



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.



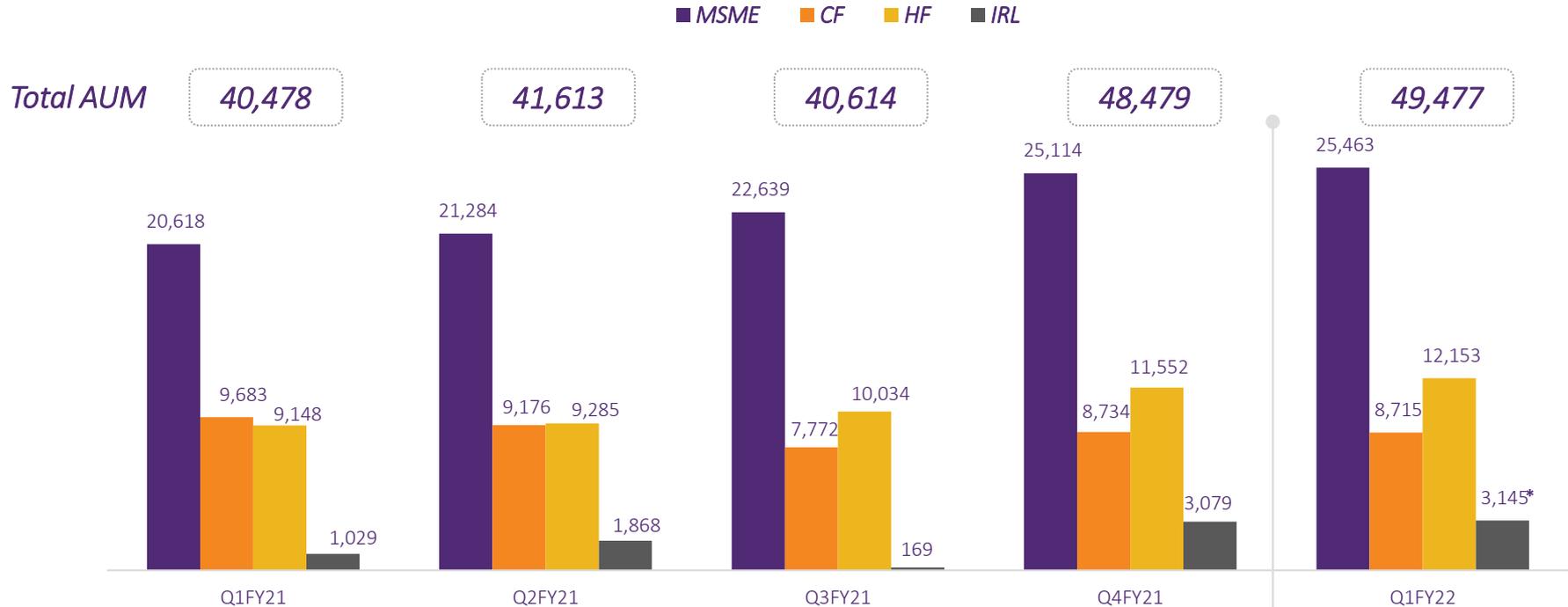
Added 4 new branches, branch count at 89, group staff count at 1,966.



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)



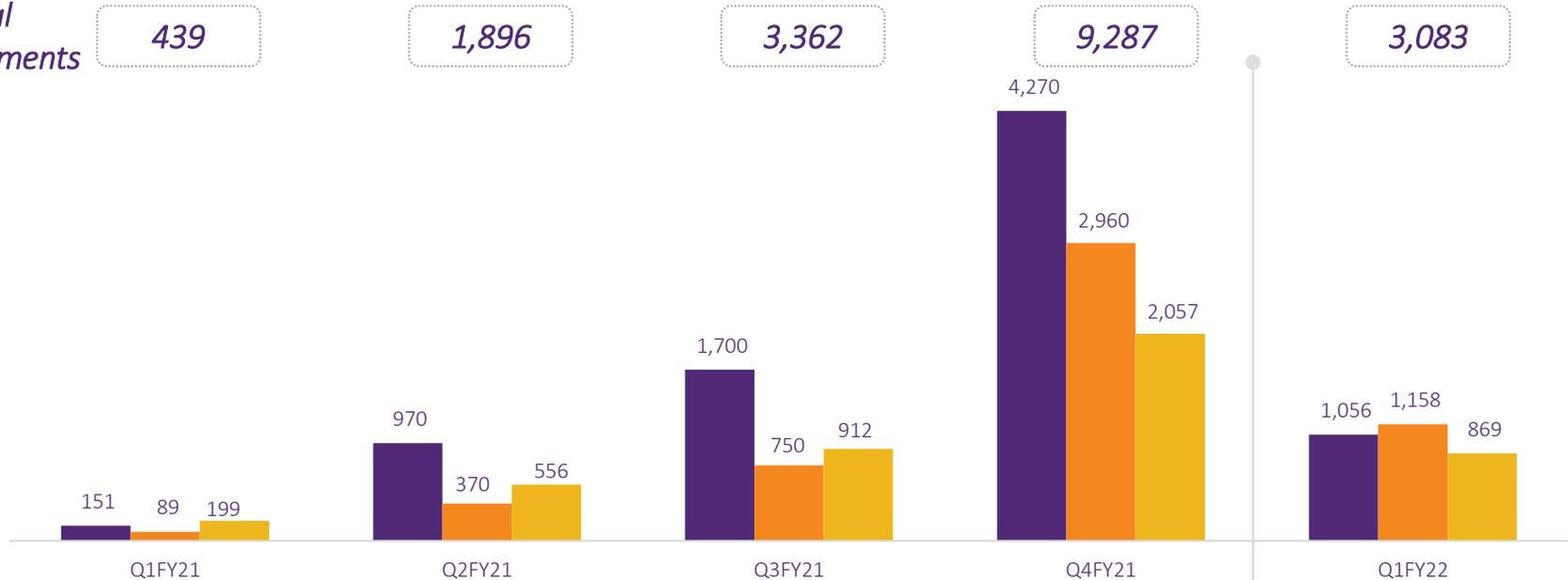
* IRL AUM for Q1FY22 includes INR 2,640 Mn of short term deployment maturing in <6 months

