



**CAPRI GLOBAL  
CAPITAL LIMITED** 

*Unlocking potentials, Empowering people*

**INVESTING IN VALUES.  
NURTURING LIVES.**

H1FY20 Investor Presentation

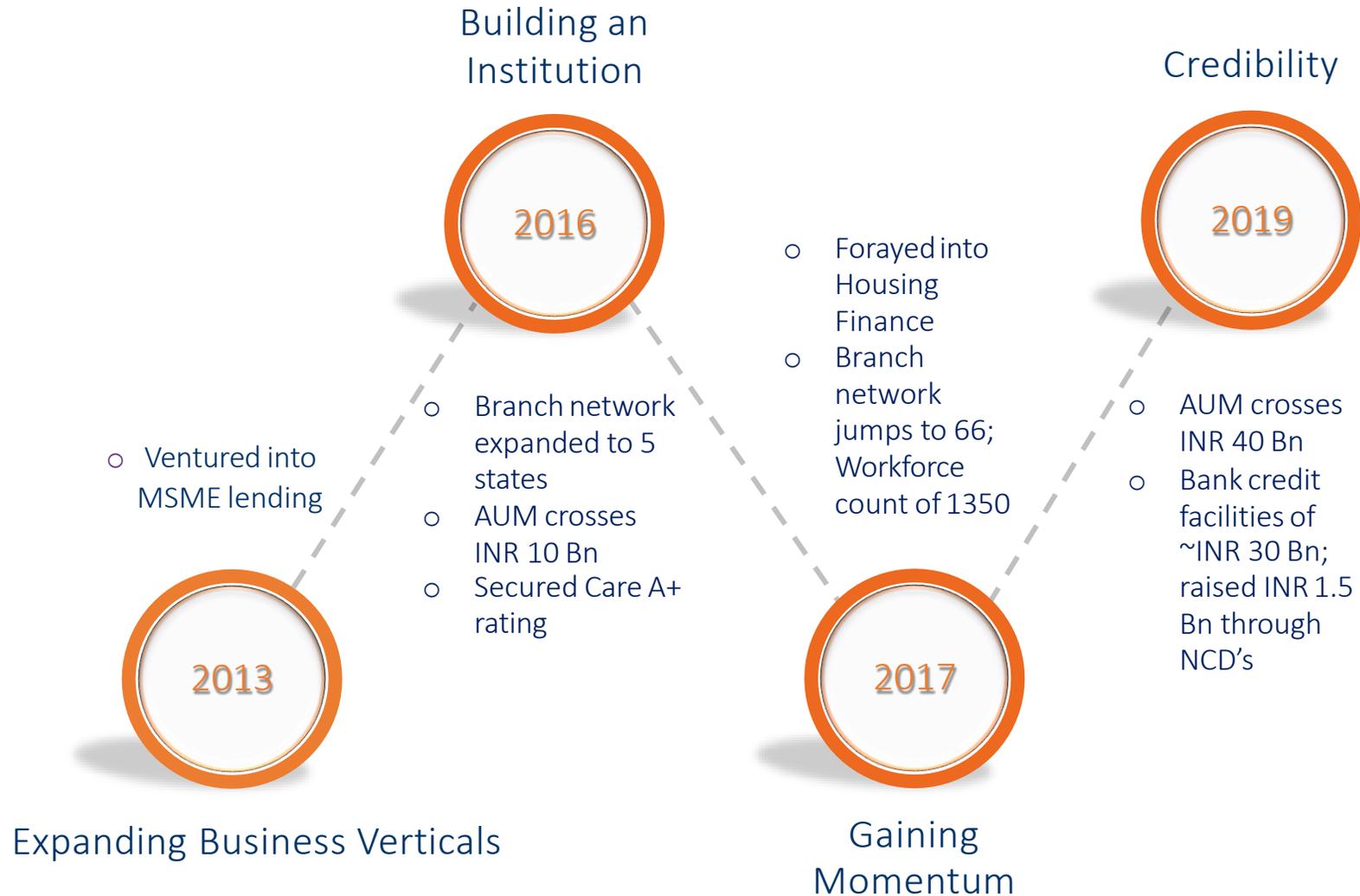
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# Capri Global Capital: An Introduction

- A diversified Non-Banking Financial Company (NBFC) with presence across high growth segments like MSME, Construction Finance, Affordable Housing and Indirect Retail Lending segments
- Promoted by first generation entrepreneur, Mr. Rajesh Sharma, Capri Global Capital Limited (CGCL) is listed on BSE and NSE
- Strong focus on MSMEs – the key growth drivers of the economy; have financed over 11,200 + businesses across several states in India ranging from restaurants to small manufacturing units to traders to private schools
- Affordable Housing Finance business, aligned with the Government's Flagship scheme under the 'Housing For All by 2022' - mission 'Pradhan Mantri Awas Yojna (PMAY)', has already empowered over 8,750 + families to realise the dream of owning their own home
- Committed workforce of over 1,550 + employees with a branch presence at 85 locations in 8 states majorly across North and West India
- Strong governance and risk-control framework with scrutiny at multiple levels
  - Statutory Auditor : Deloitte Haskins & Sells LLP
  - Internal Auditor : Grant Thornton

