



**CAPRI GLOBAL
CAPITAL LIMITED** 

Simpler, Better, Faster

Fulfilling Dreams, Uplifting Lives

Q4FY19 Earnings Presentation &
Liquidity Update

03 May, 2019



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.

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 11,000+ 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 8,600+ families** to realise the dream of owning their own home
- Committed workforce of over 1850 employees with a branch presence at **84 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 : **EY**

Capri Global Capital: Banking the Unbanked

FY19 At A Glance

Total AUM*
INR 41.03 billion

MSME AUM
INR 19.71 billion

CF + IRL AUM
INR 13.39 billion

HL AUM
INR 7.93 billion

Total Disbursements
INR 23.26 billion

PAT
INR 1.35 billion

Net Worth
INR 13.82 billion

As on 31st March '19

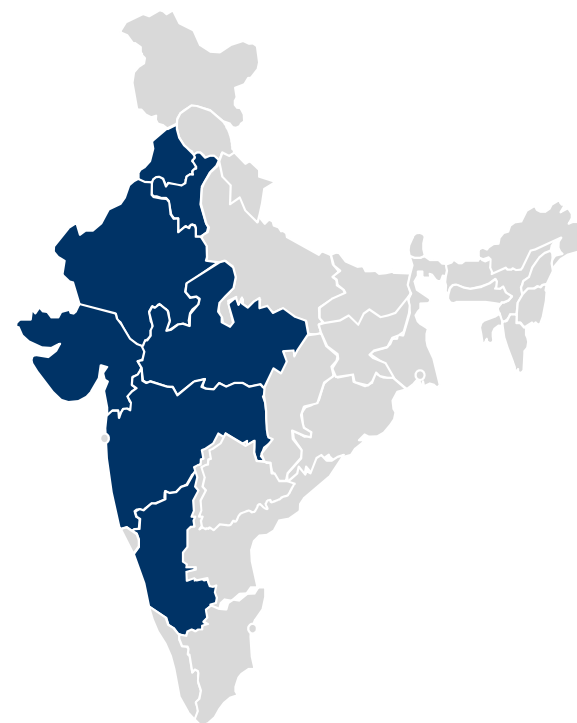
*Total AUM includes Housing Finance AUM

19,500 +
Live Accounts

1891
Employees

8
States

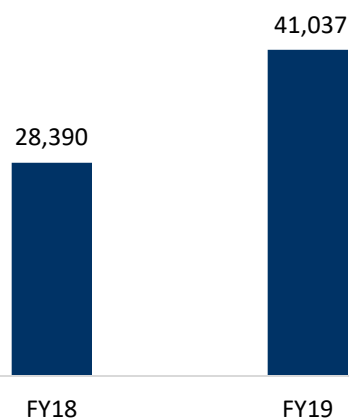
84
Branches



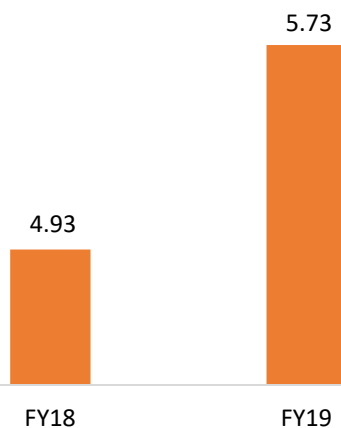
Delivering on stated strategy; Amid turbulent environment

	Guidance	Actual	
AUM (INR Mn)	42,000	41,037	~ ✓
Spreads	> 5%	5.73%	✓
GNPA	< 2%	1.47%	✓
PAT Growth	30%	108%	✓

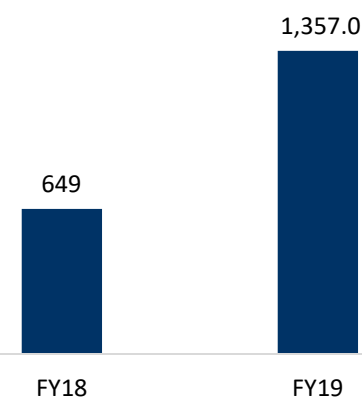
AUM (INR Mn)



Spreads (%)

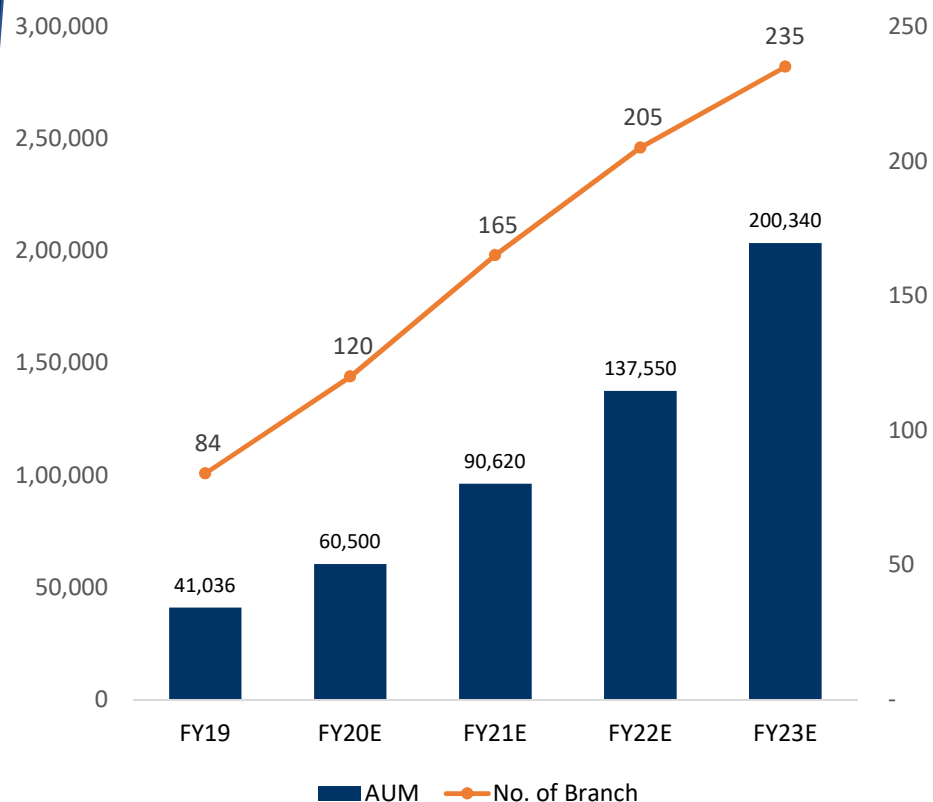


PAT (INR Mn)



Moving to higher growth trajectory

Projected AUM (INR Mn) along with Branch Expansion



FY20 GUIDANCE

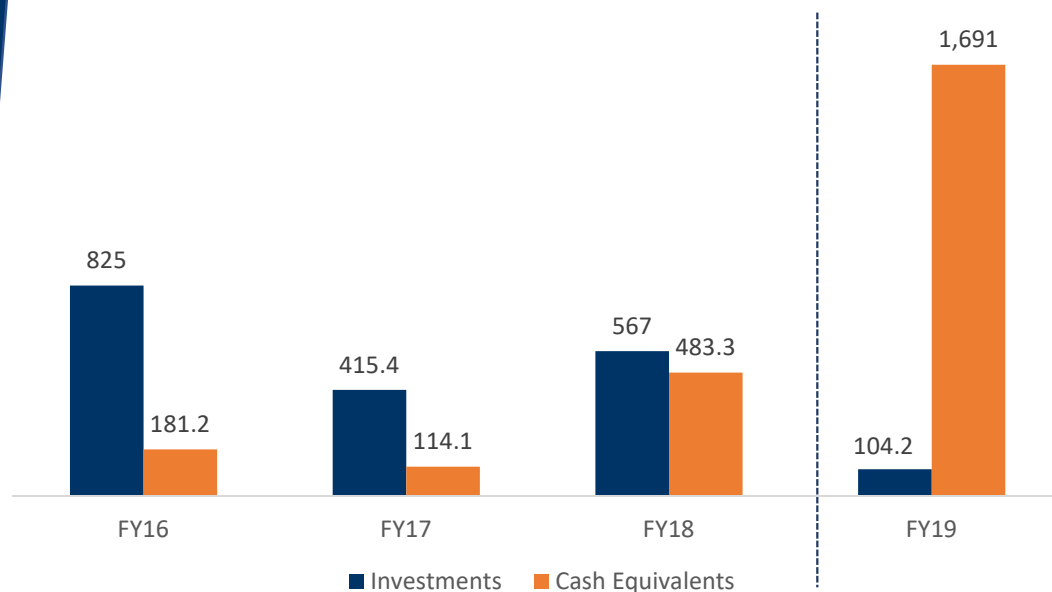
Total AUM target at INR 60,500 Mn

Aim to grow loan book at a pace of 40-50% every year

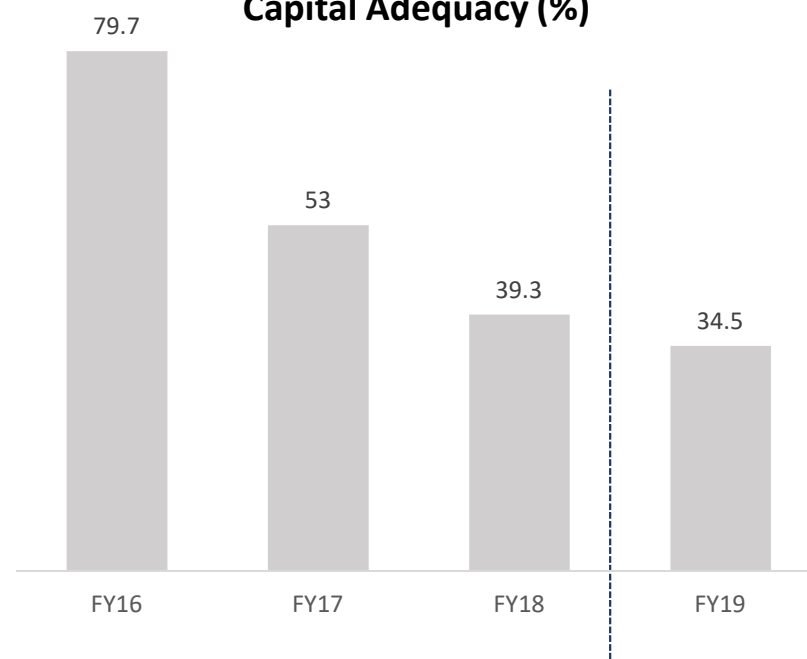
Segment	Projected Yield
MSME	15.5 %
Construction Finance	16.5 %
Indirect Retail Lending	14.0 %
Housing Finance	13.0 %

