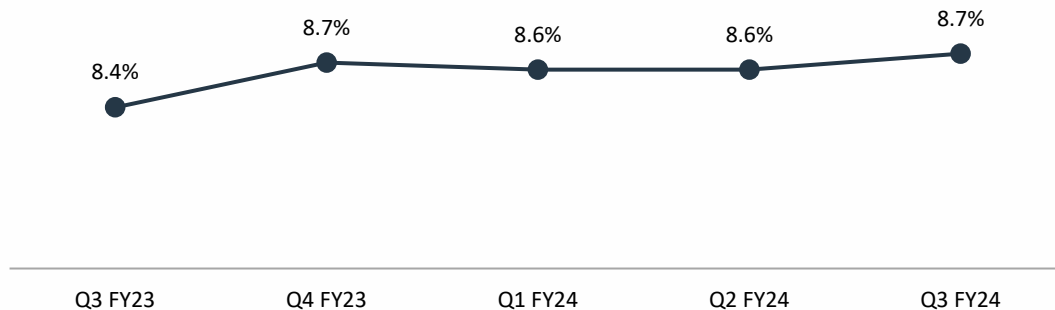


Notes: (1) Net interest margin = net interest income / average AUM
(2) Excludes dividend income and one-offs

Stable liability management

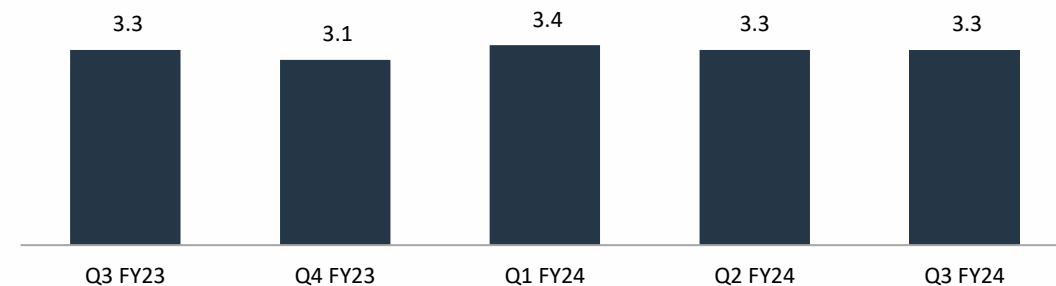
Average borrowing cost

In %



Maturity of borrowings

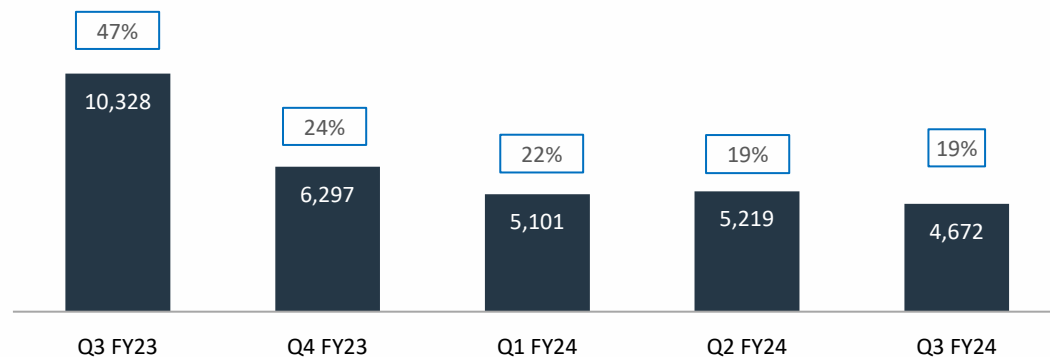
In years, weighted average on a residual basis



Cumulative ALM gap¹ (up to 1 year)

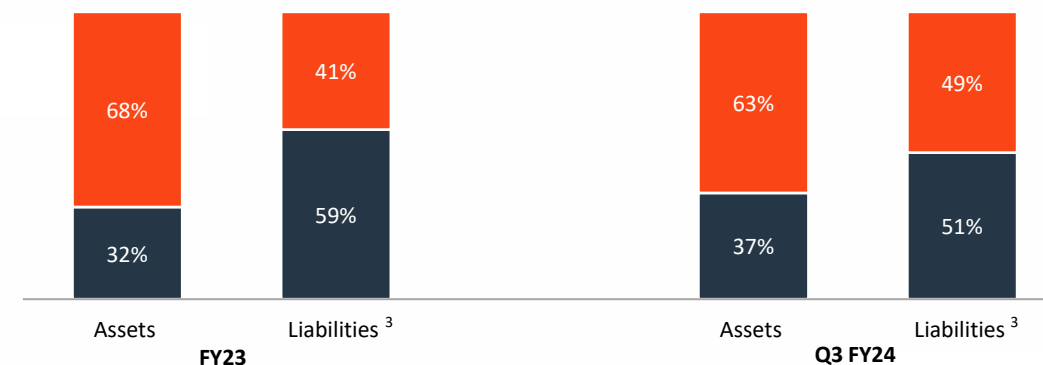
In INR Cr, period-end

□ GAP %²



Fixed : Floating rate mix

■ Fixed rate ■ Floating rate



Notes: (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) Liabilities includes fixed rate borrowings of INR 17,097 Cr for FY23 & 16,635 Cr for Q3 FY24

Solid progress on strategic priorities – growth & mix change ahead of medium-term targets

Key metrics	Q1 FY24	Q2 FY24	Q3 FY24	FY28E ¹
Total AUM (INR '000 Cr)	64 (down 1% YoY)	~67 (up 5% YoY)	~71² (up 9% ² YoY)	120-130 (15% CAGR ³)
Retail : Wholesale mix	55 : 45	58 : 42	64 : 36	70 : 30
Retail AUM growth	58% YoY	55% YoY	54% YoY	23% CAGR³
ROA⁴	0.2%	0.6%	0.6%	3-3.3% (Retail ROA: 2.5-3%; Wholesale ROA: 3.5-4%)
Asset to equity (A/E)	2.5	2.7	3.0	3.7



Building diversified and granular growth businesses

- A housing focused diversified retail business
- A profitable wholesale 2.0 business



Rundown of legacy wholesale & exit non-core assets

- Optimal run down of wholesale 1.0 business
- Divestment of stake in Shriram Group



Conservative liabilities mix



Tech and analytics at the core of lending

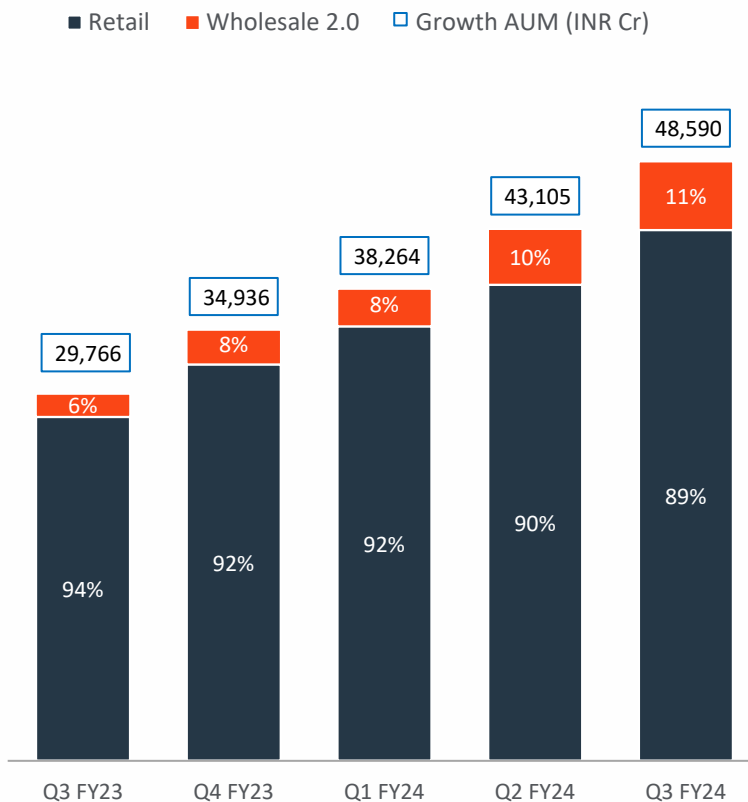
Notes: (1) FY28 expectations as presented at [Investor Day](#) on 28 August 2023
(2) Excluding the impact of AIF provision related reduction at quarter-end
(3) Over FY23
(4) ROA excludes exceptionals and one-offs



