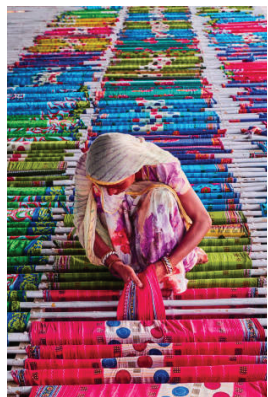




# Strength in Adversity

CAPRI GLOBAL IMPACT REPORT FY 2020-21





# Table Of Contents

01.	Message from Managing Director
02.	About Us
03.	Overview of Our Impact
04.	Our Impact: MSME Finance
05.	Our Impact: Housing Finance
06.	Our Impact: Construction Finance
07.	Way Forward

A portrait of a middle-aged man with dark hair, a mustache, and glasses. He is wearing a dark grey suit jacket, a light blue dress shirt, and a red patterned tie. He is looking directly at the camera with a slight smile. The background is blurred, showing an indoor setting with a circular light fixture.

# Message from the Managing Director



## Dear Shareholders,

11 years ago, Capri Global was founded with an intent of leveling the playing field for the underserved through lending, and in its journey so far, it has supported more than 16,200 businesses and empowered more than 11,000 families. However, the financial year 2020–21 shook the entire world and underlined the prevalent inequality in the society. What started as a health crisis rapidly turned into an economic crisis, where the Indian economy witnessed its worst performance since Independence with its GDP shrinking to 7.3%. Resultantly, over 26% of our customers witnessed the impact of COVID-19 on their lives.

The pandemic was an eye-opening event, highlighting the relevance of our business model and validating our vision of democratizing finance. During these unprecedented times, right from targeting the most vulnerable sections of society, meeting their diverse financing needs, and emerging as partners of choice for them, leveraging capital as a catalyst for social change stayed at the core of our business.

Despite an extremely challenging external environment, it is worth noting that we recorded the best ever net profit in our history, which grew by over 10% to INR 1,770 million approximately. We expanded our reach to nine states and partnered with 29,430 customers across their credit journeys. **Our business success sets the context for the theme of this year's impact report– 'Strength in Adversity'. The theme not only reflects our strong business fundamentals, but, more importantly, it underscores our ability to build foundations of resilience that enable growth and inspire confidence among our customers.**

Through our unwavering focus on customer centricity, we were able to provide first-time home ownership for ~11,000 people, enabling them to avail the safety of their own house during subsequent lockdowns, and strengthening cash and liquidity positions of ~12,000 customers on their survival journey against the pandemic. We partnered with ~16,000 customers on their growth journey of improving business productivity, while helping ~6,500 people in further fostering inclusive employment generation. The foundations of resilience and wings of growth have translated into inspiring future loan-taking confidence among ~23,000 of our customers. As a result of the tireless efforts of the team, ~20,000 customers reported that they would recommend Capri Global within their network, which is testimony to our customer-centric approach.

We look forward to a promising future, where we continue to build adaptability, foster strength, and ignite dreams for a better tomorrow. Impact Report 2020–21 is our humble attempt to quantify and assess the social transformations that manifested as a result of our constant endeavors to anchor our future developments and continue steering the wheel of democratizing finance.

Thank you,

**Rajesh Sharma**

**Managing Director**

# About Us

## Our Vision

Our vision is to address the needs of the underserved by deploying capital that facilitates a change for good.

---

## Our Mission

Our mission is to revolutionize the way credit works in India with our flexible loans. We deliver credit to a wide spectrum of MSMEs and individuals with limited credit history to drive a financial and social impact for our customers and society at large.

# Our Core Values



## The Determined and Enterprising

Access to capital creates opportunities. But, in our country most of it is held by a few and rarely reaches the one who genuinely need it. We aim to bridge this gap through our services.



## Collective Social Growth and Wellbeing

The wellbeing of society at large doesn't stem from the wealth of a few, but the economic and social progress of all. The loans we give to the MSME sector and for the provision of affordable housing to the underserved has a domino effect that goes well beyond the scope of our customers.



## Identity beyond Economic Status

Every person has the potential to change his or her life. Our role is to give them the support they need to take the reins. We hope to level the playing field for the economically weaker segments of the society, who remain underserved. Rather than labelling individuals without a credit history as credit unworthy, we assess a customer's repayment capabilities through a unique discussion based approach.



## Capital as a Change for Good

The right capital at the right time has the potential to create opportunities and trigger the cycle of change for good. We act as catalysts of this change.



## People Take Priority

We see the individual behind the business, as a human first and customer second. We are motivated by the financial and social wellbeing of the lives we touch and their families. We believe that their personal progress will get us across the finish line.



## One Team. One Purpose

3,200+ dedicated employees, numerous departments, and multiple locations. All united by a single goal. We each have a unique role to play as we work towards delivering opportunities for change

# Our Product Portfolio

We act as enablers of growth, delivering positive social impact through our diverse loan products.



## MSME Finance



No. of Customers  
16,141



Type of Customers  
Microenterprises



Finance Needs

- Working capital and Business Expansion
- Commercial Property Purchase



Average Ticket Size  
INR 0.5-7.5 million



Average Tenor  
4-6 years



Average Interest Rate  
15.1%



## Housing Finance



No. of Customers  
13,149



Type of Customers  
Individuals



Finance Needs

- Purchase of Residential Units
- Construction / Extension / Renovation of homes
- Plot purchase and home equity loans



Average Ticket Size  
INR 0.2-5 million



Average Tenor  
~8 years



Average Interest Rate  
12.3%



## Construction Finance



No. of Customers  
126



Type of Customers  
Construction Companies



Finance Needs

Constructing residential and commercial properties



Average Ticket Size  
INR 70-270 million



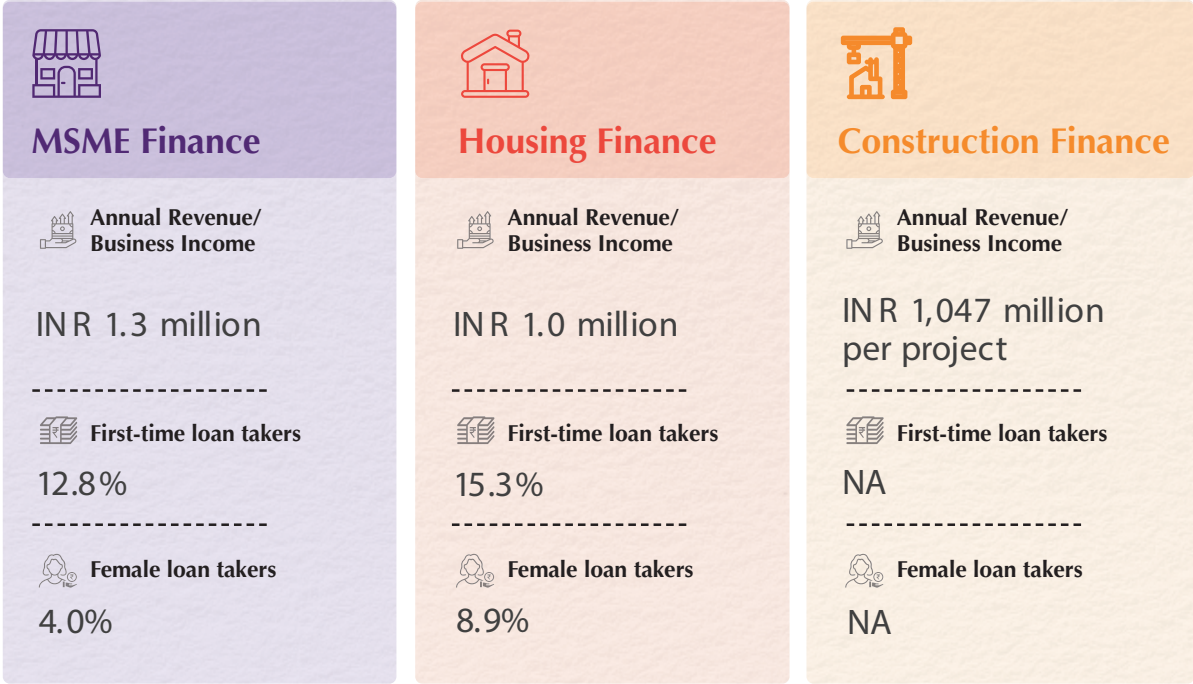
Average Tenor  
3-5 years



Average Interest Rate  
16.6%



# Customer Profile



# Our Reach



**AUM**

(INR million)

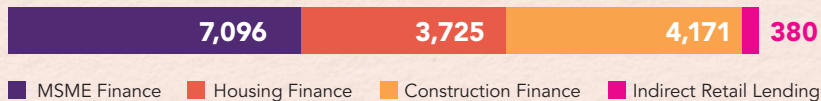
**48,480**



**Loans Disbursed**

(INR million)

**25,456\***



**Customers Reached**

**29,430**



\*Including Short Term Secured Treasury Lending of , 10,084 Million

## Geographical Reach

During FY 2020–21, we specifically focused on the Tier-III and Tier-IV centers in Gujarat, Rajasthan, and Madhya Pradesh. We rationalized the number of existing branches, while expanding with new centers.

9

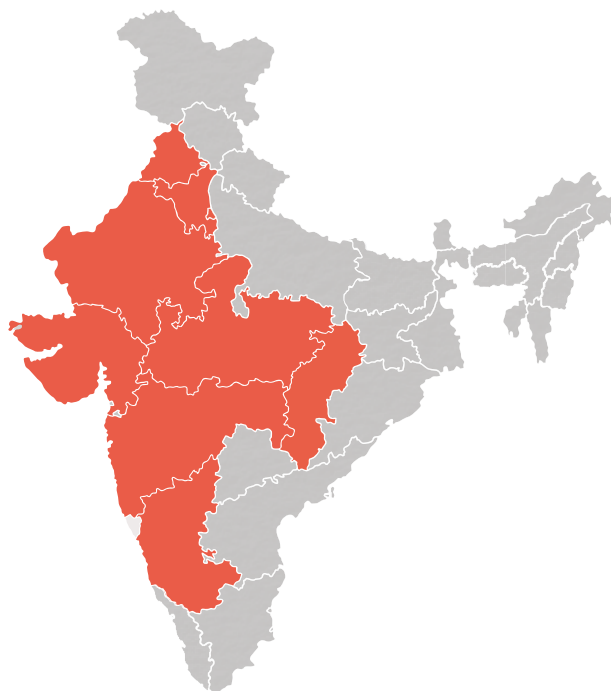
States

90

Branches

900+

Sales Team Members



## SDGs Reach

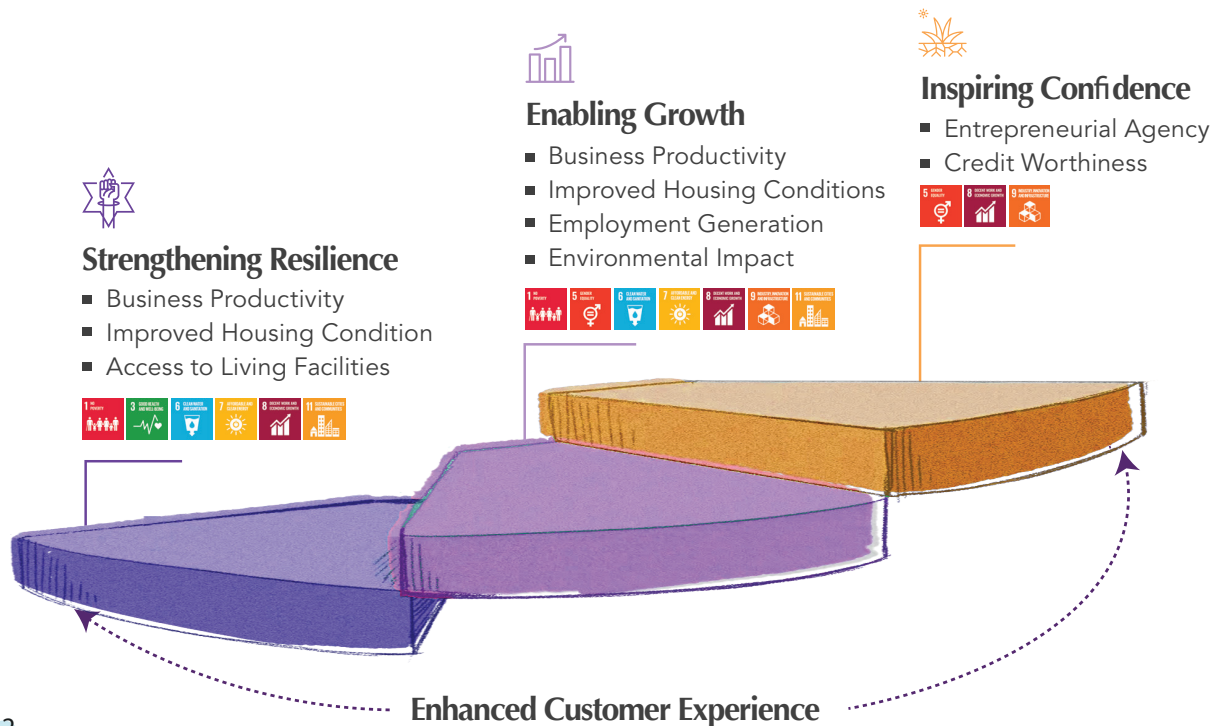
With our far-reaching presence via our diverse loan products, we were able to catalyze the effects of creating an impact and achieving many of the Sustainable Development Goals laid out by the United Nations. Our operations and efforts in FY 2020–21 were strongly linked to 9 of these goals:



# Overview of Our Impact

FY 2020–21 was one of the most unpredictable and challenging years for India due to the raging pandemic, nationwide lockdowns, and multiple restrictions on economic and recreational activities. The year stress tested our strengths at Capri Global as we struggled to reach our customers through the normal value chains. However, we were able to emerge stronger than before, and ensure that we enhanced both the impact and experience of our services across customer groups.

Our impact journey in FY 2020–21 was anchored across three axes that demonstrated our ability to respond effectively to the COVID-19 pandemic and create a long-lasting impact on our customers. Firstly, we were able to strengthen the resilience of our customers against the pandemic by helping them establish their businesses and meet their housing needs. Secondly, we enabled growth for them by increasing employment generation and sustainable business outcomes. And lastly, we were able to inspire confidence among our customers and propel long-term growth by enhancing their creditworthiness and entrepreneurial agency levels. Additionally, we also ensured that we were able to optimize and enhance the customer experience levels across products and services, leading to an overall smooth and effective credit journey for most of our customers.