Well capitalized to fuel future growth

Current Assets (INR Mn)



Capital Adequacy (%)



Optimal cash position on balance sheet



Strong capital adequacy to support future growth



Average quarterly customer repayments of approx. INR 3,000 Mn



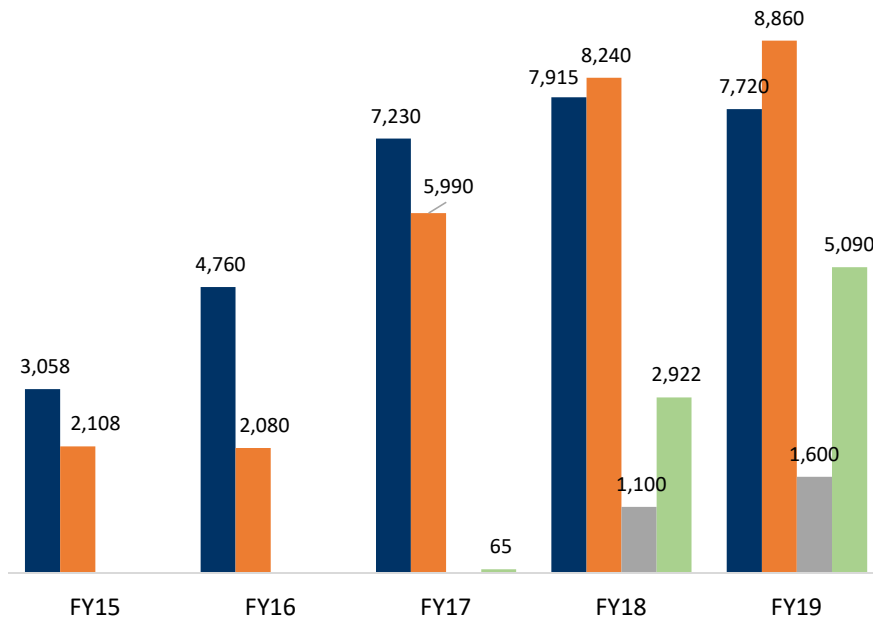
Powerful liquidity position to protect against liquidity crunch & support 50%+ AUM growth

Consolidated Numbers ; FY18 & FY19 nos. as per IND-AS

FY19 Key Highlights: Superior growth

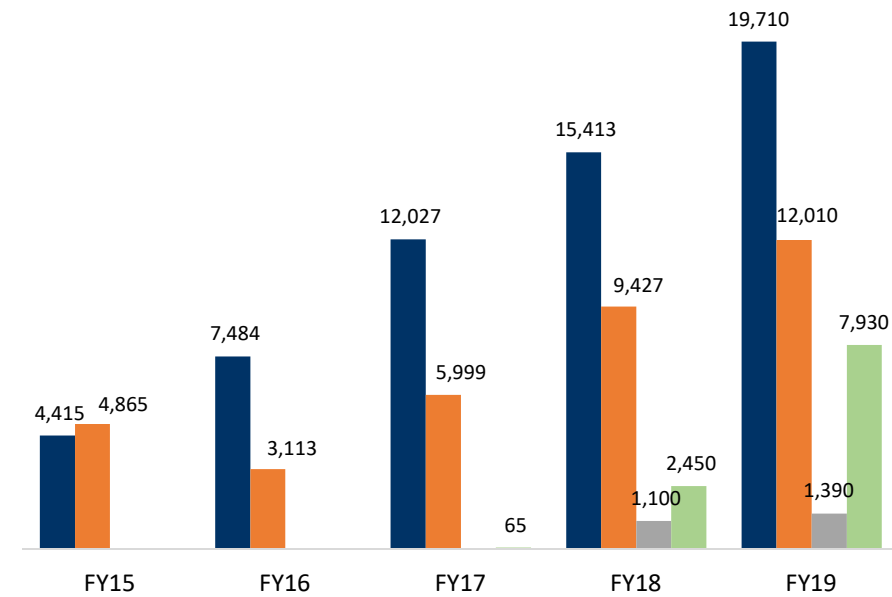
Disbursement Mix (INR Mn)

■ MSME ■ CF ■ IL ■ HL



AUM Mix (INR Mn)

■ MSME ■ CF ■ IL ■ HL



FY 19 NPA Analysis: Prudent Lending Practises

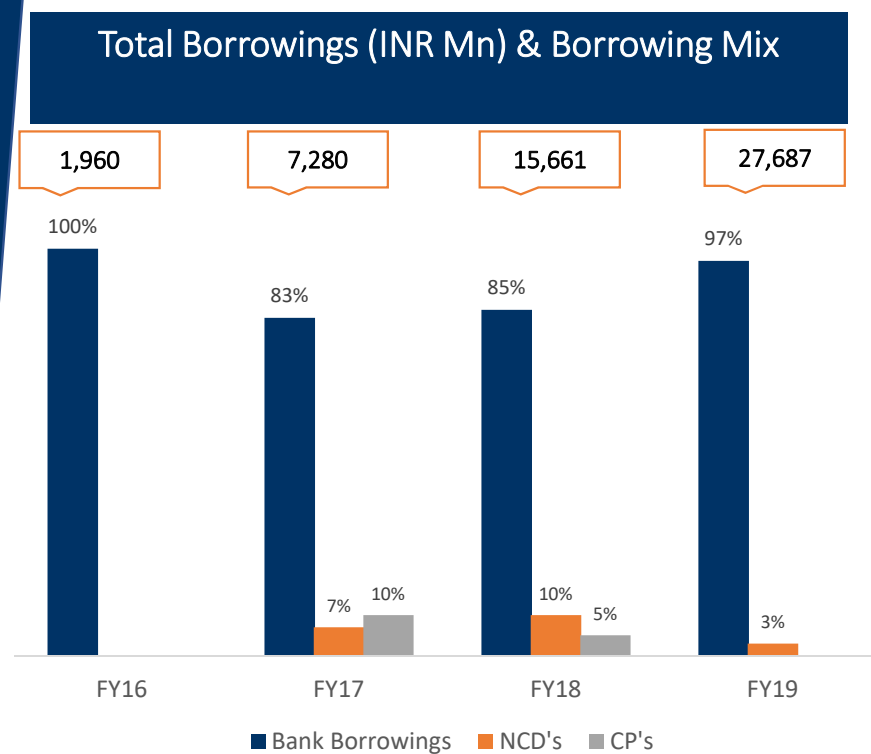
CGCL (Standalone) (INR MN)	FY16	FY17	FY18	FY19
NPA Recognition Norms	150 DPD	120 DPD	90 DPD	90 DPD
GNPA	97	178	439	560
NNPA	83	152	374	202
Provisions	14	26	64	358
Total Assets	13,039	19,646	28,239	33,106
Gross NPA%	0.88%	0.98%	1.68%	1.69%
Net NPA%	0.75%	0.84%	1.44%	0.62%
Coverage Ratio	36%	81%	53%	64%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

GNPA Product Segment wise - FY19

Product Segment	GNPA %	NNPA %
MSME	2.76	1.51
Construction Finance	0.14	Nil
Housing Finance	0.53	0.16
Indirect Lending	Nil	Nil
Total (Consolidated)	1.47	0.53

Improved asset quality levels as Gross NPAs at 90 DPD declined to 1.47 % as on March 31st, 2019 from 2.55% as on March 31st, 2016

Liability Mix: The Low Cost Benefit

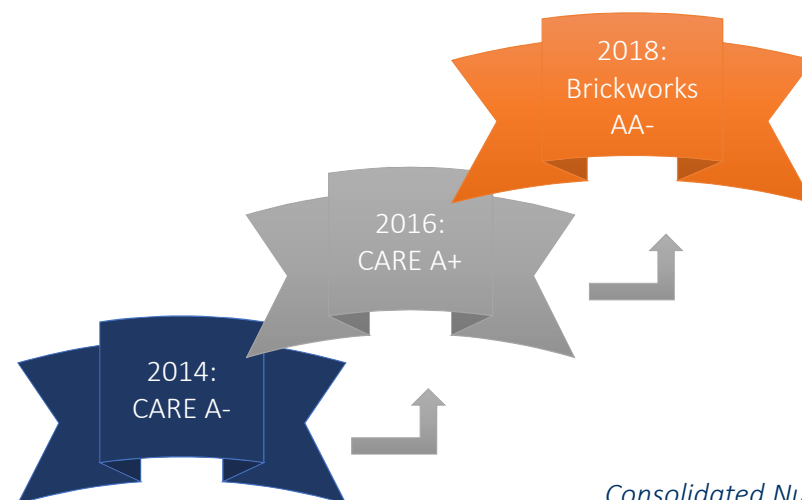


Market borrowings like CPs & NCDs contribute to <10% of CGCL's total borrowing mix, and hence, risk of bond defaults/liquidity crunch are negligible

