



# Piramal Enterprises Investor Presentation

September 2024



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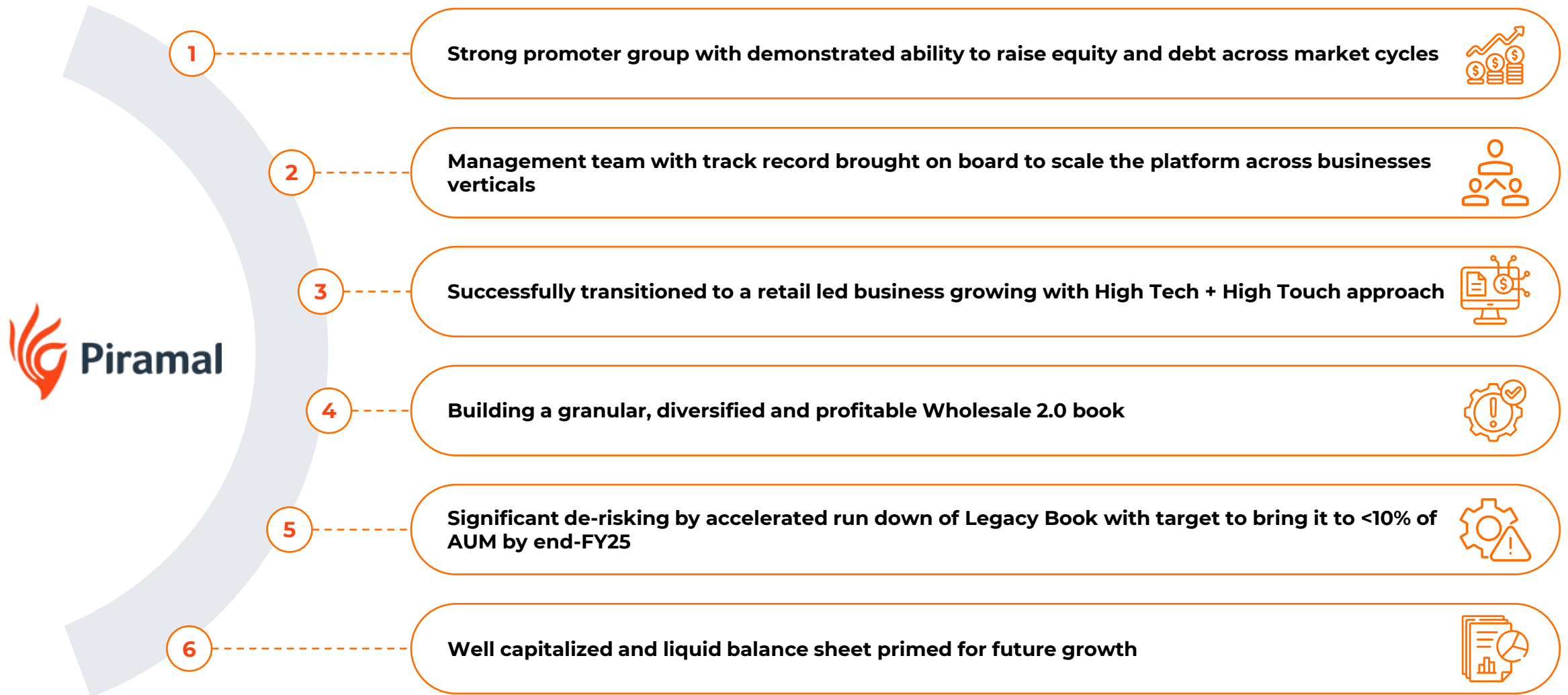


# Overview

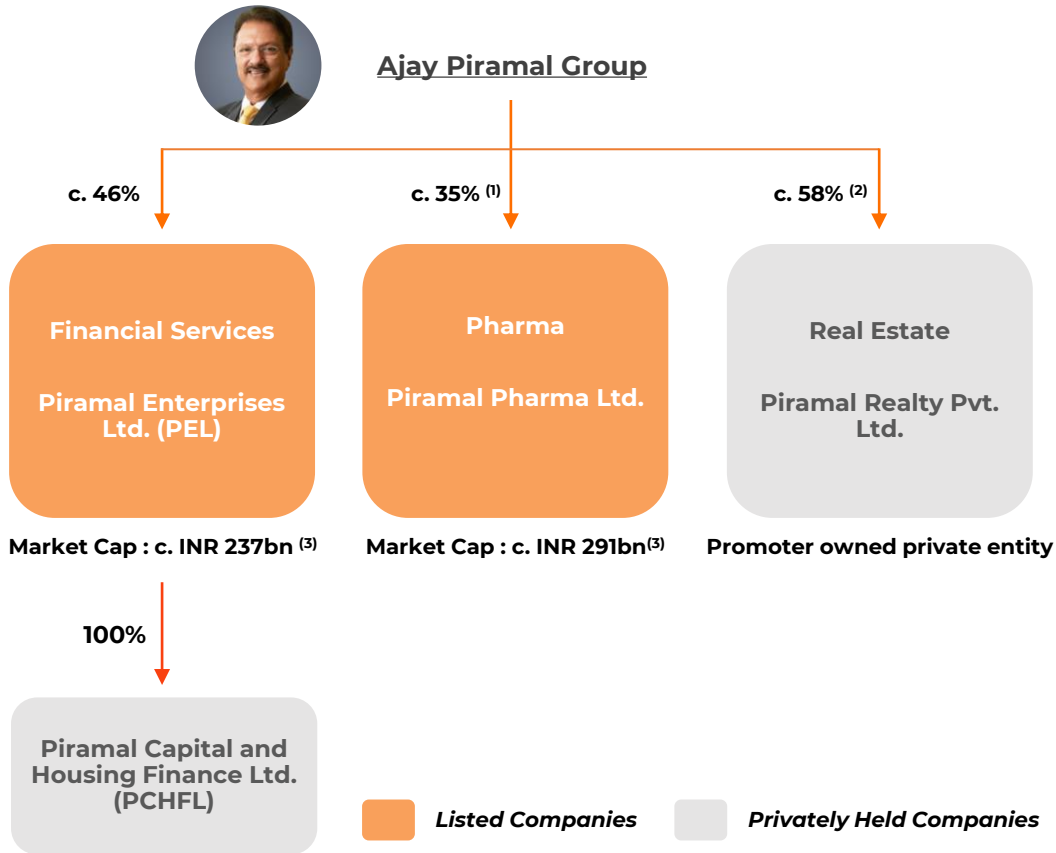


# Summary – The Piramal Finance Story

*A growing diversified lending business being built by a credible management team and backed by a solid promoter group*



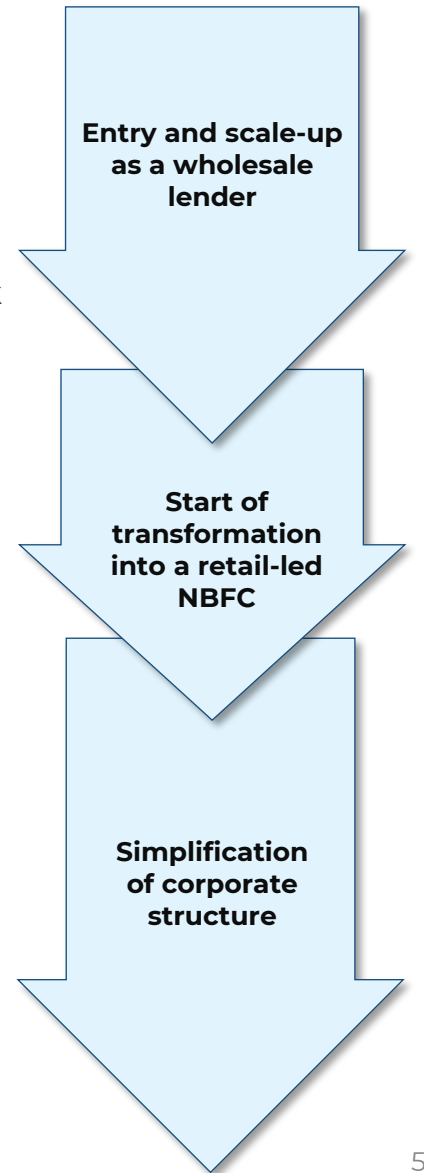
# Group structure and 14 years history timeline in financial Services



*Established 40+ year legacy in India; All businesses operating independently with no cross holdings or intercompany transactions*

Notes: (1) Carlyle holds 18% stake  
 (2) Balance held by Goldman Sachs and Warburg Pincus  
 (3) Market Cap as of 20th Sep 2024

FY11-12	<p><b>FS entry</b></p> <p>Piramal Group enters financial services through fund management and NBFC entities</p>
FY19	<p><b>Scaled up wholesale book</b></p> <p>Stood at an AUM of INR566bn, primarily real estate developer financing</p>
FY21	<p><b>DHFL merger</b></p> <p>DHFL merger leads a pivot to retail lending</p>
FY22	<p><b>Pharma demerger</b></p> <p>Demerger and simplification of corporate structure</p>
FY24	<p><b>Pureplay FS</b></p> <p>AUM of INR 706bn with 72 : 28, retail : wholesale mix              Announce merger of lending entities to create single brand – Piramal Finance</p>

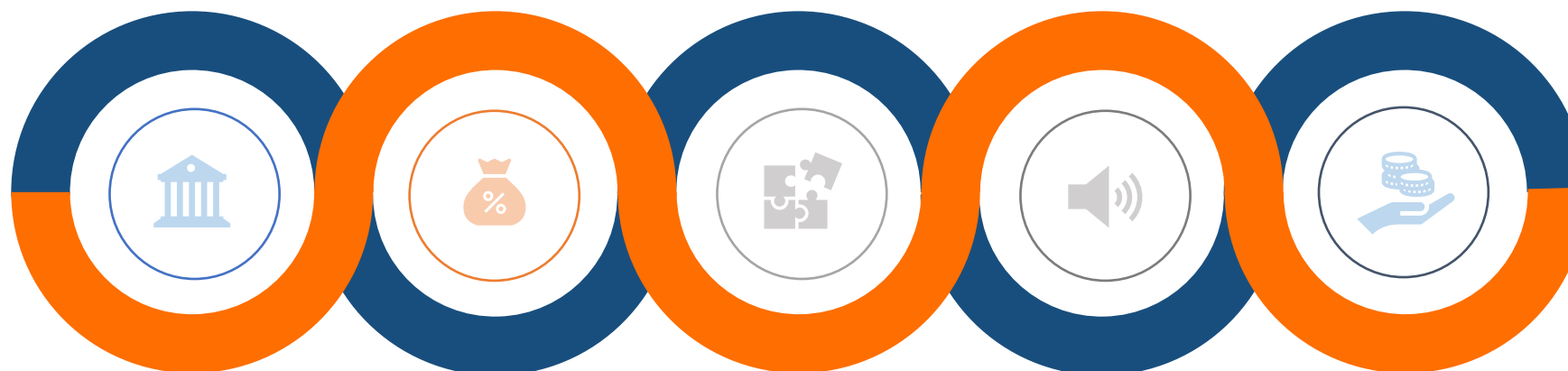


## Shriram investments

- **2014**  
Invested INR46bn in Shriram group of companies
- **2023 & 2024**  
Bulk of Shriram stake divested with residual stake of INR17bn book value

## Conversion into listed NBFC

- **2022**  
Piramal pharma demerged  
Piramal Enterprises converts from a corporate Holdco to an NBFC



## PEL as corporate

- **2010**  
Sold dom. formulation biz to Abbott for US\$3.8bn
- **2014**  
Exited Vodafone investment at c.INR30bn gain
- **2020**  
Exited DRG (Healthcare analytics business) at US\$300mn gain
- **2018 to 2020**  
Raised INR180bn through equity raises and asset sale

## DHFL acquisition

- **2021**  
DHFL acquisition through IBC for INR343bn consideration

## Return of capital

- **2023**  
Share buyback of INR 17.5bn
- **2022 to 2024**  
Total dividend payout of INR 17.5bn over three years

# Strong **management team** on-board



**Jairam Sridharan**

**CEO, Retail Lending**

Former CFO at Axis bank  
IIT Delhi, IIM Calcutta



**Rupen Jhaveri**

**Group President**

Former MD at KKR India  
NYU Stern School of Business



**Yesh Nadkarni**

**CEO, Wholesale Lending**

Former MD & CEO at KKR – RE Lending business  
London Business School



**Upma Goel**

**CFO**

Former CFO and KMP at Ujjivan Small Finance  
Chartered Accountant



**Kalpesh Kikani**

**CEO, Piramal Alternatives**

Former MD at AION Capital ( JV of Apollo & ICICI)  
Bombay University and Member of CFA Institute



# Board with industry leaders having deep expertise in FS and Tech



**Vijay Shah**  
Non-Executive Director  
Former MD,  
Piramal Glass



**Shikha Sharma**  
Non-Executive Director  
Former MD & CEO,  
Axis bank



**Rajiv Mehrishi**  
Independent Director  
Former Finance Secy.,  
GoI<sup>1</sup>



**Gautam Doshi**  
Independent Director  
Former Chairman,  
WIRC of ICAI



**Anjali Bansal**  
Independent Director  
Founder,  
Avaana Capital



**Suhail Nathani**  
Independent Director  
Managing Partner,  
ELP<sup>2</sup>



**Puneet Dalmia**  
Independent Director  
MD,  
Dalmia Bharat Group



**Kunal Bahl**  
Independent Director  
CEO & Co-Founder,  
Snapdeal



**Anita George**  
Independent Director  
Former Sr. Director,  
WBG<sup>3</sup>



**Asheet Mehta**  
Independent Director  
Senior Partner,  
McKinsey & Company

## Guided by Expert Counsel



**Nitin Nohria**  
Senior Advisor  
Former Dean,  
Harvard Business School

Notes: (1) Government of India  
(2) Economic Law Practice  
(3) World Bank Group



# Business snapshot



## GROWTH BUSINESS



### Retail AUM

**INR 50,530**  
Crore<sup>(1)</sup>

Multi-product retail platform – Housing loans, LAP, Used car loans, Business loans, Salaried PL and Digital loans



### Wholesale 2.0<sup>^</sup> AUM

**INR 7,071**  
Crore

Real estate and corporate mid market loans (CMML)

## LEGACY (Discontinued) BUSINESS



### Legacy (discontinued) AUM

**INR 12,975**  
Crore

### OTHER ASSETS



### Investments in Shriram

**~INR 1,700**  
Crore<sup>(1)</sup>



### Life Insurance GWP

**INR 1,919**  
Crore<sup>(2)</sup>



### Alternatives Committed Funds

**~\$ 1.0**  
Billion

**Strong capitalization levels and low leverage provide firepower to sustained AUM growth.**

Total AUM: INR 70,576 Cr

Net Worth: INR 26,863 Cr

Capital Adequacy: 24.4%

Debt / Equity: 2.0x

GNPA 2.7% / NNPA 1.1%

Notes: (A) Wholesale 2.0 refers to loans sanctioned under new real estate (RE) and corporate mid market loans (CMML) from FY22 onwards

(1) Book value as on the balance sheet

(2) FY24 Gross Written Premium



# Lending

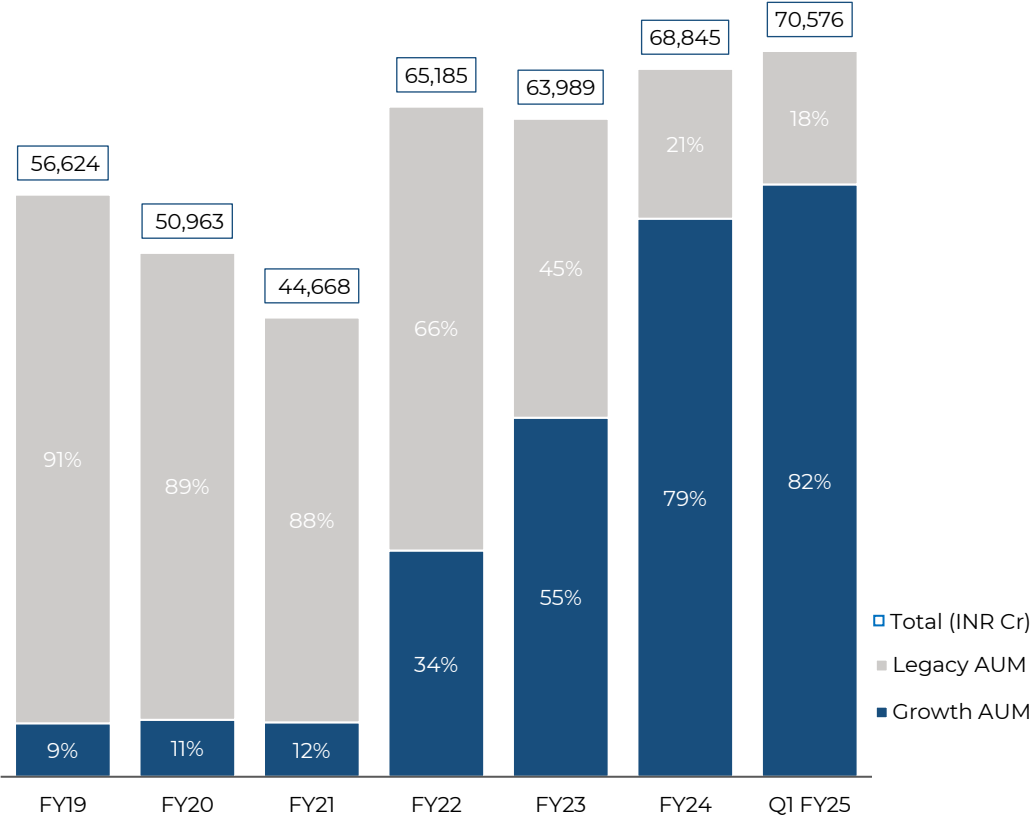
I. Growth business



# Growth business now 82% of total AUM

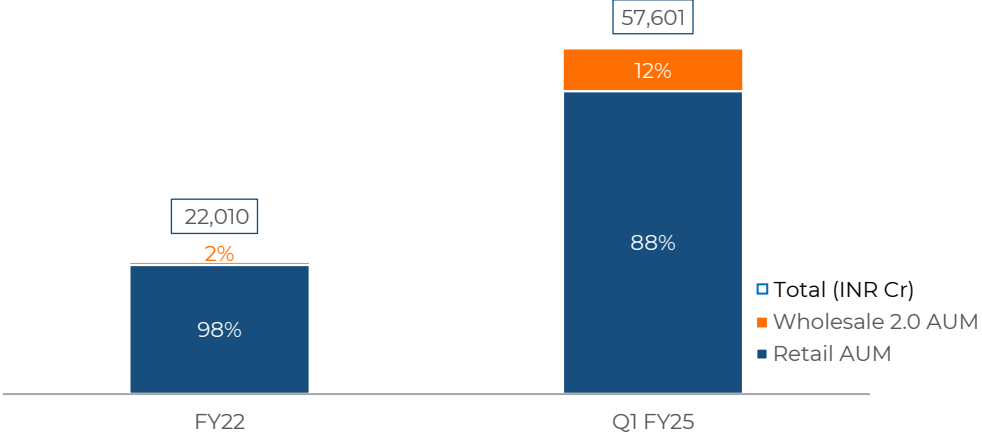


**Total AUM up 10% YoY- Growth AUM dominate the AUM mix**

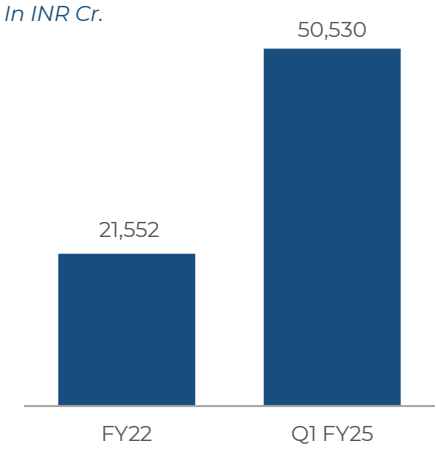


DHFL acquisition in FY22 kick-started the rapid scale up of the growth business

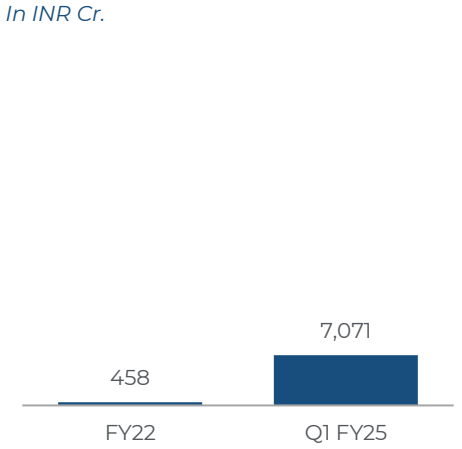
**Growth AUM**



**Retail – Rapid Scale Up**



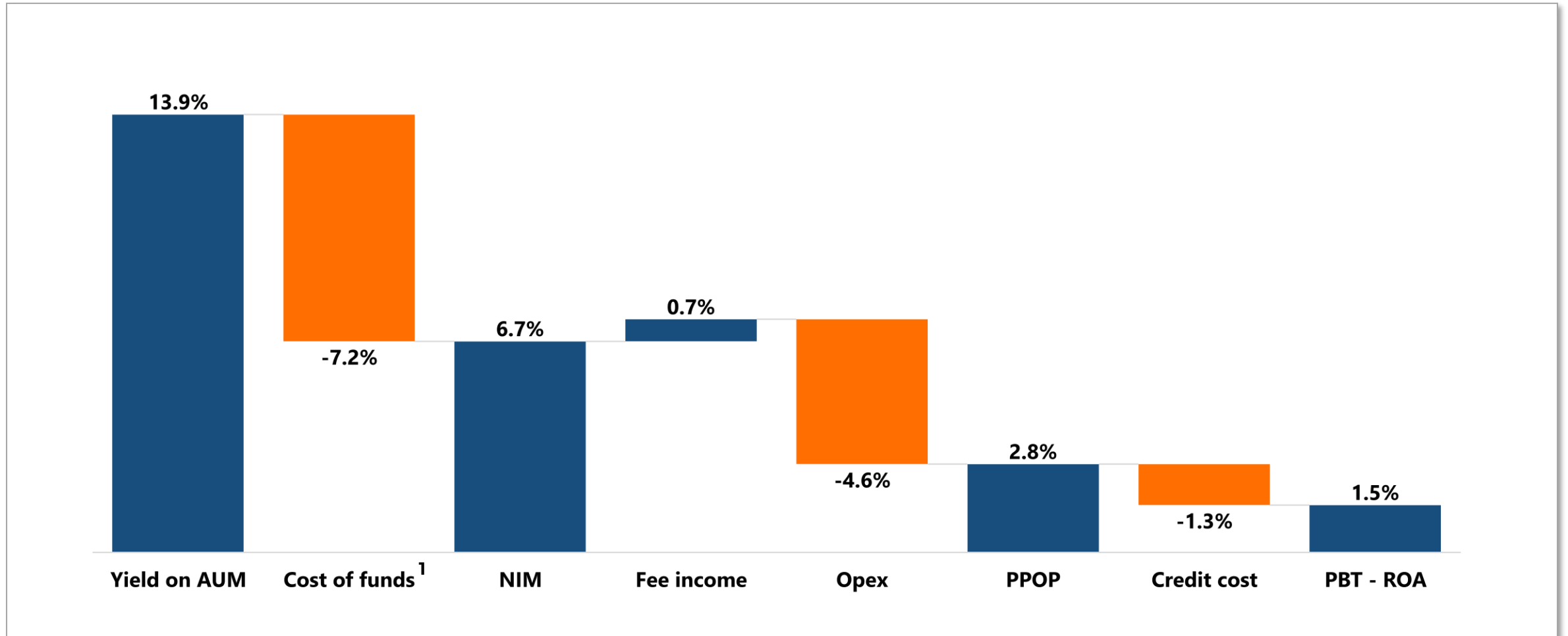
**Revamped Wholesale 2.0**



# Growth business Q1 FY25 ROA tree – on a path to steady state profitability



(All ratios as % of average AUM of growth business)