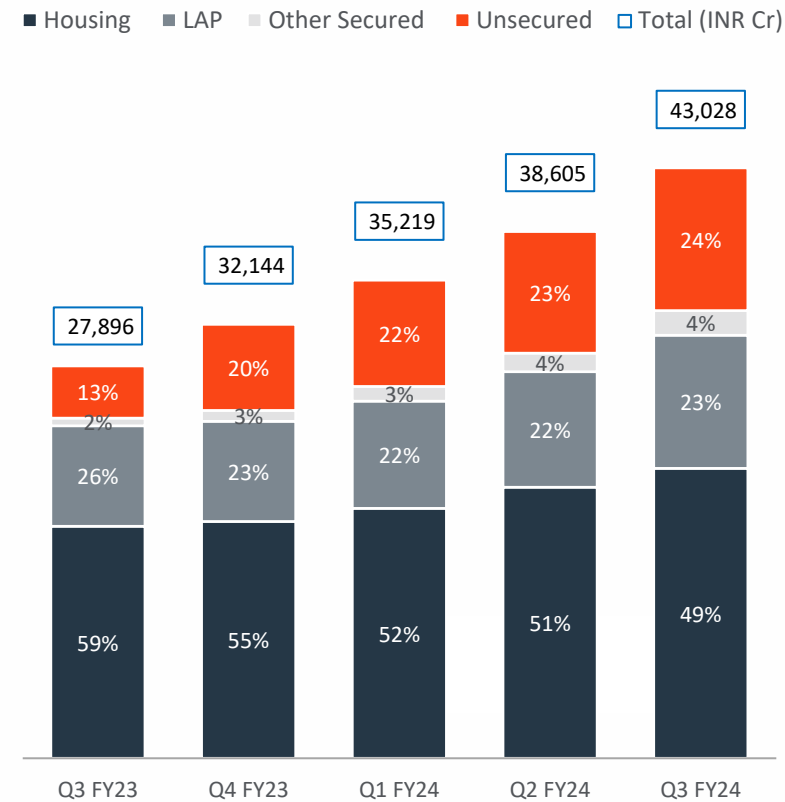
2. Growth business

Growth AUM of INR 48.6k Cr, growing at 57% CAGR

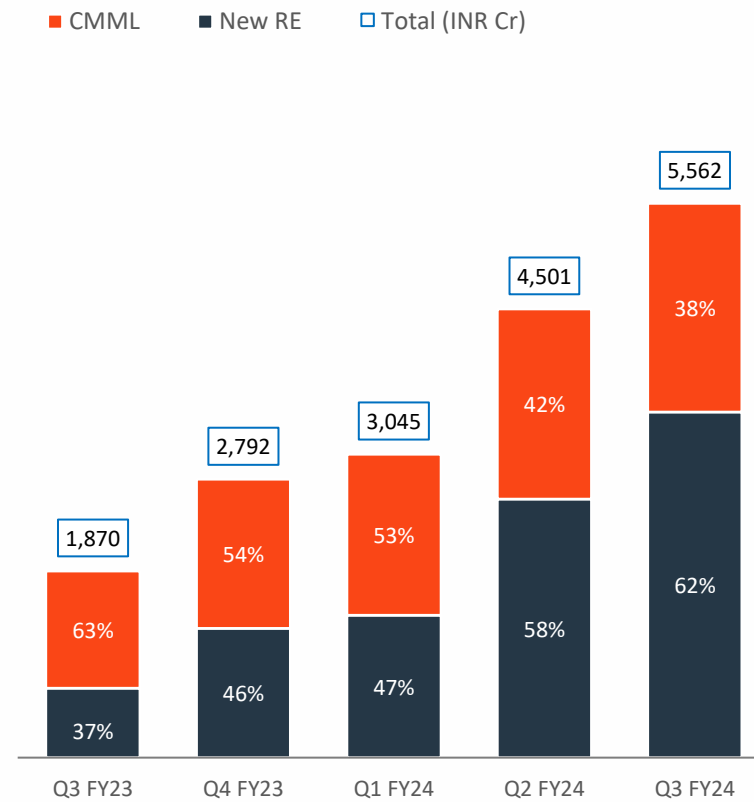
Growth AUM up 63% YoY in Q3 FY24



Retail AUM up 54% YoY



Wholesale 2.0 AUM up 197% YoY



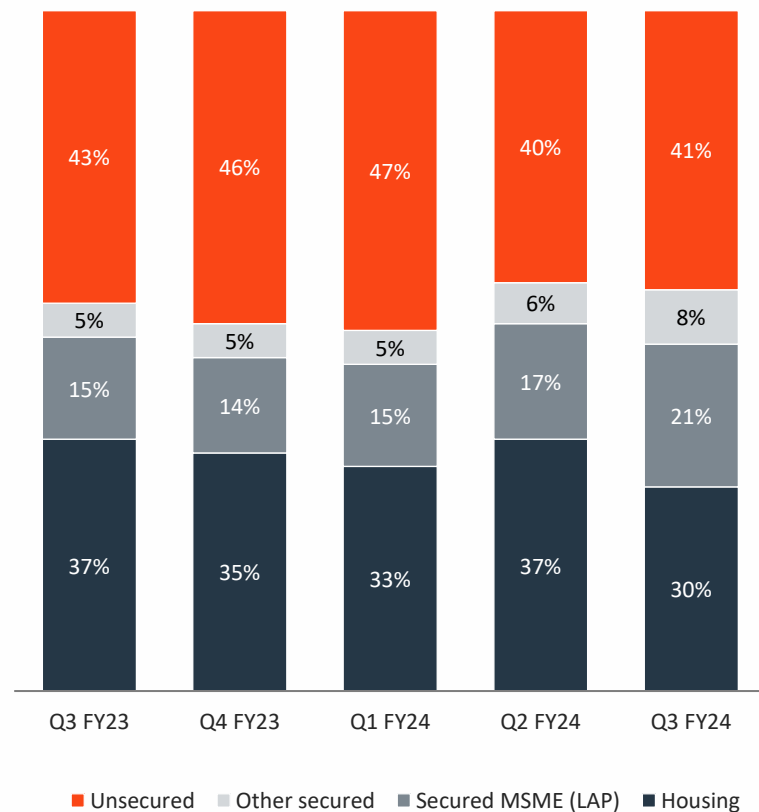


2. Growth business

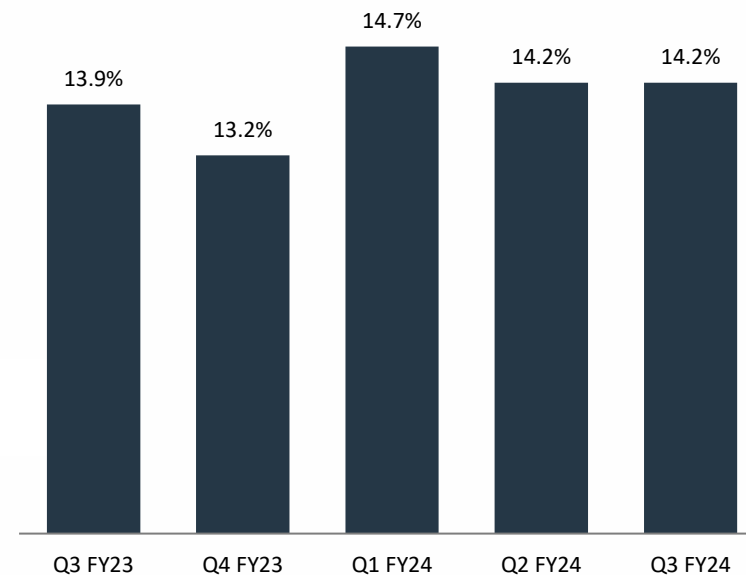
a. Retail lending

Diverse product mix – yields now in a range after a large mix driven shift

Disbursements by product family
based on value for retail loans



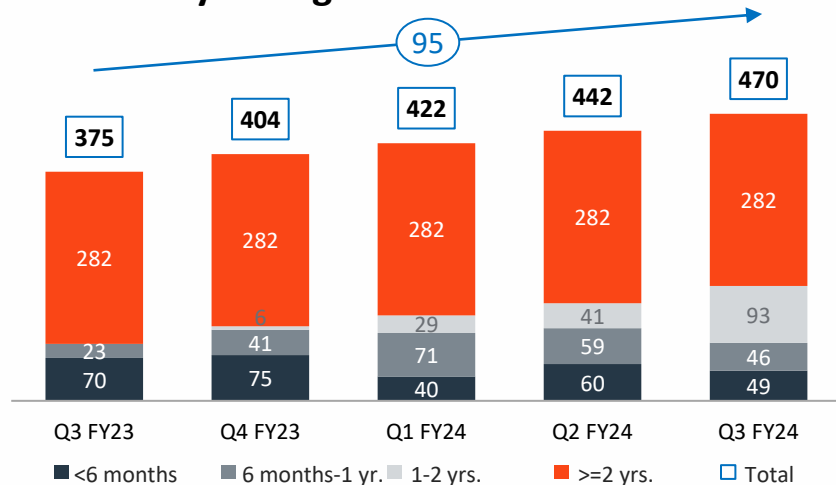
Disbursement yields¹
for retail loans (loans >1 year duration)



Note: (1) Disbursements of <1 yr. duration (4% for Q3 FY24) having higher average yield (14.6% for Q3 FY24) not included in the above calculation

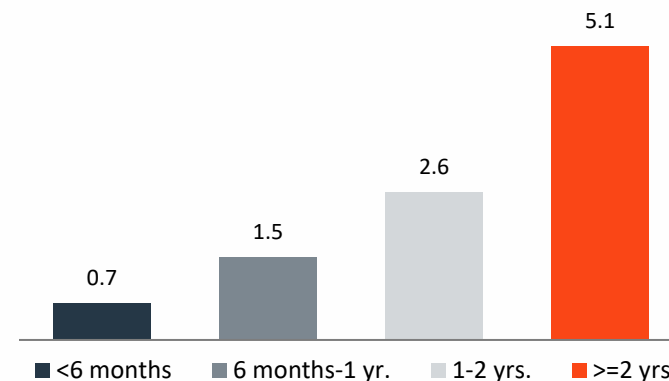
Branch mix shifted towards newer branches; productivity improvement on the cards

Branch mix by vintage

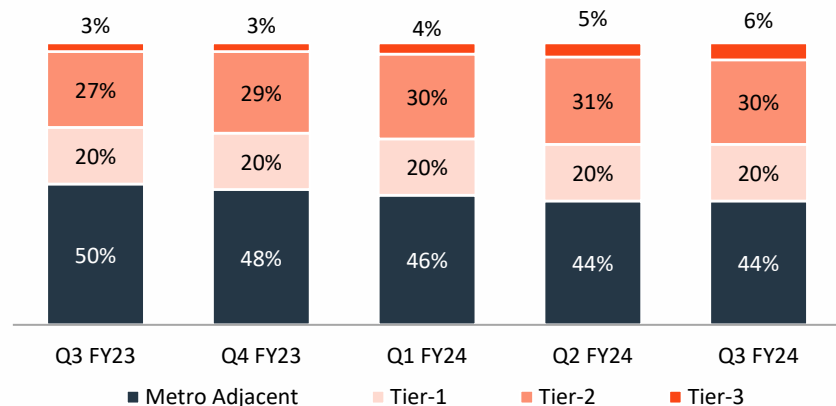


Benchmark monthly disbursement¹ per branch

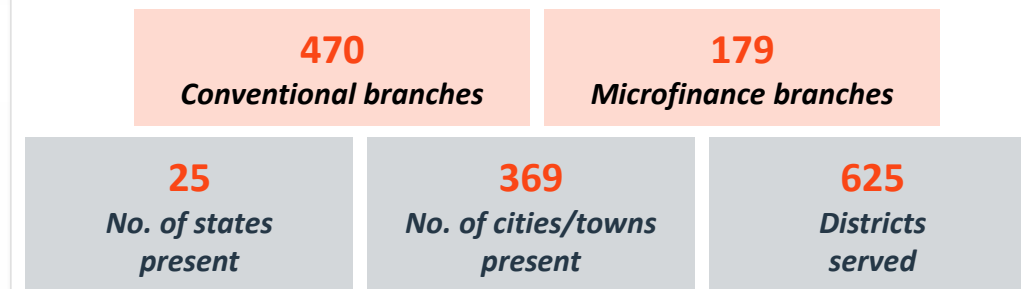
In INR Cr.



Retail AUM by geographic exposure²



Plan to expand to 500-600 branches

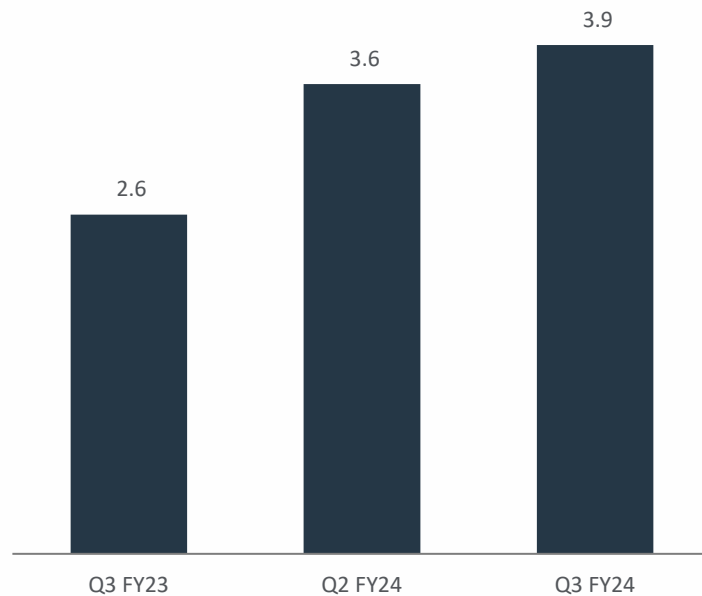


Note: (1) Only for branch led products
(2) Population considered Tier 1: 40+ lacs, Tier2: 10-40 lacs, Tier3: <10 lacs; metro adjacent locations carved out from tier 1/2/3 for centres in peripheries of metros.

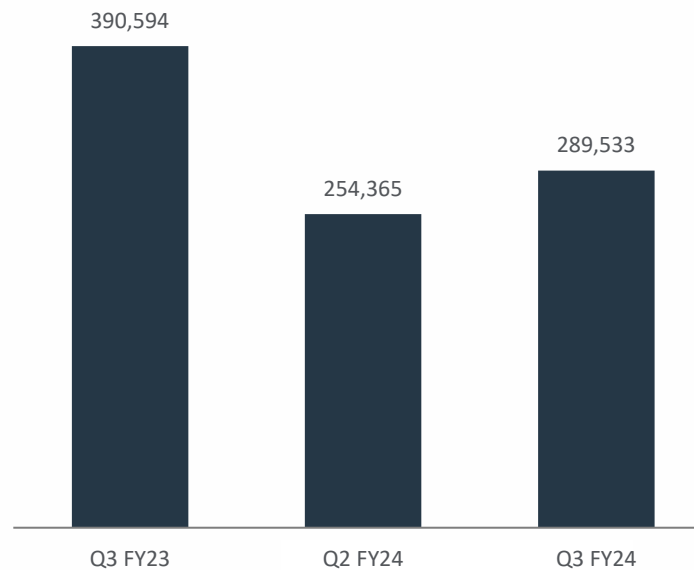
Expanded customer franchise to 3.9 mn

Customer franchise¹

Mn

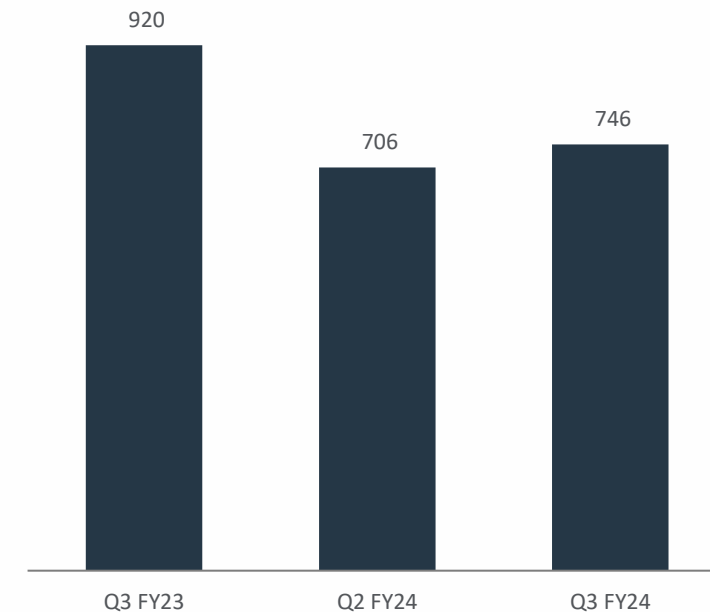


New customers acquired

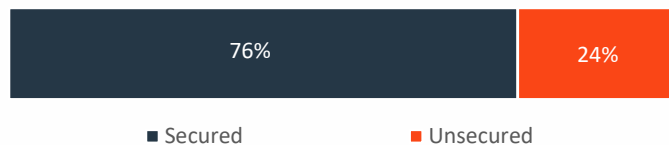


Cross-sell disbursements

In INR Cr

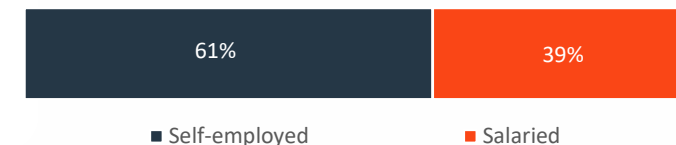


Retail AUM by category



- We continue to grow our customer franchise
- 1.2 mn active customers

Retail AUM by customer type

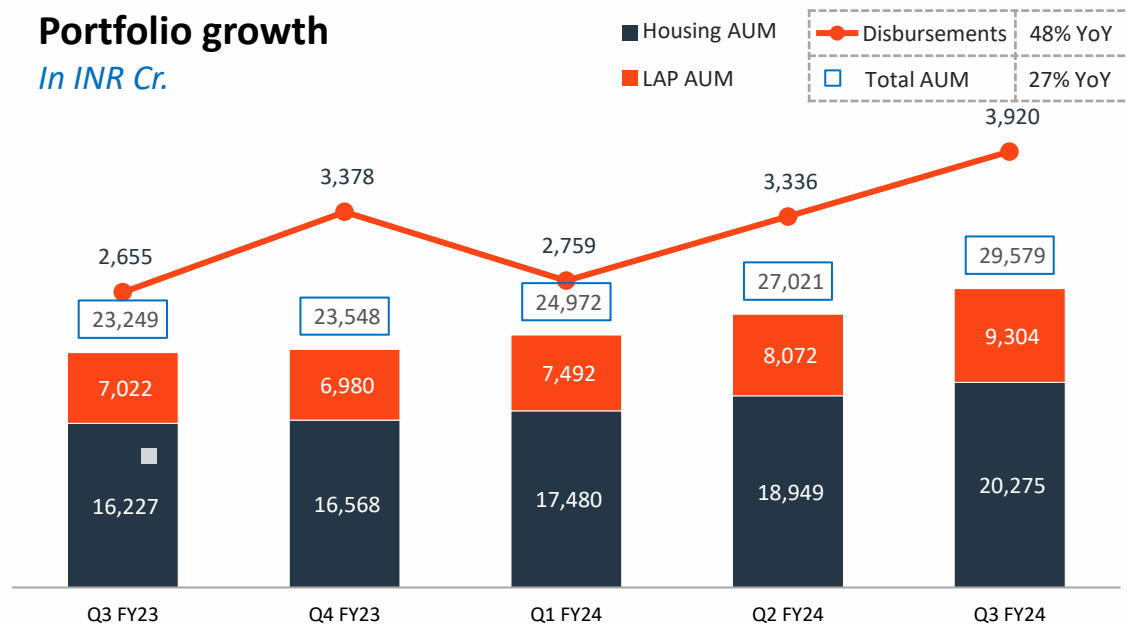


Note: (1) Customer franchise includes existing / past borrowers as well as co-borrowers

