

August 2, 2021

The Secretary
BSE Limited
Pheeroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 531595

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No- 'C' Block, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
Scrip Code: CGCL

Sub: Earnings Presentation Q1FY22

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further to our letter dated July 30, 2021 intimating scheduling of Earning Conference Call on August 3, 2021 we are forwarding herewith presentation titled "Q1FY22 Earnings Presentation".

You are requested to take the same on record for dissemination to the stakeholders.

Thanking you,

Yours faithfully,
for Capri Global Capital Limited



(Harish Agrawal)
Senior Vice President & Company Secretary



Encl.: As Above

Capri Global Capital Limited

(CIN: L65921MH1994PLC173469)

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CAPRI GLOBAL
CAPITAL LIMITED

**Responsible.
Resilient.
Ready.**

Q1FY22 Earnings Presentation

02nd August 2021

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Q1FY22 Earnings Presentation

Executive Summary : Key Highlights



Consolidated Profit After Tax of Rs459mn (16% YoY and 87% QoQ).



Disbursals resumed in Jun'21 after being suspended in Apr-May'21, total disbursals Rs3,083mn (7x YoY and -68% QoQ) ; AUM growth at 22% YoY.



Strong and well-funded balance sheet; well positioned for a medium-term growth trajectory of +22% CAGR FY22-FY27E.



Gross Stage 3 ratio 3.4% (unchanged QoQ); restructured assets marginally up sequentially; collection efficiency showing improvement.



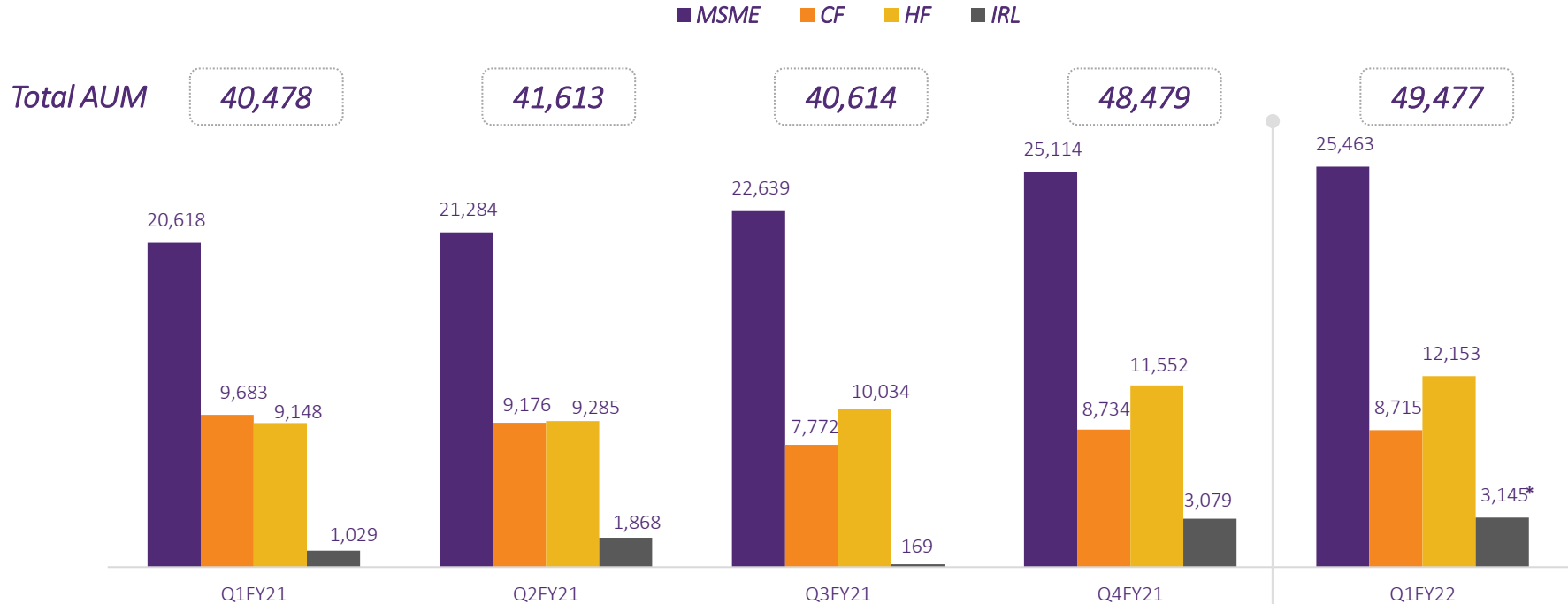
Added 4 new branches, branch count at 89, group staff count at 1,966.



Way forward: Steady opening up in most geographies of operations; lockdowns now very localized and in select pockets of Maharashtra; target of +20% AUM growth in FY22E.

Business Update : AUM On Positive Growth Path

AUM Segmental Break Up (INR Mn)



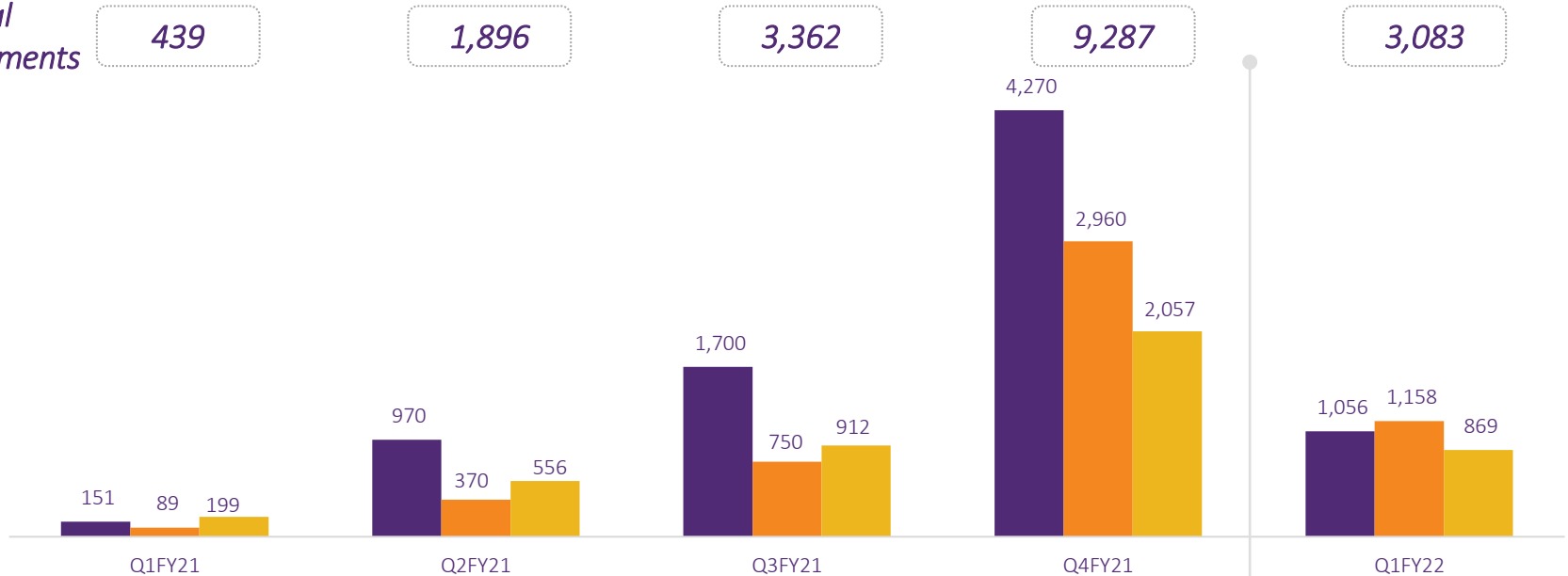
* IRL AUM for Q1FY22 includes INR 2,640 Mn of short term deployment maturing in <6 months

