



**CAPRI GLOBAL
CAPITAL LIMITED**



Simpler, Better, Faster

Fulfilling Dreams, Uplifting Lives

Investor Presentation

December 2018

Disclaimer

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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 8,000 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 5,000 families** to realise the dream of owning their own home
- Committed workforce of over 1800+ employees with a branch presence at **76 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

H1FY19 At A Glance

Total AUM*

INR 34.9 billion

MSME AUM

INR 17.6 billion

CF + IRL AUM

INR 12.2 billion

HL AUM

INR 5.1 billion

Total Disbursements

INR 11.9 billion

PAT

INR 0.5 billion

Net Worth

INR 13.0 billion

14,000+

Live Accounts

1800+

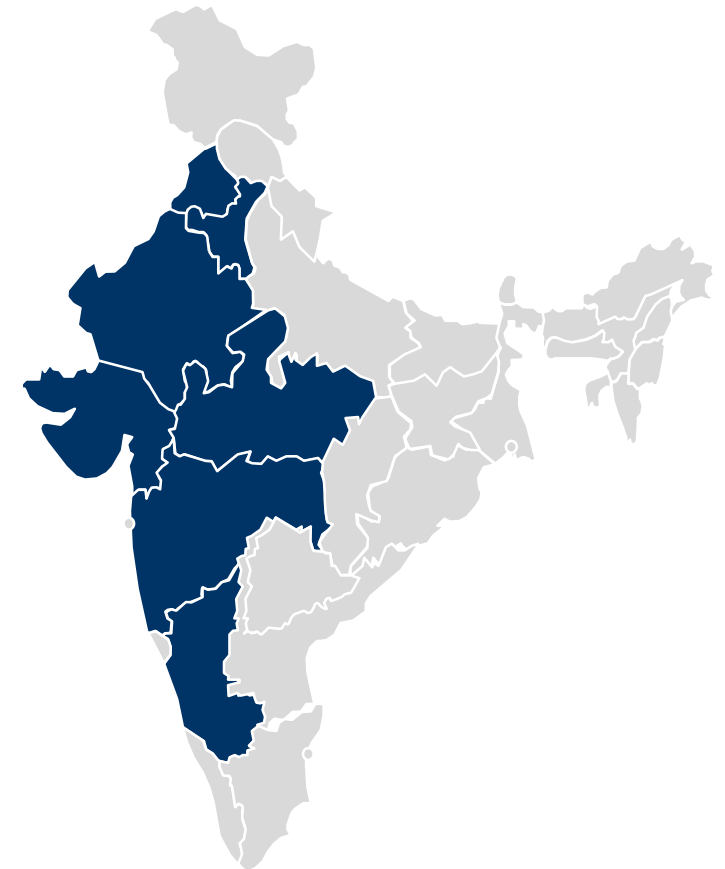
Employees

8

States

76

Branches



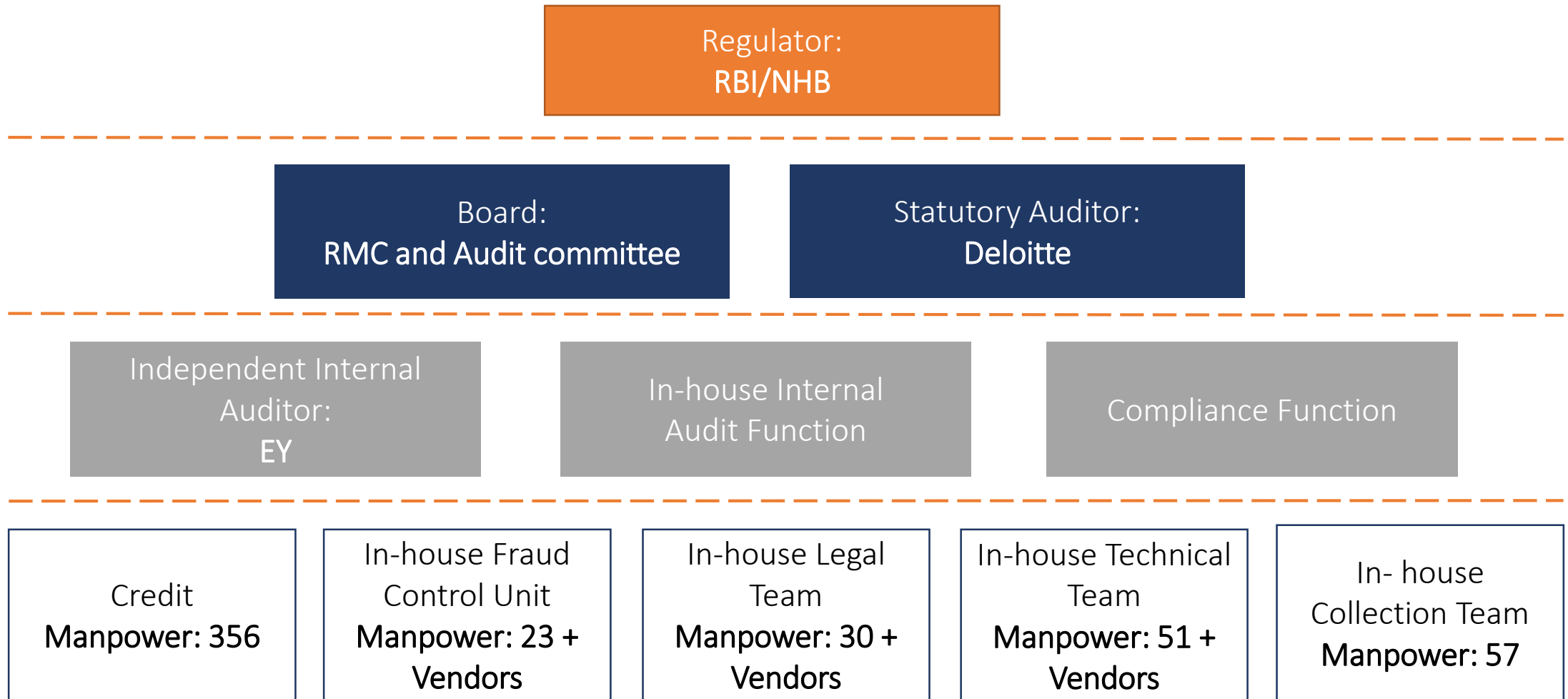
As on H1FY19

*Total AUM includes Housing Finance AUM; Employees & Branches as on date

Small Loans: Niche Capabilities

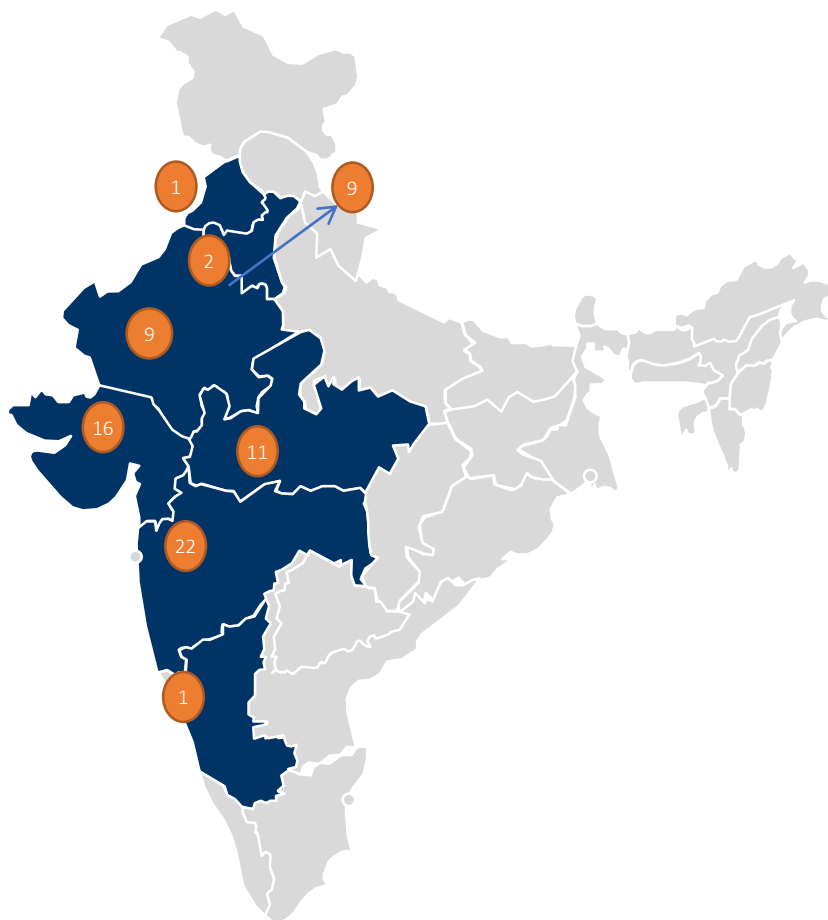
MSME	Construction Finance	Housing Finance	Indirect Lending
50.5 % of AUM	30.0 % of AUM	14.6 % of AUM	4.7 % of AUM
<ul style="list-style-type: none">• Focus on Tier II & III cities; Customer outreach: 8,000+• Loan-to-Value: 48%• Ticket size: INR 2.3 Mn with avg loan tenure of 4-5 years• Key markets: NCR, Gujarat & Maharashtra• Portfolio Yield:14.6%• GNPA: 2.93%	<ul style="list-style-type: none">• Project outreach: 136• Key markets: Mumbai, Pune, Ahmedabad, Surat, Bangalore, and Hyderabad• Ticket size: INR 80 Mn with avg tenure of 8 years• Portfolio Yield:15.6%• GNPA: 0.16%	<ul style="list-style-type: none">• Affordable housing customers in Tier II & III cities• Customer outreach: 5,000+• Key markets: Maharashtra, Gujarat & NCR• Ticket Size: 1.1 Mn• Portfolio Yield: 12.3%• GNPA: 0.41%	<ul style="list-style-type: none">• NBFC Outreach: 12• 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: 13.5%• GNPA: Nil
Launched 2012	Launched 2010	Launched 2016	Launched 2018

Robust Governance & Risk Control Mechanism



Multiple Checks and balances ensure stronger risk control

Growing Branch Network

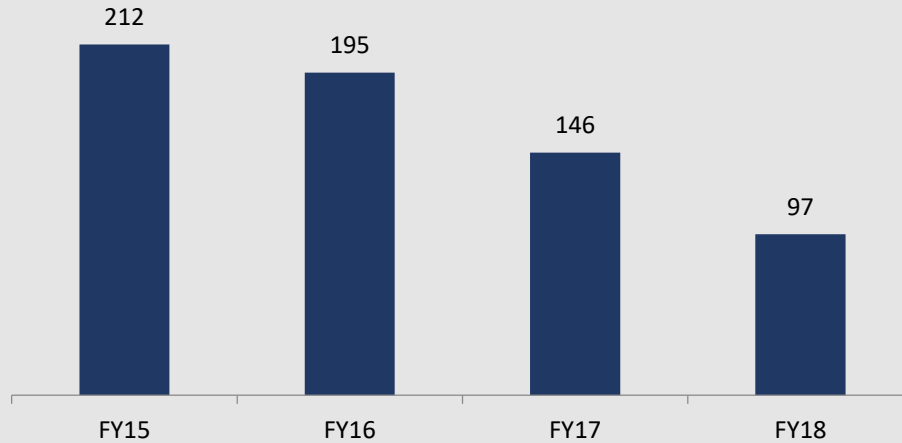


States	No. of branches
Maharashtra	21
Gujarat	20
Madhya Pradesh	13
Delhi NCR	10
Rajasthan	8
Haryana	2
Punjab	1
Karnataka	1
Total	76

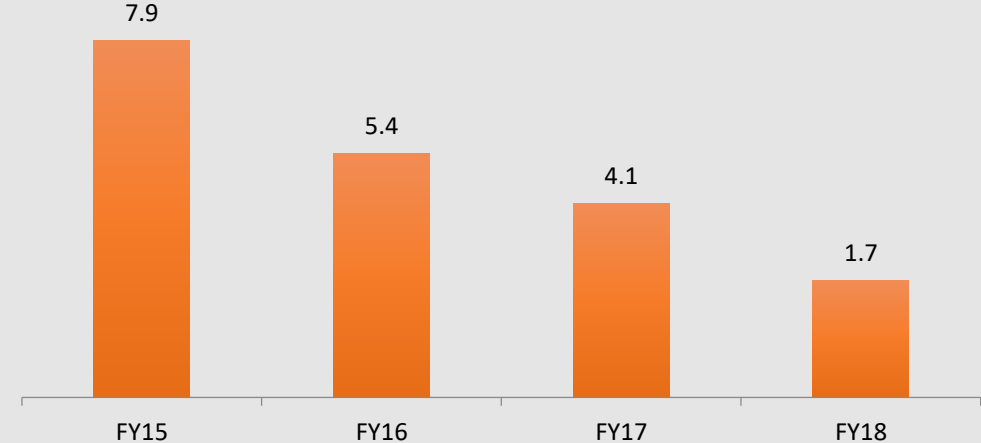
Doubled branch network in Gujarat and Maharashtra;
Expanded Branch network in Madhya Pradesh and Rajasthan

Shifting Towards Granular Loan Book

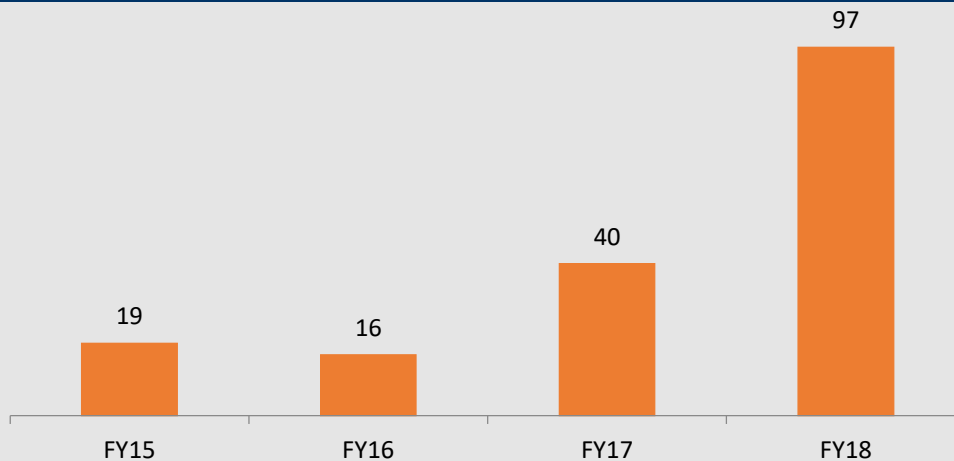
Incremental Ticket Size on Total Portfolio
Construction Finance (INR Mn)



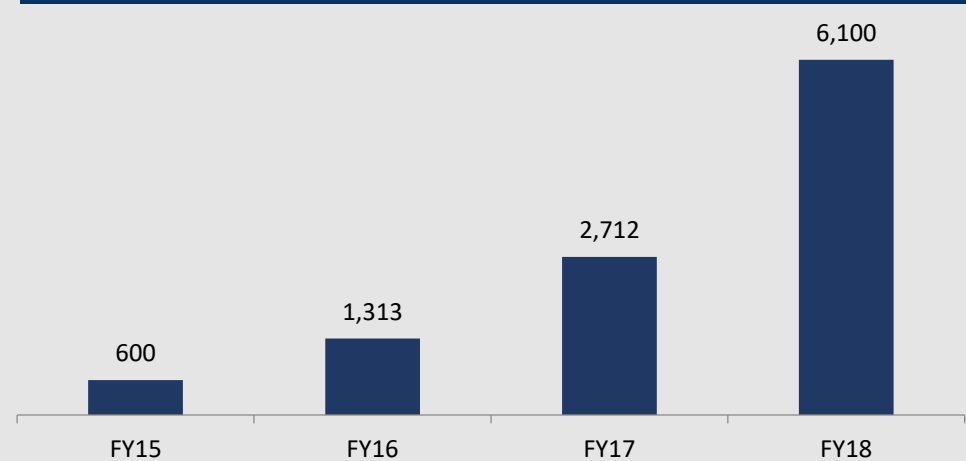
Incremental Ticket Size on Total Portfolio
MSME (INR Mn)



