Date: April 13, 2019

To,

BSE LIMITED P J Towers Dalal Street, Fort, Mumbai 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED Listing Department Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Company Code No. 531595	Company Code CGCL

Dear Sir,

<u>Sub.:Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations, 2015): Loan Origination Process</u>

We are enclosing herewith copy of the "Loan Origination Process" presentation for your reference . This presentation was made at the experience sessions organized for Analyst and Investors.

The above is for your information and dissemination to all the stakeholders.

Thanking you,

Yours faithfully,

For CAPRI GLOBAL CAPITAL LIMITED

(HARISH AGRAWAL)

SENIOR VICE PRESIDENT & COMPANY SECRETARY



Unlocking potentials, Empowering people

Loan origination process

Agenda







Serving the under-served



Capri Global – an overview



- 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 about 9,000 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 about 6,000 families to realise the dream of owning their own home
- Committed workforce of over 1,850+ employees with a branch presence at 82 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



9MFY19 At A Glance

CGCL Group AUM INR 3,682 Cr

MSME AUM INR 1,822 Cr

CF + IRL AUM INR 1,245 Cr

CGCL AUM (Standalone) INR 3,067 Cr

HL AUM INR <u>615</u> Cr

CGCL Disbursements INR 1,335 Cr

PAT INR 86.8 Cr

Net Worth (Standalone)
INR 1,319 Cr

14,500+ Live Accounts

1,850+ Employees

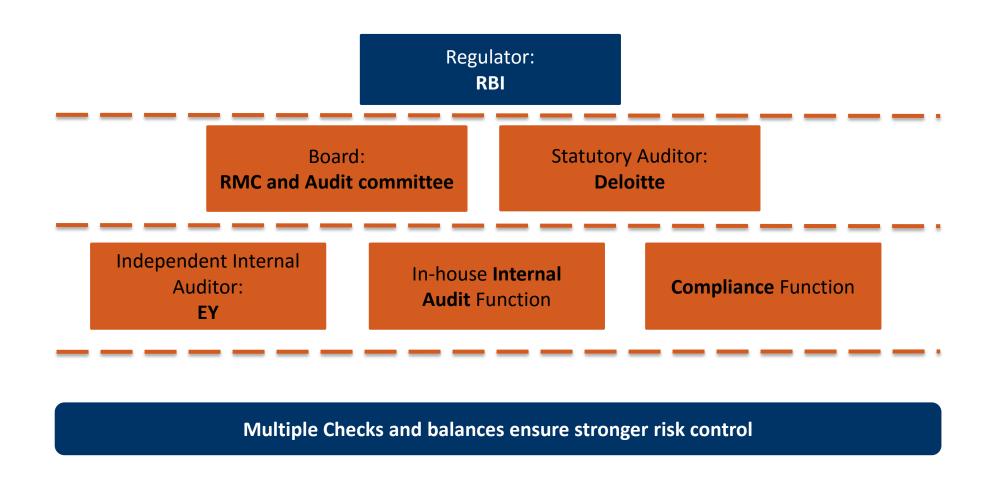
> 8 States

82 Branches



Robust Governance & Risk Control Mechanism





Employee Strength



6

Sales

Headcount: 972

Credit

Headcount: 356

Operations

Headcount: 139

Collection & Monitoring

Headcount: 71

HR & Support

Headcount: 70

Technical

Headcount: 59

+ Empanelled

Valuers

Finance & Accounts

Headcount: 29

Legal

Headcount: 24

+ Empanelled

Lawyers

FCU

Headcount: 23

+ Empanelled

Vendors

Compliance & Secretarial

Headcount: 12

Internal Control & Audit

Headcount: 08

Policy & Product

Headcount: 04

Non Executive Staff

Headcount: 91

Total Employee Strength of more than 1,800 across the country





Our Business



Our Business

Small Loans: Niche Capabilities



MSME

~ 50 % of AUM

- Focus on Tier II & III cities; Customer outreach: ~9,000
- Loan-to-Value: 48 %
- Ticket size: INR 1.4
 Mn with avg loan
 tenure of 4-5 years
- Key markets: NCR, Gujarat & Maharashtra
- Portfolio Yield:15.32 %

Launched 2012

Construction Finance

~ 31 % of AUM

- Project outreach: 144
- Key markets:
 Mumbai, Pune,
 Ahmedabad,
 Surat, Bangalore,
 and Hyderabad
- Ticket size: INR 80
 Mn with avg
 tenure of 4-5 years
- Portfolio Yield: 16.28 %

