

June 23, 2020

The Secretary
BSE Limited
Pheeroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 531595

The Secretary
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No- 'C' Block, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
Scrip Code: CGCL

Sub: Disclosure in accordance with SEBI Circular No: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 - Impact of COVID 19 pandemic

Dear Sir/Madam,

In reference to the advisory on disclosure of material impact of COVID–19 pandemic on listed entities vide SEBI Circular No: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and as per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), we request you to kindly take note of the following:

	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	<p>The World Health Organization (WHO) has declared COVID-19 as a global pandemic in early 2020. The pandemic has caused disruption to businesses and economic activity across the globe.</p> <p>Q4 FY20 was estimated to be a fairly normal quarter till about March 15, 2020. The partial lockdown due to COVID-19 pandemic and the subsequent nationwide lockdown led to a slowdown in the disbursements (resulting in lower interest income and asset book) and collections, across the country. This has had some impact on the operating performance of Q4FY20. The profitability for Q4 FY20 was largely impacted due to incremental provisions created as per regulatory requirements in view of the COVID-19 pandemic and to strengthen the balance sheet against the after effect of the pandemic.</p> <p>Moreover, the Company has put cautious view on further disbursements during the period of COVID pandemic and made the credit underwriting process more stringent by assessing risks related to valuations of collateral, income assessment parameters of businesses, FOIR, etc.</p> <p>The Company has allowed Moratorium to its customers as per prescribed RBI guidelines for</p>

Capri Global Capital Limited

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		<p>instalments falling due between March 1, 2020 and August 31, 2020 across businesses. The Company has focused on educating the borrowers through outbound calling and through our website about the moratorium, it's impact on the tenor / EMI and benefits for making repayments as per schedule. However, the Company has emphasize on digital modes of collection through leveraging payment wallets, UPI, etc.</p> <p>After easing of lockdown and lifting of restrictions, we are hopeful for a swift rebound of businesses coming to normal in all its verticals. However, in a present situation and uncertainty around the COVID Pandemic, it is difficult to ascertain its impact on the future business & profitability and the Company will continue to closely monitor any material changes to future economic conditions.</p>
2&3.	<p>Ability to maintain operations including the factories/units/office spaces functioning and closed down</p> <p>Schedule, if any, for restarting the operations</p>	<p>The Company's has closed its physical offices on complete Lockdown announced by Government of India on March 24, 2020 on account of COVID-19 Pandemic. However, the Company continued with its operations virtually by shifting to work from home for its employees during the continued period of Lockdown.</p> <p>The IT Infrastructure and systems were well equipped for ensuring operations continuity with partial disruptions. The Company has enhanced IT security and increased capacity of IT systems. Preparations were made to ensure that IT systems were in place much before the start of lockdown.</p> <p>The Customer services was seamless and not affected due to pro-active measures taken by the Company.</p> <p>The Quick Response Team has been constituted to monitor government directives and address all the issues/concerned arising out of COVID 19 pandemic.</p> <p>The operations of the Company and its branches has been/ is being resumed in graded manner in compliance with the Standard Operating Procedures / guidelines / instructions issued by Central / State Governments to prevent spread of COVID-19 and in order to ensure the safety and well-being of employees, workers and all</p>



		<p>stakeholders the Company. All the employees have been allowed the facility to work from home during the period of Lockdown and partial relaxation in Lockdown as per directions of Government of India. On opening of the offices it has been ensured that adequate safety measures as prescribed by various government circulars / advisories (which include social distancing, wearing of face cover / masks, regular sanitization, Arogya Setu app, etc.) were put in place. Further, offices have been opened ensuring minimum attendance as specified by respective state authorities. Appropriate guidelines are issued to the employees in this context.</p>
4.	<p>Steps taken to ensure smooth functioning of operations</p>	<p>Business Continuity Plan was put in place immediately on announcement of lockdown, which ensured continuity in services to customers without any disruption. All key employees have been provided with laptops and data card/ VPN access. Further, systems have been put in place to provide continuous IT support to employees. Also, steps have been taken to move meetings and trainings to virtual formats.</p> <p>The Company has taken essential steps to ensure efficient work- place and moved meetings, training, etc. to virtual formats. The Company had proactively initiated the work from home as per the directions issued by the Government of India/ State Governments, at all its office locations in India.</p> <p>All staff and employees have been briefed regarding safety measures to be followed. There are regular communications and awareness programs from the Culture & Talent Management Team to all the employees encouraging them to adopt safe practices and follow the prescribed circulars/ guidelines/ advisories of the government to contain the spread of COVID -19 via emails and other means of communications.</p> <p>It has been ensured that adequate safety measures and SOP's as prescribed by various government orders/ circulars / advisories were followed and put in place. Further, offices have been opened ensuring minimum attendance as specified by respective state authorities.</p>