**A steady reduction in opex ratio will be the primary driver of consistent improvement in PBT-ROA over the medium term**

Note: (1) ) COF = Interest expense / Total average on book AUM



# Lending

I. Growth business

a) Retail





# Experienced and strong leadership team to drive retail business



**Jairam Sridharan**  
CEO, Retail



**Jagdeep Mallareddy**

**Chief Business Officer**  
25+ years



**Sunit Madan**

**Chief Operating Officer**  
25+ years



**Saurabh Mittal**

**Chief Technology Officer**  
20+ years



**Markandey Upadhyay**

**Chief Data & Analytics Officer**  
20+ years



**Vipul Agarwal**

**Business Head – Partnerships**  
20+ years

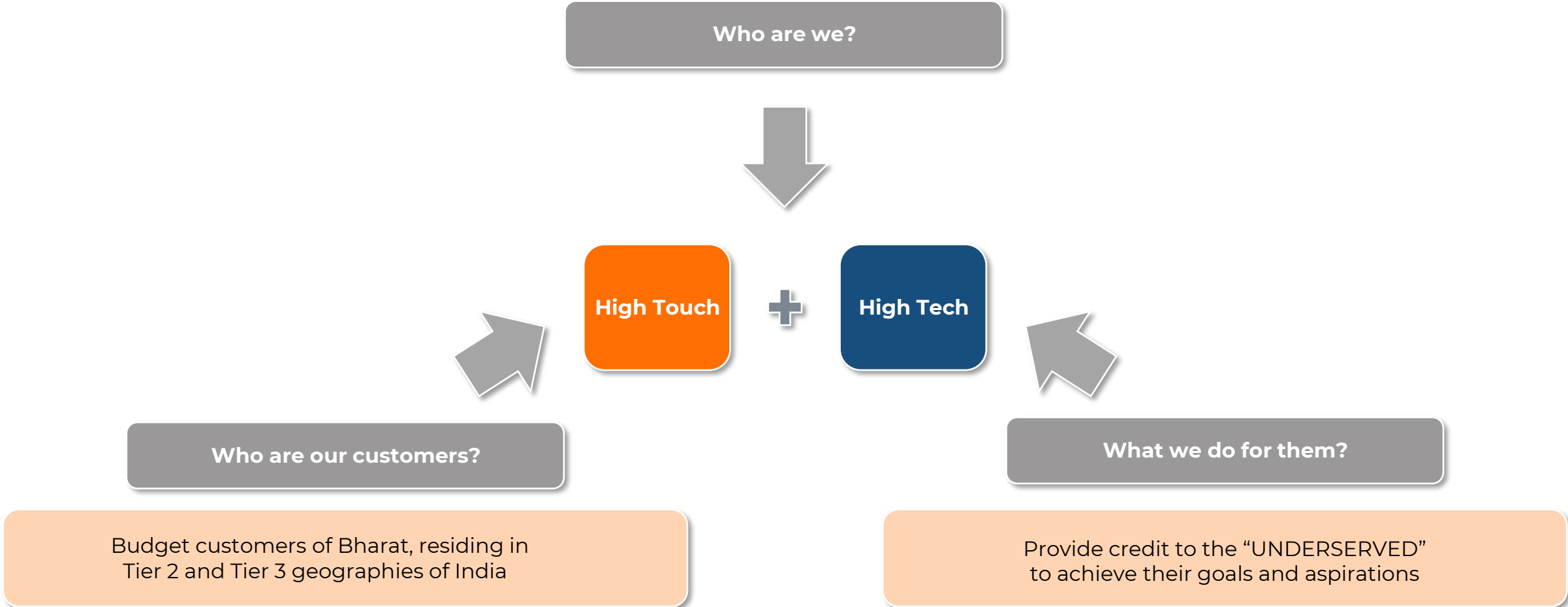


**Arvind Iyer**

**Head – Marketing**  
15+ years

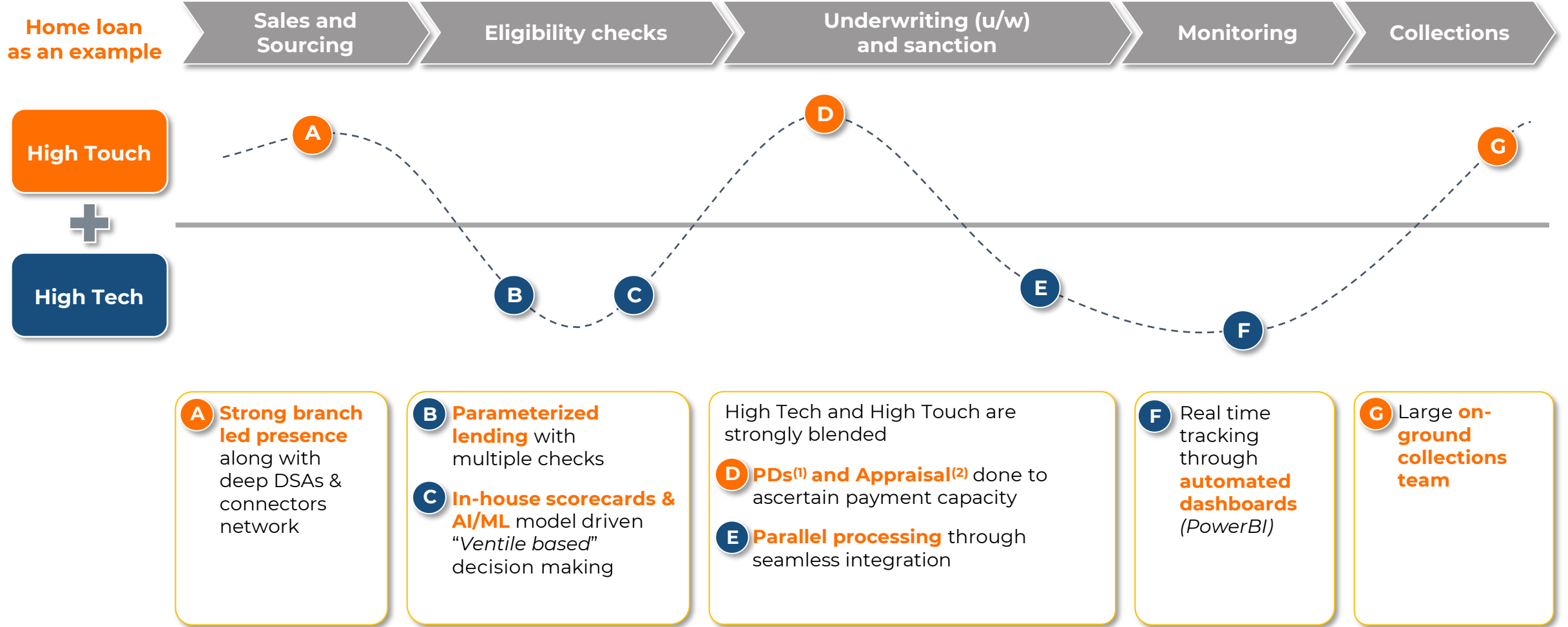


A lender that goes beyond just PAPERS and sees the INTENT of the person





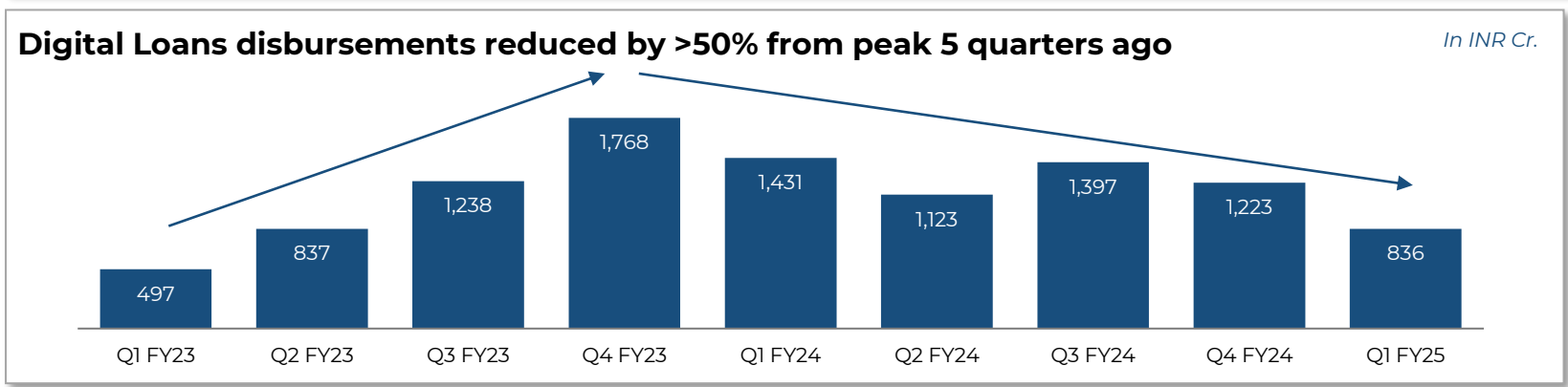
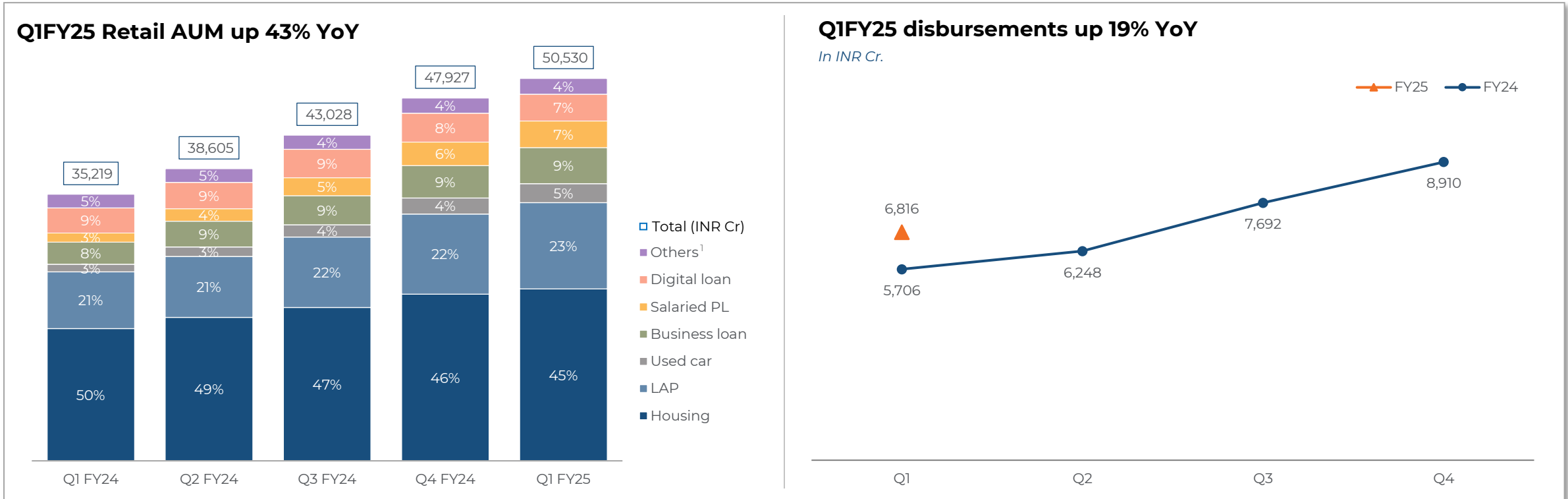
# How does “High Touch + High Tech” work



**Focused on building a sustainable lending franchise through use of technology and personal touch across customer journey**

Notes: (1) Personal discussions  
(2) Involves process of valuing and appraising the property on-site

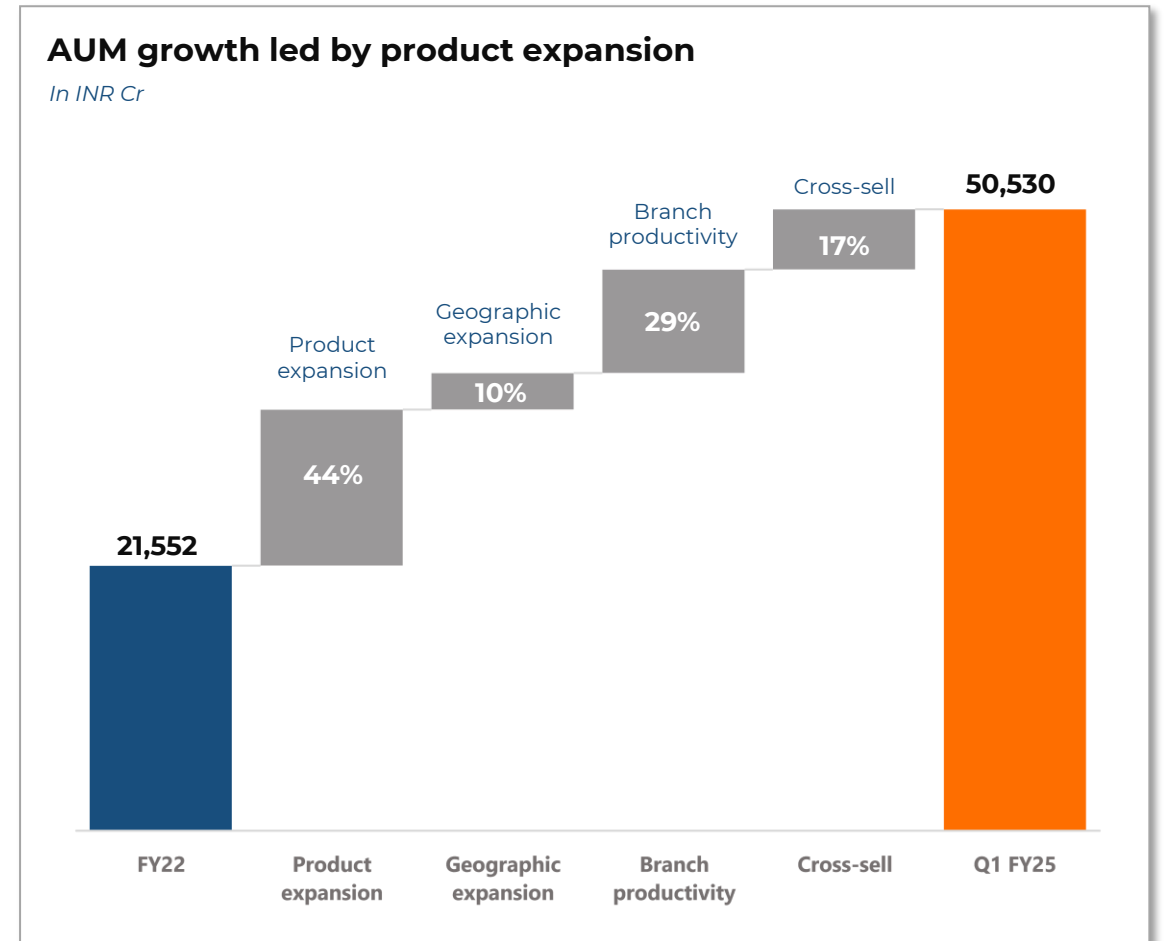
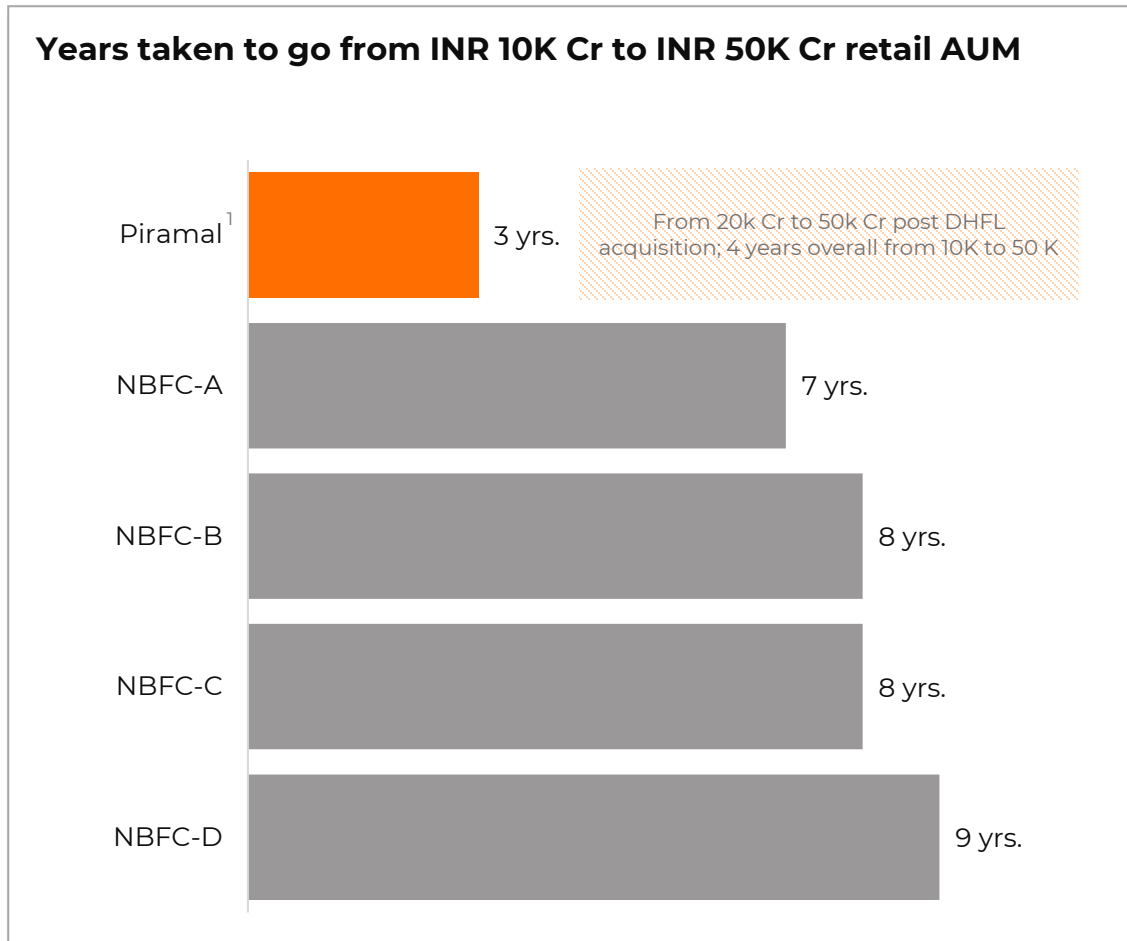
# Retail – growth across product verticals