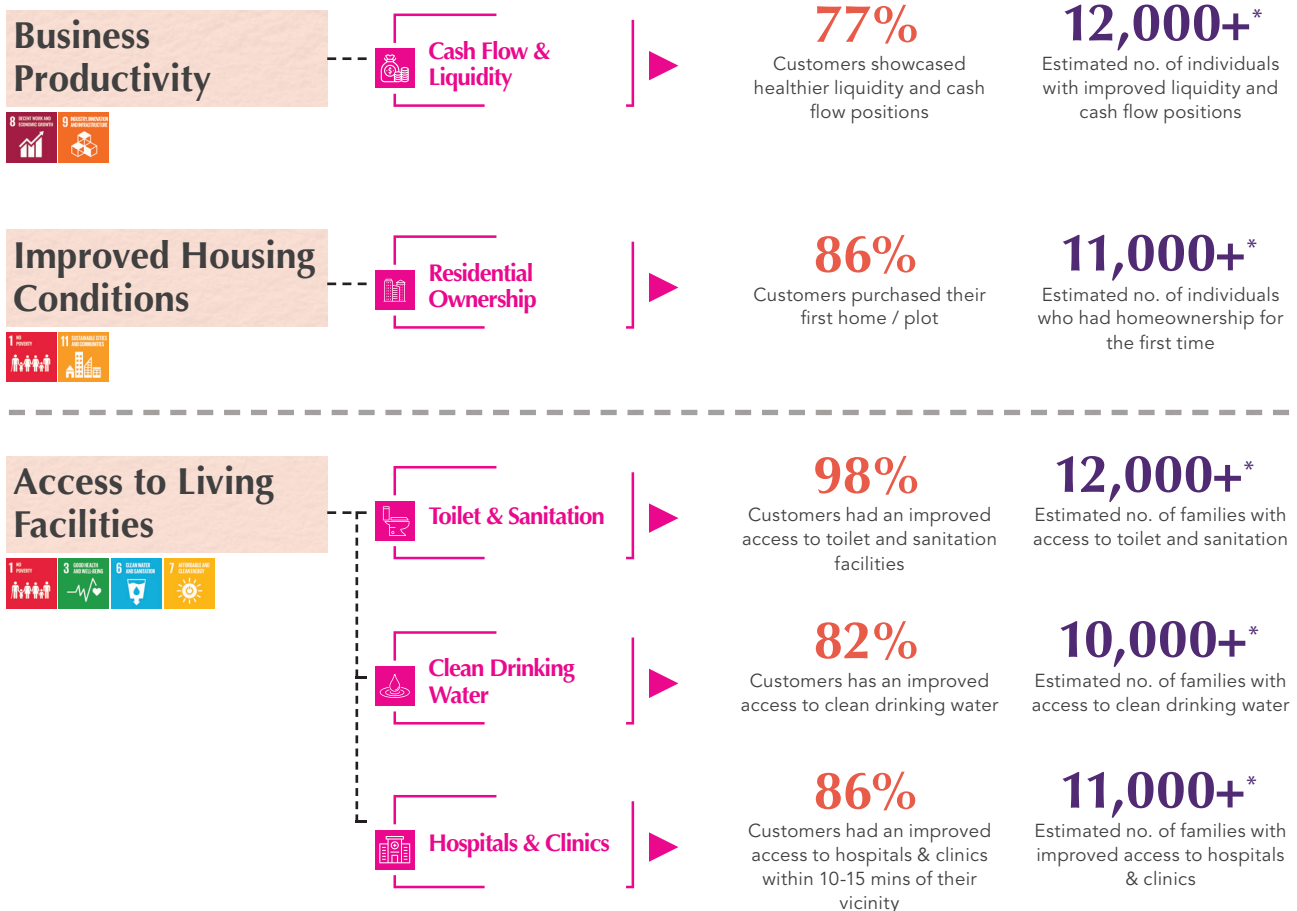






## Strong Resilience Against the Pandemic

In FY 2020–21, our first priority was to strengthen the resilience of our customers, enabling them to fight against the COVID-19 pandemic. Our MSME loans ensured a sufficient cash flow and liquidity position for our customers to satisfy their immediate needs. Our housing finance loans ascertained homeownership and access to improved living conditions. Our construction finance loans helped stabilize the effects of the pandemic by enabling the development of a steady liquidity position that, in turn, enabled our customers to stay afloat and provide homeownership to thousands of families during the pandemic.

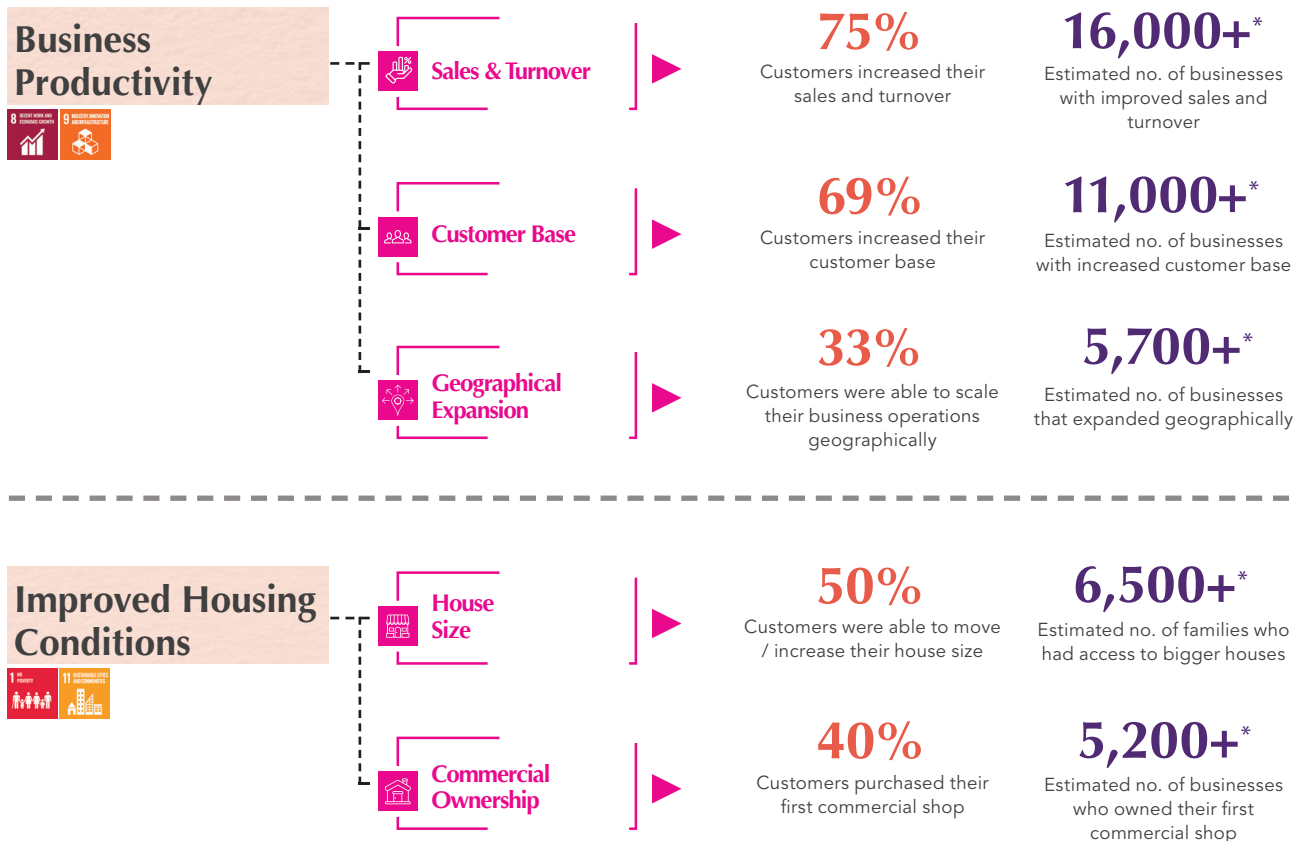


\* Extrapolated from the customers reached till now across multiple product types



## Relentless Growth Despite Challenges

Our second priority during FY 2020–21 was to enable growth for our customers in their personal and professional journeys. Our MSME loans enabled businesses to grow by improving their sales and turnover, expanding their operations, and scaling up their customer base. The loans have further empowered them to create a multiplier effect of impact by fostering inclusive employment generation in their businesses. Our housing finance loans have enabled customers to move to bigger houses and set up their own commercial businesses. Whereas, our construction and housing finance loans have together promoted the adoption of environmentally sustainable practices by providing eco-friendly services like water conservation systems, solar energy panels, and enhanced green cover systems.



\* Extrapolated from the customers reached till now across multiple product types

## Employment Generation



**Full Time Employees (FTEs)**

**40%**

Customers hired additional FTEs

**6,500+\***

Estimated no. of businesses who hired additional FTEs



**Female Employees**

**18%**

Customers hired additional female employees

**2,700+\***

Estimated no. of businesses who hired additional female employees



**Employee Salaries**

**42%**

Customers increased their employees' salaries

**6,600+\***

Estimated no. of businesses who increased their employees' salaries



**Employee Social Security Benefits**

**15%**

Customers provided additional social security benefits to their employees

**1,800+\***

Estimated no. of businesses who provided additional social security benefits to their employees

## Environmental Impact



**Water Conservation System**

**27%**

Customers installed water conservation systems in the property purchased / constructed

**2,800+\***

Estimated no. of customers with water conservation systems



**Solar Energy Panels**

**17%**

Customers installed solar panels in the property purchased / constructed

**1,700+\***

Estimated no. of customers with solar panels



**Enhanced Green Cover**

**71%**

Customers had a green cover around the new property purchased / constructed

**9,300+\***

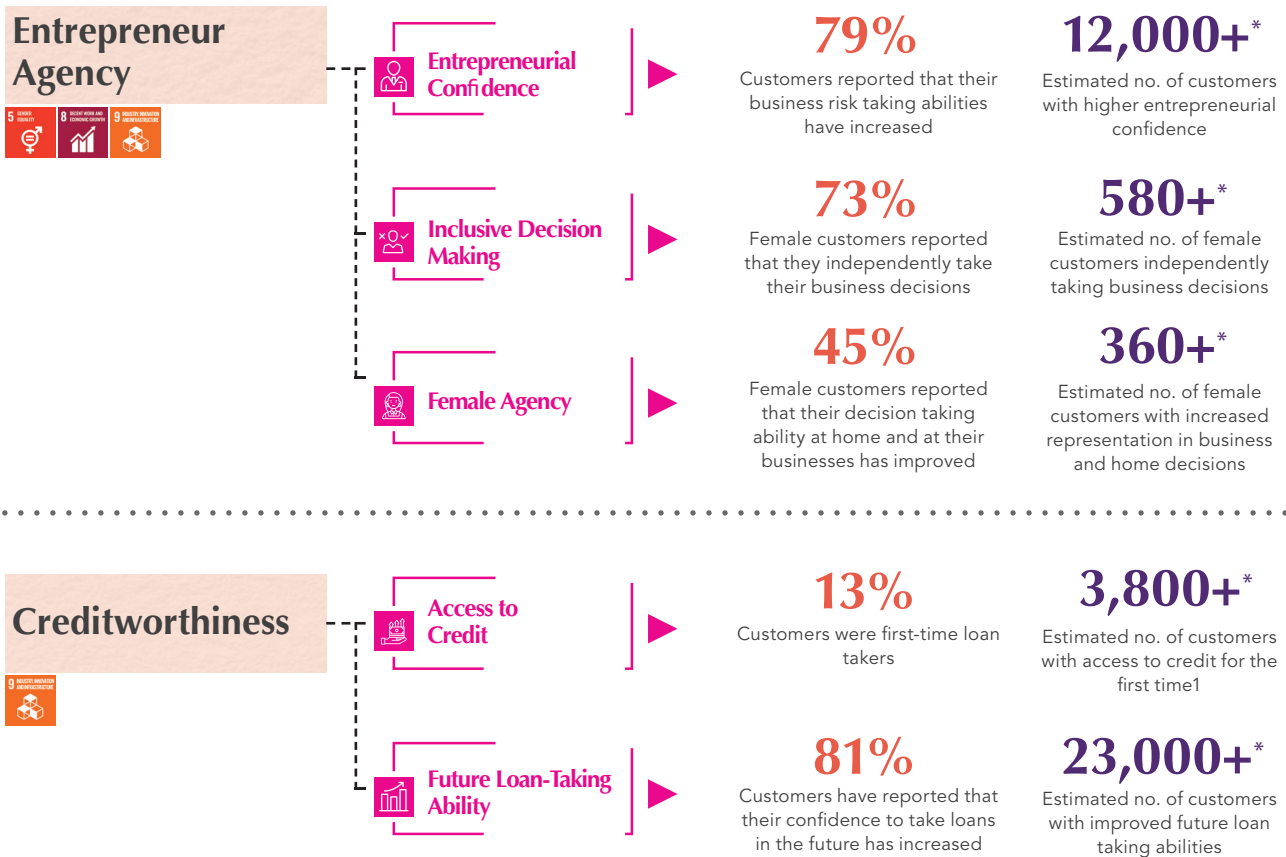
Estimated no. of customers with enhanced green cover

\* Extrapolated from the customers reached till now across multiple product types



## Improved Confidence to Sustain Growth

The improved resilience and continued growth in terms of business productivity, employment generation, and environmental impact have invariably translated into inspiring confidence among our customers in terms of strengthening their entrepreneurial confidence, and promoting inclusive decision-making. This confidence has not only been the key to improving creditworthiness of our customers, but will also be the backbone for ensuring long-term sustainability of growth.



\* Extrapolated from the customers reached till now across multiple product types

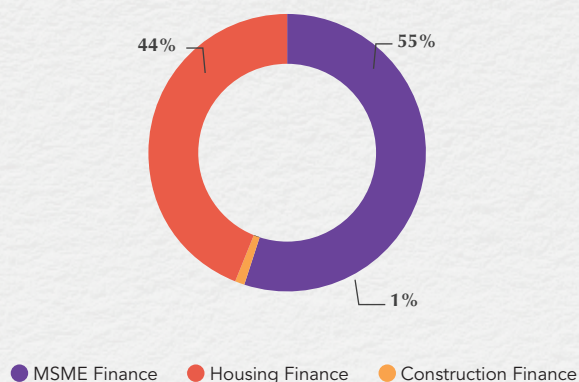


# Enhanced Customer Experience

## Strong Product–Market Fit, Validated by Customers

In FY 2020–21, we remained deeply committed to providing unique need-based solutions to our customers, given the onset of the COVID-19 pandemic. A majority of our loans (55%) by volume were sanctioned to MSME finance customers to facilitate their need for business expansion in the latter half of FY 2020–21 as enterprises recovered from the pandemic.

**86%** of our customers reported that the loan products provided to them sufficiently met their varying financing requirements, which is a testimony to our client-centric, need-based approach to financing.