Disbursals : Disbursals Reflect Activity in Jun'21

Segmental Disbursals (INR Mn)

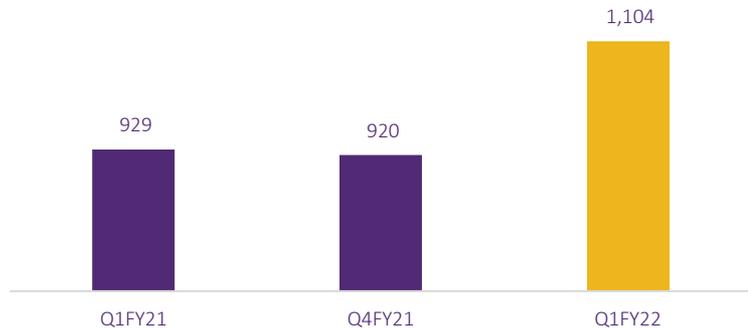
■ MSME ■ CF ■ HF

Total Disbursements

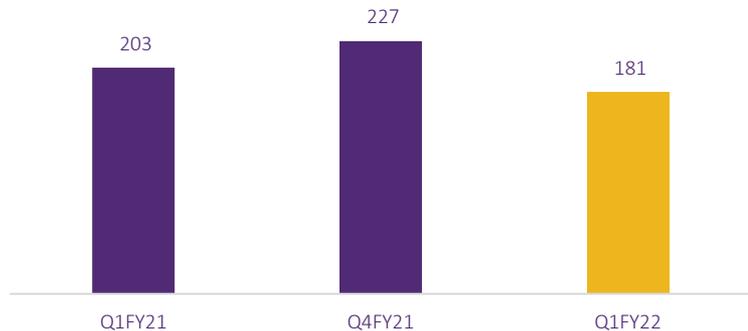


Performance Matrix : Core Earnings Performance Remained Robust

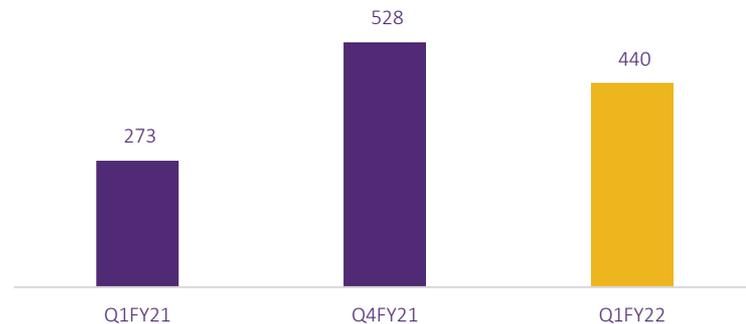
NII (INR Mn)



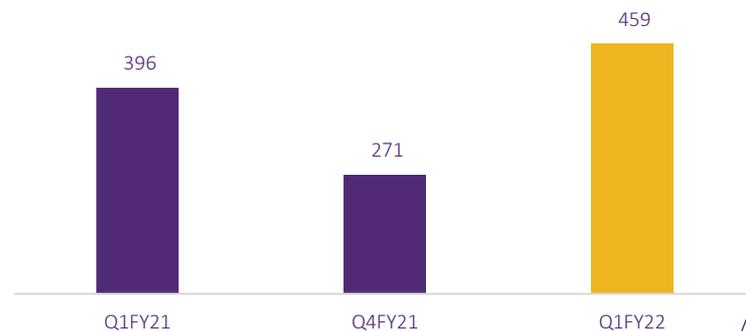
Credit Costs (INR Mn)



Opex (INR Mn)

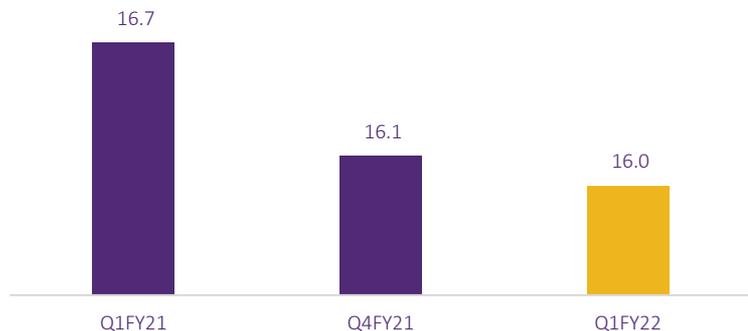


PAT (INR Mn)

