



**CAPRI GLOBAL**  
CAPITAL LIMITED

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**Responsible.  
Resilient.  
Ready.**

Q4FY21 & FY21 Earnings Presentation

27<sup>th</sup> May 2021

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# Q4FY21 and FY21 Key Highlights

# Executive Summary : Key Highlights



*Consolidated Profit After Tax Rs1.77bn (10%YoY) and Rs271mn (-23%YoY) in FY21 / Q4FY21 respectively.*



*Robust disbursal growth during Q4FY21 of 2.4x YoY in core products viz. MSME, Construction Finance, and Affordable Housing, AUM growth at 20%YoY.*



*Well-funded balance sheet with a strong capital adequacy ratio of 37.7%; multiple borrowing relationships with 24 leading banks and financial institutions.*



*Gross Stage 3 ratio at 3.3% and Net Stage 3 at 0.9%; restructured loans at Rs1.84bn or 3.8% of AUM, restructured loans concentrated in MSME.*



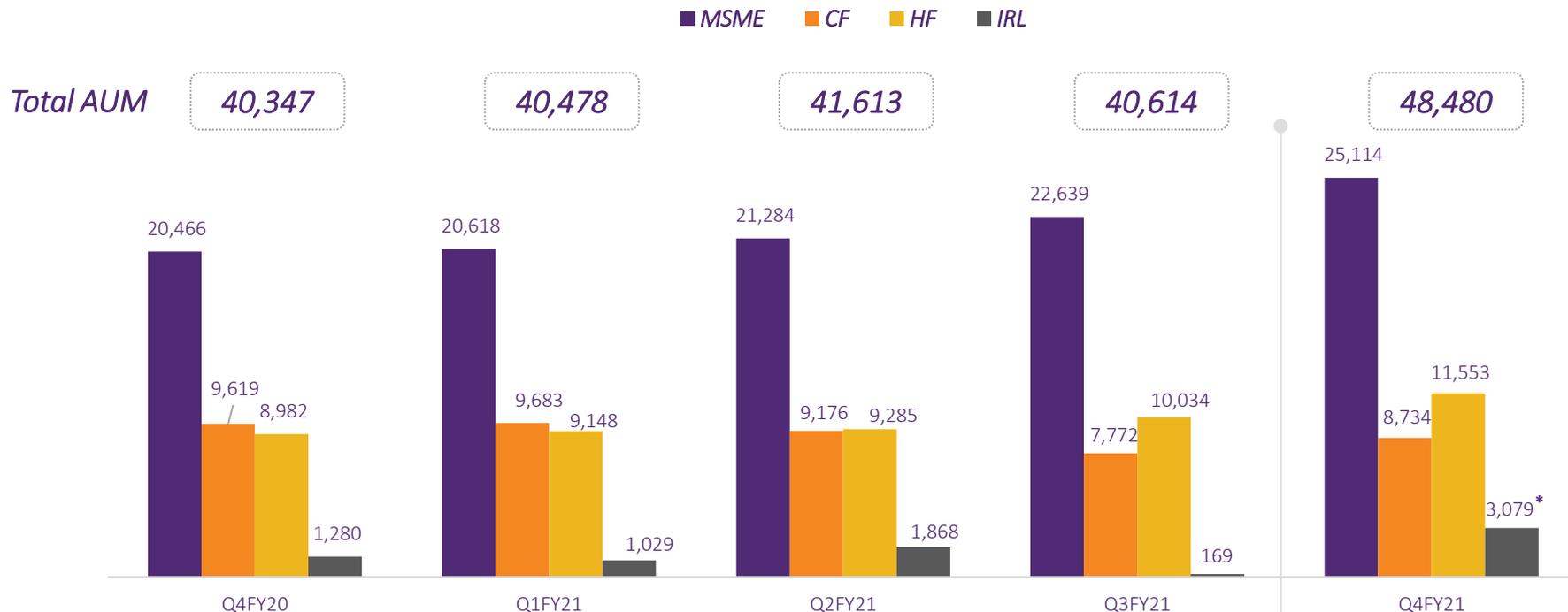
*Operate from 85 branches, group staff count at 1,900+*



*Way forward: H1FY22 challenging, H2FY22 likely to offer better operating environment, growth likely to be back ended like in FY21.*

# Business Update : AUM Back on Growth Path

AUM Segmental Break Up (INR Mn)



\* IRL AUM for Q4FY21 includes INR 2,570 Mn of short term deployment maturing in <6 months

# Disbursals – Strong Bounce Tracking Improved Scenario

Segmental Disbursals ( INR Mn)