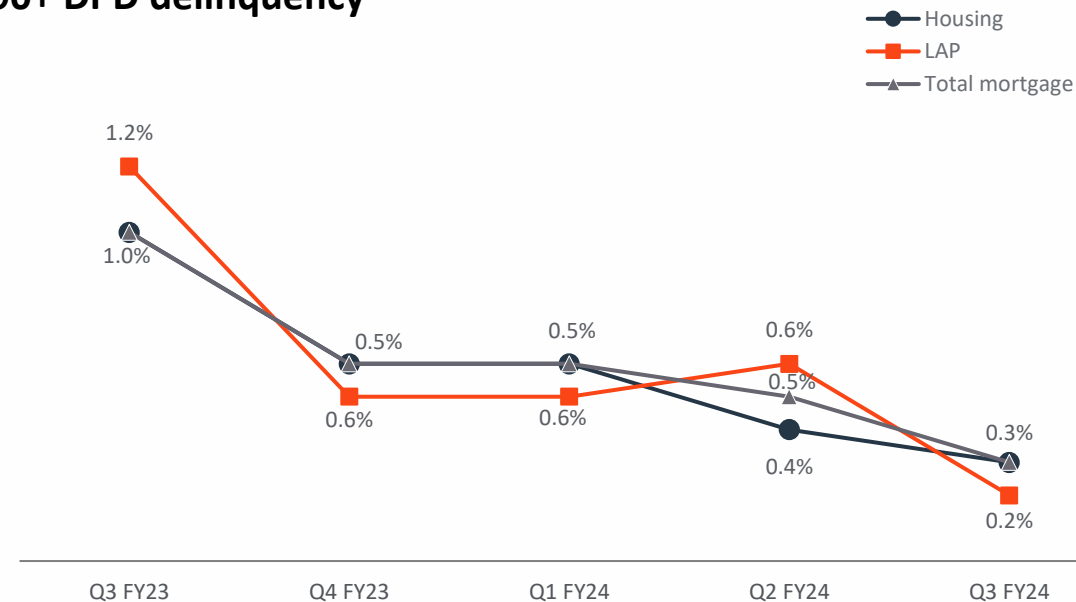
Mortgage: 72% of retail AUM, up 27% YoY; at-scale lender in affordable housing (1/3)

Portfolio growth

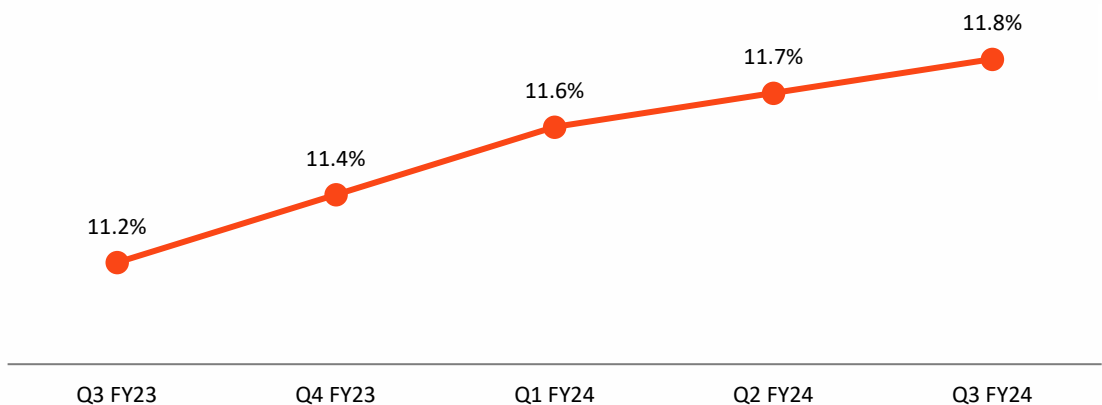
In INR Cr.



90+ DPD delinquency¹



Disbursement yields



Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

AUM by customer type



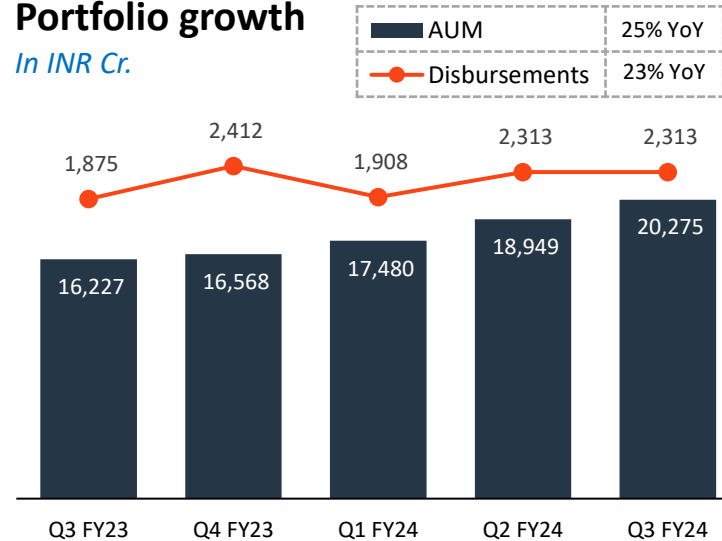
- Mortgage is the hook product in retail segment
- For any new branch, we start with mortgage before launching other products after some time

Mortgage - Housing loans: sustained *growth momentum* - *improving portfolio quality* (2/3)

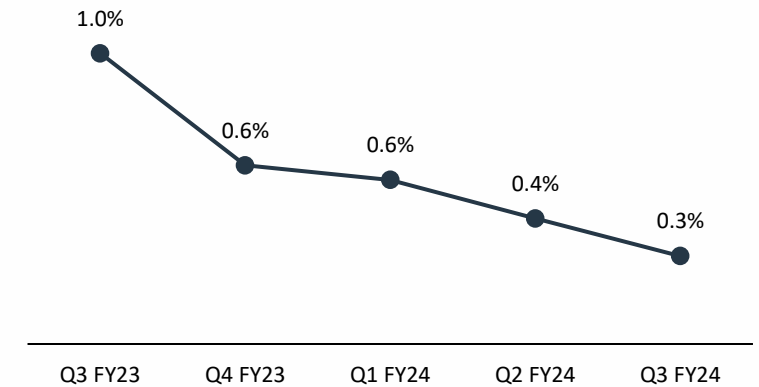


Portfolio growth

In INR Cr.



90+ DPD delinquency¹



68%

Lending in tier
2/3 cities



19 Lac

Average
ticket size



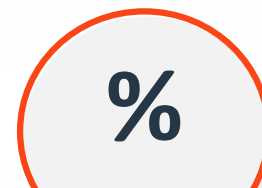
59%

Average LTV



751

Average
CIBIL score



11.2%

Disbursement
yield

Housing AUM by customer type



Housing AUM by stage of construction

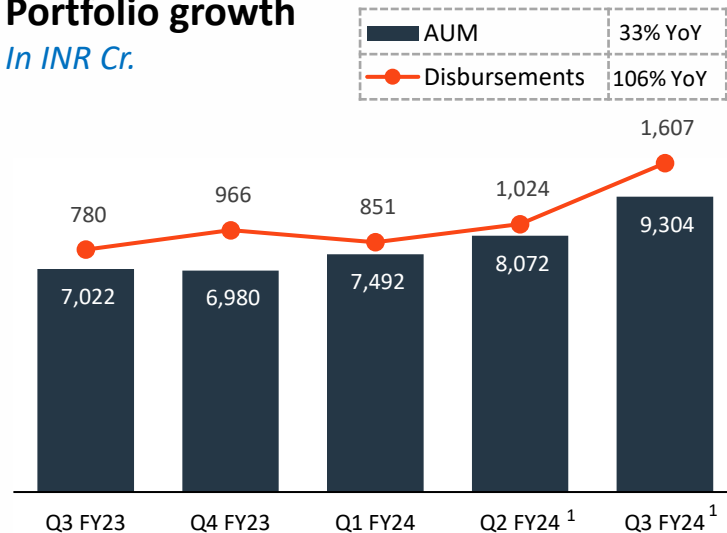


Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

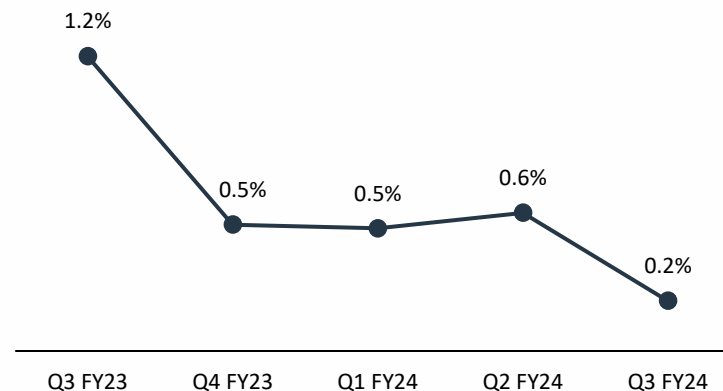
Mortgage – LAP: AUM up 33% YoY; sharp uptick in disbursements (3/3)

Portfolio growth

In INR Cr.



90+ DPD delinquency²



65%

Lending in tier
2/3 cities



23 Lac

Average
ticket size



45%

Average LTV



751

Average
CIBIL score



12.6%

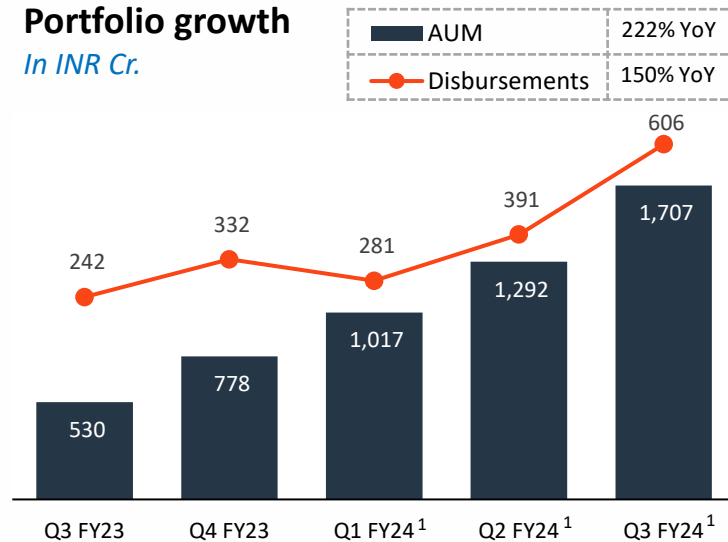
Disbursement
yield

Notes: (1) Concluded a DA sale transaction of INR 193 Cr in Q3 FY24 and INR 342 Cr in Q2 FY24
(2) 90+ DPD delinquency = 90 to 179 days DPD

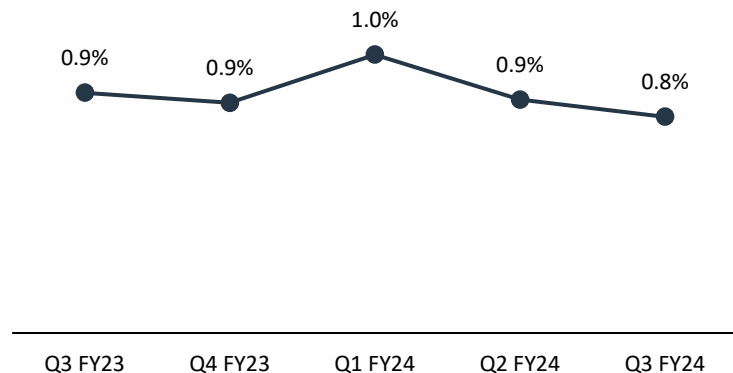
Other secured loans: *steep growth trajectory in used car loans*

Portfolio growth

In INR Cr.



90+ DPD delinquency²



60%

Lending in tier
2/3 cities



6 Lac

Average
ticket size



77%

Average LTV



743

Average
CIBIL score

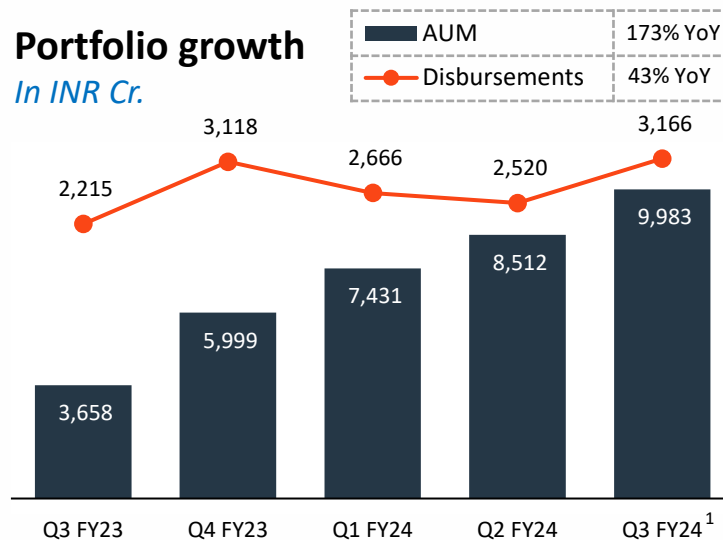


15.1%

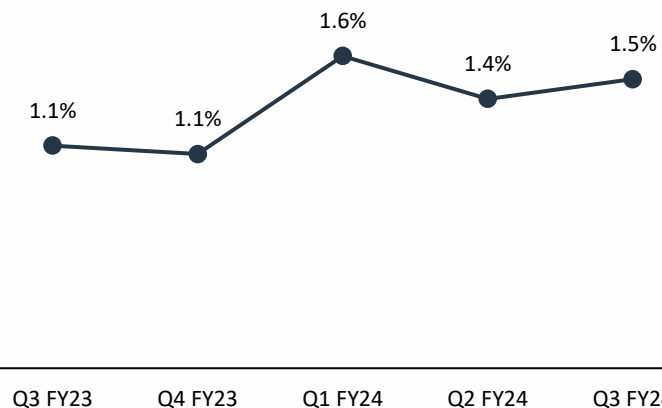
Disbursement
yield

Note: (1) Includes Loan against mutual fund (LAMF) AUM of INR 96 Cr as of Q3 FY24, INR 37 Cr as of Q2 FY24 and INR 9 Cr as of Q1 FY24
(2) 90+ DPD delinquency = 90 to 179 days DPD

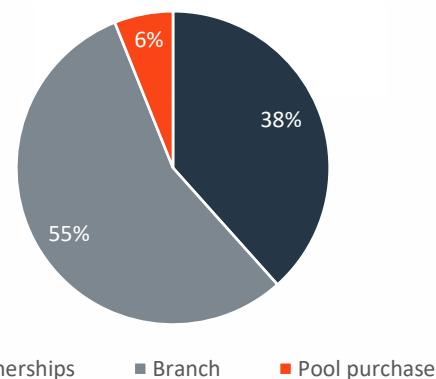
Unsecured loans: *disbursement controlled in last 9 months, risk is under control (1/4)*



