

January 29, 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 Q3 FY23 Results

Dear Sir/Madam,

Please find enclosed herewith Press Release titled “CGCL Q3FY23 Press Release” regarding the announcement of Financial Results for the quarter ended December 31, 2022.

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 : Q3 FY23 Results

29th January 2023

AUM

INR 86,525 Mn

49.9% YoY / 11.4% QoQ

Disbursements

INR 18,105 Mn

43.1% YoY / 21.7% QoQ

Gross Stage 3

2.3%

PCR 91.4% / Restr. Ass. 2.1%

Consolidated PAT

INR 374 Mn

-42.3% YoY / -13.5% QoQ

CGCL Reports Strong Business Momentum Driven by Retail Segments

| CONSOLIDATED FINANCIALS | Q3FY23 | Q3FY22 | Y-o-Y | Q2FY23 | Q-o-Q |
|---------------------------------------|---------------|---------------|--------------|---------------|--------------|
| AUM | 86,525 | 57,736 | 49.9% | 77,692 | 11.4% |
| MSME (including co-lending) | 38,478 | 29,364 | 31.0% | 35,767 | 7.6% |
| Gold Loans | 7,152 | n.a. | n.a. | 1,392 | n.a. |
| Construction Finance | 16,757 | 11,189 | 49.8% | 16,605 | 0.9% |
| Affordable Housing | 22,793 | 15,089 | 51.1% | 20,619 | 10.5% |
| Indirect Lending | 1,344 | 2,094 | -35.8% | 3,310 | -59.4% |
| Disbursement | 18,105 | 12,652 | 43.1% | 14,883 | 21.7% |
| Total Income | 2,382 | 1,716 | 38.8% | 2,138 | 11.4% |
| PAT | 374 | 649 | -42.3% | 563 | -33.5% |
| Net Interest Margin | 8.5% | 10.3% | -185 bps | 8.9% | -41 bps |
| Cost-to-income | 69.5% | 38.4% | 3108 bps | 60.4% | 905 bps |
| RoA | 1.7% | 4.2% | -251 bps | 2.8% | -110 bps |
| RoE | 7.3% | 14.1% | -679 bps | 11.2% | -393 bps |
| EPS (Basic) (FV Rs2) (not annualised) | 2.1 | 3.7 | -42.5% | 3.2 | -33.5% |
| Book Value Per Share (Rs) | 115.1 | 105.1 | 9.5% | 113.7 | 1.3% |
| Gross Stage 3 | 2.3% | 3.0% | -67 bps | 2.4% | -5 bps |
| PCR | 91.4% | 84.6% | 677 bps | 98.3% | -684 bps |

(Rs. Mn.)

Consolidated Key Performance Highlights for Q3 FY23

Mumbai, January 28th, 2023: The Board of Directors of Capri Global Capital Ltd. (CGCL), a non-deposit taking and systemically important NBFC (NBFC-ND-SI) on Saturday, January 28th, 2023 announced the reviewed financial results for the quarter ended December 31, 2022. Key takeaways as follows:

Balance Sheet - Gold Loan Segment Leads Overall Disbursals

Disbursals maintained strong momentum gathered in Q2FY23. Quarterly disbursals including Indirect Lending were Rs18,105mn, up 43% YoY and 22% QoQ. Disbursals in 9MFY23 are up 58% YoY at Rs43,917mn. Gold Loans, which had first full quarter of business, dominated overall disbursals with a ~43% share in Q3FY23 disbursals. The share of Gold Loans in disbursals was 10% in Q2FY23. MSME and Affordable Housing contributed another ~33% to Q3FY23 disbursals, taking the share of retail disbursals to ~76%. The rest was contributed by Construction Finance and Indirect Lending verticals respectively.

Consolidated AUM including co-lending AUM increased ~50% YoY and ~11% QoQ to touch Rs86,525mn. In the retail segment, share of MSME loans including co-lending was ~44%, Affordable Housing ~26%, while Gold Loans contributed ~8%. In the wholesale segment, share of Construction Finance vertical declined 200bps QoQ to 19.4%, and remained under our threshold of 20%. With growth in retail expected to stay strong, the Company is confident of maintaining the CF segment mix in consolidated AUM within the defined parameters.

The car loan distribution business maintained its strong volume momentum originating ~Rs16,920mn in new car loans for our partner banks during Q3FY23. The value of originations was up 3.1x YoY and 24% QoQ.

Earnings - Organic Expansion Contributing to Opex Surge

CGCL reported Consolidated Profit after Tax of Rs374mn, -42.3% YoY and -33.5% QoQ. The profitability in Q3FY23 was subdued owing to the strong organic expansion underway in the Gold Loan segment. Core earnings as reflected in were healthy. Net Income increased 38.8% YoY / 11.4% QoQ to Rs2,382mn. Net interest margin for Q3 FY23, excluding spreads on co-lending AUM, was 8.45%, -185bps YoY and -41bps QoQ. Adjusted for one-offs in interest income in Q2FY23, the Q3FY23 NIM was higher 34bps QoQ.

In absolute terms, Non-Interest Income expanded in a more robust manner compared to spreads. The fee income from car loan distribution is now an important component of net income and contributed 14% / 13% to Q3FY23 / 9MFY23 net income respectively.

The opex surge continued as the Company added 282 branches including 267 Gold Loan branches during Q3FY23. The headcount too rose in tandem to touch 7,983, up by 1,358 QoQ. The cost-income ratio moved up to touch 69.5% in Q3FY23 from 60.4% in Q2FY23 and 38.4% in Q3FY22. Adjusted for direct expenditure incurred on Gold Loan branch additions, the cost-income ratio in 9MFY23 would have been ~47%.

The Q3 FY23 Consolidated RoE was 7.3% while RoA was 1.7%.

Liability Management - Well-Diversified Liability Profile

Outstanding borrowings increased 59% YoY / 8% QoQ to touch Rs65,940mn. Borrowings were well-diversified across 21 lending institutions. CGCL is well-funded and maintains a well-matched asset liability profile.

Asset Quality - Steady Improvement

Gross Stage 3 ratio softened to 2.32%, lower 67bps YoY and 4bps QoQ. The PCR including aggregate ECL provisions was 91.4% while PCR considering Stage 3 provisions improved marginally QoQ to 29.1%. Despite higher provisioning and write-offs over Q2FY23, the 9MFY23 loan loss provisions including write-offs were at Rs530mn, ~50% of FY22 loan loss provisions. Overall collection efficiency was at 101%.

Strong Capital Adequacy

Both CGCL and its housing finance subsidiary CGHFL remain well capitalized with a capital adequacy ratio at 24.2% and 38.8% respectively as of Q3 FY23.

Founder & Managing Director Mr. Rajesh Sharma Commented:

"CGCL remains committed to its organic growth path. The near-term impact on profitability due to the brick-and-mortar expansion shall eventually pay-off as we scale up our AUM. Our core earnings remain healthy, diversified, and capable of supporting the short term opex requirements through our P&L. The performance of our car loan distribution business and the recently launched Gold Loan business is a testimony to our ability to achieve scale in a short period of time. Our expansion journey has just begun and we look forward to delivering stronger results going ahead"

Disclaimer:

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