# Executive Summary: Emerging as a Stronger Institution



# Small Loans: Niche Capabilities

MSME	Construction Finance	Housing Finance	Indirect Lending
~ 50 % of AUM	~ 27 % of AUM	~ 21 % of AUM	~ 2 % of AUM
<ul style="list-style-type: none"><li>• Focus on Tier II &amp; III cities; Customer outreach: 11,260 +</li><li>• Loan-to-Value: ~48 %</li><li>• Ticket size: INR 1.5 Mn with Avg loan tenure of 4-5 years</li><li>• Key markets: NCR, Gujarat &amp; Maharashtra</li><li>• Portfolio Yield: 16.8 %</li><li>• GNPA: 3.94 %</li></ul>	<ul style="list-style-type: none"><li>• Project outreach: 144</li><li>• Key markets: Mumbai, Pune, Ahmedabad, Surat, Bangalore, and Hyderabad</li><li>• Ticket size: INR 80 Mn with Avg tenure of 4-5 years</li><li>• Portfolio Yield: 18.7 %</li><li>• GNPA: 0.15 %</li></ul>	<ul style="list-style-type: none"><li>• Affordable housing customers in Tier II &amp; III cities</li><li>• Customer outreach: 8,785</li><li>• Key markets: Maharashtra, Gujarat &amp; NCR</li><li>• Loan to Value : ~60%</li><li>• Average Ticket Size: 1.1 Mn with loan tenure of 7-8 years</li><li>• Portfolio Yield: 14.1 %</li><li>• GNPA: 1.14 %</li></ul>	<ul style="list-style-type: none"><li>• NBFC Outreach: 7</li><li>• Financing to other smaller NBFCs in MSME and MFI</li><li>• Over 100 NBFCs and MFIs with the book size up to INR 5 Bn</li><li>• Security Cover :&gt; 1.1x</li><li>• Portfolio Yield: 15.1 %</li><li>• GNPA: Nil</li></ul>
Launched 2012	Launched 2010	Launched 2016	Launched 2018

# CGCL Advantage: What Sets us Apart

## 1 Focus on SENP Borrower

- Strong focus on self employed non-professional borrower; carved out a niche in this segment.
- Offering loans for business expansion or home loans to the same customer segment
- Over 55% customers are first time borrowers from formal ecosystem
- Similarity in profiles enables efficient and faster underwriting.
- Personal Discussion based Touch and Feel Model, rely on customized assessments which can not be replicated by digital lending.

## 2 Retail focussed Model

- Small ticket size retail focussed lending across MSME, housing and construction finance.
- Strong focus on asset quality and onboarding only quality portfolio.

## 3 Own sourcing Model; no dependence on DSAs

- 100% sourcing is done by regularly trained in-house Direct Sales Team (DSTs) or Feet on Street (FOS) staff; also generates cross sell opportunities for insurance.
- DSAs prone to influence customers to Balance Transfer with other lenders in pursuit of repeat commission; In Direct Sourcing model of the company, this is eliminated.

## 4 Multi Layered Credit Approach

- Customized underwriting approach basis the customer's profile; Credit team personally spends time with customer to understand business dynamics and derive cashflows.
- In house Legal, Technical and Fraud Control Units as well as empaneled vendors for conducting due diligence and eliminate fraud risks.
- Application to Disbursal at only 33%

## 5 Adequate Liquidity

- More than 95% long term borrowing for a period of 6-10 years from Bank and FI's.
- Positive ALM in <1 Year, 1-5 Years and >5 years.
- Adequate credit lines available from banks.

## 6 In House Collection model

- Own Collection team of 77 people to ensure full focus on delinquent accounts.
- Separate Litigation division under its Legal vertical which handles the recovery efforts from legal side.
- Given that all the loans are secured, in distress cases the Collection team facilitates sale of property as well for recovery.

# Building Business Strength for Stronger H2FY20

## Managing liquidity for stronger H2



- Addition of new bank lines of 5,750 Mn in Q2FY20; share of bank borrowings ~ 95%.
- Received Approval with a leading bank for Securitisation to the tune of INR 5,000 Mn.
- MoU signed with a top PSB for Co-origination of loans; will see sanctions by Q4FY20.

## Focusing on operating efficiencies



- Optimised Operational structure by implementing hub and spoke model resulting in significant efficiency.
- Optimised and realigned the branch network driving efficiencies.
- Maintained credit ratings of A+ (CARE Ratings) and AA-(BWR Ratings) amid peer downgrades specially for Construction Finance lenders.

## Cautious lending and loan sourcing approach



- Cautious approach in CF lending: Continued disbursements in existing and selective new accounts
- Slower pace of disbursements in MSME due to seasonality and slowdown in biz environment/ adverse climatic events impacting businesses; MSME lending to pick up in Q3FY20.
- Decline in overall housing credit growth due to tightening of the risk policy.