Client Base – Number of Live Accounts
Construction Finance

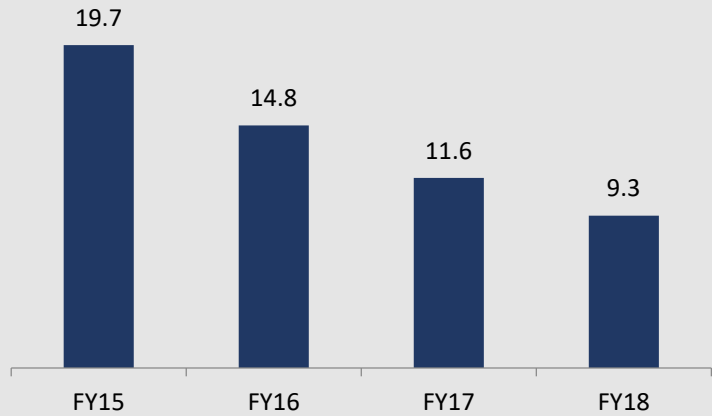


Client Base – Number of Live Accounts
MSME

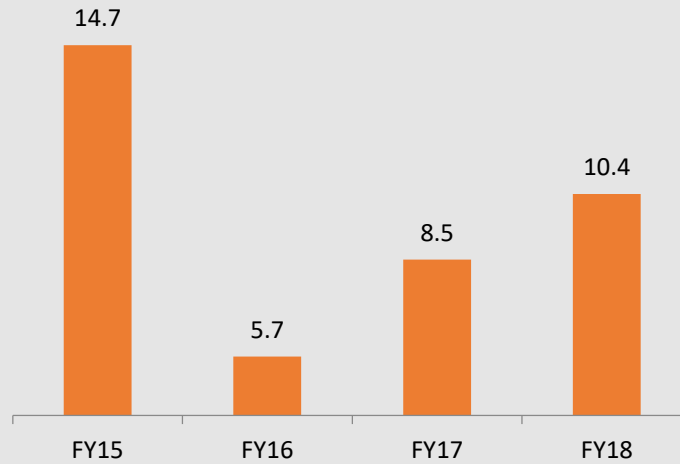


Moving Towards Higher Growth

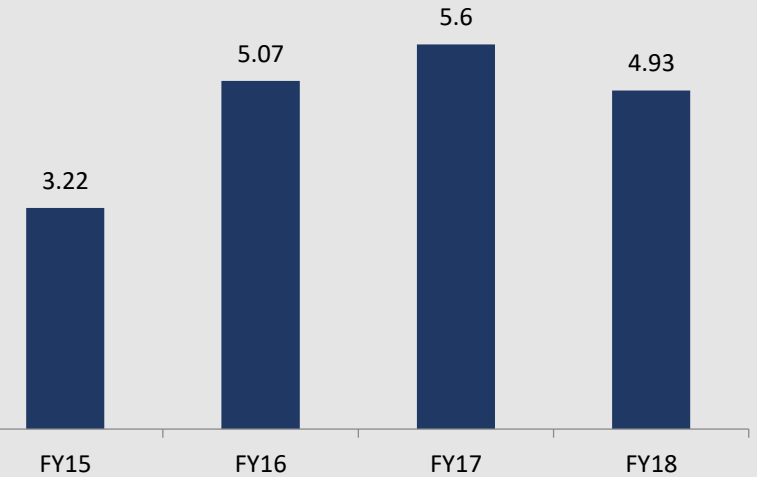
Net Interest Margin (%)



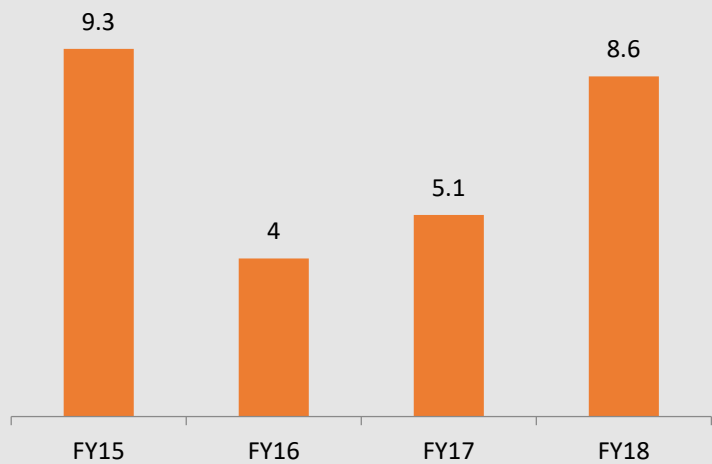
Pre-Tax RoCE (%)



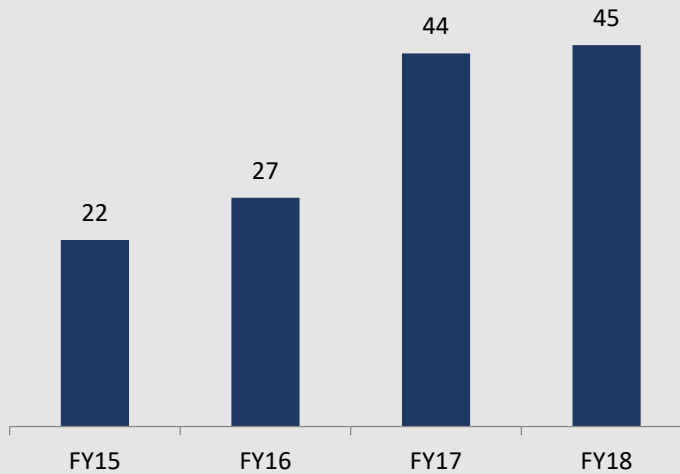
Spread (%)



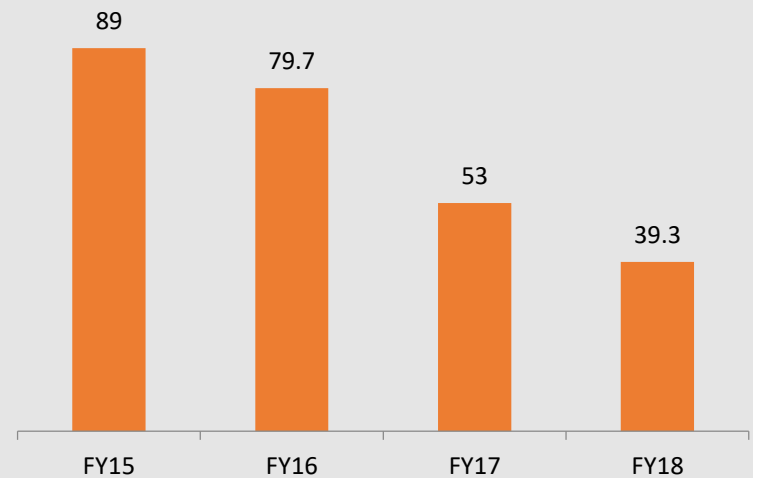
Return on Equity (%)



Cost to Income Ratio (%)

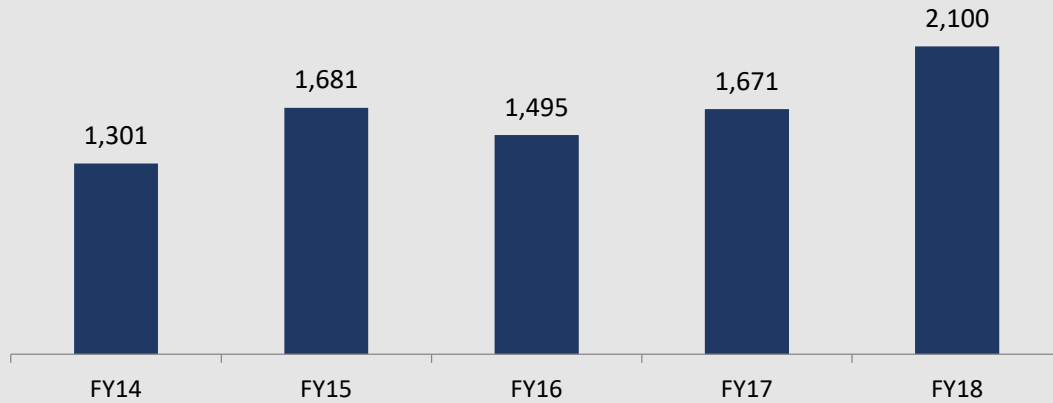


Capital Adequacy (%)

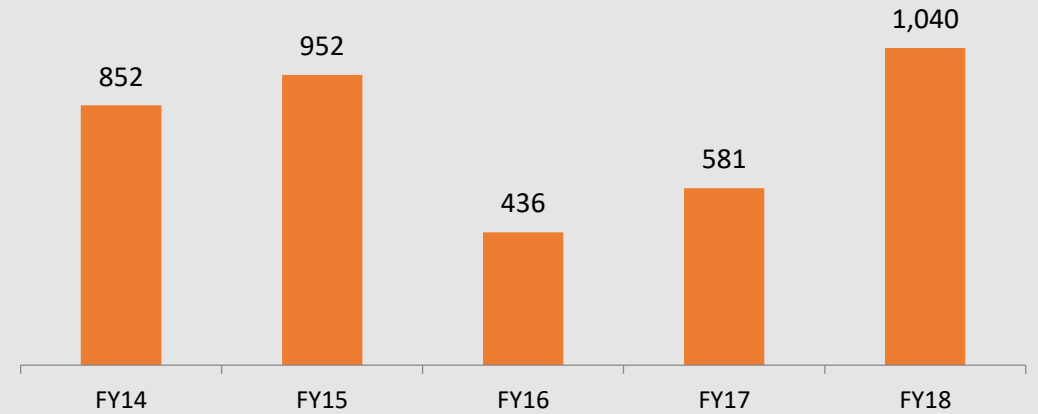


Strong Focus on MSME: 7x in 4 years

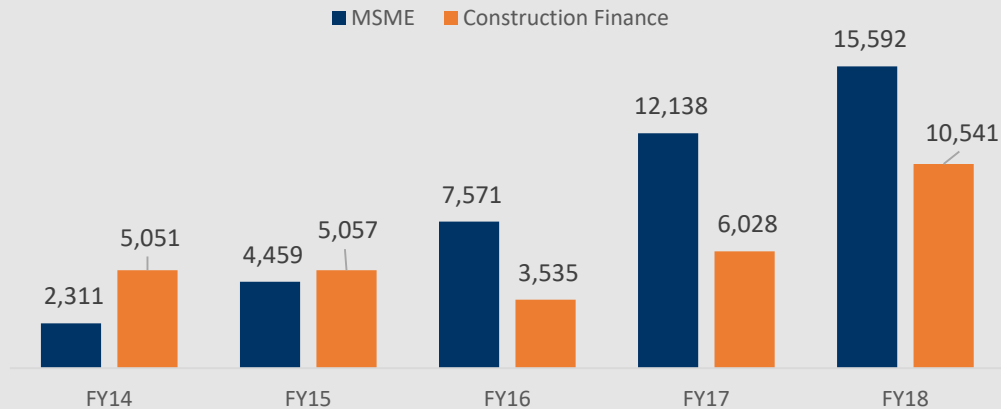
NII (INR Mn)



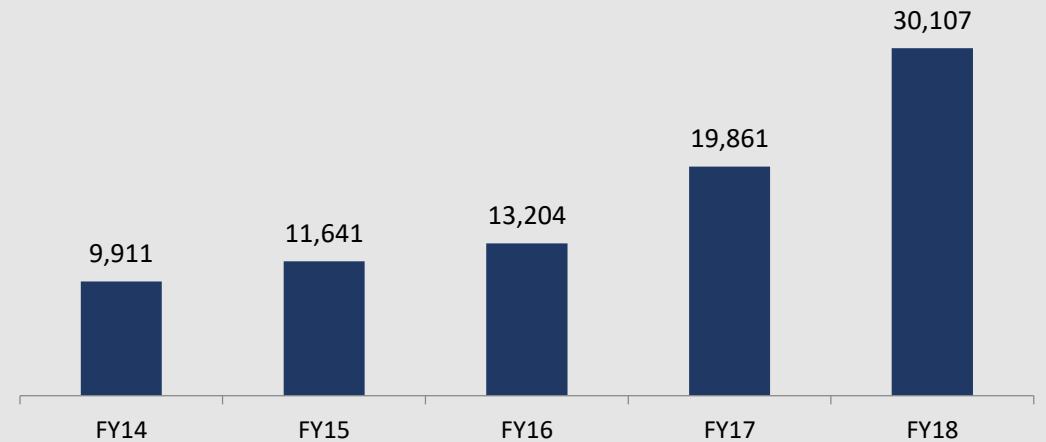
PAT (INR Mn)



Loans & Advances (INR Mn)

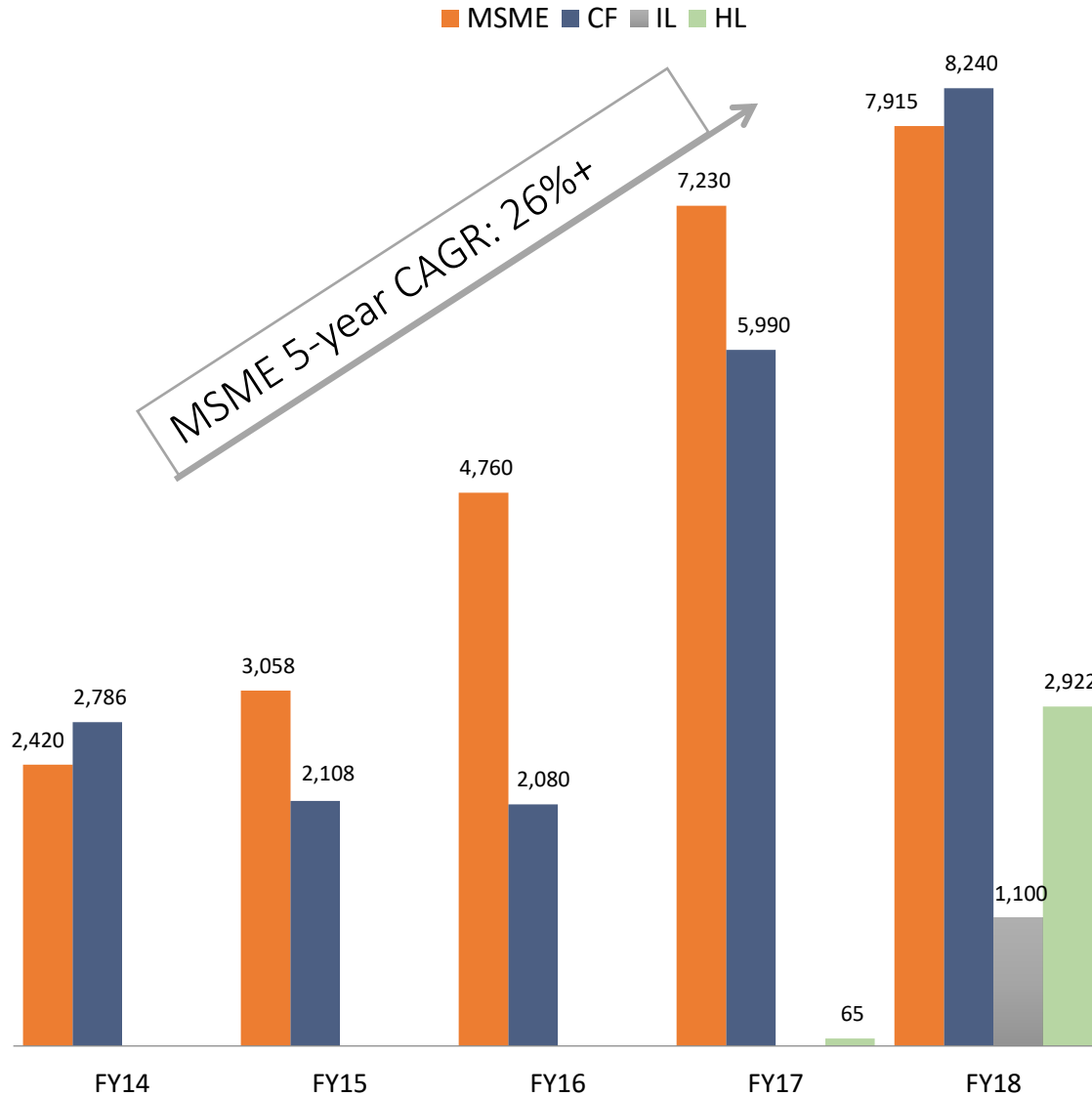


Total Assets (INR Mn)

