



# **Responsible. Resilient. Ready.**

Q1FY22 Earnings Presentation

02<sup>nd</sup> August 2021

# Disclaimer

This presentation is for information purposes only and does not constitute an offer, solicitation or advertisement with respect to the purchase or sale of any security of Capri Global Capital Limited (the “Company”) and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation is not a complete description of the Company. Certain statements in the presentation contain words or phrases that are forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation, and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. All information contained in this presentation has been prepared solely by the Company. No information contained herein has been independently verified by anyone else. No representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Company nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from any use or reliance on this presentation or its contents or otherwise arising in connection therewith. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.





# 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.*



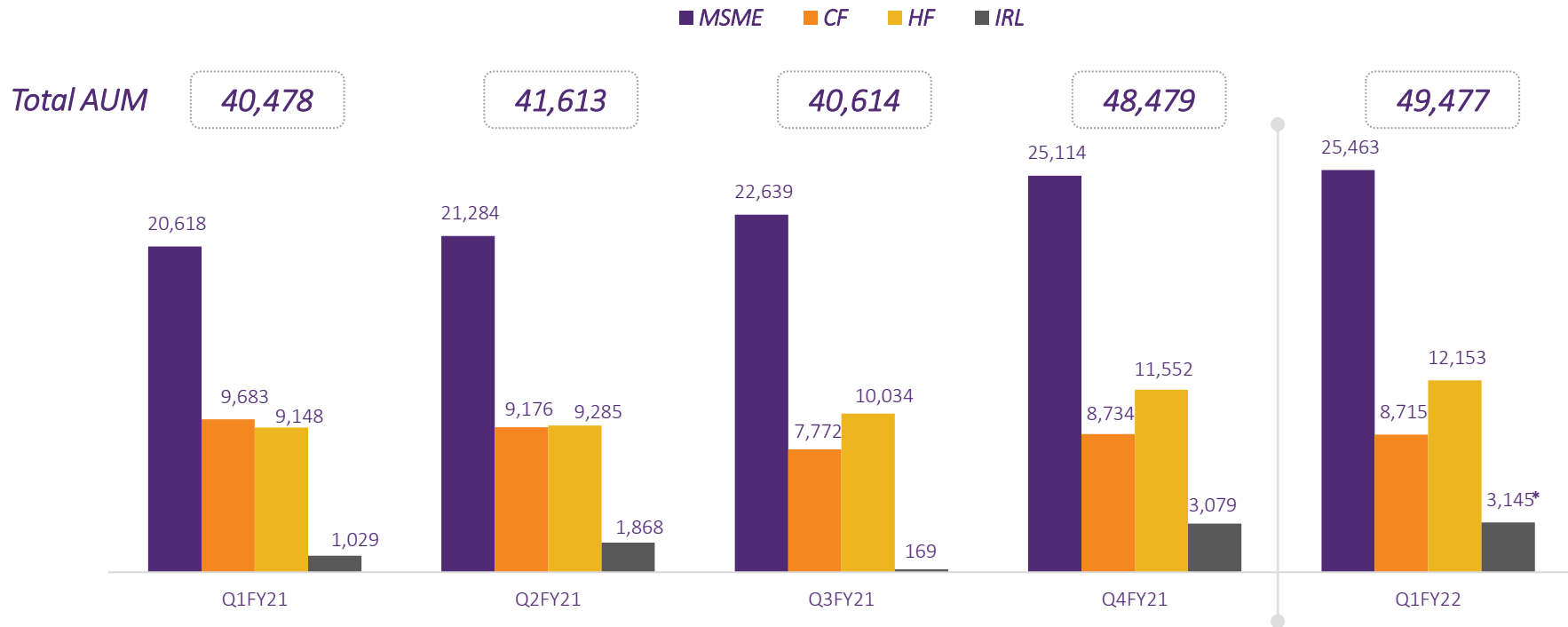
*Added 4 new branches, branch count at 89, group staff count at 1,966.*



*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)



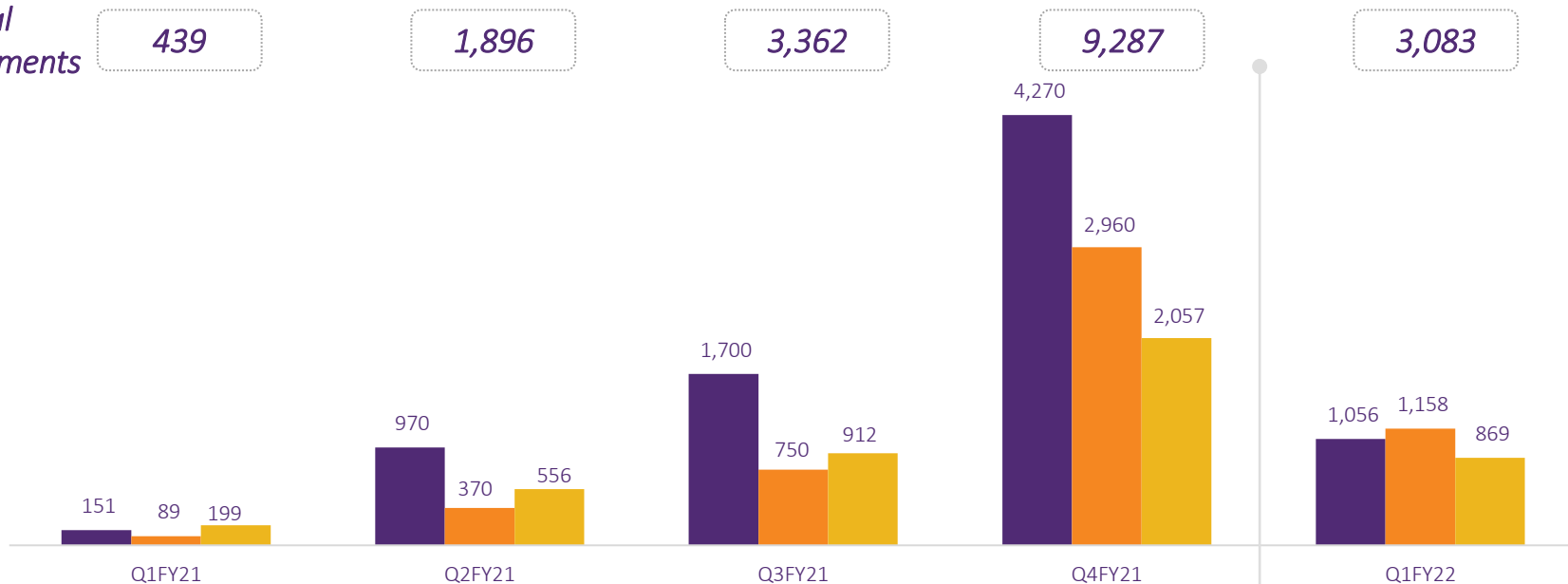
\* IRL AUM for Q1FY22 includes INR 2,640 Mn of short term deployment maturing in <6 months