■ MSME ■ CF ■ HF ■ IRL

Total Disbursements

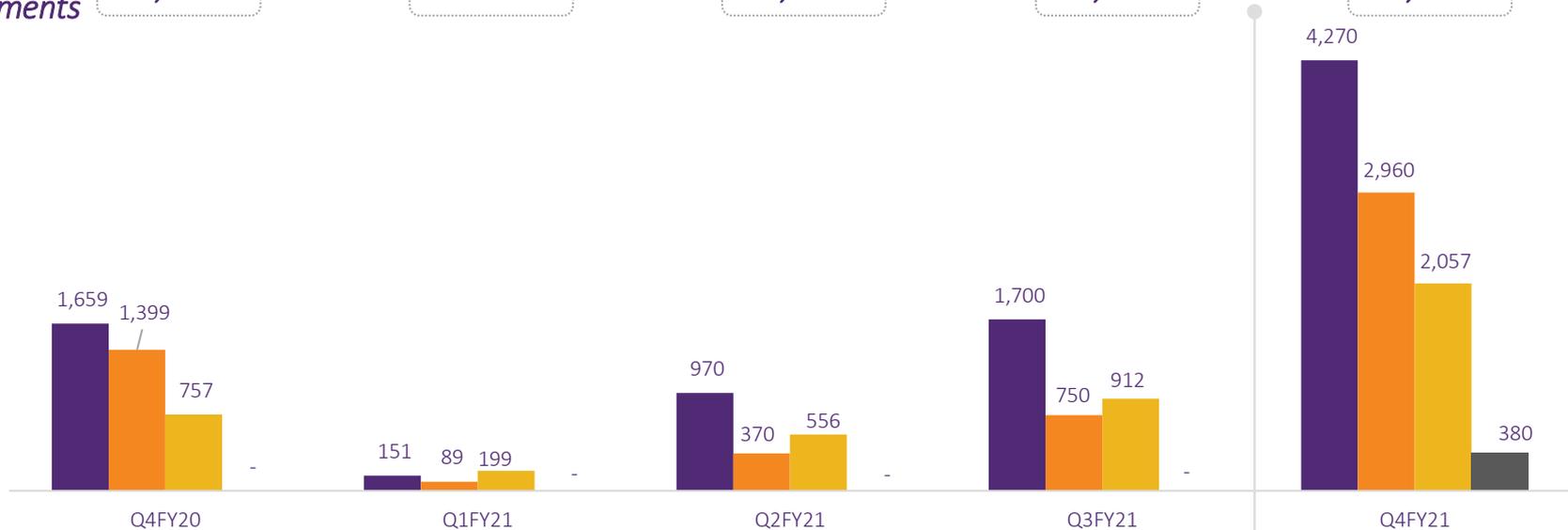
3,815

439

1,896

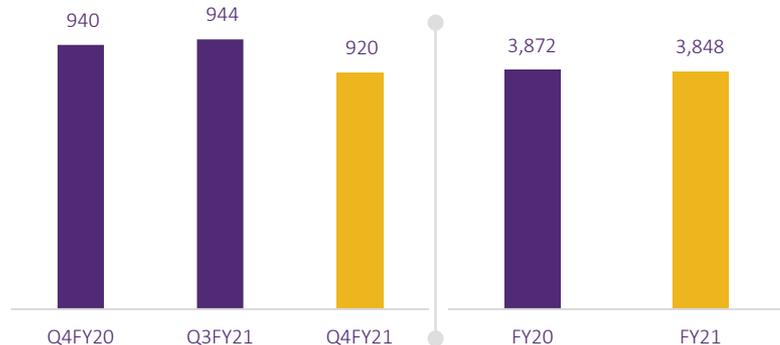
3,362

9,667

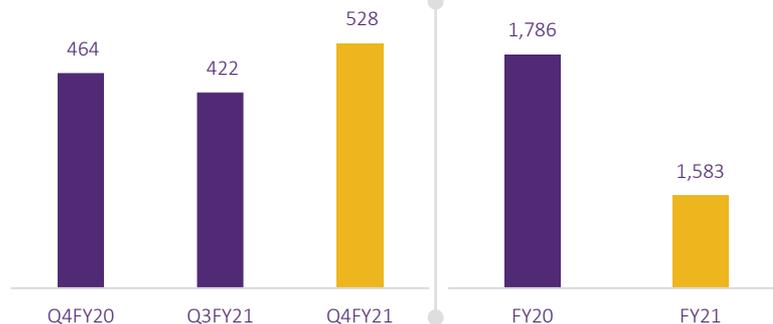


# Performance Matrix : Healthy Core Earnings Performance

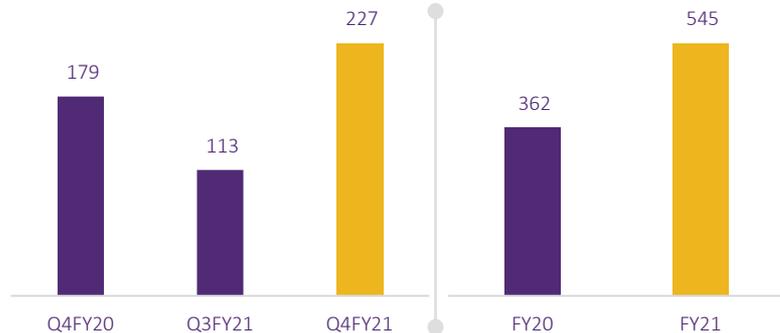
### NII (INR Mn)



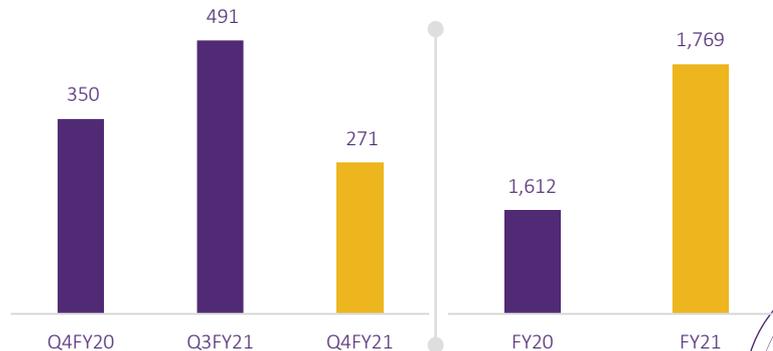
### Opex (INR Mn)