**89%**

MSME Finance customers fulfilled the purpose of taking the loan



**82%**

Housing Finance customers fulfilled the purpose of taking the loan



**100%**

Construction finance customers fulfilled the purpose of taking the loan

## Support Provided during the COVID-19 Pandemic

**26% of our customers reported facing pandemic-related challenges in their personal or professional journeys this year.** During this time, we continued hand holding all our clients for prudent financial management across different product types. We supported our housing finance and MSME finance customers with loan restructuring facility and moratorium of EMI payment while helping our construction finance customers with continued disbursements for their ongoing projects.

# Our Impact: MSME Finance



The MSME sector is a significant contributor to India's overall economic and social development. Currently, there are **~63 million MSMEs in India, which contribute ~29% towards the country's GDP and account for ~50% of the country's exports.**<sup>1</sup> Moreover, the budget allocation for the MSME sector in FY22 more than doubled to INR 157 billion (USD 2.14 billion) from INR 76 billion (USD 1.03 billion) in FY21.<sup>2</sup> Financial support from the government, favorable policies, incentives, labor laws, and regulatory clearances have facilitated ease of doing business. Additionally, technological disruption has further provided a renewed impetus for MSMEs to get connected with global value chains.

Despite its significance and reach, the struggle to acquire credit has hampered the sector's growth. **As many as 85% of MSMEs remain underserved in terms of credit, and only one-fifth of these financing gaps were fulfilled by formal credit.**<sup>3</sup>

The situation further exacerbated during the COVID-19 pandemic. The MSME sector was one of the most vulnerable sectors during the pandemic because of its size, scale of business, and availability of financial resources. **In FY21, ~67% of MSMEs in India were temporarily shut for three months or more and over half of all MSMEs saw a decline of over 25% in revenues, according to a survey of 1,029 enterprises by Small Industries Development Bank of India (SIDBI).**<sup>4</sup> Even after progressive lifting of the lockdowns, reports suggest that almost 40% of businesses remained interrupted till the end of February 2021. The three critical barriers faced by MSMEs during the pandemic were market access, overall productivity, and getting access to more finances.

<sup>1</sup>Ministry of Micro, Small and Medium Enterprises.

<sup>2</sup>MSME Industry Report, India Brand Equity Foundation, March 2022.

<sup>3</sup>International Finance Corporation (IFC).

<sup>4</sup>SIDBI Survey





To stabilize the unevenly distributed effects of the COVID-19 pandemic, we at **Capri Global focused our efforts, firstly, on building resilience by ensuring access to credit, specifically for the most vulnerable MSME players.** As many as 92% of our customers in FY 2020–21 were low-income micro entrepreneurs<sup>5</sup> with an average annual income of INR 1.4 million working in ancillary businesses. Our loans supported these low-income micro entrepreneurs in staying afloat, sustaining, and expanding their existing business, while also supporting the slightly stable players—the middle<sup>6</sup> and high-income<sup>7</sup> micro entrepreneurs with higher risk-taking capabilities, in diversifying to newer, more resilient businesses.



However, **our impact has not only been limited to recoup the losses from the COVID-19 pandemic. It has extended well beyond that to trigger growth and help our customers boost their overall business productivity.** On an average, we at Capri Global empowered ~75% of our customers to directly improve their operational business metrics. Additionally, during these unprecedented times, we supported our MSME customers to create a multiplier effect in fostering local livelihoods and ensuring better working conditions. Furthermore, ~40% of our customers hired additional full-time employees after taking a loan from us.



**The improved business productivity and employment generation has further created a cyclical impact by inspiring confidence and strengthening entrepreneurial agency among our customers, especially women.** Over ~73% of our women entrepreneurs reported that they take their business decisions independently. We strongly believe that women's empowerment through our loans can become a driving force towards building societies that are sustainable and resilient in the face of complex problems that confront our world.

<sup>5</sup> Defined as customers with annual income less than INR 3 million per annum.

<sup>6</sup> Defined as customers with annual income between INR 3 million to 6 million per annum.

<sup>7</sup> Defined as customers with annual income greater than INR 6 million per annum.



# Providing Formal Credit Access to Underserved Micro Enterprises in India

In FY 2020–21, our focused and targeted customer profiling enabled us to offer bespoke solutions to the most vulnerable and worst affected MSMEs.



**16,141**  
Unique Customers



**9**  
States



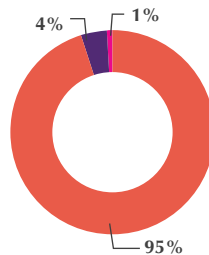
**INR 7,096 million**  
Credit disbursed



**INR 25,114 million**  
AUM

## Serving the Underserved

Our primary focus was on supporting ancillary businesses that belong to the informal sector, which include kirana stores, repair shops, hardware or building material suppliers or contractors, small-scale private schools, food and catering businesses, among others.



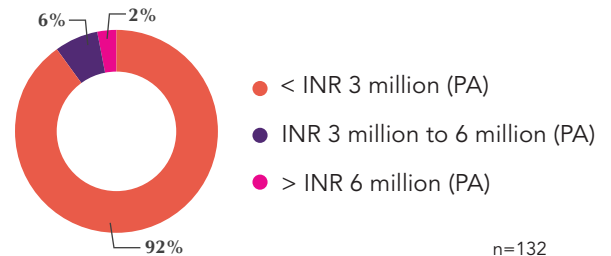
- Self Employed Non Professionals
- Self Employed Professionals
- Salaried Professionals

n=132

**95%**

of our customers were self-employed non-professionals, belonging to the informal sector

To ensure that our MSME loan products reached the most underserved MSMEs, our 'No Income Troops' team conducted doorstep personal visits to the places of business of low-income customer groups to assess their informal cash flow records in a structured format, gauge their income ratio, and then accordingly decide through subjective judgment to provide them with loans.

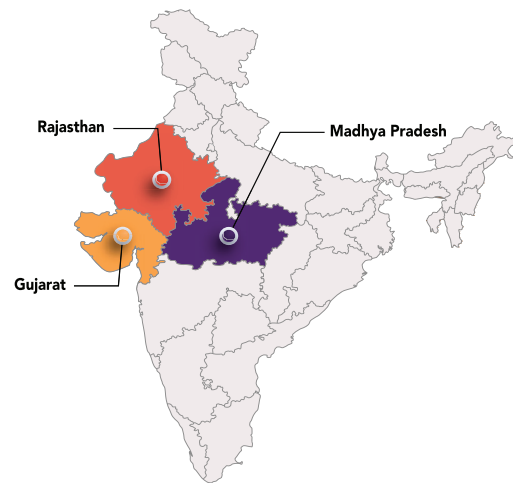


92%

of our customers were micro entrepreneurs with an annual income of less than INR 3 million per annum who had limited access to formal sources of financing

## Shifting Focus to Grassroot

To ensure that we reach the most underserved segments within our existing customer base we shifted our focus from urban and semi-urban cities to the rural and Tier-III and IV cities within western India.



84%

of our customers came from three states in western India, namely Madhya Pradesh, Gujarat, and Rajasthan

## Improved Business Outcomes for MSMEs

India has a funding gap of approximately USD 300 billion (INR 23.5 trillion) when it comes to micro enterprises, which stagnates the sector with low productivity and limited means, which further leads to poor competitiveness at scale. Consecutively, 99% of the companies remain micro enterprises in their life cycle<sup>8</sup>.

We, at Capri Global, understand the significance of the situation at hand. Hence, our loan products provide the foundation for these micro enterprises to transition out of the micro

phase and grow into medium/small enterprises. We supported our customers in their growth journey, specifically by boosting their business productivity.

On an average, our loans empowered ~75% of our customers to directly improve their operational business metrics. Improved business productivity further helped ~35% of our customers on an average to scale up by expanding their businesses geographically or expanding their product and service offerings



77%

MSMEs showcased healthier **cash and liquidity positions**



76%

MSMEs reported increase in their **sales and turnover**



72%

MSMEs reported increase in their **customers base**



33%

MSMEs launched a **new product or service**



36%

MSMEs set up a **new branch or office**

n=126

<sup>8</sup> How Can Indian MSMEs Grow to Compete in the World?“, Economic Times, August 2021.

## Strengthening Resilience Rajendra Malvia

“From 4 wheels to 4 rooms:  
Championing breakfast for  
locals in Madhya Pradesh”

In the hope of orchestrating a better future for his grandchildren, Rajendra Malvia partnered with Capri Global to expand his snacks business from a cart to a restaurant.

**Location:** Madhya Pradesh

**Business:** Grocery Store & Restaurant

**Annual Income:** ~INR 0.6 million per annum

**Loan Amount:** INR 1.8 million





46-year-old Rajendra Malvia, hailing from the Barwani district of Madhya Pradesh, started his business 15–20 years ago, to earn a livelihood and provide for his family at large. He began with a small cart for serving snacks to the locals, and within five years of serving snacks, he diversified his income by starting a small grocery store and running it alongside his food business. His three sons had to take up the responsibility of supporting the family business right after they completed their preliminary education.

It was not until recently that he approached Capri Global for a business expansion loan. After validating his business fundamentals, Capri Global sanctioned him a commercial property loan with which he set up a 20 x 20 feet restaurant. The loan helped him transition from operating out of a cart to owning a four-roomed restaurant of his own. It enabled him to purchase furniture, counters, increase raw materials, and hire additional employees.

The expansion enabled him to work extra hours. He now serves breakfast at his restaurant and starts at 6:30 am in the morning, as opposed to working out of his cart which he could operate only from 2:30 pm onwards. His customers' positive feedback about his food products and comfortable seating space culminated in more than doubling his previous sales of INR 10,000 a day. He has also expanded his product offerings, increasing his servings from the initial two to four products to eight to ten products that he now offers.



**Sales: ~INR 20,000 / Day**

Sales increased by 2x



**Product Offering: 8 to 10 Products**

Products Offering Expanded by 2x

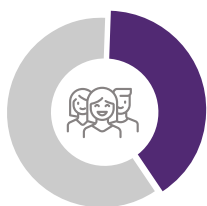
The evidence of success from this business expansion has instilled faith in Rajendra that he can indeed move out of the cycles of low income, and orchestrate a better future for his grandchildren.





## Inclusive Employment Generation by MSMEs

MSMEs have a multiplier effect and act as engines for fostering local livelihood opportunities and promoting inclusivity. As per the National Sample Survey (73<sup>rd</sup> round), the MSME sector has offered ~111 million jobs in India this year.<sup>9</sup> Additionally, MSMEs also play a very important role in buffering the economy from global economic shocks and adversities, thereby ensuring the sustainability of local livelihoods and lessening the economic inequalities between geographical areas. Likewise, our loans have empowered the MSMEs from Tier-II and Tier-III cities to further foster employment generation, create inclusive opportunities, and enable better working conditions for their employees.



**40%**

MSMEs hired additional **full time employees**



**9%**

MSMEs hired additional **female employees**



**40%**

MSMEs increased their **employees' salaries**



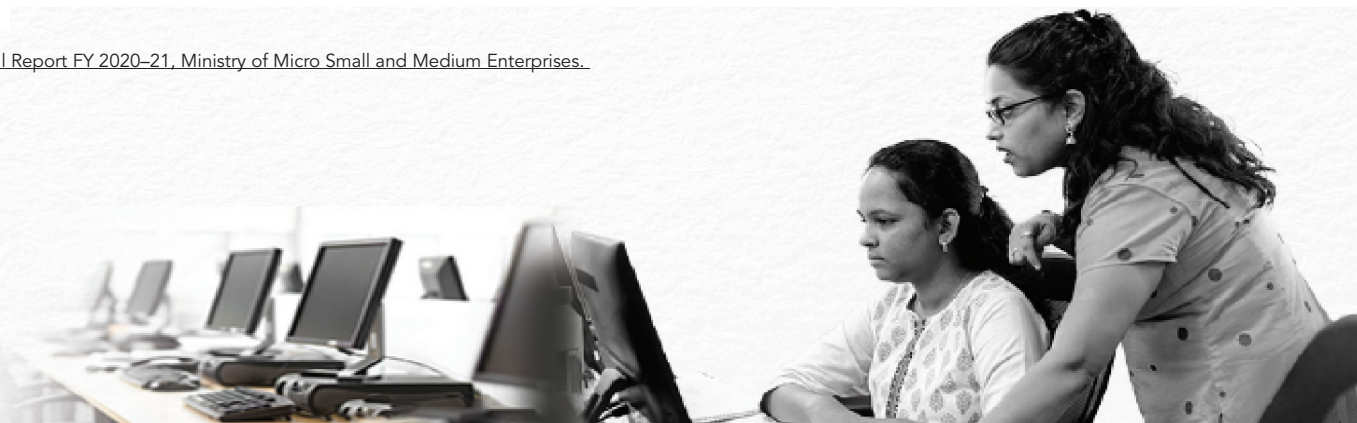
**11%**

MSMEs provided additional **social security benefits**

n=126, Social Security benefits: n=101

Women especially paved the way in promoting inclusive employment generation by empowering more women. Indeed, **~7% of our female-owned MSME customers hired additional female employees, which was a significantly higher number compared to only 9% male-owned MSMEs who hired female employees.**

<sup>9</sup> Annual Report FY 2020–21, Ministry of Micro Small and Medium Enterprises.



# Enabling Growth

## Prashant Girishbhai Agravat

“Providing Meaningful Employment to Differently-abled”

Prashant Girishbhai Agravat was at the crossroads of his life when he was burdened with the responsibility of a major decision: Should he cease to operate his father's newspaper agency, or continue running the agency against all odds during the pandemic? Capri Global supported Prashant to continue his business operations and provide employment to ~42 employees during the COVID-19 pandemic.

**Location:** Rajkot, Gujarat

**Business:** Newspaper Agency

**Annual Income:** ~INR 1 million per annum

**Loan Amount:** INR 0.9 million



35-year old Prashant Girishbhai Agravat inherited his father's local newspaper agency at a time when it was about to shut operations and had a presence only in one village in the Jamkonda district of Rajkot while selling ~1,000–1,200 copies a day. In any newspaper agency, working capital and cash advances at the start of the year are a crucial component of running the business. However, due to the COVID-19 pandemic and the ensuing cash crunch, it was unimaginable for Prashant to continue running his agency without a working capital loan. After about two years of scouting for loans from formal sources of financing, facing rejection and delays, his father suggested that he dissolve the company and move on to a different business altogether. However, Prashant was strong-willed and believed that he had to step up during these unprecedented times and use all the resources in his power to expand the business.

Prashant presented his project report and Capri Global believed in his conviction, found value in his offering and sanctioned the loan to him in less than 20 days of loan application. With a renewed financial momentum, Prashant expanded his business to 42 small hamlets in the Jamkonda tehsil even as the pandemic raged. He hired one agent/distributor for each hamlet from the respective hamlet itself on a 50% commission basis, providing a source of income for about 42 local people. He prioritized hiring of differently-abled people, who were selected with careful consideration in collaboration with the respective village committees. These people were usually involved in carrying out tasks such as fixing water pipelines, and selling newspapers came as an additional and stable source of income for them during the pandemic.