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

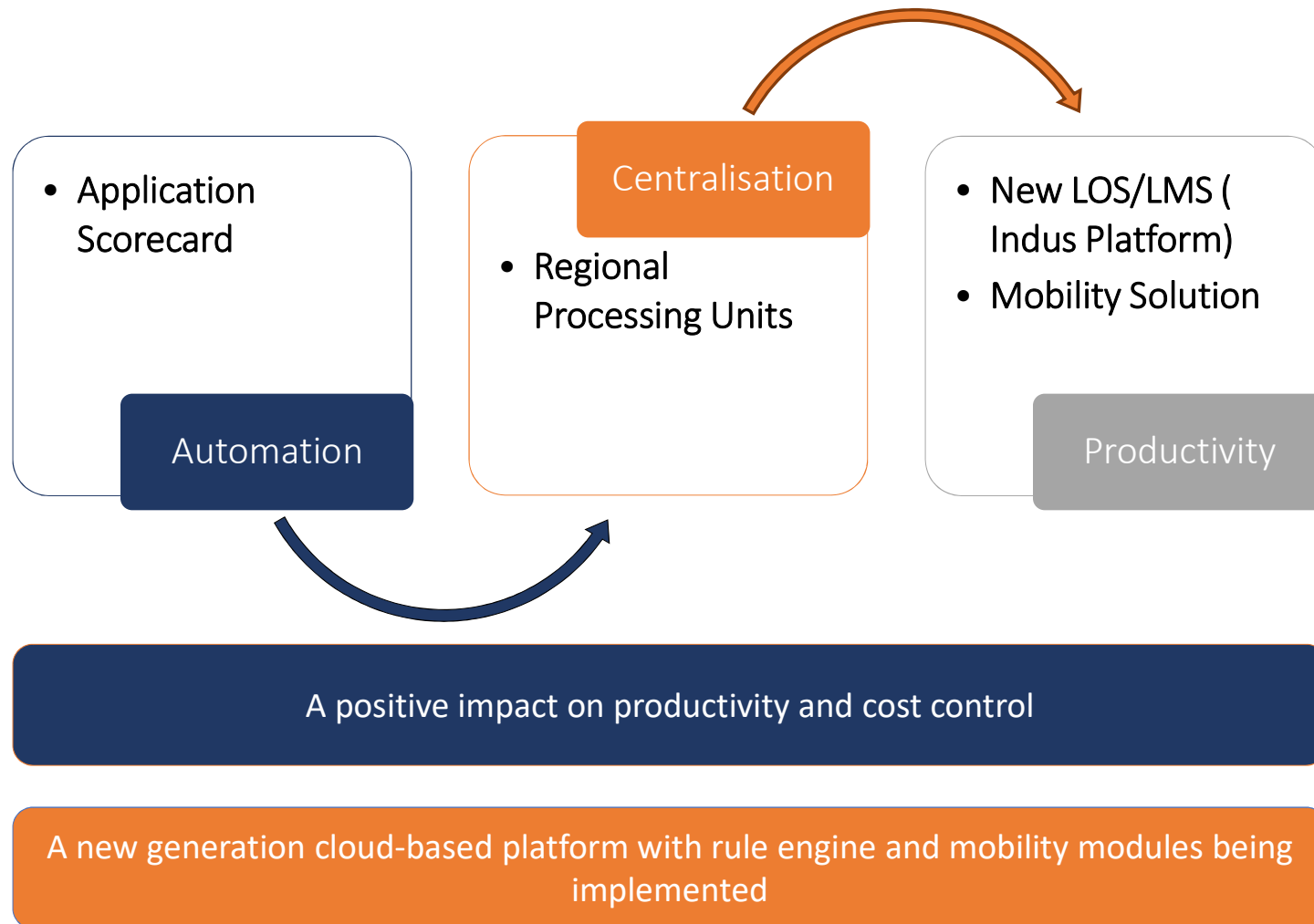
- Low exposure to short-term money market signifies low probability of default
- CGCL's prudence in higher borrowing share from banks has reduced cost of borrowing to ~9.5 %

Credit ratings



10
Consolidated Numbers

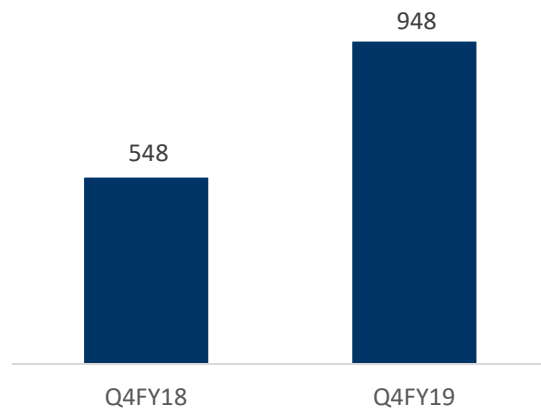
Leverage on technological initiatives; Setting us apart



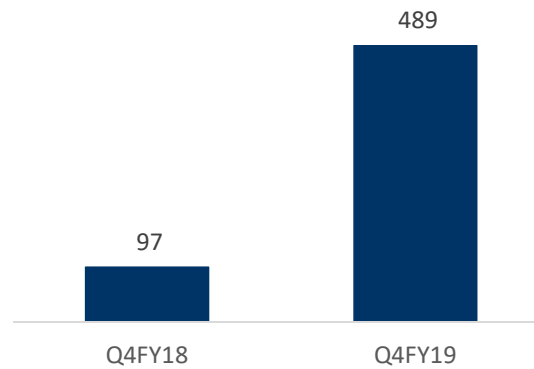
Q4FY19: At a glance..

Consolidated numbers

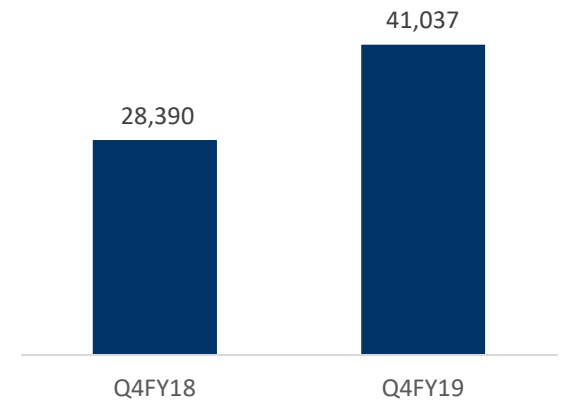
NII (INR MN)



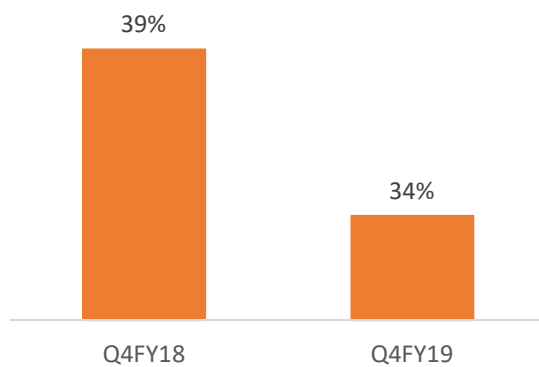
PAT (INR MN)



AUM (INR MN)

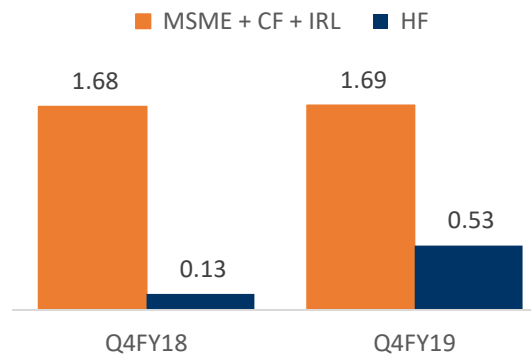


Capital Adequacy Ratio* (%)

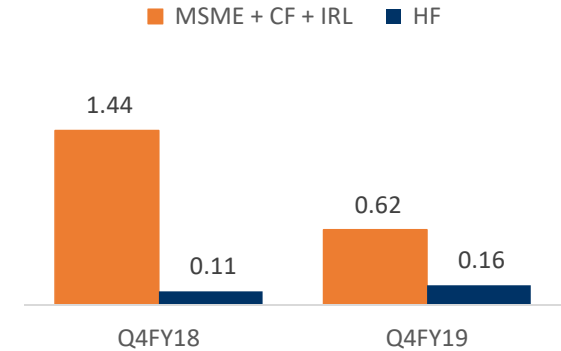


Capital adequacy on standalone basis

Gross NPA (%)



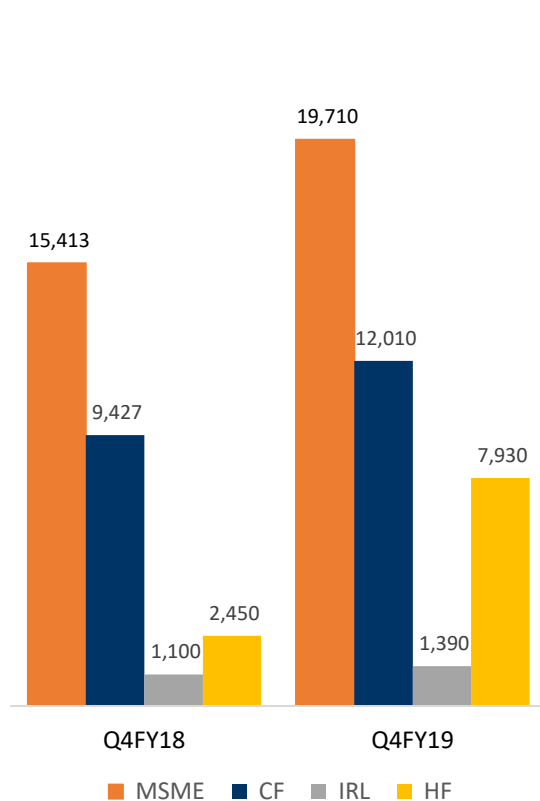
Net NPA (%)