# Performance and Analysis

# Capri Global Capital: Banking The Unbanked

## H1FY20 At A Glance

Total AUM\*

INR 39.57 billion

MSME AUM

INR 19.83 billion

CF + IRL AUM

INR 11.29 billion

HL AUM

INR 8.44 billion

Total Disbursements

INR 4.97 billion

PAT

INR 766 million

Net Worth

INR 14.53 billion

20,200 +  
Live Accounts

1,550+  
Employees

8  
States

85  
Branches



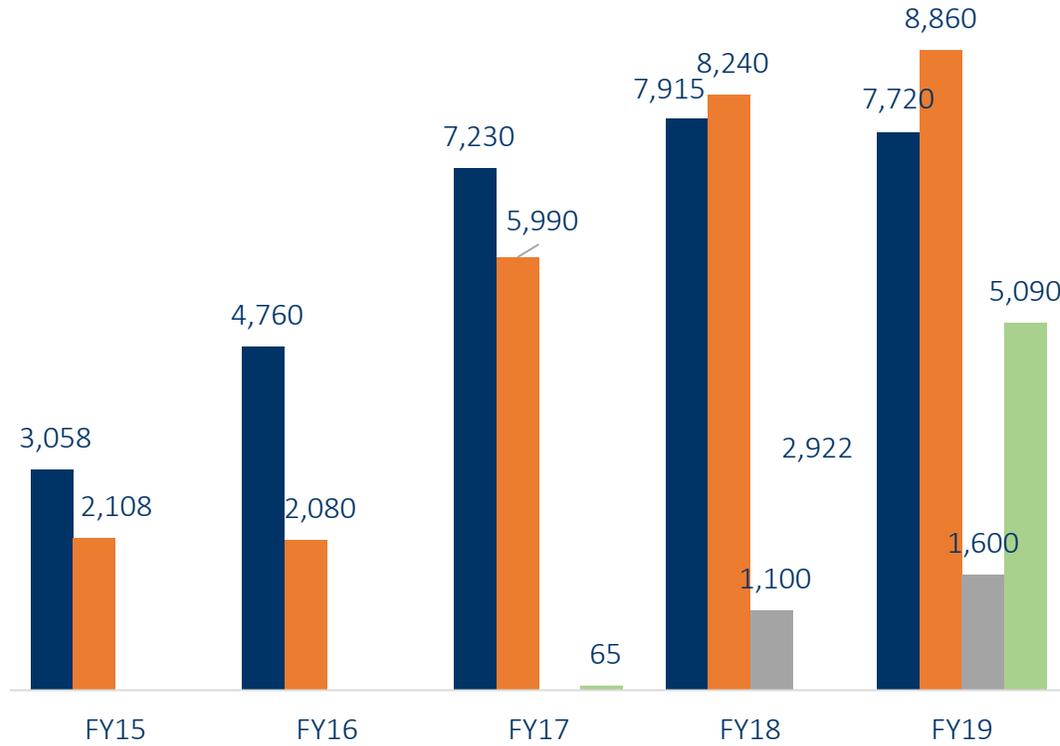
As on 30<sup>th</sup> September '19

\*Total AUM includes Housing Finance AUM

# Growing At a Superior Pace

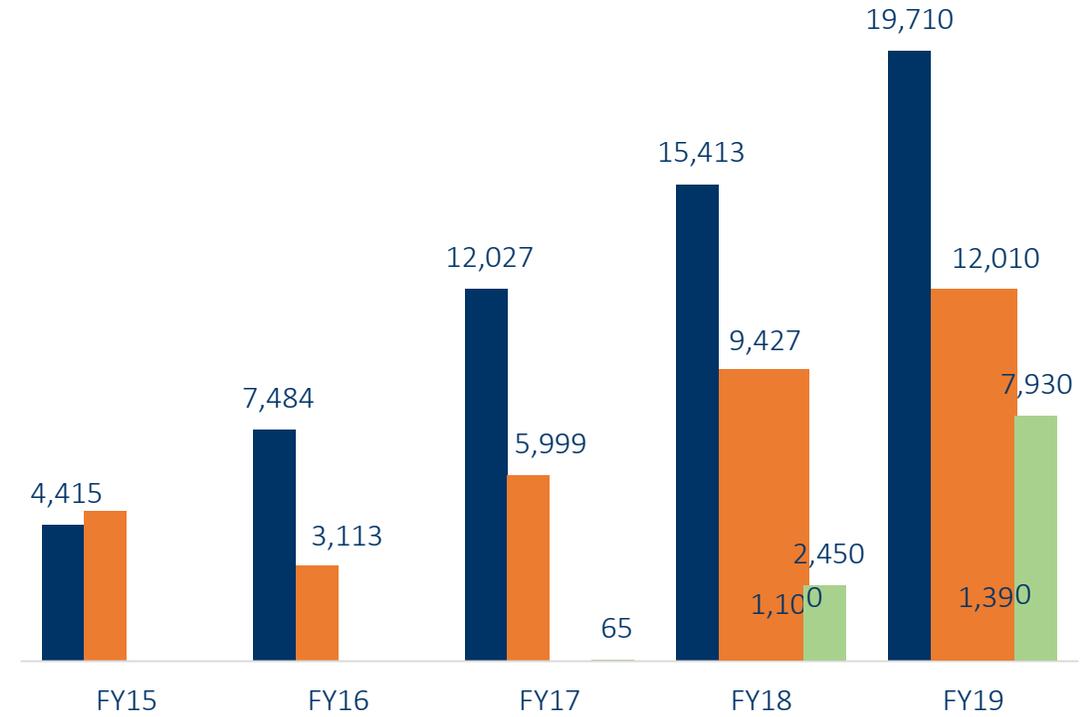
Disbursement Mix (INRMn)