# Disbursals : Disbursals Reflect Activity in Jun'21

## Segmental Disbursals ( INR Mn)

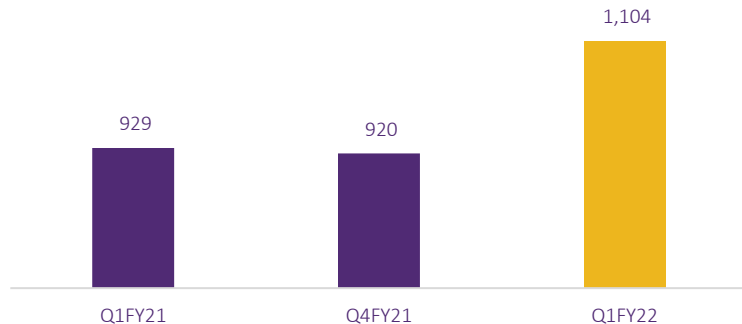
■ MSME ■ CF ■ HF

Total  
Disbursements

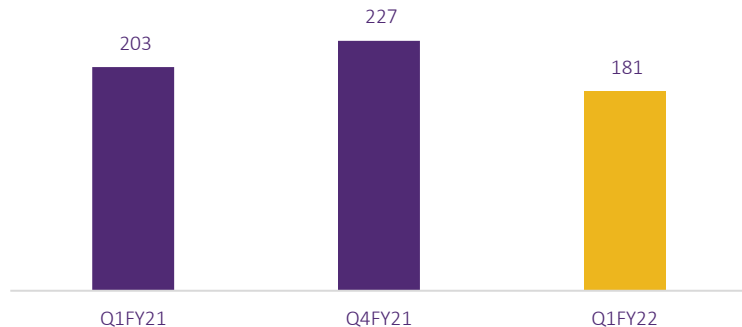


# Performance Matrix : Core Earnings Performance Remained Robust

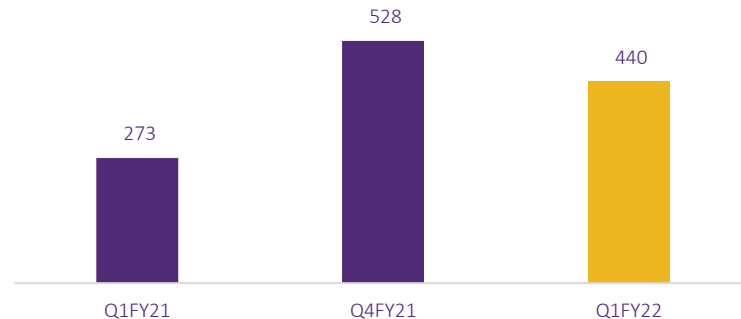
NII (INR Mn)



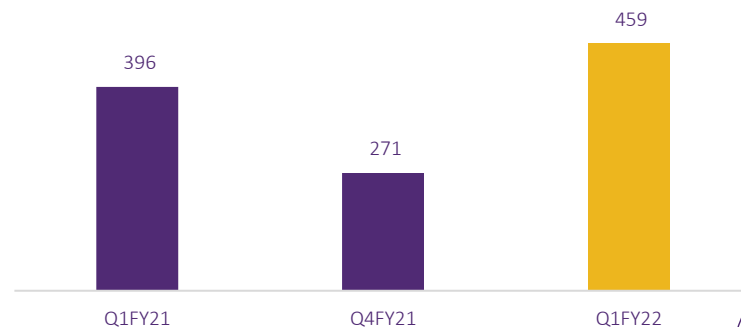
Credit Costs (INR Mn)



Opex (INR Mn)

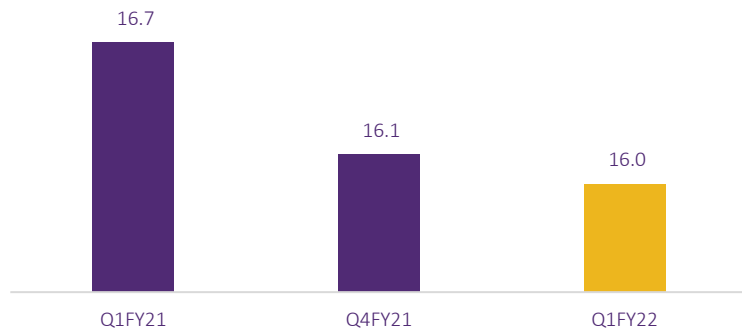


PAT (INR Mn)