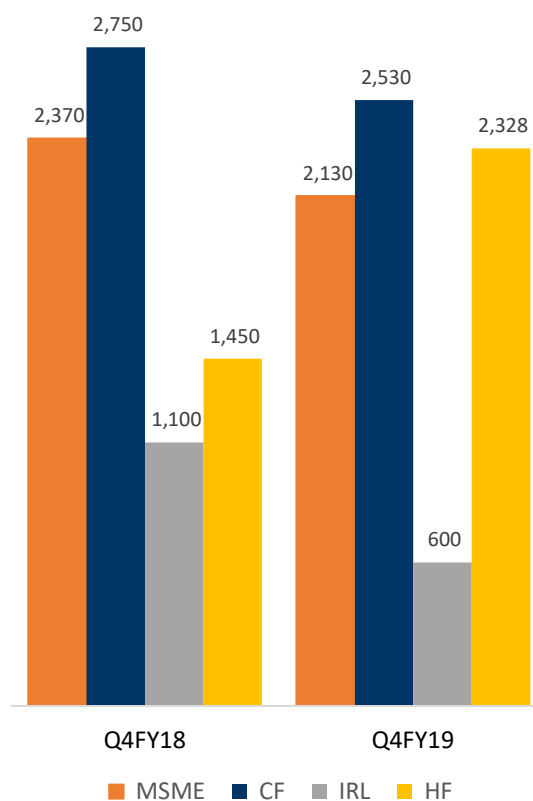
Q4FY19: MSME Lending Aiding Robust Disbursals

Consolidated numbers

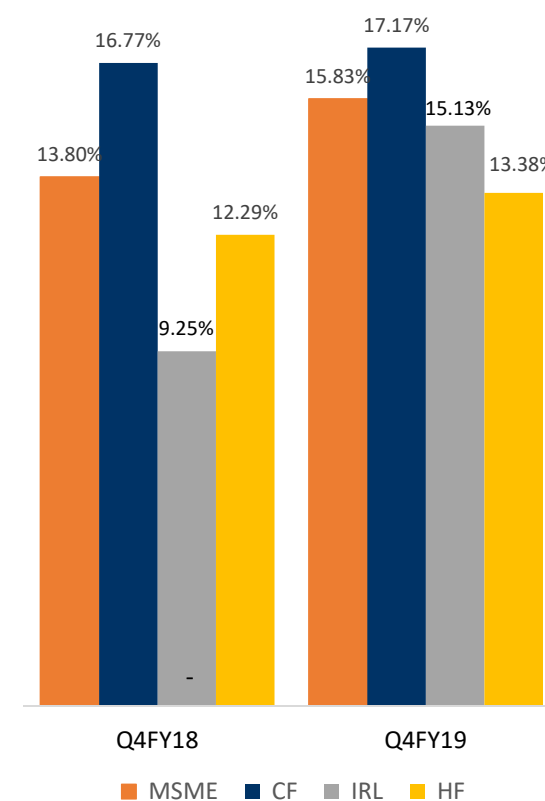
**AUM - Segmental Breakup
(INR Mn)**



**Disbursements - Segmental
Breakup (INR Mn)**



Portfolio Yield (%)



Q4FY19: Performance Summary

All amounts in INR Mn except stated

Particulars	Q4FY18	Q4FY19	Y-o-Y (%)	Q3FY19	Q-o-Q (%)
Net Interest Income (NII)	549	948	73%	851	11%
Interest Expense	312	624	100%	586	6%
Net Interest Margin (NIM)%	8.31%	9.74%	1.43%	9.49%	0.25%
PAT	97.7	489	400%	352	39%
Annualized RoE (%)	8.60%	14.32%	5.72%	10.6%	3.72%
Annualized Return on Average Assets (%)	3.48%	4.75%	1.27%	3.7%	1.05%

Consolidated Numbers

FY19: Performance Summary

All amounts in INR Mn except stated

Particulars	FY18	FY19	Y-o-Y (%)
Interest Income	3,219.0	5,307.4	65%
Interest Expense	967.2	2,071.0	114%
Net Interest Margin (NII)	2,251.8	3,236.4	44%
PAT	649	1357	109%
Return on Equity (%)	6.1	10.3	4.2%
Return on Average Assets (%)	2.6	3.7	1.1%

Stable Asset Quality: Stage Analysis As per IND-AS

All amounts in INR Mn except stated

ECL Analysis as per INDAS	Q4FY19	Q3FY19	Q4FY18	FY19	FY18
Stage 1 & 2 - Gross	32,605	29,978	25,688	32,605	25,688
Stage 1 & 2 – ECL Provisions *	19.7	16.5	14.3	19.7	14.3
Stage 1 & 2 – Net	32,408	29,813	25,545	32,408	25,545
Stage 1 & 2 – ECL Provisions %	0.60%	0.55%	0.56%	0.60%	0.56%
Stage 3 - Gross	561	704	440	561	440
Stage 3 – ECL Provisions	115	102	54	115	54
Stage 3 – Net	445	602	386	445	386
Stage 3 % - Gross	1.69%	2.30%	1.68%	1.69%	1.68%
Stage 3 % - Net	0.76%	1.45%	1.44%	0.76%	1.44%
Stage 3 – Coverage Ratio				64%	53%

Consolidated Numbers

Stage 3 Exposure includes ECL on non-funded exposure

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; Company has a JV with Capri Investment Group. – a Chicago based investment management firm
- Strong focus on MSME; have financed over 11,000+ businesses across several states in India ranging from restaurants to small manufacturing units to traders to private schools
- Committed workforce of over 1,850+ employees with a branch presence at 84 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.’

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)

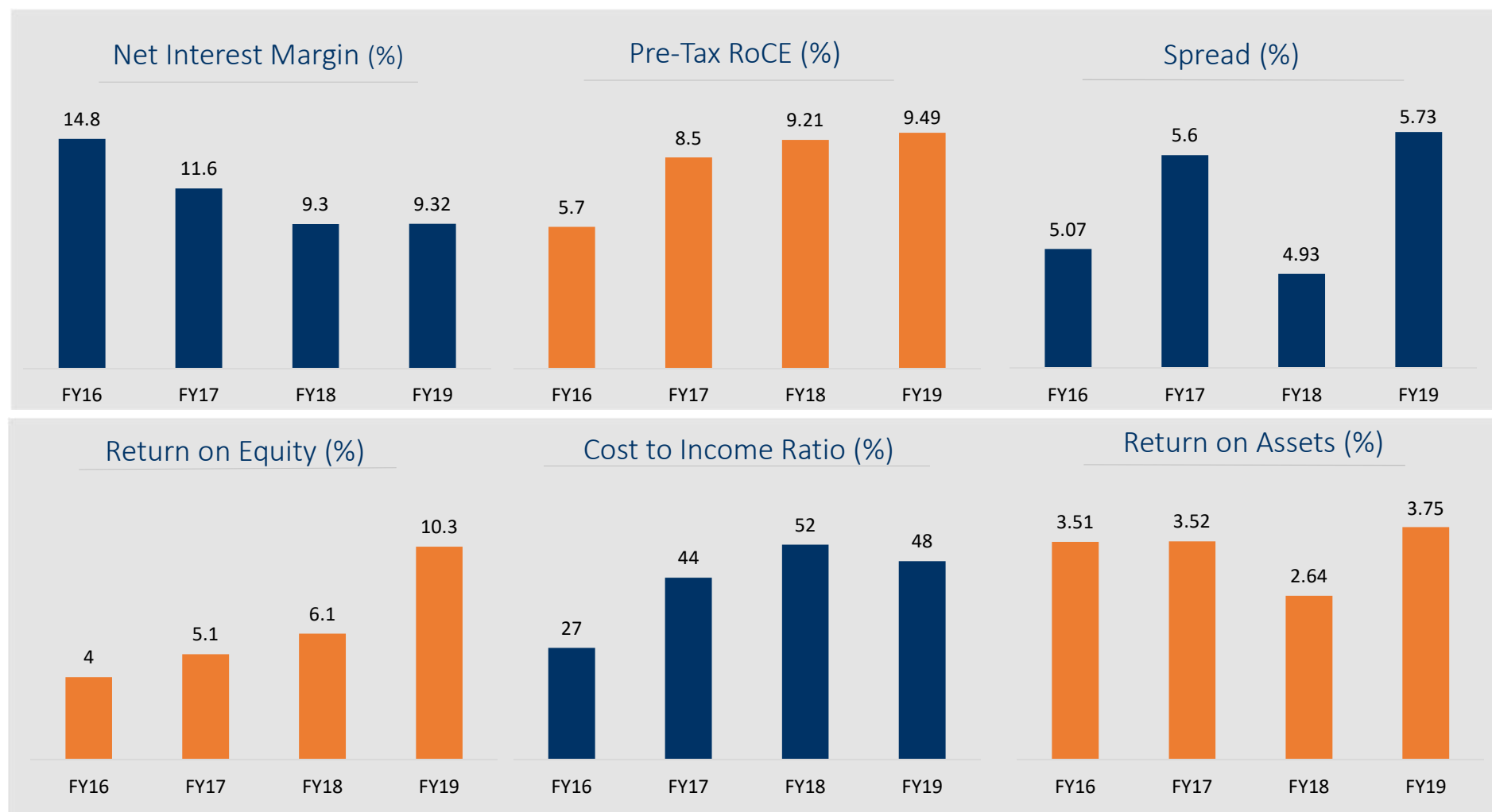
OUR 5-YEAR VISION

- To achieve a **total AUM of INR 250,000 Million** & maintain 40-50% loan book growth p.a.
- To expand to a branch network of 250 branches from the current 80+ branches within India