### Provisions (INR Mn)

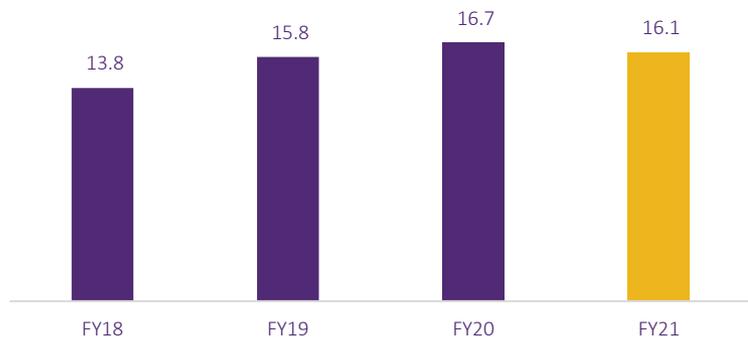


### PAT (INR Mn)

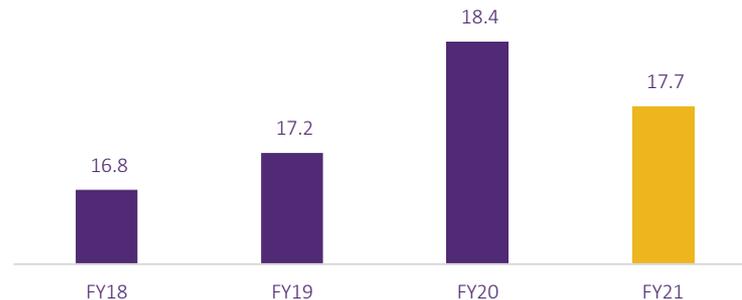


# Key Ratios : Segmental Yields

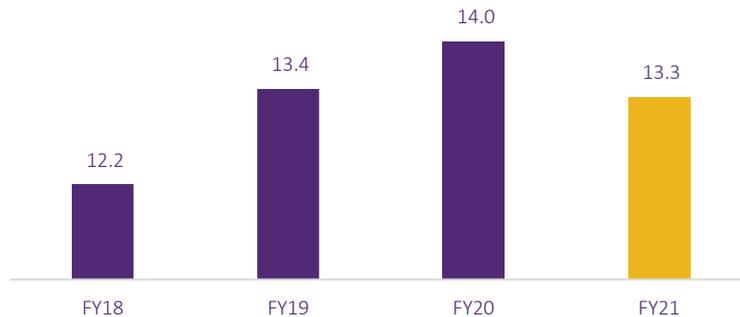
## MSME



## Construction Finance

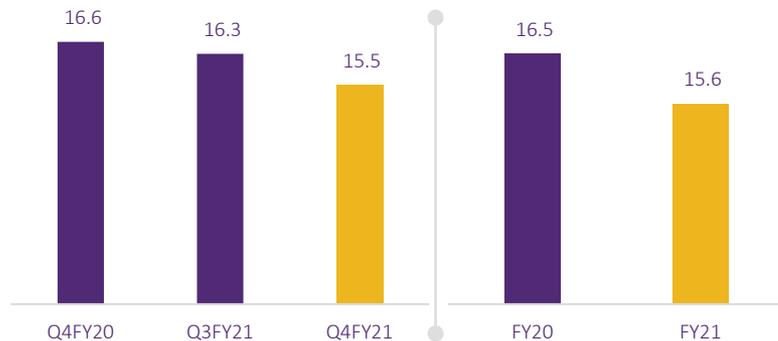


## Housing Finance

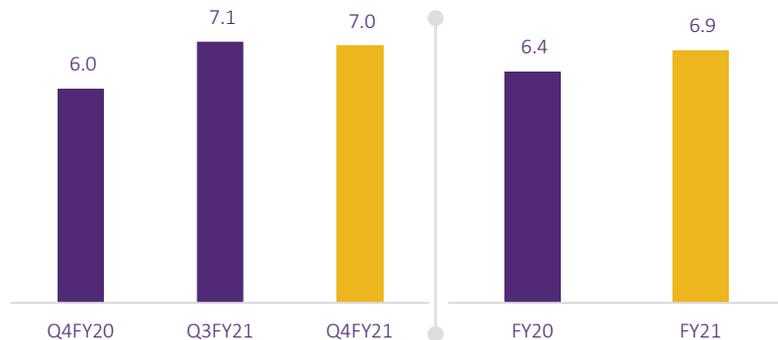


# Key Ratios : Spreads Stable

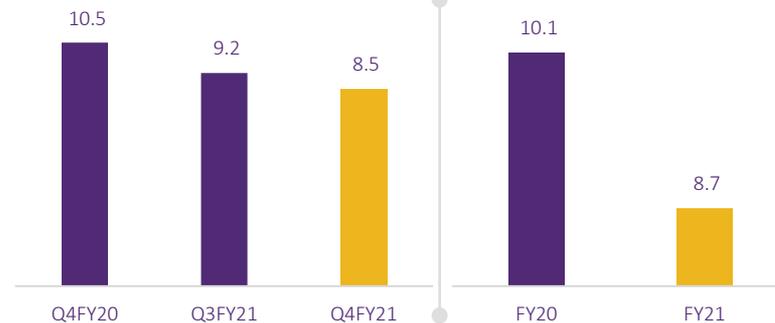
### Yield on Advances (%)



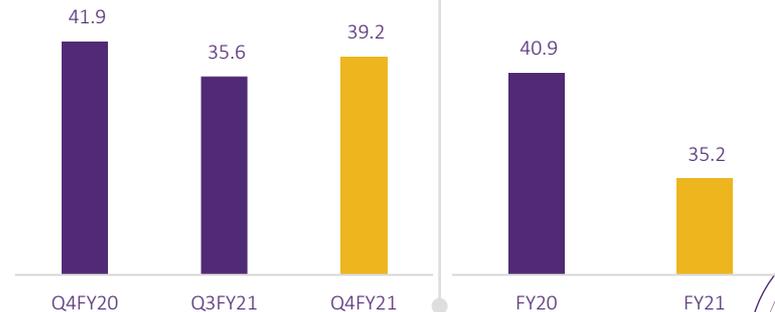
### Spread (%)



### Cost of Funds (%)

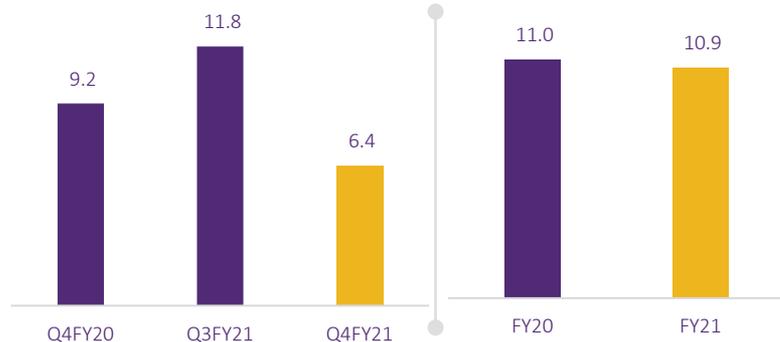


### Cost-Income (%)

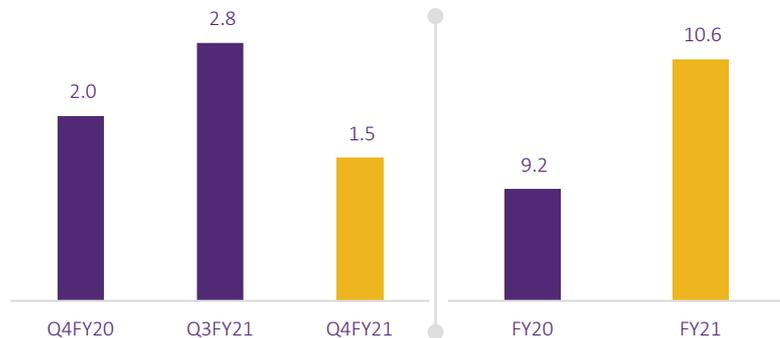


# Key Ratios : Profitable Growth

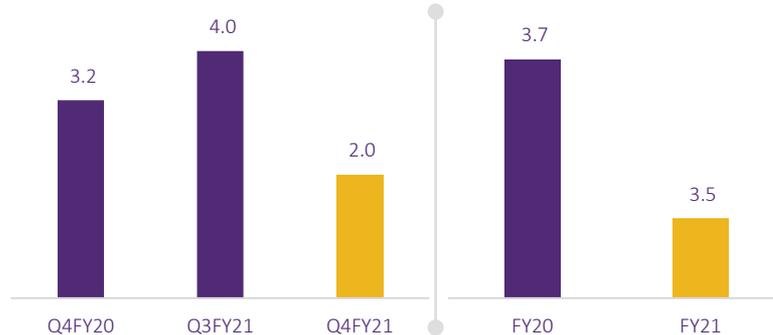
## Annualized Return on Equity (%)



