

November 1 , 2023

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: Press Release - Capri Global Capital Ltd Q2 FY24 Results

Dear Sir/Madam,

Please find enclosed herewith Press Release titled “CGCL Q2FY24 Press Release” regarding the announcement of Financial Results for the quarter ended September 30, 2023.

You are requested to kindly take the same on records.

Thanking you,

Yours faithfully,
for **Capri Global Capital Limited**

Yashesh Bhatt
Company Secretary & Compliance Officer
Membership No.: A20491

Encl.: As above



Capri Global Capital Limited

(CIN: L65921MH1994PLC173469)

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Capri Global Capital Limited

Press Release : Q2 FY24 Results

1st November 2023

AUM

INR 123,585 Mn

59.1% YoY / 10.1% QoQ

Disbursements

INR 35,267 Mn

130.3% YoY / 31.2% QoQ

Gross Stage 3

1.9%

PCR 32.2% / Restr. Ass. 1.4%

Consolidated PAT

INR 652 Mn

16.0% YoY / 2.6% QoQ

Business Momentum In Strong Trajectory

CONSOLIDATED FINANCIALS	Q2FY24	Q2FY23	Y-o-Y	Q1FY24	Q-o-Q
AUM	123,585	77,692	59.1%	112,262	10.1%
MSME (incl. co-lending)	46,580	35,767	30.2%	44,960	3.6%
Gold Loans (incl. co-lending)	20,241	1,392	1353.8%	15,995	26.5%
Construction Finance	20,573	16,605	23.9%	19,592	5.0%
Affordable Housing (incl. co-lending)	32,017	20,619	55.3%	28,792	11.2%
Indirect Lending	4,174	3,310	26.1%	2,923	42.8%
Disbursement	35,267	15,311	130.3%	26,872	31.2%
Total Income	3,296	2,138	54.2%	3,175	3.8%
PAT	652	563	16.0%	636	2.6%
Spreads	6.6%	6.5%	16 bps	7.0%	-34 bps
Cost-to-income	66.9%	60.4%	647 bps	66.0%	85 bps
RoA	2.1%	2.8%	-68 bps	2.2%	-6 bps
RoE	7.1%	11.2%	-408 bps	7.1%	6 bps
EPS (Basic) (FV Rs2) (not annualised)	3.2	3.2	-1.3%	3.1	2.3%
Book Value Per Share (Rs)	176.0	113.7	54.8%	173.8	1.3%
Gross Stage 3	1.9%	2.4%	-44 bps	1.9%	3 bps
PCR (including aggregate ECL prov.)	94.6%	98.3%	-369 bps	92.6%	196 bps
PCR (on Stage-3)	32.2%	28.6%	360 bps	27.8%	448 bps

(Rs. Mn.)

Consolidated Key Performance Highlights for Q2 FY24

Mumbai, November 1st, 2023: The Board of Directors of Capri Global Capital Ltd. (CGCL), a non-deposit taking and systemically important NBFC (NBFC-ND-SI) on Tuesday, October 31st, 2023 announced the reviewed financial results for the quarter ended September 30, 2023. Key takeaways as follows:

Disbursals - Momentum Picks Up

After a lean Q1FY24, disbursals in Q2FY24 increased in a robust manner to touch Rs35,267mn, up 128% YoY and 31% QoQ. Gold Loan disbursals comprised 47% of Q2FY24 disbursals while MSME and Housing contributed 10% and 12% respectively. Share of CF declined to 12% (15% in Q1FY24) while IL share went up to 19% driven by short term deployment opportunities.

On distribution side, the car loan business originated loans worth Rs25.5bn for our partner banks during Q2FY24 and is on path to exceed Rs100bn of origination in FY24. The business had a presence across 714 locations in 33 States and UTs.

AUM Growth - Granular and Steady

Consolidated AUM including co-lending AUM increased 59% YoY and 10% QoQ to touch Rs123,585mn. Co-lending AUM stood at Rs9,685mn comprising 8% of consolidated AUM compared to 6% in Q1FY24 and 3% in Q2FY23. The Company commenced co-lending under Gold Loan segment during the quarter. Share of co-lending has risen steadily and shall be an important growth driver in future. Growth across retail and non-retail businesses was granular driven by stable or sequentially lower average ticket sizes. Housing and Gold Loans provided strong momentum to overall growth during Q2FY24.

Earnings Momentum Healthy Despite Sequential Spread Compression

Consolidated spreads declined 35bps QoQ to 6.64%. The sequential spread compression was caused by both a decline in loan yields and an increase in CoF. The spreads were up by 16bps YoY and 26bps over average spreads for FY23. NII increased 63% YoY / 5% QoQ in Q2FY24. Non-interest income increased 32% YoY / flat QoQ to Rs803mn. Share of non-interest income in net income was at a healthy 24% in Q2FY24. Car loan fees and co-lending income contributed 50% of Q2FY24 non-interest income while the remaining was contributed by lending segments and treasury.

The C/I ratio showed a marginal uptick to 66.9% from 66.0% in Q1FY24. However, opex momentum in absolute terms is beginning to soften and is expected to be more benign in H2FY24E as incremental branch additions in Gold Loan business pause. Adjusted for direct expenditure incurred on Gold Loan branch additions, the cost-income ratio in Q1FY24 would have been ~51%.

The Q2FY24 Consolidated Profit after Tax was Rs652mn, up by a modest 16% YoY and 3% QoQ owing to sequentially elevated credit cost. The Company undertook proactive provisioning on its Stage-3 assets. Adjusted for the Gold Loan business (income and opex), the net profit would have touched Rs861mn / Rs1,726mn in Q2FY24 / H1FY24 respectively.

Asset Quality

Gross Stage 3 ratio was 1.93%, lower 44bps YoY and +4bps QoQ. The PCR on Stage-3 assets improved to 32.2% from 27.8% in Q1FY24 and 28.7% in Q2FY23. Including aggregate ECL provisions, the PCR stood at 94.6% in Q2FY24.

Strong Capital Adequacy

CGCL CAR was strong 32.2% level in Q1FY24. The Company is well-capitalized from a 5-year growth perspective. The Company also infused Rs2bn by way of fresh equity in its wholly-owned subsidiary CGHFL. The capital adequacy ratio of CGHFL post-infusion increased to 48.2% from 38.2% in Q1FY24 and its Networth stood enhanced to Rs7.6bn in Q2FY24 from Rs5.4bn in Q1FY24.

Founder & Managing Director Mr. Rajesh Sharma Commented:

"We continued to maintain a robust momentum in our business during Q2FY24. Profitability growth was comparatively modest as we saw some competitive pressure on our spreads. Proactive provisioning also kept the credit cost elevated and at same level as Q1FY24. However, we expect profitability to improve in a stronger manner in H2FY24. Key lever would be a relative softening in opex growth as we pause our Gold Loan branch additions having nearly achieved the initial target of 750 branches. We shall also continue with our planned investments in technology to roll-out new platforms that shall be beneficial in business and productivity growth."

Disclaimer:

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