Disbursals : Disbursals Reflect Activity in Jun'21

Segmental Disbursals (INR Mn)

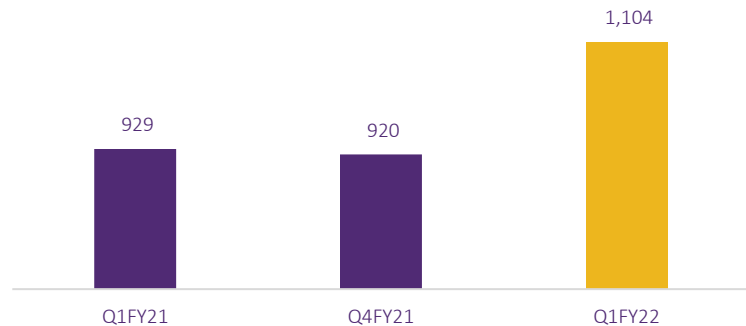
■ MSME ■ CF ■ HF

Total Disbursements

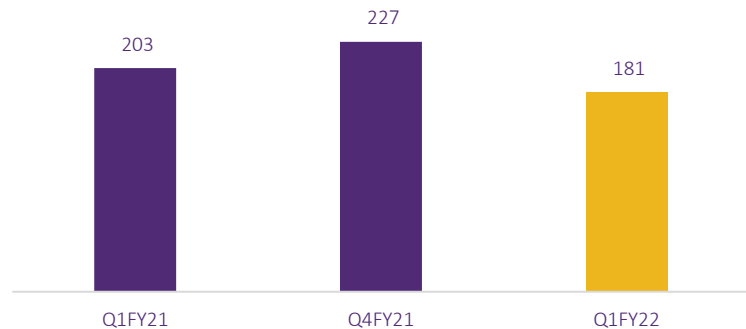


Performance Matrix : Core Earnings Performance Remained Robust

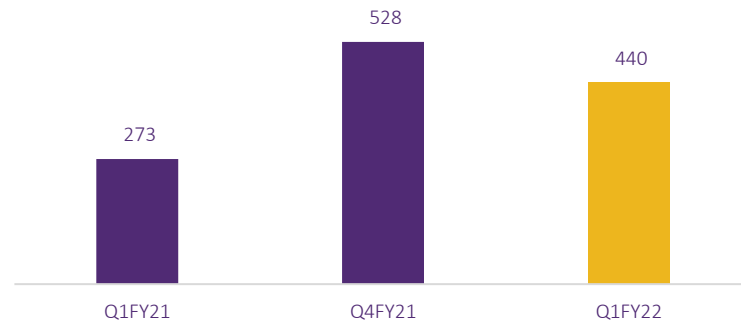
NII (INR Mn)



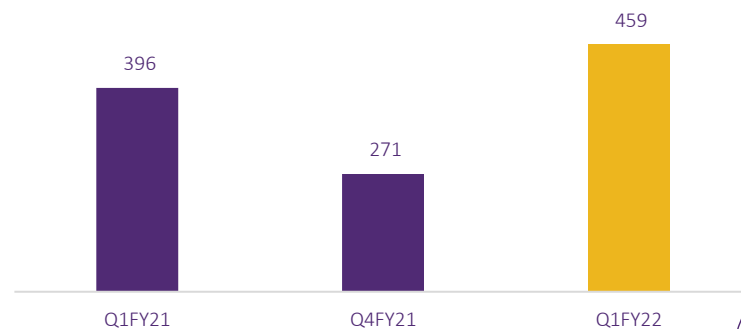
Credit Costs (INR Mn)



Opex (INR Mn)

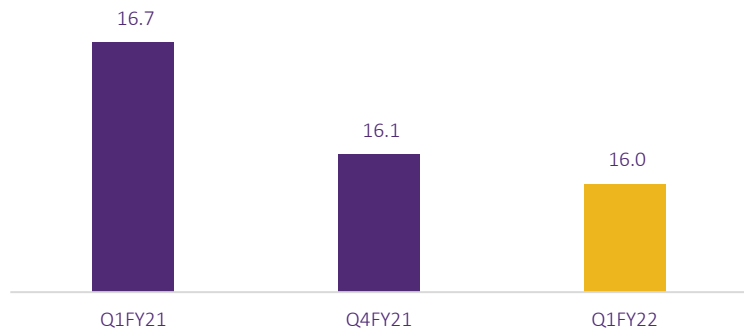


PAT (INR Mn)