■ MSME ■ CF ■ IL ■ HL

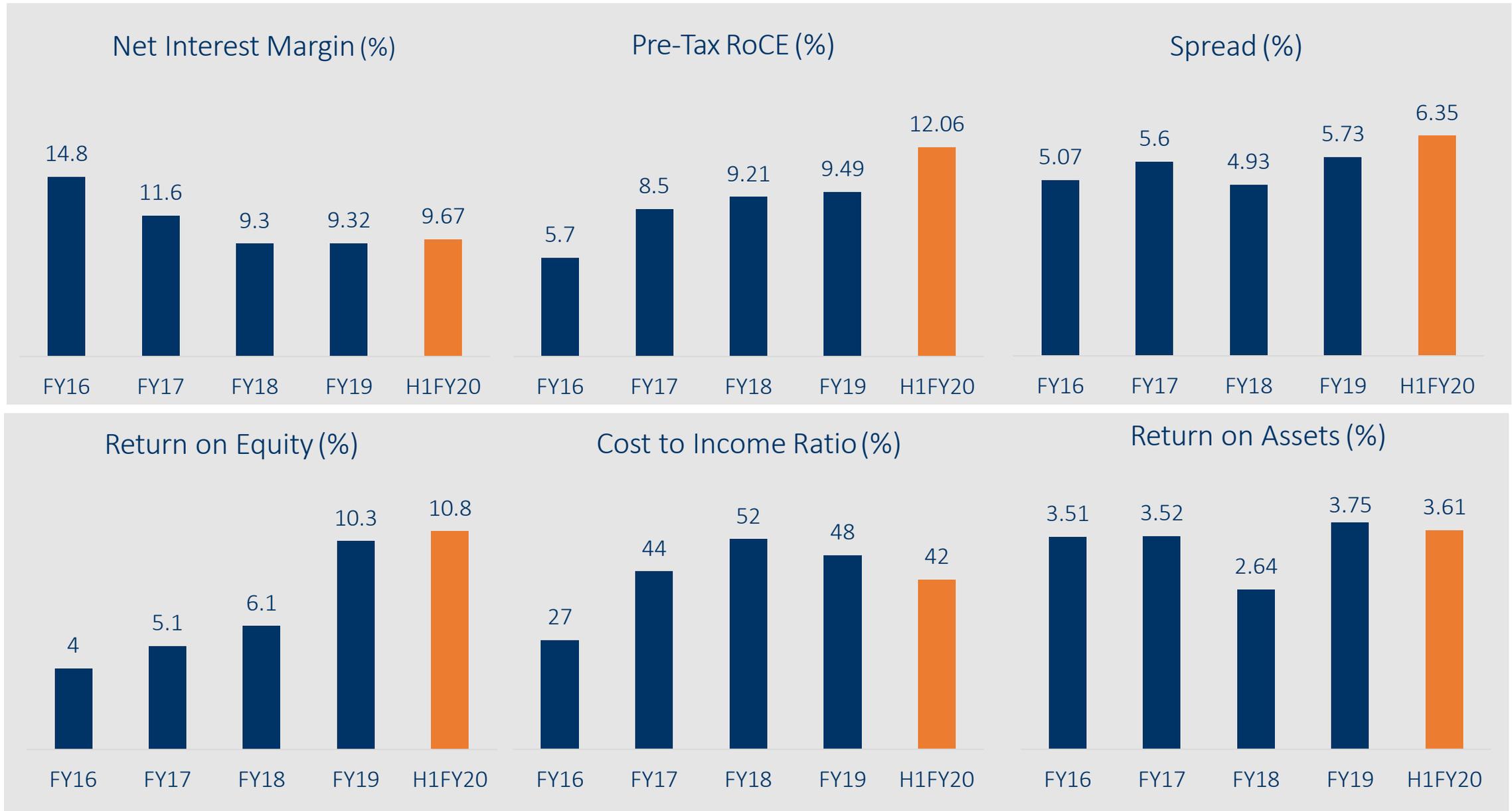


AUM Mix (INRMn)

