

PRESS RELEASE
Piramal Enterprises Limited announces consolidated results for Q2 FY2025

Mumbai, India | October 23rd, 2024: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Second Quarter (Q2) FY2025 ended 30th September 2024.

Consolidated Highlights for Q2 FY25

- Total Assets Under Management (AUM) grew 12% YoY to INR 74,692 Cr, led by our Growth¹ business.
- Growth to Legacy AUM mix has improved to 84:16 from 34:66 in FY22.
 - Growth AUM grew 45% YoY to INR 62,626 Cr.
 - Legacy (discontinued) AUM down 49% YoY to INR 12,066 Cr, down 72% since FY22.
- Opex-to-AUM of Growth business down 80bps YoY to 4.5% now.
- Consolidated GNPA at 3.1% with NNPA ratio at 1.5%.
- Reported a consolidated Profit After Tax (PAT) of INR 163 Cr.
- Net worth of INR 26,930 Cr with capital adequacy ratio at 23.3% on consolidated balance sheet.

Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, *“As we reflect on Q2 FY25, I am pleased with the strong momentum in our Growth business, which has significantly boosted AUM and profitability. Our strategic focus on growth along with controlled risk and operating leverage continues to yield strong results. We have made strides in digital enhancement, borrowing diversification, and ensuring robust asset quality.*

We are on track to reduce legacy discontinued AUM to below 10% of total AUM by March 2025, with ongoing recovery efforts strengthening our financial position. In October 2024, we raised an additional \$150 million through a Sustainability Bond, which was oversubscribed 3.5 times, reflecting strong investor confidence in our vision for sustainable growth.

Looking ahead, we remain committed to innovation and operational efficiency as we continue delivering a diverse range of financial solutions to our customers. I extend my sincere gratitude to our stakeholders for their continued support. We are focused on the steadfast execution of our identified strategy. This should position us well to build a resilient organisation for a long-term success.”

Key Business Highlights
Growth Business – Retail Lending

- **AUM**
 - Retail AUM grew 42% YoY to INR 54,737 Cr.
 - Mortgage³ AUM grew 37% YoY to INR 37,005 Cr, accounting 68% of Retail AUM.
- **Disbursements**
 - Quarterly disbursements grew 29% YoY to INR 8,066 Cr.
 - Disbursement yields remained stable at 14.1%.
 - Mortgage disbursements grew 39% YoY to INR 4,653 Cr.
 - Cross-sell disbursements stood at 17.2% of unsecured disbursements and 5.7% of retail disbursements.
- **Asset Quality**

- 90+ DPD³ delinquency stood at 0.7% for overall Retail AUM.
- **Scale and Presence**
 - 508 branches and 236 microfinance active branches, serving 608 districts across 26 states.
 - Customer franchise grew 27% YoY to 4.2 Mn; 0.17 Mn new customers acquired during the quarter.

Growth Business – Wholesale 2.0[^] Lending

- **AUM**
 - Wholesale 2.0 AUM grew 12% QoQ and 75% YoY to INR 7,889 Cr.
- **Disbursements**
 - Disbursements up 17% QoQ to INR 1,837 Cr.
 - Repayments (including pre-payments) received worth INR 1,028 Cr in Q2 FY25.
 - Effective Interest Rate (EIR) up 40 bps at 14.3% with average ticket size of INR 75 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 7% QoQ and 49% YoY to INR 12,066 Cr.
 - We are confident to reduce the legacy AUM to below 10% of total AUM in FY25.
- **Asset Quality**
 - Provision of INR 2,025 Cr held against the legacy AUM, representing a PCR of 16.8%.

Liability Management

- Raised a tap issuance of an additional US\$150 million Sustainability Bond in October 2024 from international capital markets. The issuance was oversubscribed 3.5 times, reflecting strong investor confidence.
- Our borrowing cost was at 9.1%.
- We continue to diversify our borrowing mix with securitization and international borrowings.
- The fixed : floating rate debt mix improved to 54:46.
- Our ALM is well-matched with positive gaps across all buckets.

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

Consolidated income statement	Q2 FY25	Q2 FY24	YoY %	Q1 FY25	QoQ %	H1 FY25	H1 FY24	YoY %
Interest income ⁴	2,198	1,800	22%	2,011	9%	4,209	3,525	19%
Less: Interest expense	1,317	1,050	25%	1,205	9%	2,522	2,094	20%
Net interest income (A)	881	750	17%	807	9%	1,687	1,431	18%
Fee & commission	102	125	(19%)	109	-6%	211	215	(2%)
Dividend	32	13	142%	-		32	90	(64%)
Others	123	26	378%	58	112%	181	69	161%
Other income (B)	257	164	56%	167	54%	424	374	13%
Total income (A+B)	1,137	914	24%	973	17%	2,111	1,806	17%
Less: Operating expenses (Opex)	741	664	12%	703	5%	1,444	1,292	12%
Pre-provision operating profit (PPOP)	396	250	58%	270	47%	666	513	30%
Less: Loan loss provisions & FV loss / (gain)	317	198	60%	133	138%	451	377	20%
Less: Shriram FV loss / (gain)	-	-		-		-	(855)	
Less: Goodwill write-off	-	-		-		-	278	
Profit before tax	79	53	50%	137	(42%)	216	713	(70%)
Add: Exceptional gain / (loss)	77 ⁵	(64) ⁶		104 ⁵	(26%)	181	(64)	
Less: Current & deferred tax	27	11	154%	66	(59%)	94	184	(49%)
Add: Associate income	34	71	(52%)	8	351%	42	92	(54%)
Reported net profit / loss after tax	163	48	238%	181	(10%)	344	557	(38%)

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) Mortgage comprises Housing and LAP loans.

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

(4) Interest Income includes DA Upfront income of INNR 99 Cr in Q2 FY25 and INR 57 Cr in Q1 FY25.

(5) Exceptional gains include gross AIF recovery of INR 77 Cr in Q2 FY25 and INR 104 Cr in Q1 FY25.

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

About Piramal Enterprises Ltd:

Piramal Enterprises Ltd. (“PEL”) is a leading diversified Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI), with presence across retail lending, wholesale lending, and fund-based platforms. The company has investments and assets worth ~\$10 billion. 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 508 branches as on 30th Sep 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, [LinkedIn](#), [Facebook](#), [Twitter](#)

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