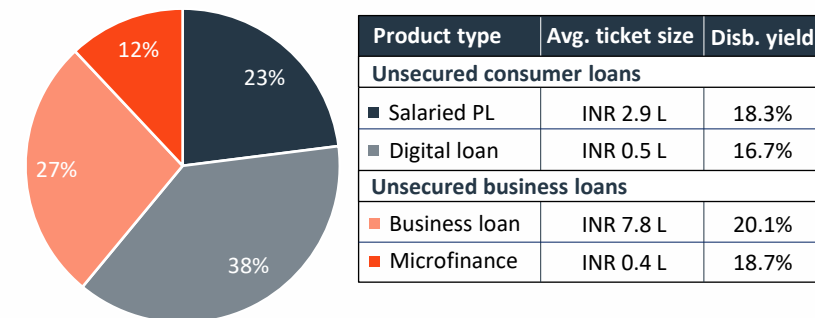
90+ DPD delinquency²



AUM by channel



AUM by product



15,29,422

Customers served



762

Average CIBIL score



18%

Disbursement yield

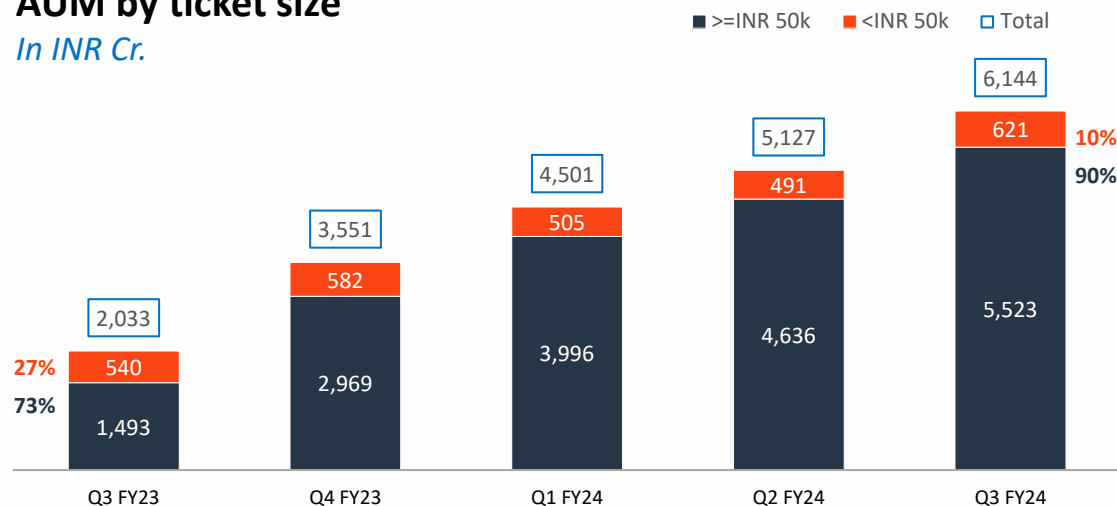
Notes: (1) Concluded a DA sale transaction of INR 143 Cr in Q3 FY24
(2) 90+ DPD delinquency = 90 to 179 days DPD



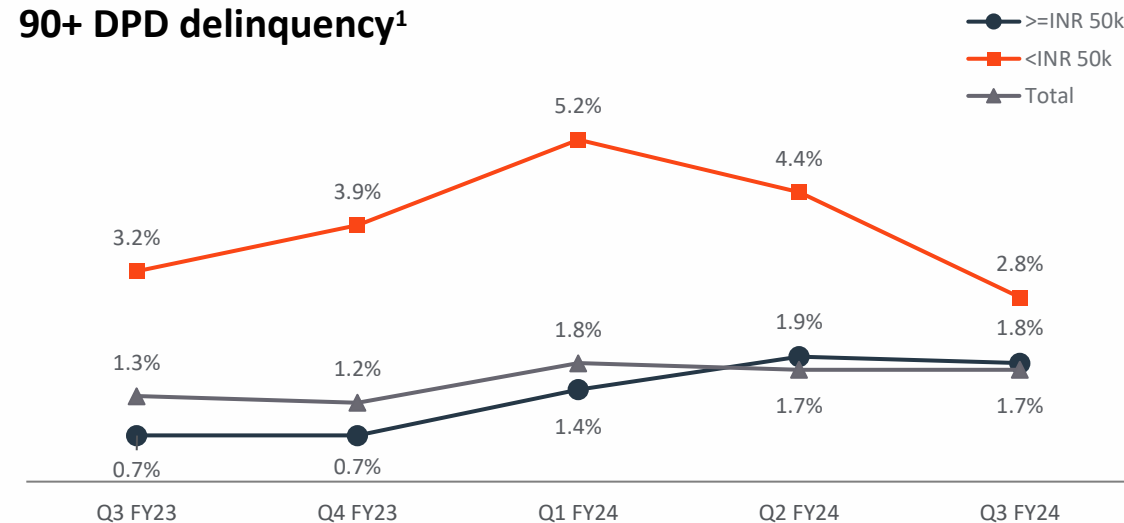
Unsecured consumer loans: *reduced contribution and risk of small ticket PL (2/4)*

AUM by ticket size

In INR Cr.

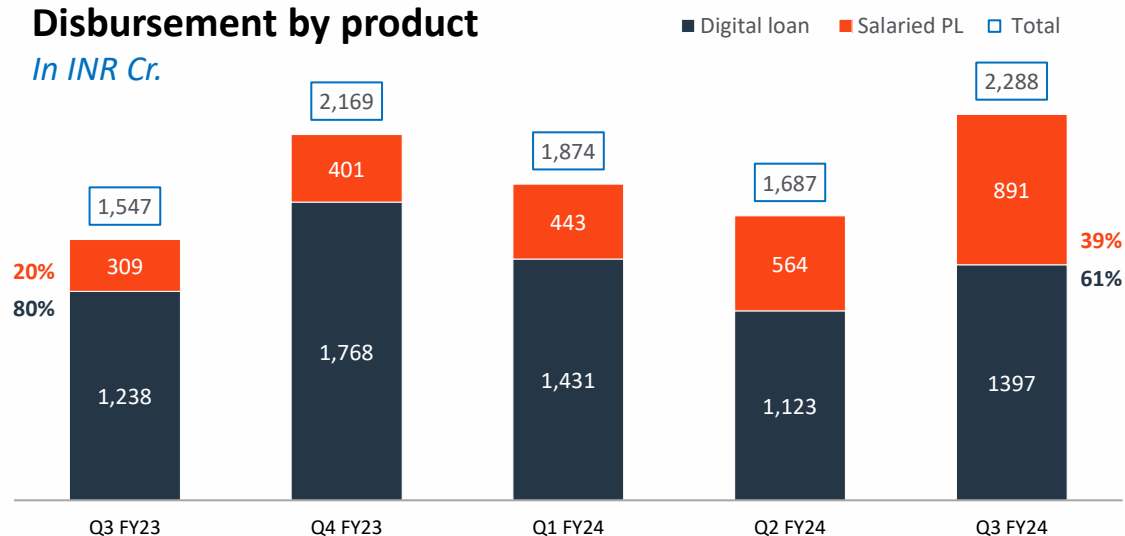


90+ DPD delinquency¹

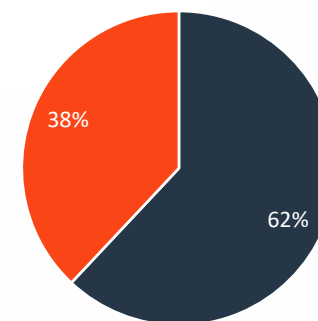


Disbursement by product

In INR Cr.



AUM by product



Product type	Avg. ticket size	Disb. yield
Digital loan	INR 0.5 L	16.7%
Salaried PL	INR 2.9 L	18.3%

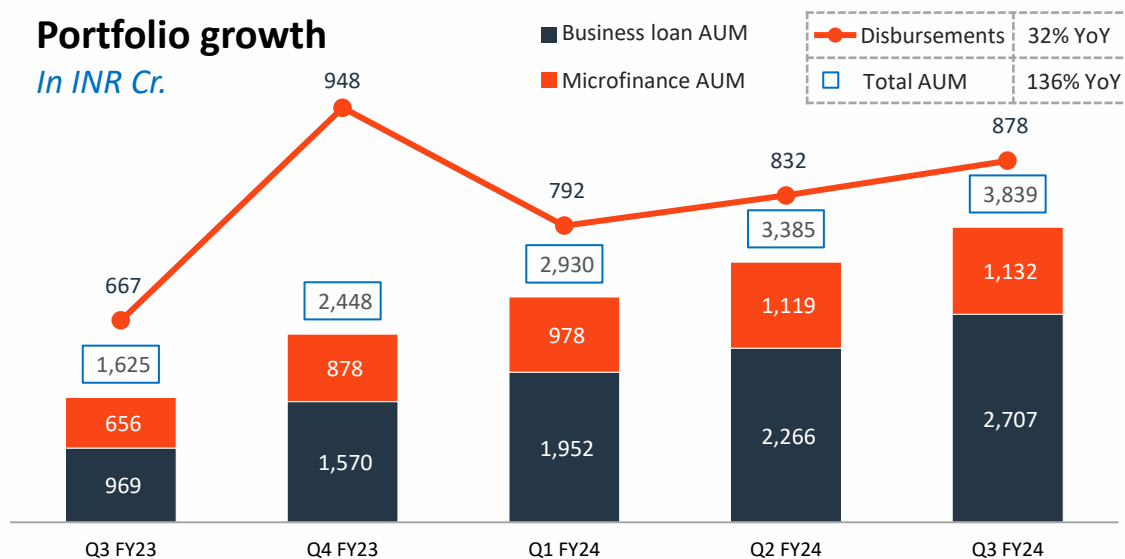
Notes: (1) 90+ DPD delinquency = 90 to 179 days DPD



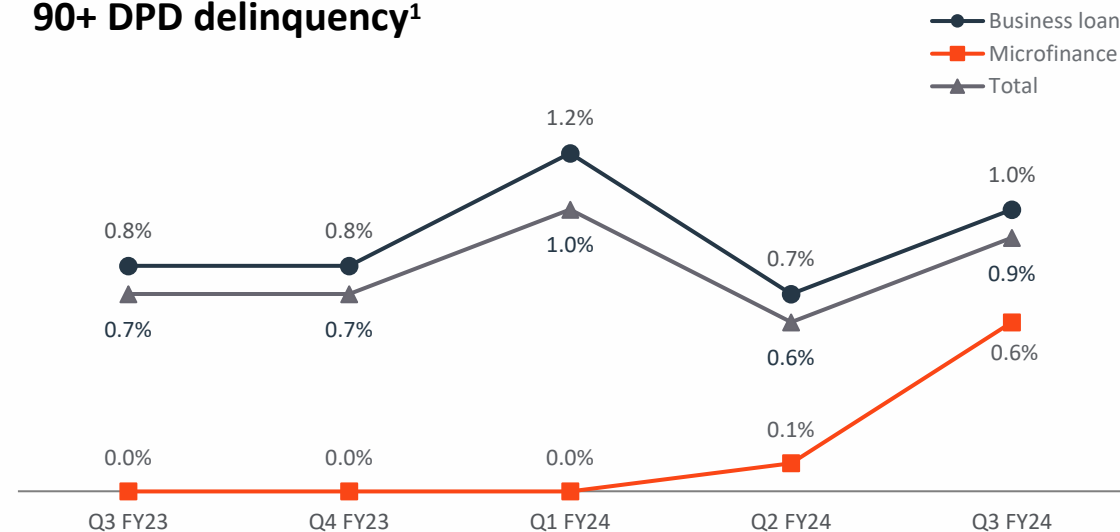
Unsecured business loans: *steady growth trends (3/4)*

Portfolio growth

In INR Cr.



90+ DPD delinquency¹



2,46,760

Customers
served



760

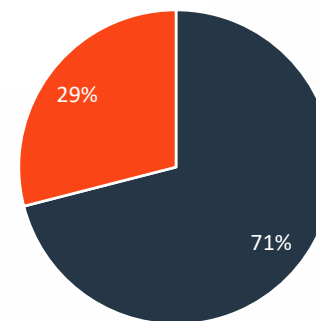
Average
CIBIL score



19.7%

Disbursement
yield

AUM by product



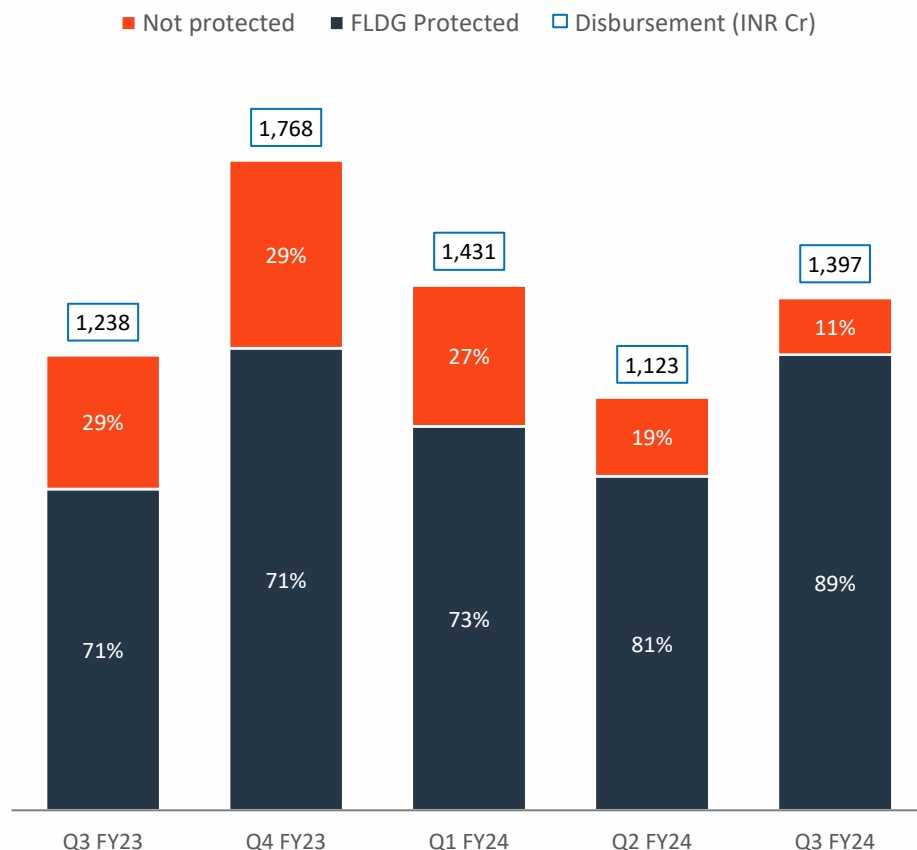
Product type	Avg. ticket size	Disb. yield
Business loan	INR 7.8 L	20.1%
Microfinance	INR 0.4 L	18.7% ²

Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

(2) Net of opex (payoff to BC partners)

Digital embedded finance: scaling-up partnerships with fintech & consumer tech firms (4/4)

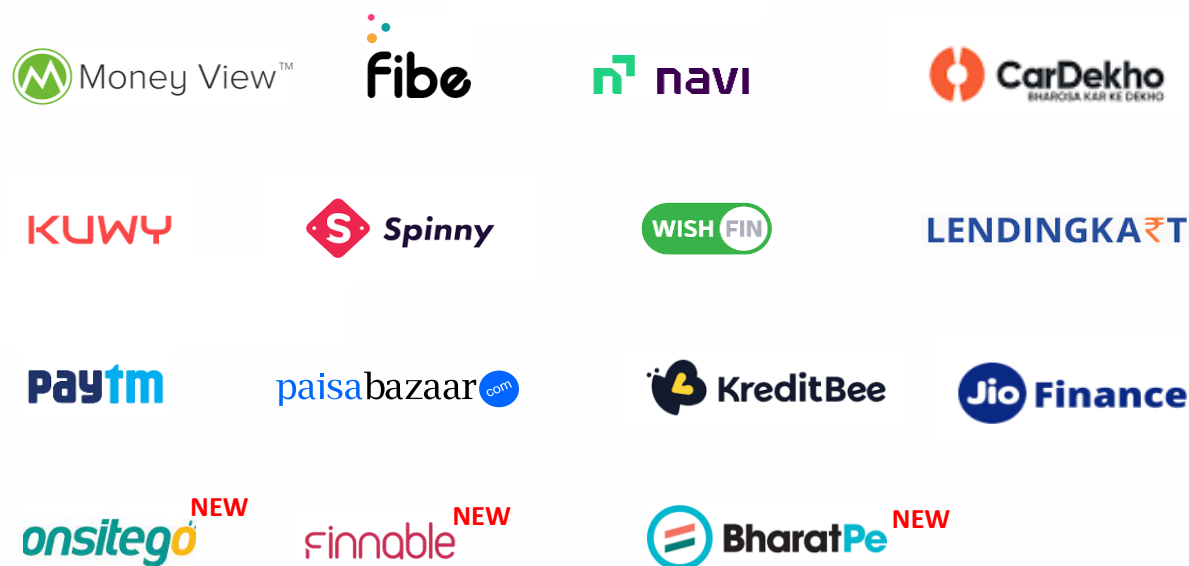
~90% of digital loan disbursement is FLDG protected



25 programs live across 15 partners

Fintech NBFCs	Transaction platforms	Service providers	Edtechs / Education institutes
MSME platforms	OEMs	Gold collateral companies	Product manufacturers

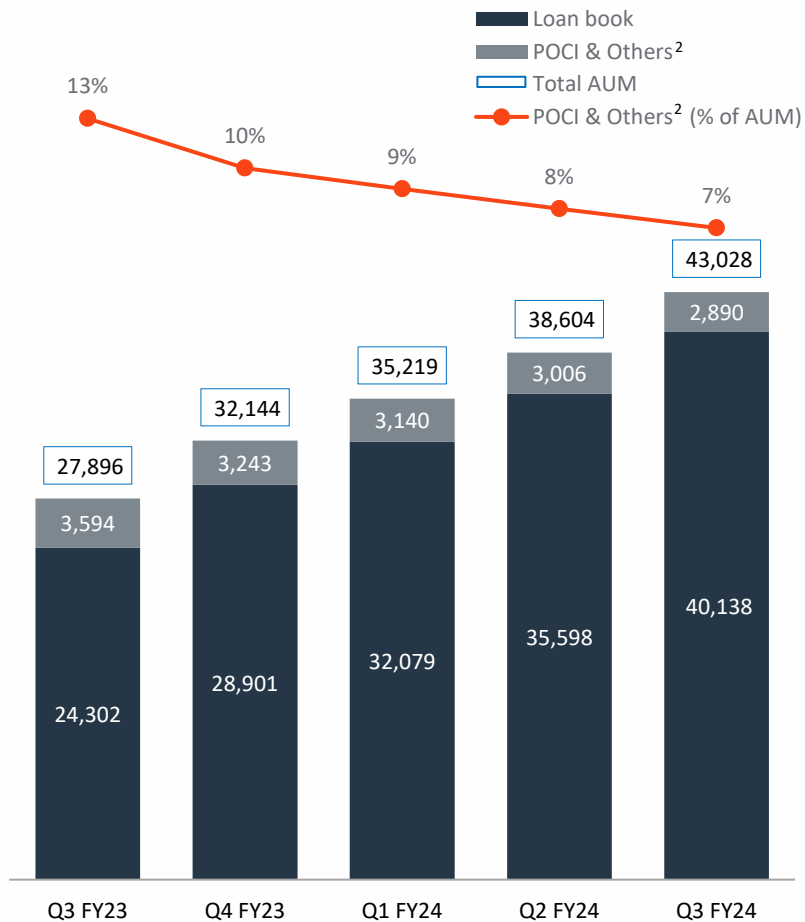
Our live partners



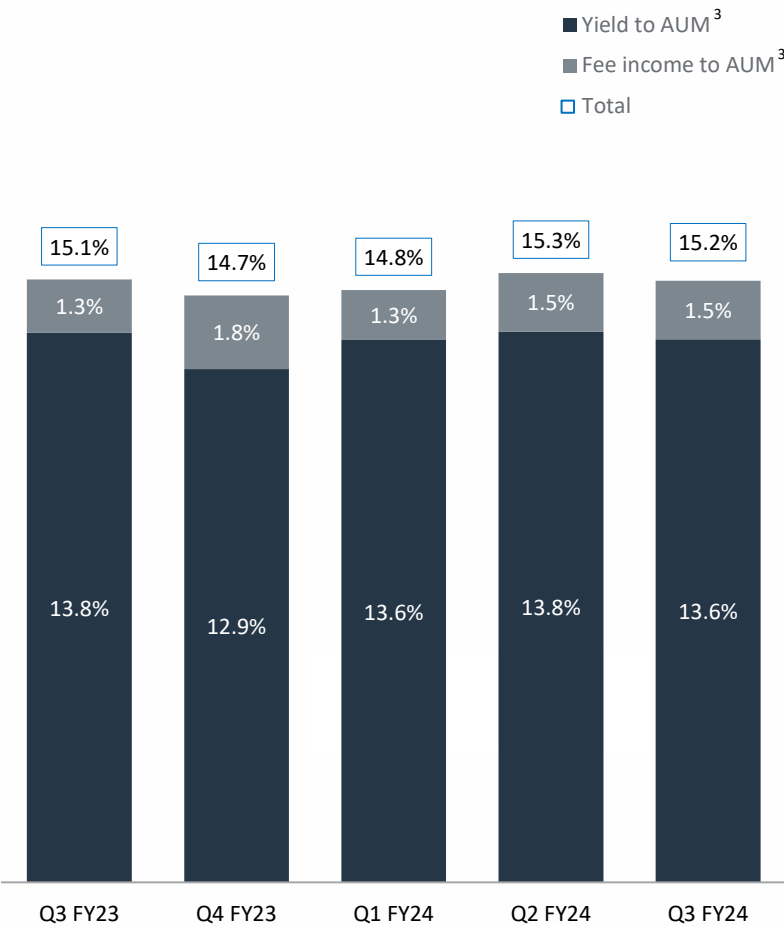
Our exposure to customers originated through the partnership with Zest Money is INR 56.4 Cr as of Jan 15, 2024
The accounts have been taken over by Piramal for collections

Stable income profile along with reduced POCI¹ book; opex ratios moderating

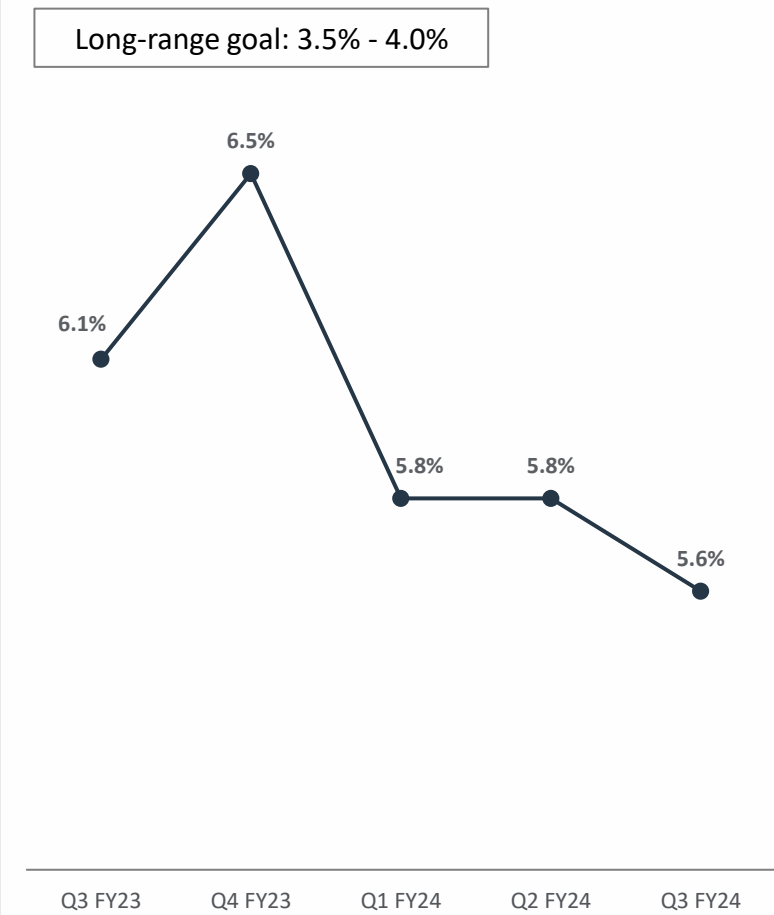
POCI & others² is now just 7% of AUM...



...the income level has been stable



Opex - gradually moderating



Note: (1) Purchased or originated credit impaired (POCI)
(2) Includes SRs & PTC
(3) AUM includes loan book, POCI, SRs & PTC and excludes DA

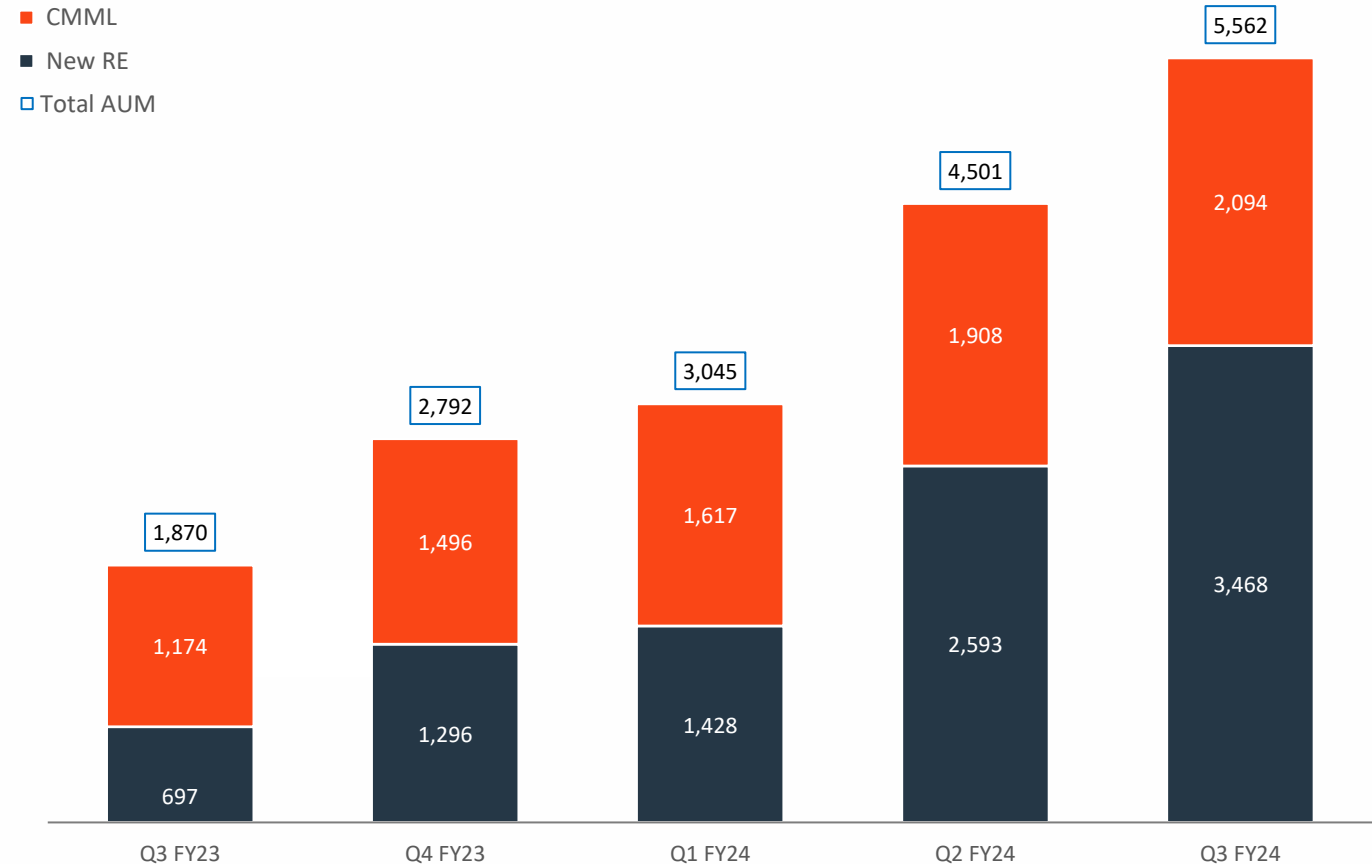


2. Growth business b. Wholesale 2.0

Wholesale 2.0 - Building a diversified and granular book backed by cash flows and assets

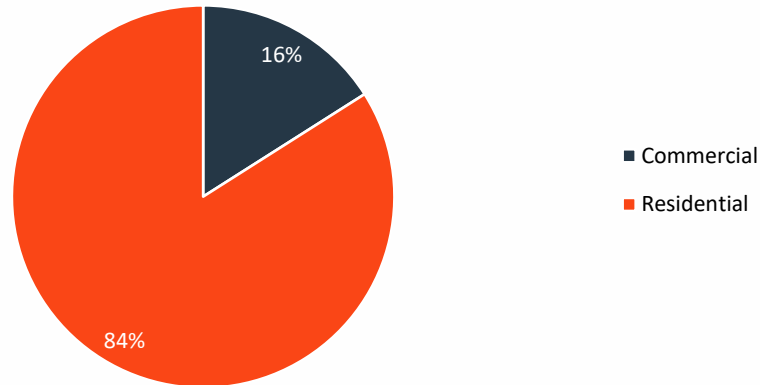
In INR Cr.

