

FEBRUARY 11, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF CAPRI GLOBAL CAPITAL LIMITED FOR AN ENHANCED AMOUNT

Ratings

Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	600 (enhanced from 300) (Rs. Six hundred crore only)	CARE A+ (Single A Plus)	Reaffirmed

Rating Rationale

The rating takes into account the strong capital adequacy, negligible gearing, comfortable liquidity, growth in business and reduction in proportion of wholesale portfolio. The rating is however constrained by the limited track record in the lending business, concentration in the wholesale lending book, exposure to relatively riskier real estate & SME segments and moderate asset quality. Seasoning of the loan portfolio, growth in business, asset quality and profitability are the key rating sensitivities.

Background

Capri Global Capital Ltd (CGCL) formerly known as Money Matters Financial Services Ltd (MMFSL) is a BSE & NSE listed systemically important non-deposit taking NBFC primarily involved in lending to residential real estate projects (wholesale lending) and SME lending (loan against property) business. Prior to March 2011, the company was into the debt syndication business but after that CGCL started wholesale lending business. Further, in February 2013, it started lending to the SME segment by offering these borrowers loan against property. Mr. Sunil Kapoor is the Executive Director of the company since January 2014.

As on September 30, 2015, CGCL had a loan portfolio of Rs.978 crore of which 41% was attributable to wholesale lending and the rest comprised SME portfolio. The principal geographies of operation are NCR, Mumbai, Ahmedabad, Pune, Ludhiana, Surat and Rajkot. CGCL generated a PAT of Rs.42 crore (FY15: Rs.85 crore) on a total income of Rs.96 crore (FY15: 192 crore) in H1FY16. Since the entire loan book is funded out of net-worth, capital adequacy was strong at 82.62% as on September 30, 2015. In H1FY16, Gross NPA increased to Rs.46.9 crore due to slippage of two accounts in the wholesale segment, consequently, Gross NPA increased to 4.8% and Net NPA increased to 4.3%. Restructured asset outstanding stood at Rs.15 crore which is 1.6% of loan portfolio.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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CIN - L67190MH1993PLC071691