- 75% of digital loan disbursement is **credit protected** primarily through FLDG
- Securitization** picking up, with total 17 DA and 1 co-lending live programs

Notes: (1) Others includes loan against mutual fund (LAMF) (INR 338 Cr as of Q1 FY25), SRs (INR 1,606 Cr as of Q1 FY25) & pass-through certificates (PTC) (INR 145 Cr as of Q1 FY25)

# Strong growth led by core business drivers



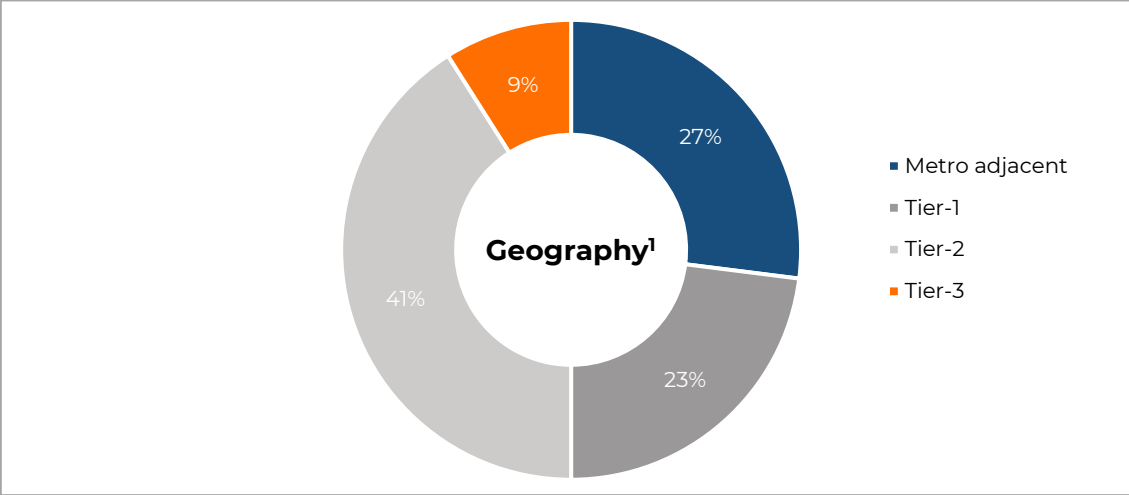
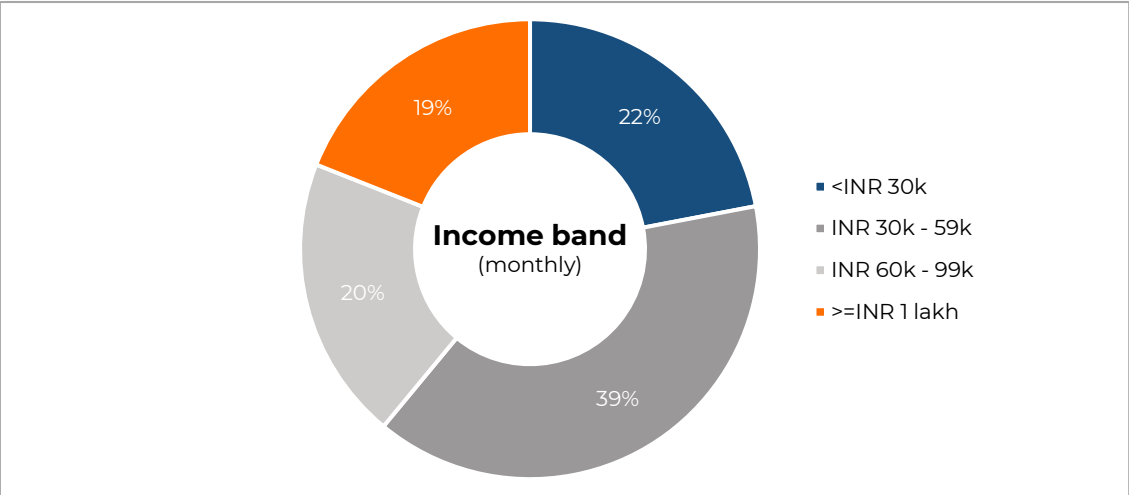
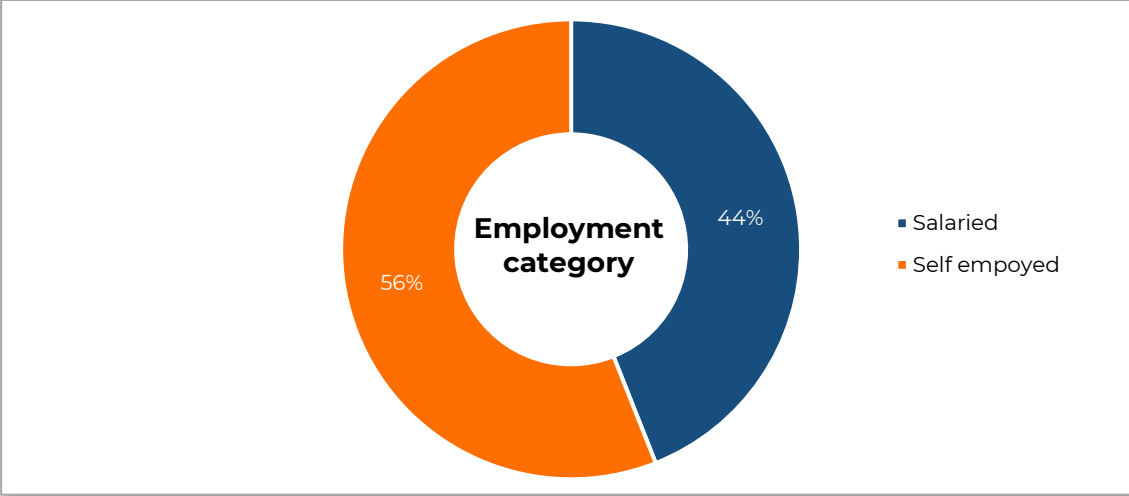
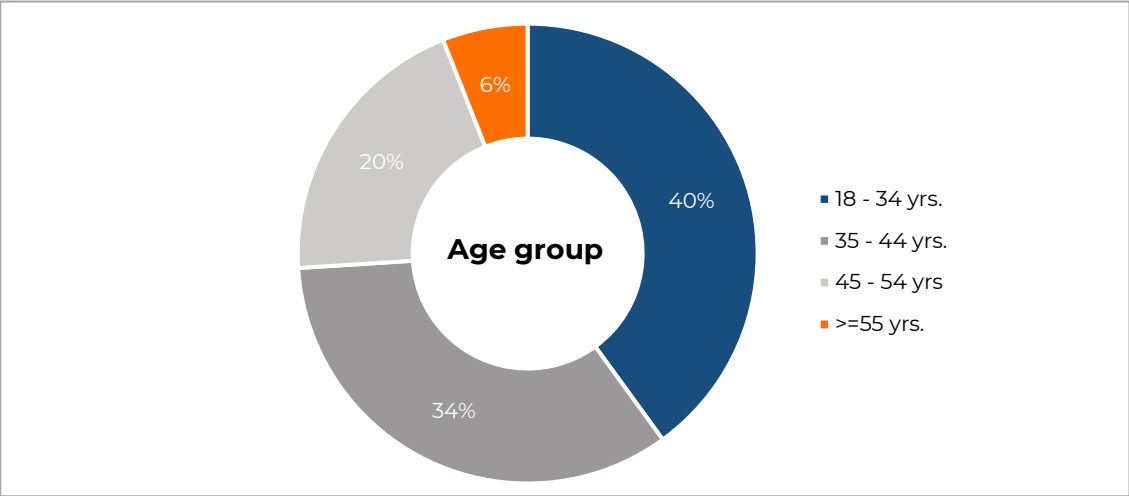
**Going from INR 10k Cr to INR 50k Cr has typically been a 5–10 years journey for retail NBFCs**

Note: (1) For Piramal, retail lending AUM increased from INR ~21k Cr post acquisition to INR 50k Cr in ~3 years

# Retail - customer profile for branch-based acquisition



(All charts for number of customers acquired in FY24)



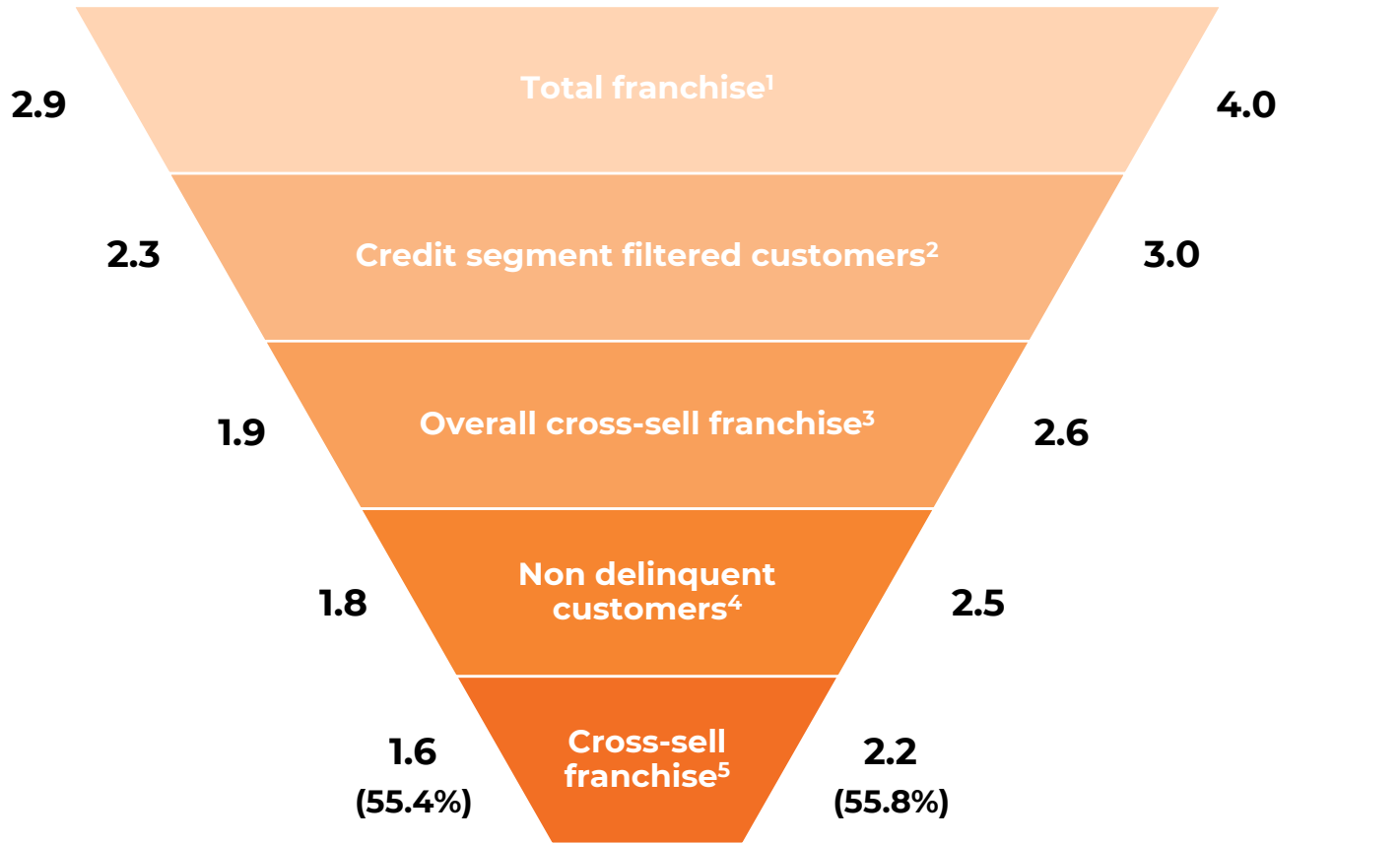
**Customers acquired through branch network represent 91% of total retail AUM**

Note: (1) 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.

# Cross-sell franchise funnel

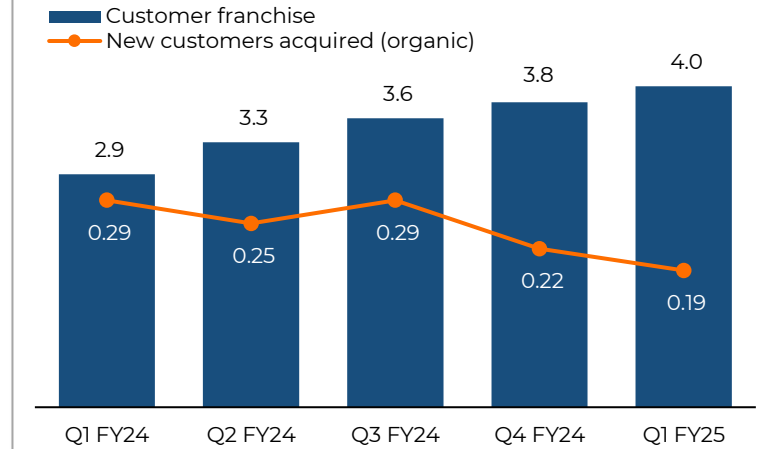
Q1 FY24

In Mn

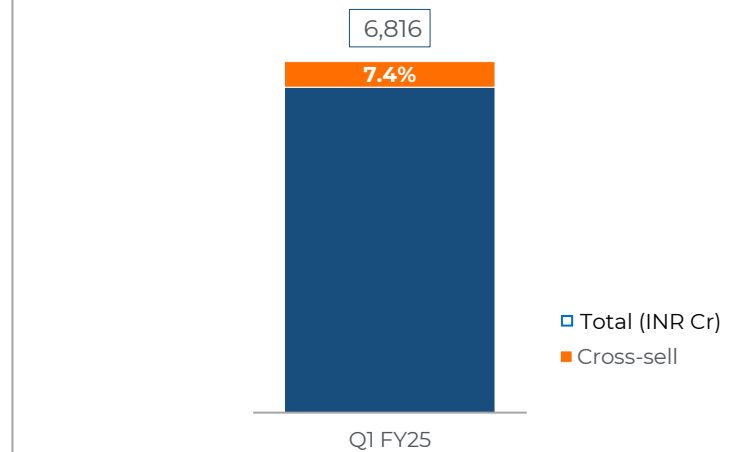


## Customer franchise<sup>1</sup> & acquisition

In Mn



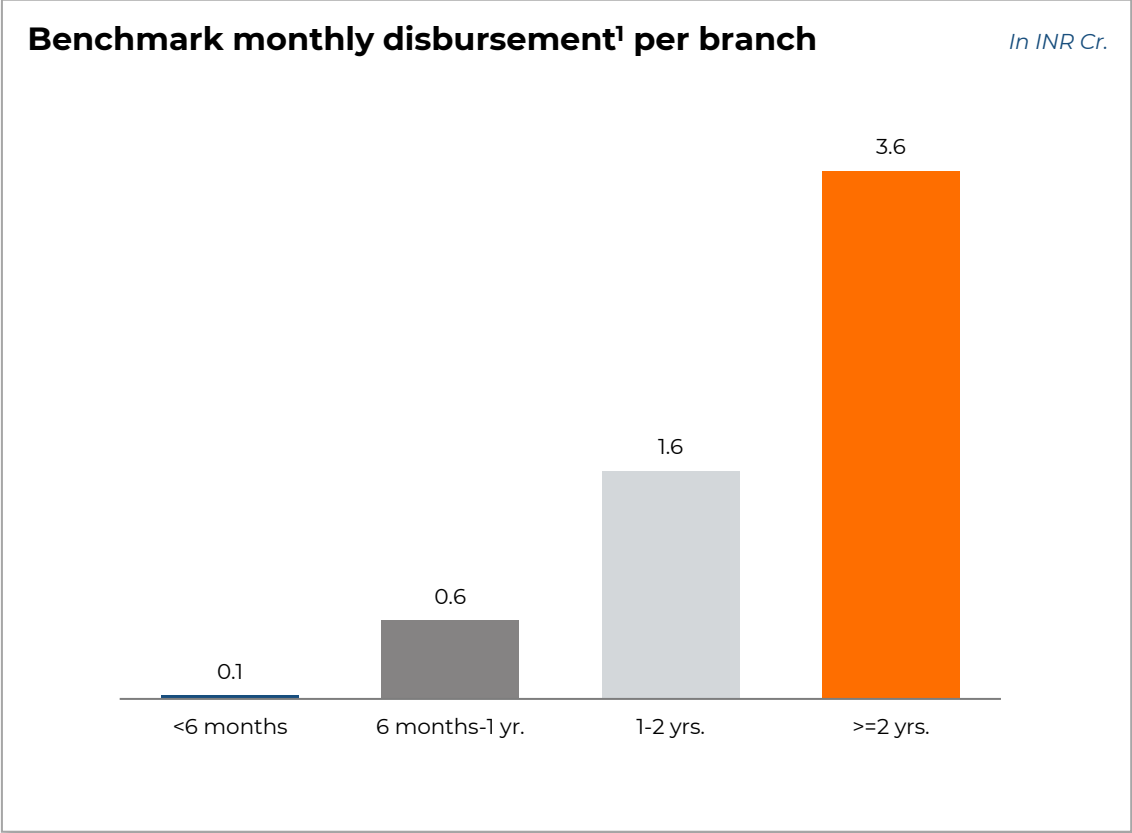
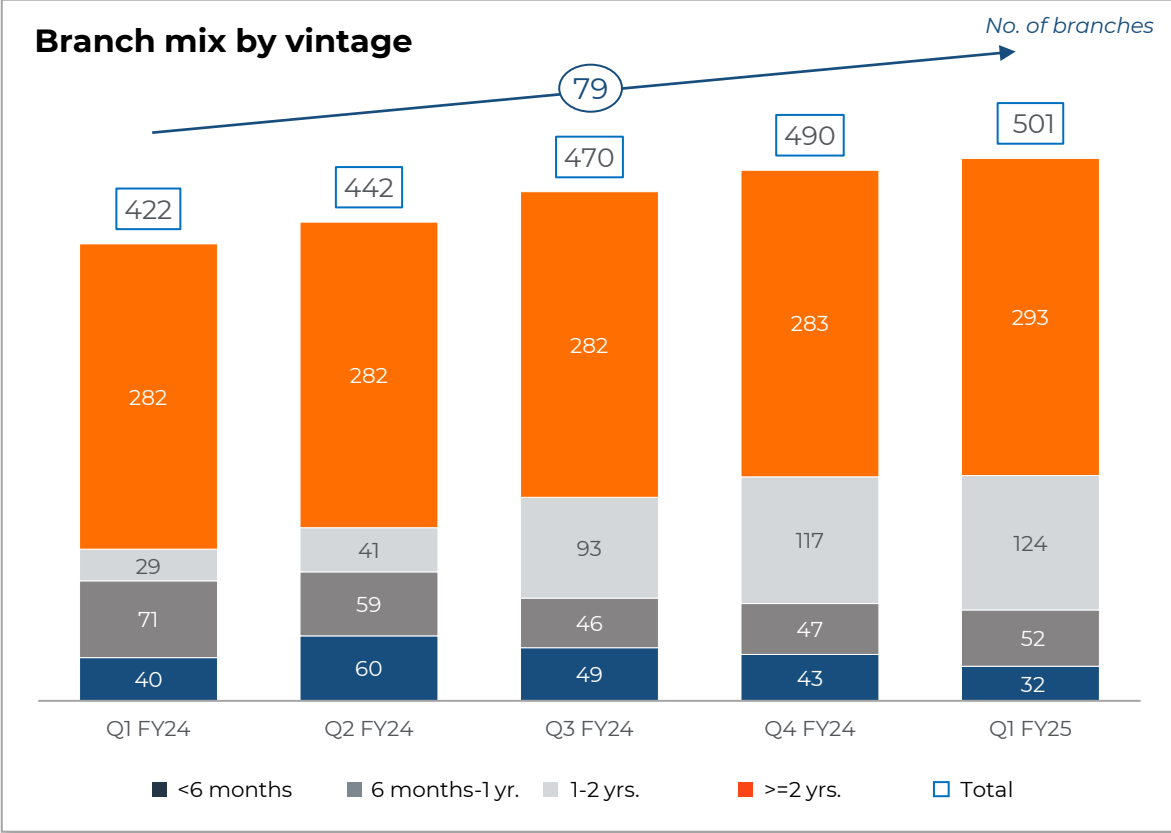
## Share of cross-sell in total retail disbursements



- ✓ We continue to grow our customer franchise
- Slow down in digital lending has impacted pace of new customer acquisition

Notes: (1) Includes existing / past borrowers as well as co-borrowers; (2) Customer base after removing industry level delinquent behavior; (3) Customer base after removing minimum seasoning norm with us; (4) Customer base after removing internal defaults; (5) Customer base after removing low score customers

# Productivity improvement to continue, driven by increasing Branch maturity



- 80% of retail AUM's geographic exposure<sup>2</sup> is in metro adjacent and tier-2 & 3 cities as of 30<sup>th</sup> Jun '24
- Plan to expand up to 600 branches

501	210	26	415	608
Conventional branches	Microfinance branches	No. of states present	No. of cities/Towns present	Districts served

Notes: (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.