- **Wholesale 2.0 AUM** growth of 24% QoQ
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Disbursements** of INR 1,798 Cr in Q3 FY24; INR 1,005 Cr disbursed in Dec'2023
- **Pre-payments** received worth INR 1,175 Cr over last three quarters

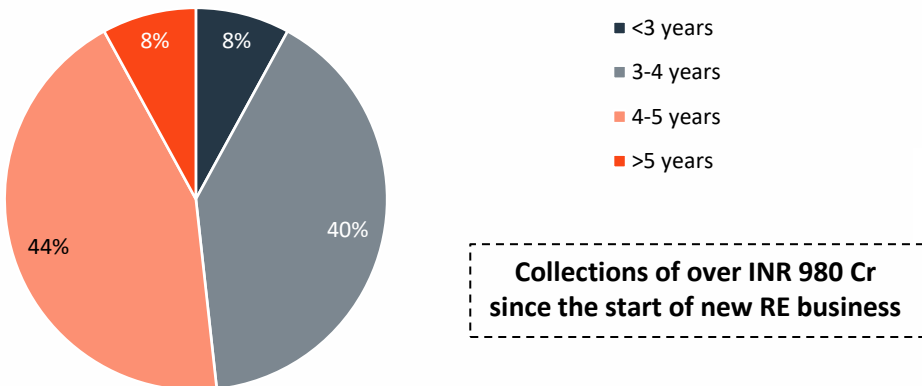


New real estate loans: capitalizing on the market gap and leveraging our strengths

By product¹



By original tenor¹

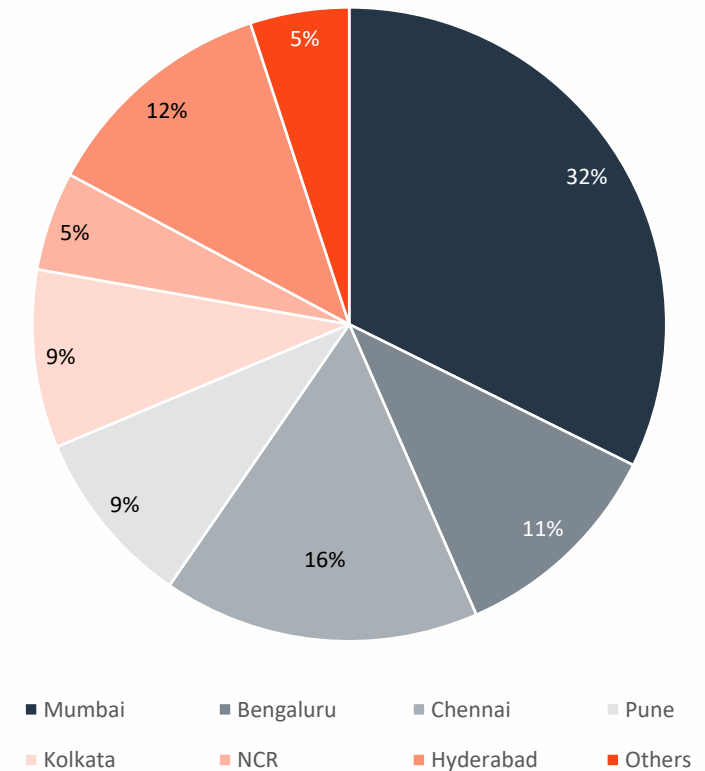


Average ticket size¹ / loan
INR 157 Cr

Average yield %²
13.9%

Average loan tenor³
4.5 years

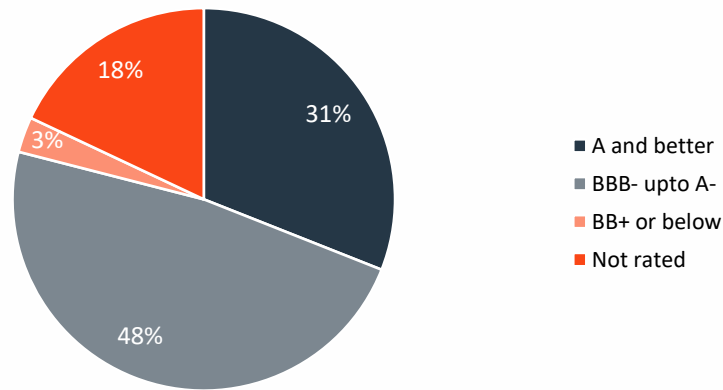
By geographic exposure¹



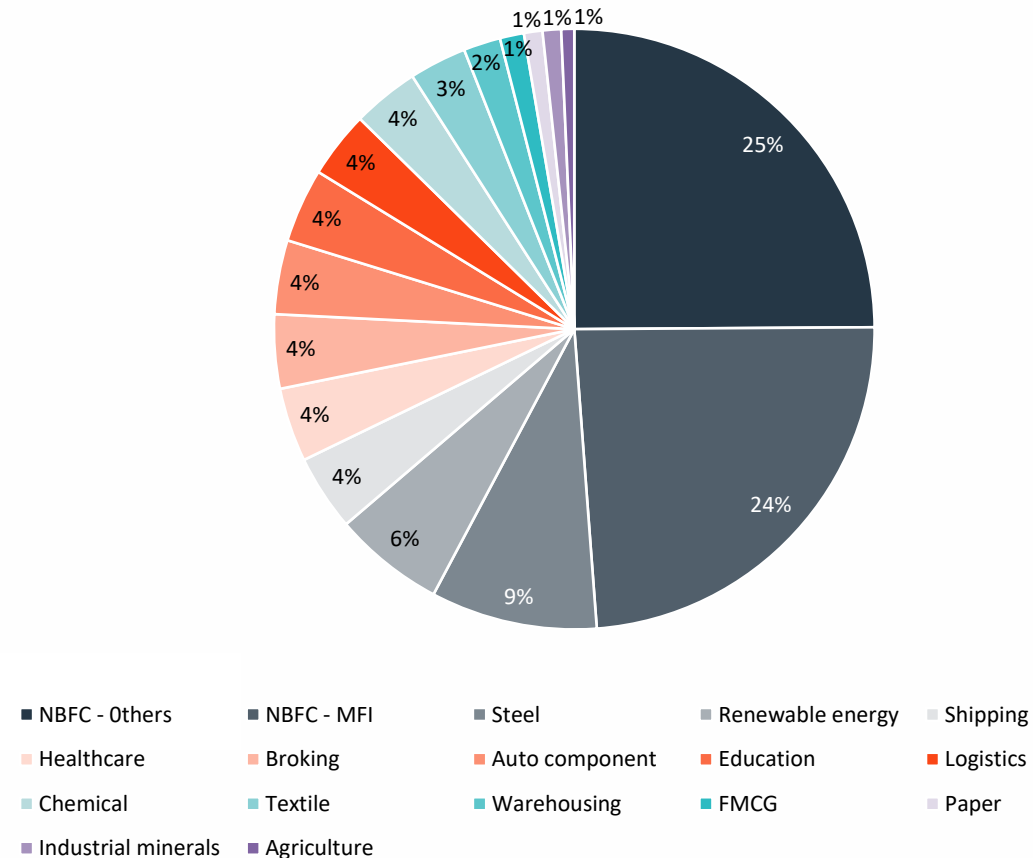
Notes: (1) Based on sanctioned value
(2) Average yield % includes fee income
(3) Based on sanctioned value & represents average door to door tenor

Corporate mid market lending: *building a granular book backed by cash flows*

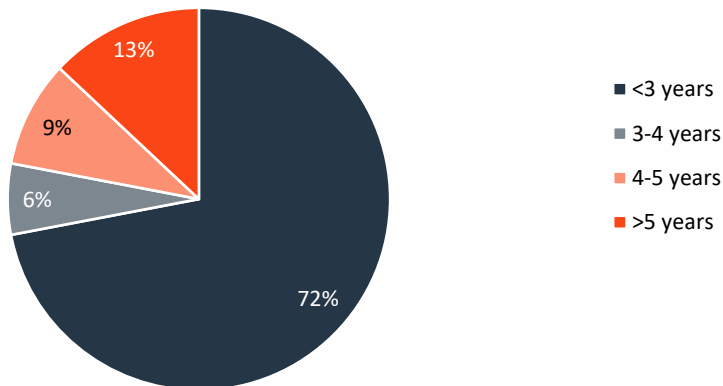
By ratings¹



By industry¹



By original tenor¹



Average ticket size¹ / loan
INR 57 Cr

Average yield %²
12.6%

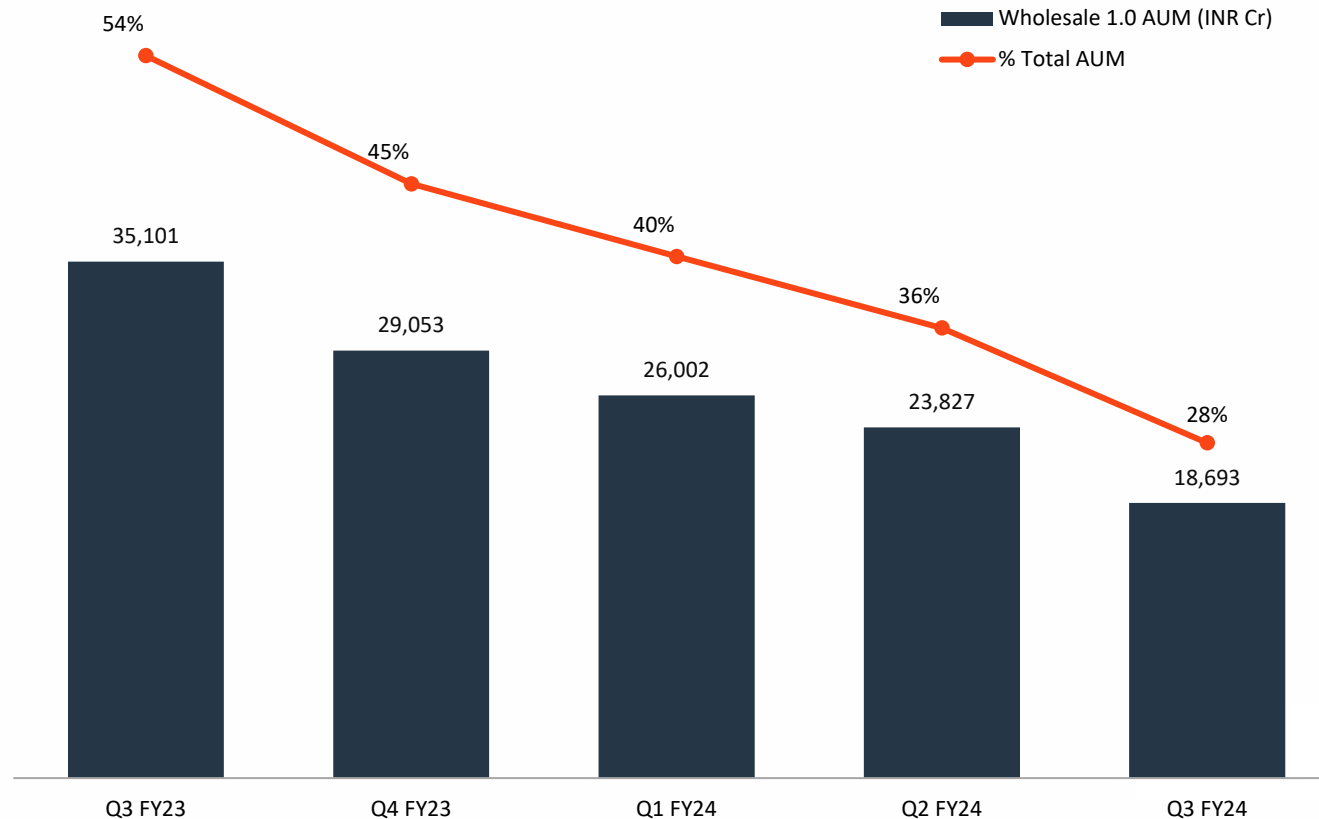
Average loan tenor³
3.1 years

Notes: (1) Based on sanctioned value
(2) Average Yield % includes fee income
(3) Based on sanctioned value & represents average door to door tenor