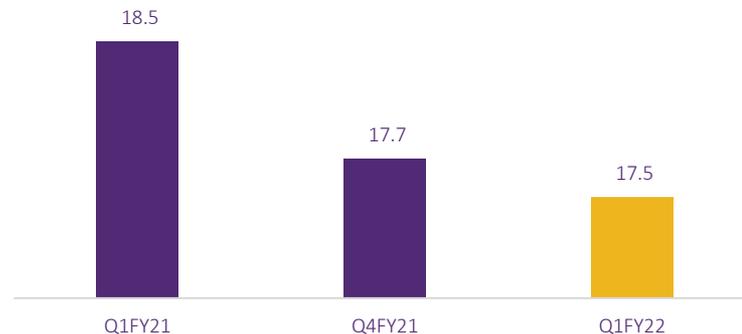


Key Ratios : Segmental Yields Showing Some Softening Trend

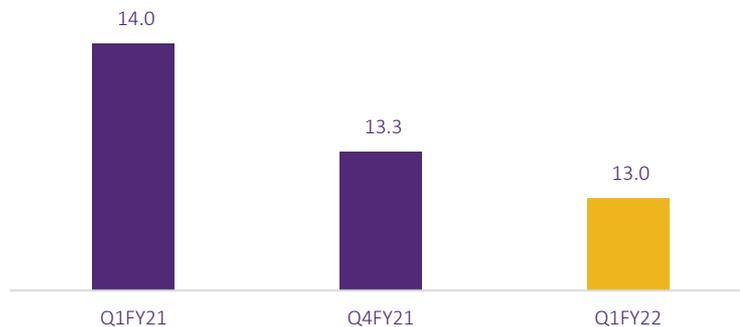
MSME



Construction Finance

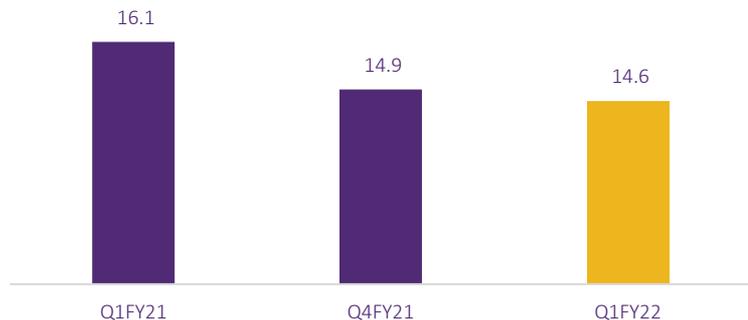


Housing Finance

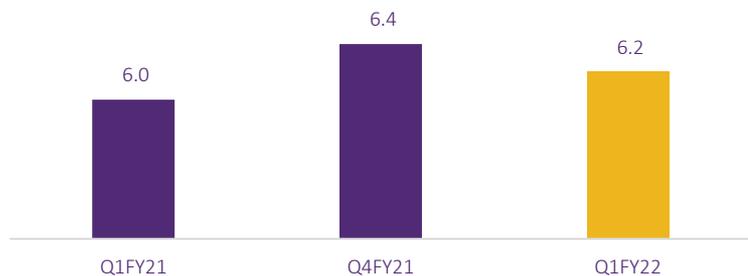


Key Ratios : Spreads Stable

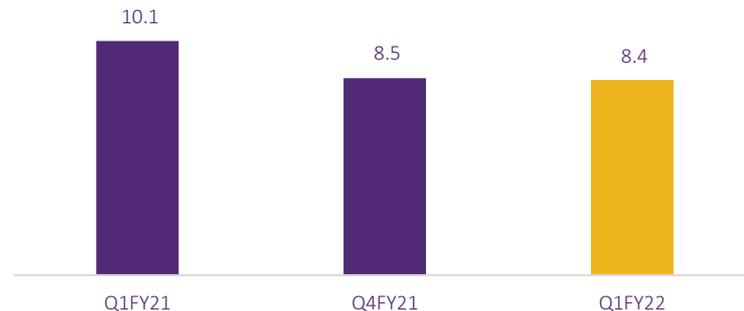
Yield on Advances (%)



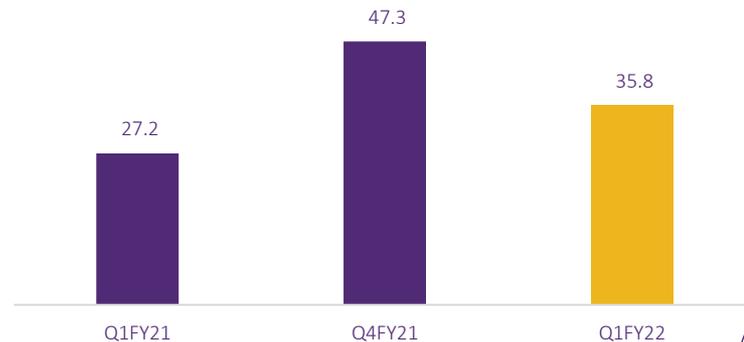
Spread (%)