Launched 2010

Housing Finance

~ 17 % of AUM

- Affordable housing customers in Tier
 II & III cities
- Customer outreach: 5,900+
- Key markets: Maharashtra, Gujarat & NCR
- Ticket Size: 1 Mn
- Portfolio Yield:13.09 %

Launched 2016

Indirect Lending

<1% 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
- Portfolio Yield: 14.49 %

Launched 2018





Robust Loan process

Robust Loan process

Loan origination Process – A Snapshot



Business Origination

- DST Salesforce
- Doorstep
 Meeting with
 customers and
 Document
 Collection

Credit Underwriting

- Bureau check
- Customized
 Underwriting basis
 understanding of
 cash inflow
- Mandatory meeting with customer
- Field Investigation (FI)

Legal, technical and FCU

- Fraud check of Documents/ Borrower profile
- Hunter Database (Experian) Check
- Title Search of Property
- Property Paper verification
- Property Valuation

Operations

- Pre-disbursal Checks
- Centralized Disbursals (RTGS/NEFT)
- Centralized banking / Management of repayments
- File storage & digitization through vendors

Customer Service

- Mandatory welcome call to new customers
- Customer grievances Redressal
- SMS / Telecall reminders for EMIs

Collection

- Customer visits on Bounce cases
- Rigorous followup on delinquent cases
- Legal Actions such as Section 138, Arbitration, SARFAESI proceedings etc.

Board approved detailed Credit Policy governs the entire credit process

Scrutiny at multiple levels results in an application to disbursal ratio of ~ 35%

Independent Departments with Independent Reporting Lines aid in maintaining checks and balances

Credit underwriting- Process Flow



Borrower Acceptance

Underwriting

Disbursal

Monitoring

Origination Team (Direct/ Web)

Credit Team

Legal & Technical

Operations

FCU / Operations/ Collections

- Sales met customer(s)
- Internal Dedupe
- Preeligibility check by sales
- File login with credit

- Borrower due diligence
- CIBIL Score >=550
- Initiate verification
- Eligibility Calculation
- PD with Borrower

- Verification Updation
- Legal Vetting
- Technical vetting
- LoanSanctioned
- Issuance of Sanction letter

- Disbursement request by Customer
- Docket Login –
 Branch Credit
- Credit Maker-Checks
- Property visit
- OPP Vetting

- Independent Compliance team
- DM preparation
- NDC check by OPs
- DM authorization

- Cheque preparation
- Intimation to customer
- FCU Check
- Cheque handover
- Independent Collections team

Technical Valuation - Process Flow



External Technical Reports Internal Vetting
Report
(non-APF)

Internal
Valuation Report
(APF)

Reporting by Technical team

Property Visit

APF Checks

Internal Technical Team

Vendors

Reports when no Technical team

- All reports in prescribed format
- Minimum 3+1
 Pic. of internal and Façade to be incorporated
- Highlight the part of Property not visited with reasons
- Surprise visit at the property

- Verify through neighbors
- Highlight discrepancy & crosscheck with Sales/ Credit
- Reports
 must carry
 photo and
 geo
 coordinates
 of the
 property

- Cheque favoring details to be part of all APF files
- OPS to crosscheck disbursement favoring between Disbursement Memo and APF Technical report
- Only 1 Technical Report by external agency for every disbursal for loans
 Rs 50 Lacs and 2 Technical Reports by external agencies for > Rs 50 Lacs loan amount
- 1 technical report by external agency for subsequent disbursal

- Internal Vetting Report by Technical Manager (TM) is must.
- Internal vetting is to be basis Physical visit of collateral by Technical Team.
- Final Valuation to be considered as per Internal Vetting Report.

- Where no
 Technical team
 For Loans:
- <25 Lacs: supported by Property Visit Report by Credit
- 25 Lac -50 Lac: PVR & Vetting report (without visit) by TM
- >50 Lac :TM's vetting report with visit

Legal Process Flow



Legal Initiation and Approval

Legal and Merit
APF

Tracking
Transaction &
PDDs

Vendor Billing & Vendor Empanelment

External Lawyer

- Lawyer issues three reports LOR, Search Report & OPP Vetting Report
- Breach of TAT to be reported
- Approval for LOR from in house Legal Manager(LM)
- Waiver approval based on legal logic and policy

Credit Team

Legal & Technical Team

Legal Manager & CPAs

Vendor

- Internal vetting of positive LOR<25 lacs not required
- LM/NLM can approve negative LOR basis approval policy
- OPP through external empanelled Lawyer

- APF master file shared by Technical team
- APF legal is initiated by LM
- Positive APF vetted by LM
- LM to peruse the documents and issue a onetime concise legal report.

