

**PRESS RELEASE**
**Piramal Enterprises Limited announces consolidated results for Q1 FY2025**

**Mumbai, India | August 13<sup>th</sup>, 2024:** Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the First Quarter (Q1) FY2025 ended 30<sup>th</sup> June 2024.

**Consolidated Highlights for Q1 FY25**

- Total Assets Under Management (AUM) grew 10% YoY to INR 70,576 Cr, led by our Growth<sup>1</sup> business.
  - Growth AUM grew 51% YoY to INR 57,601 Cr.
- Growth to Legacy<sup>2</sup> AUM mix has improved to 82:18 from 34:66 in FY22.
  - Legacy (discontinued) AUM down 50% YoY to INR 12,975 Cr, down 70% since FY22.
  - Retail to Wholesale AUM mix improved to 72:28 from 33:67 in FY22.
- Opex-to-AUM of Growth business down 104bps YoY to 4.6% now.
- Consolidated GNPA at 2.7% with NNPA ratio at 1.1%.
- Reported a consolidated Profit After Tax (PAT) of INR 181 Cr.
- Net worth of INR 26,863 Cr with capital adequacy ratio at 24.4% on consolidated balance sheet.

**Ajay Piramal, Chairman, Piramal Enterprises Ltd.,** said, *"The Q1 FY25 results show two important trends that highlight our progress and strategy. First, our Growth business continues to build on the momentum established over the past two to three years, now representing the majority of our Assets Under Management (AUM) and net profit. Second, we continue to reduce our legacy discontinued AUM. Notably, in Q1 FY25, the decline of INR 1,597 crore in legacy AUM had no impact on our profit and loss statement from credit costs.*

*The expansion of our Growth business reflects our strategy to balance growth, risk and profitability as we develop these businesses. Our asset quality remains stable across retail and wholesale products. Further, our Opex-to-AUM - a key driver of profitability - is consistently decreasing.*

*We are also making progress in diversifying our borrowings. We successfully raised our first-ever \$300 million dollar bond in July 2024, which received a 4X level of demand. We are pleased to see that the foundations for long term sustainable growth and earnings are firmly in place, and we anticipate that the upcoming quarters will demonstrate a consistent journey along this path."*

**Key Business Highlights**
**Growth Business – Retail Lending**

- **AUM**
  - Retail AUM grew 43% YoY to INR 50,530 Cr.
  - Mortgage<sup>3</sup> AUM grew 37% YoY to INR 34,101 Cr, contributing 67% to Retail AUM.
- **Disbursements**
  - Quarterly disbursements grew 19% YoY to INR 6,816 Cr.
  - Mortgage disbursements grew 22% YoY to INR 3,354 Cr.
  - Disbursement yields up 40 bps QoQ to 14.2%.
- **Asset Quality**
  - 90+ DPD<sup>4</sup> delinquency stood at 0.6% for overall Retail AUM.

- **Scale and Presence**

- 501 branches and 210 microfinance active branches, serving 608 districts across 26 states.
- Customer franchise now stands at 4.0 Mn; 0.19 Mn new customers acquired during the quarter.

### Growth Business – Wholesale 2.0<sup>^</sup> Lending

- **AUM**

- Wholesale 2.0 AUM grew 11% QoQ to INR 7,071 Cr.

- **Disbursements**

- Disbursements up 9% QoQ to INR 1,572 Cr.
- Pre-payments received worth INR 846 Cr in Q1 FY25.
- Effective Interest Rate (EIR) stood at 13.9% with average ticket size of INR 74 Cr.

- **Asset Quality**

- Portfolio is performing well, in line with or ahead of underwriting, as reflected in prepayments.

### Legacy (Discontinued) Business

- **AUM**

- Legacy AUM down 11% QoQ and 50% YoY to INR 12,975 Cr.
- Focused to continue rundown of the legacy book over coming quarters also.

- **Recovery and Realisation**

- SRs reduced to INR 4,577 Cr, down 15% since Q1 FY24, led by cash realisation of INR 1,701 Cr.

- **Asset Quality**

- Stage 2+3 assets down 10% YoY to INR 3,775 Cr with a PCR of 38%.
- As resolutions progress, we expect reduction in our SR portfolio to continue.

### Liability Management

- Signed our maiden USD syndicated Social Loan of US\$100 million in May 2024.
- Raised USD Sustainability Bond of US\$300 million in July 2024, which received a 4X level of demand in the international markets.
- We continue to focus on diversifying our borrowing mix including securitization and international borrowings.
- The fixed : floating rate debt mix improved to 52:48.
- Our borrowing cost remained stable at 8.9%.
- Our ALM is well-matched with positive gaps across all buckets.

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

Consolidated income statement	Q1 FY25	Q1 FY24	YoY %
Interest income	2,011	1,725	17%
Less: Interest expense	1,205	1,044	15%
<b>Net interest income (A)</b>	<b>807</b>	<b>681</b>	<b>18%</b>
Fee & commission	109	90	21%
Dividend	-	76	
Others <sup>5</sup>	58	44	33%
<b>Other income (B)</b>	<b>167</b>	<b>210</b>	<b>(21%)</b>
<b>Total income (A+B)</b>	<b>973</b>	<b>891</b>	<b>9%</b>
Less: Operating expenses (Opex)	703	628	12%
<b>Pre-provision operating profit (PPOP)</b>	<b>270</b>	<b>263</b>	<b>3%</b>
Less: Loan loss provisions & FV loss / (gain)	133	179	(26%)
Less: Shriram FV loss / (gain) <sup>5</sup>	-	(855)	
Less: Goodwill write-off	-	278	
<b>Profit before tax</b>	<b>137</b>	<b>661</b>	<b>(79%)</b>
Add: Exceptional gain / (loss) <sup>6</sup>	104	-	
Less: Current & deferred tax	66	173	(62%)
Add: Associate income	8	21	(64%)
<b>Reported net profit / loss after tax</b>	<b>181</b>	<b>509</b>	<b>(64%)</b>

Notes: (^) Wholesale 2.0 refers to loans sanctioned under new Real Estate and Corporate Mid Market Loans (CMML) from FY22 onwards.

(1) Growth business refers to Retail and Wholesale 2.0.

(2) Legacy (discontinued) refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0.

(3) Mortgage comprises Housing and LAP loans.

(4) 90+ DPD delinquency = 90 to 179 days DPD.

(5) Other income in Q4 FY24 related to Shriram Brand Sale income of INR 871 Cr moved to Shriram FV gain line item.

(6) Exceptional gain includes gross AIF recovery of INR 104 Cr in Q1 FY25.

## About Piramal Enterprises Ltd:

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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., a housing finance company registered with the Reserve Bank of India that is engaged in various financial services businesses.

In retail lending, PEL 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 1.3 million active customers and a presence in 26 states with a network of 501 branches as on 30<sup>th</sup> June 2024. 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 – 'Performing Credit Fund', a 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 sectors. The Company also has a 50% stake in Pramerica Life Insurance – a joint venture with Prudential International Insurance Holdings.

For more information visit: [piramalenterprises.com](https://piramalenterprises.com), [LinkedIn](#), [Facebook](#), [Twitter](#)

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