He also leveraged the continuity of his business operations during subsequent lockdowns, and used his network of agents as frontline soldiers to supply masks sourced from Ahmedabad along with newspapers to these hamlets which otherwise wouldn't have access to them due to the lack of accessible pharmacies. For the welfare of his employees, he provided ration survival kits, funded their hospitalization charges if they tested positive, and ensured they earned enough to sustain themselves.

He currently sells ~6,000 copies a day and has a presence in 42 out of the 51 hamlets in Jamkonda. He has also expanded into supplying newspapers to the government schools in his area.



**Sales: ~6.000 copied / Day**

Sales volume increased by 6x



**Presence: 42 out of 51 hamlets in Jamkonda**

82% of the entire district captured

Prashant believes that his success story would not have been possible without the timely support from Capri Global. He says, **"Capri Global understood me like no other bank did."** Even as his newspaper agency is now self-sufficient and requires low inputs from his end, he envisions expanding it even further to cover all the 51 hamlets in Jamkonda, employing more people in his network. Along with this, he is already in talks with Capri Global about the possibility of a new business idea that will impact more lives in the future.

## Improved Creditworthiness and Entrepreneurial Confidence

The improved business productivity and employment generation has resulted in improved credit access and confidence across all our customers.

### Enabling Credit Access and Loan-taking Abilities

We brought ~2,000+ MSME customers in the formal credit fold for the first time. For us, this stands as testimony to ensuring the sustainability of our efforts and to the forward-looking growth for all our MSME customers.



**83%** of our overall customers reported that their confidence to take loans in the future has increased after taking a loan from us.

# Contributing to Entrepreneurial Confidence

Through increased credit access came improved entrepreneurial agency and risk-taking abilities, allowing our MSMEs to grow in the pandemic-ridden world.

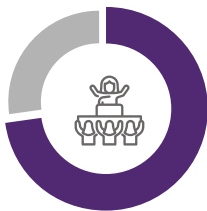


**79%** Entrepreneurs reported increase in their **business-risk taking abilities**

n=126



We strongly believe that women’s empowerment through our loans can become a driving force for a sustainable and resilient society in the face of the complex problems that confront our world.



**73%** of female entrepreneurs independently take their **business decisions**

n=11



**45%** of female entrepreneurs believe that their **decision-taking ability at home and at their businesses** has improved

n=11

## Inspiring Confidence Khusbu Singh

“Leading as an example for her daughters”

When Khusbu Singh started her small home-run boutique store 14 years ago, she could not have fathomed that someday she could partake in giving wings to her daughter's dream of becoming a doctor. The loan with Capri Global has empowered her to scale up her business and given her the confidence to contribute to important decision-making at home.

**Location:** Uttar Pradesh

**Business:** Boutique Store

**Annual Income:** ~INR 0.4 million per annum

**Loan Amount:** INR 1.0 million





40-year old Khusbu Singh has two daughters and a husband. Fourteen years ago, she decided to quit her formal job and start her own business with her network of friends. She began by running a boutique business selling clothes for women out of a rented shop in the Greater Noida region. Although her husband's involvement in making day-to-day business decisions remained low, he was supportive of her business throughout its course and since its inception.

However, during the COVID pandemic, Khushbu's boutique remained closed for ~2 months due to the nation-wide lockdown and Khushbu found it extremely difficult to sell and distribute clothes to her customers. Nevertheless, determined to emerge stronger out of the crisis and supported by her customers' positive feedback, Khusbu decided to expand her business in the face of adversity. Alongside her savings from the business, she decided to take a loan from Capri Global to buy her first commercial shop in a shopping mall in Samobhan Nagar.

At present, she runs two shops and has expanded her business offering to a new line of cosmetic products. The business expansion has culminated into greater sales and revenue from the overall business. Currently, she is able to make a profit of ~INR 0.1 million per month and has six employees to support her in her business, out of which five are full-time paid employees.



**Profit: ~INR 0.1 million per month**



**Employment: Hired 6 Employees**

5 out of which are full time paid employees

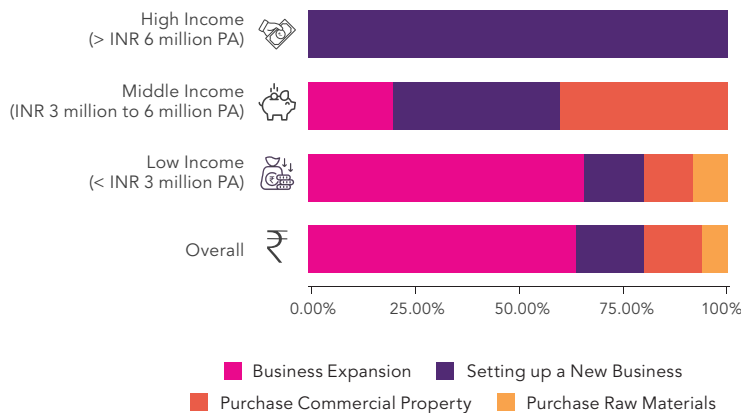
**She says that her confidence to take new and bold business risks has drastically increased after experiencing the successful loan-taking from Capri Global.** Capri Global has instilled a renewed entrepreneurial spirit in her, and she feels very passionately about continuing to work for her own business. Khusbu says, "I'd prefer working 15 hours a day on my own business rather than spending eight hours a day on somebody else's." While the fire and ambition to kickstart a third line of business is still alive in Khusbu, she wants to put those plans on hold for now and focus on savings to fund her daughters' education—one of whom aspires to become a doctor.

Although Khusbu's family was always supportive of her decision, she feels that her family's perception of her has improved significantly. **Her success in buying her own commercial shop and running a self-sufficient business means that her family now not only trusts her to take her decisions independently, but also looks up to her for future savings and providing for the family at large.**

## Enhanced Customer Experience

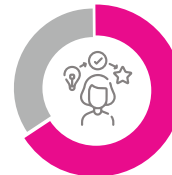
### Strong Product–Market Fit

In the backdrop of the COVID-19 pandemic, our loan products helped the MSMEs according to their varying needs. Our loans supported the slightly vulnerable MSME players, the low-income customers, in sustaining their existing businesses and expanding them in the post-COVID-19 period. While the loans helped the slightly stable players, the middle and high income micro entrepreneurs, who have higher risk-taking capabilities, in diversifying into newer, more resilient businesses.



**~100%**

of our high-income customers and ~40% of our middle-income customers started new businesses with the help of our loans



**~66%**

of low-income micro entrepreneurs took the loan to expand their existing business

**89%**

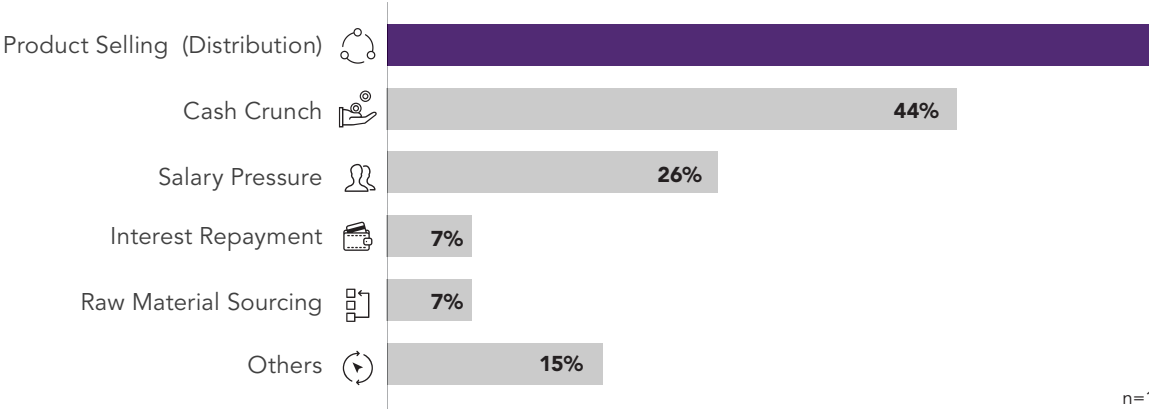
of our customers reported that they fulfilled the purpose of taking the loan. As a result of our ability to cater to the diverse financing needs of our customers

# Support Provided during the COVID-19 Pandemic

The MSME sector was one of the most vulnerable sectors during the pandemic. **Over 60% of our MSME Finance customers witnessed the impact of the COVID-19 pandemic in their businesses.**



## Challenges faced by MSME finance customers during COVID-19 pandemic



n=132



# **Our Impact: Housing Finance**



India is the second-most populated nation in the world, with more than 31% of its total population living in urban areas. As per the National Commission on Population, **By the year 2030, ~40% of the population will reside in urban areas<sup>10</sup>, which is likely to create a demand for 25 million additional affordable urban housing units<sup>11</sup>.** Here, the supply falls short of the rising demand.

While low-income individuals own homes which they have likely built themselves, they rarely own the piece of land that holds their dwelling. High costs, statutory clearances, and long procedures are seen to shut low-income individuals out of the formal financial markets and limit their access to loans, making it hard for them to buy or build a home.

**In order to curb the subsisting disparity, the Government of India introduced the 'Housing for All' program by the name of Pradhan Mantri Awas Yojana (PMAY)<sup>12</sup> in 2015, under which it plans to significantly increase the stock of affordable housing units for low- and middle-income groups by 2022<sup>13</sup>. We at Capri Global have stepped up and extended our support to this noble initiative by offering credit under the PMAY.** We have set up a wholly-owned subsidiary by the name of Capri Global Housing Finance Limited (CGHFL), a Premier Lending Institution (PLI) for the Credit Linked Subsidy Scheme (CLSS) under the PMAY with the National Housing Bank, wherein we provide easy financial access for housing.

Additionally, the pandemic and the subsequent mobility restrictions highlighted the importance of having the comfort of one's own house. Although the negative effects of the COVID-19 pandemic have prevailed across all income groups, the lower-income segment was more severely hit due to their higher vulnerability and the absence of any social security nets in the informal sectors for job losses and wage cuts, in addition to poor prevailing housing conditions.

<sup>10</sup> [India Faces Wide Gap between Housing Supply and Demand," Gulf Today, 2021](#)

<sup>11</sup> [RICS and Knight Frank Report, 2019.](#)

<sup>12</sup> Pradhan Mantri Awas Yojana – Urban (PMAY-U) is a flagship mission of the Government of India implemented by the Ministry of Housing and Urban Affairs (MoHUA). It addresses urban housing shortages among the Economically Weaker Section/Low Income Group (EWS/LIG) and Middle Income Group (MIG) categories, including slum-dwellers, by ensuring a pucca house to all eligible urban households by the year 2022, when the nation completes 75 years of its Independence.

<sup>13</sup> [International Trade Administration, 2021.](#)



**In the light of understanding the significance of having one's own house in the battle of survival against the pandemic, we continued offering loans to approaching customers, anchoring our focus on the most vulnerable sections of society to build their resilience to the pandemic.** We enabled over ~83% of our customers with an average annual income of INR 1 million to own a house for the first time.



**Our impact has not only been limited to providing support during the pandemic, but has extended well beyond that to promote growth.** With the help of our housing finance loans, 50% of our customers were able to move to or construct a bigger house. As many as 33% of the commercial property loan-takers reported an increase in their income, while 67% of them went ahead and hired additional full-time employees after taking the loan.



**The improved housing and business conditions developed a sense of confidence in all our customers, especially women.** As many as 79% of our customers felt an increase in their loan-taking ability and confidence due to a better understanding of the loan-taking process after taking a loan from us.





## Enhanced Credit Access to Meet Housing Needs

Our model has focused extensively on inclusive lending. Till date, we have been able to reach over 13,000 unique housing customers and have disbursed over INR 3,700 million in credit.



**13,149**  
Unique Customers



**8**  
States



**INR 3,725 million**  
Credit disbursed



**INR 11,553 million**  
AUM

## Serving the Underserved

Inadequate housing and financial exclusion contribute to a larger socioeconomic trap that prevents the low-income population from participating in the formal credit system. Many families have not possessed official documentation since generations, without which this section of society has been beyond the reach of formal bankers.<sup>14</sup> We have tried to mitigate this gap in the housing economy by posing minimal documentation requirements.

**Our housing finance solution is targeted particularly at middle- and lower middle-income individuals with an average annual income of INR 1 million in Tier-II and Tier-III cities** Tying up our loans seamlessly with the PMAY and fine-tuning our focus on customers belonging to the low-income strata with no credit history, our business model has been able to build resilience among our target customer segment. With our unique lending model, we are able to reach even the self-employed individuals associated with limited financial documentation.

<sup>14</sup> Housing Challenges", The Statesmen, 2022

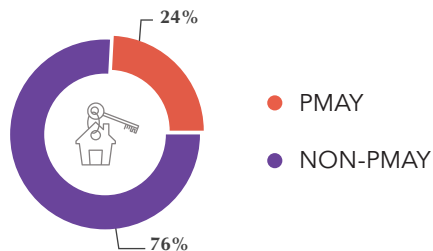
24%

of our customers were PMAY customers with an average income of INR 0.76 million per annum<sup>15</sup>

9%

of our customers were women borrowers or co-borrowers with an average income of INR 0.95 million per annum

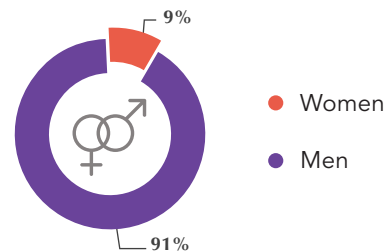
### PMAY\* vs Non-PMAY



n=133

\* Pradhan Mantri Awas Yojana

### Gender Distribution



n=133

<sup>15</sup> EWS with family income up to ~INR 0.3 million per annum, or LIG with family income up to INR 0.6 million per annum, and/or MIG with income between INR 0.6 million to INR 18 million per annum.

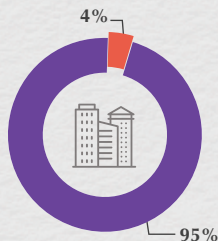
## Growth in First-time Home Ownership

In India, owning a house is a matter of utmost pride. It is associated with self-sufficiency and a sense of achievement. During the pandemic, people spent a significant amount of time indoors and realized the practicality of larger homes with sufficient space to work, retreat, and breathe. Therefore, ownership of properties in a quality and livable environment became more popular as the economy started to recover from the fallouts of the COVID-19 pandemic, and the demand started resurfacing to pre-pandemic levels.

83%

of our overall customers were able to purchase a property for the first time in their lifetimes.

### Housing Finance Customer Split



● Commercial property ● Residential property



86%

of our residential property customers purchased their first property



40%

of our commercial property customers purchased their first property

## Tying Our Initiatives with PMAY Customers

We have tied our efforts with those of the government to ensure 'Housing for All', and enhanced our focus on extending loans under the PMAY scheme. The results are encouraging for the PMAY-registered customers especially in helping them transition from rural to a urban-semi urban house. Even so, we believe there is still more to do in this space.