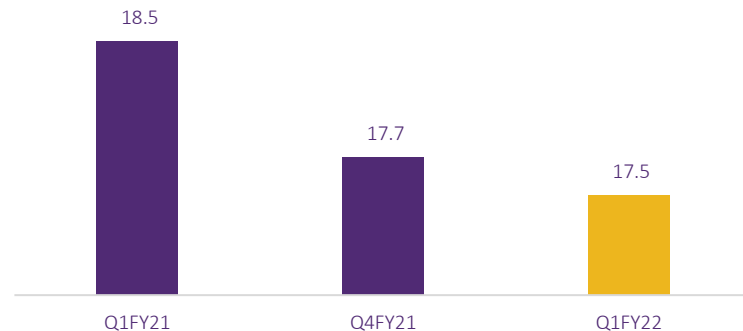


# Key Ratios : Segmental Yields Showing Some Softening Trend

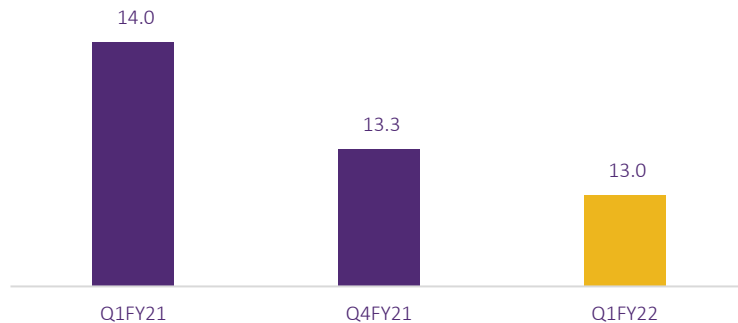
## MSME



## Construction Finance



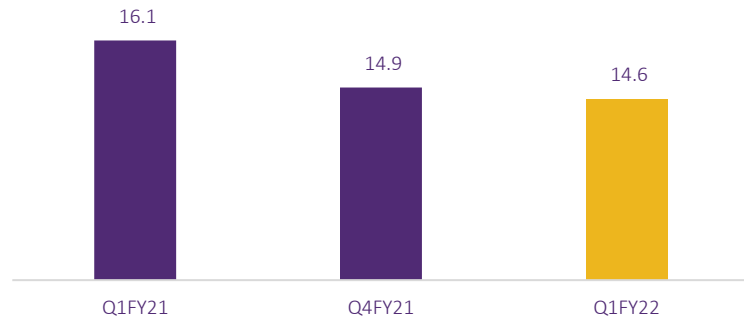
## Housing Finance



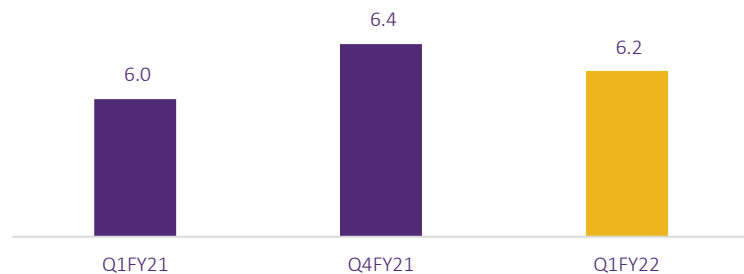


# Key Ratios : **Spreads Stable**

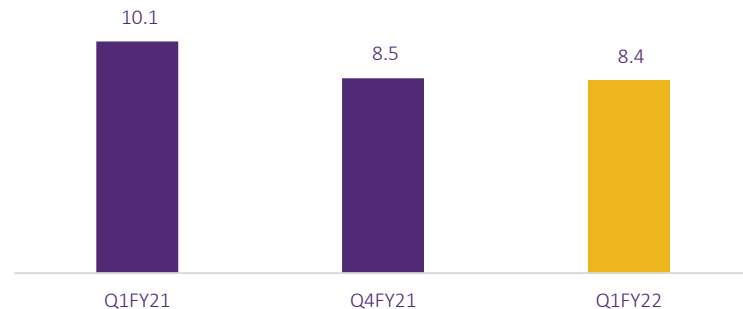
**Yield on Advances (%)**



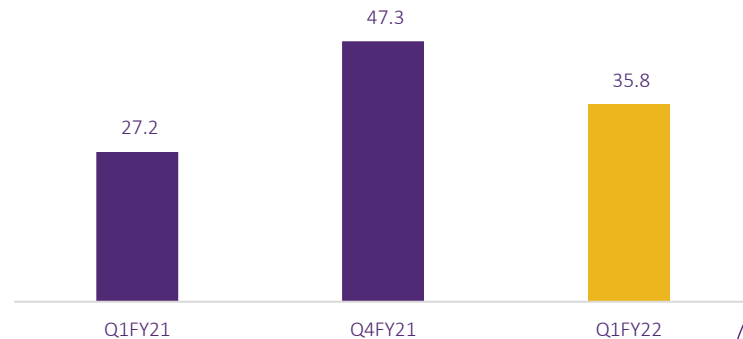
**Spread (%)**



**Cost of Funds (%)**

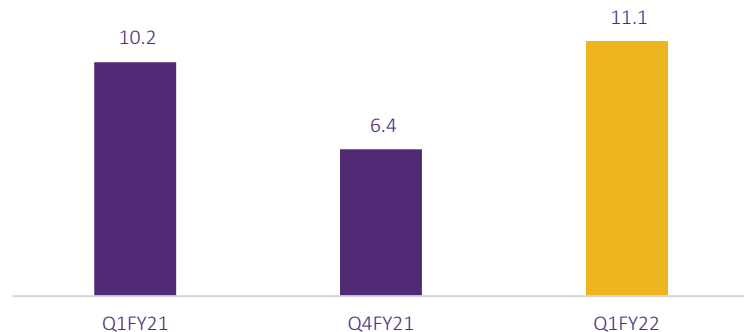


**Cost-Income (%)**

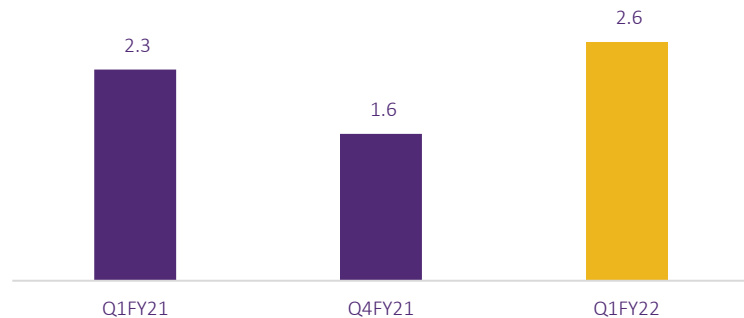


# Key Ratios : Profitable Growth

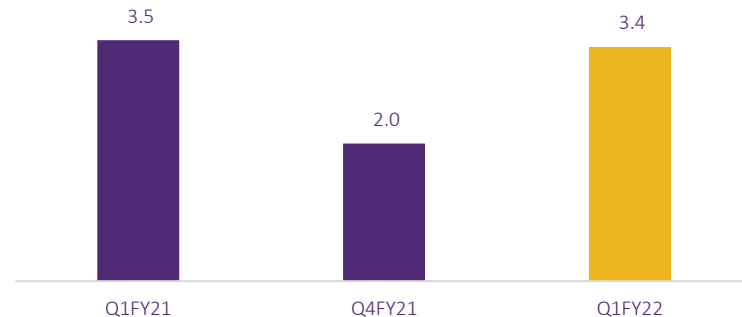
## Annualized Return on Equity (%)