DUE-DILIGENCE & GOVERNANCE

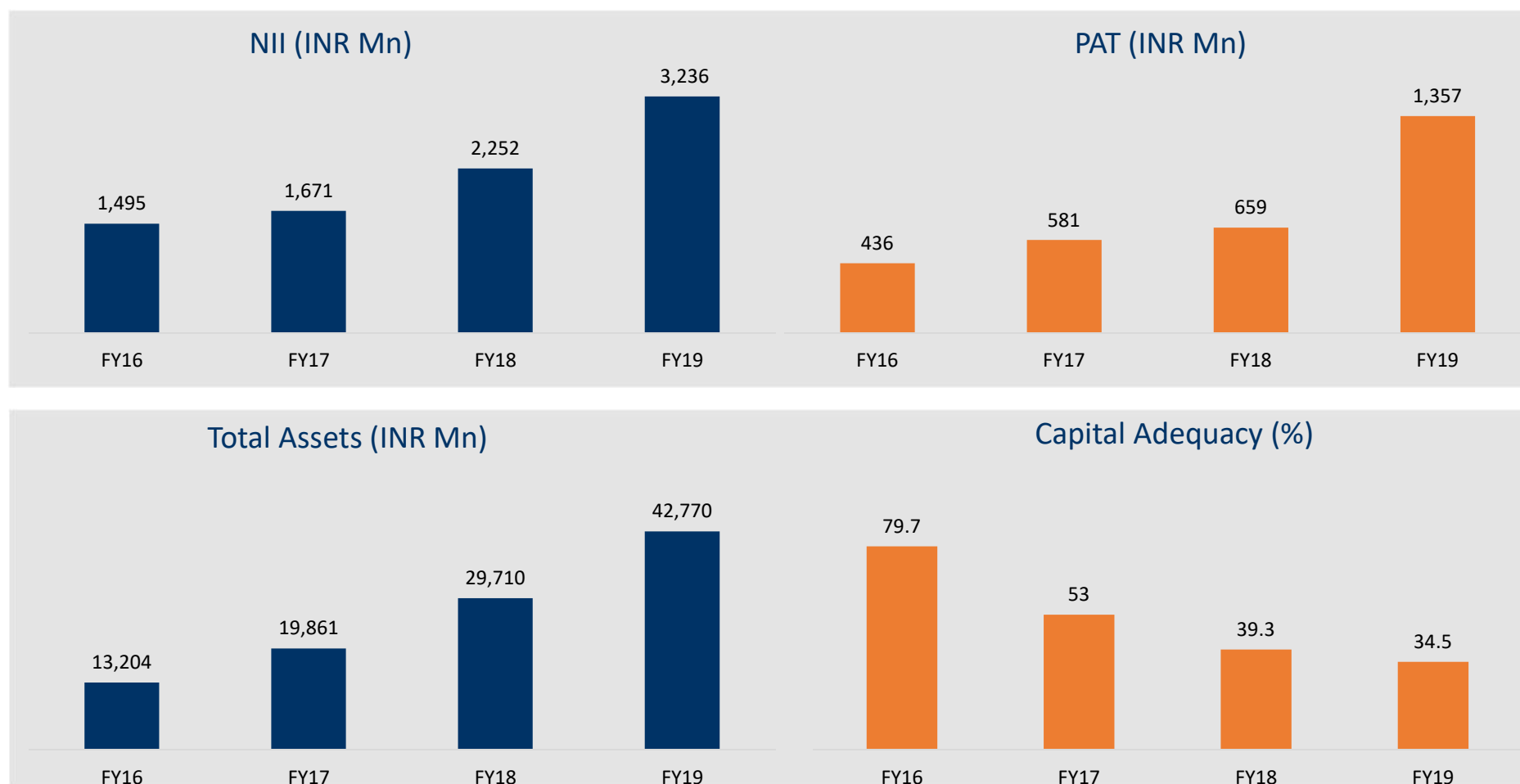
- **Statutory auditor: Deloitte Haskins & Sells LLP**
- Robust 4-step risk control mechanism with scrutiny at multiple levels
- Application-to-disbursal ratio of 33 %
- **Gross NPAs at only 1.47 %**

Over the Years...



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

Over the Years...

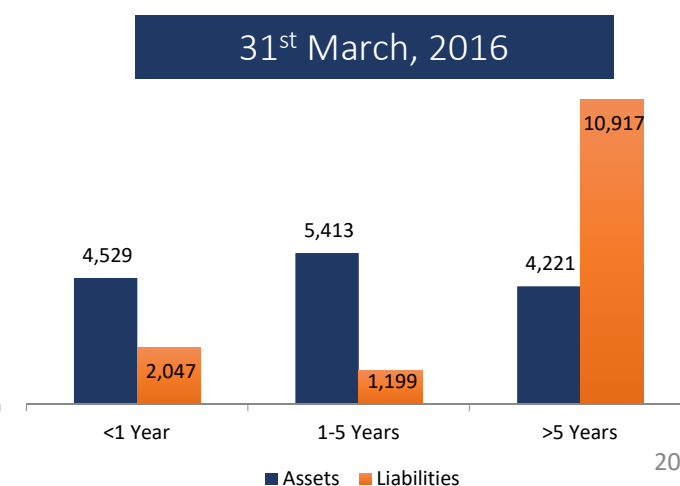
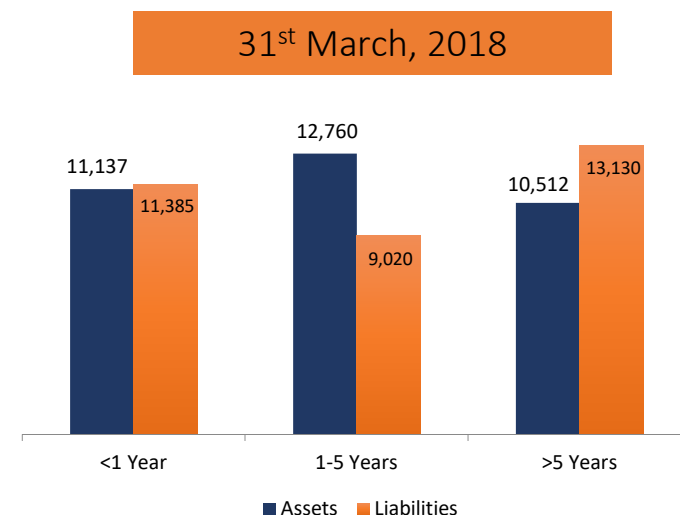
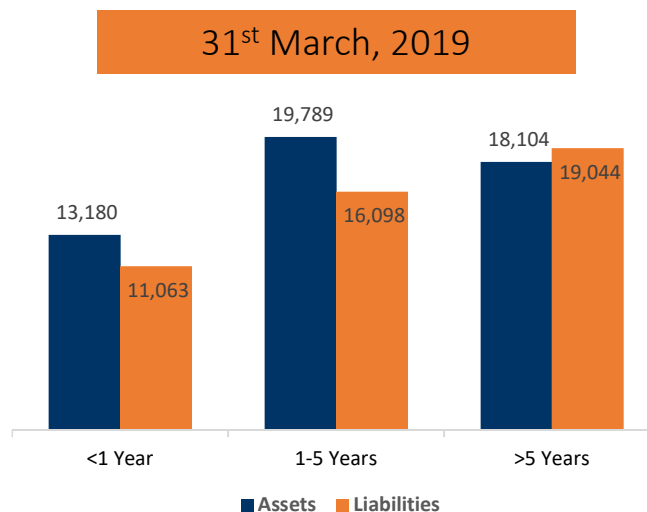


Consolidated Numbers ; FY18 & FY19 nos. based on IND-AS

Asset-Liability Split: Consistent Mix

- ❖ 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

All amounts in INR Mn



Consolidated Numbers

Small Loans: Niche Capabilities

MSME

~ 48 % of AUM

- Focus on Tier II & III cities; Customer outreach: 11,000+
- Key markets: NCR, Gujarat & Maharashtra
- Loan-to-Value: 48 %
- Ticket size: INR 1.5 Mn with avg loan tenure of 4-5 years
- **Portfolio Yield: 15.83 %**
- **GNPA: 2.76 %**

Launched 2012

Construction Finance

~ 29 % of AUM

- Project outreach: 146
- Key markets: Mumbai, Pune, Ahmedabad, Surat, Bangalore, and Hyderabad
- Security cover:>2x
- Ticket size: INR 80 Mn with avg tenure of 4-5 years
- **Portfolio Yield: 17.17 %**
- **GNPA: 0.14 %**

Launched 2010

Housing Finance

~ 20 % of AUM

- Affordable housing customers in Tier II & III cities; Customer outreach: 8,600 +
- Key markets: Maharashtra, Gujarat & NCR
- Loan-to-Value: 61%
- Ticket Size: 1 Mn with avg loan tenure of 7-8 years
- **Portfolio Yield: 13.38 %**
- **GNPA: 0.53 %**

Launched 2016

Indirect Lending

~ 3 % of AUM

- NBFC Outreach:
- Financing to other smaller NBFCs in MSME and MFI
- Over 100 NBFCs and MFIs with the book size up to INR 5 Bn
- Security cover:>1.1x
- Ticket size: INR 50-100 Mn with avg tenure of 1-3 years
- **Portfolio Yield: 15.13 %**
- **GNPA: Nil**

Launched 2018

The CGCL Advantage: Optimal Mix of Borrowings & Lending

Competitive Advantage

Tightening Liquidity

Retail Lending

Higher borrowing costs
>> Declining NIMs

Industry Scenario

As global & domestic liquidity tightens, high reliance on short-term borrowings could prove detrimental

Retail loans are amortized on a monthly basis; thus, cash flows in ALM can be projected correctly

Liquidity mgmt measures from RBI could force NBFCs to increase long-term borrowings, thus increasing COF & reducing NIMs

The CGCL Advantage

<10% exposure to short-term money market borrowings

100% small-ticket retail loans in MSME, Housing Finance segments

Borrowing mix skewed in favour of banks & thus, NIMs to be sustained & gradually improved



Annexure: About CGCL & Industry Scenario

MSME Lending: A Huge Unexplored Opportunity

The NBFC Advantage in MSME Funding

- Lack of formal avenues for financing ensures low penetration from banks
- Banks face issues in financing MSMEs due to high NPAs, high processing times and capital challenges
- NBFCs offer higher loan eligibility with shorter turnaround times
- Capital and lending norms for NBFCs are more lenient as compared to banks allowing them greater penetration in smaller towns and villages

MSME credit to grow at 12-14% over 5 years:
ICRA

Non-bank share in MSME credit pie should
expand to 22-23%
by March 2022 vs 16% in March 2017: ICRA

SIDBI targeting total lending of ~INR 1.4
trillion in FY19, up 30% YoY

CRISIL pegs overall credit demand of MSMEs
in India at INR 45 Trillion over the medium
term