Cost of Funds (%)

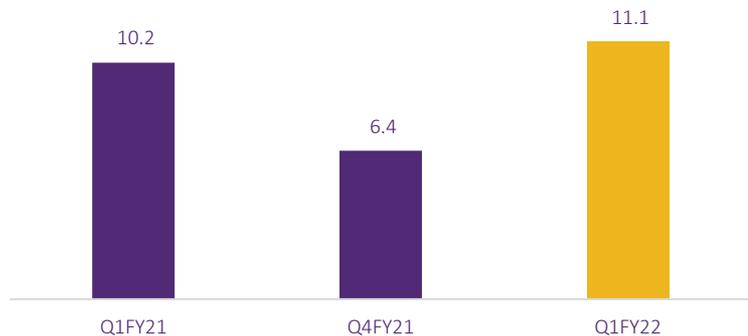


Cost-Income (%)

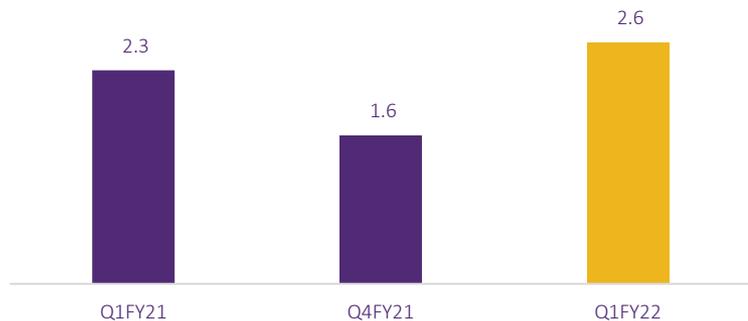


Key Ratios : Profitable Growth

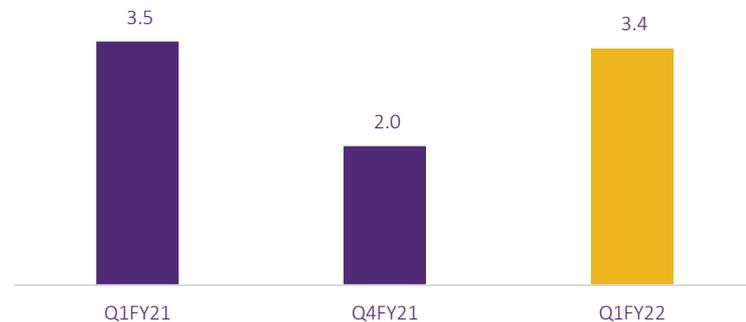
Annualized Return on Equity (%)



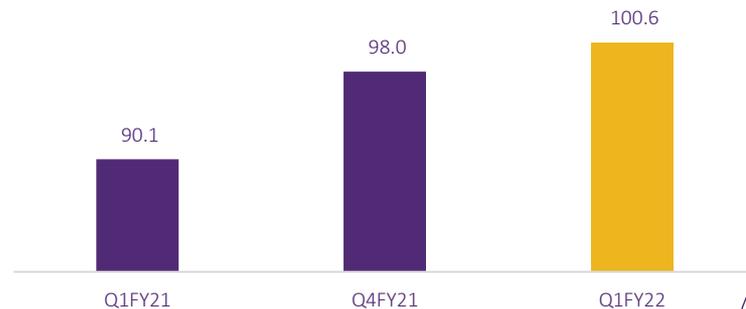
EPS (INR)



Annualized Return on Assets (%)



Book Value Per Share (INR)

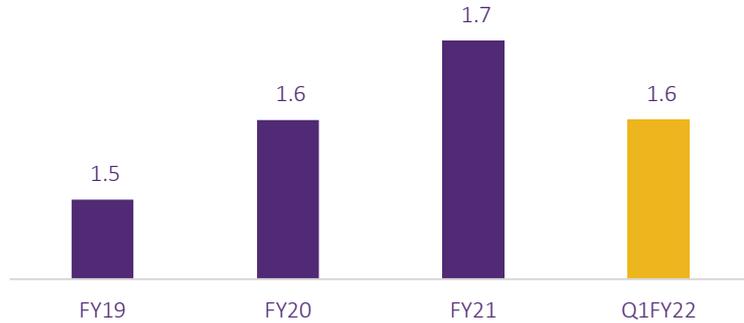




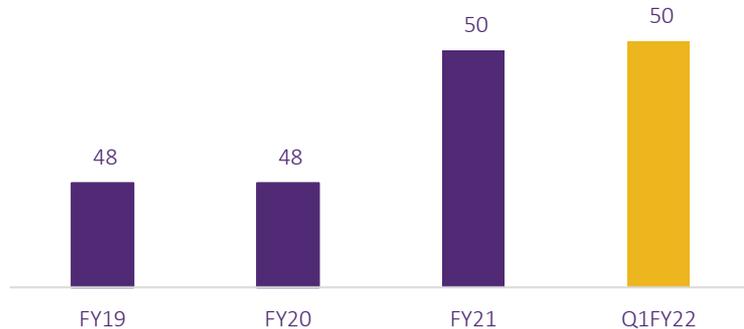
Business Vertical & Asset Quality Update