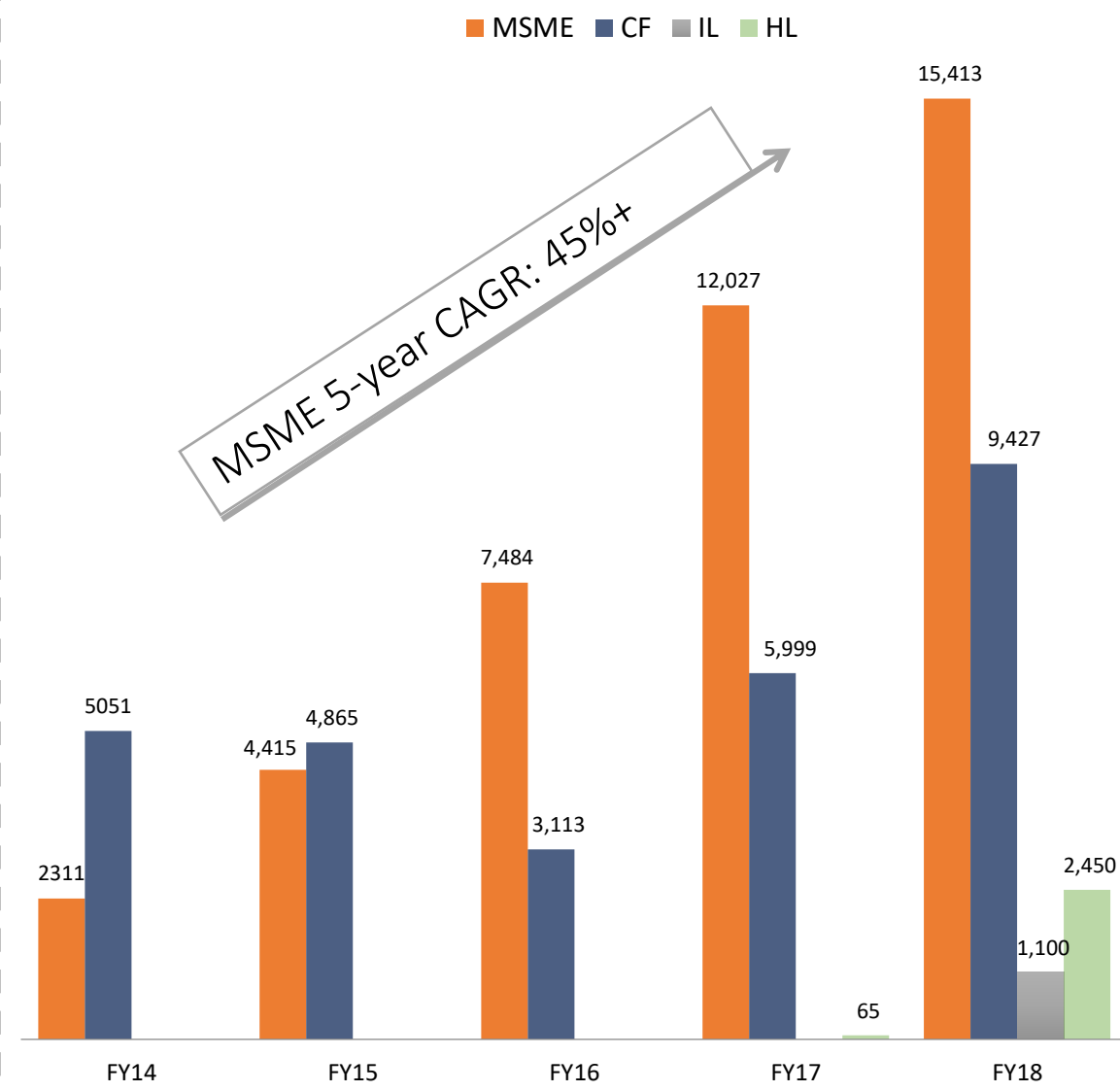


Prudent Asset Mix

Disbursement Mix (INR Mn)



AUM Mix (INR Mn)



All numbers on a consolidated basis

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

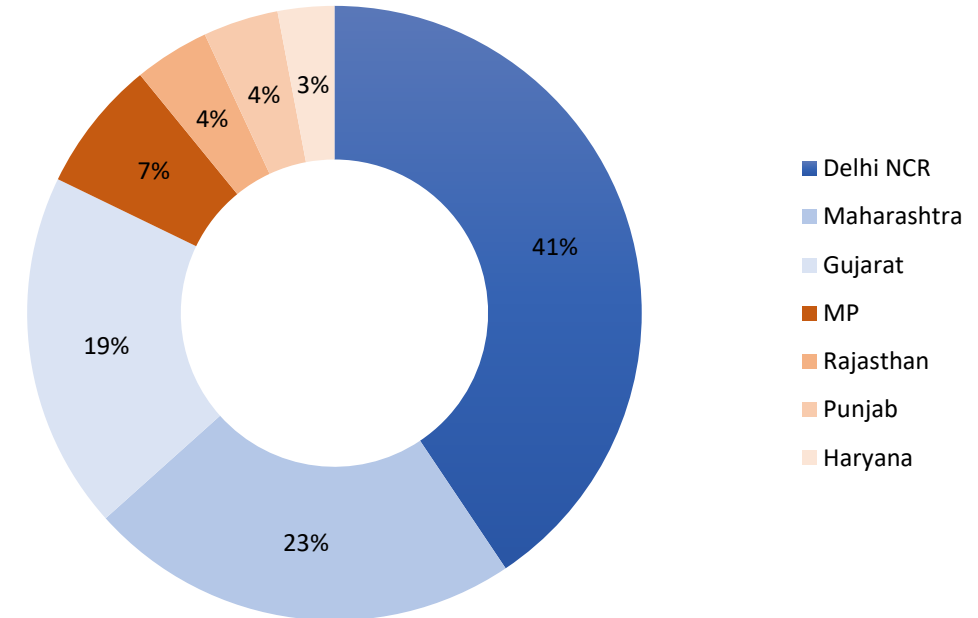
- Self Employed Individuals – Provision stores, retail outlets, handicrafts etc
- Ticket Size: INR 5L–50 L
- In-house sourcing team – 74 Branches/loan centres



Small Enterprise

- Small enterprises with formal income documentation; Sourced directly
- Ticket Size: INR 50L – 2 crore

MSME Assets by Geography

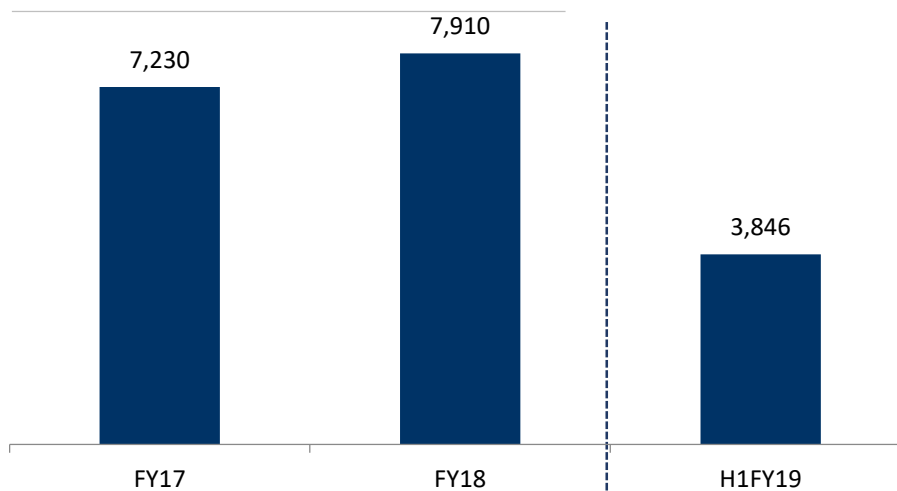


AUM	Disbursements	Avg. Ticket Size	Client Base
INR 17,630 Mn	INR 3,846 Mn	INR 2.3 Mn	8,630

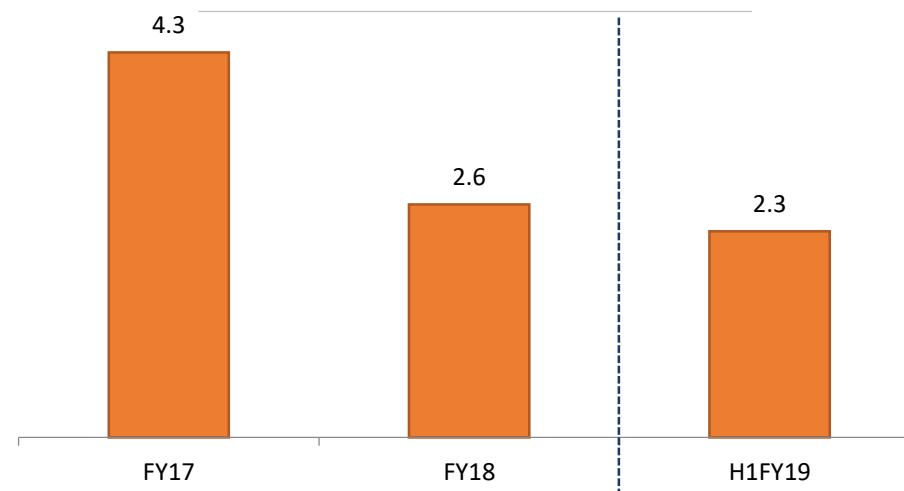
Data as on 30th September, 2018

MSME: Enabling Superior Growth

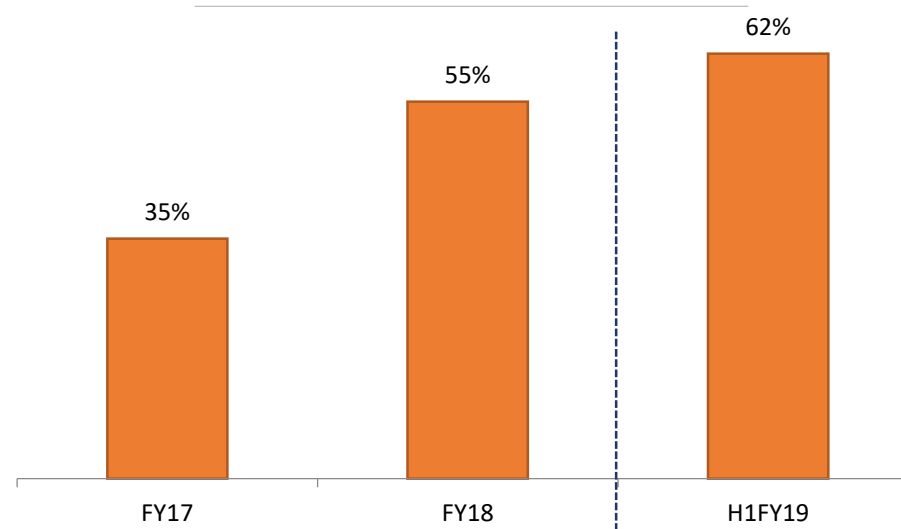
Disbursals (INR Mn)



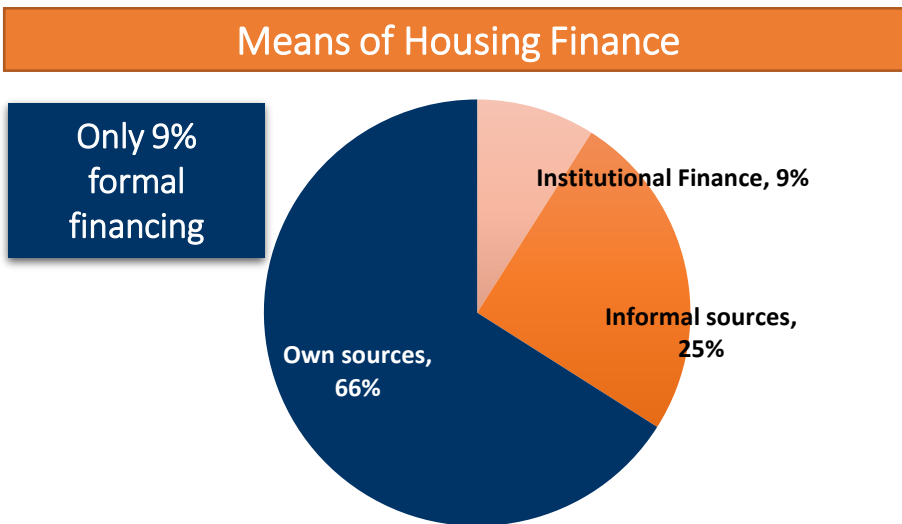
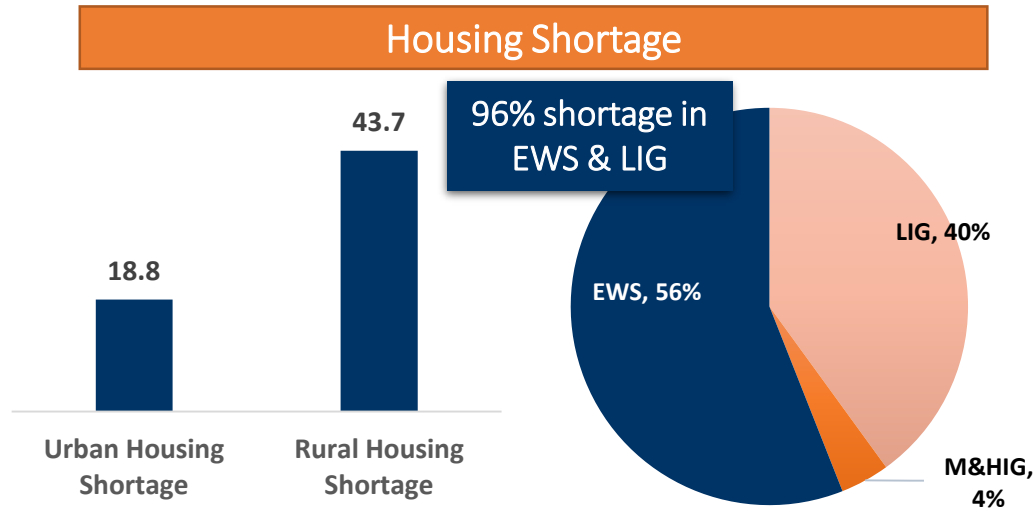
Average Ticket Size (INR Mn)



Direct Sourcing(AUM)



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)

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 FY18-24

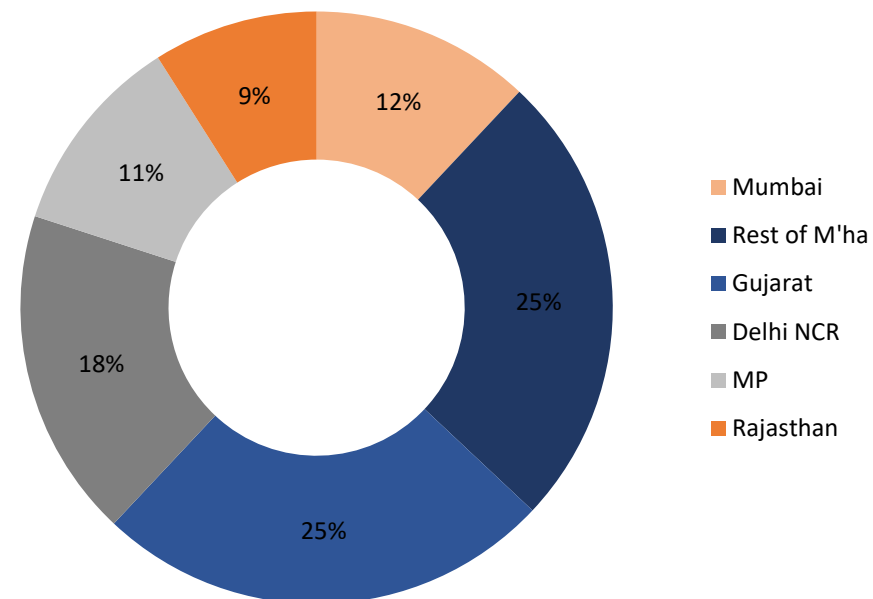
Capri Global Housing Finance entered into an MOU with the NHB as a Primary Lending Institution (PLI) to facilitate subsidy to its qualifying borrowers under the CLSS