# Growth momentum sustaining in mortgages and used car loans

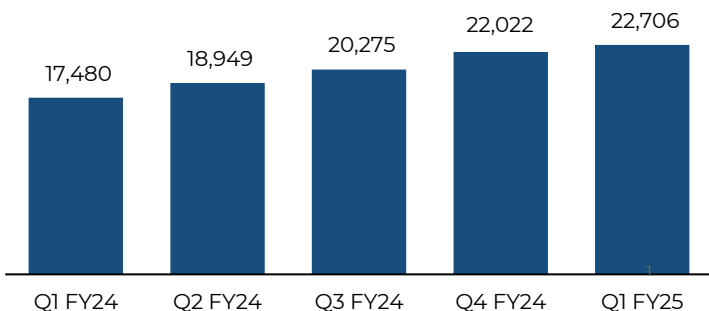


■ AUM (INR Cr) ▲ FY25 Disbursements (INR Cr) ● FY24 Disbursements (INR Cr) ▲ YoY AUM growth ▲ YoY disbursement growth

AUM

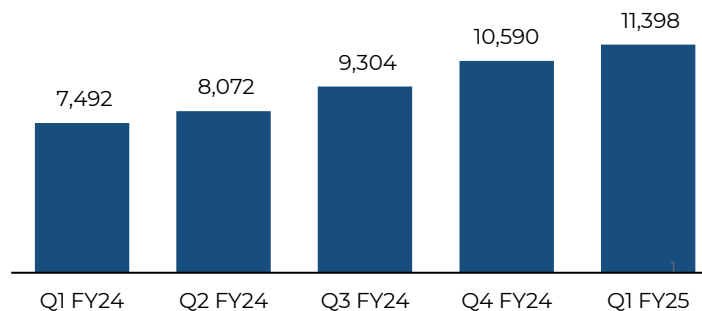
## Housing loans

▲ 30% ▲ -3%



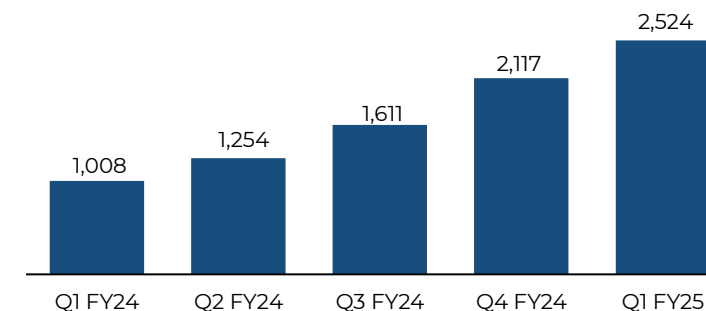
## LAP

▲ 52% ▲ 77%

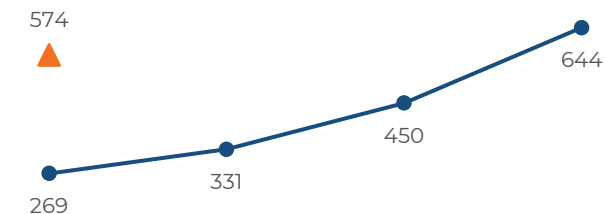
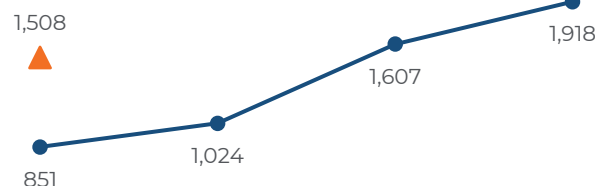


## Used car loans

▲ 150% ▲ 113%



Disbursement



<b>21 Lac</b>	<b>61%</b>	<b>749</b>	<b>11.5%</b>
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

<b>21 Lac</b>	<b>48%</b>	<b>756</b>	<b>12.7%</b>
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

<b>6.7 Lac</b>	<b>76%</b>	<b>751</b>	<b>15.0%</b>
Average ticket size	Average LTV	Average CIBIL score	Disbursement yield

Note: (1) In Q1FY25, concluded DA sale transactions of INR 682 Cr in LAP, INR 308 Cr in Business loans and co-lending transaction of INR 6 Cr in Housing loans, INR 31 Cr in LAP, INR 75 Cr in Business loans.



# Branch originated business **outpacing digital loans**

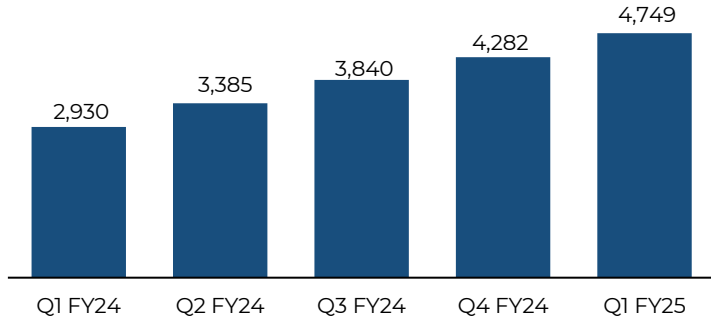


■ AUM (INR Cr) 
 ▲ FY25 Disbursements (INR Cr) 
 ● FY24 Disbursements (INR Cr) 
 ▲ YoY AUM growth 
 ▲ YoY disbursement growth

AUM

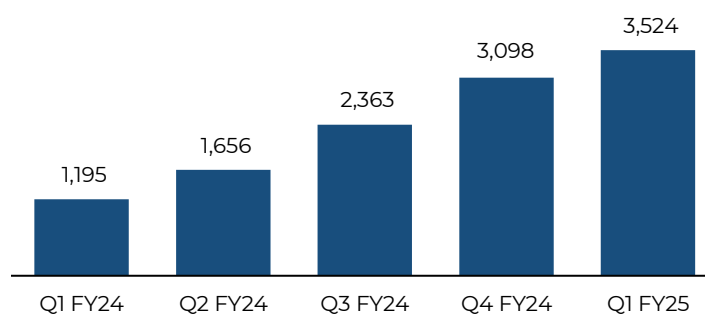
## Business loans

▲ 62% ▲ 26%



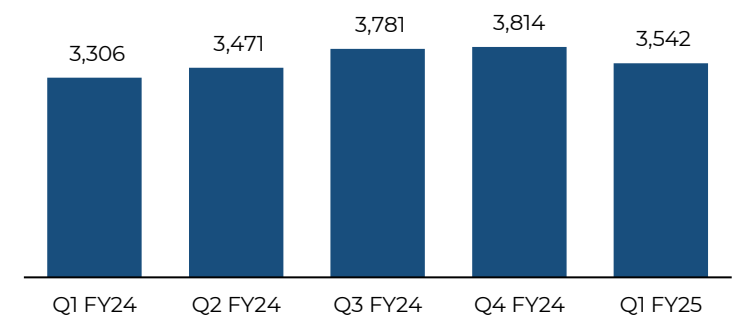
## Salaried PL

▲ 195% ▲ 60%

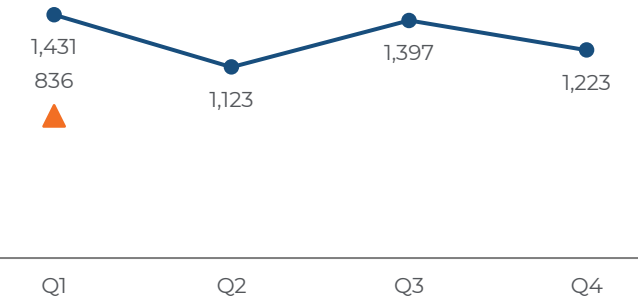
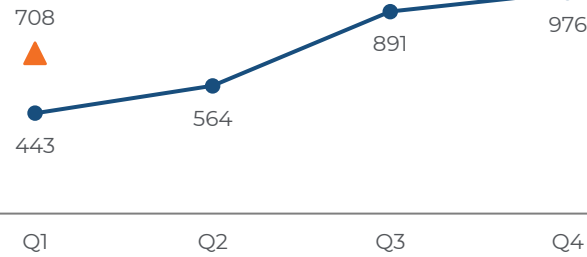
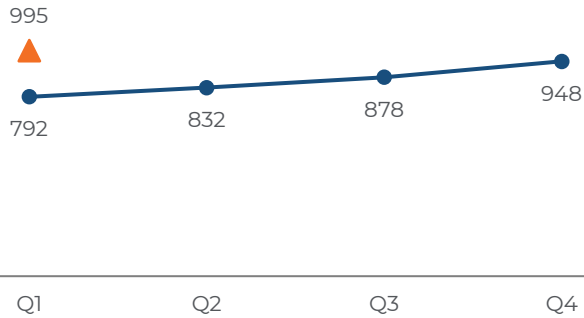


## Digital loans

▲ 7% ▲ -42%



Disbursement



<b>4.7 Lac</b>	<b>759</b>	<b>19.7%</b>
Average ticket size	Average CIBIL score	Disbursement yield

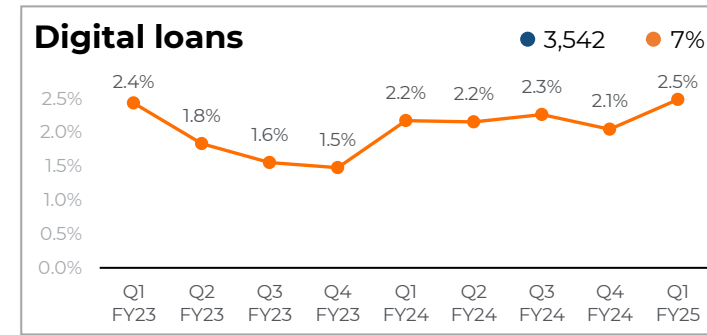
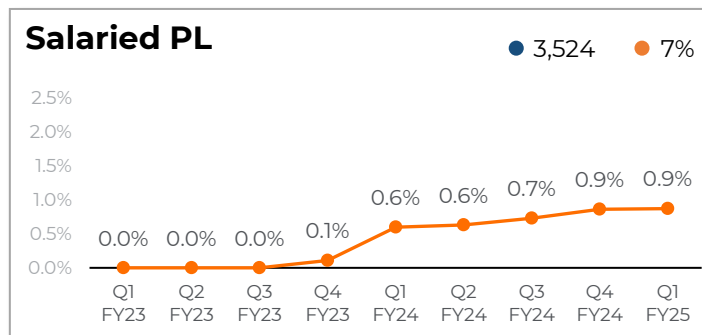
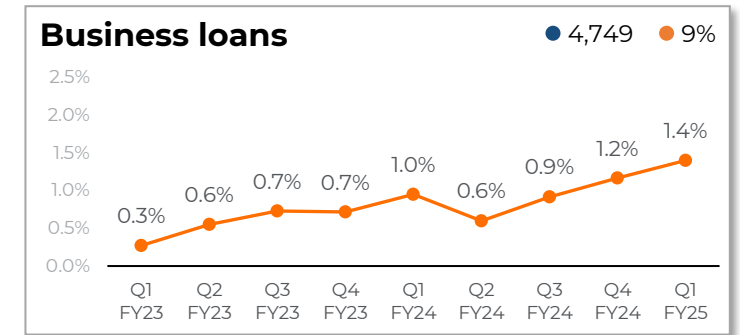
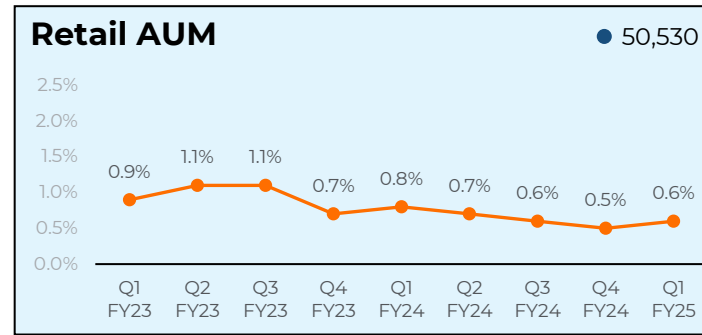
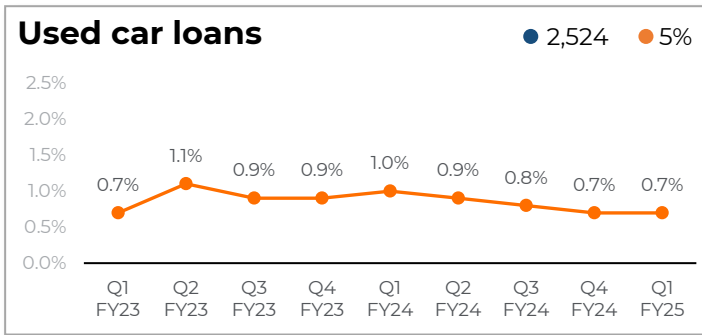
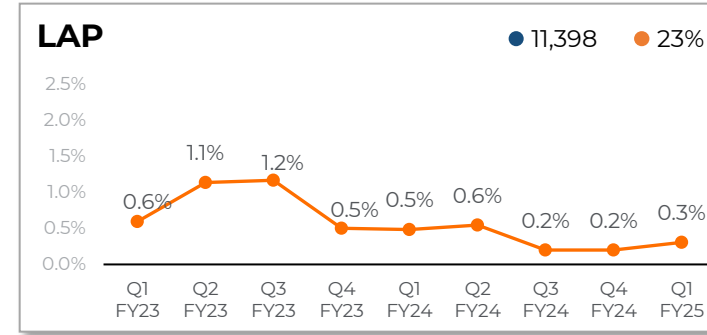
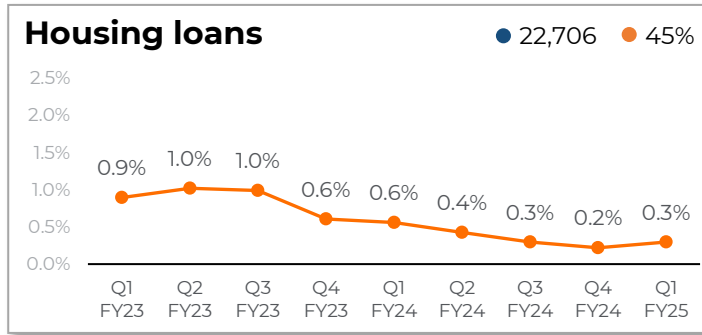
<b>4.1 Lac</b>	<b>768</b>	<b>17.7%</b>
Average ticket size	Average CIBIL score	Disbursement yield

<b>0.5 Lac</b>	<b>764</b>	<b>17.4%</b>
Average ticket size	Average CIBIL score	Disbursement yield

# Retail risk (1/2) – Overall stable 90+ DPD<sup>1</sup> reflecting diversified AUM mix



- AUM as of Q1 FY25 (INR Cr)
- % of retail AUM as of Q1 FY25

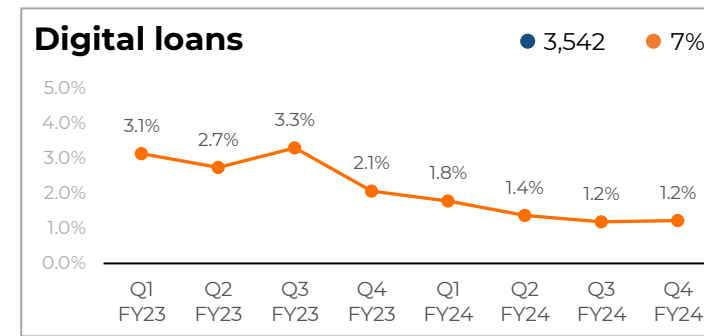
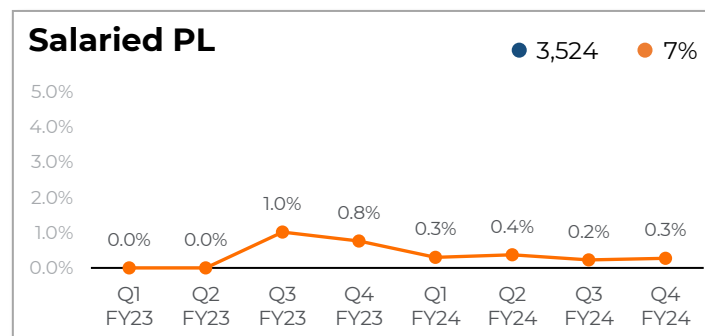
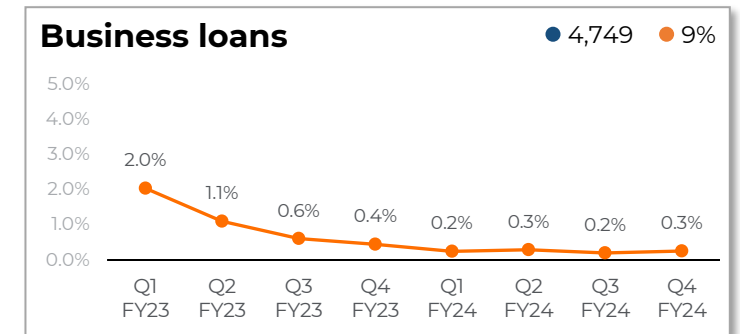
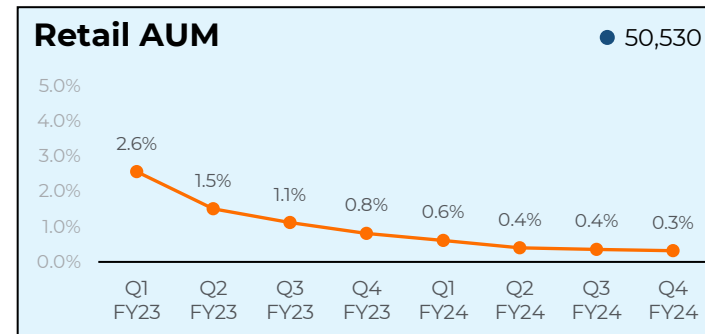
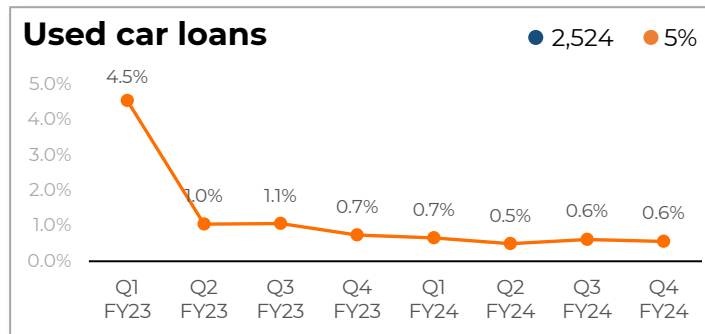
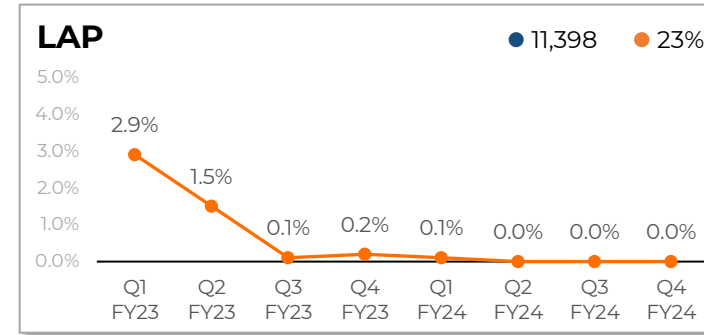
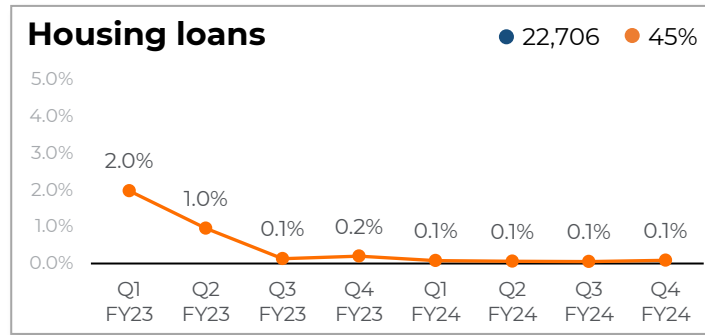