By financing our customers' dreams of buying new houses or enhancing existing facilities, we have also been able to help achieve their goals pertaining to better housing conditions.

24%

of our overall housing finance customers, all of whom purchased their first property with the help of our loan, were PMAY-registered customers.

Customers Reported



**Overall  
Borrowers**



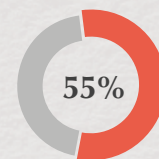
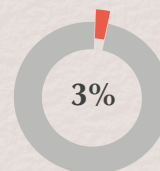
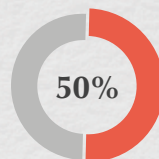
**PMAY  
Borrowers**



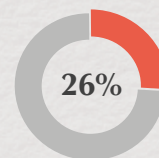
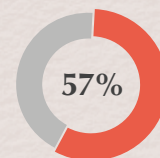
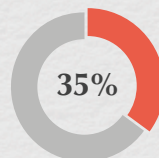
**NON-PMAY  
Borrowers**



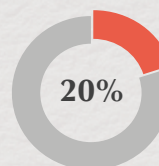
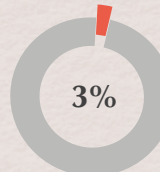
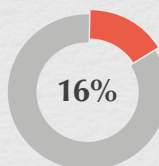
Increase in  
line size of  
residential  
property\*



Relocating from a  
rural house to an  
urban or semi-  
urban house



Increased the  
number of house  
occupants



**Average number of  
people per house**

5.7

4.2

6.4

**Average size of  
residential property\***

3.8

3.2

4.1

n=131

n=36

n=95

\*Number of rooms (including bedroom, hall, kitchen, etc)



## Promoting Home Ownership among Women

In India, in 2020–21, only ~23% of houses or lands were registered in the name of women.<sup>16</sup> However, women are increasingly evolving from being homemakers to also homeowners. We put a special emphasis on extending housing loan products to female customers, as borrowers or co-borrowers, since we believe that this makes them more self-reliant and imbibes discipline within the loan account for better risk management.

77%

of our total female housing finance customers purchased their first place of residence in their own name through our loans



10%

of our first time **residential** property buyers were female customers



40%

of our first time **commercial** property buyers were female customers

<sup>16</sup> "NFHS Survey Out: Dip in Women Owning Property, but Better Financial, Social Autonomy," The India Express, 2021.



## Strengthening Resilience **Mamta Thakur**

“Building a house of dreams”

Mamta Thakur, a headmistress in a government school, is teaching a lesson about financial independence and stability to all the single mothers around her through leading by example. Capri Global has been her partner of choice in materializing her house of dreams.

**Location:** Madhya Pradesh

**Annual Income:** ~INR 0.4 million

**Loan Amount:** INR 0.8 million



On the professional front, Mamta Thakur, a 40-year-old, single mother living in Dhar, Madhya Pradesh, started her career as a teacher in a government primary school and is now the headmistress of the same school. However, on the personal front, she has always lived in a rented apartment along with her two daughters and had never been able to afford her own house

During the second wave of the COVID-19 pandemic, Mamta made a decision to construct a house for herself and her kids to live a comfortable and stable life. She bought a plot of 1,225 sq ft area with her savings, but found herself short of the capital needed to construct the house. It was here that Capri Global intervened, providing her the much-needed financial impetus to materialize her house of dreams. **Mamta chose Capri Global after assessing multiple loan providers because of the client centricity in terms of personal house visits for document collection and verification, which allowed her the flexibility to effectively manage her time at school without taking a leave of absence.**

**With the help of the loan amount, Mamta constructed a 1 BHK on the plot. Currently, the rooms in her new apartment are more spacious as compared to her rented apartment. She fondly says that the balcony has been the highlight of her new house, becoming a space for her and her kids to reflect and rejoice.**

Her neighborhood has all the good amenities nearby. They have a local market for groceries and entertainment purposes close to their house. Her daughters' school is close as well, and they can travel by private van. Most importantly, there are quality healthcare facilities near her house, which reassure Mamta that she can get quality treatment for her and her daughters in case of a medical emergency. She also tells us that she and her daughters feel very safe living in the area.

Mamta has been living in the new house with her daughters since it got ready, a house that she can call her own. She has successfully been able to build a safe space that is a symbol of a feeling of belongingness, stability, and financial freedom for her and her daughters.



## Improved Living Conditions

### Providing Access to Quality Housing Facilities

Livable housing conditions promote the sociocultural, economic, and mental wellbeing of citizens and allow residents to age in peace.<sup>17</sup> Apart from the loss of jobs it was also the lack of proper housing that led to the mass migration of laborers from cities to the villages during the initial days of the lockdown.<sup>18</sup>

We try to ensure that our housing finance customers have access to quality facilities essential for a healthy and sustainable living. Basic necessities like access to electricity, drinking water, etc still remain an aspiration for many people in our country, and we aim to fulfill this dream. As observed below, we have in fact been able to ensure greater access to living facilities for PMAY-registered customers, further emphasizing that the loan has been particularly helpful for the lower-income group.

#### Customers had access to (%)





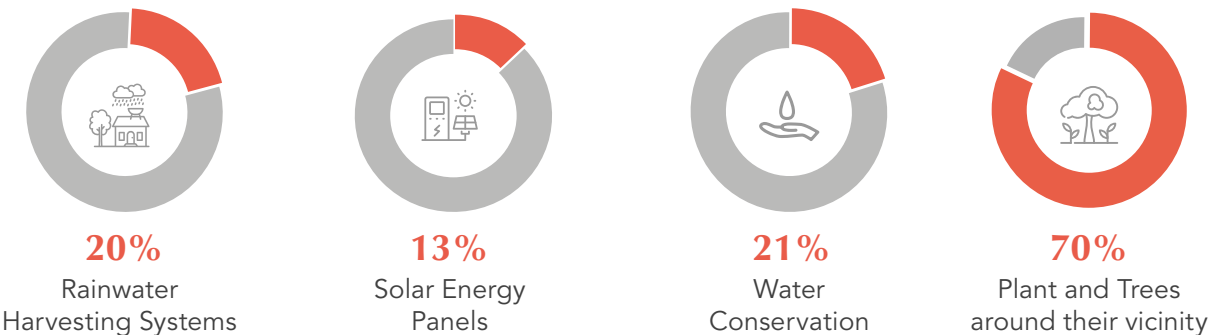
## Customers had access to (%)



# Opening Doors to a Sustainable Living

We have enabled our housing finance customers across income levels to adopt eco-friendly amenities. We have contributed positively to the environment by providing them with the necessary capital to support their dreams in a sustainable way.

## Customers had access to (%)



n=126

<sup>17</sup> Panda, Adishree and Palak Thakur, "Liveability of Indian Cities: Turning Urban Legend into Reality," The Energy and Resource Institute, August 9, 2019, 2021.

<sup>18</sup> Housing Challenges", The Statesmen, 2022.





# Strengthening Resilience

## Manish Dulani

“Bigger, better, and together ”

As the sole breadwinner of the family, Manish Dulani took a loan from Capri Global under the PMAY scheme to buy his own house, provide his family with better access to living and recreational facilities and live closer to his brothers and their families

**Location:** Gujarat

**Annual Income:** ~INR 0.4 million

**Loan Amount:** INR 0.4 million



At the young age of 36 and with an annual income of less than ~INR 0.4 million a year, Manish Dulani had the responsibility of fending for his family of four. He, his wife, and his two school-going children aged 12 and 5 lived in a small 1 BHK apartment of less than 30 sq. m in the Ulhasnagar area of Gujarat. He lived in a facility that included about 50 other apartments, which were built by their religious trust. However, his locality was remote, making the necessary amenities less accessible for him and his family. His locality was also plagued by frequent power outages and other infrastructural issues. With his growing family and their increasing needs, Manish felt the need to move to a bigger house that had better amenities.

Determined to take up the responsibility to support his family better, Manish was recommended by his friend to approach Capri Global for a home loan under the PMAY initiative. Having had prior experience taking loans, **Manish said that he preferred Capri Global over others, due to the efficient disbursal cycle and quick turnaround time. He especially liked the fact that Capri Global's staff visited his home to collect his documentation rather than have him travel each time.**

**With the help of the loan money, he moved into a slightly bigger house that had two balconies more than his previous house and was well-connected to essential services.**

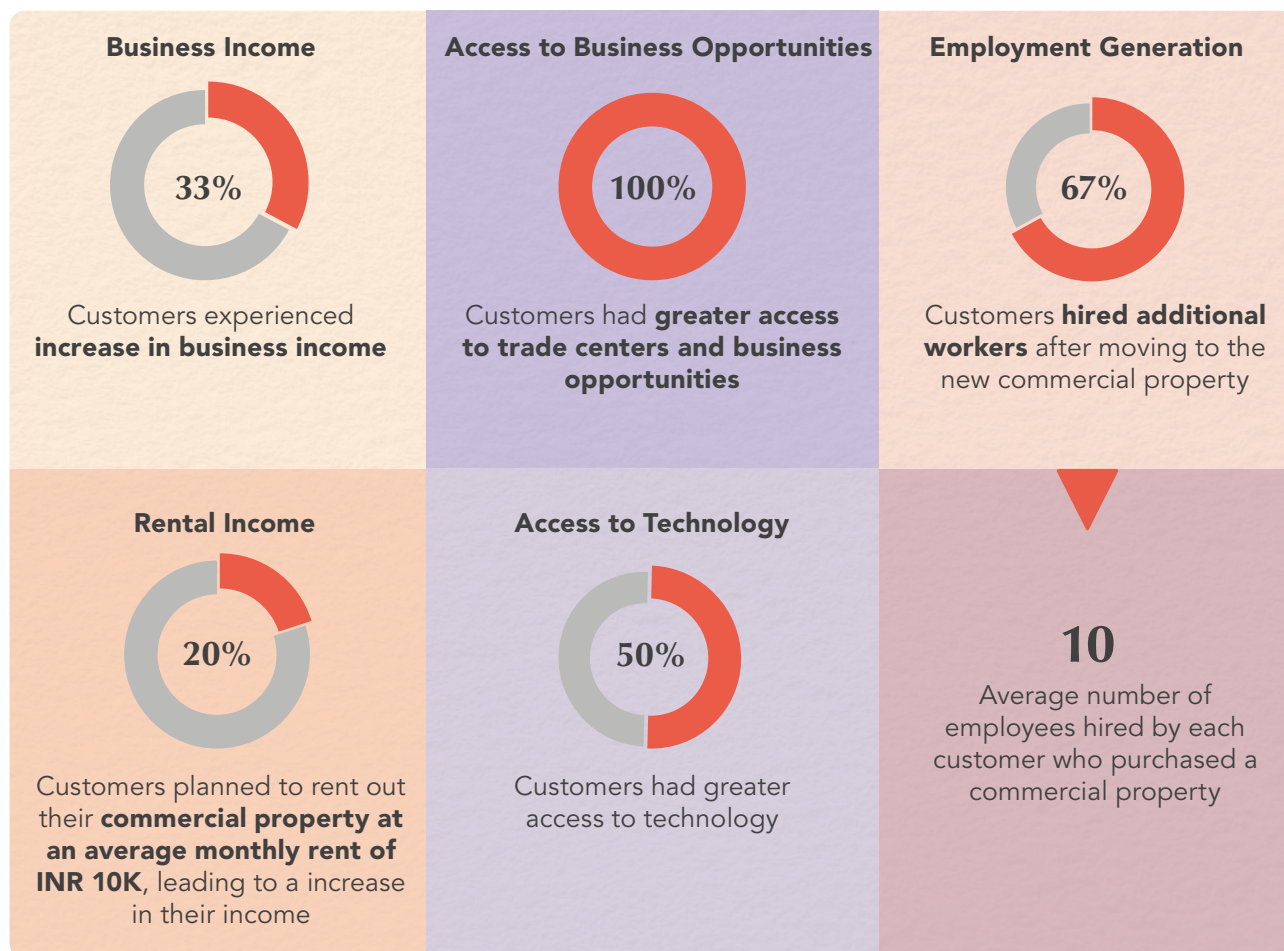
Shifting localities has been beneficial for the entire family. Currently, they have a groceries market within 1 kilometer of their vicinity, and there are minimal power cuts, compared to his last locality. He emphasized that the Teen Murti temple was now very close to their house, which is also surrounded by a park. This makes both the adults and the children happy—the adults are able to visit the temple religiously, while the kids of the house have a space to play, relax, and get some fresh air. The area he lives in is very peaceful and dense with plants, and he and his wife cherish that.

Most importantly, Manish's siblings live in the same building on different floors, so **Capri Global has been instrumental in reuniting him with his brothers.** He tells us that his kids have found great companionship with their cousins, and seeing them happy makes him happier, for which he is grateful to Capri Global. Lastly, they feel safe in the new area because of the locality in general, and in the togetherness of all the family members.

## Enhanced Income Generation Capacity for Commercial Property Customers

### Enabling business growth through commercial properties

Commercial activity was severely hit during the pandemic due to rampant uncertainty, nationwide lockdowns, and changing customer preferences. Businesses took a while to revive. Our commercial property loans were successful in lending a helping hand to those who needed to purchase commercial properties to run their businesses. With the loans, businesses were further able to provide quality products and services as well as generate steady employment opportunities.

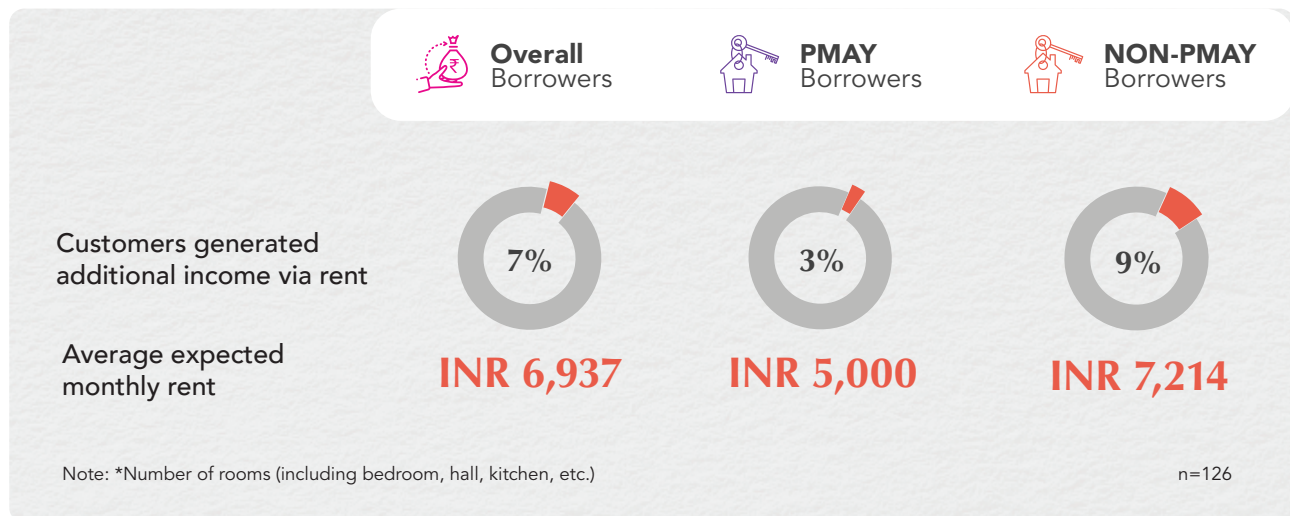




## Enhancing income-generation avenues for homeowners

In India, renting property is a lucrative income-generation option. During the COVID-19 pandemic, the rental market was severely hit and the monthly rents dipped substantially. Tenants moved out of rented apartments to their hometowns and had a better negotiating hand. The residential rental market, however, has shown a steady uptick since then.