- Purchase/ Resale/ BT Transaction tracking by LMs
- CPAs will initiate transaction to the legal vendor Credit
- Transaction to be concluded as decided by sales and credit
- PDD MIS to be circulated to the stakeholders every fortnight.

- Vendor to sent LOR.
 Soft copy- 2 working days, hard copy- 5 working days
- Vendor's billMonthly
- Legal Admin.
 To issue MIS,
 twice a week
 w.r.t. legal
 reports for
 positive PD
- Legal vendors are empanelled based on market feedback and references from any of the stakeholders.
- LM visits vendor office accompanied by the local credit team

FCU Process Flow



Sampling and Screening

Trigger Based FCU Sampling

FCU Reports and Waivers

Post Disbursal & Vendor Empanelment Checks

Mandatory 100% Sampling

FCU

Credit / FCU

FCU / Vendors

- 100% Sampling for Application form, KYCs, Salary Slip, Bank/Loan statements
- SEP/SNEP FCU of PAN cards
- Self Employed-Last 2 years ITR, Bank Statement
- Seller Bank A/C
 >6 months, PTM,
 TPT, Authority
 NOC

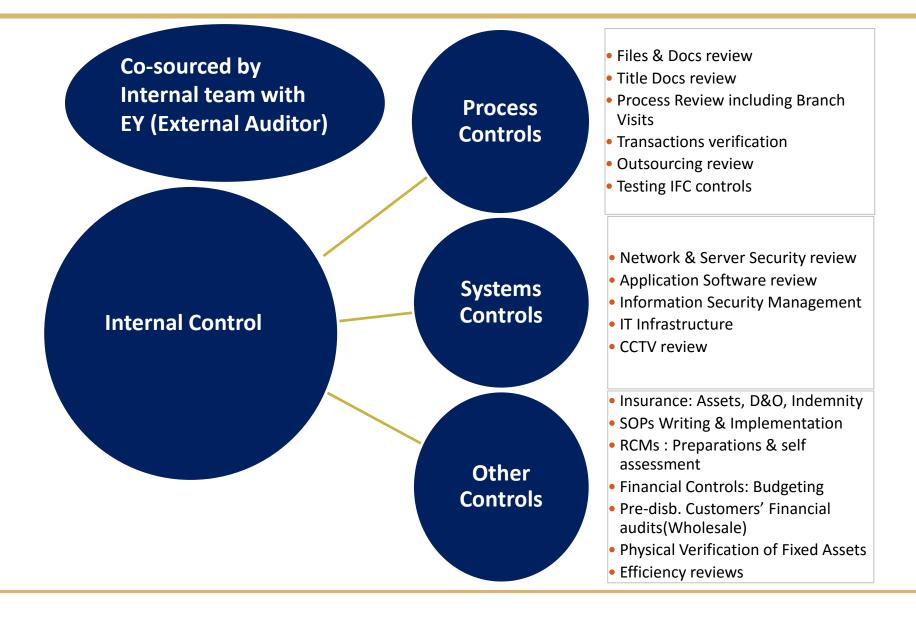
- Technical, OPP documents, VAT, S.T registration, Utility Bills
- Sampling size in new location: 1st
 -3rd month-100%, 4-6th
 Month- 75%, 7th -9th
 month –
 50%
- FCU conducted by specialized FCU agencies.
- Each Branch to have FCU sampler
- Different stamps for Sampled and pending files.
- Status of sampled file in FCU report

- Credit to attach
 FCU report with file docket
- Waiver of FCU of NOC/PTM/TPT-ZCM
- FCU Screening/ Sampling cannot be OTC
- OTC of FCU sampling, FCU reports, Referred seller FI – FCU Zonal Manager

- Waiver/ PDD of FCU, Negative/ Referred FCU Report, Negative Seller FI- FCU Head
- Fraud FCU Report to be probed
- Investigation Report submitted by FCU Head to CRO & Business Head
- FCU Manager will conduct random site visit and checks on collateral for non-starter loan, loans with repeat bouncing in first 12 months
- FCU will screen all vendors.