Note: (1) 90+ DPD delinquency = 90 to 179 days DPD

# Retail risk (2/2) – vintage risk<sup>1</sup>: early indicator to take timely corrective actions

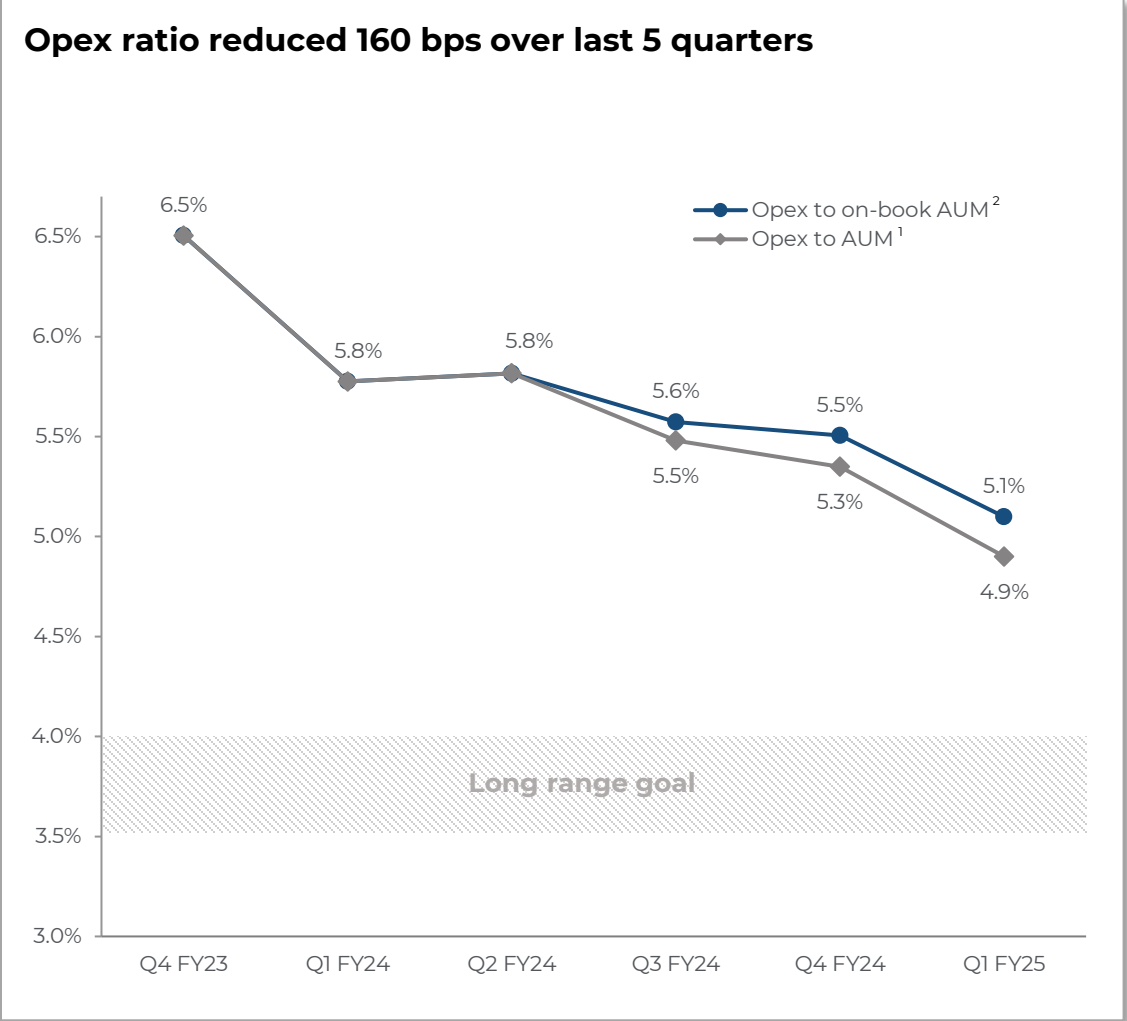
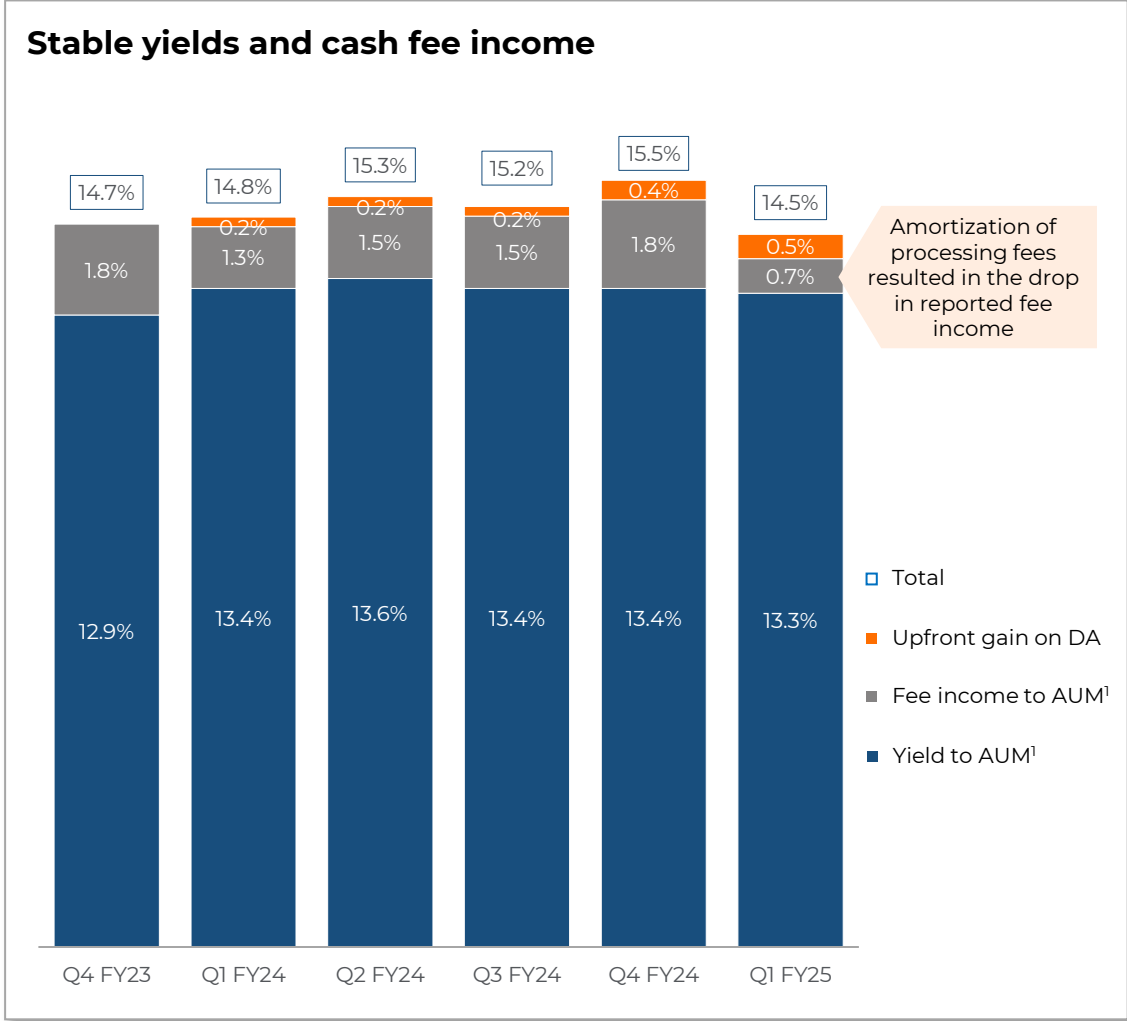


- AUM as of Q1 FY25 (INR Cr)
- % of retail AUM as of Q1 FY25



Note: (1) Vintage risk for 30+ DPD at 3 Month on Book ( MoB ) mark

# Retail: Stable income profile - opex ratios moderating



Notes: (1) AUM includes loan book, POCI, SRs & PTC and excludes DA  
 (2) On-book AUM excludes DA



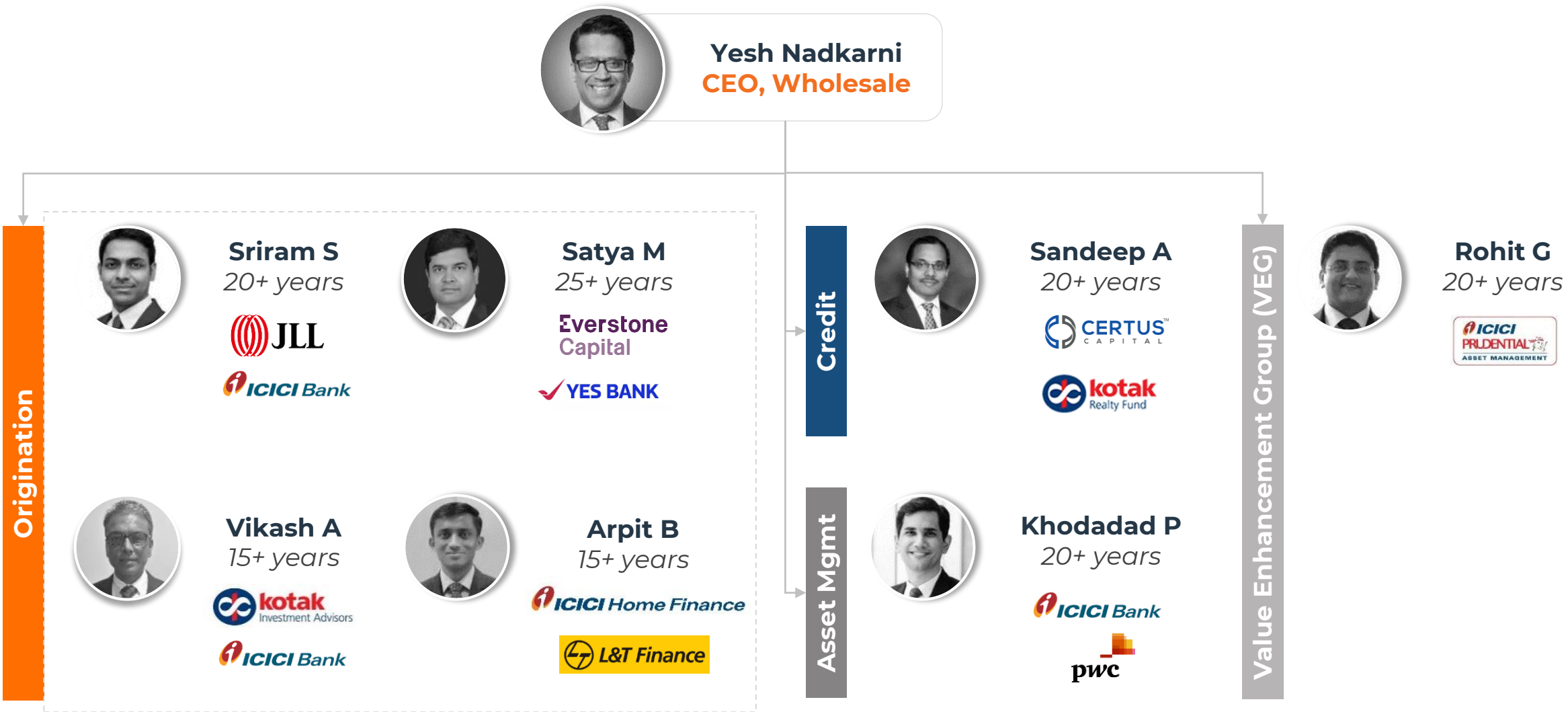
# Lending

I. Growth business

b) Wholesale 2.0



# Experienced and strong leadership team to drive wholesale business



# Wholesale 2.0 – Tapping opportunity in underpenetrated real estate and corporate mid-market lending

## Why Real Estate Financing Market?



### OPPORTUNE TIMING

Beginning of growth cycle as affordability at all time high



### DEVELOPER CONSOLIDATION

Resulting in better quality ecosystem



### GAP IN HFC / NBFC SPACE

Sector getting vacated resulting in major market gap



### TIER 2/3 MARKETS

Underpenetrated and less competition

*Creation of developer ecosystem to provide end to end solution through Retail & Wholesale partnership; Building a specialized team within wholesale to cater to this segment*

## Corporate Mid-market Lending: A Large Untapped Market in India



Predominantly **OpCo loans**



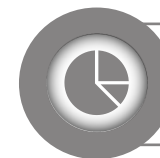
Backed by **cashflow / assets**



Mid-sized companies with revenues of up to **USD 300mn**



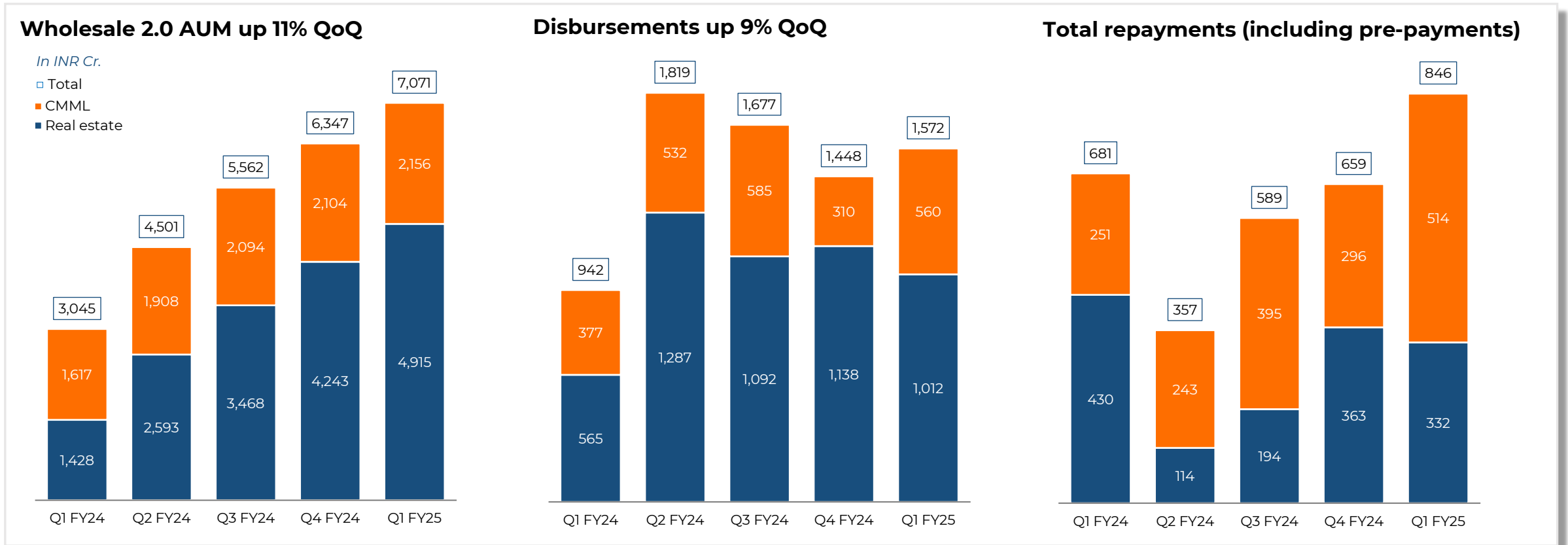
Investment grade and above (externally rated **A to BBB-**)



Diversified sectors **manufacturing, services & NBFC**

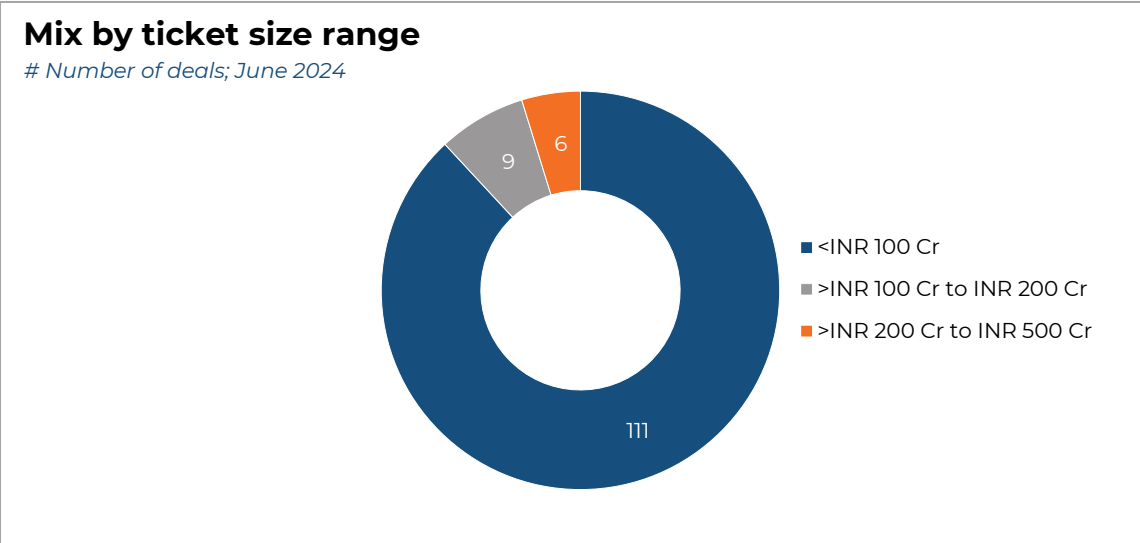
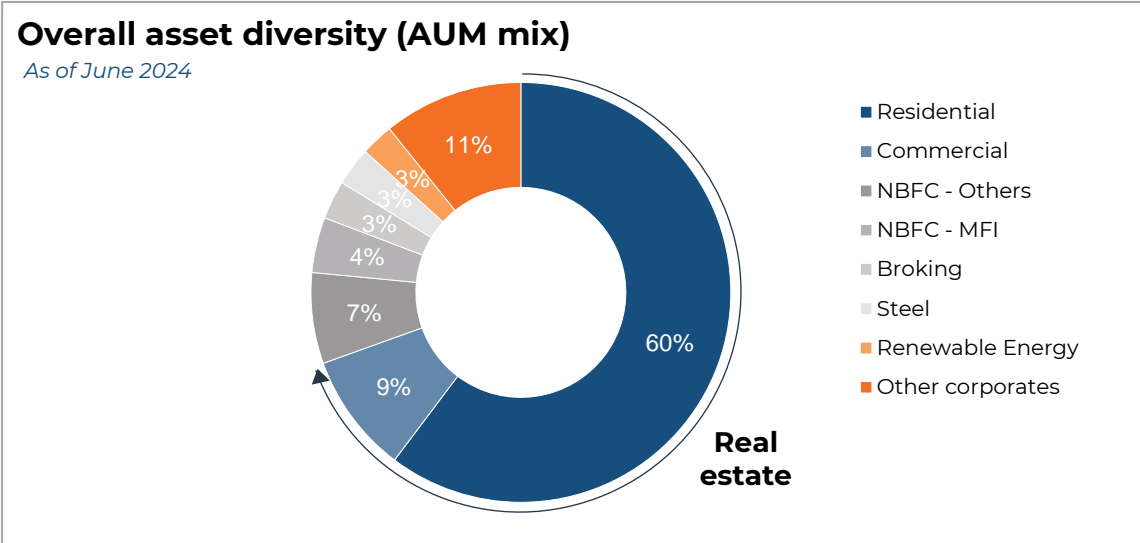
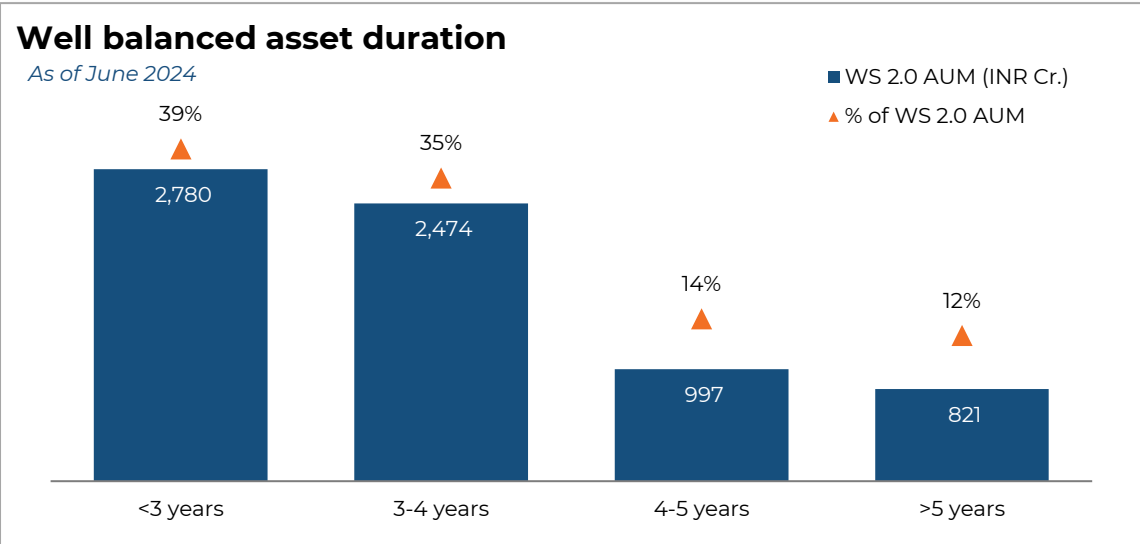
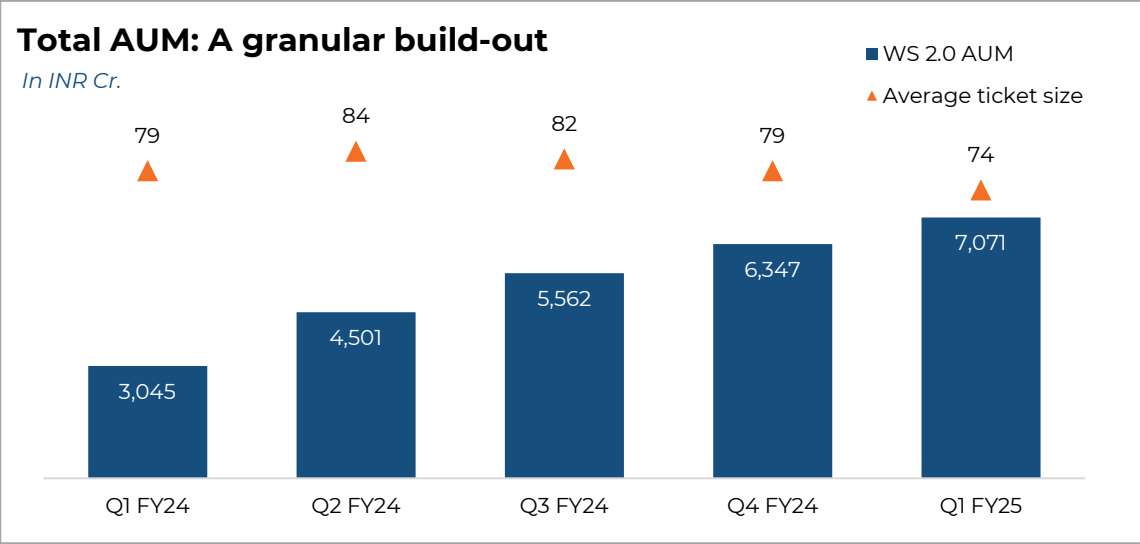