MSME Business Update

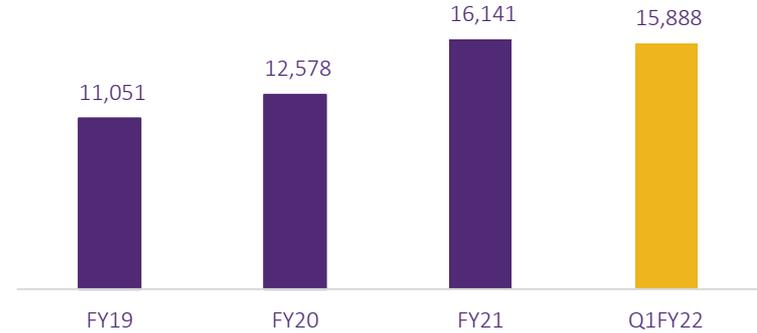
Average Ticket Size (INR Mn)



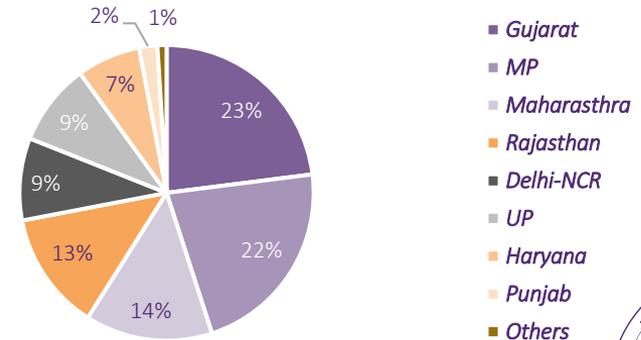
Loan to Value (%)



Live Accounts

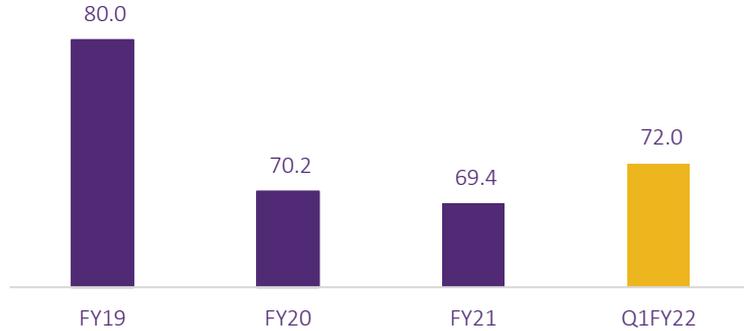


Geographical Distribution (Value-Wise)

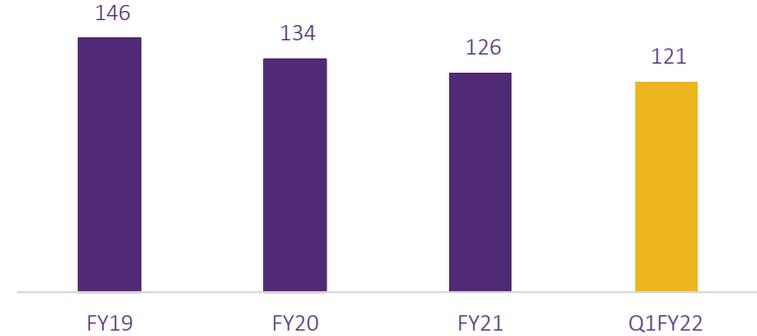


Construction Finance Business Update

Average Ticket Size (INR Mn)



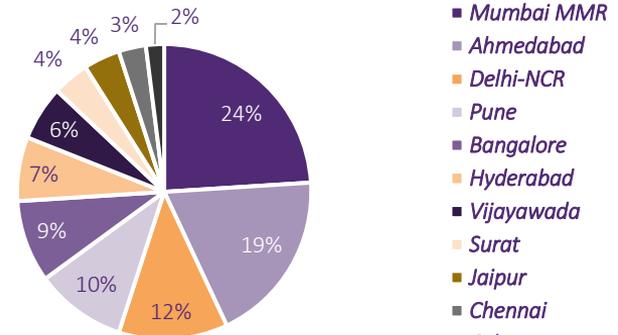
No. of Projects



LTV (%)

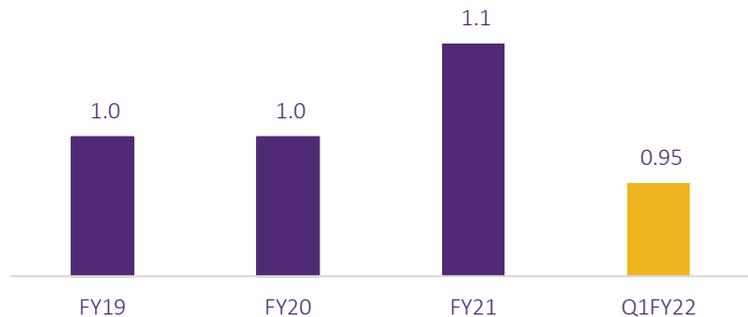


Geographical Distribution (Value-Wise)