■ MSME ■ CF ■ IL ■ HL

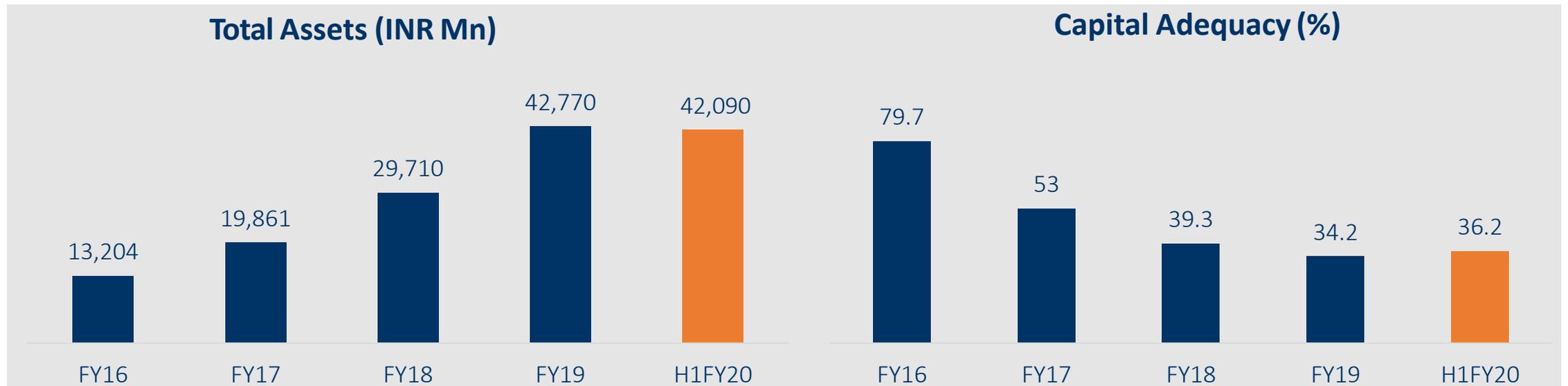
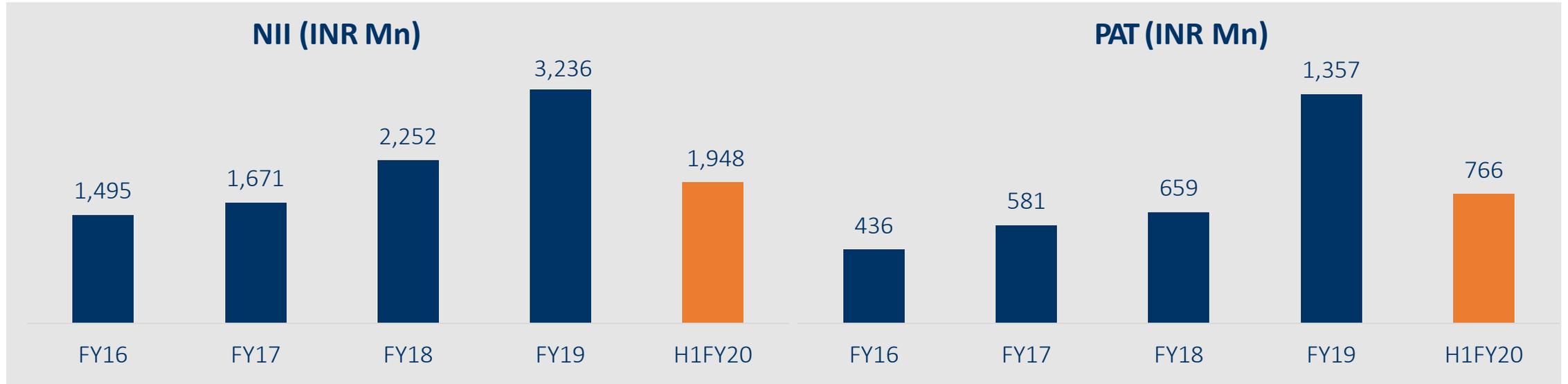


# Over the Years...



Consolidated Numbers. Including Housing Finance; FY18 & FY19 nos. based on IND-AS