# Wholesale 2.0 - Building a diversified and granular book backed by cash flows and assets



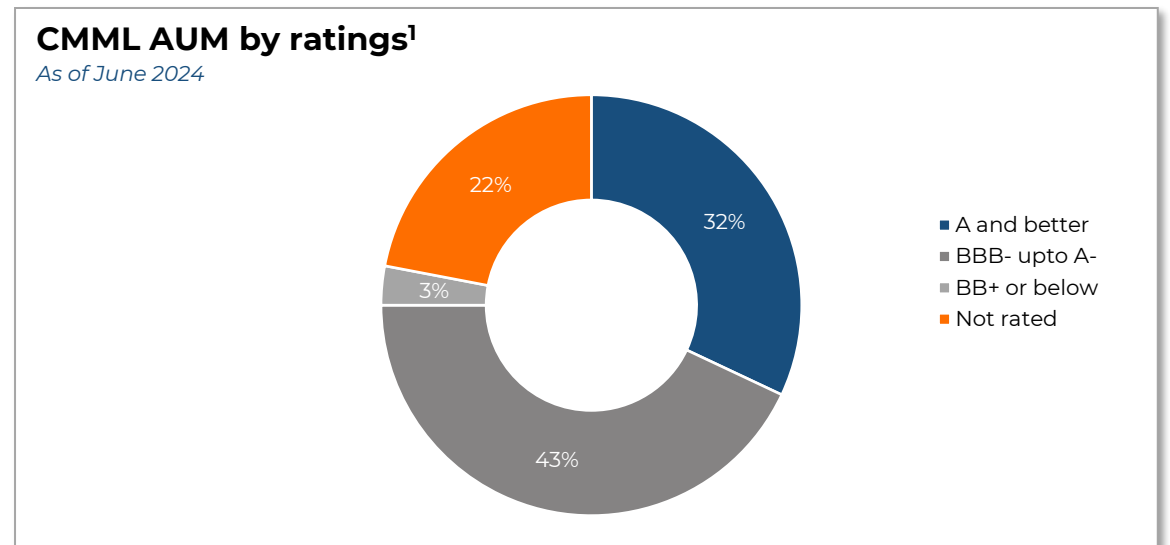
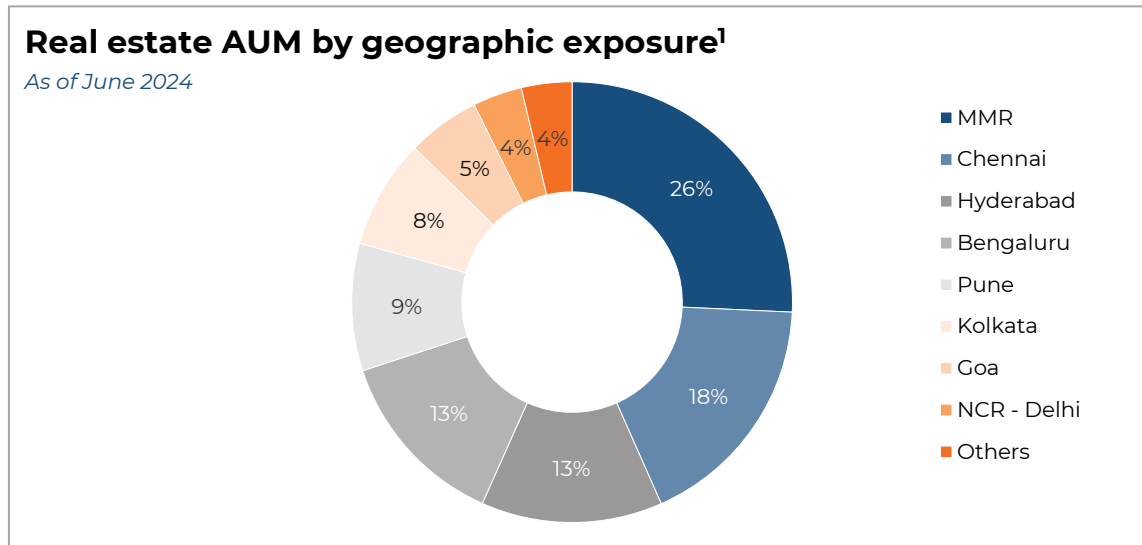
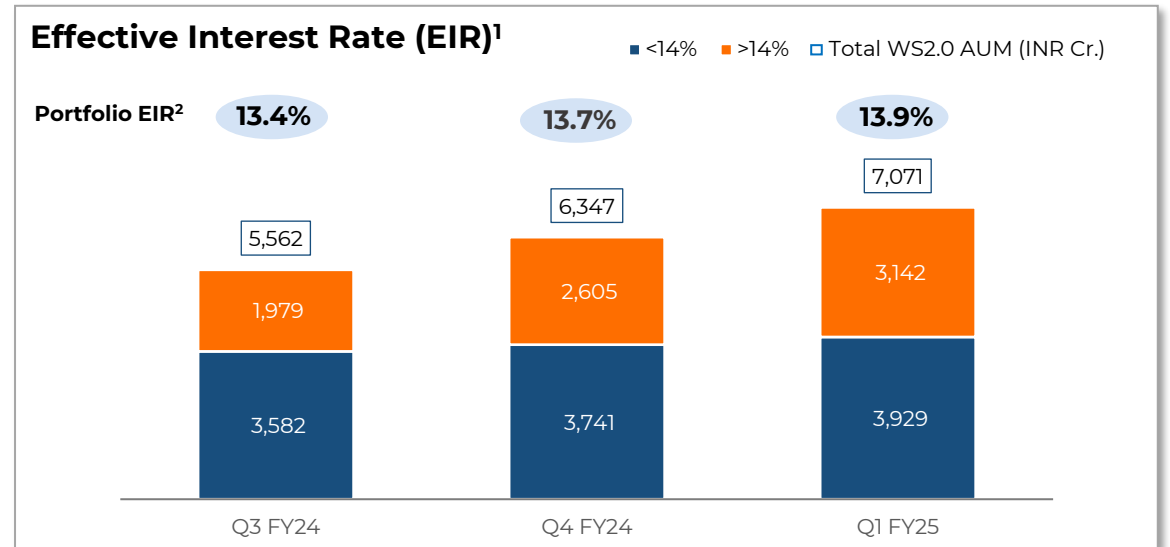
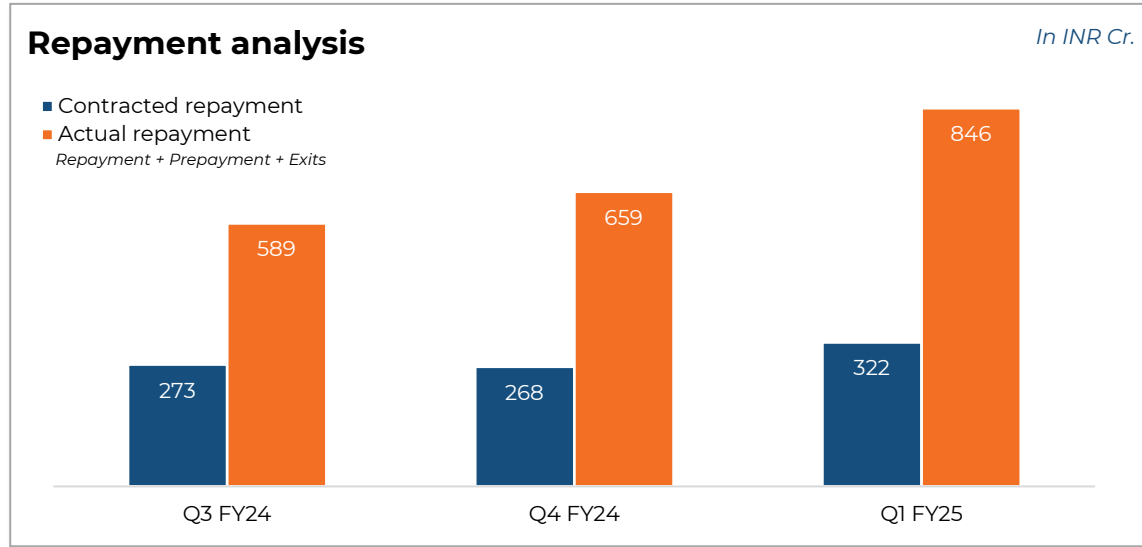
- **Performing well**, in line with or ahead of underwriting, as reflected in prepayments
- **Exited deals** worth INR 2,097 Cr in total so far

# Wholesale 2.0: Granular and diversified build-out



Note: All charts represents data for outstanding AUM

# Wholesale 2.0: Portfolio analysis



Notes: (1) Represents data for outstanding AUM  
(2) Portfolio EIR % includes fee income

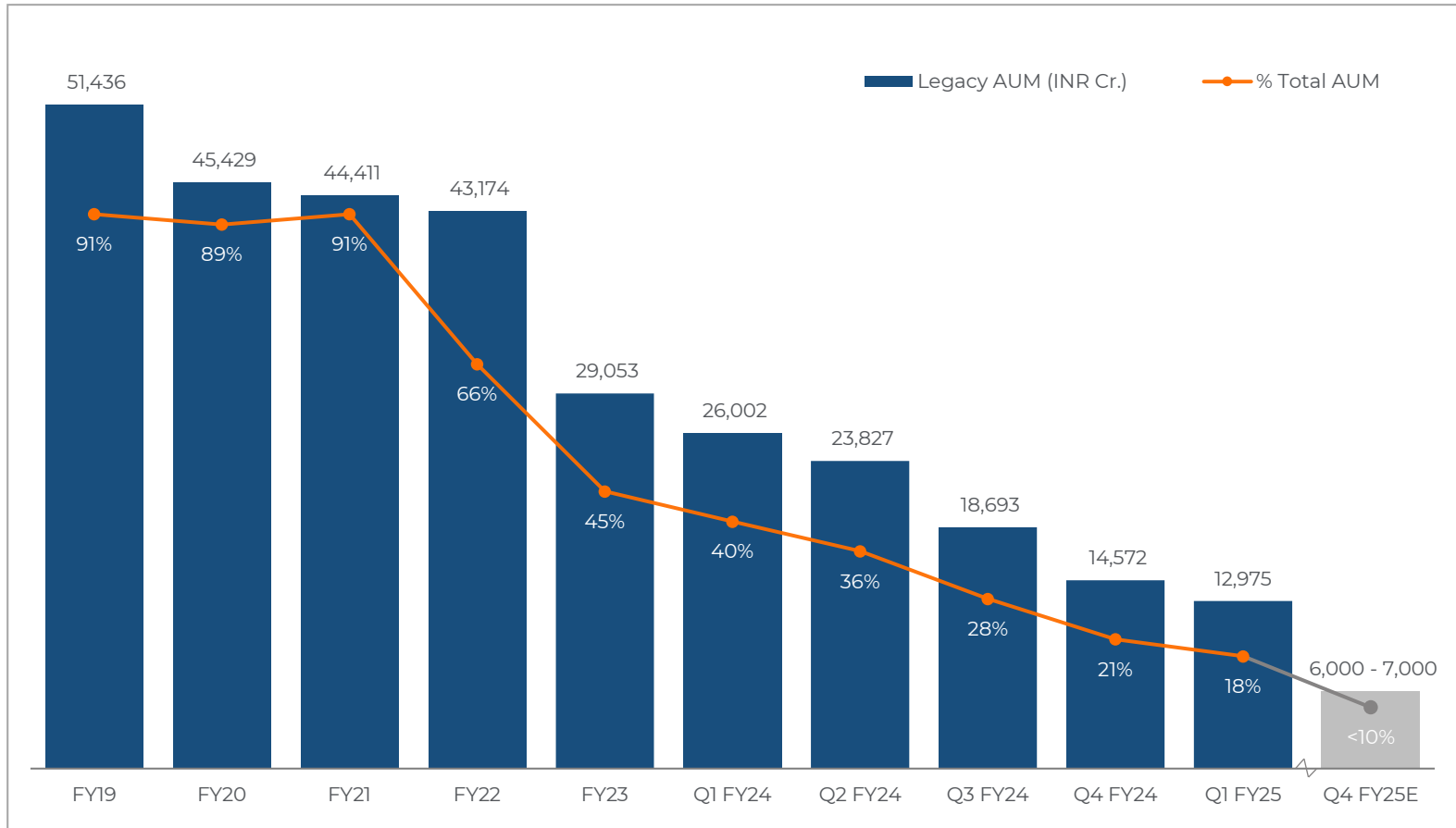


# Lending

## II. Legacy (discontinued) business

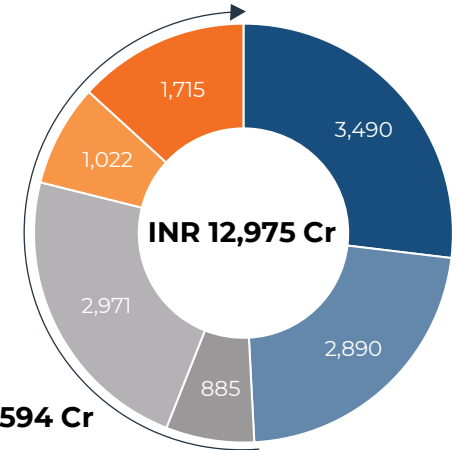


# Rapidly reducing legacy AUM



## Composition of legacy AUM-Q1FY25

In INR Cr.



INR 6,594 Cr

- Stage 1 loans
- Stage 2 loans
- Stage 3 loans
- SRs
- AIF
- Lands & receivables

### Average yields<sup>1</sup>

<b>5.0%</b> Total legacy	<b>10.1%</b> Stage 1 and stage 2 loans
-----------------------------	---

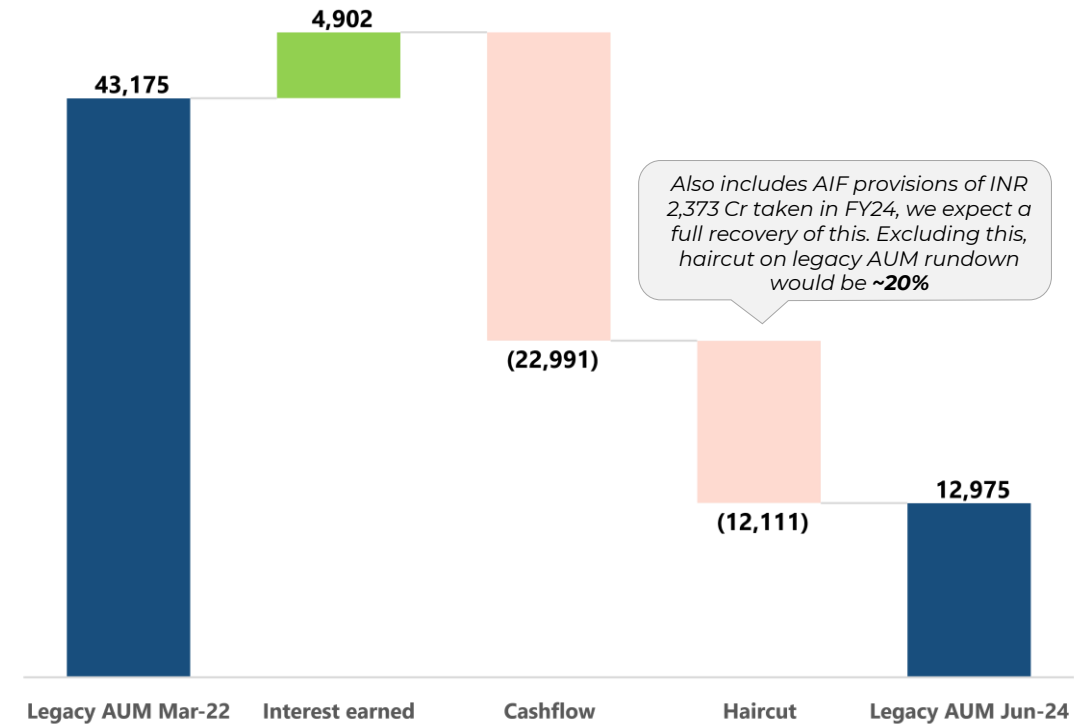
- **Legacy AUM** down 50% YoY to INR 12,975 Cr;
- **Provision of INR 2,012 Cr.** held against the legacy AUM

# Some details on the legacy AUM rundown

(All ratios as % of average AUM of growth business)

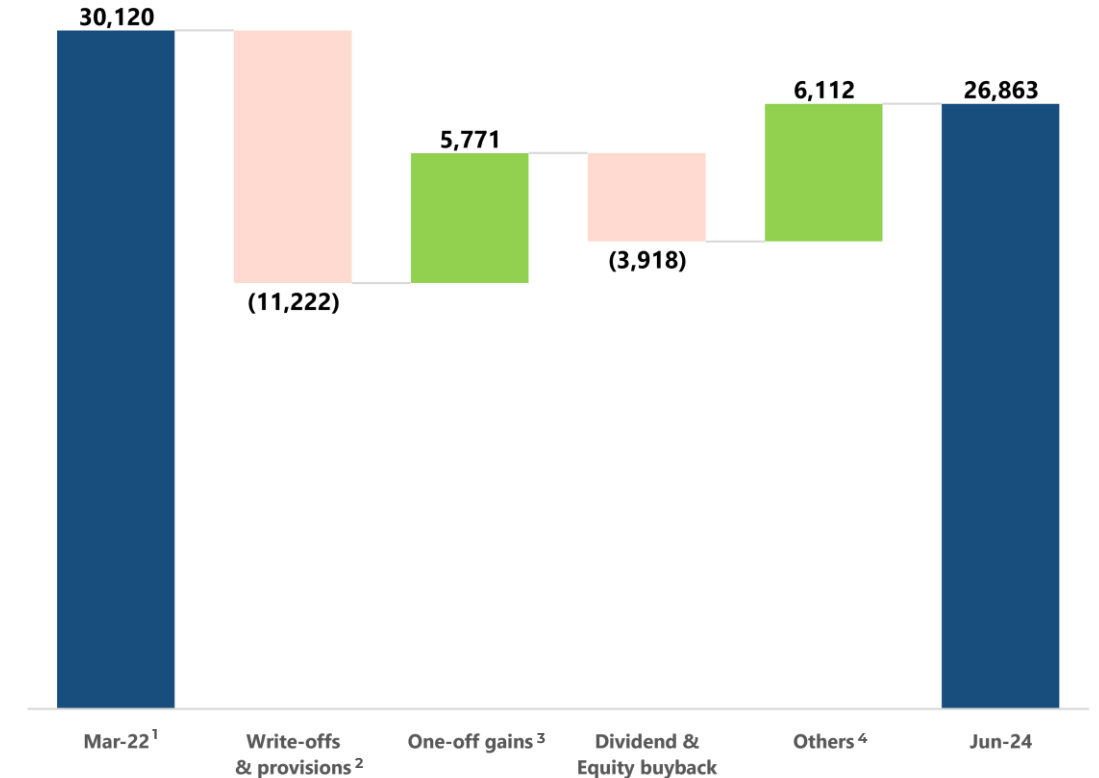
## Overall haircut of ~25% during the rundown since FY22

In INR Cr.



## Net-worth movement since end-FY22

In INR Cr.



Notes: (1) Opening net worth (INR 30,120 Cr) in FY23 excludes pharma business  
 (2) Write-offs & provisions include P&L credit costs (INR 9,303 Cr) and total net exceptional AIF provisions (INR 1,919 Cr)  
 (3) One-off gains include reversal of income tax provisions from DHFL merger (INR 3,327 Cr), gain of on Shriram restructuring (INR 717 Cr), Shriram Finance Limited (SFL) gain (INR 855 Cr) and income from Shriram investments stake sale (INR 871 Cr)  
 (4) Others include operating profit, other provisions, taxes and other miscellaneous movements



# Financials





# Profit and loss statement – consolidated entity



In INR Cr.