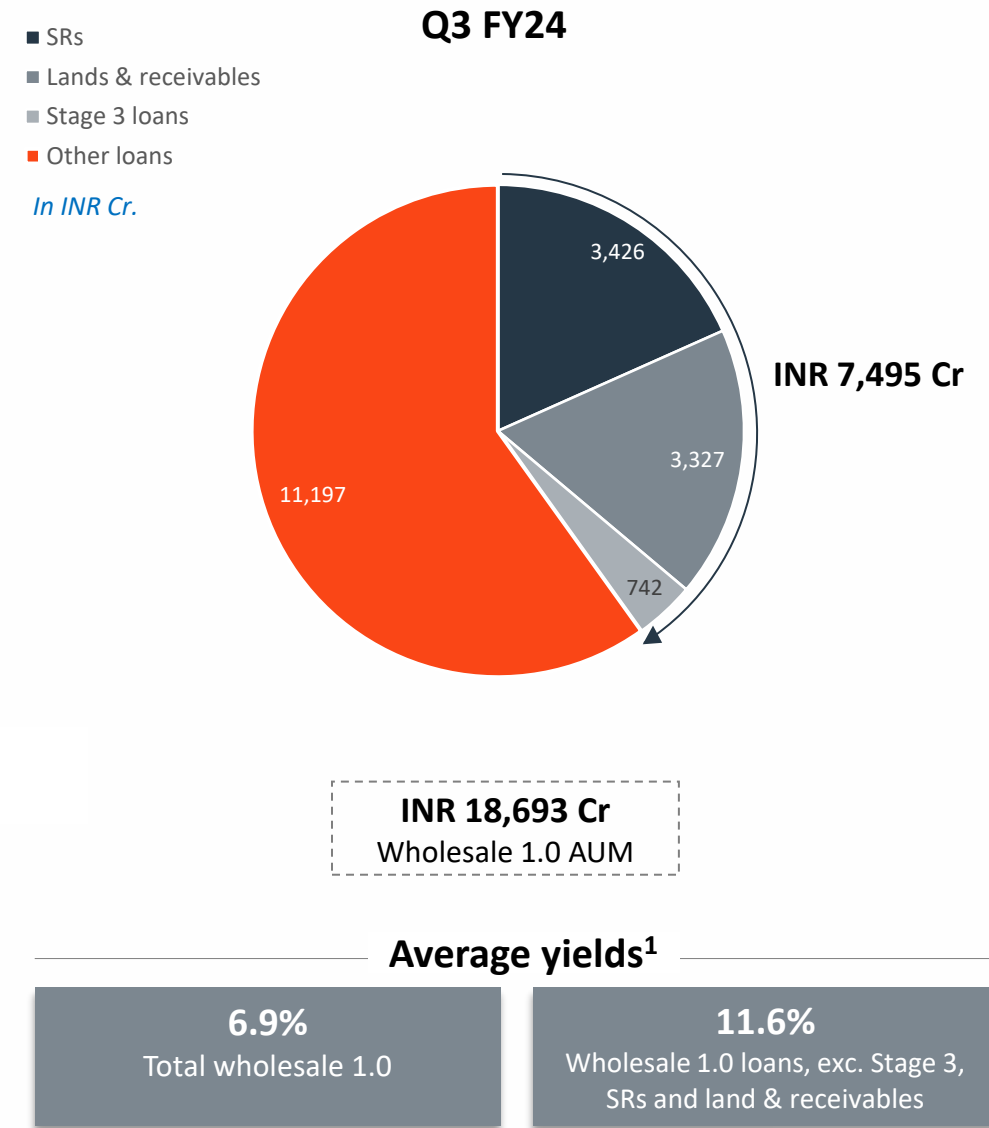
3. Legacy business

Continue to rapidly reduce Wholesale 1.0 AUM



- **Wholesale 1.0 AUM** down 22% QoQ & 47% YoY to INR 18,693 Cr
- Generated gross **liquidity** of ~INR 7,100 Cr over last 3 quarters
- Continue to **rundown** our legacy book in coming quarters also

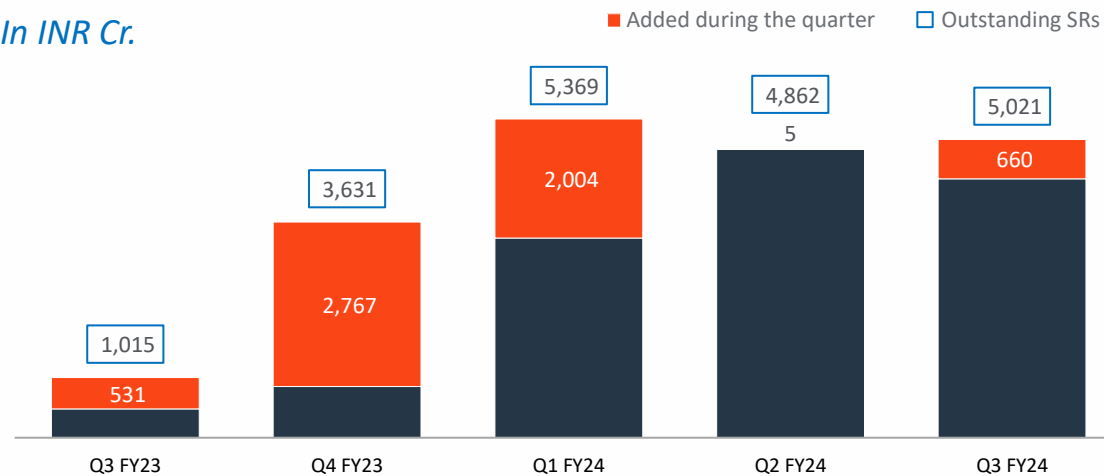
Notes: (1) Average yield % includes fee income



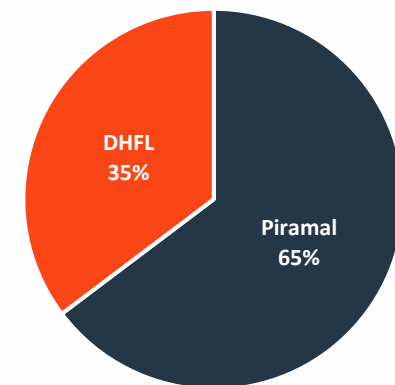
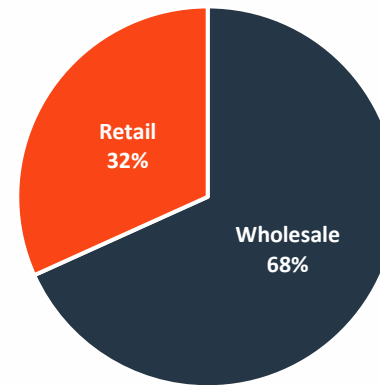
Overall security receipts portfolio – peaked in Q1 FY24

Outstanding SRs

In INR Cr.



Composition of SRs portfolio



- SRs down 6% since Q1 FY24, led by **cash realisation of INR 909 Cr.** With gross addition of INR 660 Cr in Q3 FY24, SR book stood at 5,021 Cr
- Concluded **2 ARC transactions** in Q3 FY24 with total deal value of INR 775 Cr under 15:85 structure. SR's issued worth INR 660 Cr
- **SRs** were issued at 51% mark down to face value of underlying assets sold in Q3 FY24

As resolution processes continue, we expect our SR portfolio to reduce in near term

1,235.01
0.00
25,187.70
7,645.05
210.95
149.16
3.26
1.41%
12,411.80
27,752.93
207.70
210.95
207.70
12,35

Profit and loss statement

In INR Cr.

Consolidated income statement	Q3 FY24	Q2 FY24	QoQ %	Q3 FY23	YoY %	9M FY24	9M FY23	YoY %
Interest income	1,953	1,800	8%	2,006	(3%)	5,478	5,878	(7%)
Less: Interest expense	1,118	1,050	6%	973	15%	3,212	3,038	6%
Net interest income (A)	835	750	11%	1,033	(19%)	2,266	2,840	(20%)
Fee & commission	155	125	23%	84	83%	370	196	89%
Dividend	9	13	(31%)	-	-	99	-	-
Others	88 ¹	26	241%	776	(89%)	157	870	(82%)
Other income (B)	251	164	53%	861	(71%)	626	1,066	(41%)
Total income (A+B)	1,086	914	19%	1,893	(43%)	2,892	3,906	(26%)
Less: Operating expenses (Opex)	697	664	5%	559	25%	1,989	1,541	29%
Pre-provision operating profit (PPOP)	389	250	55%	1,335	(71%)	903	2,365	(62%)
Less: Loan loss provisions & FV loss / (gain)	257	198	30%	1,535	(83%)	634	4,882	(87%)
Less: Shriram FV loss / (gain)	-	-	-	(260)	-	(855)	(260)	-
Profit before tax goodwill write-off	132	53	151%	59	122%	1,123	(2,258)	-
Less: Goodwill write-off	-	-	-	-	-	278	-	-
Profit before tax	132	53	151%	59	122%	845	(2,258)	-
Less: Current & deferred tax	39	25	-	(105)	-	237	(653)	-
Less: Tax adjustment of earlier years	(124) ²	(14)	-	(3,327)	-	(139)	(3,327)	-
Profit after tax (PAT)	217	42	419%	3,491	(94%)	747	1,723	(57%)
Add: Associate income	73	71	3%	54	35%	165	376	(56%)
PAT before exceptional gain / (loss)	290	113	158%	3,545	(92%)	912	2,098	(57%)
Add: Exceptional gain / (loss)	(2,668) ³	(64)	-	-	-	(2,732)	8,066	-
Reported net profit / loss after tax	(2,378)	48	-	3,545	-	(1,821)	10,164	-

Notes: (1) Includes INR 64 Cr pertaining to interest income from Income Tax refunds in Q3FY24

(2) Includes INR 124 Cr pertaining to litigative tax refund of eDHFL of FY 2019-20, which was released to us in December 2023 post receipt of favourable order from Income Tax Appellate Tribunal

(3) Provisions of INR 2,668 Cr (post tax) taken pursuant to the RBI circular on investments in AIFs dated 19th Dec 2023

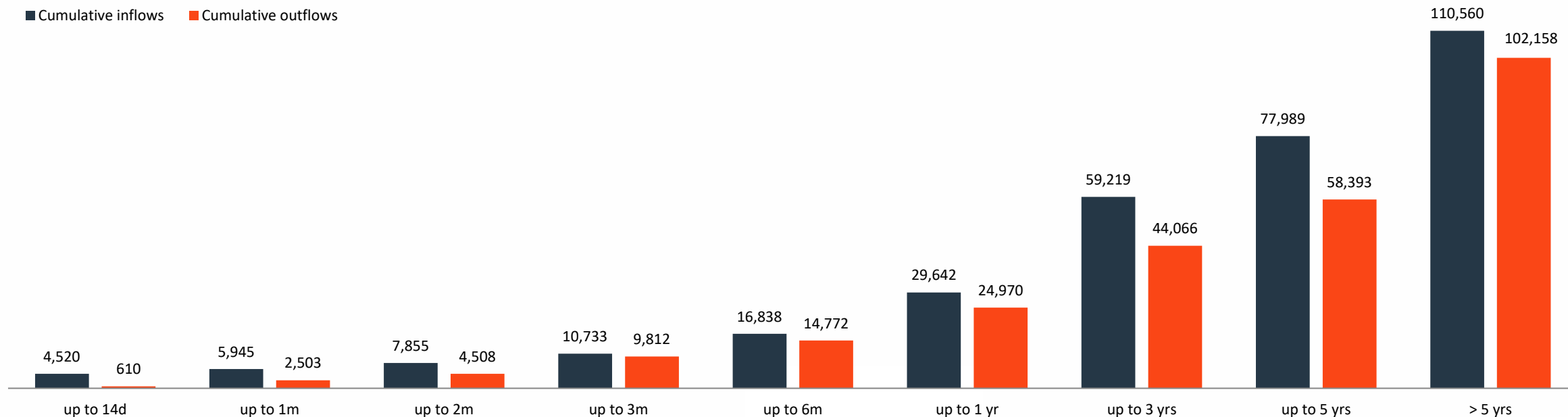
Balance sheet and key ratios

Consolidated balance sheet (INR Cr.)		
Particulars	Q3 FY24	Q2 FY24
<u>Assets</u>		
Cash & liquid investments	6,588	6,588
Gross asset under management	66,407	66,321
ECL provision	2,859	2,666
Net assets under management	63,548	63,654
Investments in Shriram group	2,278	2,278
Investments in alternatives and others	2,658	2,398
Fixed assets	2,726	1,703
Net assets / (liability)	2,293	1,346
Total assets	80,091	77,966
<u>Liabilities</u>		
Net worth	26,376	28,710
Gross debt	53,715	49,256
Total liabilities	80,091	77,966
Key ratios		
Gross debt to equity (x)	2.0	1.7
Net debt to equity (x)	1.8	1.5

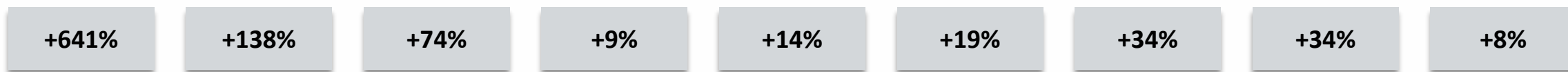
Asset-liability profile

In INR Cr.

As on Dec 31, 2023¹



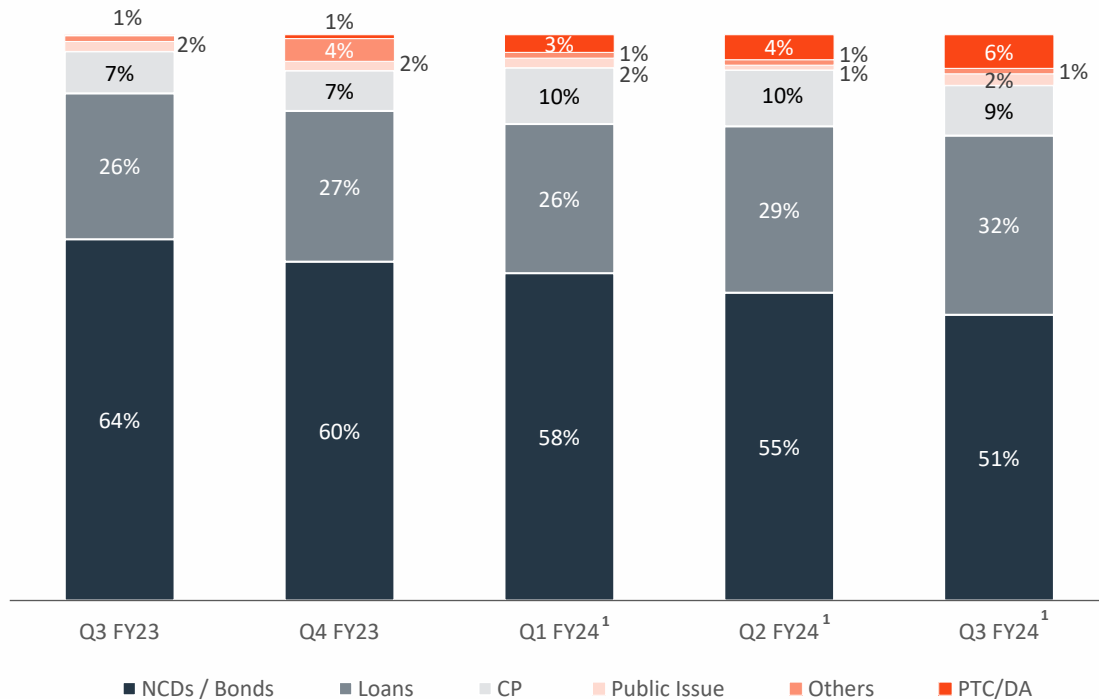
Cumulative GAP² (%)