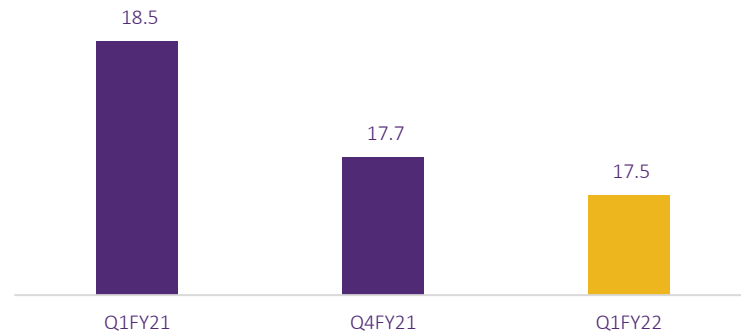


Key Ratios : Segmental Yields Showing Some Softening Trend

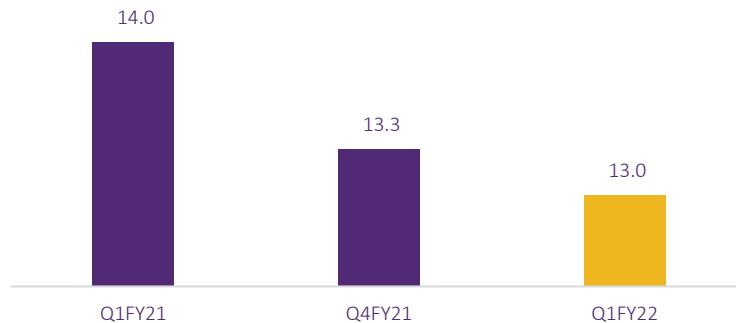
MSME



Construction Finance

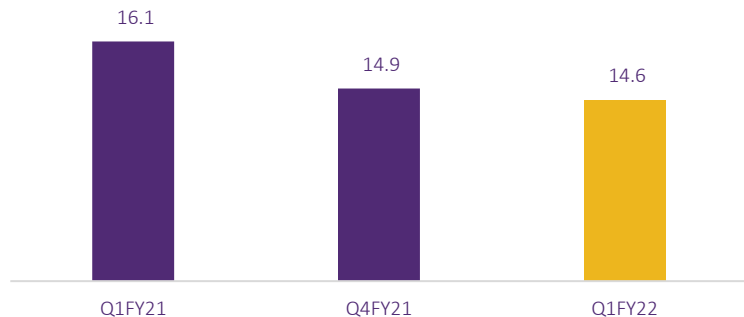


Housing Finance

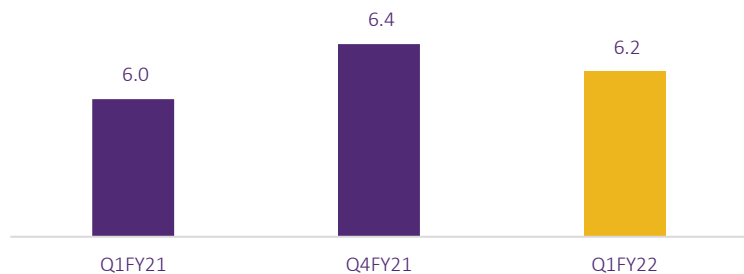


Key Ratios : Spreads Stable

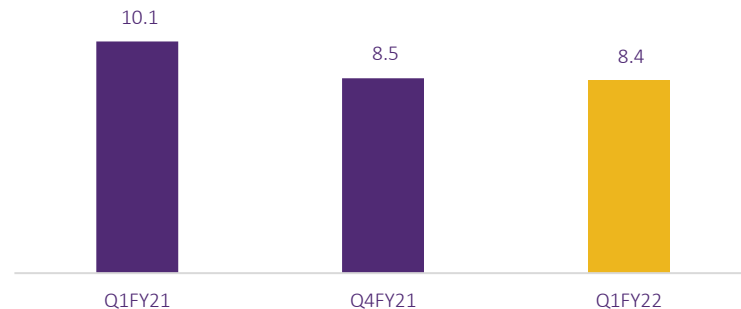
Yield on Advances (%)



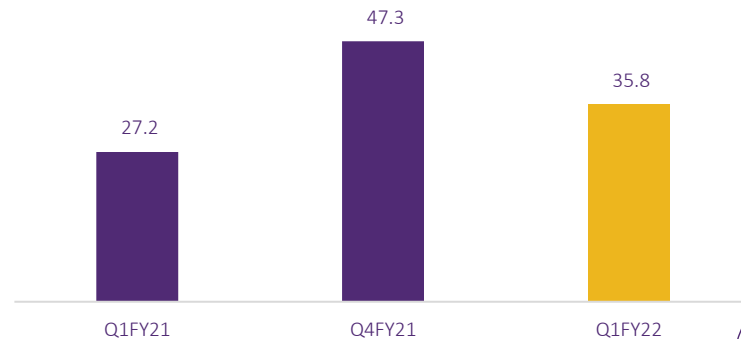
Spread (%)



Cost of Funds (%)

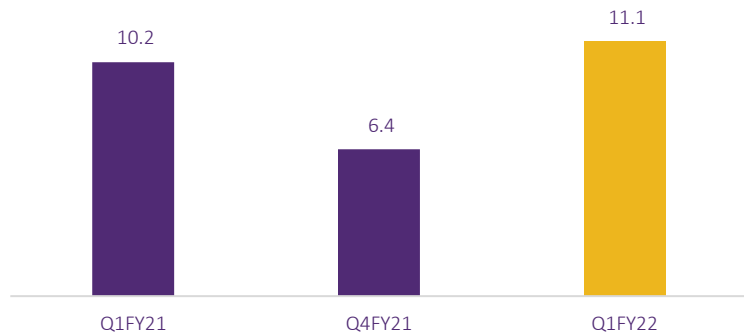


Cost-Income (%)

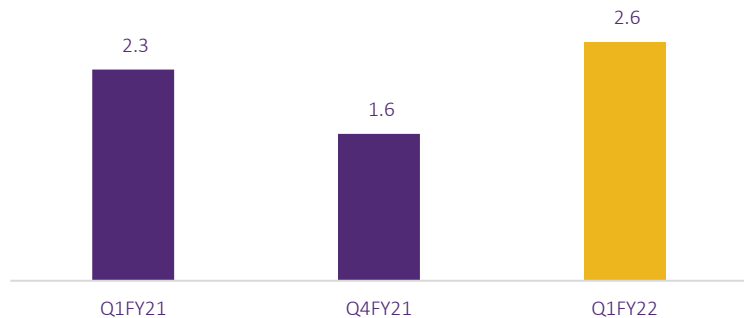


Key Ratios : Profitable Growth

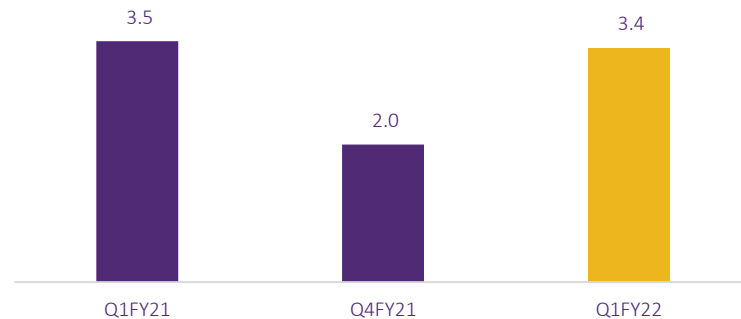
Annualized Return on Equity (%)



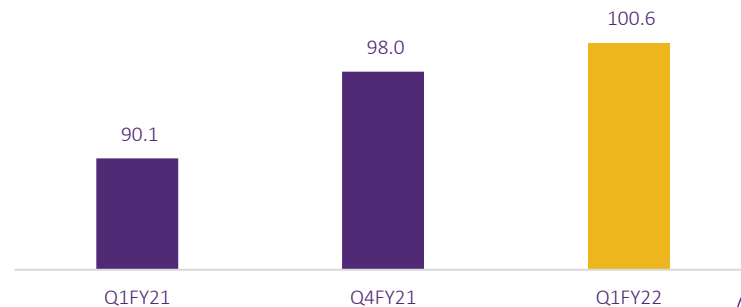
EPS (INR)



Annualized Return on Assets (%)



Book Value Per Share (INR)