Consolidated income statement	FY23	FY24	YoY %	Q1 FY24	Q1 FY25	YoY %
Interest income	7,799	7,423	(5%)	1,725	2,011	17%
Less: Interest expense	4,041	4,400	9%	1,044	1,205	15%
<b>Net interest income (A)</b>	<b>3,757</b>	<b>3,022</b>	<b>(20%)</b>	<b>681</b>	<b>807</b>	<b>18%</b>
Fee & commission	292	560	92%	90	109	21%
Dividend	92	148	61%	76	-	
Others	905 <sup>1</sup>	241	(73%)	44	58	33%
<b>Other income (B)</b>	<b>1,288</b>	<b>948</b>	<b>(26%)</b>	<b>210</b>	<b>167</b>	<b>(21%)</b>
<b>Total income (A+B)</b>	<b>5,046</b>	<b>3,971</b>	<b>(21%)</b>	<b>891</b>	<b>973</b>	<b>9%</b>
Less: Operating expenses (Opex)	2,215	2,774	25%	628	703	12%
<b>Pre-provision operating profit (PPOP)</b>	<b>2,831</b>	<b>1,197</b>	<b>(58%)</b>	<b>263</b>	<b>270</b>	<b>3%</b>
Less: Loan loss provisions & FV loss / (gain)	5,180	3,990	(23%)	179	133	(26%)
Less: Shriram FV loss / (gain)	115	(1,726)		(855)	-	
Less: Goodwill write-off	-	278		278	-	
<b>Profit before tax</b>	<b>(2,464)</b>	<b>(1,346)</b>		<b>661</b>	<b>137</b>	<b>(79%)</b>
Add: Exceptional gain / (loss) <sup>2</sup>	8,066	(1,596)		-	104	
Less: Current & deferred tax	(3,978)	(1,105)		173	66	(62%)
Add: Associate income	389	154	(60%)	21	8	(64%)
<b>Reported net profit / loss after tax</b>	<b>9,969</b>	<b>(1,684)</b>		<b>509</b>	<b>181</b>	<b>(64%)</b>

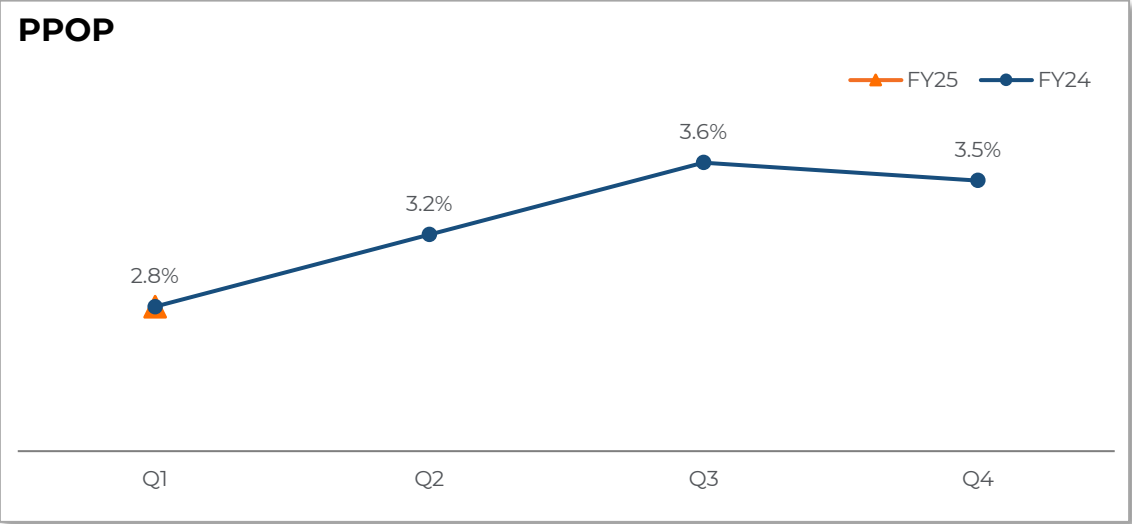
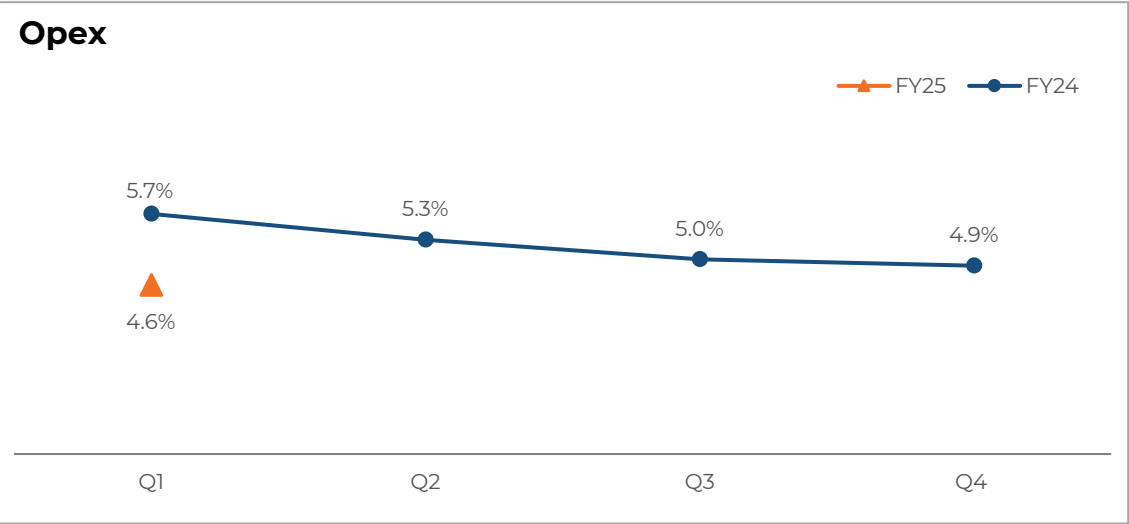
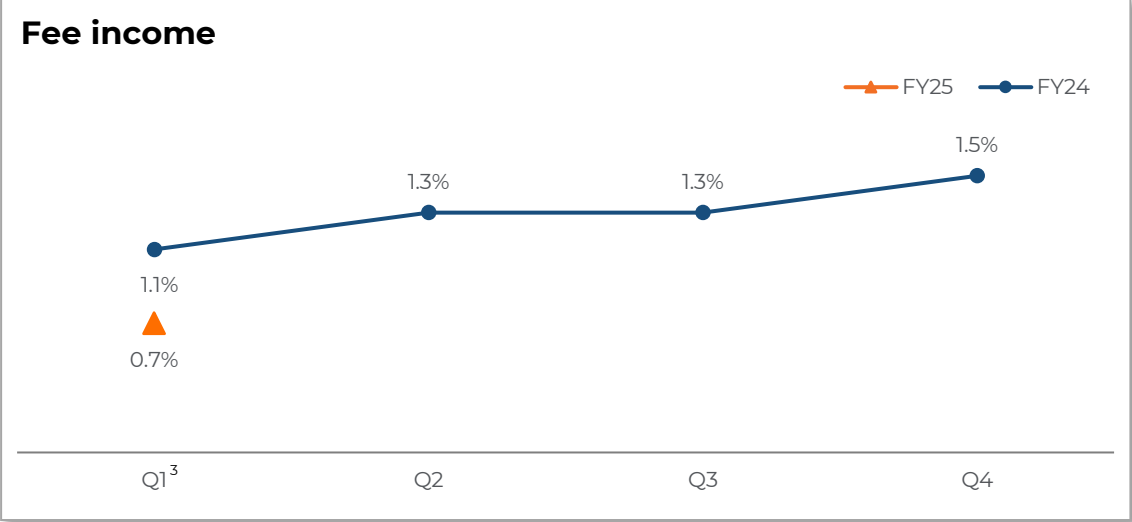
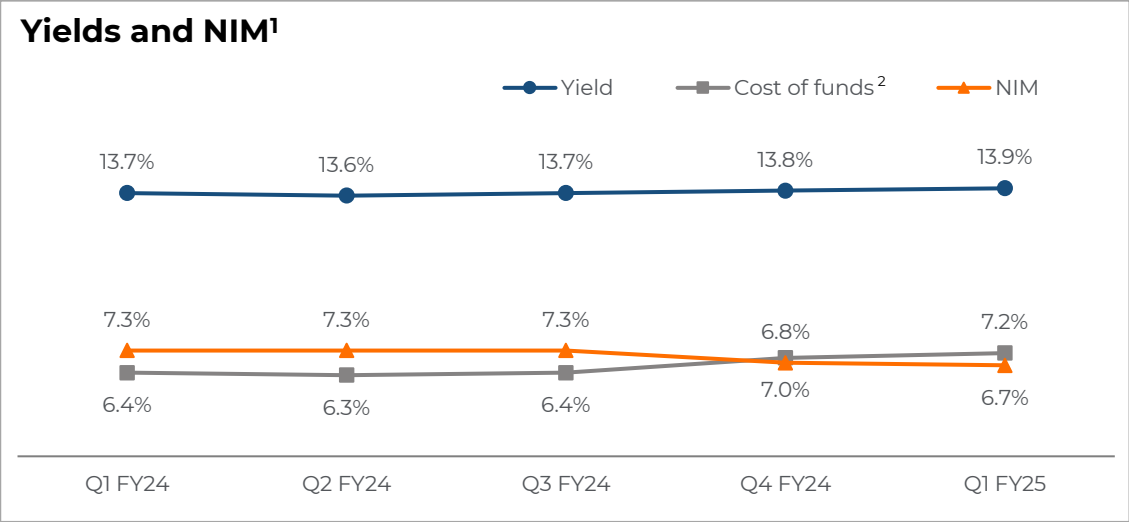
Notes: (1) Other income in FY23 includes restructuring gain on Shriram of INR 717 Cr

(2) Exceptional gain / (loss) in FY23 is related to Pharma demerger, FY24 includes AIF provision of INR 3,540 Cr & subsequent AIF recovery of INR 1,517 Cr in Q4 FY24 at gross level and Q1 FY25 includes AIF recovery of INR 104 Cr

# P&L performance – growth business



(All ratios as % of average AUM of growth business)



Notes: (1) Net interest income = interest income - interest expense  
 (2) COF = Interest expense / Total average on book AUM  
 (3) Amortization of processing fees resulted in the drop in reported fee income in Q1FY25

# Balance sheet and key ratios

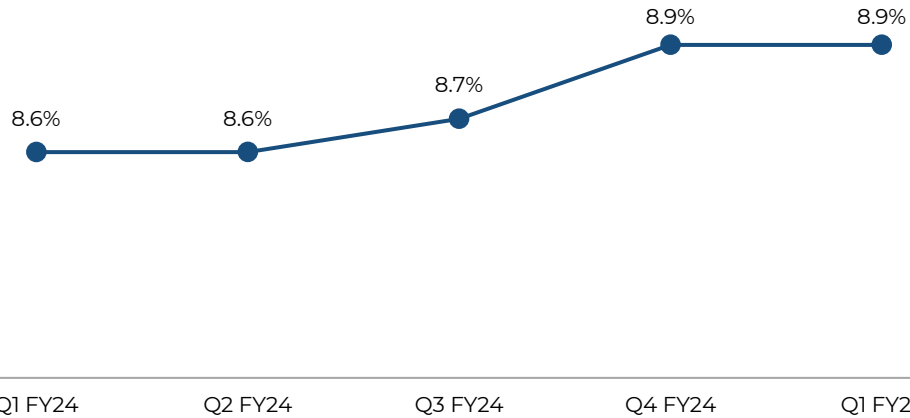
Consolidated balance sheet <span style="float: right;">(INR Cr.)</span>			
Particulars	FY23	FY24	Q1 FY25
<b>Assets</b>			
Cash & liquid investments	7,430	6,247	5,803
Gross asset under management	63,989	67,219	68,053
ECL provision	3,964	3,429	2,997
Net assets under management	60,025	63,790	65,056
Investments in Shriram group	6,211	1,708	1,708
Investments in alternatives and others	2,361	2,537	3,141
Fixed assets	1,934	2,734	2,750
Net assets / (liability)	1,920	2,943	3,230
<b>Total assets</b>	<b>79,882</b>	<b>79,959</b>	<b>81,688</b>
<b>Liabilities</b>			
Net worth	31,059	26,557	26,863
Gross debt	48,823	53,402	54,825
<b>Total liabilities</b>	<b>79,882</b>	<b>79,959</b>	<b>81,688</b>
<b>Leverage ratios</b>			
Gross debt to equity (x)	1.6	2.0	2.0
Net debt to equity (x)	1.3	1.8	1.8



- Total capital adequacy at 24.4% with net worth of INR 26,863 Cr

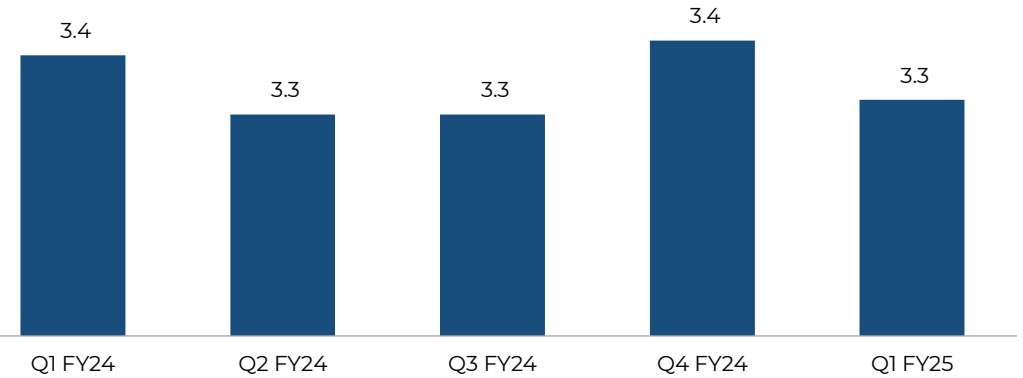
# Liabilities management

## Average borrowing cost<sup>1</sup>



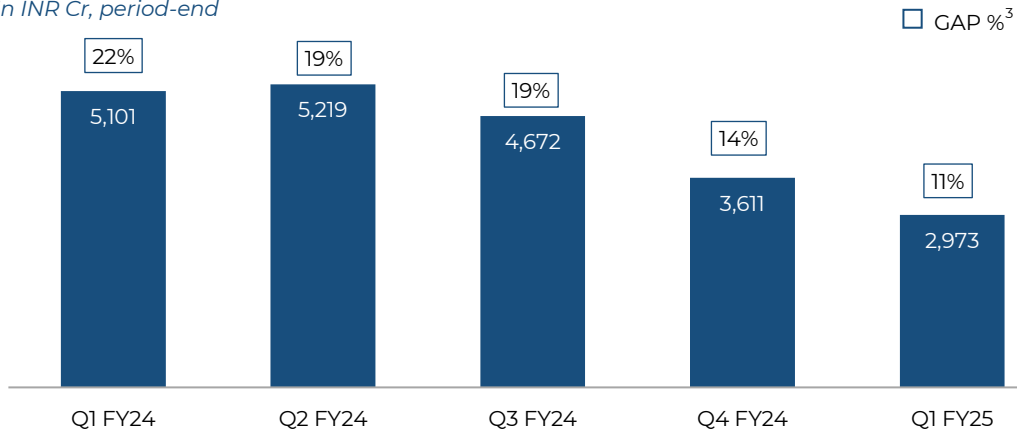
## Maturity of borrowings

In years, weighted average on a residual basis

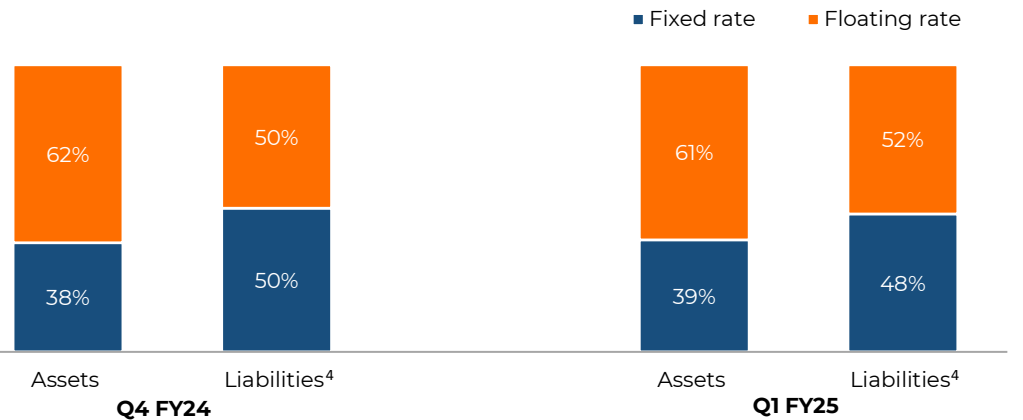


## Cumulative ALM gap<sup>2</sup> (up to 1 year)

In INR Cr, period-end



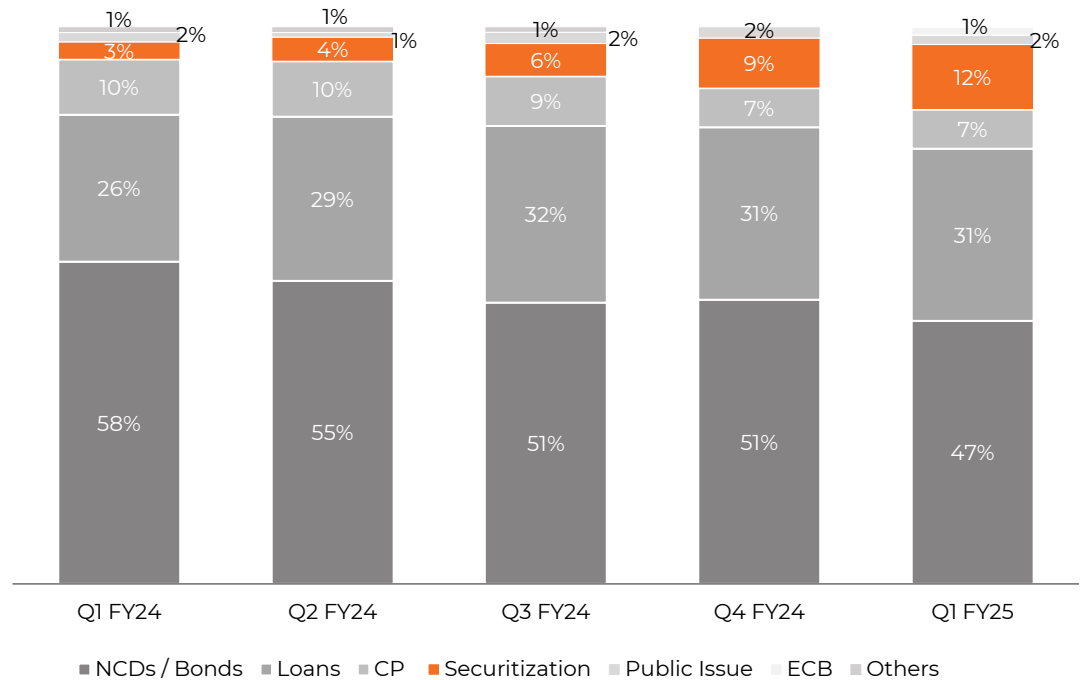
## Fixed : Floating rate mix



Notes: (1) Borrowing cost = Interest Expense / Average interest - bearing liabilities  
 (2) Cumulative GAP = Cumulative inflows up to 1-year - cumulative outflows up to 1-year  
 (3) GAP% = Net flows (i.e., cumulative inflows - cumulative outflows) as a % of cumulative outflows  
 (4) Liabilities includes fixed rate borrowings of INR 16,172 Cr for Q1 FY25 & 16,172 Cr for Q4 FY24