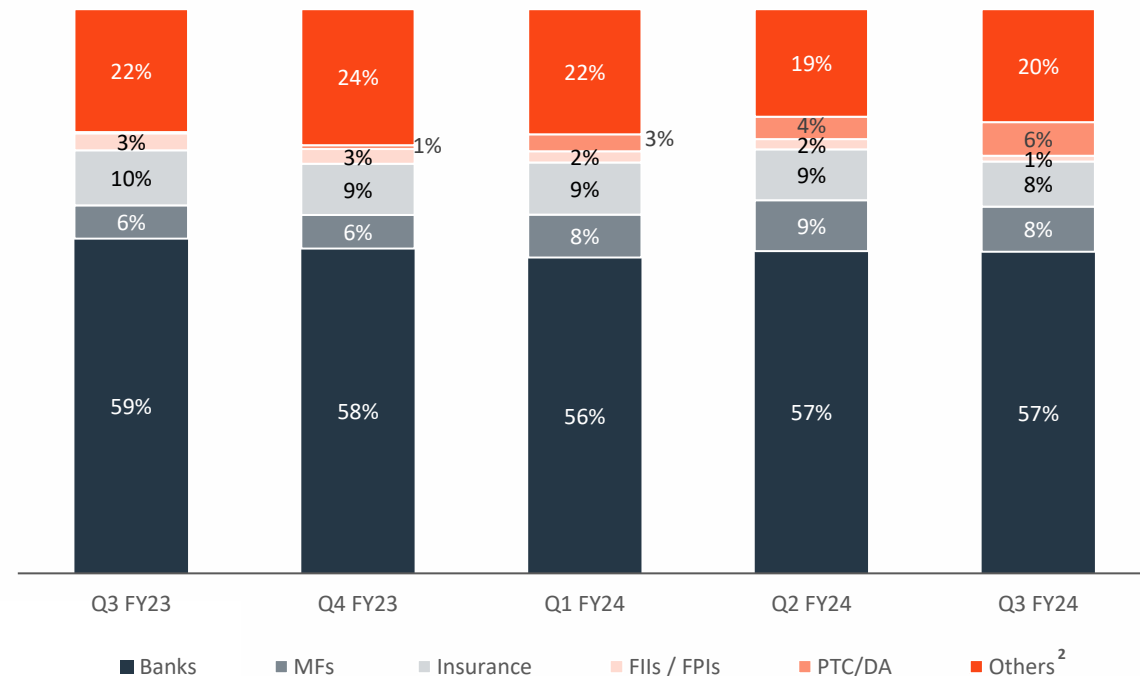
Notes: (1) Based on contractual ALM for wholesale and behavioral ALM for the retail portfolio
(2) Cumulative GAP (%) = net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows

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+

Notes: (1) Includes direct assignment (DA) of INR 875 Cr as of Q3 FY24, INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24

(2) Includes employee benefit funds, NHB, other financial institutions and individuals/HUFs/corporates etc. which contribute 3%, 3%, 2% and 12% respectively to overall borrowings



5. Appendix

Total assets: asset classification

Total assets (INR Cr.)	Q3 FY24	Q2 FY24	Q3 FY23
Stage 1	58,906	59,419	49,725
Stage 2	4,946	4,146	7,741
Stage 3	1,424	1,529	4,264
Sub-Total	65,276	65,094	61,731
POCI	1,132	1,227	3,137
Total AUM¹	66,408	66,321	64,867
Total provisions (INR Cr.)	Q3 FY24	Q2 FY24	Q3 FY23
Stage 1	1,052	1,111	1,659
Stage 2	1,027	843	1,960
Stage 3	779	712	2,867
Total	2,859	2,666	6,485
Asset quality ratios (%)	Q3 FY24	Q2 FY24	Q3 FY23
Provision coverage ratio - stage 1	1.8%	1.9%	3.3%
Provision coverage ratio - stage 2	21%	20%	25%
Provision coverage ratio - stage 3	55%	47%	67%
Total provisions as a % of total AUM	4.3%	4.0%	10.0%
GNPA ratio (%)	2.4%	2.7%	4.0%
NNPA ratio (%)	1.1%	1.5%	1.7%

Note: (1) Excludes direct assignment (DA) of INR 875 Cr as of Q3 FY24 & INR 612 Cr as of Q2 FY24

Wholesale assets: asset classification

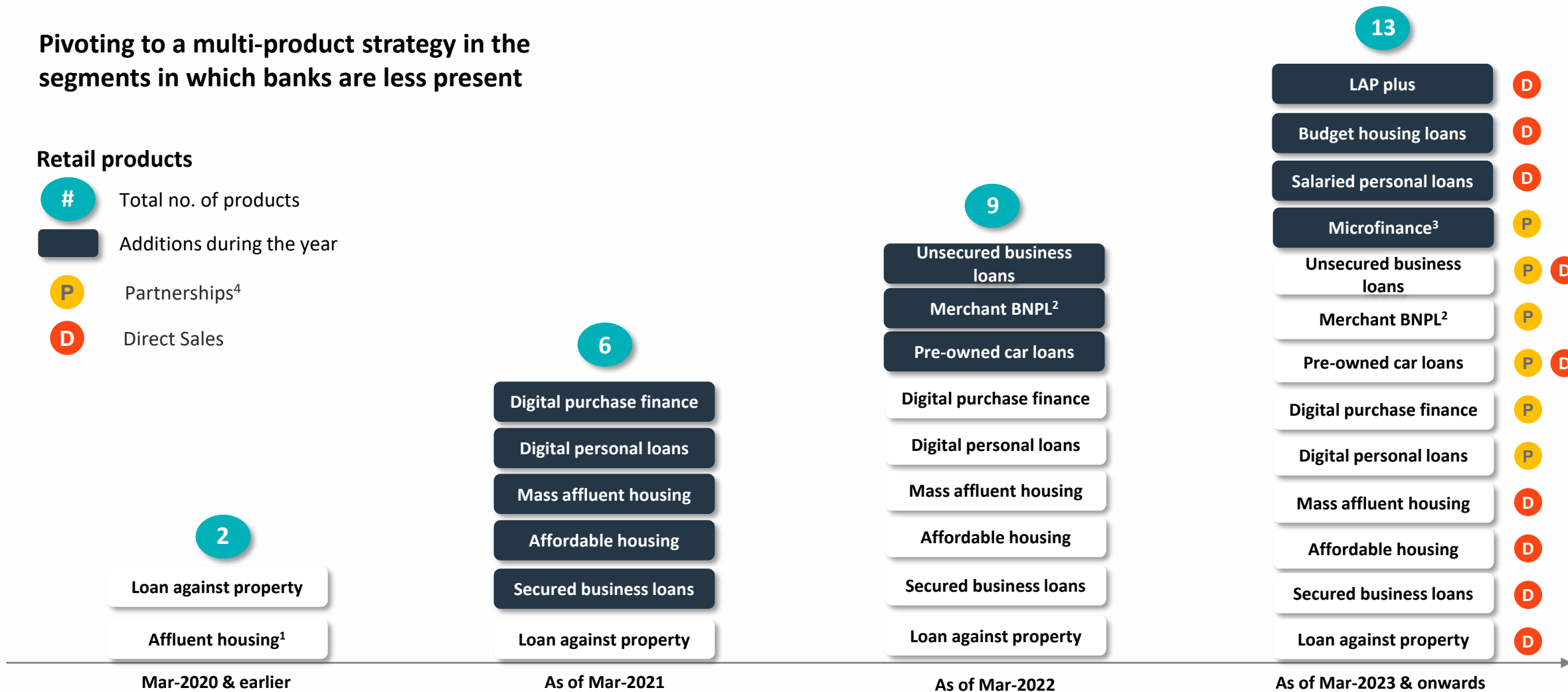
Total assets (INR Cr.)	Q3 FY24	Q2 FY24	Q3 FY23
Stage 1	19,533	24,202	26,603
Stage 2	3,979	3,258	6,598
Stage 3	742	868	3,770
Total AUM	24,254	28,328	36,971
Total provisions (INR Cr.)	Q3 FY24	Q2 FY24	Q3 FY23
Stage 1	571	695	1,346
Stage 2	995	814	1,915
Stage 3	531	488	2,722
Total	2,097	1,997	5,983
Asset quality ratios (%)	Q3 FY24	Q2 FY24	Q3 FY23
Provision coverage ratio - stage 1	2.9%	2.9%	5.1%
Provision coverage ratio - stage 2	25%	25%	29%
Provision coverage ratio - stage 3	72%	56%	72%
Total provisions as a % of total AUM	8.6%	7.1%	16%

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 Partnerships⁴
- 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 Q2 FY23
(4) Launched in partnership with leading fintech and consumer tech firms

Multi-product retail lending platform across the risk-reward spectrum – Q3 FY24

Product Segments	Products	Average disbursement ticket size (INR lakh)	Disbursement yield (%)	Share in disbursements (%)	AUM yield ¹ (%)	Share in AUM (%)
 Housing	Affordable housing	19	11.2%	30.1%	11.4%	49.1%
	Mass affluent housing					
	Budget housing					
 Secured MSME (LAP)	Secured business loan	23	12.6%	20.9%	12.7%	22.5
	Loan against property (LAP)					
	LAP plus					
 Other secured	Pre-owned car loans	6	15.1%	7.9%	15.0%	4.1%
 Unsecured	Salaried personal loans	2.9	18.3%	11.6%	17.7%	5.7%
	Microfinance loans	0.4	18.7%	3.7%	18.8%	2.7%
	Unsecured business loans	7.8	20.1%	7.7%	20.0%	6.6%
	Merchant BNPL					
	Digital purchase finance	0.5	16.7%	18.2%	17.4%	9.2%
	Digital personal loans					
Total / weighted average		12.3	14.2%	100%	13.2%	100%

Note: (1) Weightage average yield excludes POCI and pertains to all customers outstanding as of 31st December 2023

Driving Change: Pioneering ESG for Strategic Impact



"As we embarked on our sustainability journey, we have conducted a materiality survey and identified four key pillars that will enhance our performance and guide our strategic focus."

Key ESG Performance Metrics



Piramal Foundation: We focus on improving the lives of vulnerable communities by strengthening Government systems and leveraging the power of youth, with the spirit of service or “sewa bhaav”

Impact vulnerable communities

Aspirational districts
16% of population

Tribal Communities
9% of population

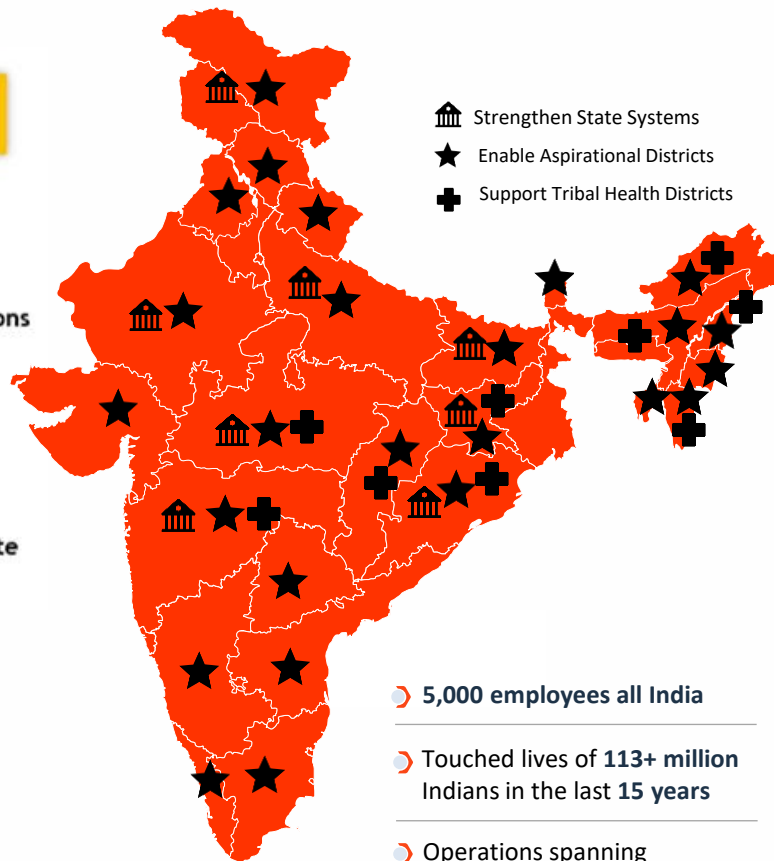
Children with Special Needs
~1% of population

Strengthen systems to deliver better impact

Strengthen Institutions
Legal, Organisation Development, Communications

Build Leadership
Government functionaries

Digital Transformation
Develop Technology, integrate systems



5,000 employees all India

Touched lives of 113+ million Indians in the last 15 years

Operations spanning 27 states + 2 UT

Impact till date, across Health, Education and Water

87 Mn	2 Mn	1.4 Mn
Students	Children under 6	To-be and new mothers
1200	2.9 Bn liters	3 Mn
Nation Builders, Gandhi Fellows	Drinking water dispensed	Citizens during Covid

Operations across India to support Governments

5	8	170+
Central Ministries	States supported	Districts supported

Create future leaders

Youth
Nation Building
Gandhi Fellowship

Rural Women
Strengthen communities
Karuna Fellowship

Domain expertise in public health, education, water and gender

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.

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 rules thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, 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.

Dial-in details for Q3 FY24 earnings conference call

Event details	Location & time	Telephone numbers
Conference call on 29th January 2024	India – 5:00 PM (India standard time)	Universal dial-in +91 22 6280 1264 / +91 22 7115 8165
	USA – 6:30 AM (Eastern time – New York)	Toll free number 1 866 746 2133
	UK – 11:30 AM (London time)	Toll free number 0 808 101 1573
	Singapore – 7:30 PM (Singapore time)	Toll free number 800 101 2045
	Hong Kong – 7:30 PM (Hong Kong time)	Toll free number 800 964 448
	<u>Online Registration:</u> We recommend to kindly pre-register using this link  	<i>To enable the participants to connect to the conference call without having to wait for an operator, please register at the above-mentioned link. You will receive dial in numbers, passcode, and a pin for the concall on the registered email address provided by you. Kindly dial into the call on the Conference Call date and use the passcode & pin to connect to call.</i>

Please dial-in 10 minutes prior to the conference schedule to ensure that you are connected in time

Thank You

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