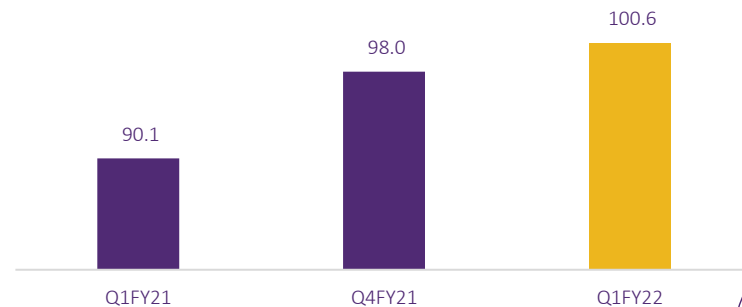
## EPS (INR)



## Annualized Return on Assets (%)



## Book Value Per Share (INR)

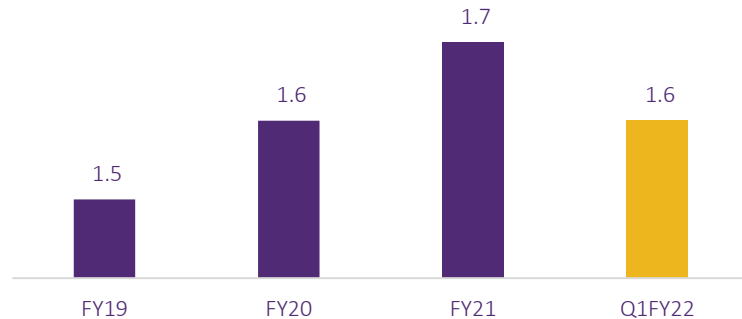




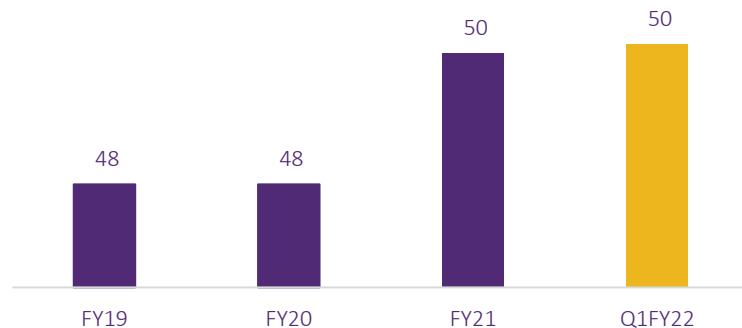
# Business Vertical & Asset Quality Update

# MSME Business Update

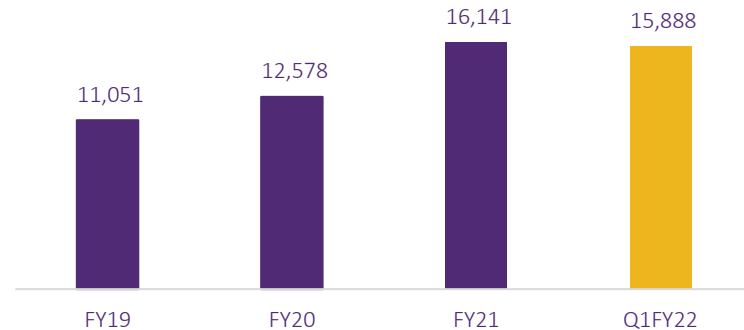
## Average Ticket Size (INR Mn)



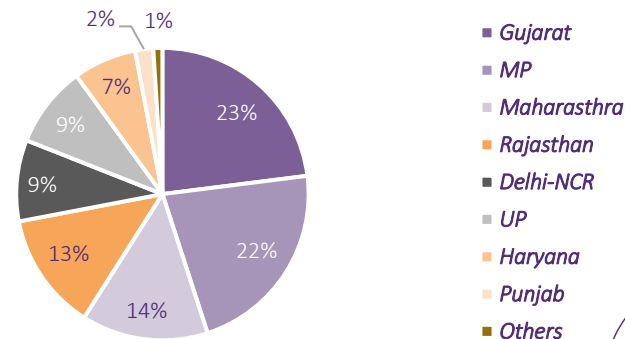
## Loan to Value (%)