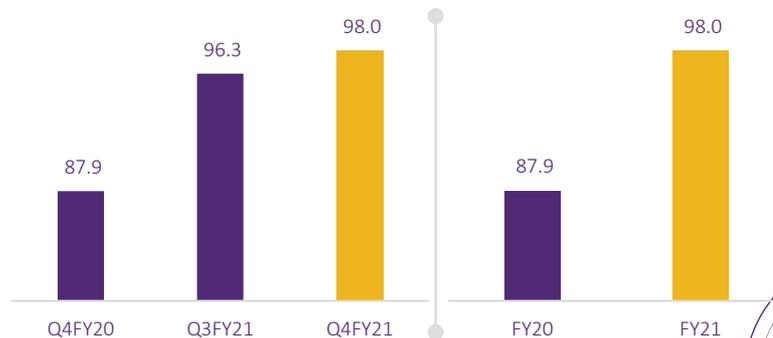
## EPS (INR)



## Annualized Return on Assets (%)



## Book Value Per Share (INR)

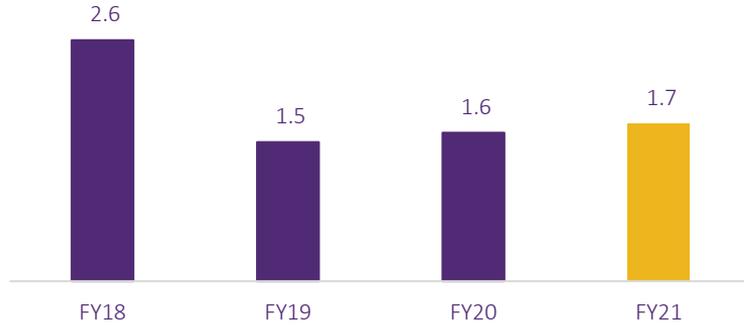




# Business Vertical & Asset Quality Update

# MSME Business Update

### Average Ticket Size (INR Mn)



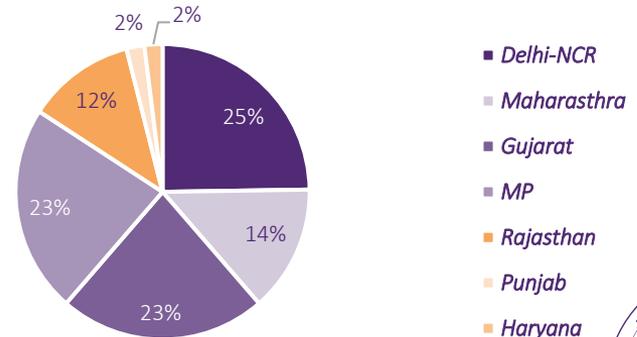
### Loan to Value (%)



### Live Accounts

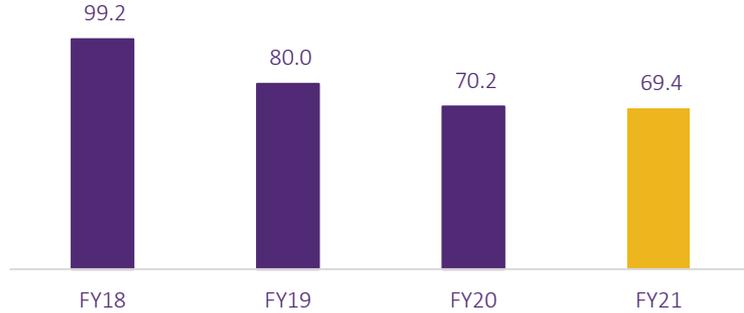


### Geographical Distribution (Value-Wise)

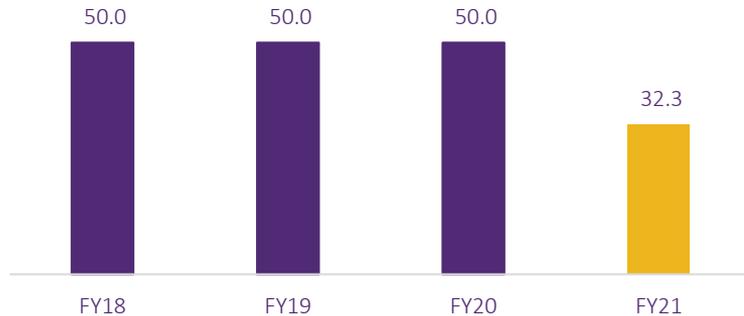


# Construction Finance Business Update

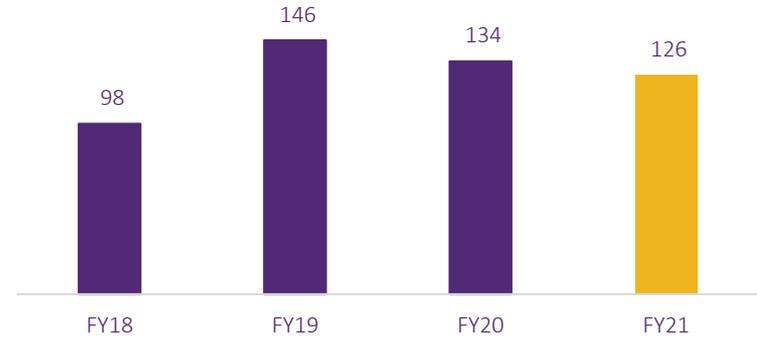
### Average Ticket Size (INR Mn)



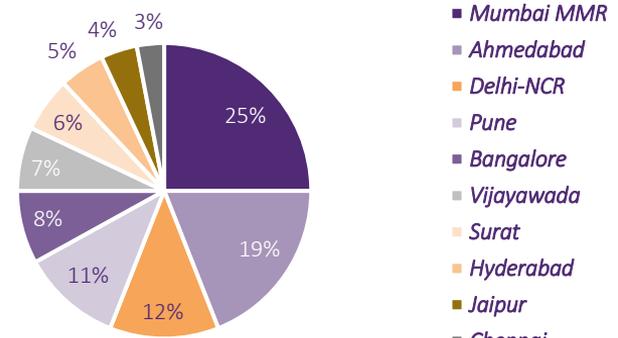
### LTV (%)