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

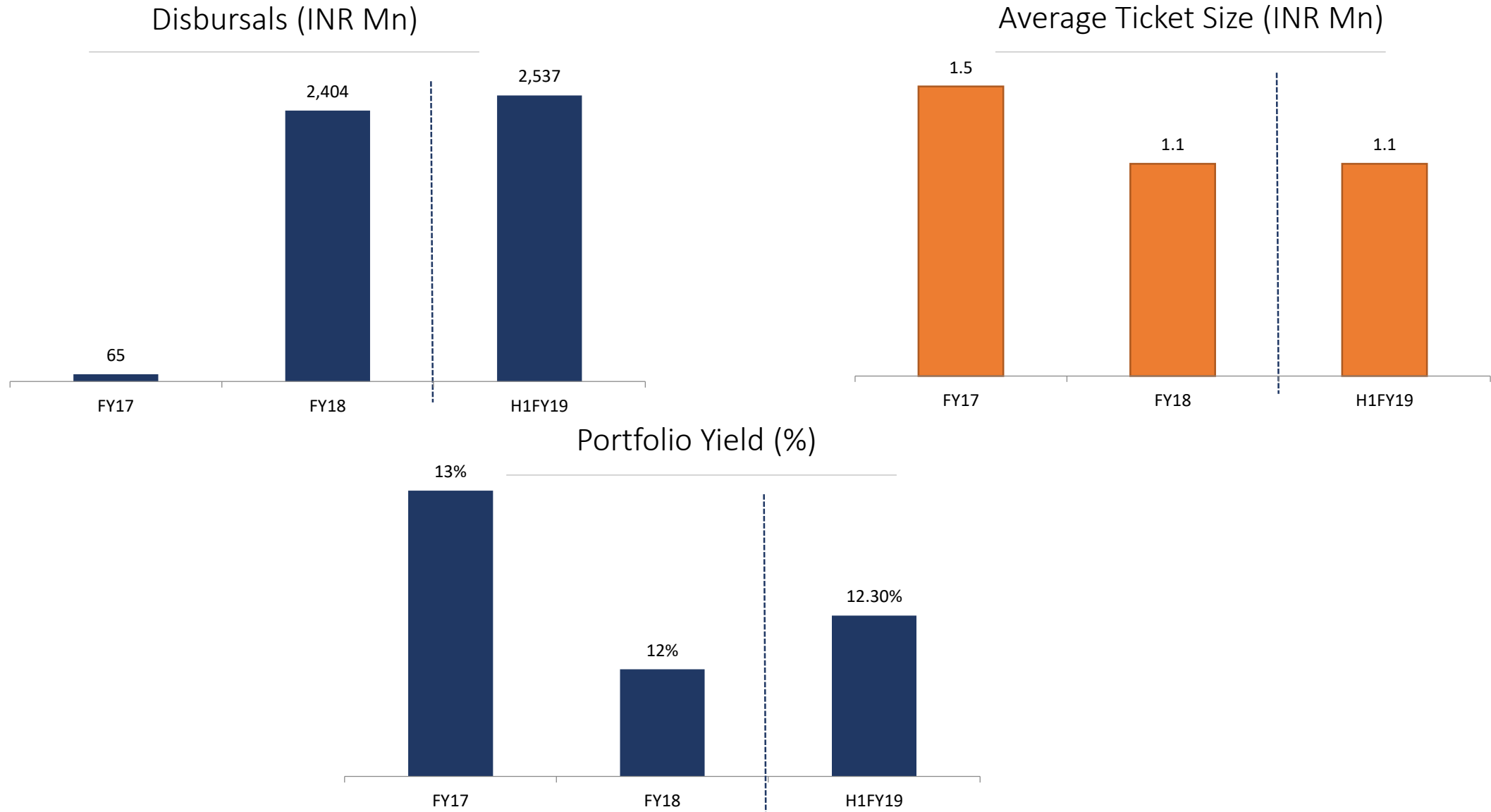
HF Lending Portfolio by Geography



AUM	Disbursements	Avg. Ticket Size	Customers
INR 5,106 Mn	INR 2,537 Mn	INR 1.1 Mn	5,550

Data as on 30th September, 2018

Housing Finance: Exponential Growth Potential



Note: FY18 was the 1st full year of operations

Urban Construction Finance: Significant Scope of Growth

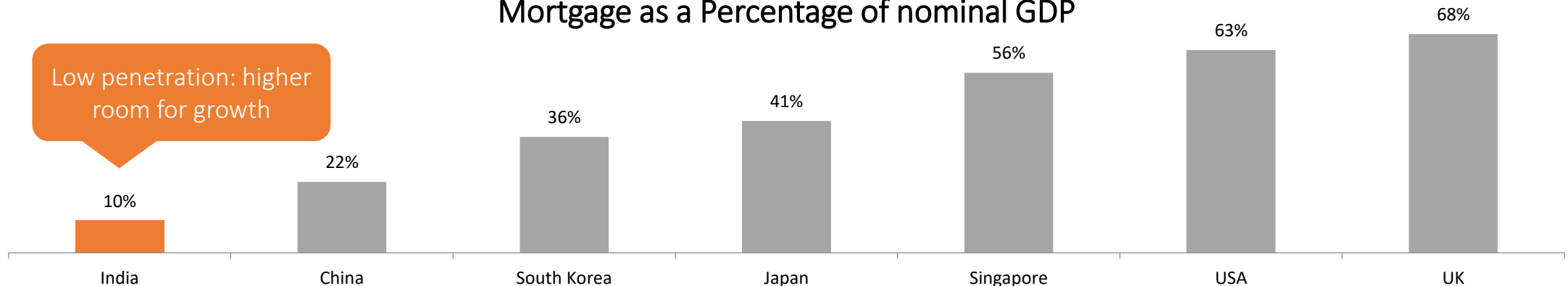
Recent Government Initiatives to promote affordable housing construction

- 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

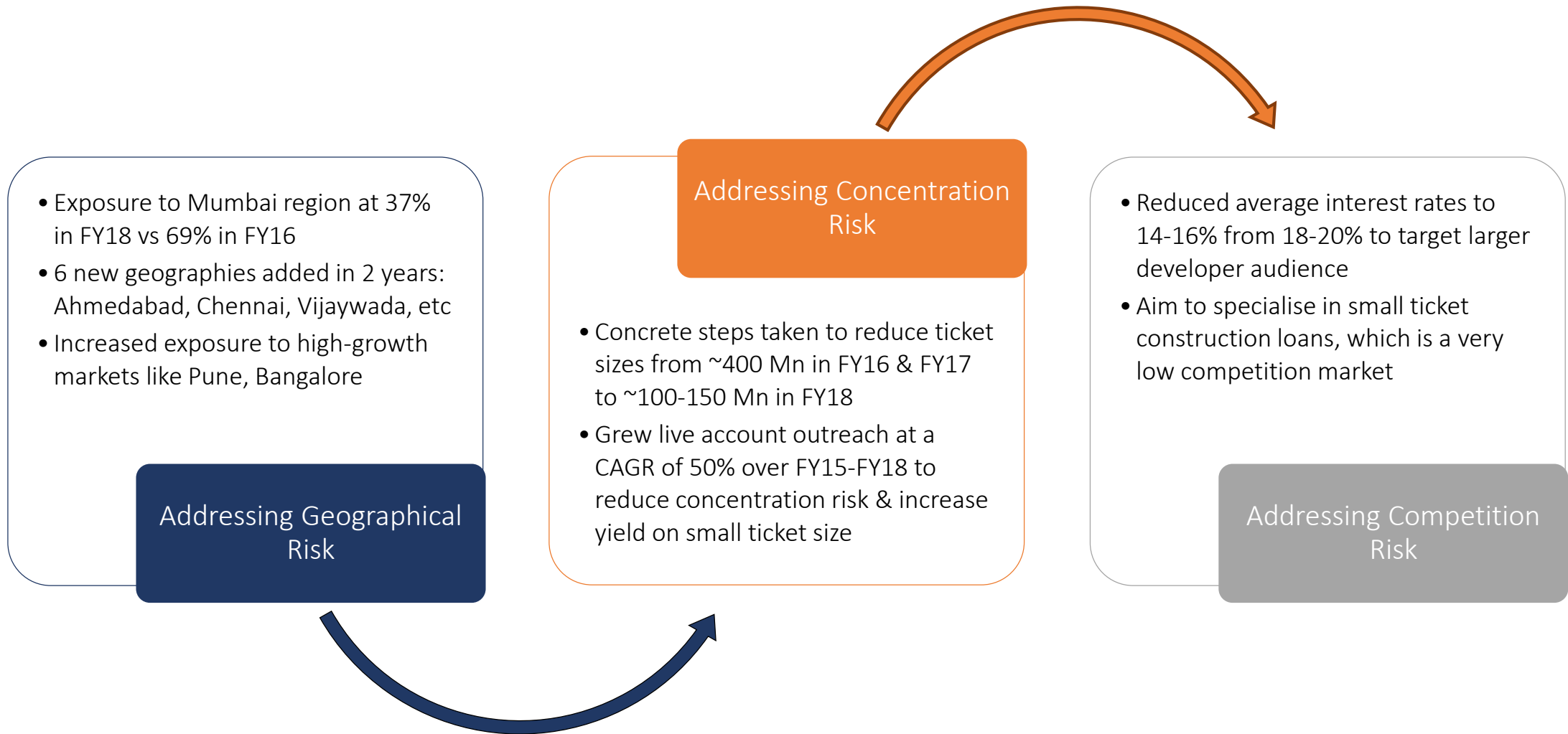
- 66% of India's population is aged below 35 years, increasing demand for newer homes
- Urban housing demand expected to see exponential growth: Currently 32% of India's population reside in cities; expected to increase to 50%+ by 2030
- CLSS Scheme for new home owners reduces effective interest rates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

Mortgage as a Percentage of nominal GDP



Source: European Mortgage Federation

Construction Finance: The Retail Way

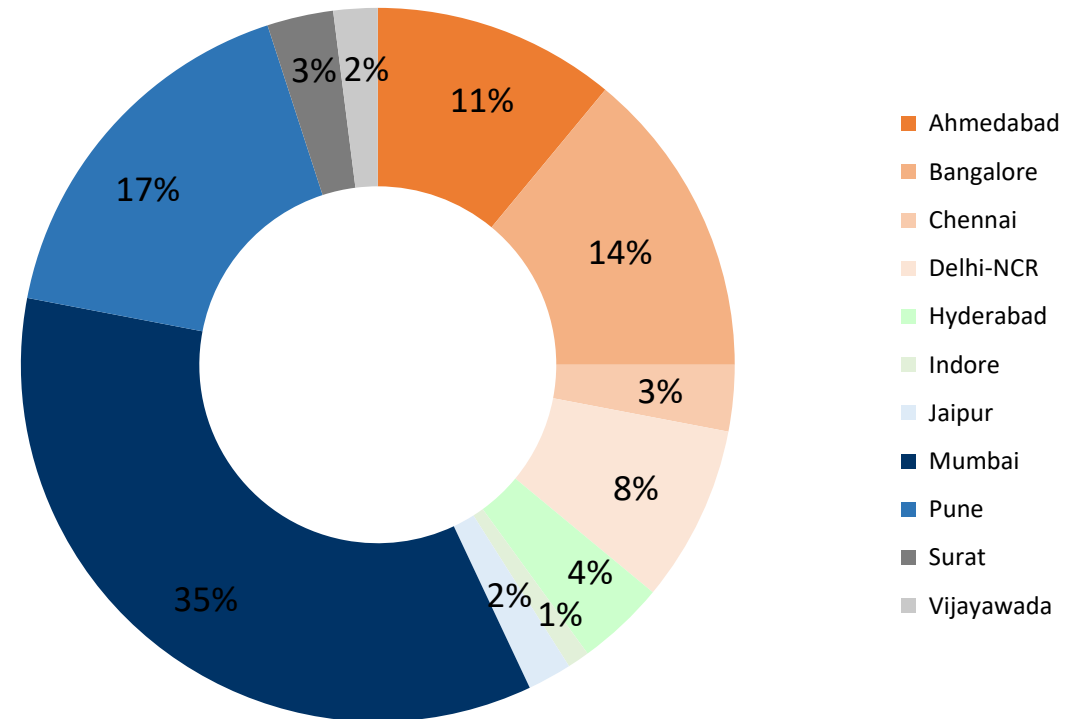


Construction Finance: Building a Sustainable Future

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

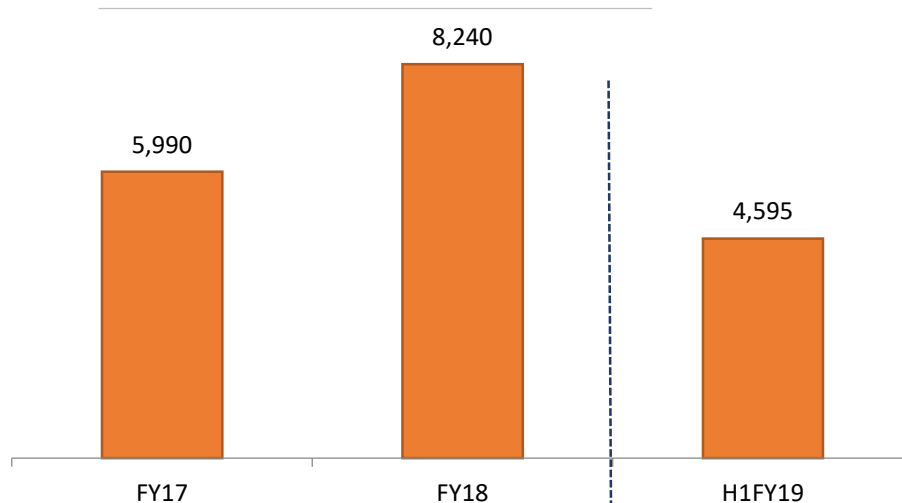


AUM	Disbursements	Avg. Ticket Size	No. of Projects
INR 10,495 Mn	INR 4,595 Mn	INR 80 Mn	136

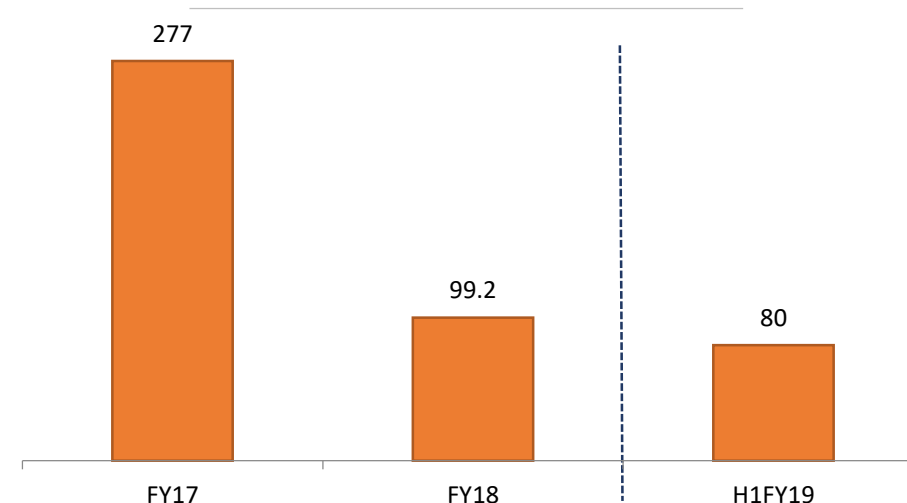
Data as on 30th September, 2018

Construction Finance: High Yield, Low Risk

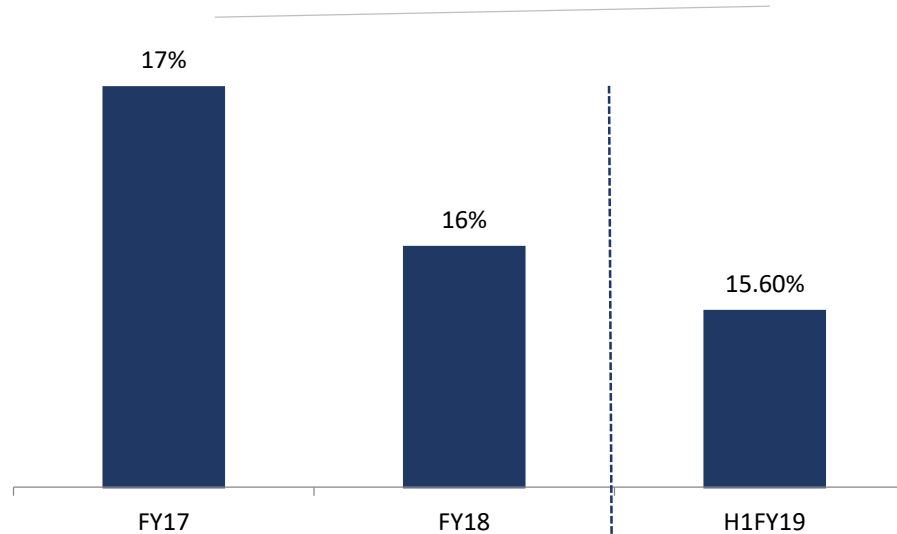
Disbursals (INR Mn)