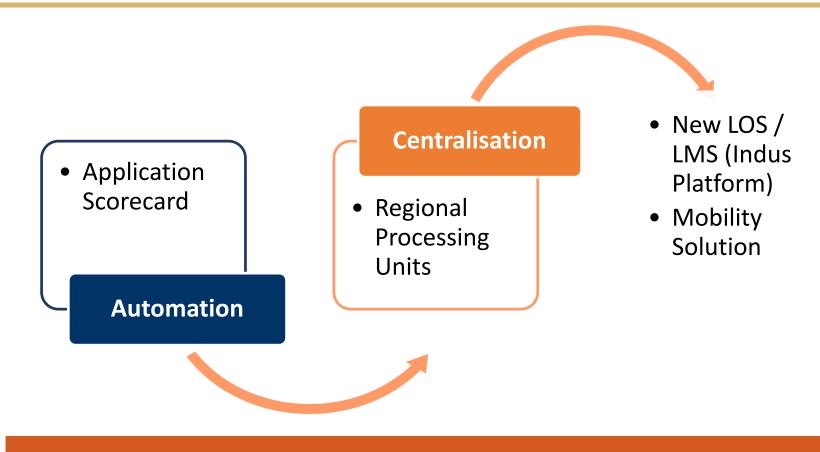
Internal Controls Framework





Technology Initiatives





A positive impact on productivity and cost control

A new generation cloud-based platform with rule engine and mobility modules being implemented

Customer Profile



Sarvadnya Collection - Mobile accessories and print services enterprise

Loan given INR 6 lakhs

Trained Beautician
Loan given INR 18 lakhs

Jai Shree Plastics - Plastic manufacturing business Loan given INR 30 lakhs



"I took a loan from Capri Global Capital and it has helped my business grow. Their ability to observe and understand my business along with friendly customer service were the key reasons I chose them. The documentation being delivered at my shop was a big surprise and made me feel important."

Shri Mira Ramesh , Owner, Sarvadnya Collection , Nagpur , Maharashtra



"Our new home helped me pursue my entrepreneurial dream and support my family."

Ms. Mohini, Beautician, Jaipur, Rajasthan



The loan by Capri Global Capital enabled me to expand my business and helped me create employment for the needy. We are all grateful to the company for extending prompt and timely assistance to us."

Shri Lalu Ram, Proprietor, Jai Shree Plastics, Ujjain, Madhya Pradeh

470 Jobs Created by the new enterprises funded by Capri Global Capital. Over 60% customers received their first loan from Capri Global Capital.

Case Study: Sunil Kumar K Rajbhar – HL; Branch - Boisar



Loan Sanctioned: Rs. 6.90 Lacs

- The case is Builder flat purchase case.
- The customer is BEMS (Bachelor of Electropathy Medicine and Surgery), operating his clinic at Borivali.
- Surprise office and residential visit by RM
- There was no rent agreement of the clinic since it was asbestos structure, hence his brother was taken as a guarantor and case was processed.
- Credit Manager visited his clinic
- The customer was maintaining register for the patients to whom he used to give medicine and therapy.
- CIBIL, CRIFF, CPA initiated. PD with customer
- property legality was checked at the time of doing APF







- ABB of Rs.30k of SBI bank of 6 months and Rs.17k of Union bank of last one year
- Low LTV, property value was Rs.12 lacs as per valuation report as per policy LTV should be at least 54%
- BEMS degree proof taken on record

Case Study: SS Enterprises - MSME; Branch - Thane



Loan Sanctioned: Rs. 14.50 Lacs

- Proprietor of informal business having cash flows but no income documents.
- Surprise property visit by RM & BM
- Challenge was to ascertain his daily cash flows to assess his income along with nature of business.
- Credit Manager visited his place of business
- He maintained a diary of daily sales, which was verified randomly for last 3 Month period.
- Bank statements is assessed in detail to assess his savings/ spending pattern
- He is having additional income through his wife's business and rental income, The same has been verified through Bank statements, However, these income are not considered for eligibility









- Positive Business reference checks with buyers and suppliers
- Customer offered SOCP. The property is in the name of proprietor himself
- LTV is 62% against the policy norms of 60%
- FOIR is 62.80% against the policy norms of 65%