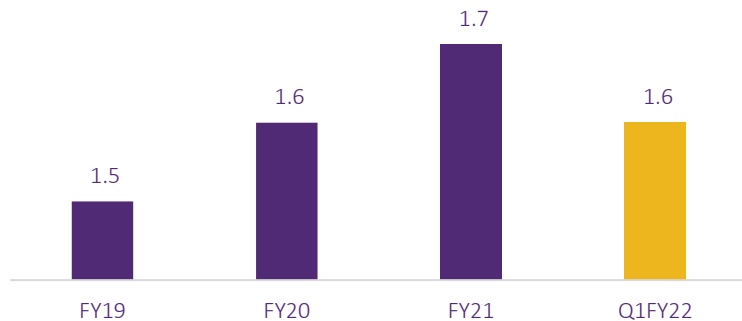




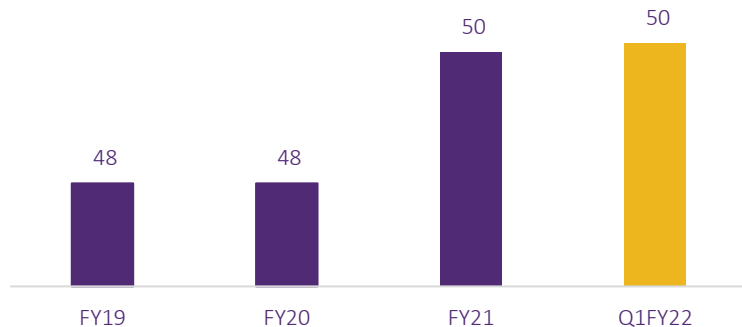
Business Vertical & Asset Quality Update

MSME Business Update

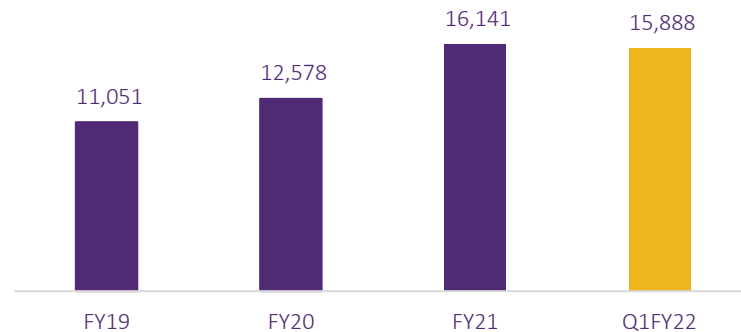
Average Ticket Size (INR Mn)



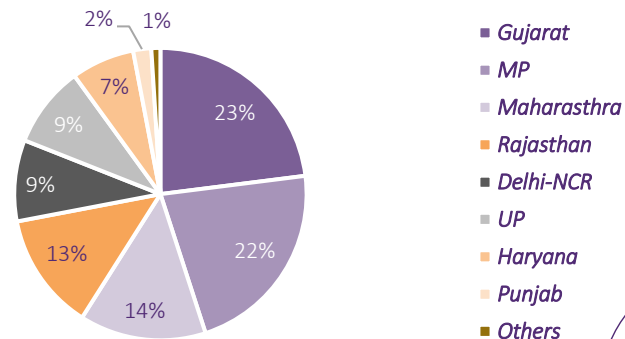
Loan to Value (%)



Live Accounts

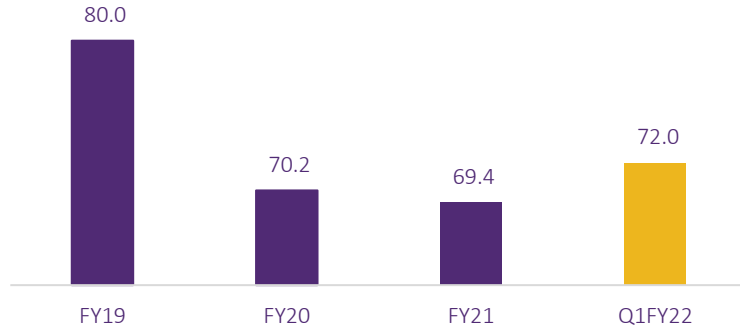


Geographical Distribution (Value-Wise)

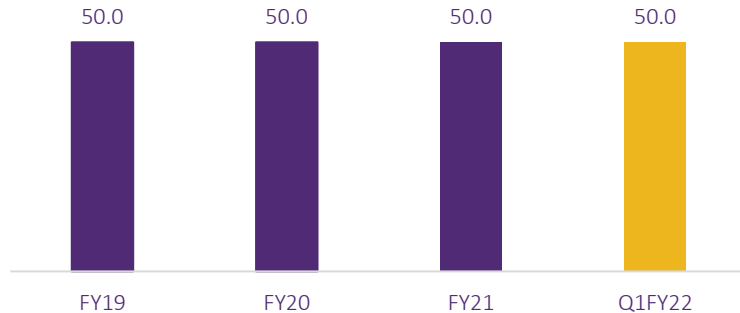


Construction Finance Business Update

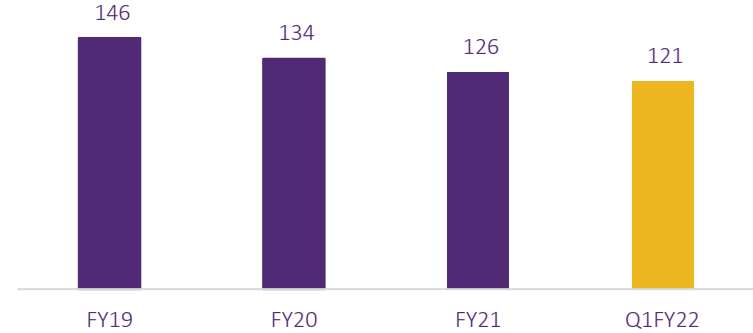
Average Ticket Size (INR Mn)



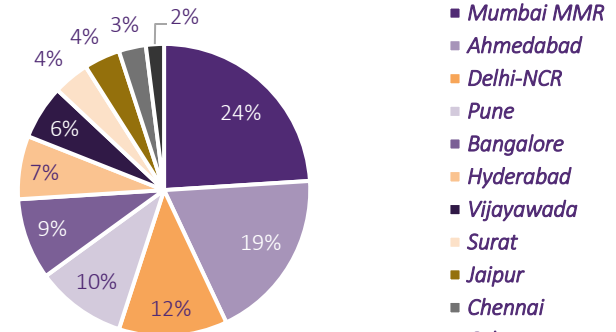
LTV (%)



No. of Projects

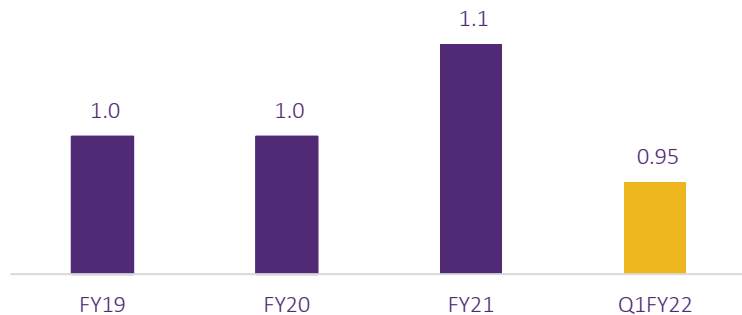


Geographical Distribution (Value-Wise)