# Over the Years...

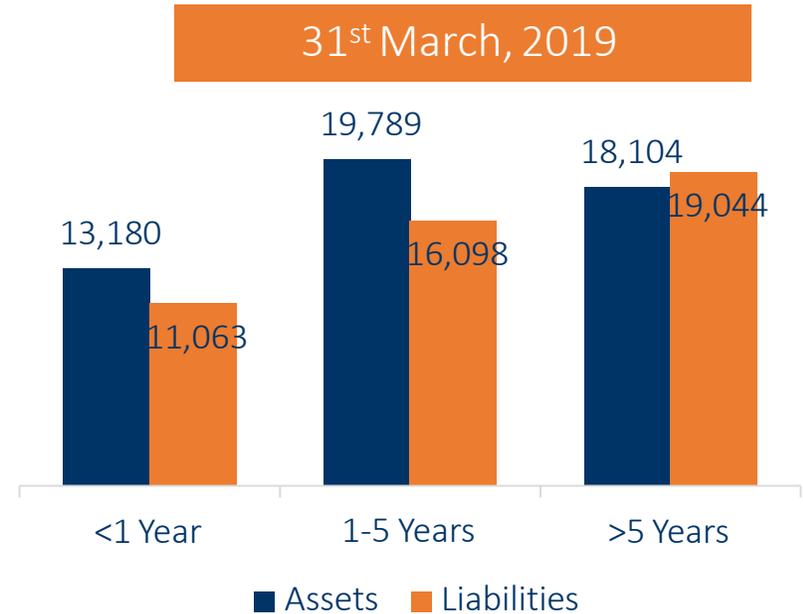


Consolidated Numbers ; FY18 & FY19 nos. based on IND-AS

# Asset-Liability Split: Consistent Mix

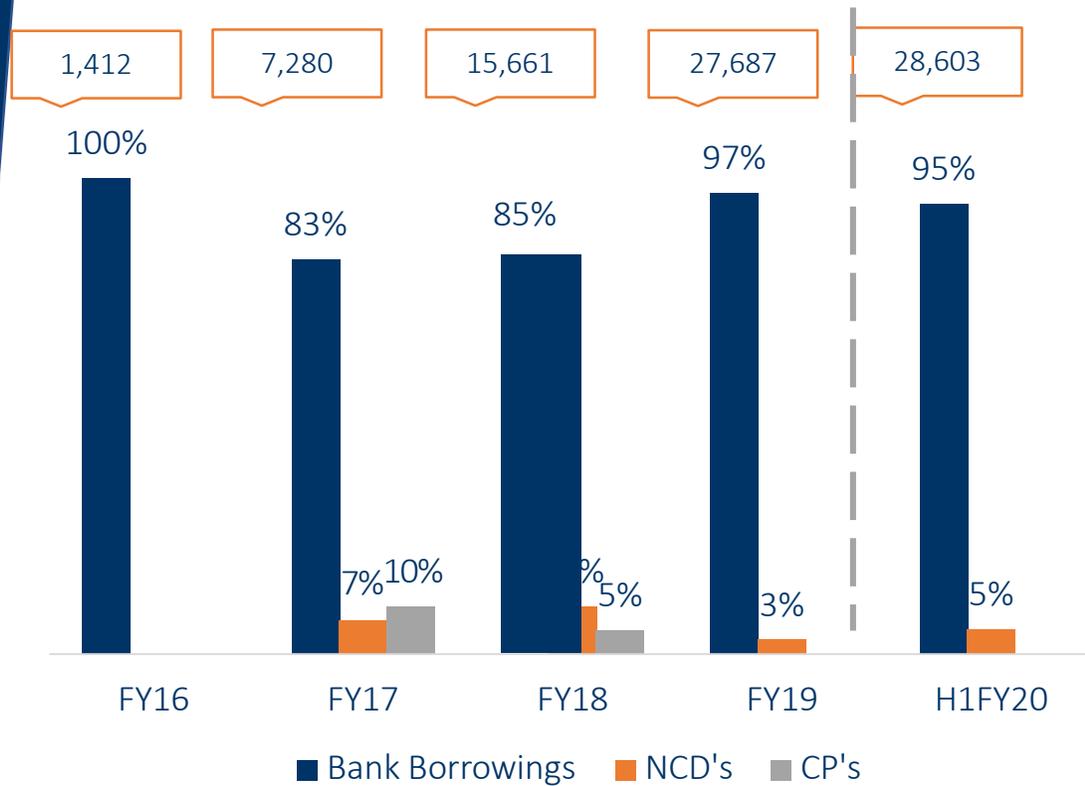
All amounts in INR Mn

- ❖ Have consistently remained cautious about short-term asset & liability mismatches by ensuring optimally matched Balance Sheets
- ❖ Negligible probability of any defaults on future repayments
- ❖ Well-protected against any liquidity crunch in case of possible regulatory tightening



# Liability Mix: The Low Cost Benefit

## Total Borrowings (INR Mn) & Borrowing Mix

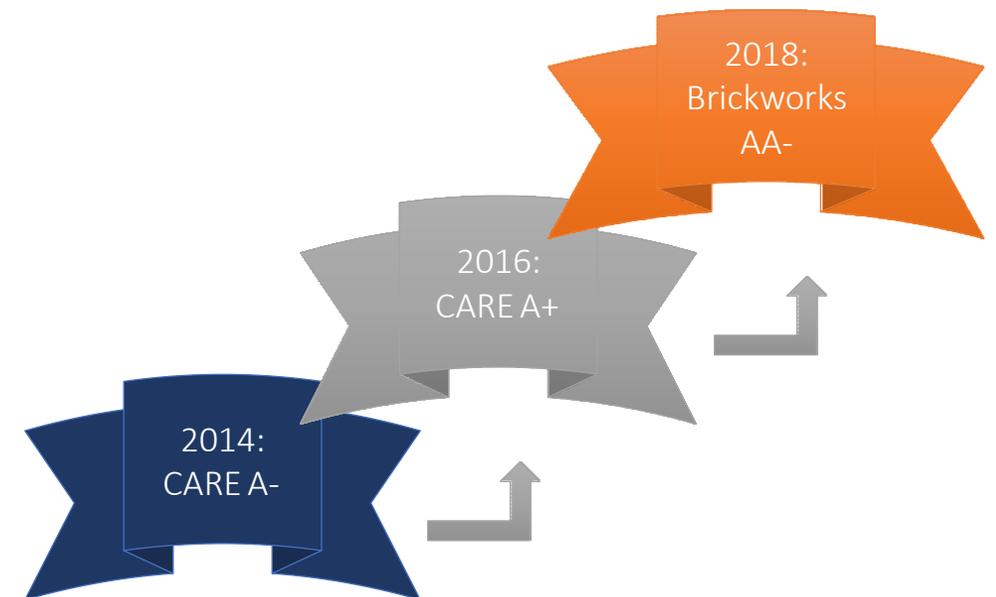


Inspite of the liquidity squeeze CGCL has been able to get fresh sanctions of INR 5750 Mn.