Average Ticket Size (INR mn)



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 1,655 Mn	INR 965 Mn

Ticket Size Range	Customers
INR 50 – 250 Mn	12

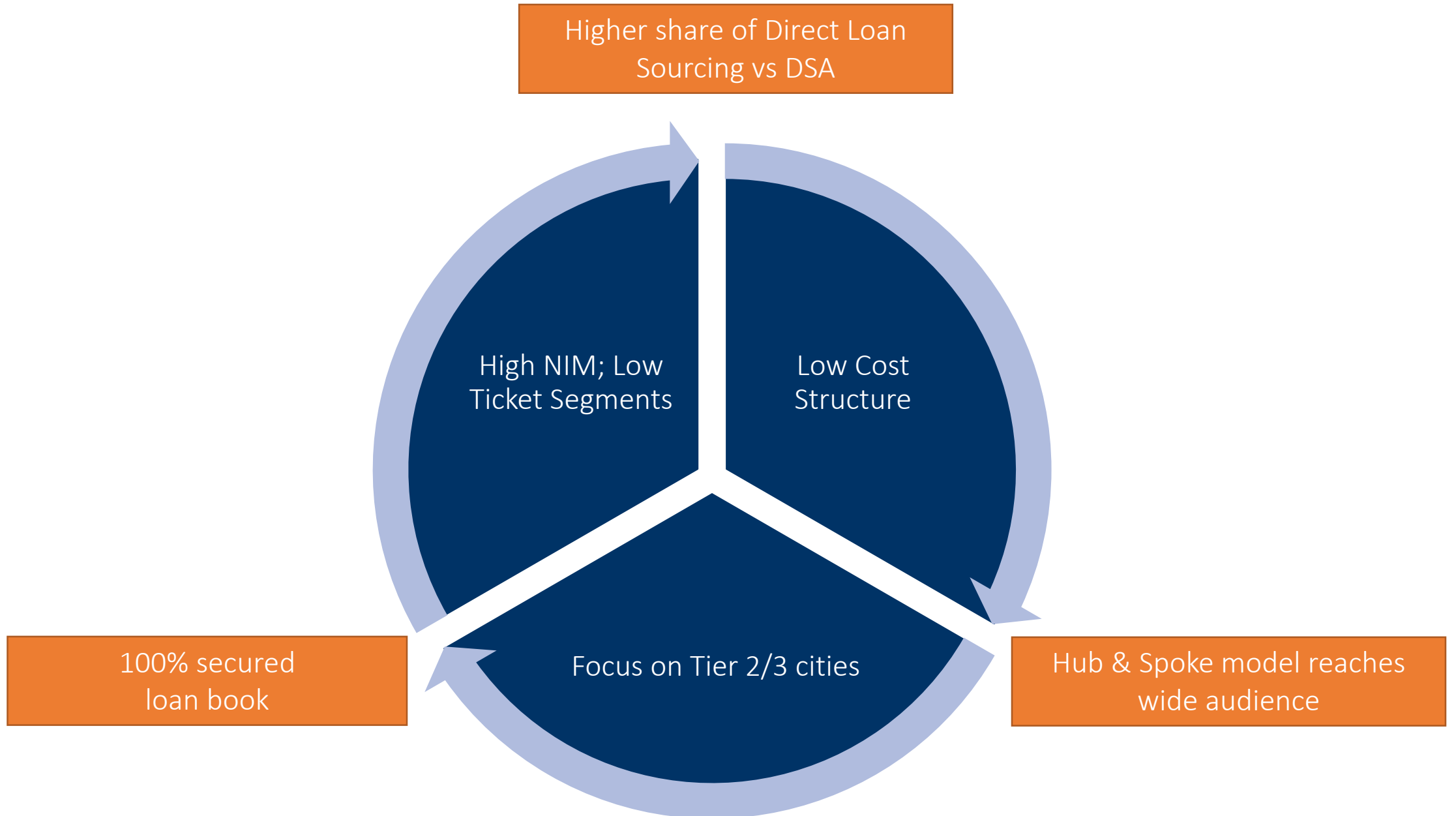
The 100% Secured Loans Benefit

Vertical	Average LTV (%)	Portfolio Yield
MSME	48%	14.60%
Housing Finance	47%	12.29%

Vertical	Security Cover (x)	Portfolio Yield
Construction Finance	2.54x	15.80%
Indirect Retail Lending	1.20x	13.00%

High security cover provides comfort against probable defaults; Average portfolio yields at ~13% augurs well for improved profitability

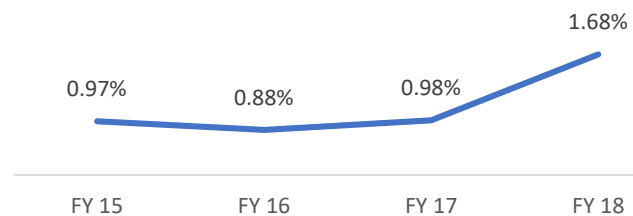
Business Model



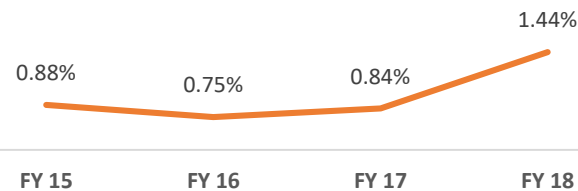
Strong Asset Quality

As per IGAAP

GNPA%

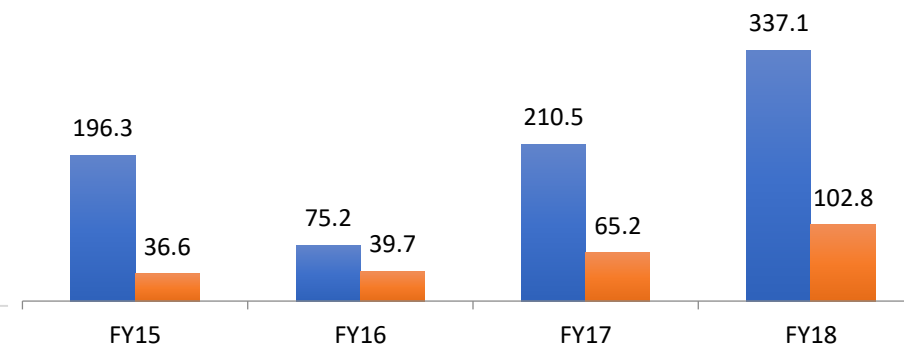


NNPA%



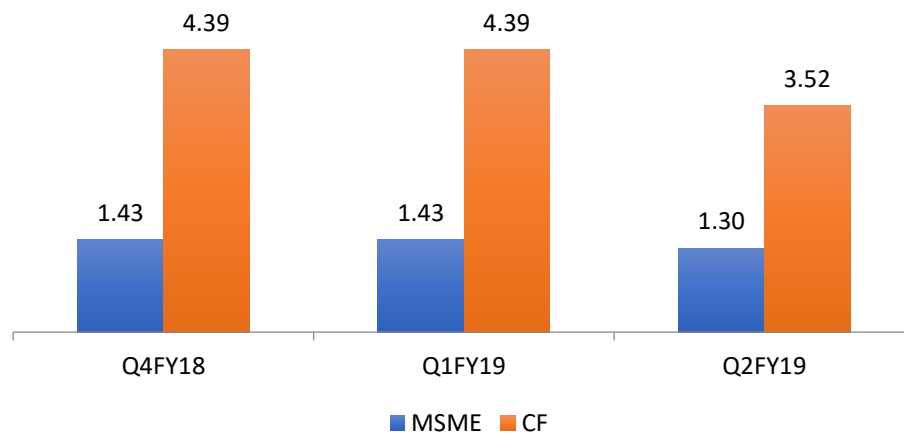
Provisions (INR Mn)

■ Provisions Held ■ Provisions Required

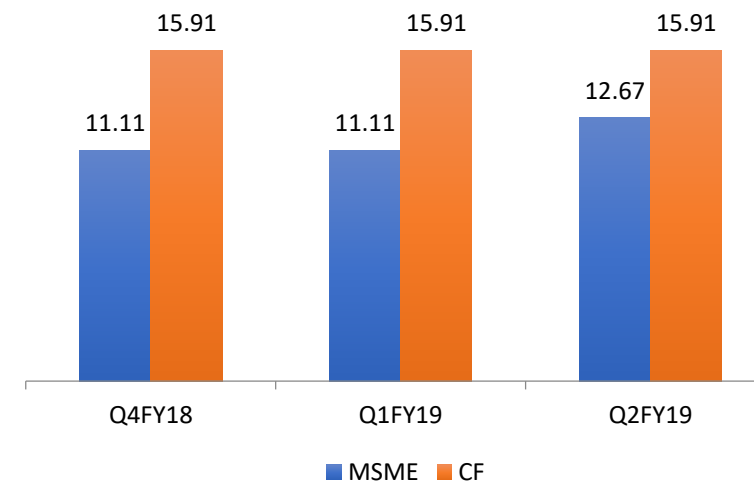


As per IND-AS

Probability of default (%)

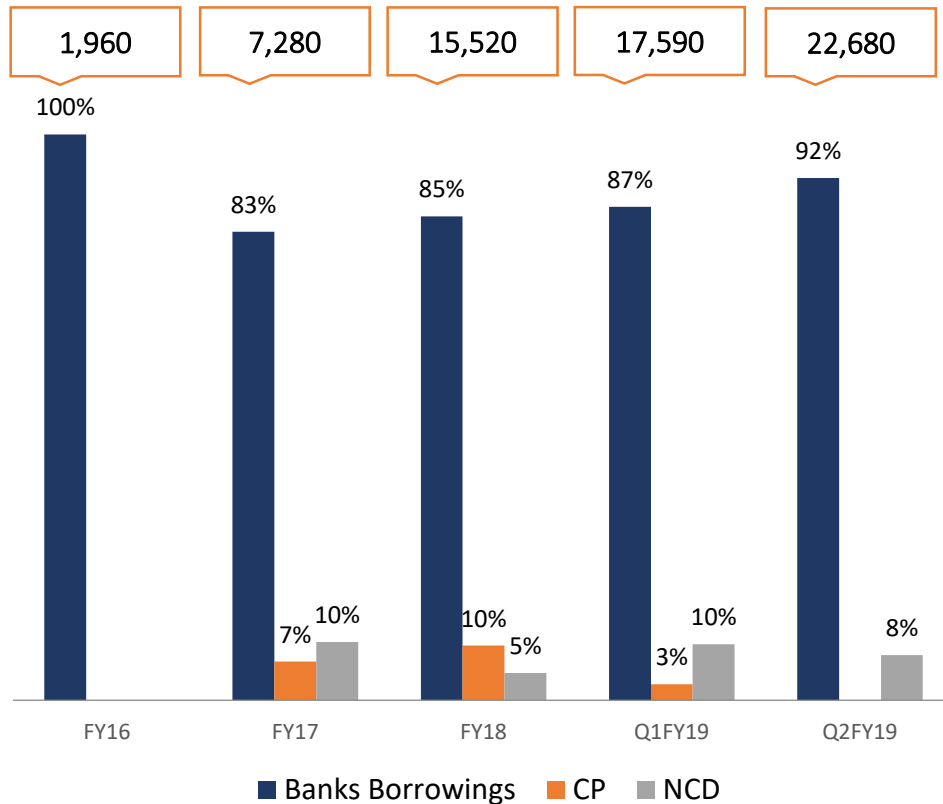


Loss given Default (%)



Liability Mix: The Low Cost Benefit

Total Borrowings (INR Mn) & Borrowing Mix

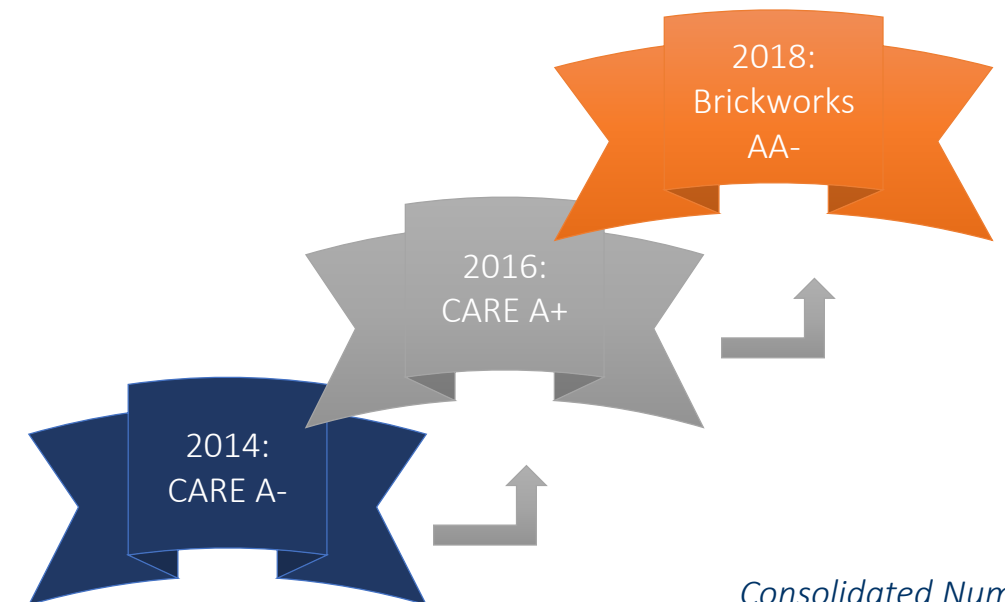


Market borrowings like CPs & NCDs contribute to <10% of CGCL's total borrowing mix, and hence, risk of bond defaults/liquidity crunch are negligible

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%

Credit ratings



Judicious Approach to Lending >> Mindful & Stable Growth Guidance

- Turned cautious on low yielding Indirect Lending Segment & large-ticket Construction Finance

- Focus on direct sourcing & cross-selling in MSME as well as housing finance segments

Under-achieved
construction finance
disbursal target by ~10%

~31% of total loan book

Indirect Retail Lending
disbursements lower by
~25% vs target

~3% of total loan book

Exceeded monthly
disbursement targets in
MSME segment by ~10%

~51% of total loan book

Surpassed monthly
**affordable housing
finance** disbursal budget
by ~12%

~15% of total loan book

Disbursements in 65%+ of total loan book on track >>
CGCL's target of 40-50% annual AUM growth, maintained

FY19 GUIDANCE

Total AUM target at INR 42.0 Bn (as against INR 28.4 Bn in March 2018)

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

Segment	Projected Yield
MSME	15.5%
Construction Finance	16.0%
Indirect Retail Lending	14.0%
Housing Finance	13.0%

Board of Directors



Quintin E. Primo III
Non-Executive Chairman
Co-founder & CEO of Capri
Investment Group, Chicago
Over 3 decades of experience
MBA & BS (Finance)



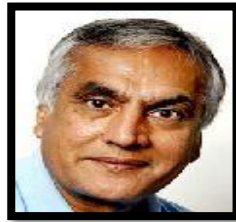
Rajesh Sharma
Managing Director
Founder & promoter
Over 23 years of experience
Chartered Accountant



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.)