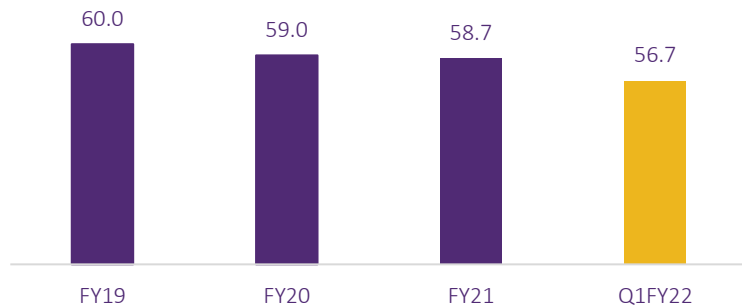


Housing Finance Business Update

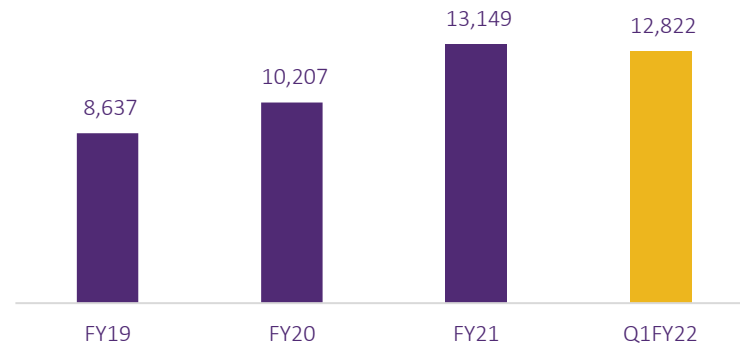
Average Ticket Size (INR Mn)



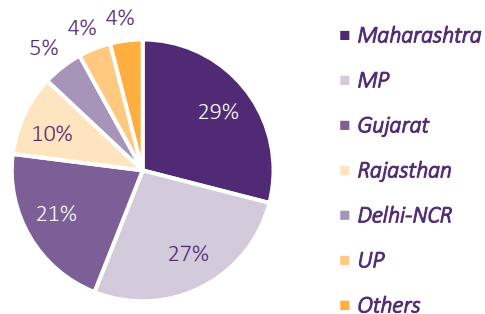
Loan to Value (%)



Live Accounts



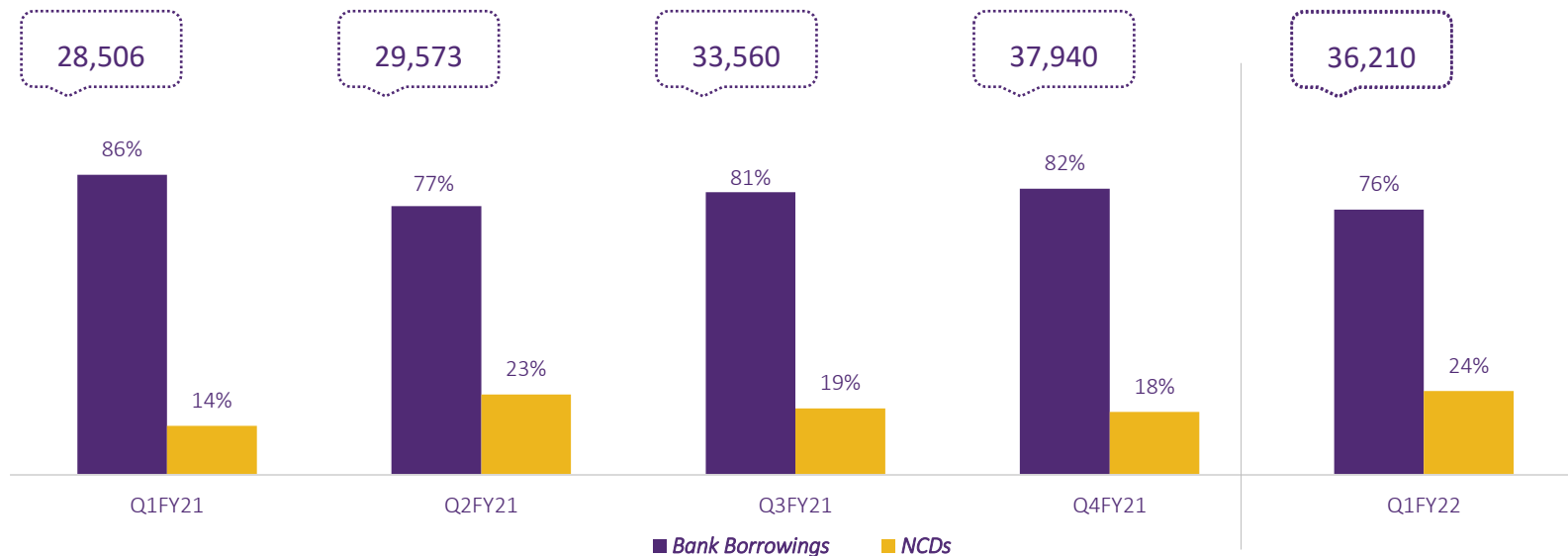
Geographical Distribution (Value-Wise)



Salaried	46%
Self-employed	54%

Liability Mix : Bank Borrowings Key Source Funds

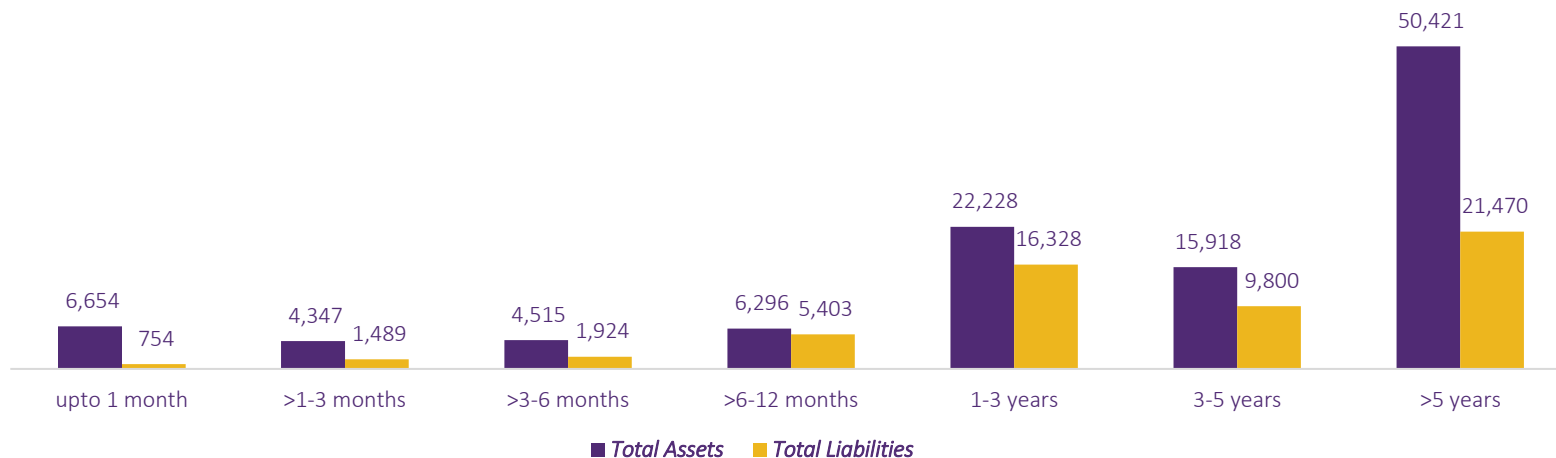
Total Borrowings (INR Mn) and Borrowing Mix



- Nil exposure to short-term money market instruments.
- CGCL's prudence in having higher share of long-term borrowings resulted in positive ALM across buckets on cumulative basis
- Maintained credit ratings of A+ (CARE Ratings) and AA- (BWR Ratings) amid peer downgrades specially for Construction Finance lenders.

