

PRESS RELEASE**Piramal Enterprises Limited announces consolidated results for Q4 and Annual FY2024**

Mumbai, India | May 8th, 2024: Piramal Enterprises Limited ('PEL', NSE: PEL, BSE: 500302), a leading diversified NBFC, today announced its consolidated results for the Fourth Quarter (Q4) FY2024 ended 31st March 2024.

Consolidated Highlights

- The Board of Directors has approved the composite scheme of arrangement for merger of Piramal Enterprises Limited (PEL) with its 100% subsidiary Piramal Capital & Housing Finance Limited (PCHFL); and renaming PCHFL as Piramal Finance Limited (PFL).
 - As part of merger consideration, PEL shareholders, in lieu of every one equity share of PEL, will get one equity share of PFL and subject to RBI approval, one NCRPS (non-convertible non-cumulative non-participating redeemable preference share) of INR 67 of PFL.
 - We expect entire process to be completed in ~9-12 months.
- Total Assets Under Management (AUM) were up 8% YoY, led by our growth business.
- Growth¹ to Legacy² AUM mix improved to 79:21 from 34:66 in FY22.
 - Growth¹ AUM grew 55% YoY to INR 54,273 Cr.
 - Legacy² AUM down 50% YoY to INR 14,572 Cr, down 66% since FY22.
 - Retail³ to Wholesale AUM mix improved to 70:30 from 33:67 in FY22.
- On AUM growth and AUM mix, the company is thus running ahead of the medium term guidance.
- Consolidated GNPA was stable at 2.4% and NNPA ratio was down 30 bps QoQ to 0.8%.
- Consolidated Profit After Tax (PAT) for Q4 FY24 stood at INR 137 Cr.
 - Reported loss for Annual FY24 stood at INR 1,684 Cr, due to impact of AIF provisions during FY24.
- Net worth stood at INR 26,557 Cr with capital adequacy ratio at 25.6% on consolidated balance sheet.
- Concluded sale of Shriram investments for INR 1,440 Cr, having carrying value of INR 569 Cr.
- The Company received an income tax assessment order for FY2021-22, wherein it has been allowed an assessed carry forward loss of INR 10,627 Cr, arising from the merger with eDHFL.

Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, *"With the intent of further simplifying our group structure and creating a stronger, more flexible entity that enhances value for all stakeholders, the Board of Directors has approved PEL's merger with its subsidiary, Piramal Capital & Housing Finance Ltd, subject to regulatory approvals.*

Over the past two to three years, our company has undergone a significant transformation, reshaping both its business operations and long-term strategy. This transformation gained further momentum in FY24. Specifically, our growth business, which includes Retail Lending and Wholesale 2.0, witnessed substantial expansion during this period.

We made progress across key areas, including AUM growth, business mix optimization and moderation in Op-Ex ratios. In this quarter there was meaningful reduction in our legacy business AUM and this process should largely conclude in the current year. This acceleration has been associated with some credit costs. However, profit in our growth business and other gains in the P&L have supported the profitability in 4QFY24.

We remain focused on optimizing operating leverage in the growth business and reducing the contribution of the legacy business as quickly as possible. Having navigated through this transformative journey, we are encouraged by the strengthening performance of our new businesses. We are optimistic that that the lingering effects of our legacy challenges should largely fade away this year.”

Key Business Highlights

Growth Business – Retail Lending

- **AUM**
 - Retail AUM³ grew 49% YoY to INR 47,927 Cr.
 - Mortgage⁴ AUM grew 38% YoY to INR 32,612 Cr, contributing 68% to Retail AUM.
- **Disbursements**
 - Quarterly disbursements grew 30% YoY to INR 8,910 Cr.
 - Mortgage⁴ disbursements grew 42% YoY to INR 4,805 Cr.
 - Disbursement yields⁵ up 60 bps YoY to 13.8%.
- **Asset Quality**
 - 90+ DPD⁶ delinquency stable-to-down across retail products.
- **Scale and Presence**
 - 487 branches and 194 microfinance active branches, serving 625 districts across 26 states.
 - Customer franchise now stands at 4.1 Mn; Active customers stood at 1.3 Mn.
 - Ove 2 lakh new customers acquired during the quarter.