Our Residential Housing loans enabled our customers to expand their income source by giving them the option to lease out the property purchased/constructed/rebuilt with the help of the money. However, given that most of the customers were lower-income individuals, the percentage of housing finance loan-takers who were able to generate additional income through rent was on the lower side, especially in the case of the PMAY customers who had bought their first property ever.





## Enabling Growth **Manju**

“Creating a new room for growth”

What started as an alternate income idea in a small house for Manju turned into a passion, and helped a family of four to live a sustainable life. The loan from Capri Global helped Manju to add an extra room to her house and expand her business, allowing Manju to plan for a better future for herself and her loving family.

**Location:** Madhya Pradesh

**Annual Income:** ~INR 0.4 million

**Loan Amount:** INR 1.4 million



Hailing from Indore, Madhya Pradesh, Manju has a family of four—a husband and two school-going sons of ages 12 and 15. Her husband is the provider for the family and his primary occupation is agriculture. Her family owns a house with an attached shop, which was leased to another business-owner, yielding them a rent of ~INR 1,500–2,000 per month.

In an attempt to earn extra income for her and her family, Manju met with some garment wholesalers in Jaipur and Bhilwara, Rajasthan, independently and started her own venture, Yashraj Collections in 2016. She decided to conduct her business out of the attached shop. After four years of running her business successfully, Manju decided to take a loan from Capri Global to add an extra room in her house for conducting her business.

With the loan amount, she was able to extend her house and add another shop on the upper floor, and purchase more garments to keep a stock and scale up her collection.

Additionally, the loan gave her the necessary financial impetus to extend her service offerings and provide stitching services to her customers.

It was not as difficult to give fuel to her ambitions since her house was situated in the main market area and was well connected to the Indore crowd, which made Manju's store very popular. Currently, Manju is easily able to save INR 25–30k per month out of her business income. She is connected to over 500+ customers digitally and affirms that all of her store customers are repeat customers.

She still has that zeal and enthusiasm with which she first began her venture. Her confidence has only increased with every passing day. Manju has had a wonderful experience with Capri Global. She says that Capri Global has given her the confidence to think and aim big. She envisions expanding her business even further by adding more items in her stock. She aspires to turn her shop into a 'one-stop shop' for all the females in localities.

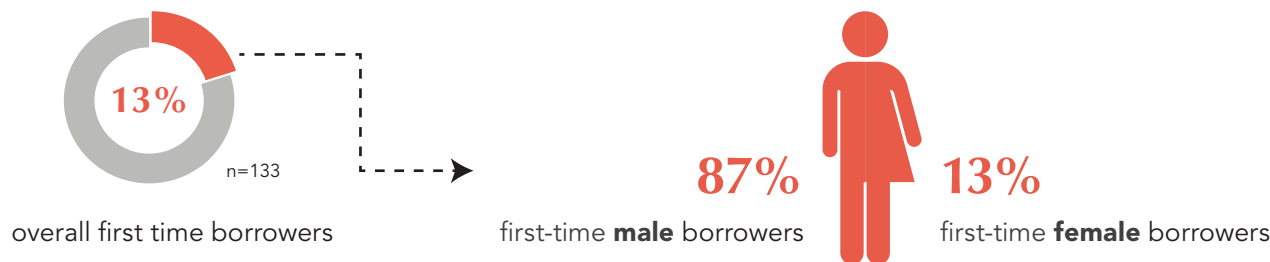




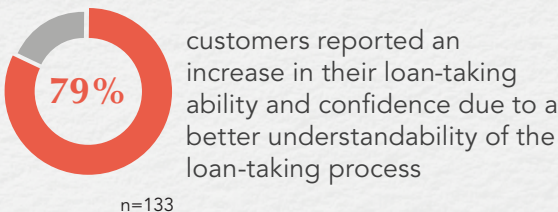
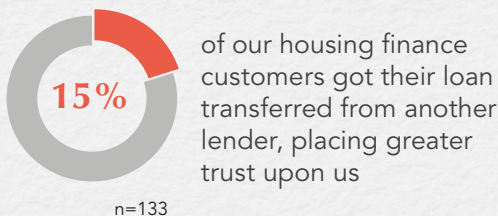
# Improved Credit-taking Abilities

We strongly believe in the government's initiative of 'Housing for All', and that housing finance is the way to enable more and more people in the country to own their first homes. In our collaborative endeavor to bring the most vulnerable in the formal credit fold and enable housing access for all, we have kept the documentation and collateral requirements minimal as well.

13% of our housing finance customers were first time borrowers



Additionally, we have proof that our customers have been able to benefit from credit access and would like to remain in the credit fold in the future as well.



# Enhanced Customer Experience

## Strong Product–Market Fit

The needs of our customer base vary across residential and commercial purposes. For instance, 95% of our customers took the loan for residential purposes whereas ~4% took the loan to purchase a commercial property such as a shop, factory, or office to carry out income-generating commercial activities. The remaining 1% reported taking the loan for other housing-related purposes.

Out of the 95% residential property loan takers, 88% took it to either purchase a ready house or to construct a house. The remaining 7% took the loan to undertake repairs, renovations, or extensions in their existing accommodations to improve the quality of housing, which remains a high need in our country. We aim to plug in the quality gap by designing an all-encompassing loan product and providing finance not only to purchase a new house property, but also to undertake home extensions or repairs.



82%

of our customers reported that they were able to fulfill their loan-taking purpose.

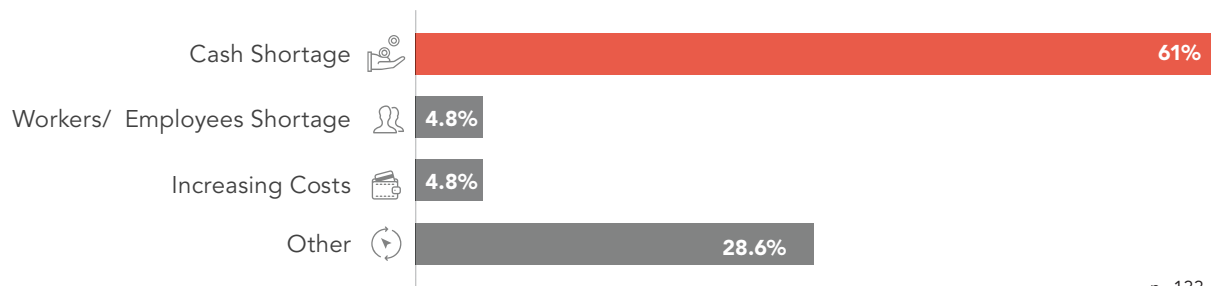
## Support provided during the COVID-19 pandemic

14%

of our housing finance customers were propelled by the COVID-19 pandemic to take the loan.

New needs emerged and older ones transformed during the COVID-19 pandemic. In some instances, the loan-taking requirements were further increased because of the uncertainty around the pandemic. Out of our customers driven by the pandemic to take out a loan, 68% took the loan due to shortage of cash. Other reasons to take loans included shortage of workers/employees, difficulty in raw material transportation, increasing costs, etc.

### Challenges faced by Housing finance customers during COVID-19 pandemic



n=133

We helped mitigate the impact of COVID by providing 20% customers Moratorium on EMI payment and 5% of our customers with loan restructuring.



# Our Impact: Construction Finance



The real estate and construction sector is the key to unlock India's economic growth. Currently, it is the second-highest employment generator after the agriculture sector. It is expected to reach USD 1 trillion in market size by 2030, up from USD 200 billion in 2021, and contribute to 13% of the country's GDP by 2025.<sup>19</sup> However, the rate of housing development in India has not been commensurate with the rate of urbanization. **Overall, there is a shortfall of about 20 million affordable housing units in urban India.**<sup>20</sup>

The COVID-19 pandemic has worsened the situation by causing a vast economic slowdown. With a 24% slump in the economy in the second quarter (Q2) of 2020 as compared to the same period in 2019, almost every sector experienced widespread chaos and disruption. Many construction projects remained unfinished or unsold, because of disruptions across the value chain. **Developers were sitting on unsold stock worth approximately INR 6,000 billion, as of September 2020.**<sup>21</sup>

In these testing times, we continued hand-holding our clients and supported them with capital disbursements. This ensured that construction went on unhalted, and our customers were able to retain the laborers and arrange tie-ups for raw materials. We have been open and quick to synergize our efforts with the government's affordable housing projects schemes. We have also been contributing to the noble initiative of the PMAY by supporting construction firms that build affordable housing accommodation for the masses. With a presence across both housing and construction industries, we aim to address both the demand and supply sides of affordable housing in India.

<sup>19</sup> Indian Real Estate Industry Analysis, IBEF, 2022.

<sup>20</sup> India's Enduring Urban Housing Shortage, Observed Research Foundation, 2021

<sup>21</sup> Proptiger Report, 2021.





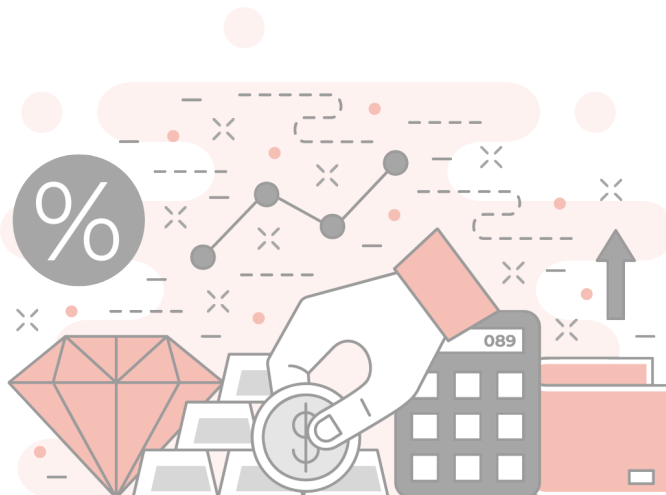
**Our loans have been successful in helping our customers build resilience to the pandemic. From our customers, 73% reported an increase in their cash and liquidity position after the loan.** Our quarterly field visits, inspections to track progress, and consultations for course corrections have contributed to disciplined performance of our construction companies and enabled them to complete their projects in due time during periods of uncertainty.



**Since taking a loan from us, our customers witnessed growth in their operations and met with success in every business aspect.** For example, 36% of our customer companies reported an increase in their customer base, even during the pandemic when sales had slumped. This is an indirect positive impact, as most projects had either just started or were in the work-in-progress stage. Usually, these projects are put on sale after they are completed. Similarly, 40% of the companies also reported hiring additional Full time employees after the loan to seamlessly complete their projects.



**Our loans facility has also inspired confidence in our customer base to carry on their business effectively while managing the inherent risks.** With so much uncertainty, the morale of the owners of construction companies had reached the lowest point. However, 73% of our loanee construction companies reported an increase in their ability to manage risks and their businesses after taking the loan.



## Enhanced Credit Access for Construction Companies

Till date, we have been able to finance 126 construction firms, spread across 9 states but predominantly present in Gujarat and Mumbai.



**126**  
Construction firms



**9**  
States



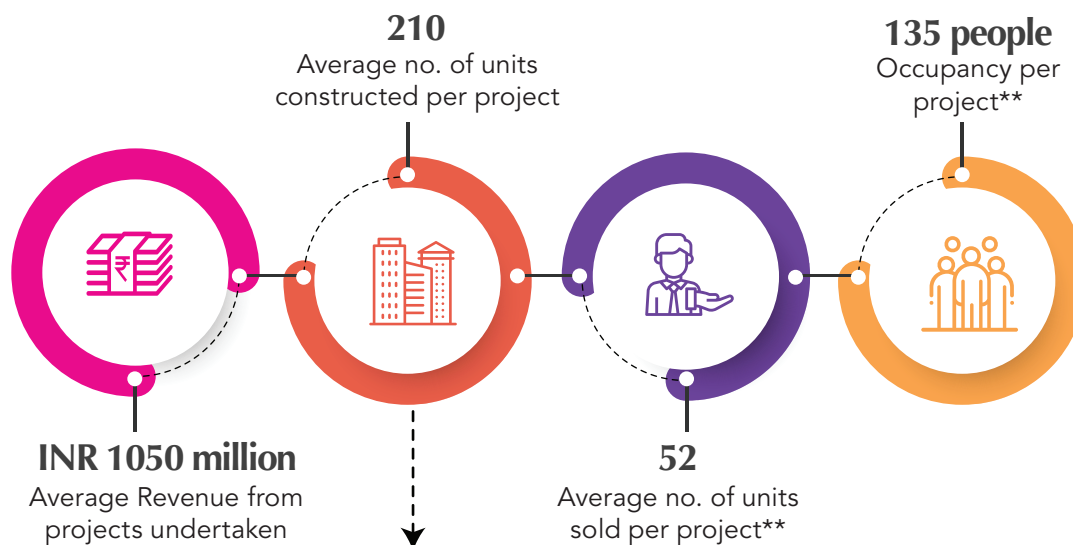
**INR 4,171 million**  
Credit disbursed



**INR 8,734 million**  
AUM

### Serving diverse construction companies

With a view to bring the rural and urban poor into the housing fold, we have provided construction-linked loans since the year 2010 to small and mid-sized real estate developers with a good track record. Usually, we provide loans to the firms that have been in the business for about 12–13 years.