Asset-Liability Split : Maturity Buckets Are Well Balanced*

Asset-Liability Mix (INR Mn); Ensuring Optically Matched Balance Sheet



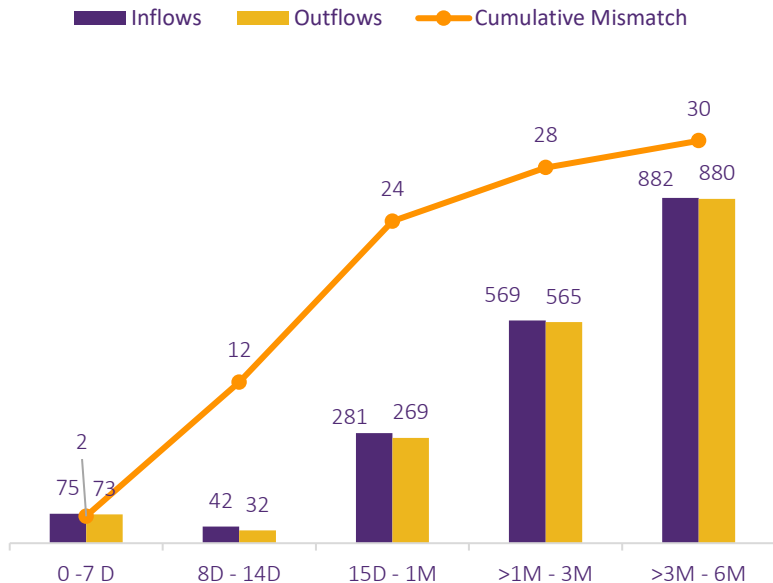
Particulars (INR Mn)	Ending	Total Assets							Total Liabilities						
		up to 1 month	>1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years	up to 1 month	>1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years
Cumulative Inflow - Outflow	Mar'21	5,900	8,758	11,349	12,241	18,141	24,259	53,210							

Have consistently remained cautious about short-term asset & liability mismatches by ensuring optimally matched Balance Sheets

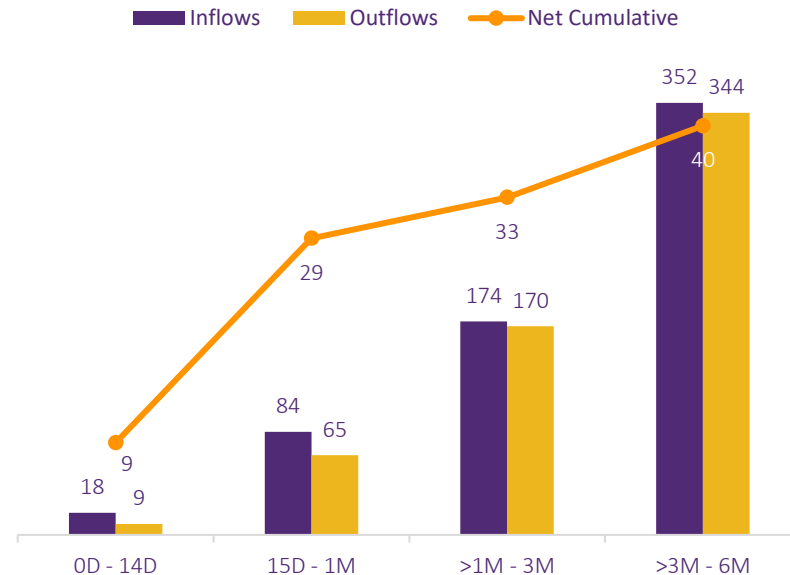
* as of Q4FY21

Asset-Liability Position : Well-Balanced for Short Term

ALM Position : CGCL (Standalone)



ALM Position : CGHFL



For CGCL, the available Liquid Funds in the start was INR 4,120 Mn while for CGHFL it was INR 1,100 Mn including Bank, MF and short-term deployments

Asset Quality : Stage Analysis As per IND-AS

All amount in INR Mn except stated

ECL Analysis as per INDAS	Q1FY22	Q4FY21	Q1FY21
Stage 1 & 2 - Gross	47,693	46,870	39,533
Stage 1 & 2 – ECL Provisions	823	730	346
Stage 1 & 2 - Net	46,870	46,140	39,187
Stage 1 & 2 – ECL Provisions %	1.72%	1.6%	0.87%
Stage 3 - Gross	1,702	1,613	943
Stage 3 – ECL Provisions	485	450	498
Stage 3 – Net	394	433	100
Stage 3 – ECL Provisions %	28.4%	27.8%	52.8%
Stage 3 % - GNPA	3.4%	3.3%	2.3%
Stage 3 % - NNPA	0.8%	0.9%	0.3%

○ Std. restructured assets: MSME Rs 1,952mn (7.6% of MSME AUM), Housing Rs 86mn (70bps of Housing AUM), CF & IRL - NIL

NPA Analysis : Short Term Headwinds

CGCL (Consolidated) (INR MN)	FY19	FY20	FY21	Q1FY22
GNPA	561	952	1,609	1,702
NNPA	445	312	434	394
Provisions	116	640	1,175	1,308
Gross NPA%	1.5%	2.4%	3.3%	3.4%
Net NPA%	0.5%	0.8%	0.9%	0.8%
Coverage Ratio*	20.7%	67.2%	73.1%	76.4%

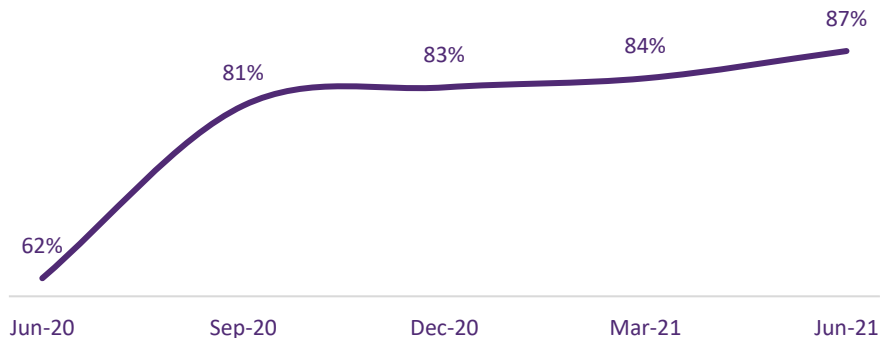
GNPA Product Segment wise – Q1FY22		
Product Segment	GNPA %	NNPA %
MSME	5.7%	1.7%
Construction Finance	0.2%	-
Housing Finance	1.9%	0.3%
Total (Consolidated)	3.4%	0.8%

- MSME Stage 2 at 11.7% (6.8% in Q4FY21), Housing Finance Stage 2 at 10.4% (6.4% in Q4FY21) and Construction Finance Stage 2 at 3.2% (6.7% in Q4FY21).
- ECL provisions include overlay provisions of Rs209mn.