### No. of Projects

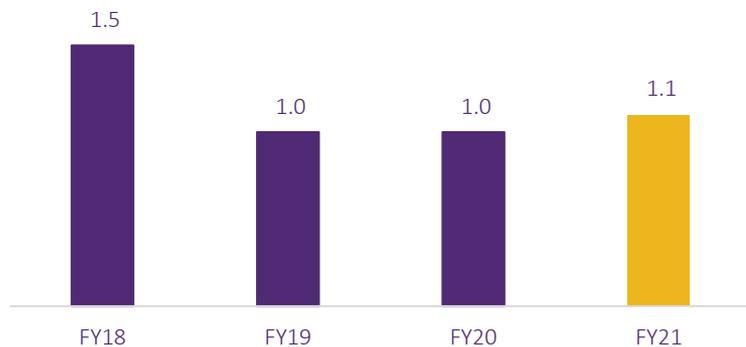


### Geographical Distribution (Value-Wise)



# Housing Finance Business Update

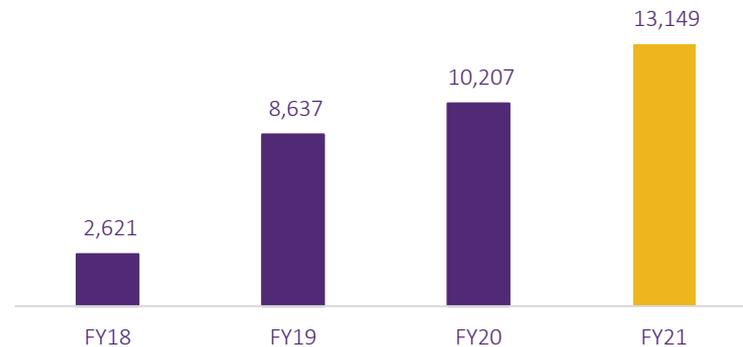
## Average Ticket Size (INR Mn)



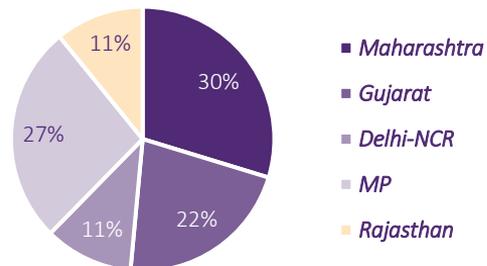
## Loan to Value (%)



## Live Accounts



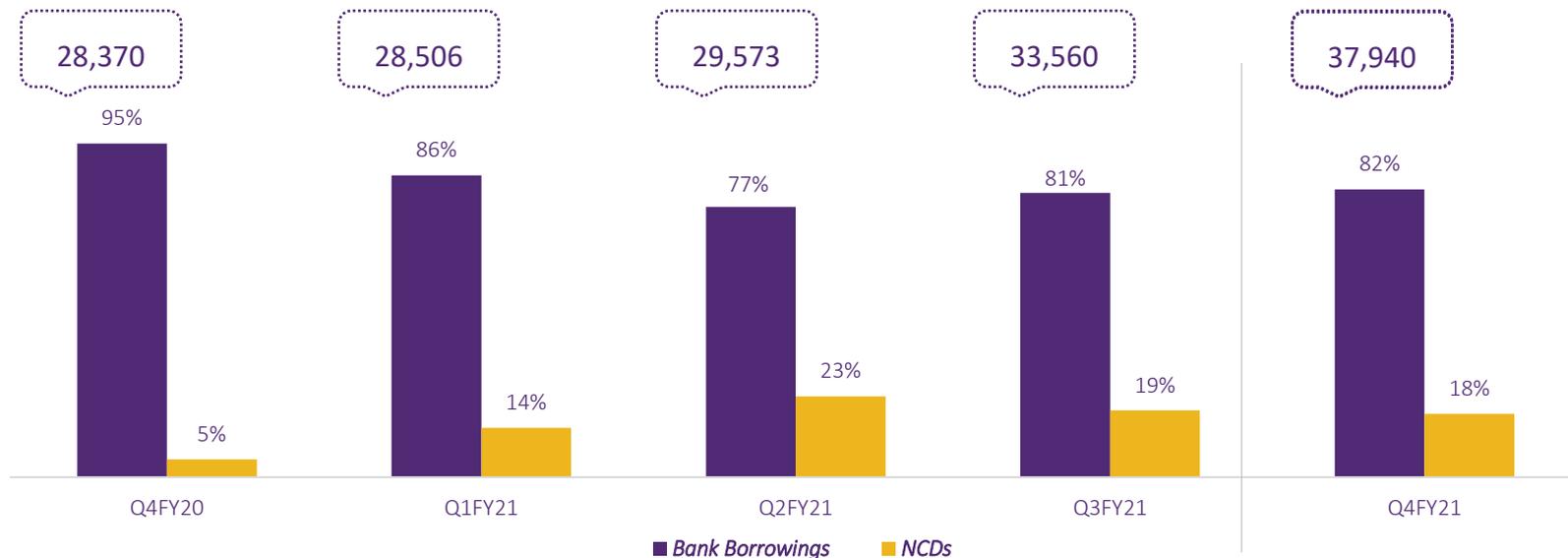
## Geographical Distribution (Value-Wise)