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



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

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



Vijay Gattani
Senior Vice President - Credit

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



Hemant Dave
Head of Operations

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



Kumanan Rajagopal
Head – Business Development

Ex-ICICI Bank, Amex
20+ years of experience
MBA



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



Bhavesh Prajapati
Head – Credit, Risk, Policy: HF

Ex-Aadhar Housing Finance, IDFC Ltd, DHFL
MBA

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 8,000 businesses across several states in India ranging from restaurants to small manufacturing units to traders to private schools
- Committed workforce of over 1,800+ employees with a branch presence at 76 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 7x 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 235 branches from the current 70+ 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 35%
- **Gross NPAs at only 1.68%**



Appendix

Credit Process

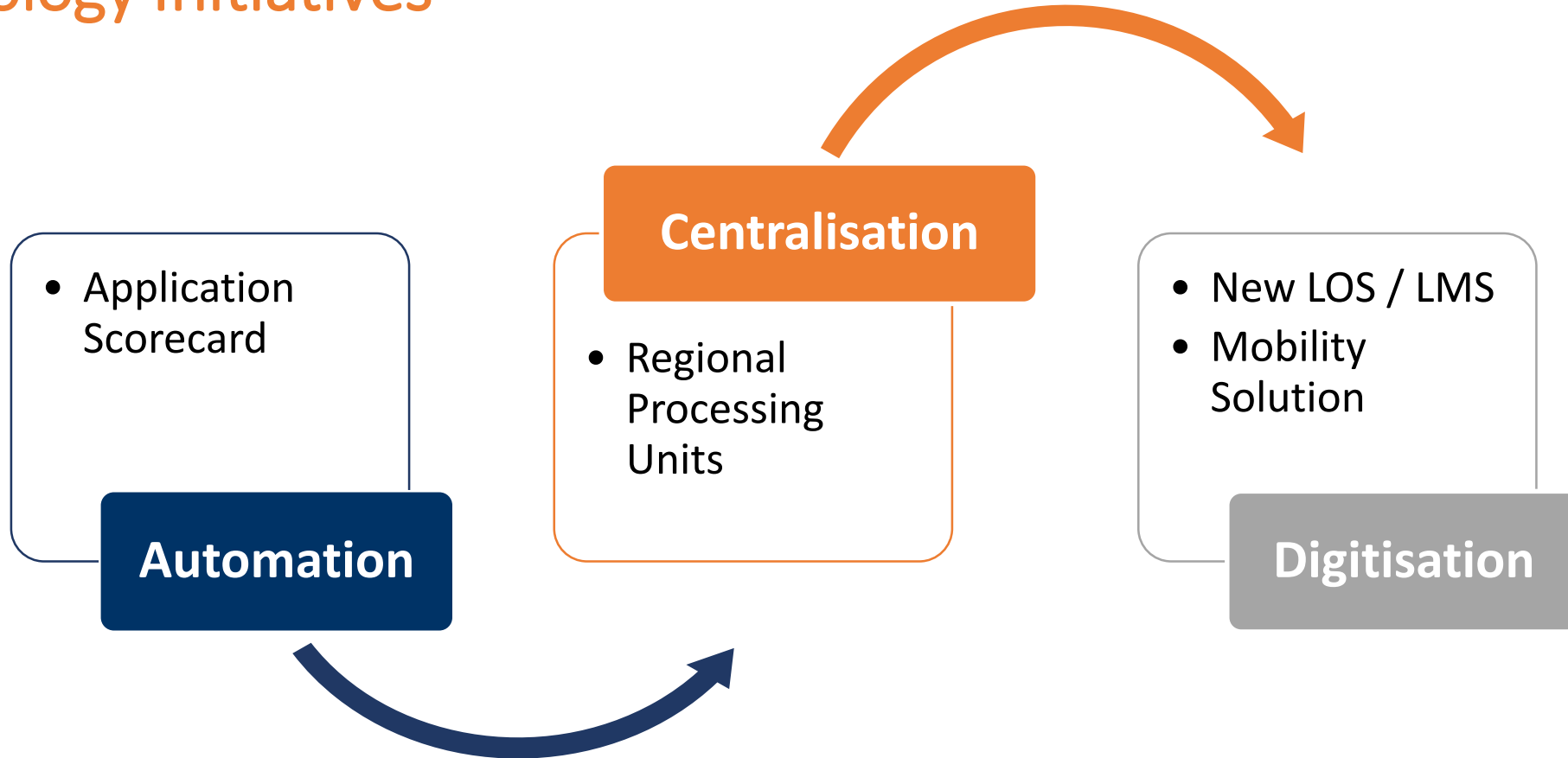
Business Origination	Credit Underwriting	Legal, technical and FCU	Operations	Customer Service	Collection
<ul style="list-style-type: none">• DST Salesforce• Doorstep Meeting with customers and Document Collection	<ul style="list-style-type: none">• Bureau check• Customized Underwriting basis understanding of cash inflow• Mandatory meeting with customer• Field Investigation (FI)	<ul style="list-style-type: none">• Fraud check of Documents/ Borrower profile• Hunter Database (Experian) Check• Title Search of Property• Property Paper verification• Property Valuation	<ul style="list-style-type: none">• Pre disbursal Checks• Centralized Disbursals (RTGS/NEFT)• Centralized banking / Management of repayments• File storage & digitization through vendors	<ul style="list-style-type: none">• Mandatory welcome call to new customers• Customer grievances Redressal• SMS / Telecall reminders for EMIs	<ul style="list-style-type: none">• Customer visits on Bounce cases• Rigorous follow-up 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

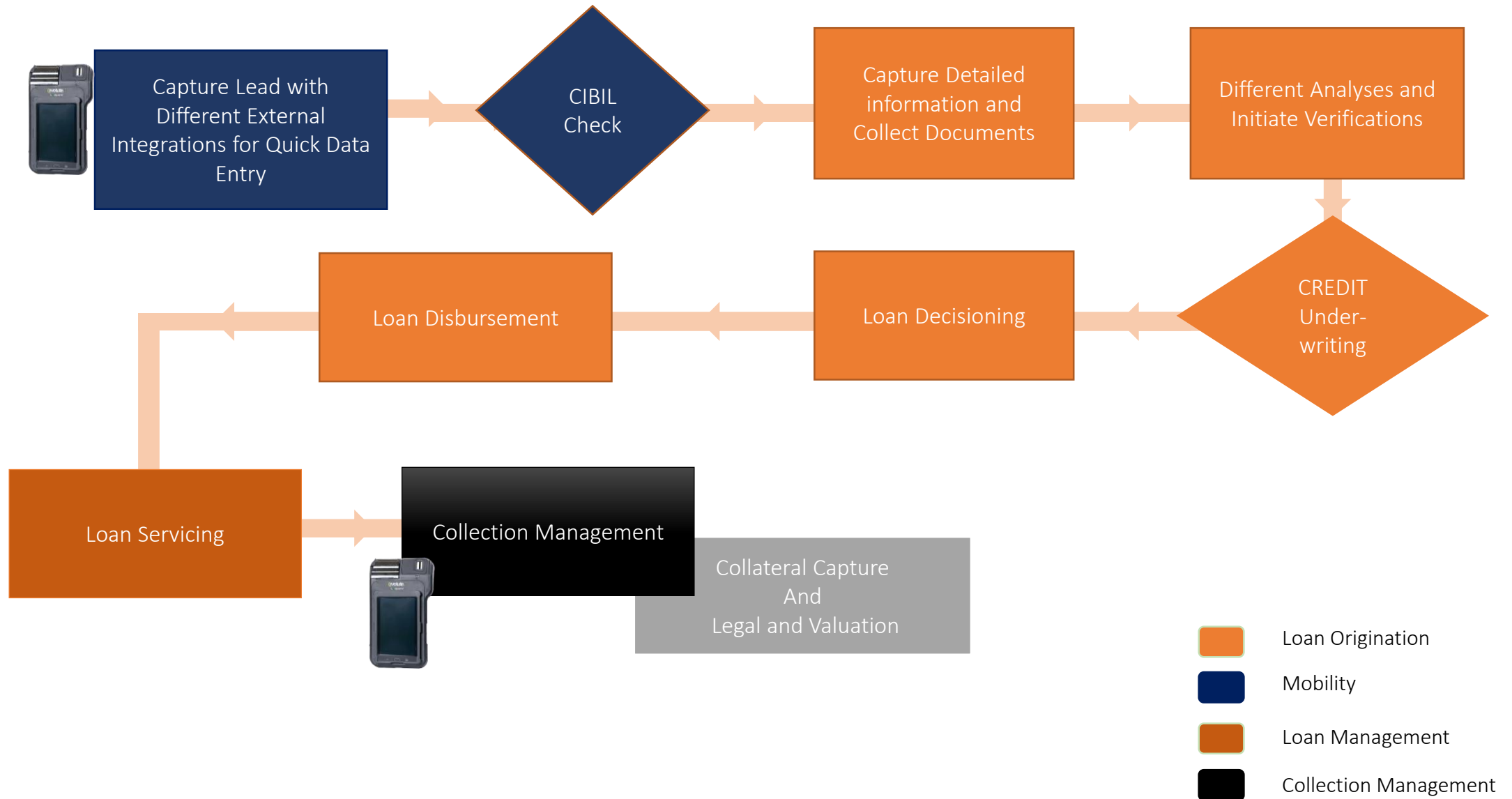
Technology Initiatives



A positive impact on productivity and cost control

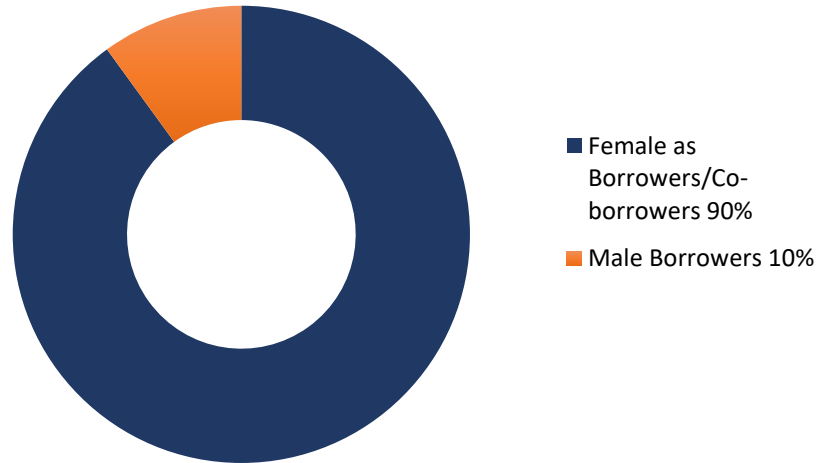
A new generation cloud based platform with rule engine and mobility modules being implemented

Loan origination and Management System workflow

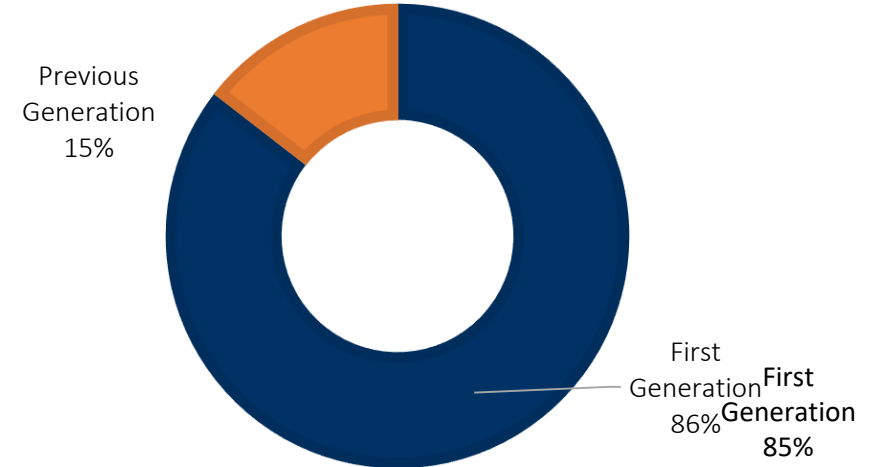


MSME: Social Impact Findings

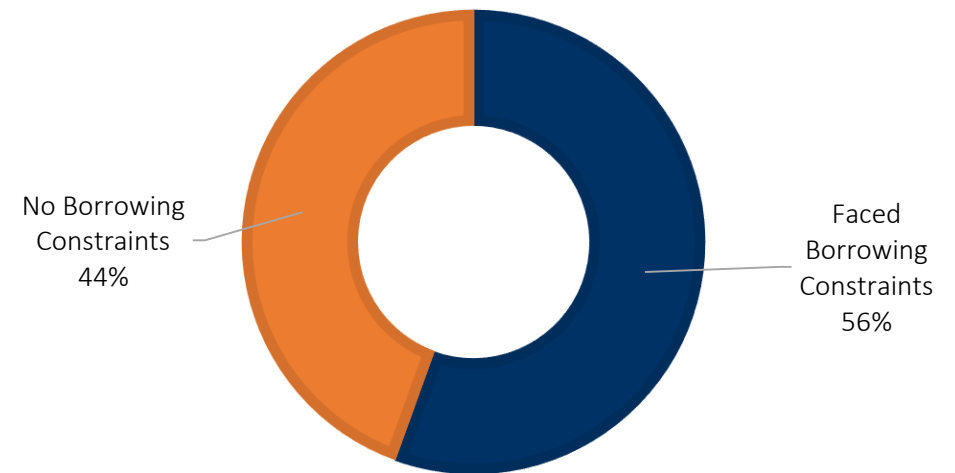
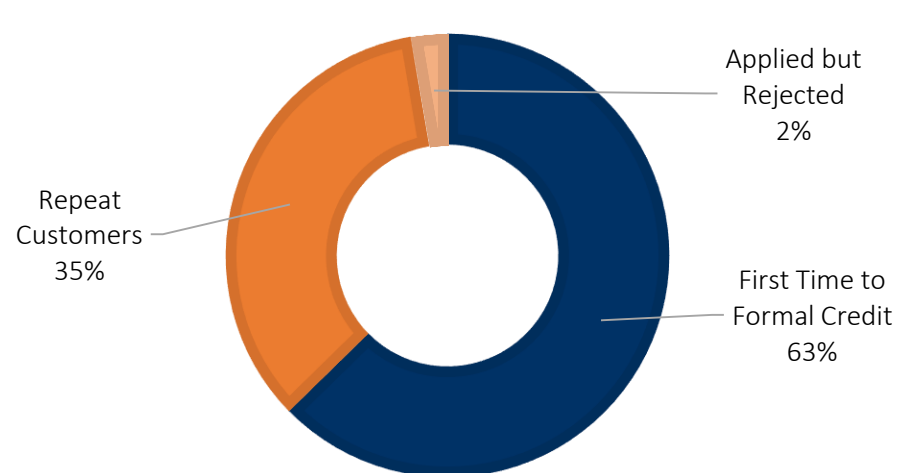
Primary Applicants