## Live Accounts

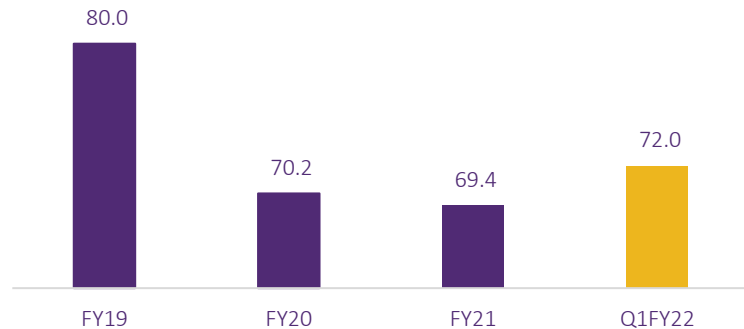


## Geographical Distribution (Value-Wise)

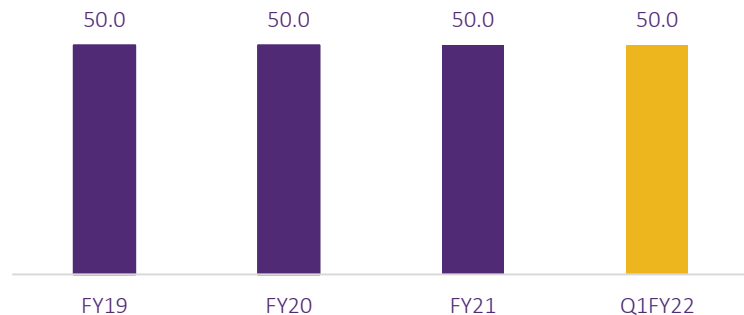


# Construction Finance Business Update

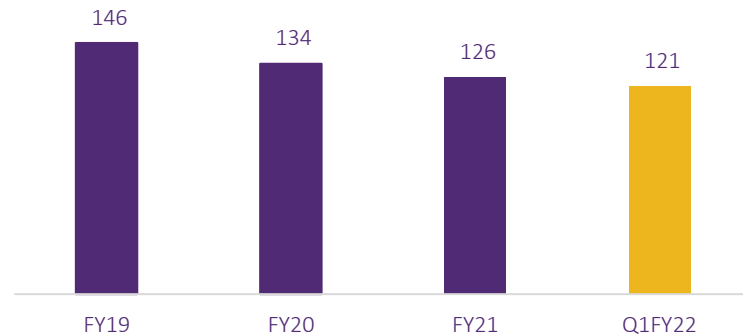
## Average Ticket Size (INR Mn)



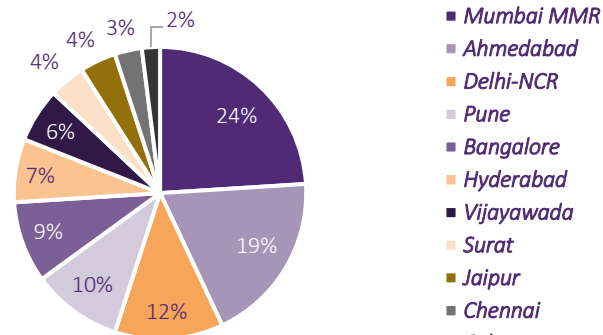
## LTV (%)



## No. of Projects

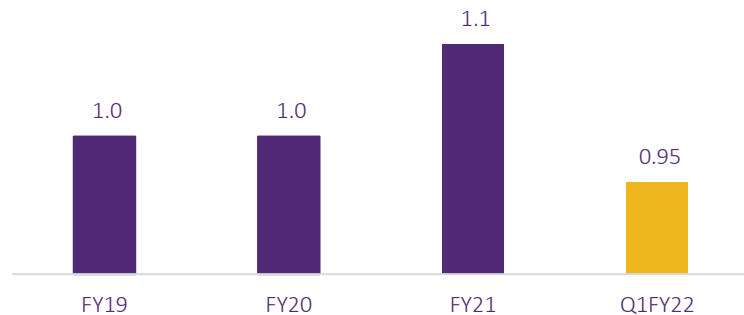


## Geographical Distribution (Value-Wise)

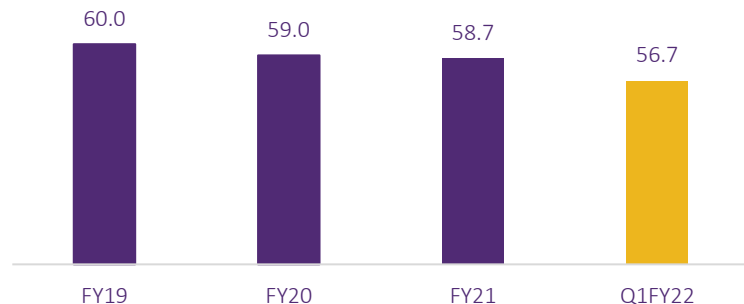


# Housing Finance Business Update

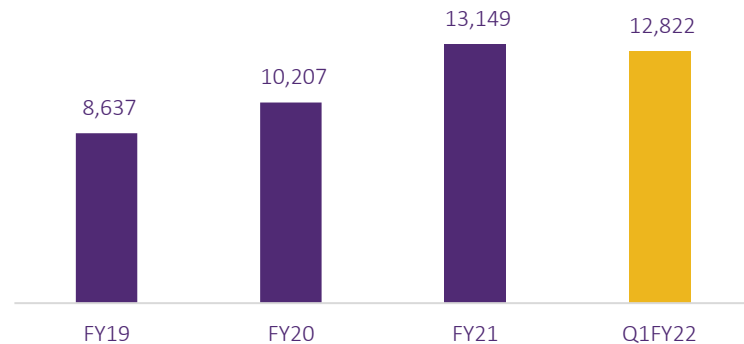
## Average Ticket Size (INR Mn)



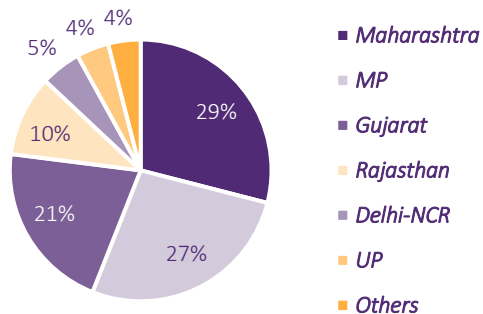
## Loan to Value (%)