<b>Salaried</b>	<b>45%</b>
<b>Self-employed</b>	<b>55%</b>

# Liability Mix : Bank Borrowings Key Source Funds

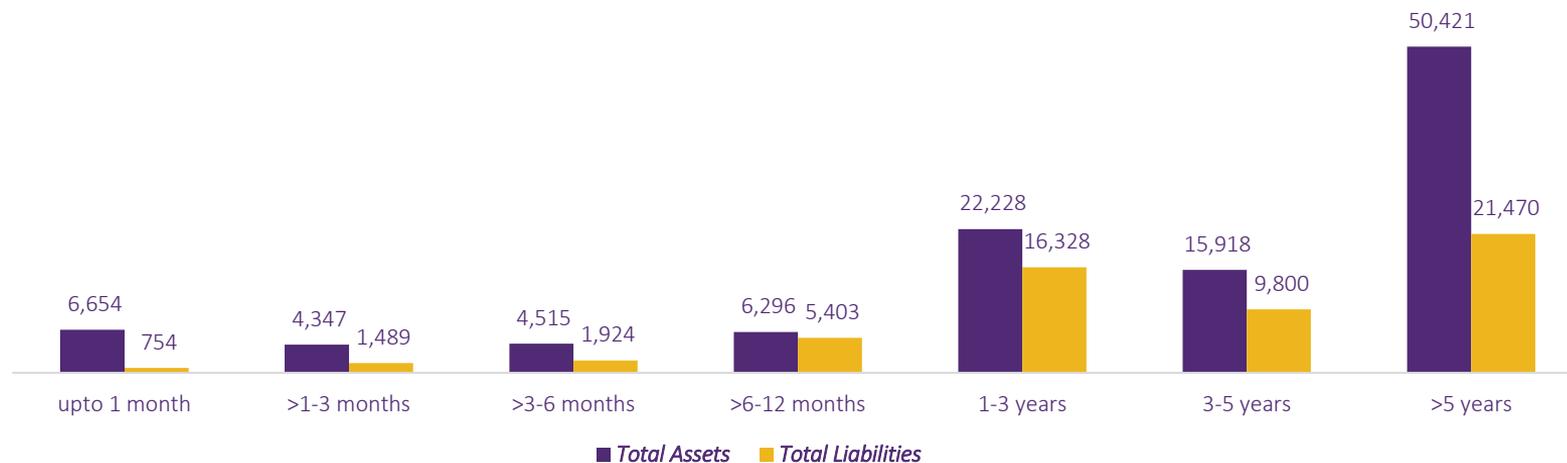
**Total Borrowings (INR Mn) and Borrowing Mix**



- Nil exposure to short-term money market signifies no probability of default
- 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
Cumulative Inflow - Outflow	Mar'21	5,900	8,758	11,349	12,241	18,141	24,259	53,210

**The Company has not availed moratorium from any of its lenders**

# Asset Quality : Stage Analysis As per IND-AS

All amount in INR Mn except stated

ECL Analysis as per INDAS	Q4FY21	Q3FY21	Q4FY20
Stage 1 & 2 - Gross	46,870	39,515	39,398
Stage 1 & 2 – ECL Provisions	730	603	345
Stage 1 & 2 - Net	46,140	38,912	39,053
Stage 1 & 2 – ECL Provisions %	1.6%	1.5%	0.88%
Stage 3 - Gross	1,613	825	952
Stage 3 – ECL Provisions	450	345	295
Stage 3 – Net	1,163	480	312
Stage 3 – ECL Provisions %	27.8%	41.8%	31.0%
Stage 3 % - GNPA	3.3%	2.1%	2.4%
Stage 3 % - NNPA	0.9%	-	0.8%

○ Std. restructured assets: MSME Rs1,820mn (7.2% of MSME AUM), Housing Rs20mn (17bps of Housing AUM), CF & IRL - NIL

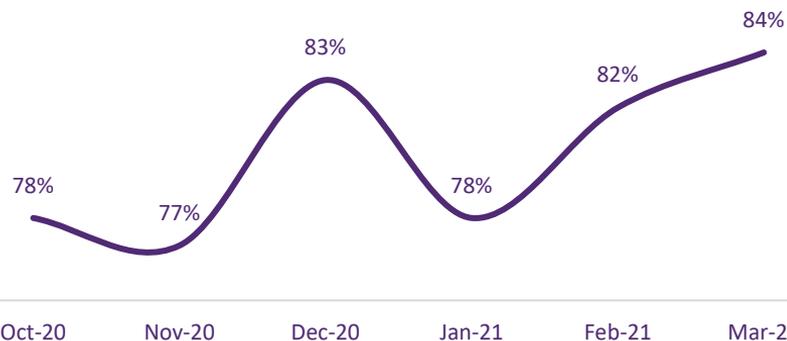
# NPA Analysis : Short Term Challenges

CGCL (Consolidated) (INR MN)	FY18	FY19	FY20	FY21
GNPA	440	561	952	1,609
NNPA	386	445	312	434
Provisions	54	116	640	1,175
Gross NPA%	1.7%	1.5%	2.4%	3.3%
Net NPA%	1.4%	0.5%	0.8%	0.9%
Coverage Ratio	12.3%	20.7%	67.2%	73.1%

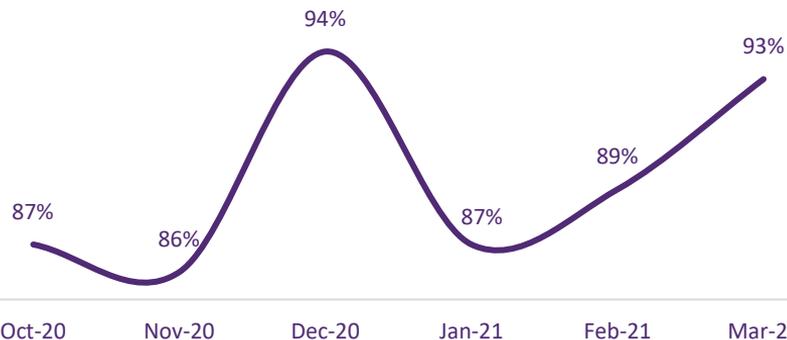
GNPA Product Segment wise – FY21		
Product Segment	GNPA %	NNPA %
MSME	5.5%	1.9%
Construction Finance	0.2%	-
Housing Finance	1.8%	0.4%
<b>Total (Consolidated)</b>	<b>3.3%</b>	<b>0.9%</b>

# Collection Efficiency : Sizeable Improvement in EMI Servicing

## MSME Collection Efficiency (by POS)



## Housing Finance Collection Efficiency (by POS)



### MSME: Slow Reversion to Normalcy

- MSME portfolio showed a steady and improving trend in collections during Q4FY21.
- 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 Q4FY21.
- The portfolio has continued to hold steady in Q1FY22.

## Liquidity Position : Continue to Maintain Adequate Buffer

Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Limits Sanctioned	37,150	17,650	54,800
Limits Availed	33,200	13,710	46,910
Un-Drawn	3,950	3,940	7,890
Repaid	6,923	2,052	8,976
Outstanding	26,277	11,658	37,935
Total no. of relationship maintained	16	12	
<b>Limits Sanctioned in FY21</b>	<b>13,250</b>	<b>9,700</b>	<b>22,950</b>

- CGCL has relationship with 24 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.