Entrepreneurs

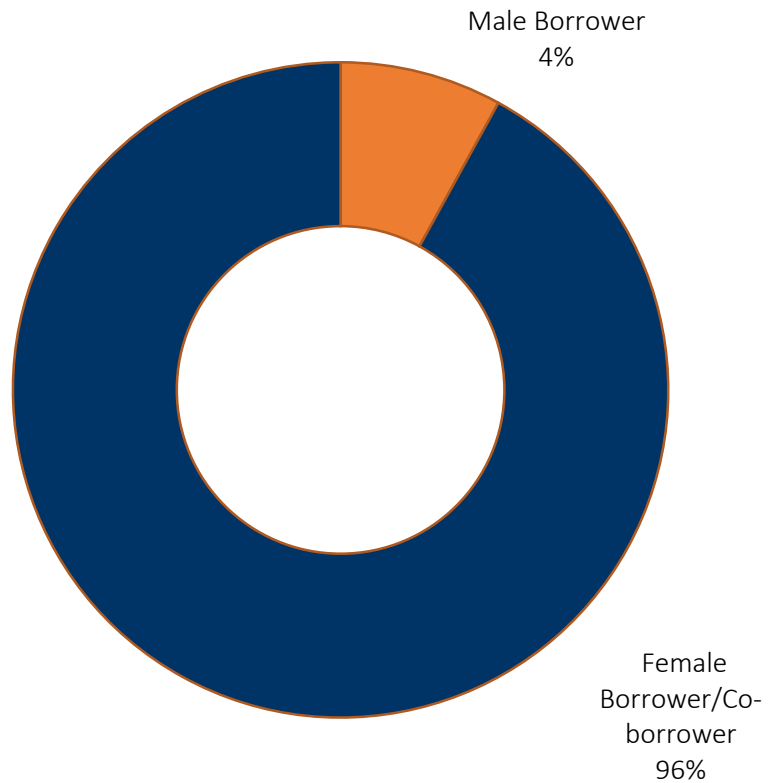


Financial Inclusion

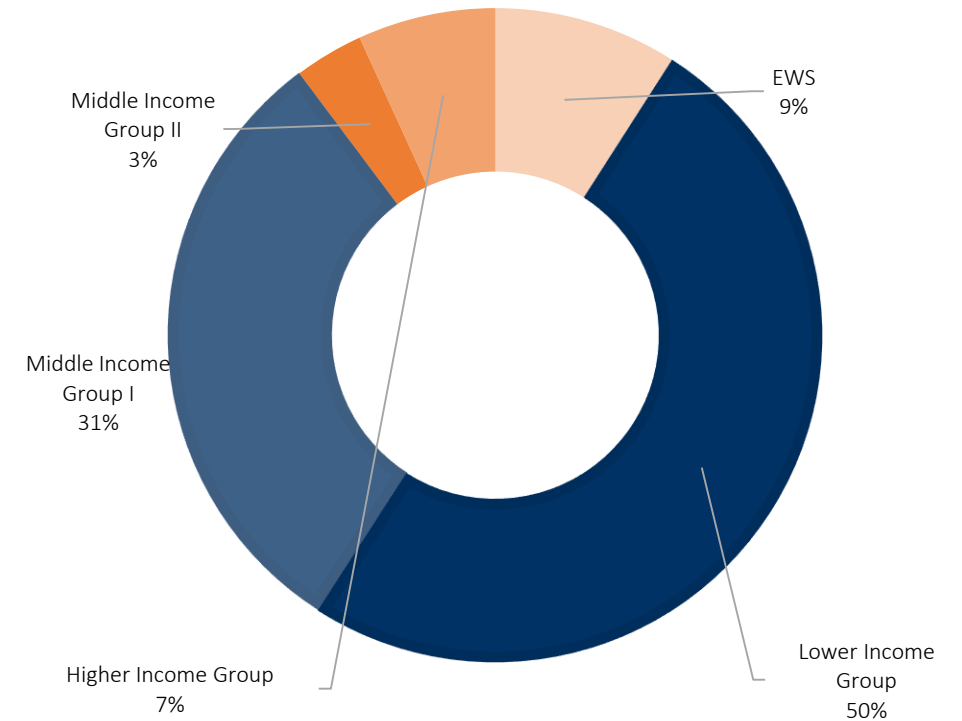


Housing Finance: Social Impact Findings

Gender Inclusivity



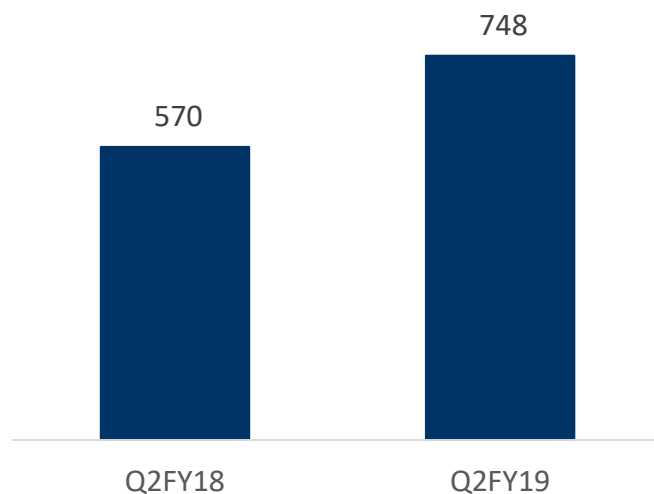
Loans to Underprivileged



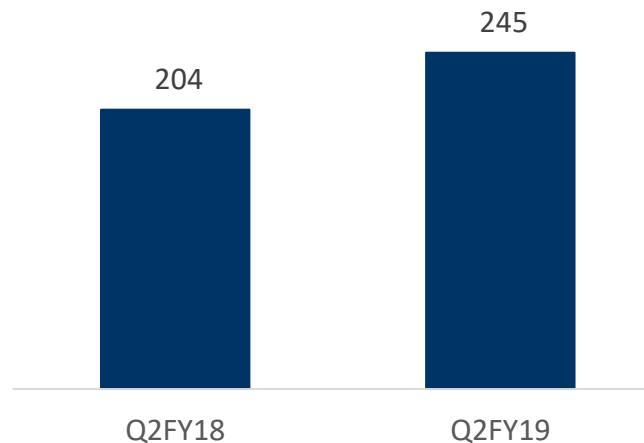
Q2FY19: Strong Growth, Stable Business

Consolidated numbers

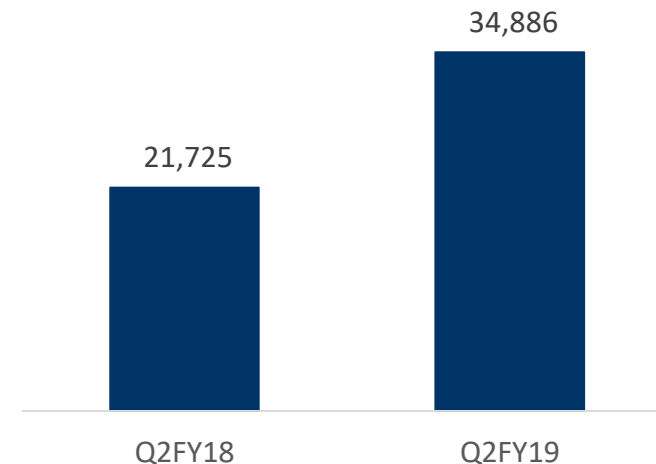
NII (INR MN)



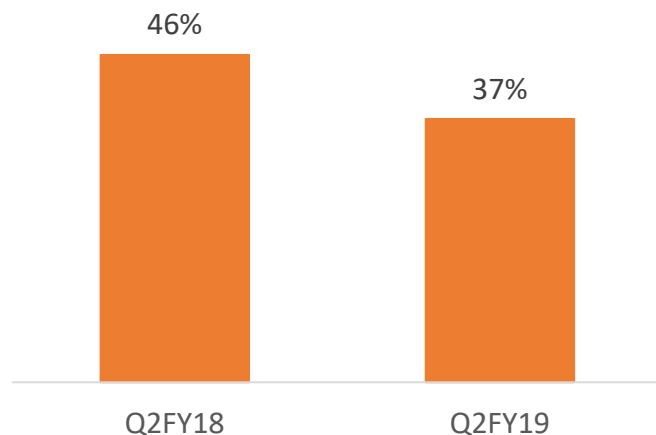
PAT (INR MN)



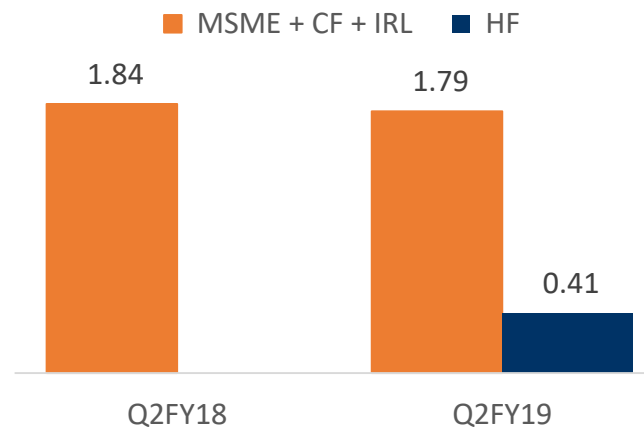
AUM (INR MN)



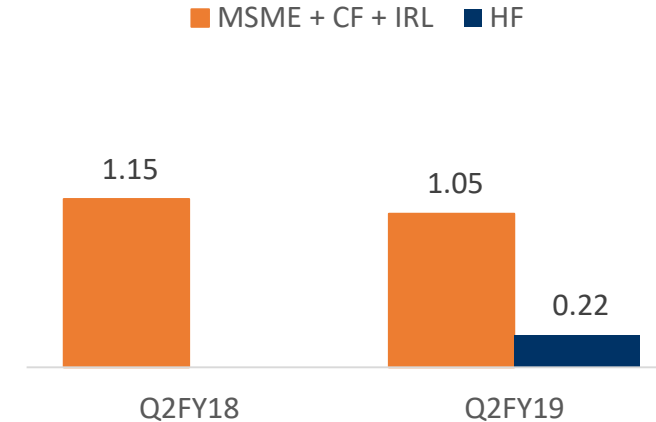
Capital Adequacy Ratio* (%)



Gross NPA (%)



Net NPA (%)

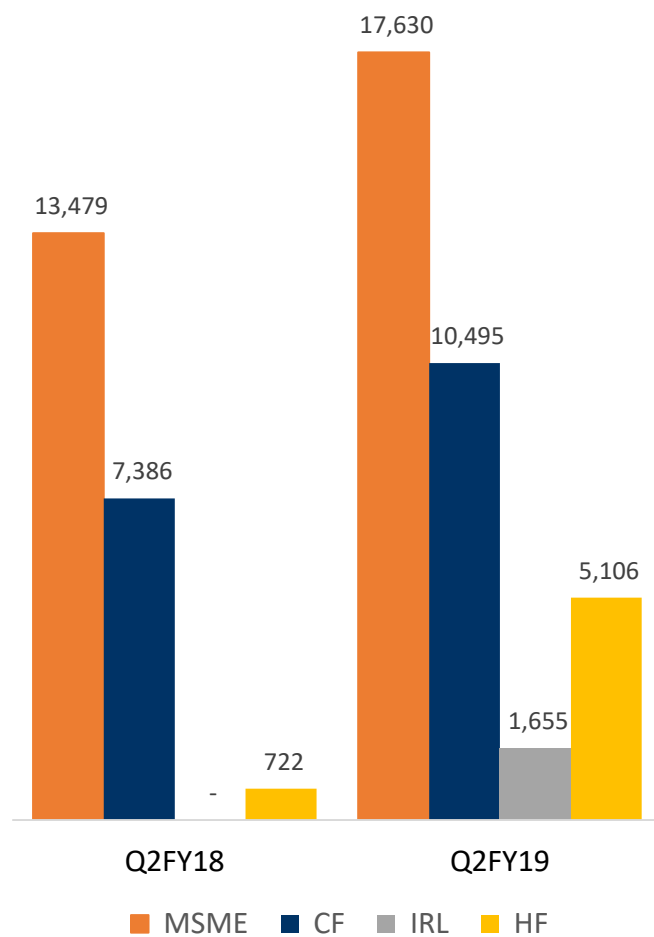


* Only capital adequacy on standalone basis

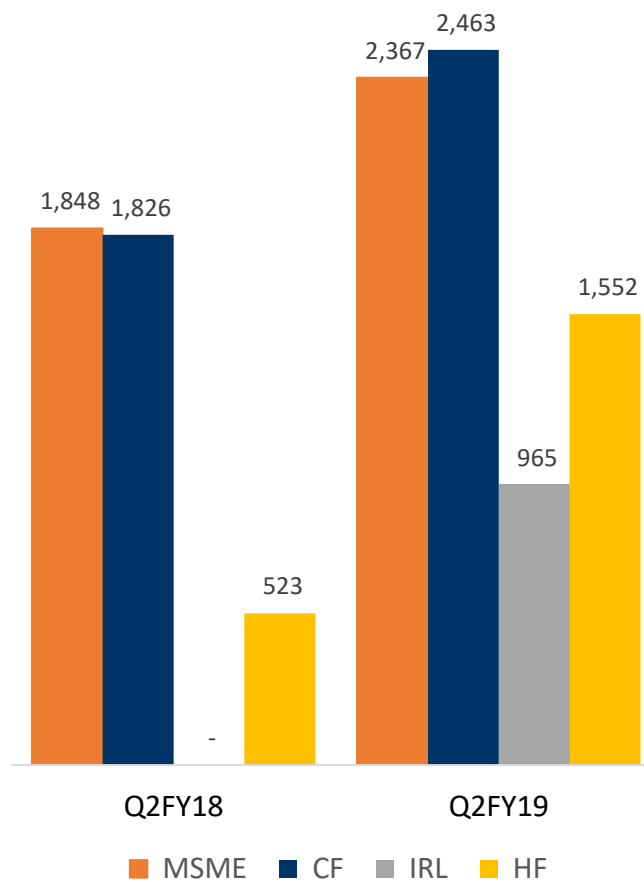
Q2FY19: MSME Lending Aiding Robust Disbursals

Consolidated numbers

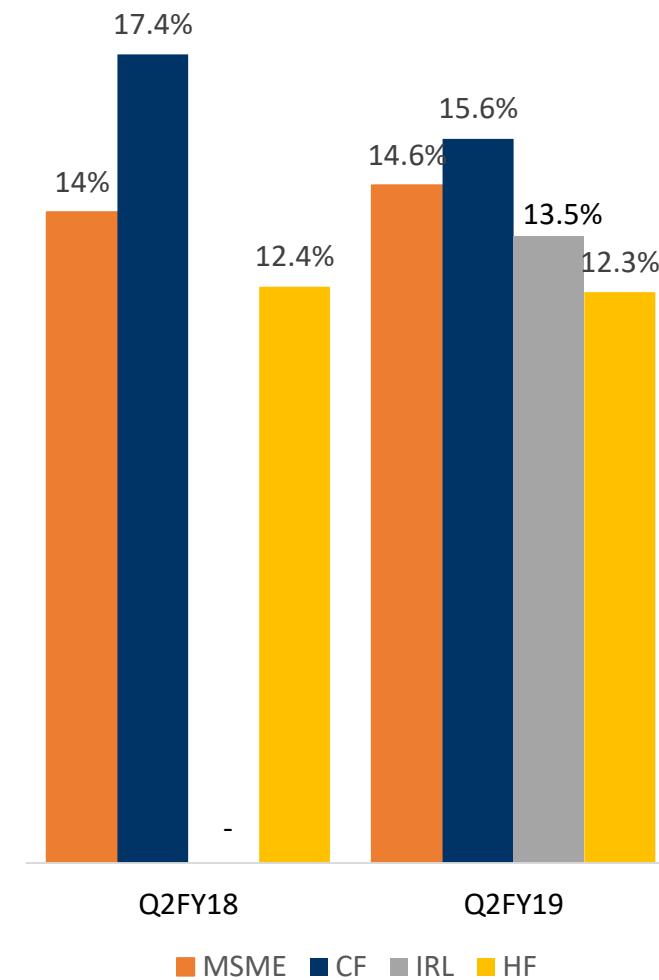
AUM - Segmental Breakup (INR Mn)



Disbursements - Segmental Breakup (INR Mn)



Portfolio Yield (%)



Q2FY19: Performance Summary

All amounts in INR Mn except stated

Particulars	Q2FY18	Q2FY19	YoY (%)
Net Interest Income (NII)	570.2	747.9	31.2%
Interest Expense	219.0	468.6	114.0%
Net Interest Margin (NIM)%	11.1%	9.1%	(2.0)%
PAT	203.9	245.3	20.3%
Return on Equity (%)	7.0%	7.7%	0.7%
Return on Assets (%)	3.7%	2.9%	(0.7)%
Cost to Income ratio (%)	54.0%	42.6%	(11.4)%