New avenue for sourcing of loans opened up
via online channels

MSME: Small Loans, Big Opportunity

Focus Area



Micro Enterprise

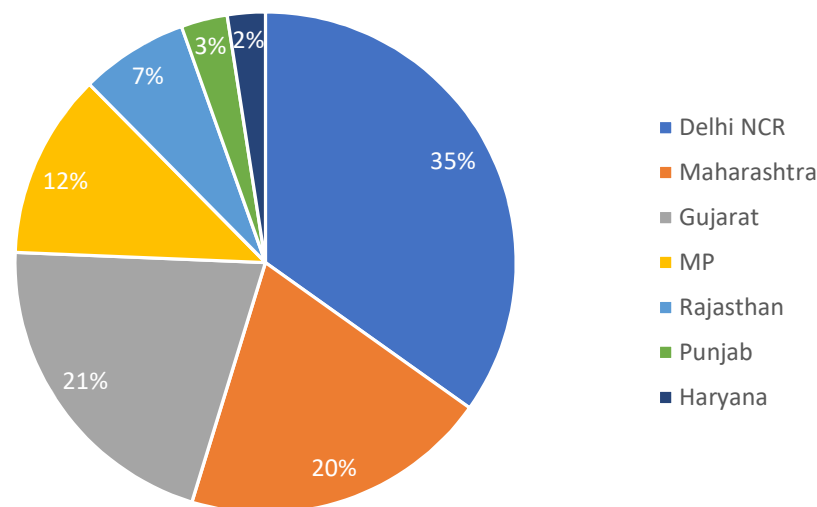
- Self Employed Individuals – Provision stores, retail outlets, handicrafts etc
- Ticket Size: INR 5L -50L
- In-house sourcing team – 82 Branches/Loan centres



Small Enterprise

- Small enterprises with formal income documentation; Sourced directly
- Ticket Size: INR 1.5 Mn

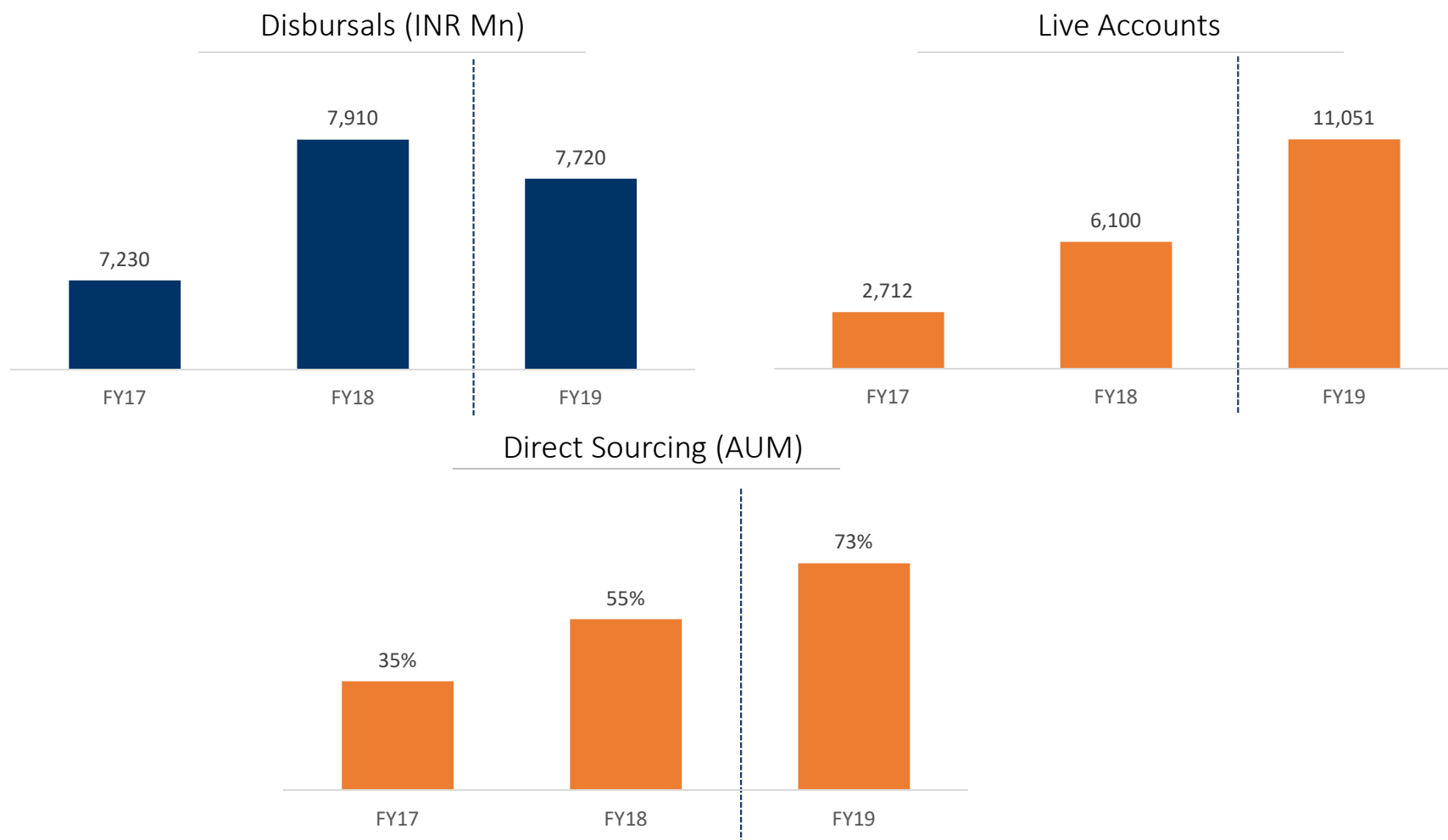
MSME Assets by Geography



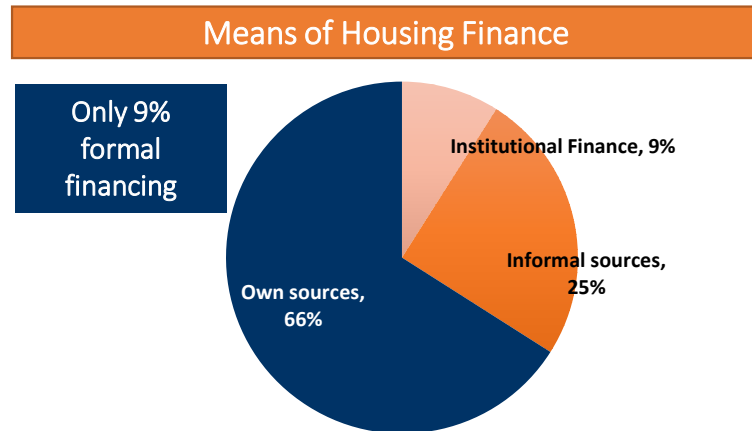
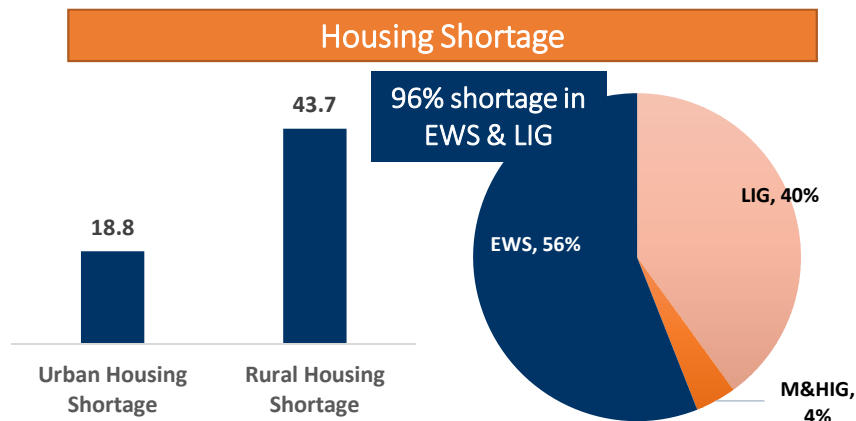
AUM	Disbursements	Avg. Ticket Size	Client Base
INR 19,710 Mn	INR 7,720 Mn	INR 1.5 Mn	11,000+

Data as on 31st March, 2019

MSME: Enabling Superior Growth



Affordable Housing: Large Demand & Low Formal Financing



- *Affordable housing loans (as per RBI):
- Metros - Loans up to INR 50 Lacs (house value of INR 65 Lacs)
 - Non Metros - INR 40 Lacs (house value of INR 50 Lacs)

Source: Report of the technical urban group (TG-12) on urban housing shortage (2012-17), Ministry of Housing and Urban Poverty Alleviation, Ministry of Rural development, CLSA

Urban Housing shortage pegged to reach 34.1 million units by 2022

95%+ of the shortage corresponds to Lower Income Group (LIG) & Economically Weaker Sections (EWS)

In 2015, the Government of India launched the “Housing for all by 2022” scheme with Pradhan Mantri Awas Yojna (PMAY)

PMAY introduced a Credit Linked Subsidy Scheme (CLSS) to offer interest subsidies for loans up to INR 18 lakhs

Industry experts peg the housing finance demand in India at US\$ 1.2 trillion over the next 5 years

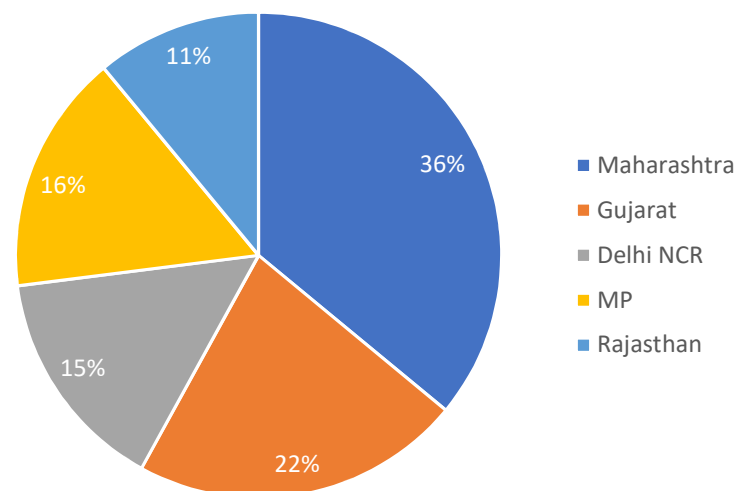
Capri Global Housing Finance entered into an MOU with the NHB as a Primary Lending Institution (PLI) to facilitate subsidy to its qualifying borrowers under the CLSS