## Liquidity Position : Repayment of High-Cost Loans

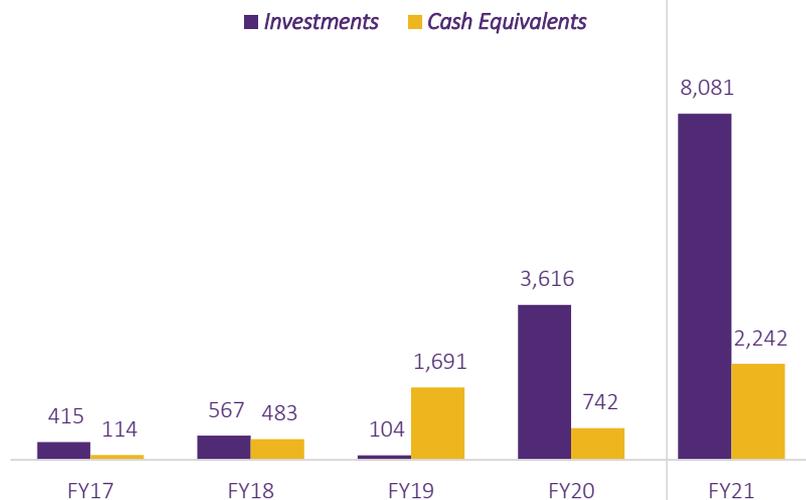
Particulars (INR Mn)	CGCL (Standalone)	CGHFL	Consolidated
Dues during FY2020-21	6,004	1,446	7,450
Payment made as per Schedule (A)	1,989	704	2,693
Prepayments made for the year (B)	4,016	742	4,757
<b>Total repayments/prepayments (A+B)</b>	<b>6,004</b>	<b>1,446</b>	<b>7,450</b>
Balance Payment for FY2020-21	-	-	-
Additional prepayments beyond FY2020-21 (C)	1,830	948	2,779
<b>Total Repayments / Prepayments (A+B+C)</b>	<b>7,834</b>	<b>2,394</b>	<b>10,228</b>

The company initiated discussions with banks for revision of interest rates downwards and worked on strategy to bring the overall cost of funds down by ~1.4%

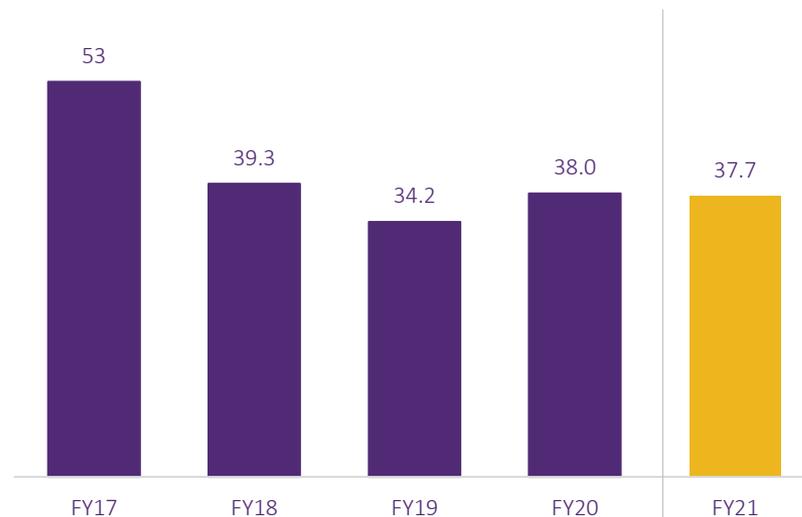
On the back of strong liquidity, the Company has not sought any moratorium from any of its lenders . In fact, the Company has made advanced payments due during FY22, including repayments.

# 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 7.89 Bn including the unutilized CC limit

=

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

Capital Adequacy Standalone Numbers ; From FY18 nos. as per IND-AS

# CGCL Consolidated Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y(%)	Q3FY21	Q-o-Q(%)
Interest earned	1,675	1,654	1%	1,673	0%
Interest expended	755	713	6%	729	4%
<b>Net interest income</b>	<b>920</b>	<b>940</b>	<b>(2%)</b>	<b>944</b>	<b>(3%)</b>
<b>Non-interest income</b>	<b>194</b>	<b>167</b>	<b>16%</b>	<b>242</b>	<b>(20%)</b>
- Other Operating Income	192	166	16%	235	(18%)
- Other Income	2	1	100%	7	(71%)
<b>Total Income</b>	<b>1,114</b>	<b>1,107</b>	<b>1%</b>	<b>1,186</b>	<b>(6%)</b>
<b>Operating expense</b>	<b>528</b>	<b>434</b>	<b>22%</b>	<b>423</b>	<b>25%</b>
- Employee cost	313	263	19%	268	17%
- Depreciation	37	28	32%	23	61%
- Others	178	143	24%	132	35%
<b>Operating Profit</b>	<b>586</b>	<b>673</b>	<b>(13%)</b>	<b>763</b>	<b>(23%)</b>
Total provisions	227	179	27%	113	101%
<b>PBT</b>	<b>359</b>	<b>494</b>	<b>(27%)</b>	<b>650</b>	<b>(45%)</b>
Tax	88	144	(39%)	159	(45%)
<b>PAT</b>	<b>271</b>	<b>350</b>	<b>(23%)</b>	<b>491</b>	<b>(45%)</b>

# CGCL Consolidated Income Statement : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y(%)
Interest earned	6,735	6,700	0%
Interest expended	2,887	2,828	2%
<b>Net interest income</b>	<b>3,848</b>	<b>3,872</b>	<b>(1%)</b>
<b>Non-interest income</b>	<b>637</b>	<b>495</b>	<b>29%</b>
- Other Operating Income	626	461	36%
- Other Income	11	34	(68%)
<b>Total Income</b>	<b>4,484</b>	<b>4,367</b>	<b>3%</b>
<b>Operating expense</b>	<b>1,583</b>	<b>1,786</b>	<b>(11%)</b>
- Employee cost	994	1,188	(16%)
- Depreciation	105	108	(3%)
- Others	484	490	(1%)
<b>Operating Profit</b>	<b>2,901</b>	<b>2,581</b>	<b>12%</b>
Total provisions	545	362	51%
<b>PBT</b>	<b>2,357</b>	<b>2,220</b>	<b>6%</b>
Tax	588	607	(3%)
<b>PAT</b>	<b>1,770</b>	<b>1,612</b>	<b>10%</b>