Higher Share of Bank Borrowing  
>> Lower Overall Cost of Borrowing

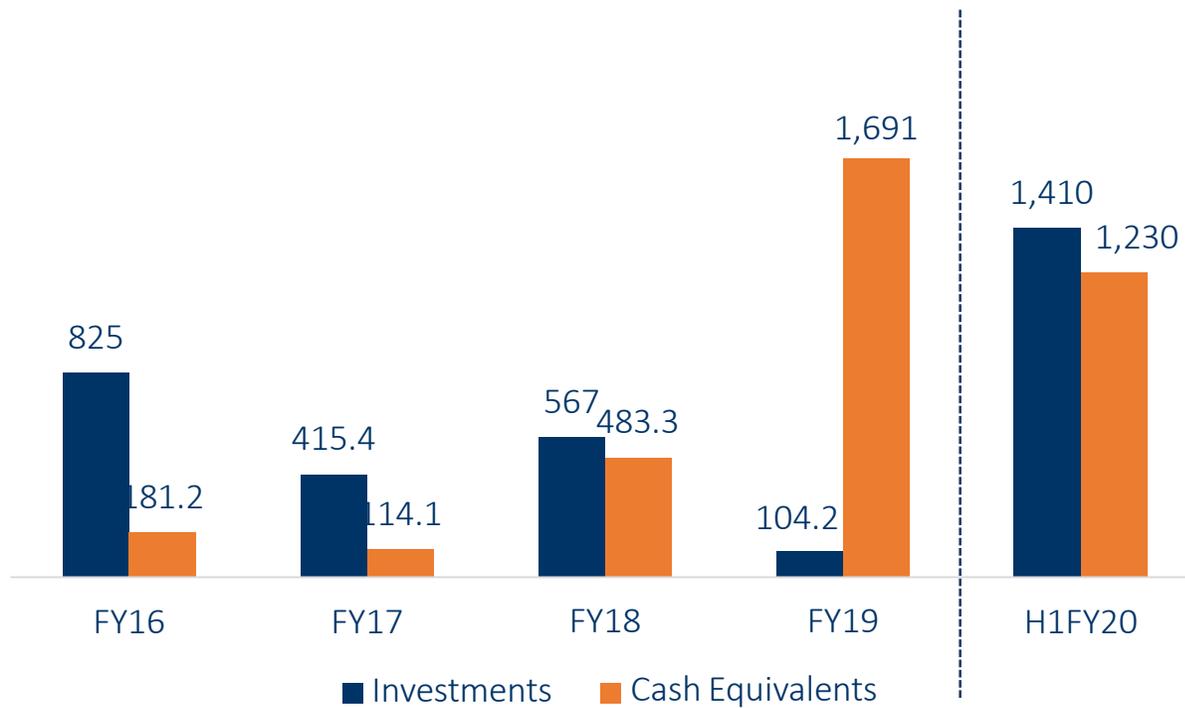
- Nil exposure to short-term money market signifies no probability of default
- CGCL's prudence in higher borrowing share from banks has resulted in positive ALM across short and medium term buckets

## Credit ratings

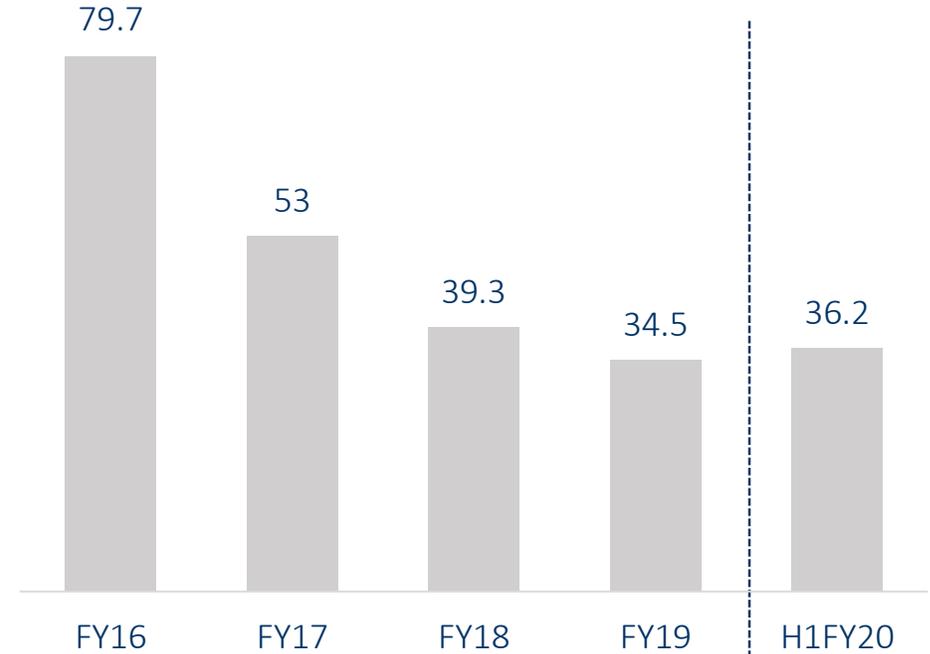


# Well Capitalized Business Model: Aid to Expansion

**Current Assets (INR Mn)**



**Capital Adequacy (%)**



Capital Adequacy Standalone Numbers ; FY18,FY19 & H1FY20 nos. as per IND-AS

# NPA Analysis: Prudent Lending Practises

CGCL (Standalone) (INR MN)	FY16	FY17	FY18	FY19
NPA Recognition Norms	150 DPD	120 DPD	90 DPD	90 DPD
GNPA	97	178	439	560
NNPA	83	152	374	202
Provisions	14	26	64	358
Total Assets	13,039	19,646	28,239	33,106
Gross NPA%	0.88%	0.98%	1.68%	1.69%
Net NPA%	0.75%	0.84%	1.44%	0.62%
Coverage Ratio	36%	81%	53%	64%
Gross NPAs (Adjusted to 90 DPD)	2.55%	1.99%	1.68%	1.69%