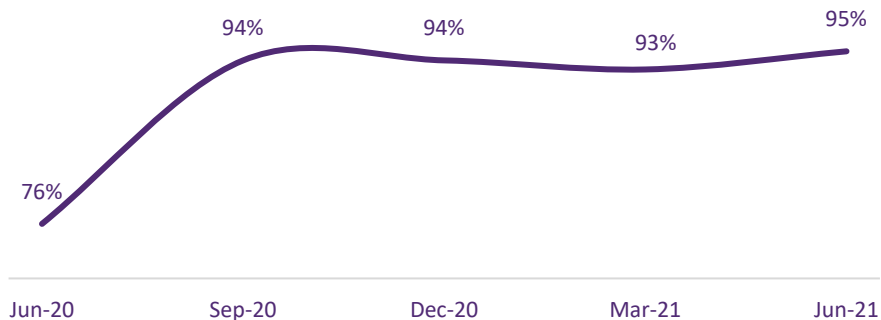
* Coverage ratio is computed considering aggregate ECL provisions.

Collection Efficiency : Improvement in EMI Servicing Continues

MSME Collection Efficiency (by POS)



Housing Finance Collection Efficiency (by POS)



MSME: Slow Reversion to Normalcy

- MSME portfolio consistently showed a steady and improving trend in collections during Q1FY22.
- However there remain challenges in getting back to normalcy in collections.

Housing Finance: Steady Improvement

- Affordable housing continued to show a steady improvement in collection efficiency after a dip initially in Q1FY22.
- The portfolio has continued to hold steady in Q2FY22.

Liquidity Position : Continue to Maintain Adequate Buffer

Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Limits Sanctioned	34,650	18,650	53,300
Limits Availed	32,179	14,210	46,389
Un-Drawn	2,471	4,440	6,911
Repaid	6,715	3,463	10,178
Outstanding	25,464	10,747	36,211
Total no. of relationship maintained	17	12	-
Limits Sanctioned in Q1FY22	1,000	1,000	2,000

- CGCL has active borrowing relationship with 18 Financial Institutions across PSU, Private Sector Banks, Foreign Banks, Mutual funds, Life Insurance companies and Public sector Financial Institutions.
- 7 new relationship with lenders were established in past 15 months.
- The company is looking to diversify its source of funds.

Note : Loans sanctioned but lapsed have been excluded from the total loan sanctioned

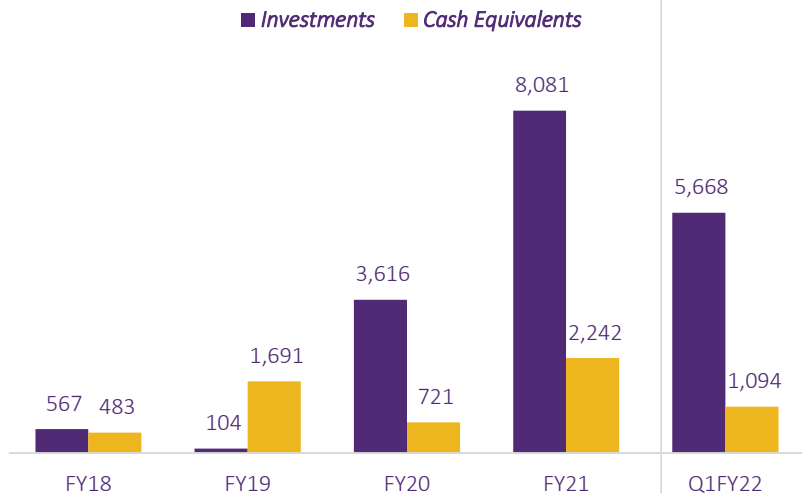
Liquidity Position : Repayment of High-Cost Loans

Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Dues during FY2021-22 (exc. Prepayments made in FY22)*	6,483	2,297	8,780
Payment made as per Schedule (A)	357	98	455
Prepayments made for the year (B)	2,685	1,313	3,997
Total repayments/prepayments (A+B)	3,042	1,411	4,453
Balance Payment for FY2021-22	3,441	886	4,327
Additional prepayments beyond FY2021-22 (C)	-	-	-
Total Repayments / Prepayments (A+B+C)	3,042	1,411	4,453

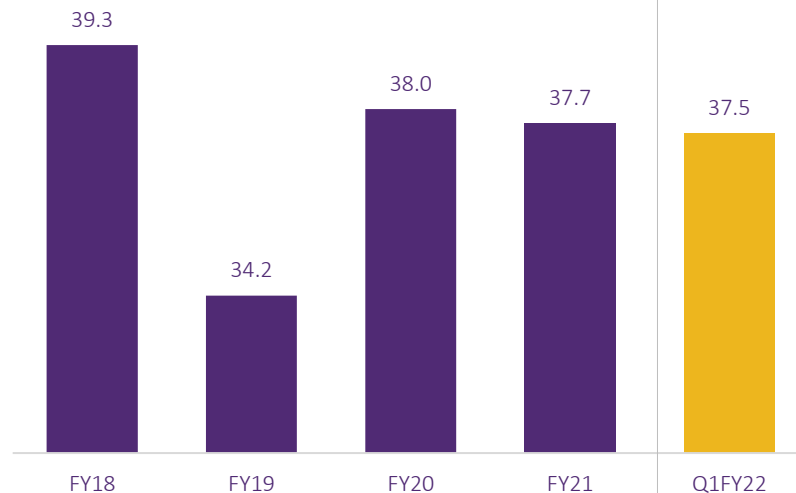
CGCL continued to prepay loan obligations in Q1FY22

Well Capitalized Business Model: Aid to Expansion

Current Assets (INR Mn)



Capital Adequacy (%)*



Adequate cash position on balance sheet

+

Strong capital adequacy to support future growth

+

Undrawn credit lines of INR 6.91 Bn including the unutilized CC limit

=

Comfortable liquidity position to protect against liquidity crunch & support future growth

* Standalone

CGCL Consolidated Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q1FY22	Q1FY21	Y-o-Y(%)	Q4FY21	Q-o-Q(%)
Interest earned	1,875	1,644	14%	1,675	12%
Interest expended	771	715	8%	755	2%
Net interest income	1,104	929	19%	920	20%
Non-interest income	124	74	68%	194	(36%)
- Other Operating Income	123	74	66%	192	(36%)
- Other Income	1	-	-	2	(50%)
Total Income	1,227	1,003	22%	1,114	10%
Operating expense	440	273	61%	528	(17%)
- Employee cost	323	170	90%	313	3%
- Depreciation	20	23	(13%)	37	(46%)
- Others	97	80	21%	178	(46%)
Operating Profit	787	731	8%	586	34%
Total provisions	181	203	(11%)	253	(28%)
PBT	606	528	15%	333	82%
Tax	147	131	12%	88	67%
PAT	459	396	16%	245	87%

CGCL Consolidated Balance Sheet : Quarterly Comparison*

Particulars (INR Mn)	Q1FY22	Q1FY21	Y-o-Y (%)	Q4FY21	Q-o-Q (%)
Share Capital	350	350	0%	350	0%
Reserves and Surplus	17,286	15,443	12%	16,833	3%
Net Worth	17,636	15,793	12%	17,173	3%
Borrowings	36,003	28,506	26%	37,688	(4%)
Other Liabilities and Provisions	1,718	776	121%	3,269	(47%)
Total liabilities & stockholders' equity	55,357	45,075	23%	58,131	(5%)
Net Block	266	304	(13%)	272	(2%)
Investments	5,668	2,348	141%	8,081	(30%)
Asset under financing activities	47,674	39,335	21%	46,863	2%
Deferred Tax Assets	289	188	54%	258	12%
Cash and bank balances	1,094	2,557	(57%)	2,242	(51%)
Other Assets	366	343	7%	415	(12%)
Total assets	55,357	45,075	23%	58,131	(5%)

* Q1FY22 and Q1FY21 balance sheets not subject to audit.