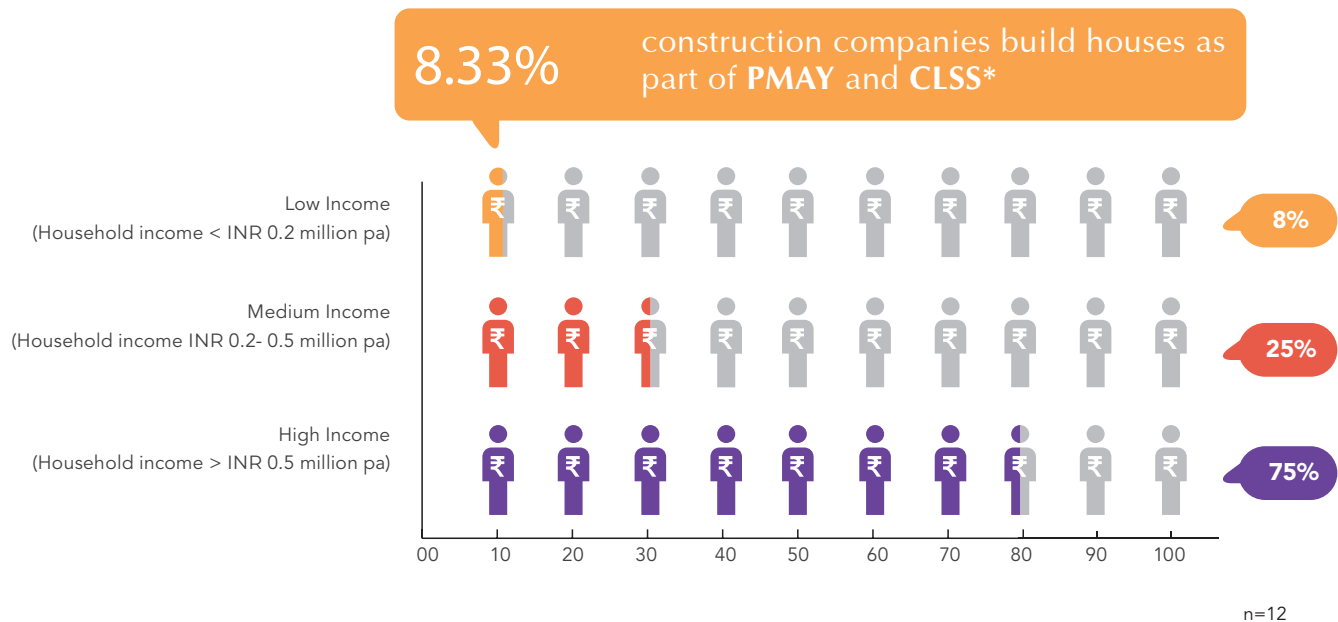


This leads to an overall impact of 26,460 housing units. With the Indian average family size of 4.8 per house, the number of families impacted is 5,513 and the number of individuals impacted is 1,27,008.

## Our construction companies: Further serving diverse end-beneficiaries

Our construction company customers built residential and commercial properties for customers belonging to varied income groups. Over 8.3% construction companies built houses as part of the PMAY and CLSS.\*

### % construction companies that cater to different income levels of house occupants



\* Credit Linked Subsidy Scheme (CLSS) is one of the four verticals of PMAY-U under which interest subsidy is provided on home loans taken by eligible beneficiaries of Economically Weaker Section (EWS) (income upto INR 3 lakhs) and Low-Income Group (LIG) (income between INR 3-6 lakhs) for acquisition of houses by purchase/ re-purchase or construction of houses and for incremental housing



## Improved Business Productivity

Not only have our loans helped companies emerge out of the difficulties imposed by the pandemic, they have also enabled companies to attain momentous levels of business productivity. A regular fund flow to undertake housing projects has helped the companies keep themselves regulated, complete projects faster, and ultimately contribute to solving the housing crisis.



**73%**

### Cash and liquidity

Construction companies reported an increase in their cash and liquidity position



**36%**

### Customer Base

Construction companies reported an increase in their customer base



**8%**

### Geographic expansion

Construction companies reported being able to expand to a new city / location



**33%**

### Asset purchase

Construction companies reported purchasing new assets such as machinery

# Strengthening Resilience

## Arvind

“Scaling up against all odds”

Arvind dreamed big and emerged bigger, and found Capri Global holding his hand on the way. With strong fundamentals and a market presence, Arvind entrusted Capri Global with his business expansion

**Location:** Delhi NCR (Faridabad)

**Focus:** Residential Accommodation

**Years of Existence:** 15

**Number of projects completed:** 4

**Loan Amount:** INR 40 million



Arvind started his construction company, Profile Construction, in 2003 in partnership with his brother in Faridabad. After a couple of years his brother stepped out of the business and Arvind became the sole proprietor of the company.

He had started his entrepreneurial journey by trading residential properties and taking up small-scale boutique residential and industrial projects valued at ~INR 5 million to INR 10 million. He solidified his presence as a developer in the construction line for the first time with a large-scale construction project wherein he constructed 58 villas and row houses.

**After establishing his presence in the market, Arvind approached Capri Global for a business expansion loan. Capri Global enabled him to purchase 8 plots together for the first time and reach a scale that he had never seen before.**

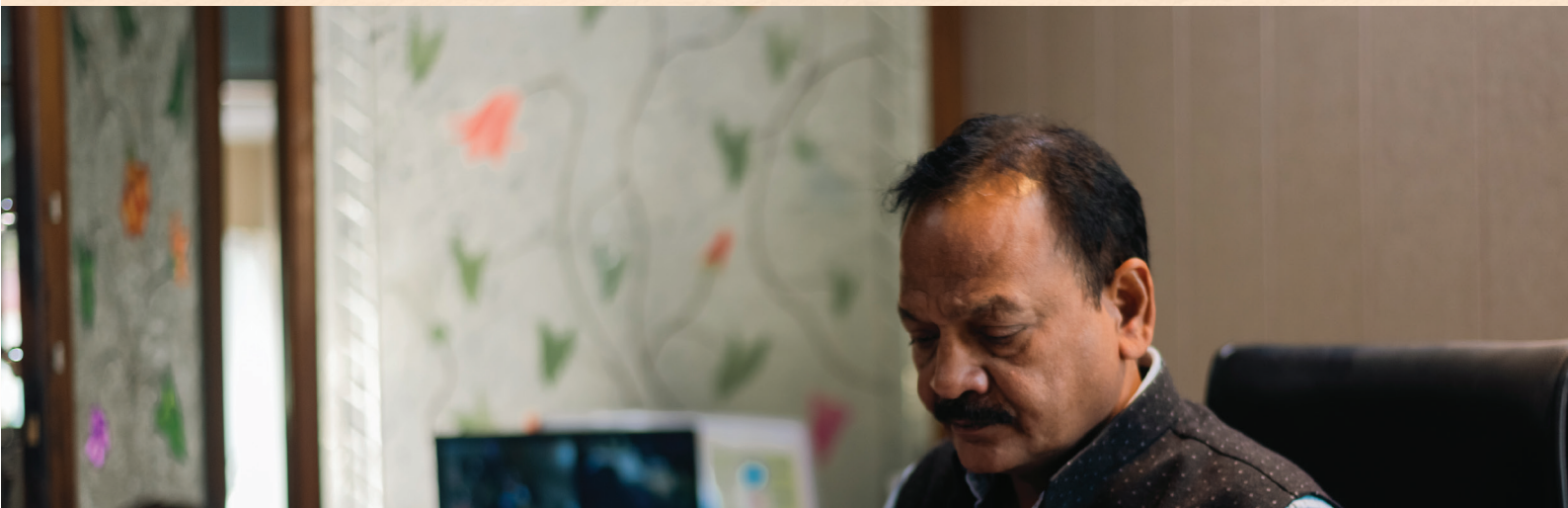
However, the COVID pandemic brought along unanticipated challenges to Arvind's expansion plans.

Employee retention was one of the major challenges that he faced in bringing this project to fruition. He had employed ~700-800 employees for this project and nearly half of them left for their hometowns and villages.

Coordinating work further became a challenge, since construction projects run through chronological synchronized effort from different employees. Nevertheless, with the help of the loan amount he was able to support his employees with their deserved 50% dues, even though construction was at a complete halt.

Currently, he has successfully completed the construction phase of the project and he is expecting good levels of profitability from this. **He affirms that the continued support of Capri Global during the COVID-19 pandemic was the reason why he could scale up against all odds.** He particularly praised the customer centric approach and the regular monthly-check-ins which has instilled in him the discipline to complete his construction projects on time.

While this is only the beginning of Arvind's growth journey Capri Global aims to continue working closely with Arvind in the future.



# Inclusive Employment Generation

**The construction sector employs nearly 51 million people, and is the second largest employer in the country, after agriculture.** The construction sector possesses an inherent multiplier effect for social good. By constructing a single house, you provide not only a home to end-beneficiaries but also create livelihood opportunities for construction workers. The COVID-19 pandemic hit the sector badly, leading to mass migration of workers to their seasonally abandoned rural homes. Nevertheless, with our effective loan system in place, our construction finance customers could retain their employees, provide them with social security benefits, and also hire additional employees during these tough times.

## Full- Time Employees (FTEs)

**40%** Construction companies hired additional FTEs

**12.4** Average no. of FTEs per company

## Daily Wage Workers

**55%** Construction companies hired additional daily wage workers

**62.5** Average no. of daily wage workers per company

## Female Full- Time Employees (FTEs)



**29%** Construction companies hired additional Female FTEs

**2.6** Average no. of Female FTEs per company

## Female Daily Wage Workers



**43%** Construction companies reported hired additional Female daily wage

**17** Average no. of female daily wage workers per company

## Employee Salaries and Social Security Benefits

**55%** Construction companies increased their employees' salaries or extended additional social security benefits to their employees



## Enabling Growth **Amar Barate**

“Supporting 140+ workers during the COVID-19 pandemic”

When Amar Barate began working on his construction project in Pune, he could not have predicted that an impending global crisis would delay his project by a year and leave him to fend for his 140+ workers. But he rose to the occasion as an employer and supported his employees in their journey of survival against the COVID-19 pandemic, helped with the loan from Capri Global.

**Location:** Pune

**Focus:** Residential and Commercial Accommodation

**Years of Existence:** 11

**Number of projects completed:** 11

**Loan Amount:** INR 90 million



Amar Barate inherited the company Shree Chintamani Construction from his father-in-law in 2018 after the company's two partners retired. The construction company has successfully completed 11 projects so far and serves the affordable housing segment, constructing budget-oriented 1 BHK to 2 BHK units in complexes ranging from INR 2.5 million – INR 3.5 million for the low middle-income customer groups. The construction company caters to both residential and commercial properties.

When Amar wanted to complete an ongoing construction project on Solapur Road in Pune with a plan to build 178 units, he turned to Capri Global for a business completion loan. He was recommended by an acquaintance to go to Capri Global for his construction needs. He planned to use the loan to source raw materials, suppliers, and workers to help complete his project on time.

However, the global crisis had other plans for Amar. When the pandemic hit the country, his construction work halted due to the mobility and business restrictions that ensued from a nationwide lockdown. He had 140+ daily wage workers and 8 full-time employees, left to fend for themselves at the onset

of the pandemic. During these unprecedented times, he rose to the occasion as a responsible employer and continued paying his workers during the lockdown, and also made arrangements for their stay, electricity, food, and water within his facility during the lockdown.

He says, "If it weren't for the loan from Capri Global, I wouldn't have been able to support 140+ employees whose families depended on them."

After emerging stronger from the pandemic, Amar now expects to complete this project in the next two months and begin the process of possession for his customers. He looks forward to positive cash flows from the overall project. The project has received positive feedback from his customers so far, which has led to mouth-to-mouth publicity among the locals and increased his sales. **Amar trusts Capri Global as partners of his choice in his journey to spur the housing dreams of the low middle-income group people in Pune.**

# Improved Living Conditions

## Providing Access to Improved Living Facilities for End-Beneficiaries

As per estimates from the United Nations, as of 2021, 35% of the urban population in India was living in substandard housing, which in absolute numbers is 170 million. Considering the current average household size of 4.8, this translates to 35 million households living in substandard housing conditions, indicating the need-gap for adequate housing.<sup>22</sup>

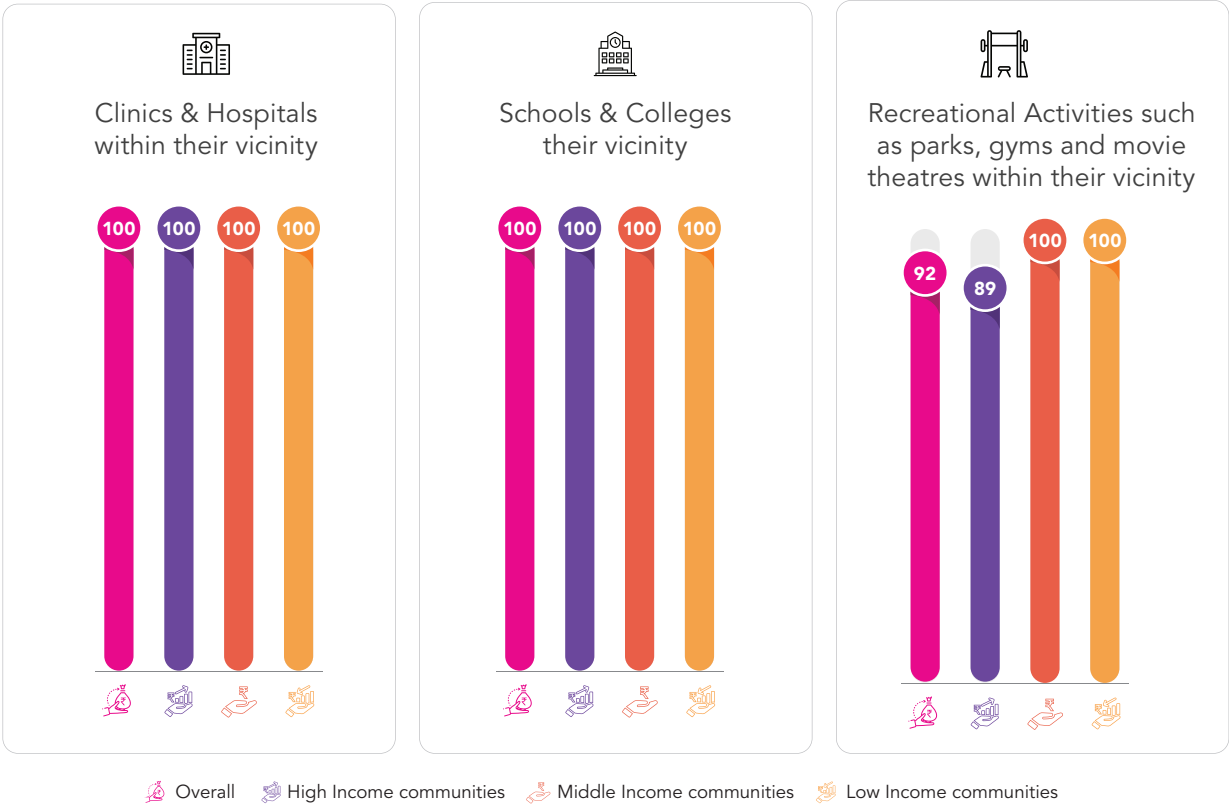
We help construction companies provide quality living conditions and essential amenities for their customers, particularly to low-income residents. Our customers have taken initiatives to provide access to clean drinking water, toilet and sanitation, electricity, quality health amenities, and education opportunities across all segments of the house occupants.

