

August 6, 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 Q1 FY24 Results

Dear Sir/Madam,

Please find enclosed herewith Press Release titled “CGCL Q1FY24 Press Release” regarding the announcement of Financial Results for the quarter ended June 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 : Q1 FY24 Results

6th August 2023

AUM

INR 112,262 Mn

60.9% YoY / 8.8% QoQ

Disbursements

INR 26,869 Mn

127.6% YoY / -5.4% QoQ

Gross Stage 3

1.9%

PCR 27.8% / Restr. Ass. 1.5%

Consolidated PAT

INR 636 Mn

38.0% YoY / -2.0% QoQ

Core Profitability On Improvement Path

CONSOLIDATED FINANCIALS	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q
AUM	112,262	69,765	60.9%	103,204	8.8%
MSME (incl. co-lending)	44,960	33,922	32.5%	43,580	3.2%
Gold Loans	15,995	n.a.	n.a.	11,259	42.1%
Construction Finance	19,592	14,152	38.4%	18,301	7.1%
Affordable Housing (incl. co-lending)	28,792	18,845	52.8%	26,657	8.0%
Indirect Lending	2,923	2,846	2.7%	3,408	-14.2%
Disbursement	26,869	11,808	127.6%	28,412	-5.4%
Total Income	3,175	1,749	81.6%	2,813	12.9%
PAT	636	461	38.0%	649	-2.0%
Spreads	7.0%	6.3%	66 bps	6.6%	35 bps
Cost-to-income	66.0%	51.1%	1497 bps	68.1%	-211 bps
RoA	2.2%	2.5%	-31 bps	2.6%	-45 bps
RoE	7.1%	9.5%	-240 bps	11.7%	-465 bps
EPS (Basic) (FV Rs2) (not annualised)	3.1	2.6	17.9%	3.5	-12.0%
Book Value Per Share (Rs)	173.8	110.0	58.0%	170.6	1.8%
Gross Stage 3	1.9%	2.7%	-82 bps	1.7%	15 bps
PCR (including aggregate ECL prov.)	92.6%	96.2%	-354 bps	101.1%	-849 bps
PCR (on Stage-3)	27.8%	27.6%	14 bps	30.9%	-313 bps

(Rs. Mn.)

Consolidated Key Performance Highlights for Q1 FY24

Mumbai, August 6th, 2023: The Board of Directors of Capri Global Capital Ltd. (CGCL), a non-deposit taking and systemically important NBFC (NBFC-ND-SI) on Saturday, August 5th, 2023 announced the reviewed financial results for the quarter ended June 30, 2023. Key takeaways as follows:

Core Profitability Continues to Strengthen

CGCL's spreads improved further as the loan portfolio continued to re-price on account of yield resets. The average yield on advances improved 118bps YoY to 15.7% while the average cost of funds increased 49bps YoY to 8.72% leading to a net change of 51bps YoY in spreads. Rising share of higher yielding Gold loan portfolio as well as tangible improvements in yields of MSME, Housing, and Construction Finance portfolio contributed to the improvements in loan yields. As a result, NII increased 77% YoY / 26% QoQ in Q1FY24. Non-interest income increased 97% YoY in Q1FY24 to Rs807mn. Share of non-interest income in net income was at a healthy 25% in Q1FY24. Car loan fees and co-lending income were key contributors to the non-interest income.

Although opex in absolute terms increased sequentially owing to branch and headcount increase, the C/I ratio softened marginally. The C/I ratio softened for a second consecutive quarter to 66.0% in Q1FY24 from a peak of 69.5% in Q2FY23. Adjusted for direct expenditure incurred on Gold Loan branch additions, the cost-income ratio in Q1FY24 would have been ~50%.

The Q1FY24 Consolidated Profit after Tax was Rs636mn, up 38.0% YoY but lower 2.0% QoQ owing to sequentially higher credit cost. The Q1 FY24 Consolidated RoE was 7.1% while RoA was 2.2%.

Disbursals - Momentum Continues In A Seasonally Weak Quarter

Disbursals in Q1FY24 increased 128% YoY but dipped 5% QoQ to Rs26,869mn. Gold Loans had a ~51% share in disbursals while MSME and Housing contributed ~12% and ~11% respectively. The MSME and Housing verticals usually experience a weaker momentum in Q1 every year and the performance in Q1FY24 was in-line with the past experience. CF and IL together had a share of ~25%.

On distribution side, the car loan business carried ahead its strong momentum, originating loans worth Rs19.4bn for our partner banks. This was up 106% YoY and 6% QoQ. The business had a presence across 714 locations in 33 States and UTs as of June 30, 2023.

AUM Growth - Granular and Steady

Consolidated AUM including co-lending AUM increased ~61% YoY and ~9% QoQ to touch Rs112,262mn. The Company maintained granularity across its portfolios with average ticket sizes on loans in non-Gold businesses remaining stable. The average ticket size in Gold Loans has declined from Rs113K in Q2FY23 to Rs94K in Q1FY24 and is in-line with expectations of improving granularity in the business. Momentum across the non-Gold businesses was steady while Gold Loan, which was launched in Q2FY23 and is growing on a smaller base, maintained a significantly stronger growth rate of 42% QoQ. The Company aims to cross Rs30bn in Gold Loan AUM during FY24.

Asset Quality

Gross Stage 3 ratio was 1.89%, lower 82bps YoY and +15bps QoQ. The PCR on Stage-3 assets was 27.8%. Including aggregate ECL provisions, the PCR stood at 92.6%.

Strong Capital Adequacy

CGCL CAR was strong 37.2% level in Q1FY24. It may be noted that the Company concluded a Rs14.4bn Rights Issue in Mar'23, which boosted its capital adequacy. CGCL is well capitalized from a 5-year growth perspective. The Company Board also approved infusion of up to Rs4bn by way of fresh equity in its wholly-owned subsidiary CGHFL (capital adequacy 38.2% and Networth Rs5.4bn in Q1FY24).

Founder & Managing Director Mr. Rajesh Sharma Commented:

"We have begun FY 2024 on a sound note. Despite the seasonal softness in select lending verticals, the business momentum overall has been extremely strong in Q1FY24. We are seeing an improving trend in the core earnings parameters like our loan spreads and cost-income ratio. Going ahead in FY 2024, we expect this performance to improve as we pause our aggressive branch expansion in Gold Loans in Q2FY24 and move rapidly towards break-even by Q4FY24. The increase in credit cost during Q1FY24 had one-off elements. On a full year basis, we remain positive on the asset quality trends staying robust."

Disclaimer:

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