Rejected Case: Jayvant Bhoir; Branch - Thane



Loan Requested Rs. 12.00 Lacs

- The Customer was engaged in supplying of drinking water canes business
- The customer operate the business from his residentcum office premises
- Current business stability is one year which was not met as per our policy norms.
- No stock and business set seen during the PD visit
- Applicant did not maintained / provided any business records to verify his business income
- Stated business income is not justified as per bank statement
- No asset base in the name of applicant from own business income







- Poor ABB maintained in business
- No proper business records like cash register, supplier bills etc
- Current business stability was one year which is not met as per our policy norms

Making A Difference: Flowering Human Ambitions





Kamlesh Chauhan: Loan Sanctioned: Rs. 10 Lacs

- He is the proprietor of an informal business having cash flows having no income documents.
 He is a first time borrower with no credit history.
- Challenge was in assessment of his daily cash flows to assess his income along with nature of business.
- The Credit Manager visited Mr. Chauhan at his place of business, once in the morning and once in the evening to assess his daily cashflows
- He maintained a diary of daily sales, which was verified randomly for last 1 year period
- Business was entirely in cash from walk-in customers
- We offered a tailormade loan considering his cashflows and saving habits etc.

Making A Difference: Nurturing Entrepreneurship





Jyoti Nai: Loan sanctioned - Rs. 14.00 Lacs

- An individual operating a beauty parlor since 2010 from rental premises.
- She is a first time borrower with no credit history.
- She has 3 employees. Attendance register for employees were maintained and verified.
- A Log book was maintained of daily customers with daily collection which helped us in assessing the income of Mrs Jyoti.
- Her husband, Mr. Dwarikaprasad Nai, a cash salaried employee working with a garment shop in Borivali.

Making A Difference: Fuelling Dreams of Life





Raghvendra Joshi: Loan sanctioned Rs.14.36 Lacs

- An Auto rickshaw driver
- The Credit Manager met at his rented residence to judge his standard of living
- Mr Joshi also used to work as a driver for travel company. He was working there on Sundays and holidays.
- Verified with the agency owner on the average monthly payment to the borrower
- Reference checks were done with fellow drivers in the agency
- Credit Manager also met his wife who works with a Proprietary concern with a cash salary of Rs 10 k.
 Her employment and salary was personally verified with the employer

CAPRI GLOBAL CAPITAL LIMITED

Unlocking potentials, Empowering people

THANK YOU

Q&A



Appendix

Appendix

Wide Branch Network



Karnataka

Bengaluru

Total Branches - 1

Gujarat	Madhya Pradesh	Rest of Maharashtra	Rajasthan	Delhi NCR	Mumbai	Punjab & Haryana
AHMEDABAD	RAIPUR	AHMEDNAGAR	AJMER	NSP	ANDHERI	LUDHIANA
ANAND	AGAR MALWA	AKOLA	ALWAR	OKHLA	Asangaon / Shahpur	AMBALA
BHARUCH	BHOPAL	AMRAVATI	BHILWARA	PUSA ROAD	BADLAPUR	PANIPAT
BHAVNAGAR	DHAR	AURANGABAD	BIKANER	GURGAON	BOISAR	Total Branches - 3
BHUJ	HOSHANGABAD	CHINCHWAD	CHITTORGARH	NOIDA	KALYAN	
GANDHIDHAM	INDORE	JALGAON	DUNGARPUR	BHIWADI	MIRA ROAD	
HIMMATNAGAR	INDORE 2	KHARADI	JAIPUR	AGRA	PANVEL	
JAMNAGAR	JABALPUR	KOLHAPUR	JAITARAN	GHAZIABAD	THANE	
JUNAGARH	KHANDWA	NAGPUR	JODHPUR	MATHURA	VIRAR	
KALOL	KHARGONE	NASHIK	КОТА	MEERUT	Total Branches - 9	
MEHSANA	MANDSAUR	PUNE FC ROAD	SUJANGARH	Total Branches - 10		
MORBI	NEEMUCH	PUNE II	SUMERPUR		_	
NARODA	RATLAM	Sangli	UDAIPUR			
PALANPUR	SATNA	SATARA	Total Branches - 13			
RAJKOT	UJJAIN	SHRIRAMPUR		_		
SURAT	VIDISHA	Total Branches - 15				
SURENDRANAGAR	Total Branches - 16		-			
VADODARA		_				
Total Branches - 18						

Branches as on 31 March 2019