

November 05, 2022

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 FY23 Results

Dear Sir and Madam,

Please find enclosed herewith Press Release titled “CGCL Q2FY23 Press Release” regarding the announcement of Financial Results for the quarter ended September 30, 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 : Q2 FY23 Results

5th November 2022

AUM

INR 77,692 Mn

47.4% YoY / 11.4% QoQ

Disbursements

INR 14,860 Mn

57.2% YoY / 35.9% QoQ

Gross Stage 3

2.4%

PCR 98.2% / Restr. Ass. 2.6%

Consolidated PAT

INR 563 Mn

7.3% YoY / 22.1% QoQ

CGCL Reports Rs563mn Consolidated PAT In Q2FY23

CONSOLIDATED FINANCIALS	Q2FY23	Q2FY22	Y-o-Y	Q1FY23	Q-o-Q
AUM	77,692	52,712	47.4%	69,765	11.4%
MSME (including co-lending)	35,767	26,797	33.5%	33,922	5.4%
Gold Loans	1,392	n.a.	n.a.	n.a.	n.a.
Construction Finance	16,605	9,563	73.6%	14,152	17.3%
Affordable Housing	20,619	13,219	56.0%	18,845	9.4%
Indirect Lending	3,310	3,134	5.6%	2,846	16.3%
Disbursement	14,860	9,450	57.2%	10,933	35.9%
Total Income	2,138	1,398	52.9%	1,749	22.3%
PAT	563	525	7.3%	461	22.1%
Net Interest Margin	8.9%	9.6%	-73 bps	8.4%	49 bps
Cost-to-income	60.4%	42.0%	1844 bps	51.1%	935 bps
RoA	2.8%	3.7%	-87 bps	2.5%	30 bps
RoE	11.2%	11.7%	-52 bps	9.5%	175 bps
EPS (Basic) (FV Rs2) (not annualised)	3.2	3.0	7.0%	2.6	22.0%
Book Value Per Share (Rs)	113.7	101.5	12.0%	110.0	3.4%
Gross Stage 3	2.4%	3.3%	-89 bps	2.7%	-35 bps
PCR	98.2%	81.9%	1635 bps	96.2%	208 bps

(Rs. Mn.)

Consolidated Key Performance Highlights for Q2 FY23

Mumbai, November 5th, 2022: The Board of Directors of Capri Global Capital Ltd. (CGCL), a non-deposit taking and systemically important NBFC (NBFC-ND-SI) on Friday, November 4th, 2022 announced the reviewed financial results for the quarter ended September 30, 2022. Key takeaways are as follows:

Earnings

CGCL reported a Consolidated Profit after Tax of Rs563mn, up 7.3% YoY basis and 22.1% QoQ. The Net Income increased 22.3% QoQ / 52.9% YoY to Rs2,138mn. In absolute terms, both NII and Non-Interest Income contributed in equal measure to the Net Income on a QoQ and YoY basis. The fee income from car loan distribution is now an important component of net income and contributed 16% / 14% to Q2FY23 / H1FY23 net income respectively.

The opex surge leading to a consolidated 60.4% cost-income ratio was mainly driven by high paced roll out of gold loan network as 182 branches went live by end Q2FY23. However, a softer net credit cost, aided by some expected recoveries through written-off accounts, supported a healthy net profit growth.

Net interest margin for Q1 FY23, excluding spreads on co-lending AUM, was 8.9%, higher 49bps QoQ but lower by 73bps YoY.

The Q2 FY23 Consolidated RoE was 11.2% while RoA was 2.8%.

Balance Sheet

Disbursals picked up pace after a slowdown in Q1FY23. Quarterly disbursals including Indirect Lending were Rs14,860mn, up 57% YoY and 36% QoQ. Disbursals in H1FY23 are up 70% YoY at Rs25,793mn. Gold Loans, which debuted in Aug'22, constituted a robust 10% of Q2FY23 disbursals. MSME and Affordable Housing both picked pace together contributing 38% to Q2FY23 disbursals. The rest was contributed by Construction Finance and Indirect Lending verticals respectively.

Consolidated AUM including co-lending AUM increased 47% YoY and 11% QoQ to touch Rs77,692mn. In the retail segment, share of MSME loans including co-lending was 46%, Affordable Housing 26.5%, while Gold Loans contributed 1.8%. In the wholesale segment, share of Construction Finance vertical inched up to 21.4%, above our threshold of 20%. It is expected to soften as growth in retail picks up going ahead.

The car loan distribution business continued to surpass its previous volume achievements originating ~Rs13,634mn in new car loans for our partner banks during Q2FY23. The value of originations was up 4x YoY and 45% QoQ.

Liability Management

Reflecting the growth momentum, outstanding borrowings increased 62% YoY / 14% QoQ to touch Rs61,304mn. Borrowings were long term and well-diversified across 21 lending institutions. CGCL is well-funded and maintains a well-matched asset liability profile.

Asset Quality

Gross Stage 3 ratio softened to 2.36%, lower 108bps YoY and 35bps QoQ. The PCR including aggregate ECL provisions was 98.2% while PCR considering Stage 3 provisions was 28.6%. Recoveries in previously written-off cases amounted to Rs145mn.

Strong Capital Adequacy

Both CGCL and its housing finance subsidiary CGHFL remain well capitalized with a capital adequacy ratio at 26.0% and 39.1% respectively as of Q2 FY23.

Founder & Managing Director Mr. Rajesh Sharma Commented:

"Q2 FY23 was an important quarter for both business and earnings. We achieved an important product milestone with the launch of Gold Loans, the announcement for which we had made earlier this year. After simultaneously launching from 108 branch locations in Aug'22, we expanded to 182 branch locations by Sep 30, 2022. The launch and on-going rapid scale-up of the Gold Loan business once again shows both our commitment as well as execution capability.

On earnings side, our Q2 FY23 net income had a good contribution from spread and non-spread revenue. We have also consistently highlighted our ability to pursue and recover from delinquent cases. The recoveries realized in Q2FY23 from previously written-off cases reflects the same.

We are fully geared up to further improve our performance and are confident we would deliver on it in H2FY23."

Disclaimer:

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