Press Release : Q1 FY23 Results

9th August 2022

AUM	Disbursements
INR 69,765 Mn	INR 10,933 Mn
41.0% YoY / 5.2% QoQ	91.3% YoY / -27.3% QoQ

Gross Stage 3	Consolidated PAT
2.7%	INR 461 Mn
PCR 96.2% / Restr. Ass. 2.6%	0.3% YoY / 10.3% QoQ

CGCL Reports Rs461mn Consolidated PAT In Q1FY23

(Rs. Mn.)

CONSOLIDATED FINANCIALS	Q1FY23	Q1FY22	Y-o-Y	Q4FY22	Q-o-Q
AUM	**69,765**	**49,477**	**41.0%**	**66,329**	**5.2%**
MSME (including co-lending)	33,922	25,463	33.2%	33,065	2.6%
Construction Finance	14,152	8,715	62.4%	12,662	11.8%
Affordable Housing	18,845	12,153	55.1%	17,474	7.8%
Indirect Retail Lending	2,846	3,145	-9.5%	3,128	-9.0%
Disbursement	10,933	5,715	91.3%	15,039	-27.3%
Total Income	1,749	1,227	42.5%	1,977	-11.6%
PAT	461	459	0.3%	418	10.3%
Spread	6.7%	7.5%	-77 bps	7.7%	-99 bps
Cost-to-income	51.1%	35.7%	1533 bps	43.1%	802 bps
RoA	2.5%	3.2%	-73 bps	2.5%	4 bps
RoE	9.5%	10.6%	-109 bps	8.8%	67 bps
Gross Stage 3	2.7%	3.4%	-73 bps	2.4%	32 bps
PCR	96.2%	77.1%	1906 bps	115.3%	-1914 bps

Consolidated Key Performance Highlights for Q1 FY23

Mumbai, August 9th, 2022: The Board of Directors of Capri Global Capital Ltd. (CGCL), a non-deposit taking and systemically important NBFC (NBFC-ND-SI) on Tuesday, August 9th, 2022 announced the reviewed financial results for the quarter ended June 30, 2022.

Earnings
CGCL reported a Consolidated Profit after Tax of Rs461mn, flat on a YoY basis but up by 10% over Q4 FY22 PAT Rs418mn. Despite a sequentially weaker core income, a softer opex expansion and a halving of credit cost QoQ led to an improved PAT over Q4 FY22. Proactive write-off continued in Q1FY23 and is likely to recur in the remainder FY23.

Net interest margin for Q1 FY23, excluding spreads on co-lending AUM, was 7.8%, lower than 9% noted in Q4 FY22 and 8.3% in Q1 FY22.

The Q1 FY23 Consolidated RoE was 9.5% while RoA was 2.5%.

Balance Sheet
Quarterly disbursals including Indirect Lending were Rs10.9bn, up 91% YoY but lower 27% QoQ. MSME and Housing contributed 17% and 18% respectively to the Q1 FY23 disbursals. The rest was contributed by Construction Finance and Indirect Lending verticals respectively. Consolidated AUM including co-lending AUM increased 41% YoY and 5% QoQ. The relatively lower disbursal contribution from MSME in the disbursals lowered its share in AUM marginally to ~49% from ~50% in Q4 FY22. Share of Housing in consolidated AUM inched up 70bps QoQ to 27%. The co-lending arrangement with State Bank of India and Union Bank of India showed steady pick-up with the AUM increasing 72% QoQ to ~Rs2bn in of Q1 FY23.

The car loan distribution business continued to surpass its previous volume achievements, originating ~Rs11bn in new car loans and contributing Rs183mn net fees to the core income.

Liability Management
Outstanding borrowings increased 49% YoY to touch Rs53,628mn. Borrowings were long term and well-diversified across 19 lending institutions. The average cost of borrowings was 8.03%, lower 13bps QoQ and lower 34bps YoY. CGCL is well-funded and maintains a well-matched asset liability profile.

Asset Quality
Gross Stage 3 ratio was 2.7%, moving up by 32bps QoQ and but lower 73bps YoY. The Gross Stage 3 ratio has increased for the first time after declining continuously for three straight quarters. The PCR including aggregate ECL provisions was 96.2%.

Strong Capital Adequacy
Both CGCL and its housing finance subsidiary CGHFL remain well capitalized with a capital adequacy ratio at 29.9% and 39.5% respectively as of Q1 FY23.

Founder & Managing Director Mr. Rajesh Sharma Commented:

"Although the Q1 FY23 profit is better sequentially, the overall earnings appear to present a mixed picture of the fundamentals. We had picked up a sustained momentum post-Covid19 lockdowns and we believe the Q1 FY23 performance is a small bump in this journey. There were also notable positives - the distribution continued to grow rapidly clocking its best ever volumes and fee contribution, highlighting clearly our ability to launch new products and scale them up quickly.

We remain focused on our goals. Our motto remains growing sustainably and profitably and we remain committed to overcoming the bump we have experienced in Q1FY23."

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