## Live Accounts



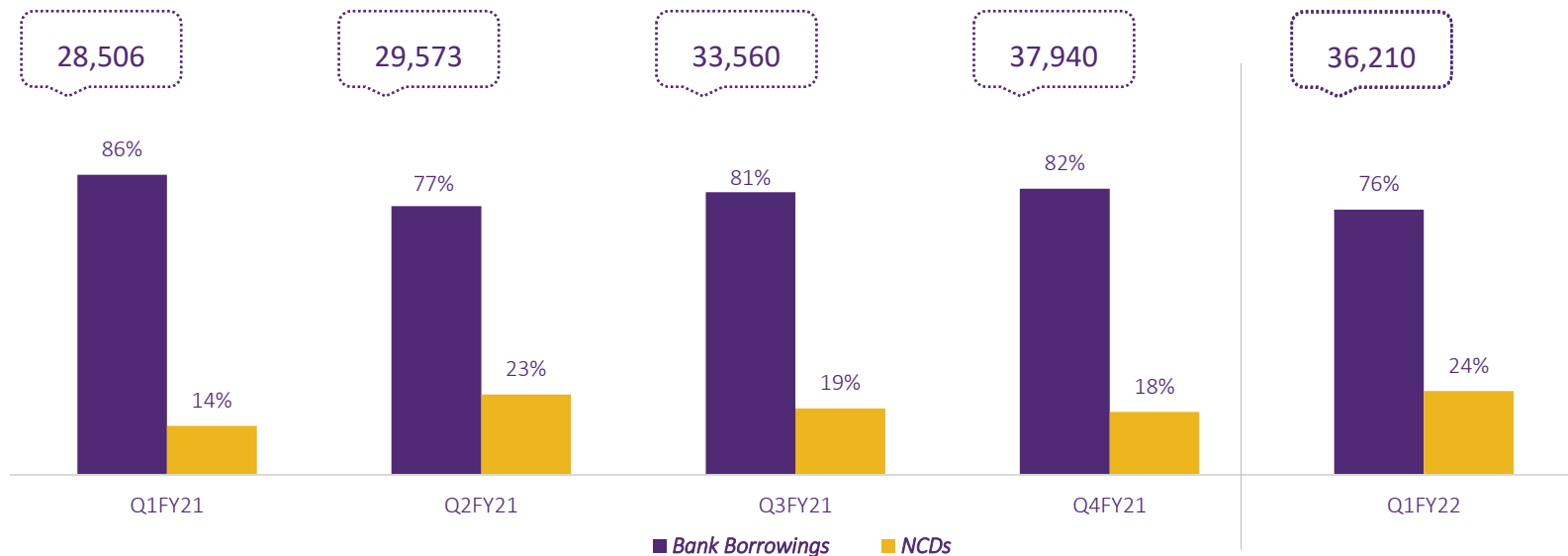
## Geographical Distribution (Value-Wise)



|               |     |
|---------------|-----|
| Salaried      | 46% |
| Self-employed | 54% |

# Liability Mix : Bank Borrowings Key Source Funds

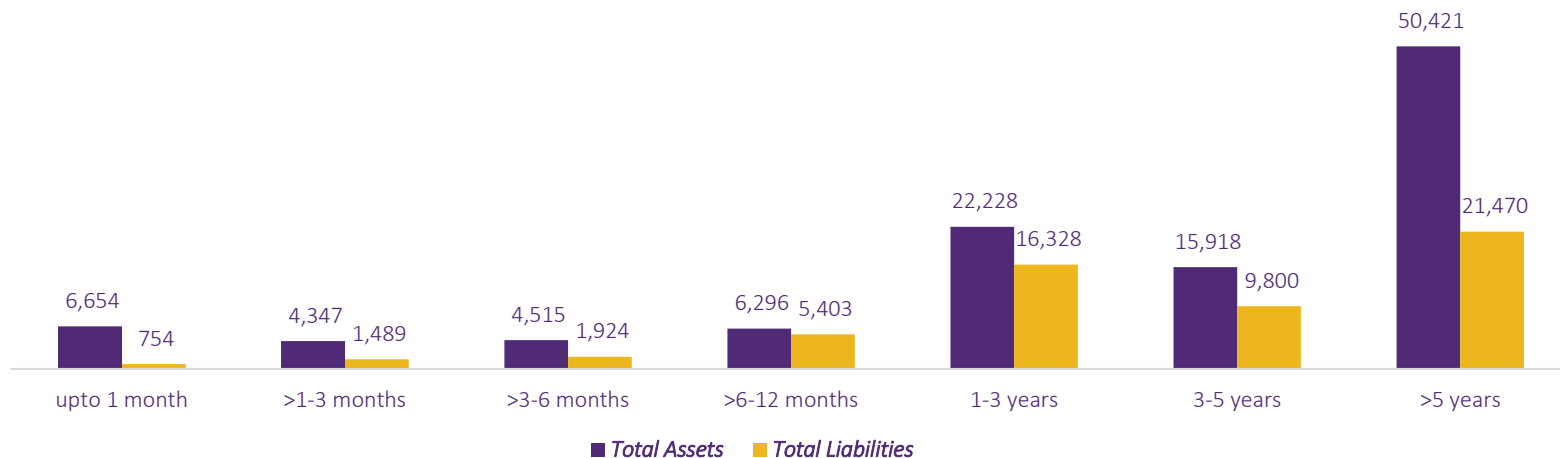
Total Borrowings (INR Mn) and Borrowing Mix



- 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 | 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   |

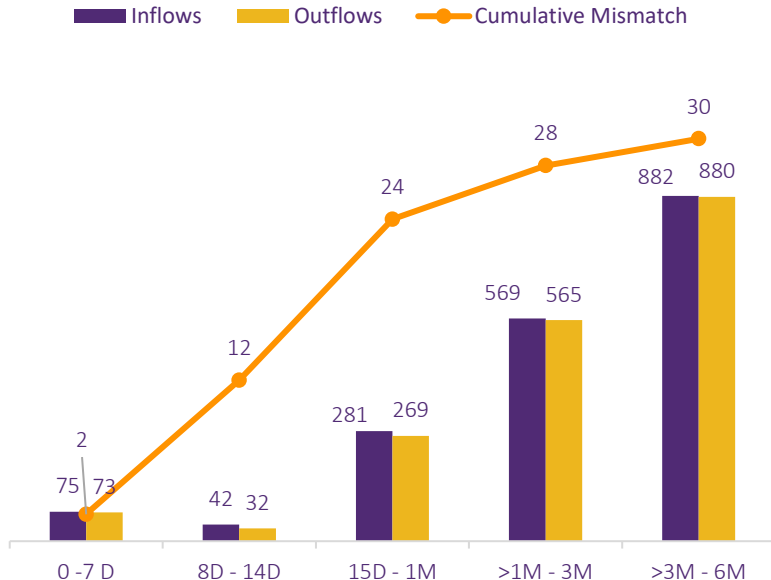
*Have consistently remained cautious about short-term asset & liability mismatches by ensuring optimally matched Balance Sheets*