Growth Business – Wholesale 2.0[^] Lending

- **AUM**
 - Wholesale 2.0[^] AUM grew 14% QoQ to INR 6,347 Cr.
- **Disbursements**
 - Disbursed INR 1,448 Cr in Q4 FY24, of which INR 967 Cr was disbursed in the month of Mar’2024.
 - Pre-payments received worth INR 2,314 Cr in FY24.
 - For Real Estate (RE) loans, yield⁷ stood at 14.2% and ticket size⁸ stood at INR 141 Cr.
 - For Corporate Mid-Market Lending (CMML), yield⁷ stood at 12.6% and ticket size⁸ stood at INR 59 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 22% QoQ and 50% YoY to INR 14,572 Cr.
 - Continue to rapidly rundown our legacy book over coming quarters also.
- **Recovery and Realisation**
 - Realised AIF recoveries of INR 450 Cr during Q4 FY24.
 - Generated gross liquidity of INR 10,245 Cr in FY24.
- **Asset Quality**
 - Stage 2+3 assets down 33% YoY to INR 4,274 Cr with a PCR of 37%.
 - As resolution processes continue, we expect our SR portfolio to continue 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 50:50.
- Our borrowing cost stood 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	Q4 FY24	Q3 FY24	QoQ %	Q4 FY23	YoY %	FY24	FY23	YoY %
Interest Income ⁹	1,944	1,953	0%	1,921	1%	7,423	7,799	(5%)
Less: Interest Expense	1,189	1,118	6%	1,004	18%	4,400	4,041	9%
Net Interest Income (A)	755	835	(10%)	917	(18%)	3,022	3,757	(20%)
Fee & Commission	190	155	23%	96	98%	560	292	92%
Dividend	49	9	431%	92	(46%)	148	92	61%
Others ¹⁰	84	88	(4%)	35	140%	241	905	(73%)
Other Income (B)	323	251	28%	222	45%	948	1,288	(26%)
Total Income (A+B)	1,078	1,086	(1%)	1,140	(5%)	3,971	5,046	(21%)
Less: Operating Expenses (Opex)	785	697	13%	673	17%	2,774	2,215	25%
Pre-Provision Operating Profit (PPOP)	293	389	(25%)	466	(37%)	1,197	2,831	(58%)
Less: Loan Loss Provisions & FV Loss / (Gain)	3,354 ¹¹	257	1203%	298	1026%	3,990	5,180	(23%)
Less: Shriram FV Loss / (Gain)	(871)	-		375		(1,726)	115	
Less: Goodwill Write-Off	-	-		-		278	-	
Profit Before Tax	(2,191)	132		(207)		(1,346)	(2,464)	
Add: Exceptional Gain / (Loss)	1,136 ¹²	(2,668)		-		(1,596)	8,066	
Less: Current & Deferred Tax	(1,203) ¹³	(86)		2		(1,105)	(3,978)	
Add: Associate Income	(11)	73		13		154	389	(60%)
Reported Net Profit / Loss after Tax	137	(2,378)		(196)		(1,684)	9,969	

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

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

(1) Growth business comprises Retail and Wholesale 2.0 lending.

(2) Legacy business comprises Wholesale 1.0 lending.

(3) Retail AUM includes security receipts (SRs) (INR 1,579 Cr as of Q4 FY24) & pass through certificates (PTC) (INR 152 Cr as of Q4 FY24), direct assignment (DA) (INR 1,598 Cr as of Q4 FY24), Co-lending (INR 27 Cr as of Q4 FY24) and excludes acquired off-book assets (INR 8,947 Cr as of Q4 FY24) in the nature of DA & PTC as part of the DHFL acquisition.

(4) Mortgage comprises Housing and LAP loans.

(5) Disbursements of <1 yr. duration (3% for Q4 FY24) having higher average yield (14.5% for Q4 FY24) not included in the above calculation.

(6) 90+ DPD delinquency = 90 to 179 days DPD.

(7) Average yield % includes fee income.

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

(9) DA Upfront profit of INR 43 Cr in Q4 FY24, INR 22 Cr in Q3 FY24 and INR 109 Cr in YTD Mar-24 added in Interest Income from Net Loss of De-recognition line

(10) Other income in Q4 FY24 included Shriram Brand Sale income of 871 Cr moved to Shriram FV gain line item

(11) Impairment on investment property of INR 660 Cr in Q4 FY24 added in Credit cost from depreciation and impairment

(12) Excludes tax impact of INR 382 Cr on AIF

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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 487 branches as on 31st March, 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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