Housing Finance: Capitalising on Affordable Housing Opportunity

Focus Area

- Serves middle and lower middle income population in Tier 2 and 3 cities
- Ventures in 2016 through its subsidiary – Capri Global Housing Finance Limited
- Targeting existing customers via cross-selling within the MSME segment

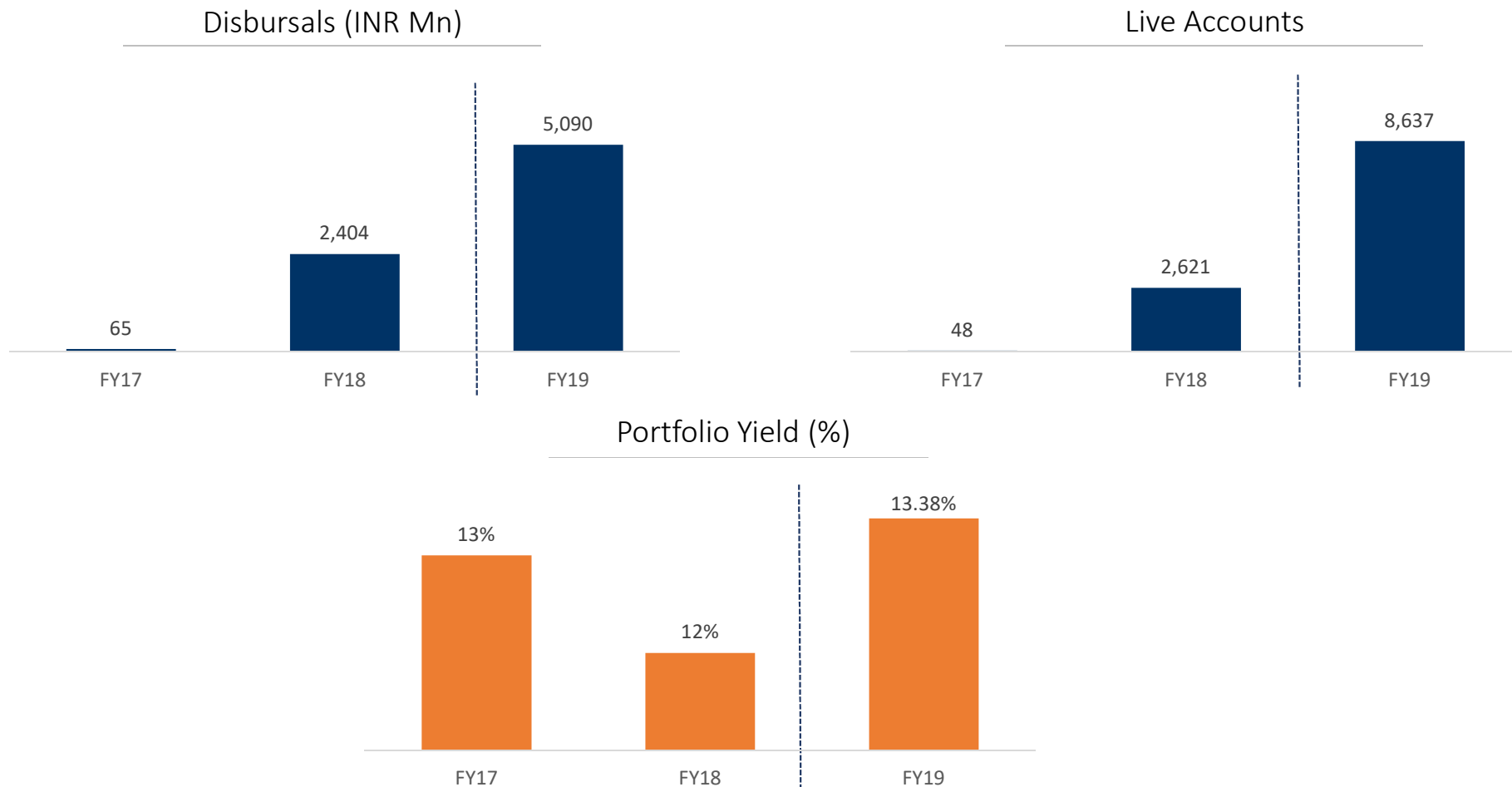
HF Lending Portfolio by Geography



AUM	Disbursements	Avg. Ticket Size	Customers
INR 7,930 Mn	INR 5,090 Mn	INR 1 Mn	8,600+

Data as on 31st March, 2019

Housing Finance: Exponential Growth Potential



Note: FY18 was the 1st full year of operations

Urban Construction Finance: Significant Scope of Growth

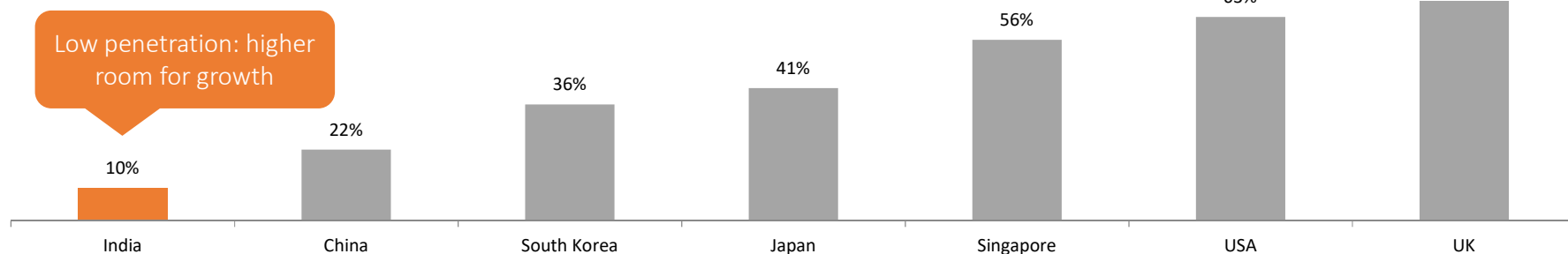
Recent Government Initiatives to promote affordable housing construction

- 100% tax exemption on affordable housing construction projects for developers
- Faster building permissions from regulatory authorities
- RERA: higher accountability for both developers & customers
- Infrastructure status awarded to affordable housing development, making institutional credit availability easier

Demand Drivers for Growth in Indian Mortgage Market

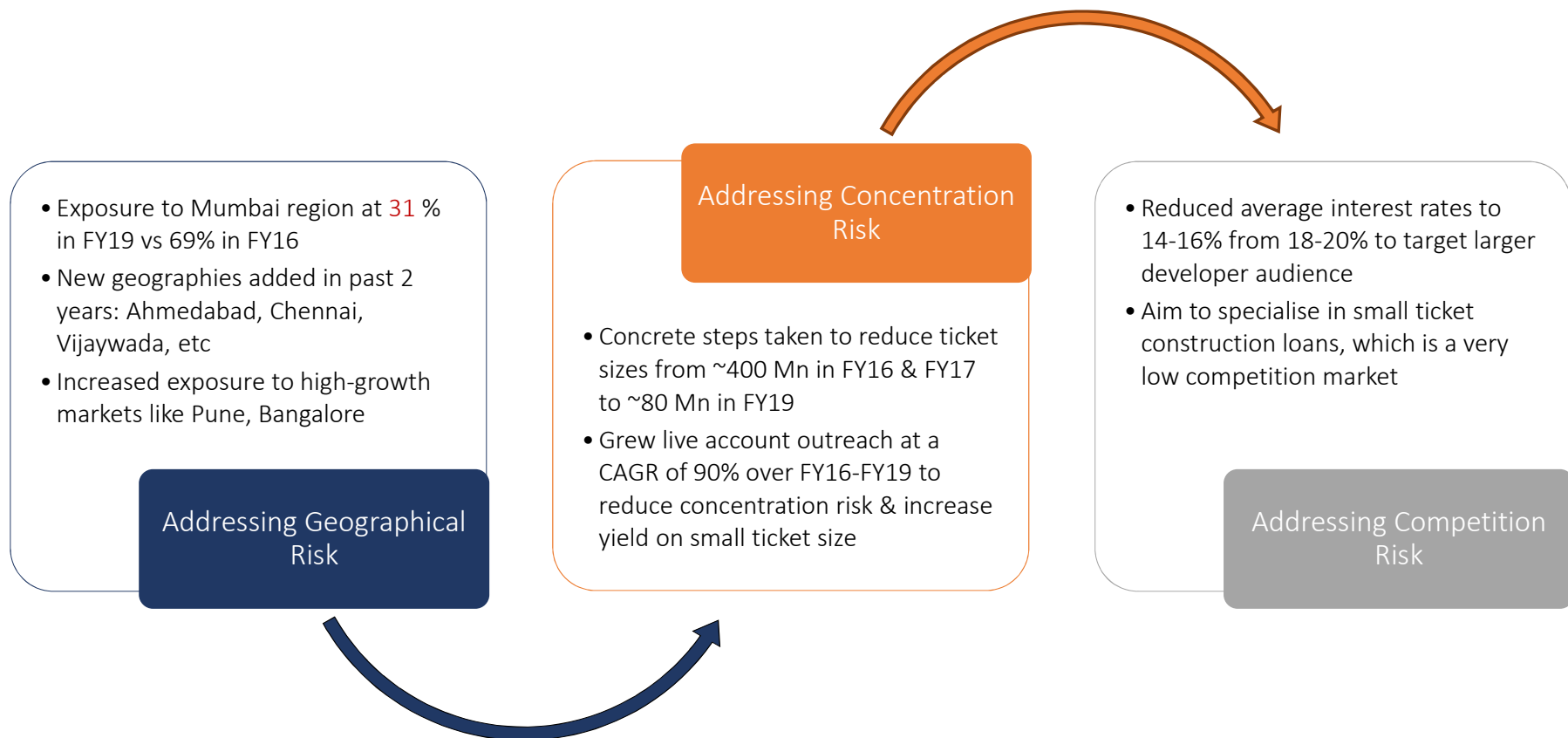
- 66% of India's population is aged below 35 years, increasing demand for newer homes
- Urban housing demand expected to see exponential growth: Currently 32% of India's population reside in cities; expected to increase to 50%+ by 2030
- CLSS Scheme for new home owners reduces effective interest rates for MIG & LIG groups, effectively reducing monthly EMIs