\* as of Q4FY21

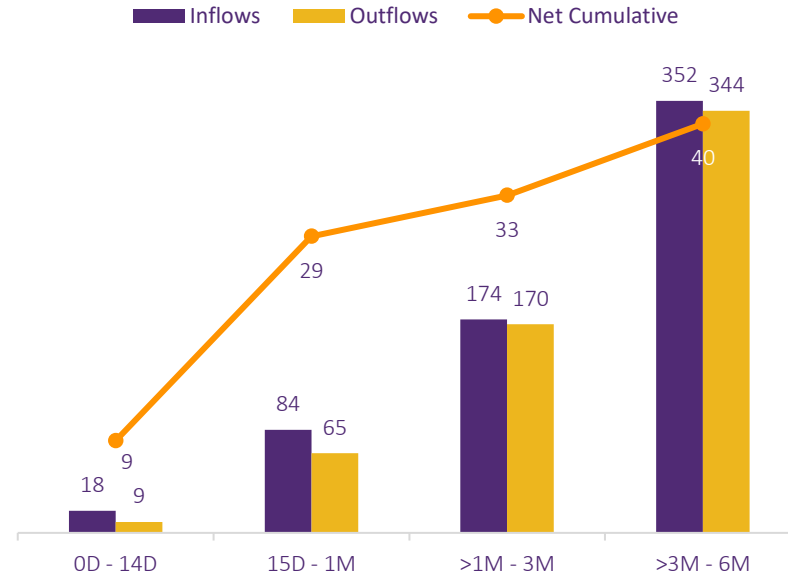


# Asset-Liability Position : Well-Balanced for Short Term

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)<br>(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%  |

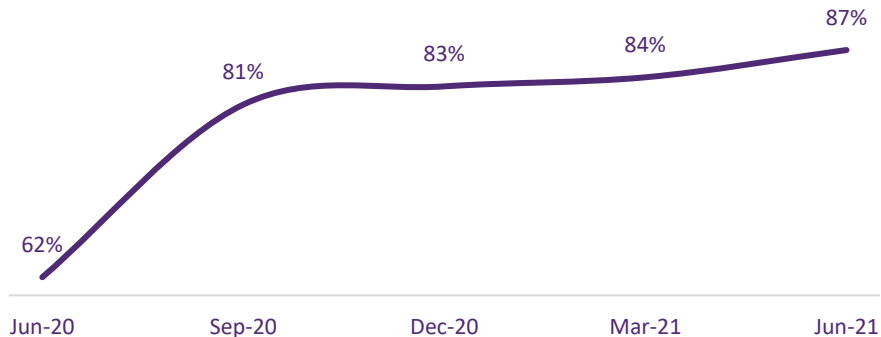
| GNPA Product Segment wise – Q1FY22 |             |             |
|------------------------------------|-------------|-------------|
| Product Segment                    | GNPA %      | NNPA %      |
| MSME                               | 5.7%        | 1.7%        |
| Construction Finance          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

- 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

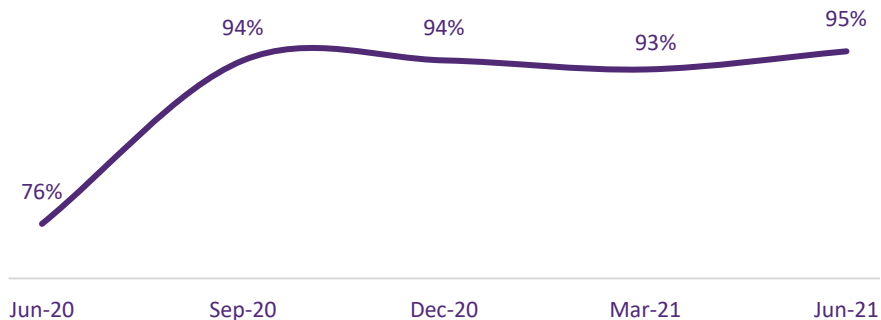
## MSME Collection Efficiency (by POS)



## 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 Collection Efficiency (by POS)



## 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*

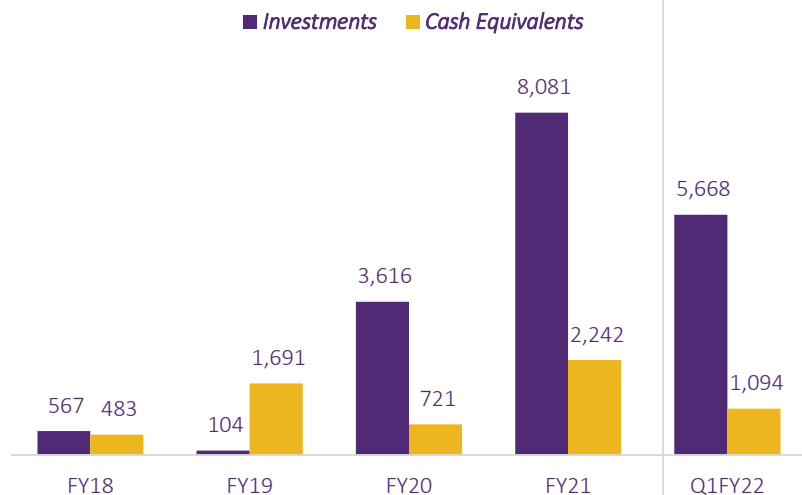
## Liquidity Position : Repayment of High-Cost Loans

| 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        |
| <b>Total repayments/prepayments (A+B)</b>              | <b>3,042</b>      | <b>1,411</b> | <b>4,453</b> |
| Balance Payment for FY2021-22                          | 3,441             | 886          | 4,327        |
| Additional prepayments beyond FY2021-22 (C)            | -                 | -            | -            |
| <b>Total Repayments / Prepayments (A+B+C)</b>          | <b>3,042</b>      | <b>1,411</b> | <b>4,453</b> |