Consolidated Numbers

H1FY19: Performance Summary

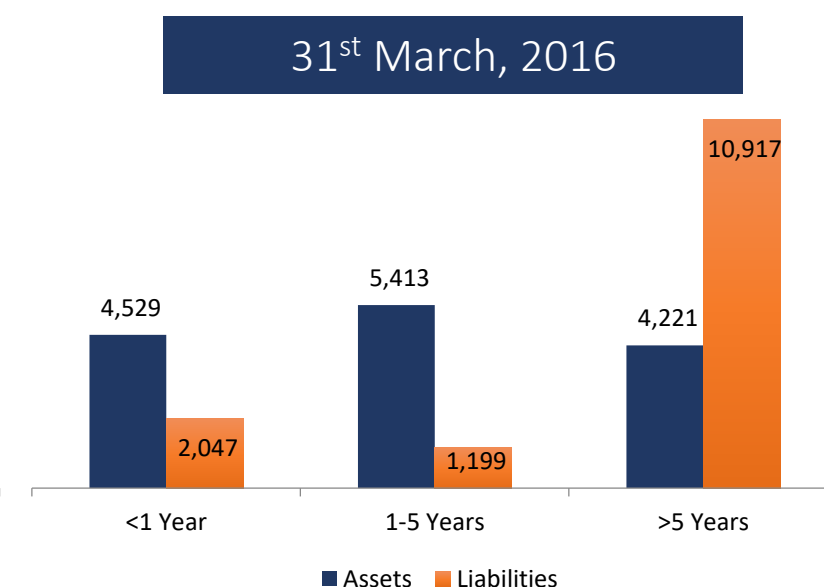
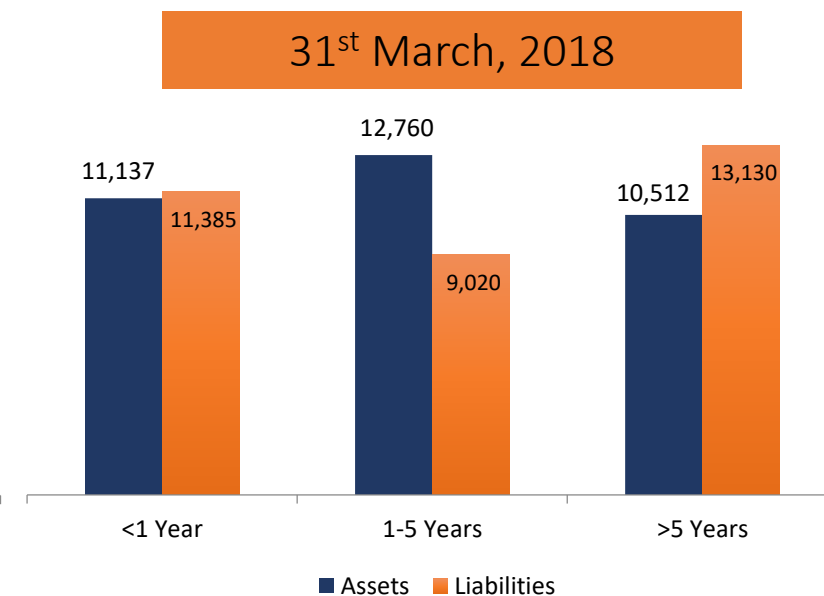
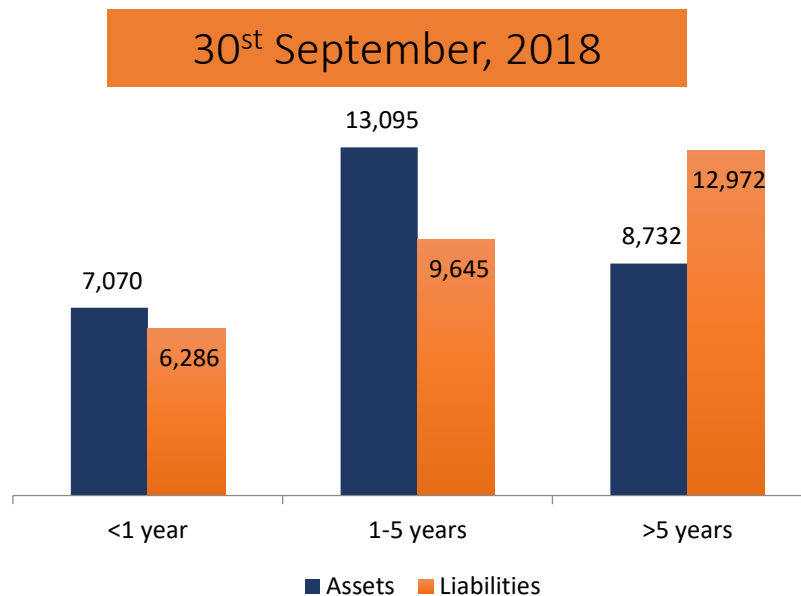
All amounts in INR Mn except stated

Particulars	H1FY18	H1FY19	YoY (%)
Net Interest Income (NII)	1026.0	1457.1	42.0%
Interest Expense	405.9	861.6	112.2%
Net Interest Margin (NIM)%	5.2%	4.6%	(0.6)%
PAT	274.0	515.8	88.2%
Return on Equity (%)	4.6%	8.1%	3.4%
Return on Assets (%)	2.5%	3.1%	0.6%
Cost to Income ratio (%)	51.9%	41.9%	(10.0)%

Asset-Liability Split: Consistent Mix

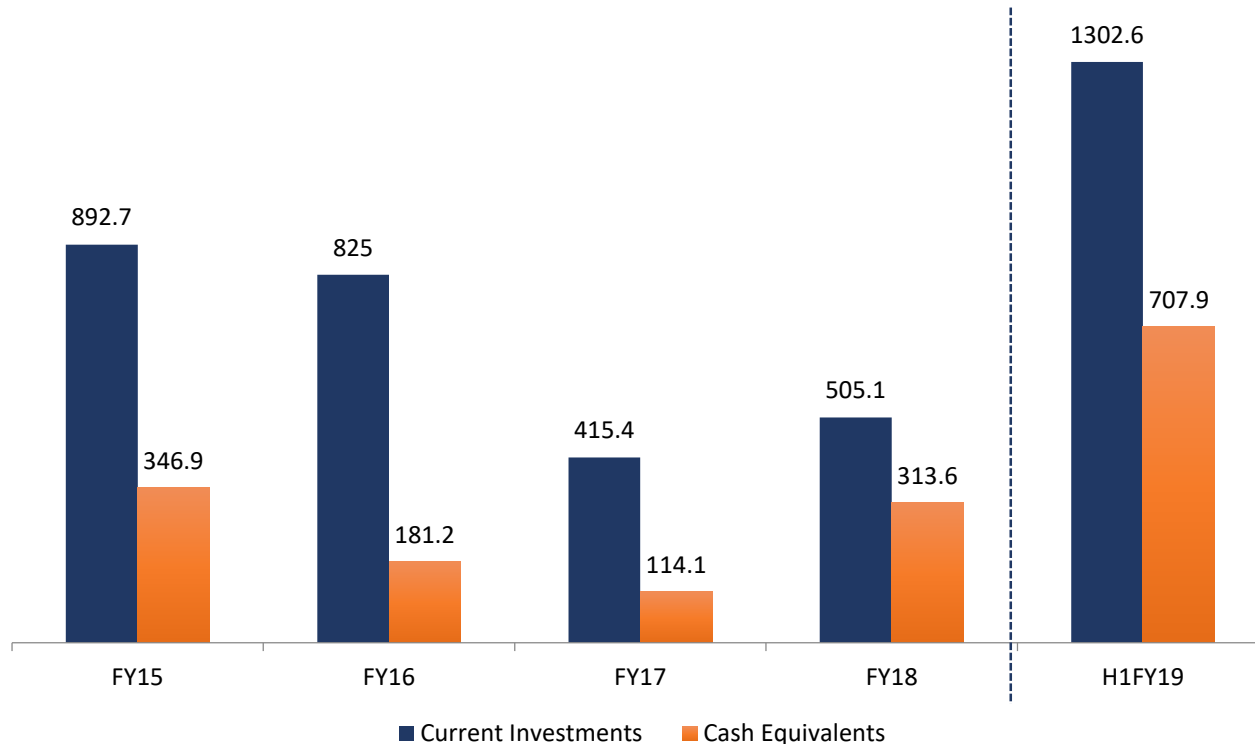
All amounts in INR Mn

- ❖ 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

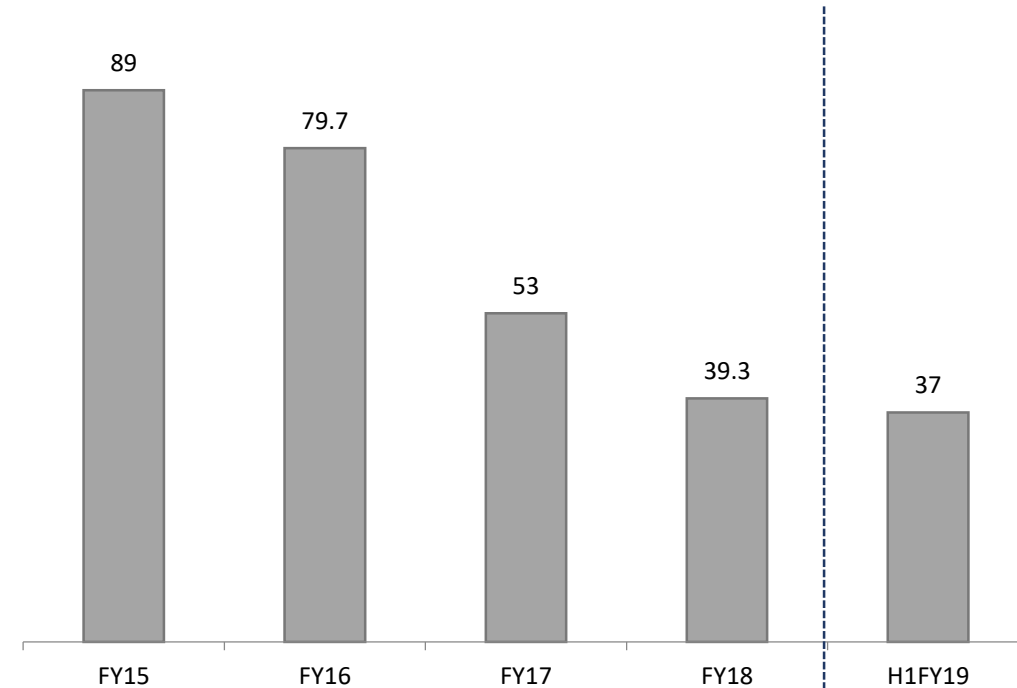


CGCL: Strong Liquidity Position

Current Assets (INR Mn)



Capital Adequacy (%)



Optimal cash position on balance sheet



Strong capital adequacy to support future growth



Average quarterly customer repayments of INR 3,062 Mn



Powerful liquidity position to protect against liquidity crunch & support 40%+ AUM growth

Cautiously Maintained Liquidity Surplus

All amounts in INR Mn

PARTICULARS	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19
Current Investments (Cumulative)	1,586	2,084	2,489	2,531	2,886	3,289
EMI/Prepayments	985	1,018	1,056	1,103	1,156	1,211
TOTAL INFLOWS (A)	2,571	3,102	3,544	3,634	4,042	4,500
Term Loans	184	298	565	347	316	676
NCDs/OD/CC	163	175	198	259	296	351
Other Operating expenses	140	140	250	143	143	230
TOTAL OUTFLOWS (B)	487	613	1,013	748	754	1,257
SURPLUS (A-B)	2,084	2,489	2,531	2,886	3,289	3,243

Note:

- Any fresh borrowings are excluded from the above table
- Other Investments with market value of over INR 220 Mn have not been considered above

Consolidated Numbers

Adequate Financing for Future Growth

Numbers of Lenders	21
Total amount sanctioned from banks	INR 22,850 Mn
Total outstanding amount on CGCL's books	INR 16,309 Mn
% of total sanctioned amount still undrawn from banks	17.6%
Short term Callable facility backed by AAA rated Bonds	INR 436 Mn

Undrawn limits on Banks (as on 30th September, 2018)



INR 2067 Mn



INR 300 Mn



INR 1400 Mn



INR 250 Mn

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

Stable Asset Quality: Stage Analysis As per IND-AS

All amounts in INR Mn except stated

Provision Analysis as per INDAS	Q2FY18	Q2FY19	Q1FY19
Stage 3 - Gross	338.64	554.26	608.43
Stage 3 – ECL Provisions	29.73	72.34	73.78
Stage 3 – Net	308.91	481.91	534.65
Stage 3 – Coverage Ratio	8.78%	13.05%	12.13%
Stage 1 & 2 - Gross	24,262.71	41,844.06	36,781.56
Stage 1 & 2 – ECL Provisions	90.05	159.65	150.68
Stage 1 & 2 – Net	24,172.66	41,684.41	36,630.88
Stage 1 & 2 – ECL Provisions %	0.37%	0.38%	0.41%
Stage 3 % - Gross	1.38%	1.31%	1.63%
Stage 3 % - Net	1.26%	1.14%	1.44%

NPA Analysis: Prudent Lending Practises

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

GNPA Product Segment wise - FY18

Product Segment	GNPA %	NNPA %	Coverage Ratio
MSME	2.23%	1.93%	53.43%
Construction Finance	0.86%	0.69%	53.43%
Housing Finance	0.12%	Nil	15%
Indirect Lending	Nil	Nil	Nil
Total	1.68%	1.44%	53.42%

Improved asset quality levels as Gross NPAs at 90 DPD declined to 1.69% as on March 31st, 2018 from 2.55% as on March 31st, 2016

Key Impact Areas under IND-AS

Financial item	Indian GAAP	Ind AS	Impact on transition	Impact going forward
Financial assets at amortized cost – Expected Credit Loss	Measured based on RBI Guidelines	Measured based on expected credit loss	Increase in net-worth and no P&L impact	LGD computation to be performed on quarterly basis
Revenue – Loan processing fee	Recognised as part of revenue	Recognised as part of effective interest rate	Decrease in net-worth and no P&L impact	Decrease in profit due to amortisation of processing fee
Employee costs – Actuarial gain/loss	Recognised to profit and loss	Recognised in OCI i.e. Reserves	No impact	To be regrouped in OCI

Note – No other items currently identified to have OCI impact

Provision on Loan Assets

Change in credit quality since initial recognition		
Stage 1 Performing	Stage 2 Underperforming (significant increase in credit risk since initial recognition)	Stage 3 Non performing (Credit impaired loan assets)
Recognition of expected credit losses		
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses
Interest recognition		
Effective interest on gross outstanding amount (before provision)	Effective interest on gross outstanding amount (before provision)	Effective interest on gross outstanding amount (net of credit allowance)

Expected Credit Loss Methodology

Particulars	CGCL Methodology
Level of assessment:	<ul style="list-style-type: none">• The book has been classified as Construction finance, MSME, Machinery Loans for ECL purposes.
Default definition:	<ul style="list-style-type: none">• 90 days past due has been considered as the default threshold for all loans.
Determining staging:	<ul style="list-style-type: none">• Delinquency buckets have been considered as the basis for the staging of all loans with:• 0-30 days past due loans classified as stage 1 – Performing Assets• 31-90 days past due loans classified as stage 2 – Under Performing Assets• 90 days above past due loans classified as stage 3 – Non-Performing Assets (NPA) <p>The aforesaid staging followed is a standard industry practice.</p>

Expected Credit Loss Methodology

Particulars	CGCL Methodology
Loss Given Default (LGD)	<ul style="list-style-type: none">The analysis methodology has been used to create the LGD. The LGD takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the interest rate. The recovery data from 2014 to 2017 has been considered.
Exposure at default (EAD):	<ul style="list-style-type: none">$EAD = \text{o/s loan (+) accrued interest (+) undisbursed loan as on the reporting date}$
ECL computation	<ul style="list-style-type: none">$ECL \text{ has been calculated as } ECL = PD * LGD * EAD$

Income Statement

INR Mn	FY17	FY18	H1FY19(as per IND-AS)
Interest earned on loans	2,020.7	3,095.5	2318.7
Interest earned on investments	30.9	32.6	27.5
Total interest earned	2051.6	3128.1	2,346.2
Total interest expended	379.9	1,020.4	861.6
- interest on borrowings	379.6	1,020.4	861.6
Net interest income	1671.8	2107.7	1484.6
Non-interest income	299.2	818.9	198.7
- loan processing fees	105.3	335.4	68.9
- Profit on sale of investments	81.6	241.9	35.4
- others	112.3	241.5	94.4
Total Income	1971.0	2926.5	1683.3
Operating expense	878.4	1325.7	943.4
- employee cost	546.1	812.5	595
- Depreciation	43.0	62.2	36.1
- Others	289.3	451.0	312.3
Operating Profit	1092.5	1600.8	739.9
Total provisions	137.2	159.4	*
PBT	955.4	1441.4	739.9
Tax	374.1	400.8	224.2
PAT	581.2	1040.7	515.7

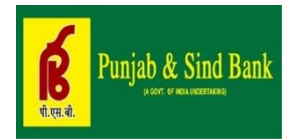
* Adjusted in Balance Sheet

Balance Sheet

INR Mn	FY17	FY18	H1FY19(as per IND-AS)
Share Capital	350.3	350.3	350.3
Reserves and Surplus	11,256.3	12,235.7	12,668.9
Networth	11,606.5	12,586.0	13,019.2
Borrowings	7,278.6	15,742.7	23,858.6
Current liabilities and provisions	794.8	1,529.5	239.6
Other Non Current Liabilities and provisions	181.4	249.2	33.5
Total liabilities & stockholders' equity	19,861.2	30,107.5	37,150.9
Net Block	128.9	143.3	174.5
Investments	680.8	516.1	1,302.7
Asset under financing activities	18,464.3	28,663.7	34,095.1
Deferred tax assets	25.9	103.4	167.4
Cash and bank balances	114.1	313.7	707.9
Other Current assets	329.9	367.3	350.5
Other Non Current assets	117.3	-	352.8
Total assets	19,861.2	30,107.5	37,150.9

Key Partnerships

Lenders



Auditors & Advisors

Deloitte.



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Thank You