CGHFL Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q1FY22	Q1FY21	Y-o-Y(%)	Q4FY21	Q-o-Q(%)
Interest earned	395	320	23%	378	4%
Interest expended	212	193	10%	206	3%
Net interest income	184	127	45%	173	6%
Non-interest income	41	24	71%	76	(46%)
- Other Operating Income	39	24	63%	71	(45%)
- Other Income	2	-	-	5	(60%)
Total Income	225	151	49%	249	(10%)
Operating expense	74	53	40%	91	(19%)
- Employee cost	44	25	76%	48	(8%)
- Depreciation	3	4	(25%)	9	(67%)
- Others	26	24	8%	34	(24%)
Operating Profit	151	98	54%	158	(4%)
Total provisions	51	37	38%	27	89%
PBT	100	61	64%	132	(24%)
Tax	19	14	36%	28	(32%)
PAT	81	47	72%	104	(22%)

CGHFL Balance Sheet : Quarterly Comparison*

Particulars (INR Mn)	Q1FY22	Q1FY21	Y-o-Y (%)	Q4FY21	Q-o-Q (%)
Share Capital	607	607	0%	607	0%
Reserves and Surplus	2,123	1,753	21%	2,043	4%
Net Worth	2,730	2,360	16%	2,658	3%
Borrowings	10,650	8,955	19%	11,557	(8%)
Other Liabilities and Provisions	354	135	262%	575	(38%)
Total liabilities & stockholders' equity	13,734	11,450	20%	14,782	(7%)
Investments	1,489	982	52%	2,812	(47%)
Asset under financing activities	11,780	8,924	32%	11,221	5%
Deferred Tax Assets	59	31	90%	44	34%
Cash and bank balances	324	1,422	(77%)	603	(46%)
Other Assets	82	91	(10%)	102	(20%)
Total assets	13,734	11,450	20%	14,782	(7%)

* Q1FY22 and Q1FY21 balance sheets not subject to audit.



Way Forward In FY22...

Way Forward : FY22E and Beyond



AUM growth to pick up in a more robust manner in H2FY22, expect full year growth at +20% YoY. CGCL well poised to deliver a +22% CAGR FY22E-FY27E in AUM growth.



Maintain our Q4FY21 expectation of credit costs staying elevated in H1FY22. We continue to track the asset quality scenario closely. Our balance sheet and P&L are well positioned to absorb additional ECL provisions.



Expect the exit credit costs in Q4FY22 to trend lower towards 120bps level from ~150bps annualized in Q1FY22.



Shall continue to expand physical presence and employee base, in-line with growth requirements, target of doubling the branch network in next five years.





Leadership

Board of Directors & Strong Corporate Governance



Rajesh Sharma, Managing Director

Founder & Promoter with over 2.5 decades of experience, Chartered Accountant



Ajit Sharan, Independent Director

IAS - Batch 1979 with over 3 decades of experience in varied aspects of public administration



Beni Prasad Rauka, Independent Director

Group CFO- Advanced Enzyme Technologies; over 2.5+ decades of experience, CA & CS



Desh Raj Dogra, Independent Director

EX- CEO and MD of CARE ratings with over 4 decades of experience



Bhagyam Ramani, Independent Director

Ex- GM and Director of General Insurance Corporation; 3+ decades of experience, MA (Economics Hons.)



Ajay Kumar Relan, Non-Independent Director

Founder CX Partners & Citi Bank N.A. in India; 4+ decades of experience, BA (Eco), MBA



Mukesh Kacker, Independent Director

EX- IAS Officer, Jt. Secy (GOI) with over 3 decades of experience, MA(Public Policy), MA (Political Science)

Corporate Governance Philosophy

- Good Board Practices
- Control Environment
- Transparent Disclosure
- Well-defined shareholder right
- Board Commitment
- Employee Empowerment
- Equitable treatment to all the stakeholders

Stable Leadership Team

MSME/Housing Finance



Amar Rajpurohit (Business Head – MSME & Home Loan) Ex-AU Financiers, Gruh Finance, DHFL with over 17 years of work experience, B.A., LLB
Vintage with CGCL: 3 years



Prasanna Kumar Singh (Group Collections Head) More than two decades of experience with various BFSI institutions; LLB, MBA
Vintage with CGCL: 4 months



Bhavesh Prajapati (Head – Credit, Risk & Policy) Ex-Aadhar Housing Finance, IDFC Ltd, DHFL with over 20 years of experience; MBA- ICFAI
Vintage with CGCL: 3 years



Hemant Dave (Operations Head) Ex - Kotak Mahindra Bank, A. F. Ferguson with over 23 years of experience, CA;
Vintage with CGCL: 8 years



Bhupinder Singh (Head – Legal Litigation) More than a decade experience with various NBFCs in providing legal advice
Vintage with CGCL: 2 years

Construction Finance



Surender Kumar Sangar (Head – CF) Ex-MD – Tourism Finance Corporation of India and GM Union Bank of India with over 40 years of experience, BCom, CAIIB
Vintage with CGCL: 5 years



Bhaskarla Kesav Kumar (Associate Director – Monitoring) Ex AGM and Unit Head of Corporate Relationships with SBI
Vintage with CGCL: 5.5 years



Vijay Kumar Gattani (Senior Vice President – Credit) Ex-ICICI Bank, Head of Credit & Policy- ICICI HFC with over 15 years of experience, CA
Vintage with CGCL: 6 years.

Corporate Functions



Raj Ahuja (ED & Group CFO) More than three decades of experience and associated with organizations like Yes bank, Reliance Jio, Paytm, Amex etc;
Vintage with CGCL: 8 months



Ashok Agarwal (Associate Director – Accounts, Legal & Compliance) Previously practicing CA with over 26 years of experience, CA and CS
Vintage with CGCL: 13 years



Harish Kumar Agarwal (Senior VP – Company Secretary) Previously working as an advocate with more than two decades of experience;
Vintage with CGCL: 10 years



Suresh Gattani (Associate Director Finance) Ex-Aditya Birla, two decades plus experience in accounts, finance, taxation and corporate planning
Vintage with CGCL: 15 years



Vinay Surana (Head – Treasury) Ex-Founding Member, Axis Bank debt syndication with over 15 years of experience, CA
Vintage with CGCL: 13 years.

CAPRI GLOBAL
CAPITAL LIMITED

Thank you

For further information, please get in touch with:

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