Mortgage as a Percentage of nominal GDP



Source: European Mortgage Federation

Construction Finance: The Retail Way

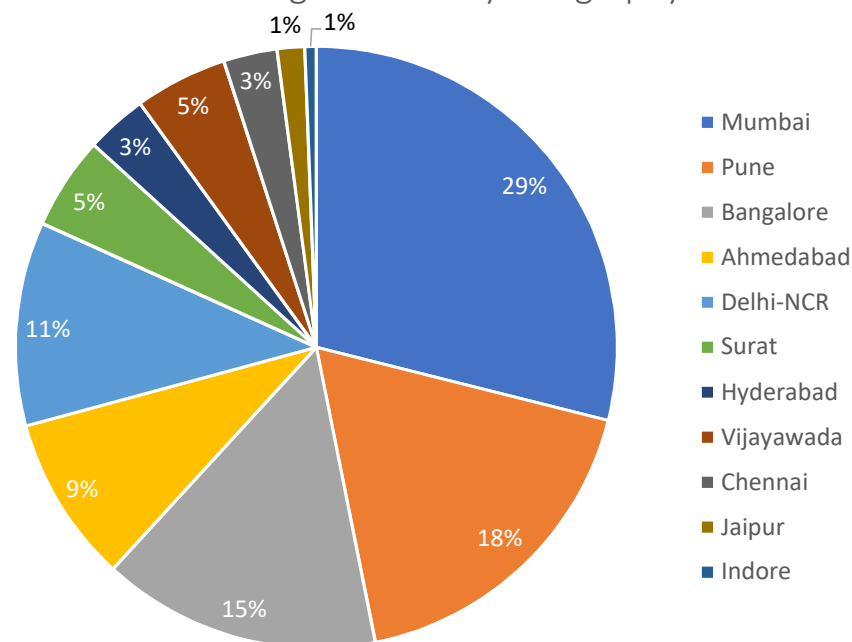


Construction Finance: Building a Sustainable Future

Focus Area

- Construction linked loans to small and midsize real estate developers
- Comprehensive framework for project selection and credit appraisal
- Competitive rates for high quality, multi-family real estate projects

CF Lending Portfolio by Geography

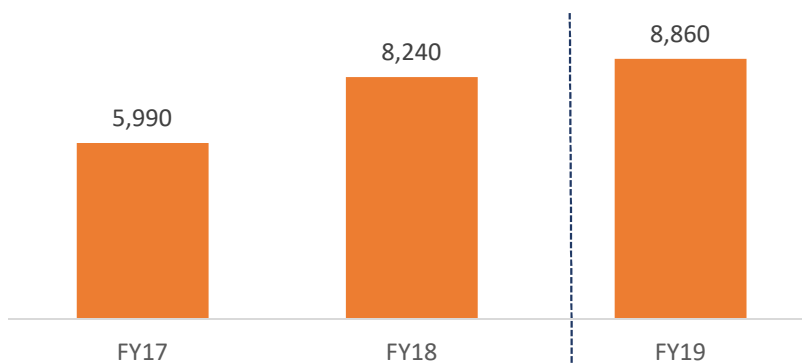


AUM	Disbursements	Avg. Ticket Size	No. of Projects
INR 12,010 Mn	INR 8,860 Mn	INR 80 Mn	146

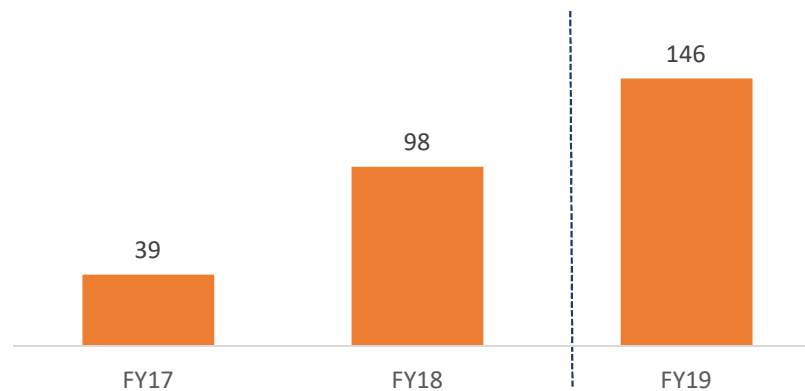
Data as on 31st March, 2019

Construction Finance: High Yield, Low Risk

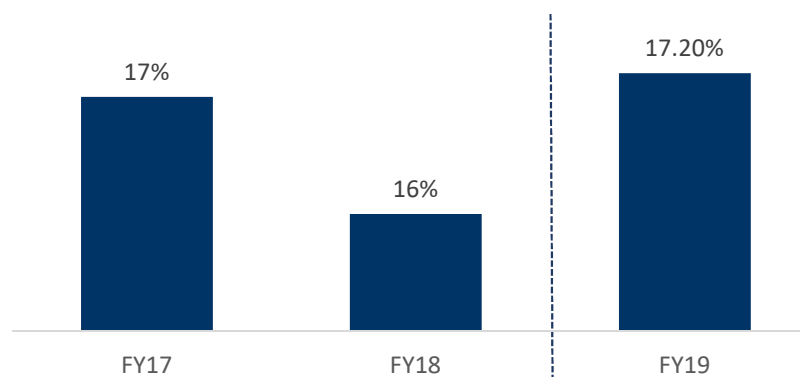
Disbursals (INR Mn)



Number of projects



Portfolio Yield (%)



Indirect Retail Lending: Unique Product Offering`

Focus Area
<ul style="list-style-type: none">■ Lending to small NBFCs engaged in<ul style="list-style-type: none">○ MSME Lending and Microfinance○ Two Wheelers and Commercial Vehicles finance
<ul style="list-style-type: none">■ Hypothecation of receivables - 1 to 1.2X cover
<ul style="list-style-type: none">■ Portfolio yield between 11% to 15%
<ul style="list-style-type: none">■ Average Tenure: 1-3 Years
<ul style="list-style-type: none">■ Gross NPAs: Nil
<ul style="list-style-type: none">■ New segment, launched only in 2018

AUM	Disbursements
INR 1,390 Mn	INR 1,600 Mn

Ticket Size Range	Customers
INR 50-250 Mn	12

Data as on 31st March, 2019

Income Statement

INR Mn	FY18	FY19
Total interest earned	3,219.0	5,307.4
Total interest expended	967.2	2,071.0
Net interest income	2,251.8	3,236.4
Non-interest income	292.5	605.6
- Fee and Commission income	20.0	76.0
- Other Income	272.5	529.6
Total Income	2,544.3	3,842
Operating expense	1,392.7	1,876.5
- employee cost	813.2	1,175.5
- Depreciation	62.2	66.4
- Others	517.3	634.6
Operating Profit	1,151.6	1,965.5
Total provisions	69.2	98.5
PBT	1082.4	1,867.0
Tax	417.2	510.2
Earlier Year Adjustments	16.2	-
PAT	649.0	1,356.8

As per IND-AS

Balance Sheet

INR Mn	FY18	FY19
Share Capital	350.3	350.3
Reserves and Surplus	12,166.2	13,476.5
Networth	12,516.5	13,826.8
Borrowings	15,661.4	27,687.0
Other Liabilities and Provisions	1,533.0	1,256.3
Total liabilities & stockholders' equity	29,710.9	42,770.1
Net Block	143.3	127.2
Investments	567.0	104.2
Asset under financing activities	27,973.6	40,222.1
Deferred Tax Assets	190.6	233.5
Cash and bank balances	483.3	1,691.0
Other Assets	353.1	392.1
Total assets	29,710.9	42,770.1

As per IND-AS

Leadership Team



Surender Sangar
Head – Construction Finance

Ex-MD – Tourism Finance Corporation of India and GM- Union Bank of India
Over 38 years of experience
B.Com, CAIIB



Vikas Sharma
Business Head (MSME & HL)

Ex - Kotak Mahindra Bank, Dhanlaxmi Bank, Reliance Capital
Over 18 years of experience
PGDBA, B.Com



Ashish Gupta
Chief Financial Officer

Ex - Jindal Stainless Steel,
26 years of experience
Chartered Accountant



Hemant Dave
Head of Operations

Ex - Kotak Mahindra Bank, A. F. Ferguson
Over 22 years of experience
Chartered Accountant



Vijay Gattani
Senior Vice President - Credit

Ex-ICICI Bank, Head of Credit & Policy- ICICI HFC
Over 13 years of experience
Chartered Accountant



Bhavesh Prajapati
Head – Credit, Risk, Policy: HF

Ex-Aadhar Housing Finance, IDFC Ltd, DHFL
MBA, ICFAI



Vinay Surana
Head - Treasury

Ex-Founding Member ,Axis Bank
debt syndication
Over 13 years of experience
Chartered Accountant - Rank



Ashok Agrawal
Head – A/C, Fin, Tax & Compliance

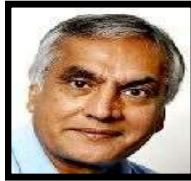
Previously practicing CA
Over 25 years of experience
CA and CS

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)

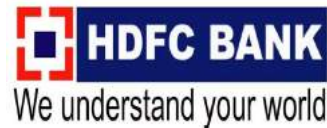


Beni Prasad Rauka
Independent Director

Group CFO- Advanced Enzyme
Technologies
25+ years of experience
CA &CS

Key Partnerships

Lenders



Auditors & Advisors

Deloitte.





Thank You