## GNPA Product Segment wise – H1FY20

Product Segment	GNPA %	NNPA %
MSME	3.94%	2.34%
Construction Finance	0.15%	Nil
Housing Finance	1.14%	0.65%
Total (Consolidated)	2.26%	1.12%

# Capri Global Capital In a Nutshell

- An upcoming Diversified NBFC with presence across high growth segments like MSME, Construction Finance, Affordable Housing and Indirect Lending
- Promoted by first generation entrepreneur, Mr. Rajesh Sharma, CGCL is listed on BSE and NSE
- Strong focus on MSME; have financed over 20,200 + businesses across several states in India ranging from restaurants to small manufacturing units to traders to private schools
- Committed workforce of over 1,550+ employees with a branch presence at 85 locations in 8 states majorly across North and West India

## OUR MISSION

'Our mission is to shape this future and create a solid social impact through our flexible and intuitive loan products. We aim at delivering credit to a wider spectrum of small and medium enterprises with limited credit history.'

## DUE-DILIGENCE & GOVERNANCE

- Statutory auditor: Deloitte Haskins & Sells LLP
- Robust 4-step risk control mechanism with scrutiny at multiple levels
- Application-to-disbursal ratio of 33 %
- Gross NPAs at only 2.26%

## OUR BUSINESS MODEL

- Small-ticket, retail-focused segments: MSME financing, construction financing & affordable housing finance
- Growth Driver: MSME lending, backed by 100% secured assets (already grown 5x in 4 years)

# Leadership Team



**Surender Sangar**  
Head – Construction Finance

Ex-MD – Tourism Finance Corporation of India and GM- Union Bank of India  
Over 39 years of experience  
B.Com, CAIIB



**Vikas Sharma**  
Business (HL) and Collections Head

Ex - Kotak Mahindra Bank, Dhanlaxmi Bank, Reliance Capital  
Over 19 years of experience  
PGDBA, B.Com



**Ashish Gupta**  
Chief Financial Officer

Ex - Jindal Stainless, Isolux, Educomp, PwC  
26 years of experience  
Chartered Accountant



**Hemant Dave**  
Head of Operations

Ex - Kotak Mahindra Bank, A. F. Ferguson  
Over 23 years of experience  
Chartered Accountant



**Bhavesh Prajapati**  
Head – Credit, Risk & Policy

Ex-Aadhar Housing Finance, IDFC Ltd, DHFL  
Over 20 years of experience  
MBA, ICFAI



**Amar Rajpurohit**  
Business Head (MSME)

Ex-AU Financiers India Ltd, Gruh Finance, DHFL.  
Over 16 years of work experience.  
B.A., LLB.



**Vijay Gattani**  
Senior Vice President - Credit

Ex-ICICI Bank, Head of Credit & Policy- ICICI HFC  
Over 14 years of experience  
Chartered Accountant



**Vinay Surana**  
Head - Treasury

Ex-Founding Member ,Axis Bank debt syndication  
Over 14 years of experience  
Chartered Accountant - Rank



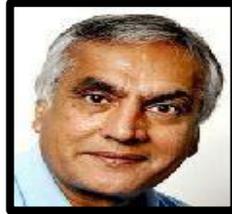
**Ashok Agrawal**  
Head –Tax & Compliance

Previously practicing CA  
Over 26 years of experience  
CA and CS

# Board of Directors



Rajesh Sharma  
Managing Director  
Founder & promoter  
Over 23 years of experience  
Chartered Accountant



Ajay Kumar Relan  
Independent Director  
Founder CX Partners & Citi  
Bank N.A. in India,  
Over 4 decades of experience  
BA (Eco), MBA



T. R. Bajalia  
Independent Director  
Ex-DMD – SIDBI,  
Ex- ED - IDBI Bank  
40+ years of experience  
BA (Eco), CAIIB



Bhagyam Ramani  
Independent Director  
Ex- GM and Director of General  
Insurance Corporation  
Over 3 decades of experience  
MA (Economics Hons.)



Ajit Sharan  
Independent Director  
IAS - Batch 1979  
Over 30 years of experience in  
varied aspects of public  
administration



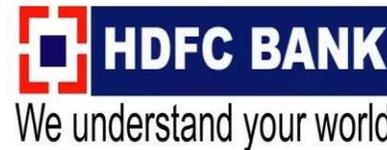
Mukesh Kacker  
Independent Director  
EX- IAS Officer, Jt. Secy (GOI)  
Over 3 decades of experience  
MA( Public Policy),  
MA (Political Science)



Beni Prasad Rauka  
Independent Director  
Group CFO- Advanced Enzyme  
Technologies  
25+ years of experience  
CA & CS

# Key Partnerships

## Lenders



## Auditors & Advisors





Thank You