### Customers provided access to (%)



n=12

Customers provided access to (%)



n=12

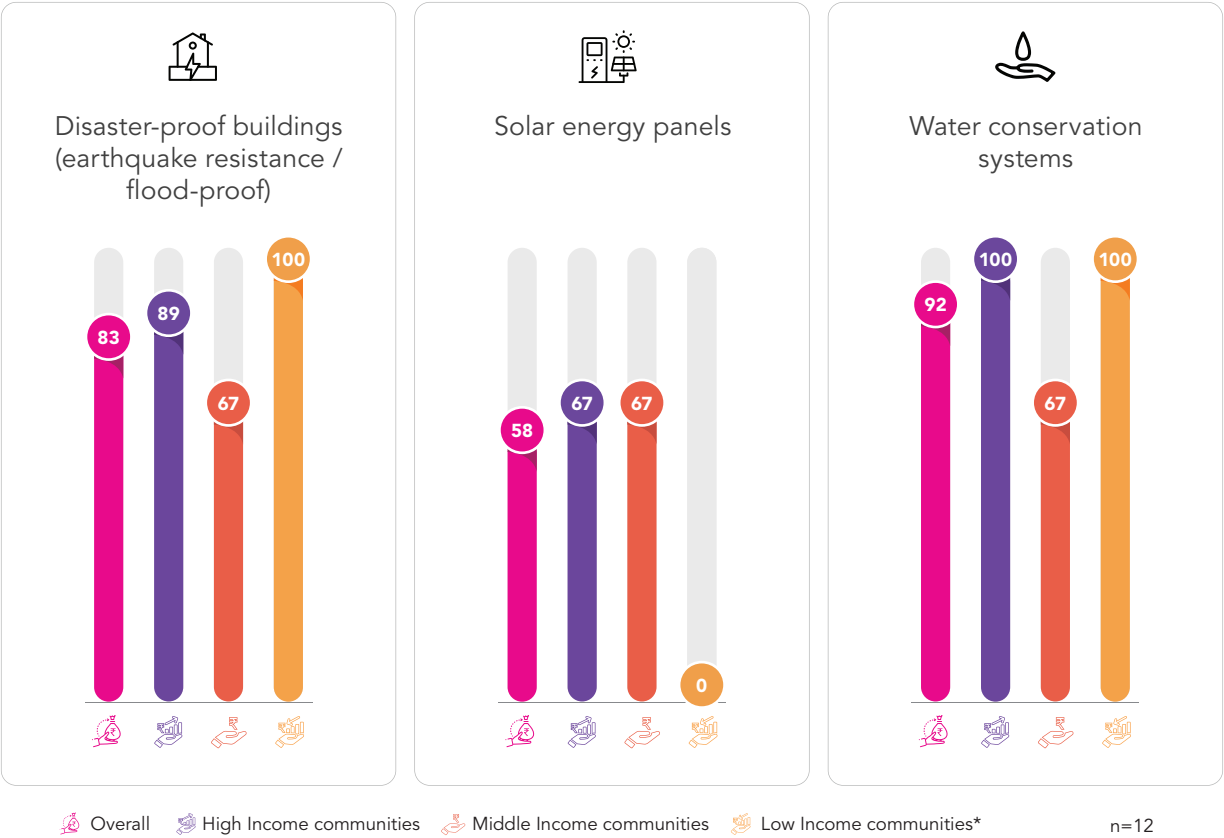


# Enabling Environmental Impact

The construction industry is known to have a massive impact on the environment, mainly due to its enormous resource consumption and high waste generation. However, in the recent past, sustainable development practices have come into focus through various regulatory changes and a shift in the market towards environmental responsibility.

For most projects funded by us, it was mandatory for the companies to equip their buildings with environment-friendly amenities such as solar panels, rainwater harvesting, etc, and to procure disaster-proof certification as per state regulations. Our construction firms have been able to do that for low-income house residents as well.

## Customers constructed or installed (%)



\*Only one Construction Company that builds houses for low income communities was surveyed and hence the figures may vary upon responses from more such borrower companies

Customers constructed or installed (%)



Overall High Income communities Middle Income communities Low Income communities

n=12

# Enabling Growth

## Chandra Mouli Yarra

“Providing middle-class people with a high-class lifestyle”

Luxury apartments are only a dream for the low middle-income class people, who even struggle with the basic amenities of life. But Chandra Mouli Yarra is tirelessly working to make this dream come to fruition while also being environmentally conscious. Capri Global was the first lender to place bold bets on him to support his vision, which then translated to enabling him with greater sources of formal financing, thus further strengthening his conviction to serve the underserved.

**Location:** Vijawada

**Focus:** Residential Accommodation

**Years of Existence:** 6

**Number of projects completed:** 10

**Loan Amount:** INR 100 million



Chandra Mouli Yarra worked for 25 years as a senior manager in the finance sector, but always harbored a budding seed of entrepreneurship in him, which blossomed into running a range of businesses alongside work. Since 2010, he has tapped into myriad businesses, from farm, poultry and petrol distribution networks to real estate businesses. As one of his side ventures, he worked as a Class 1 construction contractor, completing individual contracts for government projects. It was here that he realized his true passion and expertise lay in the construction business. In 2016, he decided to surrender all his small businesses and dedicate himself entirely to the line of construction by joining Aaditri Housing as a partner and converting it to a private limited company.

Remaining steadfast with his conviction to serve the underserved, Chandra had a clear vision for Aaditri's first project: He wanted to introduce the concept of 'gated communities', which hitherto was a luxury affordable only by high-income people, to the low middle-income people. His target customer range was people with income groups ranging from INR 0.1 million to INR 0.5 million per annum. Capri Global resonated with his conviction of serving the underserved, and placed bold bets on him by financing his first construction project. Capri supported him even though his company had limited credit history or formal exposure.

The loan enabled him to construct budget-oriented projects of 2 BHK to 3 BHK units, ranging from INR 4,500 to INR 6,000 per sq feet.

Since then, his endeavor of serving the underserved has not stopped. He currently has a unique marketing system that includes 100+ team leaders and 5,000–6,000+ last-mile operators committed to making his projects reach the low middle-income people who aspire for luxury.

He has expanded Aaditri's presence to Hyderabad, Vizag, and Tirupathi. Along with providing the low middle-income customers with gated communities, he has also enabled access to high-class amenities for them, such as libraries, provisions for indoor–outdoor games, senior citizen rooms, meeting halls, swimming pools, and supermarkets. He fondly recalls one of his customers, who expressed his gratitude to Aaditri for fulfilling his dreams by inviting him for his housewarming party. Additionally, Chandra is also committed to environment sustainability, he has enabled water harvesting systems and solar street lights and solar fencing for most of his construction projects.

His evident success has empowered him to apply for greater formal sources of financing from formal lenders. Even so, he affirms that Capri Global will always remain the first lender to believe in his vision and to help him materialize his first project.

He says, "If it weren't for the goodwill expressed by Capri Global for my first project, I wouldn't have been backed by major players today."

**He praises the monitoring systems and regular site visits by Capri Global that has instilled in him a repayment discipline, something that is crucial especially in the construction finance sector to ensure timely completion of the project.** This, in turn, has proved to be fruitful for all his other projects. He continues partnering with Capri Global for his fourth loan this year, and hopes to strengthen the mission of providing middle-class people with a high-class lifestyle.



## Improved Entrepreneurial Confidence

Formal credit access has always been a far-fetched goal for construction companies. During the COVID-19 pandemic, lending institutions were even more cautious than before about dealing with construction companies, especially for small-scale projects, given the uncertainty around the market's response. This is where we stepped up and provided financing to those in need. We have developed a cautious approach towards the construction finance portfolio and have a robust internal system to mitigate the risks inherent in the sector. Due to the additional credit support, we also observed an improvement in the confidence levels of these entrepreneurs, leading to their improved business performance.

73%

construction companies reported an increase in their ability to manage risk and business after taking a loan from us.

## Enhanced Customer Experience

### Strong Product–Market Fit

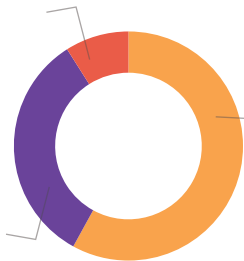
The construction industry is a labor- and capital-intensive industry. As many as 58% of our respondent construction firms reported taking a loan to complete an existing project, followed by 33% that took it to start a project afresh. Moreover, 9% of the respondent customers took a corporate loan for stability and scalability of business.

9%

Corporate loan  
(for stability and  
scalability of  
business)

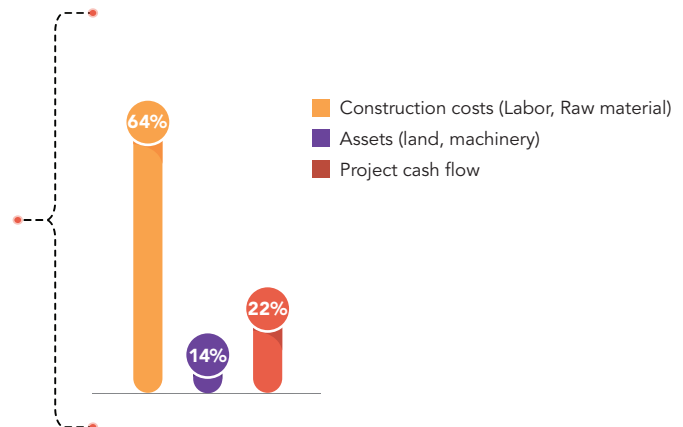
33%

Complete the  
existing project



58%

Start a new  
project



Construction companies affirmed that in order to complete their projects in due time without any hiccups, they needed to ensure a smooth cash flow, and therefore, they preferred to have the money in hand. Resultantly, with the regular flow of capital from us, our customers attained full satisfaction of their loan-taking needs.

100%

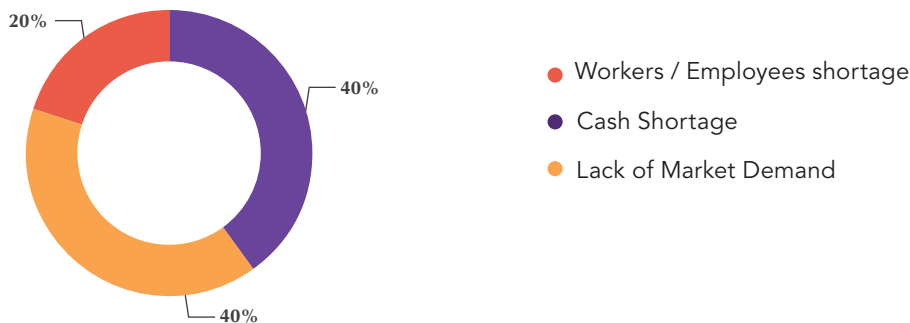
respondent construction firms reported being able to fulfill their loan-taking needs

### Support provided during COVID-19 Pandemic

33%

of our construction customers were motivated by the COVID-19 pandemic to take the loan.

### Major challenges faced by construction finance customers during COVID-19 pandemic



However, we continued holding our customers' hands amidst these uncertain times by continuing to disburse loans for our existing customers according to their respective tranches and conducting quarterly field visits, inspections etc. to track progress and provide consultation which helped our construction companies to stay focused and course correct in order to complete their existing projects.

# Way Forward

## **Paving the way for women-led MSMEs through targeted outreach**

In FY 2020–21, Capri Global was able to bring 27% of its total women-led MSME customer base into the formal credit fold by providing them with loans for the first time. The study proved that women-led MSMEs benefited significantly through credit access. Women also reported an improvement in their decision-making abilities at home and in their business. Furthermore, women entrepreneurs also contributed to the empowerment of other women.

## **Driving higher focus on PMAY customers in the housing finance portfolio**

At Capri Global, serving the most underserved segments of society is deeply woven into our DNA. In FY 2020–21, PMAY customers accounted for ~26% of our total customer base under the housing finance portfolio, and they demonstrated significant improvement in their living conditions along with their credit-taking abilities with the loan provided. Hence, we aim to continue expanding our reach among PMAY customers and strive to enhance access to housing for the low-income communities in India through formal credit.

## **Strengthening Capri Global's digital footprint**

This year at Capri Global, we were able to digitize a range of processes — from loan origination to

customer service—to better serve our customers. We invested in the deployment of cutting-edge digital technologies such as artificial intelligence and advanced data analytics for data-driven decision making. These initiatives ensured reduction in manual intervention and turnaround times, leading to an enhanced customer experience. Over 61% of our entire customer portfolio rated us 4 or more on a scale of 5 for our customer service, primarily due to our lower loan turnaround time. While we continue to anchor our customer service with digital interventions, we look forward to focusing on digital adoption for loan origination across all our products.

## **Staying rooted to our 'People First' approach**

Our employees, who remain deeply committed to our customers, have been the key pillars of our success this year. We cherish their contributions and continue to reward them with best-in-class monetary and non-monetary compensation. We retained 100% of our employees amidst the COVID-19 pandemic. Our 'People First' approach has also translated to our customers as we supported all our customers during the COVID-19 pandemic by providing them moratorium. We aim to continue staying rooted to our 'People First' approach across all our stakeholders—from our employees to our customers.

# Disclaimer & Methodology

Capri Global partnered with Sattva Media & Consulting Pvt. Ltd, a leading social impact consulting and advisory firm to develop the Impact Report for FY 2020-21. Sattva brings rigorous experience in conducting impact assessments for different types of organizations across thematic areas along with providing strategic advisory services to social impact organizations.

In order to conduct the impact assessment, Sattva leveraged a mixed-method data collection approach, including literature review and in-depth interviews with Capri Global's leadership team to gain early insights into the Capri Global impact vision and approach. Sattva also conducted telephonic interviews with over 300+ Capri Global customers (from a base of over 7,500 customers) across 3 products (MSME Finance, Housing Finance and Construction Finance) and 9 states to collect data on Capri Global's impact across the various impact outcomes. Pictorial evidence for all the case studies was collected at their place of business/residence.

## For more information, please contact

<b>Research, Analysis, and Production</b>	:	Sattva Media and Consulting Pvt. Ltd. ( <a href="http://www.sattva.co.in">www.sattva.co.in</a> )
<b>Project Advisors</b>	:	Capri Global Pvt. Ltd. ( <a href="http://www.capriloads.in">www.capriloads.in</a> )
<b>Design and Typesetting</b>	:	Creative Nexus ( <a href="http://www.creativenexus.in">www.creativenexus.in</a> )





CAPRI  
LOANS