DECEMBER 26, 2016

CARE REAFFIRMS THE RATINGS ASSIGNED TO VARIOUS INSTRUMENTS OF CAPRI GLOBAL CAPITAL LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Non-Convertible Debentures	300 (Enhanced from 100)	**CARE A+; Stable (Single A Plus; Outlook: Stable)**	**Reaffirmed**
Long-term Bank Facilities	1,000	**CARE A+; Stable (Single A Plus; Outlook: Stable)**	**Reaffirmed**
Commercial Paper	50	**CARE A1+ (A One Plus)**	**Reaffirmed**
Total Facilities	**1,350 (Rupees One Thousand Three Hundred and Fifty crore only)**		

Rating Rationale

The rating takes into account the strong capital adequacy, low 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, exposure to relatively riskier real estate & SME segments, moderate asset quality and deterioration in profitability. Seasoning of the loan portfolio, growth in business, asset quality and profitability are the key rating sensitivities.

Outlook: Stable

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. The company is promoted by Mr. Rajesh Sharma who is also one of the Directors of the company. Mr. Sunil Kapoor is the Executive Director of the company since January 2014.

As on March 31, 2016, CGCL had a loan portfolio of Rs.1060 crore of which 71% was attributable to SME lending and the rest comprised of wholesale portfolio. The principal geographies of operation are NCR, Mumbai, Ahmedabad, Pune, Ludhiana, Surat and Rajkot. CGCL generated a PAT of Rs.41 crore (FY15: Rs.85 crore) on a total income of Rs.186 crore (FY15: Rs.192 crore) in FY16. Reduction in profitability during FY16 is on account of higher provisions and write offs. Since the major loan book is funded out of net-worth, capital adequacy was strong at 79.7% as on March 31, 2016. The company has written-off two NPA accounts of Rs.66 crore (net of provisions) during FY16. After writing off the NPA

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

accounts, Gross NPA stood at Rs.9.7 crore. As on March 31, 2016, the Company's GNPA & NNPA ratio (150 dpd) stood at 0.9% and 0.8%, respectively. Restructured assets outstanding stood at Rs.13.3 crore which is 1.2% of loan portfolio.

As on September 30, 2016, the company's loan portfolio increased to Rs.1,368 crore with outstanding SME and wholesale portfolio at Rs.913 crore and Rs.455 crore, respectively. During H1FY17, the company reported PAT of Rs.33.2 crore on total income of Rs.107.7 crore as against PAT of Rs.41.7 crore on total income of Rs.96.1 crore during H1FY16. The company reported CAR of 66.45% with Tier I CAR of 65.93% as on September 30, 2016. As on September 30, 2016, the Company's GNPA & NNPA ratio (120 dpd) stood at 1.88% and 1.65%, respectively. Restructured assets outstanding stood at Rs.5.1 crore which is 0.37% of loan portfolio.

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

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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