# CGCL Consolidated Balance Sheet : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y (%)	Q3FY21	Q-o-Q (%)
Share Capital	340	350	(3%)	350	(3%)
Reserves and Surplus	16,833	15,042	12%	16,536	2%
<b>Net Worth</b>	<b>17,173</b>	<b>15,392</b>	<b>12%</b>	<b>16,886</b>	<b>2%</b>
Borrowings	37,688	28,366	33%	33,670	12%
Other Liabilities and Provisions	3,269	657	398%	1,016	222%
<b>Total liabilities &amp; stockholders' equity</b>	<b>58,131</b>	<b>44,415</b>	<b>31%</b>	<b>51,572</b>	<b>13%</b>
Net Block	272	317	(14%)	279	(3%)
Investments	8,081	3,616	123%	10,998	(27%)
Asset under financing activities	46,863	39,288	19%	38,990	20%
Deferred Tax Assets	258	152	70%	193	34%
Cash and bank balances	2,242	742	202%	721	211%
Other Assets	415	299	39%	391	6%
<b>Total assets</b>	<b>58,131</b>	<b>44,415</b>	<b>31%</b>	<b>51,572</b>	<b>13%</b>

# CGHFL Income Statement : Quarterly Comparison

Particulars (INR Mn)	Q4FY21	Q4FY20	Y-o-Y(%)	Q3FY21	Q-o-Q(%)
Interest earned	378	336	13%	348	9%
Interest expended	206	183	13%	203	1%
<b>Net interest income</b>	<b>173</b>	<b>154</b>	<b>12%</b>	<b>146</b>	<b>18%</b>
<b>Non-interest income</b>	<b>76</b>	<b>34</b>	<b>124%</b>	<b>83</b>	<b>(8%)</b>
- Other Operating Income	71	19	274%	75	(5%)
- Other Income	5	5	-	8	(38%)
<b>Total Income</b>	<b>249</b>	<b>188</b>	<b>32%</b>	<b>229</b>	<b>9%</b>
<b>Operating expense</b>	<b>91</b>	<b>92</b>	<b>(1%)</b>	<b>92</b>	<b>(1%)</b>
- Employee cost	48	43	12%	49	(1%)
- Depreciation	9	6	50%	4	125%
- Others	34	43	(21%)	38	(11%)
<b>Operating Profit</b>	<b>158</b>	<b>96</b>	<b>63%</b>	<b>137</b>	<b>15%</b>
Total provisions	27	15	80%	23	17%
<b>PBT</b>	<b>132</b>	<b>81</b>	<b>63%</b>	<b>114</b>	<b>16%</b>
Tax	28	20	40%	21	33%
<b>PAT</b>	<b>104</b>	<b>61</b>	<b>70%</b>	<b>93</b>	<b>12%</b>

# CGHFL Income Statement : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y(%)
Interest earned	1,391	1,265	10%
Interest expended	802	668	20%
<b>Net interest income</b>	<b>590</b>	<b>597</b>	<b>(1%)</b>
<b>Non-interest income</b>	<b>245</b>	<b>130</b>	<b>88%</b>
- Other Operating Income	226	114	98%
- Other Income	19	16	19%
<b>Total Income</b>	<b>834</b>	<b>726</b>	<b>15%</b>
<b>Operating expense</b>	<b>317</b>	<b>360</b>	<b>(12%)</b>
- Employee cost	168	212	(21%)
- Depreciation	20	23	(13%)
- Others	129	125	3%
<b>Operating Profit</b>	<b>517</b>	<b>366</b>	<b>41%</b>
Total provisions	90	54	67%
<b>PBT</b>	<b>428</b>	<b>312</b>	<b>37%</b>
Tax	93	68	37%
<b>PAT</b>	<b>335</b>	<b>243</b>	<b>38%</b>

# CGHFL Balance Sheet : Full Year Comparison

Particulars (INR Mn)	FY21	FY20	Y-o-Y (%)
Share Capital	607	607	0%
Reserves and Surplus	2,043	1,708	20%
<b>Net Worth</b>	<b>2,658</b>	<b>2,315</b>	<b>15%</b>
Borrowings	11,557	7,743	49%
Other Liabilities and Provisions	575	86	568%
<b>Total liabilities &amp; stockholders' equity</b>	<b>14,782</b>	<b>10,145</b>	<b>46%</b>
Investments	2,812	1,121	150%
Asset under financing activities	11,221	8,742	28%
Non-Financial Assets	123	79	61%
Cash and bank balances	603	196	208%
Other Financial Assets	23	7	229%
<b>Total assets</b>	<b>14,782</b>	<b>10,145</b>	<b>46%</b>



## Way Forward In FY22...

# Way Forward In FY22...



H1FY22 shall be one of managing P&L challenges while H2FY22 is likely to present better growth opportunities.



Credit costs to remain elevated during H1FY22. Lockdowns have hurt small businesses and it is likely to show up in earnings.



CGCL has amongst the strongest capital adequacy ratios, a healthy core operating profit, and multiple liability relationships to fund its growth.



We remain confident of the growth opportunities over medium term.





# Leadership

# Board of Directors & Strong Corporate Governance



**Rajesh Sharma, Managing Director**  
Founder & Promoter with over 2.5 decades of experience, Chartered Accountant



**Beni Prasad Rauka, Independent Director**  
Group CFO- Advanced Enzyme Technologies; over 2.5+ decades of experience, CA &CS



**Ajit Sharan, Independent Director**  
IAS - Batch 1979 with over 3 decades of experience in varied aspects of public administration



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



**Desh Raj Dogra, Independent Director**  
EX- CEO and MD of CARE ratings with over 4 decades of experience



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



**Ajay Kumar Relan, Independent Director**  
Founder CX Partners & Citi Bank N.A. in India; 4+ decades of experience, BA (Eco), MBA

## Corporate Governance Philosophy

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

## Auditors & Advisors

**Deloitte.**



CAPRIGLOBAL

# Leadership Team Across Business Verticals

## MSME/Housing Finance



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



**Prasanna Kumar Singh (Group Collections Head)** More than two decades of experience with various BFSI institutions



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



**Hemant Dave (Operations Head)** Ex - Kotak Mahindra Bank, A. F. Ferguson with over 23 years of experience, Chartered Accountant



**Bhupinder Singh (Head – Legal Litigation)** More than a decade experience with various NBFCs in providing legal advice

## 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



**Bhaskarla Kesav Kumar (Associate Director – Monitoring)** Ex AGM and Unit Head of Corporate Relationships with SBI



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

## 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.



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



**Harish Kumar Agarwal (Senior VP – Company Secretary)** Previously working as an advocate with more than two decades of experience



**Suresh Gattani (Associate Director Finance)** Ex-Aditya Birla, two decades plus experience in accounts, finance, taxation and corporate planning



**Vinay Surana (Head – Treasury)** Ex-Founding Member, Axis Bank debt syndication with over 15 years of experience, CA

**CAPRI GLOBAL**  
CAPITAL LIMITED

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**Thank you**

For further information, please get in touch with:

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