Housing Finance Business Update

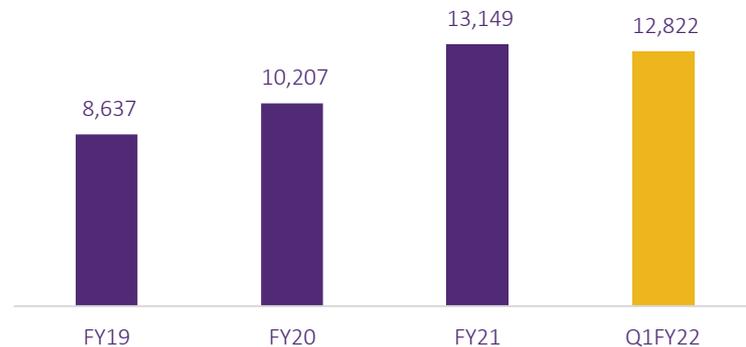
Average Ticket Size (INR Mn)



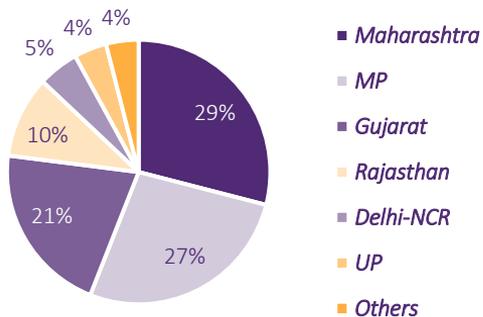
Loan to Value (%)



Live Accounts



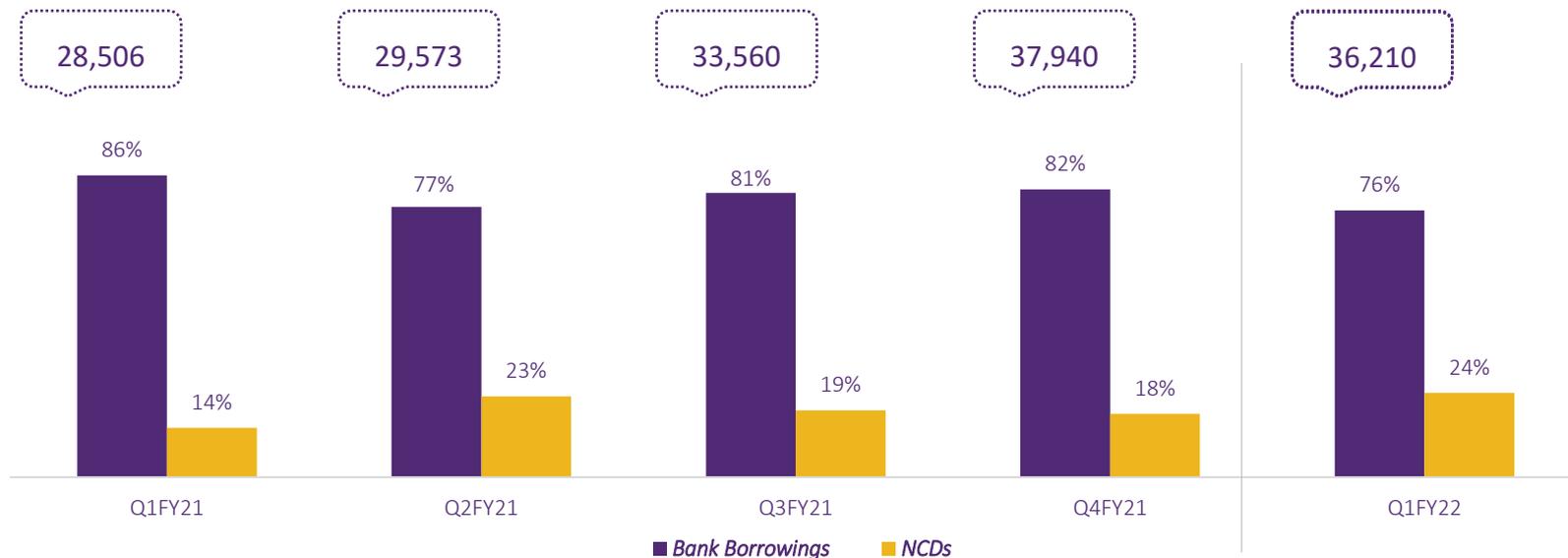
Geographical Distribution (Value-Wise)