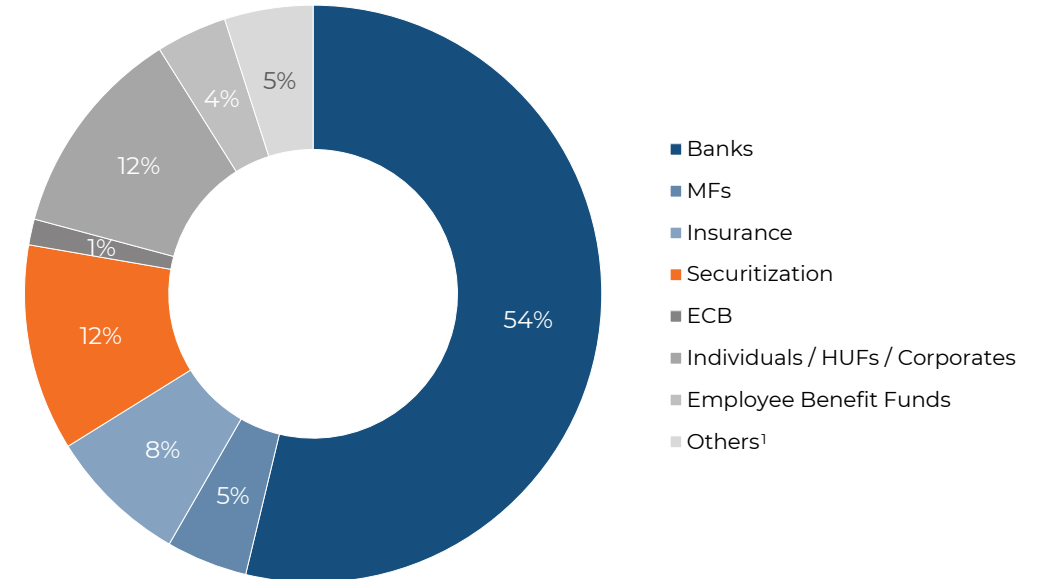
# Diversifying the borrowing mix

## Rising role of securitization



## Borrowing mix by type of lender

As of Jun '24



**Domestic ratings**

**Long term ratings**  
ICRA & CARE: AA  
Outlook Stable

**Short term ratings**  
CRISIL, ICRA, CARE: A1+

**International ratings**

**S&P: BB-**  
**Moody's: Ba3**

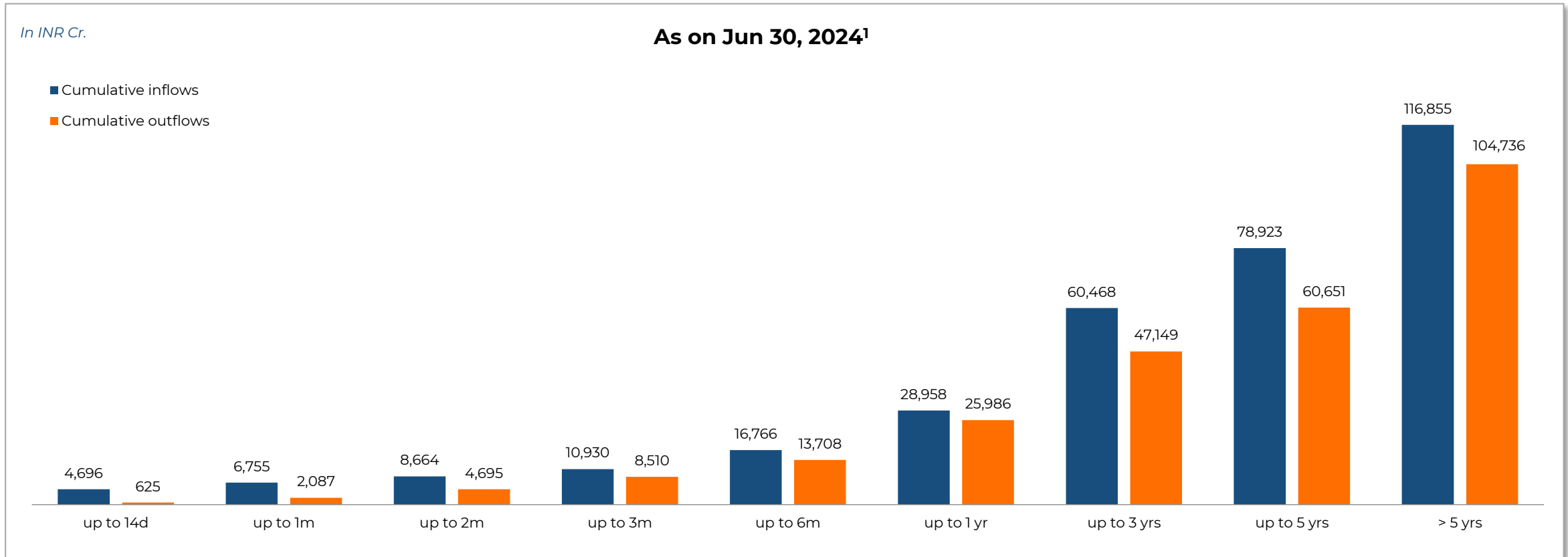
**Maiden international credit ratings received | \$100mn social impact loan | \$300mn USD sustainability bond<sup>2</sup>**

Notes: Borrowings Include direct assignment (DA) of INR 2,408 Cr as of Q1 FY25, INR 1,598 Cr as of Q4 FY24, INR 875 Cr as of Q3 FY24, INR 612 Cr as of Q2 FY24 and INR 328 Cr as of Q1 FY24

(1) Includes NHB, & other financial institutions which contribute 3% and 2% respectively to overall borrowings

(2) Sustainability bond raised in July 2024

# Asset-liability profile

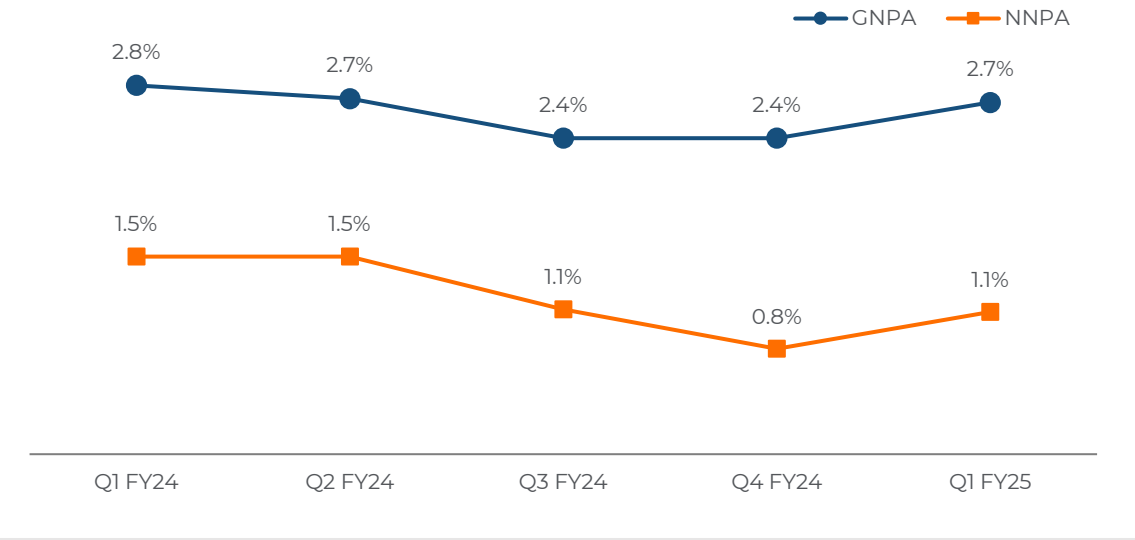


## Cumulative GAP<sup>2</sup> (%)

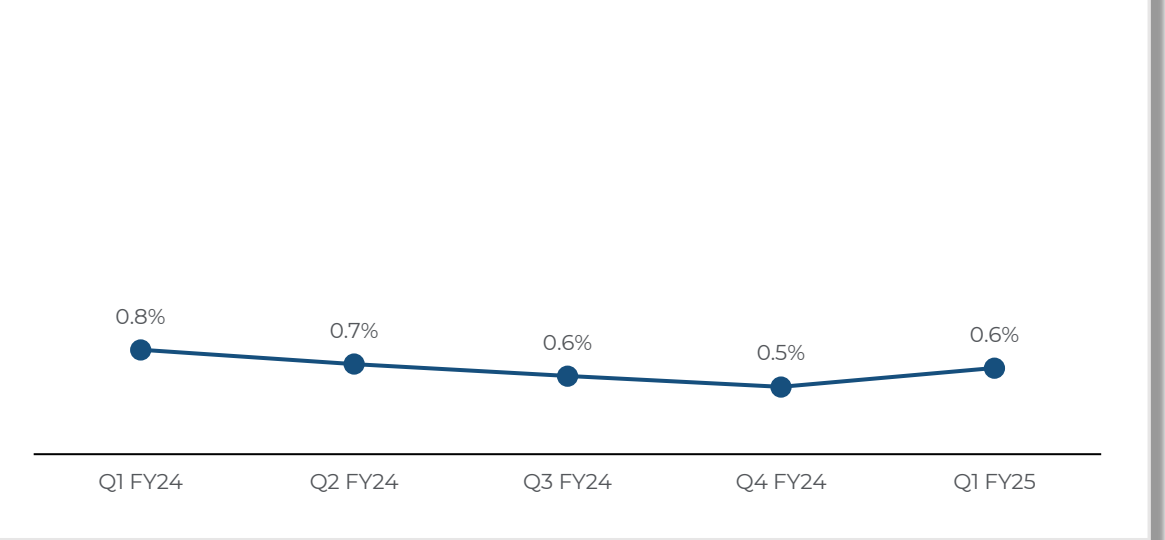


Notes: (1) Based on contractual ALM for wholesale and behavioral ALM for the retail portfolio  
 (2) Cumulative GAP (%) = net flows (i.e., cumulative inflows – cumulative outflows) as a % of cumulative outflows

## GNPA & NNPA ratio - overall



## Retail 90+ DPD delinquency<sup>1</sup>

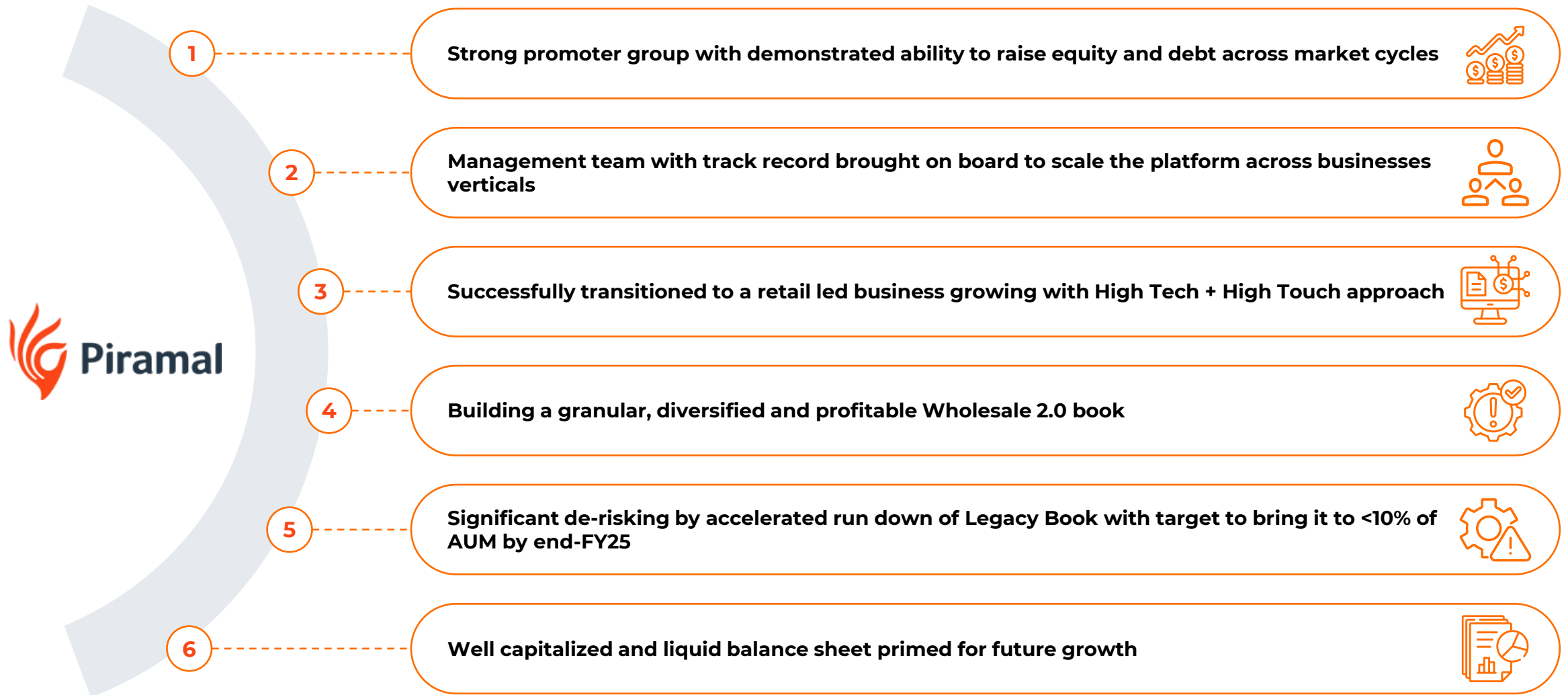


- **Total wholesale stage 2+3 assets** are down 10% YoY to INR 3,775 Cr with PCR of 38% vs 34% in Q1 FY24
- **SRs down** 15% since Q1 FY24, led by cash realisation of INR 1,701 Cr



# Summary – The Piramal Finance Story

*A growing diversified lending business being built by a credible management team and backed by a solid promoter group*

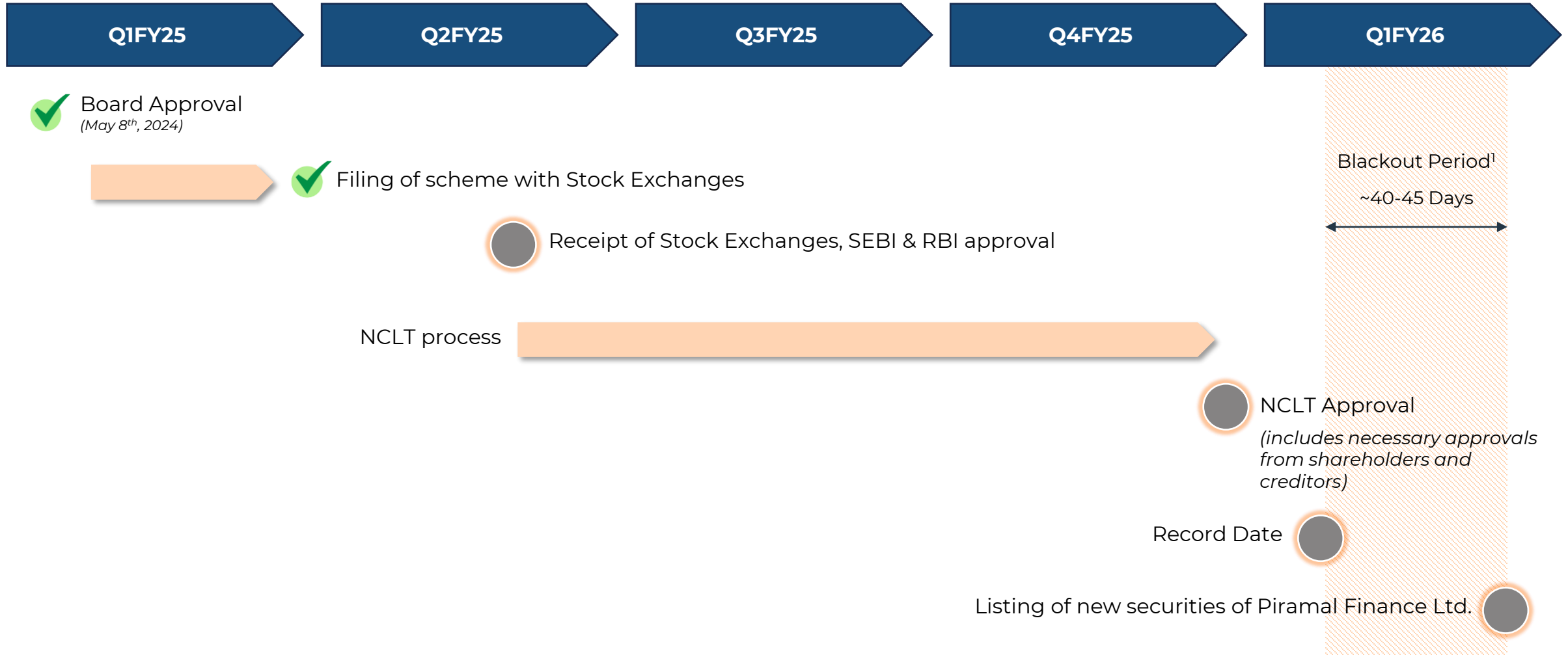




# Appendix



# Update: Proposed merger of PEL with PCHFL



**The implementation process is on track – proposed merger shall be completed within expected timelines**

Notes: Above timelines are subject to regulatory and relevant statutory approvals  
(1) Blackout period pertains to all listed securities of PEL

# Asset classification: total assets



Total assets (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	61,594	60,308	56,950
Stage 2	3,940	4,461	4,164
Stage 3	1,641	1,430	1,484
<b>Sub-Total</b>	<b>67,175</b>	<b>66,199</b>	<b>62,598</b>
POCI	877	1,020	1,340
<b>Total AUM<sup>1</sup></b>	<b>68,053</b>	<b>67,219</b>	<b>63,938</b>
Total provisions (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	1,174	1,567	1,149
Stage 2	839	928	967
Stage 3	984	934	712
<b>Total</b>	<b>2,997</b>	<b>3,429</b>	<b>2,828</b>
Provision coverage ratio (%)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	1.9%	2.6%	2.0%
Stage 2	21%	21%	23%
Stage 3	60%	65%	48%
<b>Total provisions as a % of total AUM</b>	<b>4.4%</b>	<b>5.1%</b>	<b>4.4%</b>
<b>GNPA ratio (%)</b>	<b>2.7%</b>	<b>2.4%</b>	<b>2.8%</b>
<b>NNPA ratio (%)</b>	<b>1.1%</b>	<b>0.8%</b>	<b>1.5%</b>

Note: (1) Excludes direct assignment (DA) (INR 2,408 Cr as of Q1 FY25, INR 1,598 Cr as of Q4 FY24 and INR 328 Cr as of Q1 FY24), Co-lending ( INR 115 Cr as of Q1 FY25 and INR 27 Cr as of Q4 FY24)

# Asset classification: retail assets



Total assets (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	45,324	43,664	32,104
Stage 2	1,050	986	829
Stage 3	756	631	618
<b>Sub-Total</b>	<b>47,130</b>	<b>45,280</b>	<b>33,551</b>
POCI	877	1,020	1,340
<b>Total AUM<sup>1</sup></b>	<b>48,007</b>	<b>46,301</b>	<b>34,891</b>
Total provisions <sup>2</sup> (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	455	538	375
Stage 2	123	32	28
Stage 3	279	230	221
<b>Total</b>	<b>857</b>	<b>800</b>	<b>624</b>
Provision coverage ratio <sup>2</sup> (%)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	1.0%	1.2%	1.2%
Stage 2	11.8%	3.3%	3.4%
Stage 3	37%	36%	36%
<b>Total provisions as a % of total AUM</b>	<b>1.8%</b>	<b>1.7%</b>	<b>1.8%</b>







Note: (1) Excludes direct assignment (DA) (INR 2,408 Cr as of Q1 FY25, INR 1,598 Cr as of Q4 FY24 and INR 328 Cr as of Q1 FY24), Co-lending ( INR 115 Cr as of Q1 FY25 and INR 27 Cr as of Q4 FY24)  
(2) ECL policy strengthened during the quarter, resulting in change in provision coverage of stage 1 & 2 assets

# Asset classification: wholesale assets



Total assets (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	16,270	16,644	24,846
Stage 2	2,890	3,475	3,335
Stage 3	885	799	866
<b>Total AUM</b>	<b>20,045</b>	<b>20,919</b>	<b>29,047</b>
Total provisions (INR Cr.)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	719	1,029	774
Stage 2	716	896	939
Stage 3	706	705	491
<b>Total</b>	<b>2,140</b>	<b>2,629</b>	<b>2,204</b>
Provision coverage ratio (%)	Q1 FY25	Q4 FY24	Q1 FY24
Stage 1	4.4%	6.2%	3.1%
Stage 2	25%	26%	28%
Stage 3	80%	88%	57%
<b>Total provisions as a % of total AUM</b>	<b>10.7%</b>	<b>12.6%</b>	<b>7.6%</b>

# Multi-product retail lending platform across the risk-reward spectrum – Q1 FY25

Product Segments	Products	Average disbursement ticket size (INR lakh)	Disbursement yield	Share in disbursements <sup>2</sup>	AUM yield <sup>1</sup>	Share in AUM <sup>3</sup>
 Housing	Affordable housing	20.9	11.5%	27.1%	11.5%	44.9%
	Mass affluent housing					
	Budget housing					
 Secured MSME (LAP)	Secured business loan	21.5	12.7%	22.1%	12.8%	22.6%
	Loan against property (LAP)					
	LAP plus					
 Used car loans	Pre-owned car loans	6.7	15.0%	8.4%	15.0%	5.0%
 Business loan	Microfinance loans	0.6	18.9%	6.7%	18.4%	2.7%
	Business loans	8.2	20.3%	7.9%	20.0%	6.7%
	Merchant BNPL					
 Salaried PL	Salaried personal loans	4.1	17.7%	10.4%	17.6%	7.0%
 Digital loan	Digital purchase finance	0.5	17.4%	12.3%	18.0%	7.0%
	Digital personal loans					
<b>Total / weighted average</b>		<b>12.8</b>	<b>14.2%</b>		<b>13.5%</b>	

Notes: (1) Weightage average yield excludes POCI and pertains to all customers outstanding as of 30th June 2024

(2) The balance 5.1% (to make the total 100%) consists of LAMF (INR 348 Cr for Q1FY25)

(3) The balance 4.1% (to make the total 100%) consists of LAMF (INR 338 Cr as of Q1FY25), SRs (INR 1,606 Cr as of Q1 FY25) & pass-through certificates (PTC) (INR 145 Cr as of Q1 FY25)



# We expect ~15% AUM growth in FY25



Key metrics	Q4 FY24	Q1 FY25	Q4 FY25E
Total AUM (INR '000 Cr)	~69 (+8% YoY)	~71 (+10% YoY)	~80 (~15% YoY)
Legacy (discontinued) AUM (as % Total AUM)	21%	18%	<10%
Retail : Wholesale mix	70 : 30	72 : 28	75 : 25
Exit quarter opex to AUM - growth business	4.9%	4.6%	4.6%

## FY28E targets

Key metrics	FY24	FY28E
Retail growth	49% YoY	26% CAGR (from FY24)
Retail : Wholesale mix	70 : 30	75 : 25
Total AUM (INR '000 Cr)	~69 (+8% YoY)	~150 (21% CAGR from FY24)

- Profitability targets - **ROA of 3.0-3.3% by FY28E**
- In addition, assessed carry forward losses of INR 10,627 Cr, provide an **upside potential** to ROA & PAT targets

# 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 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.*



# Thank You

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