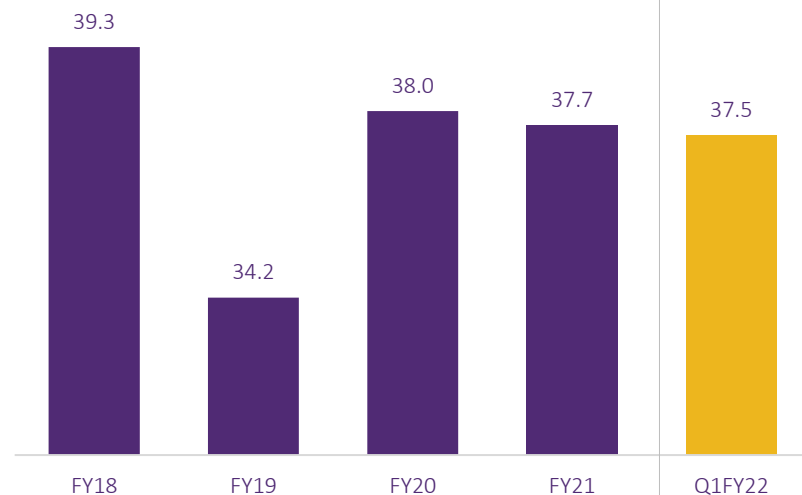
CGCL continued to prepay loan obligations in Q1FY22

# 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%           |
| <b>Net interest income</b> | <b>1,104</b> | <b>929</b>   | <b>19%</b> | <b>920</b>   | <b>20%</b>   |
| <b>Non-interest income</b> | <b>124</b>   | <b>74</b>    | <b>68%</b> | <b>194</b>   | <b>(36%)</b> |
| - Other Operating Income   | 123          | 74           | 66%        | 192          | (36%)        |
| - Other Income             | 1            | -            | -          | 2            | (50%)        |
| <b>Total Income</b>        | <b>1,227</b> | <b>1,003</b> | <b>22%</b> | <b>1,114</b> | <b>10%</b>   |
| <b>Operating expense</b>   | <b>440</b>   | <b>273</b>   | <b>61%</b> | <b>528</b>   | <b>(17%)</b> |
| - Employee cost            | 323          | 170          | 90%        | 313          | 3%           |
| - Depreciation             | 20           | 23           | (13%)      | 37           | (46%)        |
| - Others                   | 97           | 80           | 21%        | 178          | (46%)        |
| <b>Operating Profit</b>    | <b>787</b>   | <b>731</b>   | <b>8%</b>  | <b>586</b>   | <b>34%</b>   |
| Total provisions           | 181          | 203          | (11%)      | 253          | (28%)        |
| <b>PBT</b>                 | <b>606</b>   | <b>528</b>   | <b>15%</b> | <b>333</b>   | <b>82%</b>   |
| Tax                        | 147          | 131          | 12%        | 88           | 67%          |
| <b>PAT</b>                 | <b>459</b>   | <b>396</b>   | <b>16%</b> | <b>245</b>   | <b>87%</b>   |



# 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%          |
| <b>Net Worth</b>                                    | <b>17,636</b> | <b>15,793</b> | <b>12%</b> | <b>17,173</b> | <b>3%</b>   |
| Borrowings  | 36,003        | 28,506        | 26%        | 37,688        | (4%)        |
| Other Liabilities and Provisions                    | 1,718         | 776           | 121%       | 3,269         | (47%)       |
| <b>Total liabilities &amp; stockholders' equity</b> | <b>55,357</b> | <b>45,075</b> | <b>23%</b> | <b>58,131</b> | <b>(5%)</b> |
| 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%)       |
| <b>Total assets</b>                                 | <b>55,357</b> | <b>45,075</b> | <b>23%</b> | <b>58,131</b> | <b>(5%)</b> |

\* 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%           |
| <b>Net interest income</b> | <b>184</b> | <b>127</b> | <b>45%</b> | <b>173</b> | <b>6%</b>    |
| <b>Non-interest income</b> | <b>41</b>  | <b>24</b>  | <b>71%</b> | <b>76</b>  | <b>(46%)</b> |
| - Other Operating Income   | 39         | 24         | 63%        | 71         | (45%)        |
| - Other Income             | 2          | -          | -          | 5          | (60%)        |
| <b>Total Income</b>        | <b>225</b> | <b>151</b> | <b>49%</b> | <b>249</b> | <b>(10%)</b> |
| <b>Operating expense</b>   | <b>74</b>  | <b>53</b>  | <b>40%</b> | <b>91</b>  | <b>(19%)</b> |
| - Employee cost            | 44         | 25         | 76%        | 48         | (8%)         |
| - Depreciation             | 3          | 4          | (25%)      | 9          | (67%)        |
| - Others                   | 26         | 24         | 8%         | 34         | (24%)        |
| <b>Operating Profit</b>    | <b>151</b> | <b>98</b>  | <b>54%</b> | <b>158</b> | <b>(4%)</b>  |
| Total provisions           | 51         | 37         | 38%        | 27         | 89%          |
| <b>PBT</b>                 | <b>100</b> | <b>61</b>  | <b>64%</b> | <b>132</b> | <b>(24%)</b> |
| Tax                        | 19         | 14         | 36%        | 28         | (32%)        |
| <b>PAT</b>                 | <b>81</b>  | <b>47</b>  | <b>72%</b> | <b>104</b> | <b>(22%)</b> |

# 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%          |
| <b>Net Worth</b>                                    | <b>2,730</b>  | <b>2,360</b>  | <b>16%</b> | <b>2,658</b>  | <b>3%</b>   |
| Borrowings  | 10,650        | 8,955         | 19%        | 11,557        | (8%)        |
| Other Liabilities and Provisions                    | 354           | 135           | 262%       | 575           | (38%)       |
| <b>Total liabilities &amp; stockholders' equity</b> | <b>13,734</b> | <b>11,450</b> | <b>20%</b> | <b>14,782</b> | <b>(7%)</b> |
| 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%)       |
| <b>Total assets</b>                                 | <b>13,734</b> | <b>11,450</b> | <b>20%</b> | <b>14,782</b> | <b>(7%)</b> |

\* 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.**





**Thank you**

For further information, please get in touch with:

Ravikant Bhat  
[ravikant.bhat@capriglobal.in](mailto:ravikant.bhat@capriglobal.in)  
T: +91 98205 77686

Rajat Gupta  
[rajat@GoIndiaAdvisors.com](mailto:rajat@GoIndiaAdvisors.com)  
M: +91 9971897739

Sheetal Khanduja  
[sheetal@GoIndiaAdvisors.com](mailto:sheetal@GoIndiaAdvisors.com)  
M: +91 97693 64166