Salaried	46%
Self-employed	54%

Liability Mix : Bank Borrowings Key Source Funds

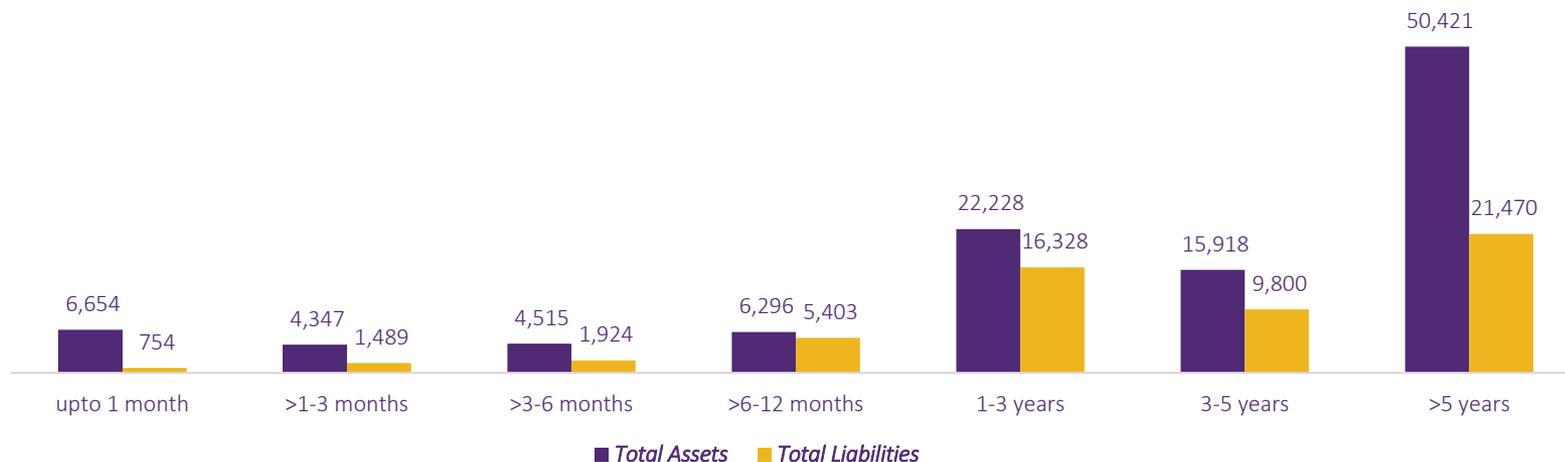
Total Borrowings (INR Mn) and Borrowing Mix



- 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



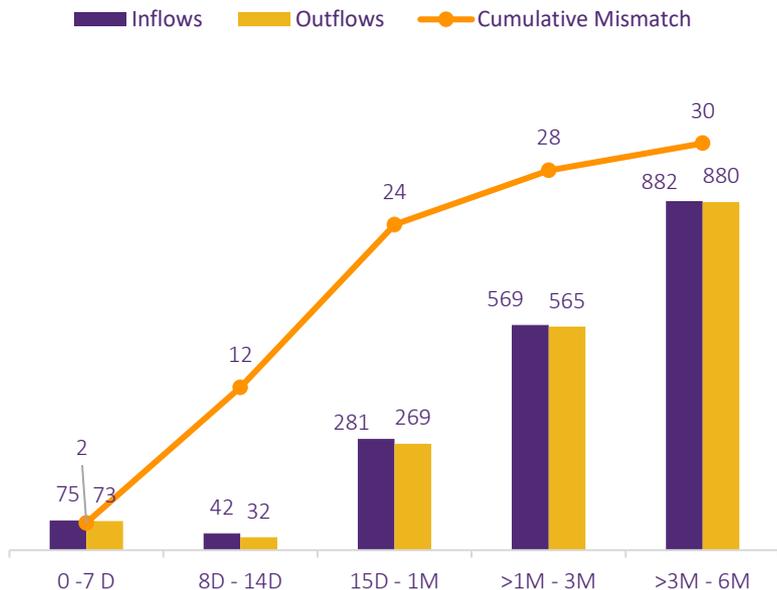
Particulars (INR Mn)	Ending	Total Assets							Total Liabilities						
		up to 1 month	>1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years	up to 1 month	>1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years
Cumulative Inflow - Outflow	Mar'21	5,900	8,758	11,349	12,241	18,141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

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

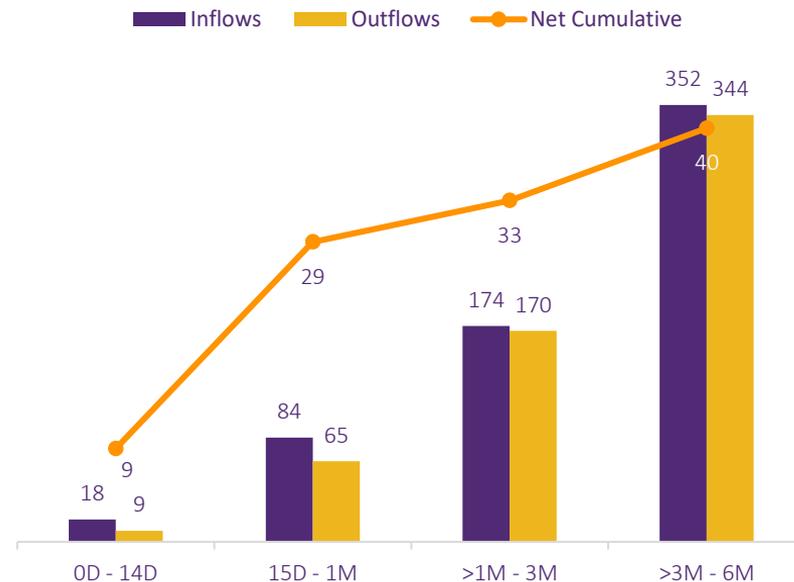
* as of Q4FY21

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%

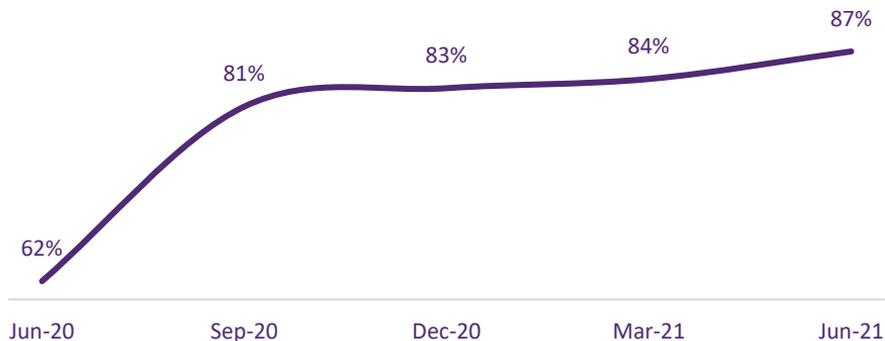
GNPA Product Segment wise – Q1FY22		
Product Segment	GNPA %	NNPA %
MSME	5.7%	1.7%
Construction Finance	0.2%	-
Housing Finance	1.9%	0.3%
Total (Consolidated)	3.4%	0.8%

- 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.

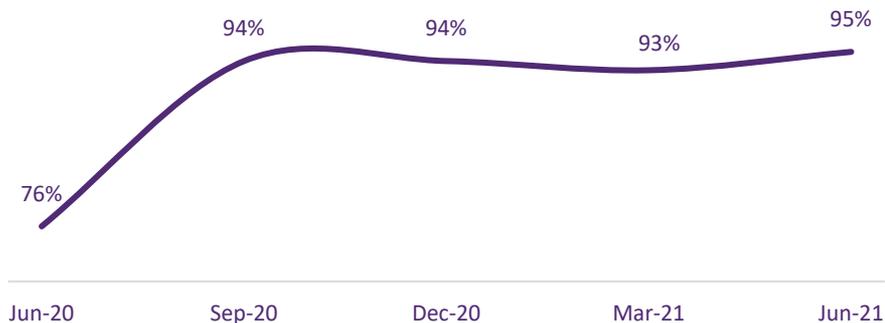
* Coverage ratio is computed considering aggregate ECL provisions.

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

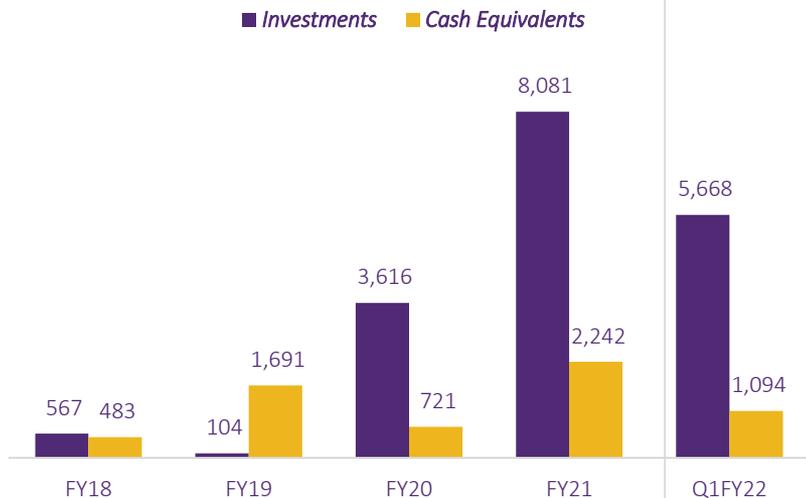
Liquidity Position : Repayment of High-Cost Loans

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

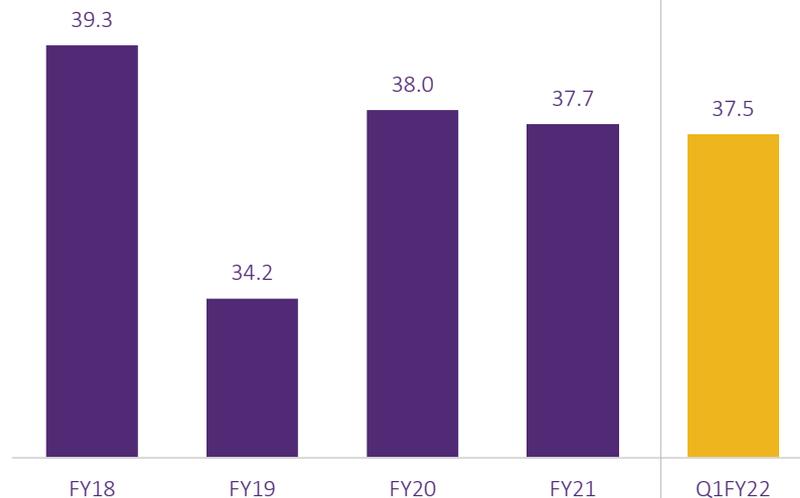
CGCL continued to prepay loan obligations in Q1FY22

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



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, Non-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

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:

Ravikant Bhat
ravikant.bhat@capriglobal.in
T: +91 98205 77686

Rajat Gupta
rajat@GoIndiaAdvisors.com
M: +91 9971897739

Sheetal Khanduja
sheetal@GoIndiaAdvisors.com
M: +91 97693 64166