5.	Estimation of the future impact of CoVID-19 on its operations	<p>The Company is closely monitoring the emerging situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. It is hoped that normalcy will return gradually in about 3 to 9 months' time. Nevertheless, the pandemic and resultant economic restrictions will have an impact on the Company's operations and revenues in the current year.</p> <p>It is difficult to estimate the definitive impact of COVID-19 pandemic on the operations beyond Q1 FY21 at this point of time. The Company will continue to closely monitor any material changes to future economic conditions.</p>
6. Details of impact of CoVID-19 on listed entity's -		
a)	Capital and financial resources	<p>The Company is very well capitalized with CAR of 38.74% as on March 31, 2020 and our financial leveraging is low. The Company has allowed moratorium to customers as per RBI guidelines and hence collections are partially affected. However, it will have minimal impact on our capital and financial resources given our strong liquidity position. Further, with the liquidity and other measures taken by the RBI and GOI; the Company has already started receiving new sanctions and is hopeful of raising more limits under various schemes from banks and FI's to meet the liquidity requirement of the Company and for future growth.</p>
b)	Profitability	<p>The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company has proposed a moratorium of six months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past</p>



		<p>due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy)</p> <p>Further, the Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of the financial Statement for FY 20 in its board meeting dated May 9, 2020. Accordingly, the Company has made provision for expected credit loss on financial assets as at March 31, 2020. As part of the management overlays, as per the approved ECL policy, the management has increased the underlying PD and LGD as computed by ECL Model by 20%-25% depending on the nature of the portfolio/borrower, the managements estimate of the future stress and risk and available market information. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.</p> <p>The extent to which the COVID-19 pandemic will impact the Company's profitability will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic, it is difficult to ascertain its impact on future profitability and the Company will continue to closely monitor any material changes to future economic conditions.</p>
c)	Liquidity Position	<p>The Company has maintained sufficient liquidity in terms of cash & cash equivalents of Rs. 306 Crores and sanctioned & un-availed bank limits of Rs 702 Crores as on June 22, 2020. The liquidity position of the Company is adequate for meeting its future debt obligations and business requirement.</p>



		Further, as per Statement of Structural Liquidity as on March 31, 2020, cumulative positive liquidity gap has been maintained in each of the time-buckets up to 5 years. During April 2020 till date, we have been able to raise fresh credit facilities amounting to Rs. 550 Crores banks in the form of Term Loans & Non-Convertible Debentures out of which Rs. 250 Crores has already been availed.
d)	Ability to service debt and other financing arrangements	In spite of the tight liquidity scenario for the NBFC industry, our ability to service our debts and other financial commitments has not been affected as our liquidity position is very strong. The Company has sufficient liquidity to meet all its debt obligations on time. Given our strong liquidity position, the Company has not availed interest/principal moratorium on any of the credit facilities availed from banks. The Company has already paid all its interest and debt repayment obligations on time till date as per the terms of the Loan Agreement with the banks/ financial institutions. We have been maintaining adequate liquidity buffer and bank lines to service the outstanding debt if and when they fall due.
e)	Assets	There is no major impact on the assets of the Company.
f)	Internal financial reporting and control	<p>The Company has well established Loan management systems, ERP (SAP Accounting software) and various other applications as part of well-equipped and secured IT infrastructure framework to support its business processes, communications and customer details and loan records. The management is constantly striving in ensuring an effective internal financial reporting and control measure. There are well established Systems and processes to ensure the complete, accurate, timely and valid transactions and its safeguard & security.</p> <p>The Company uses back up procedures, restricted access to applications and other security restrictions. For critical applications, security policies and procedures are updated on a periodic basis and users are educated on adherence to the policies to eliminate any data leakages.</p>



g)	Supply Chain	The Company supply chain is basically the availability of funds from Banks and Financial Institutions for onward lending to the customers.
h)	Demand for its products/services	The Company has financing products and continue to have sufficient demand for its various products. The Company continues to be cautious in fresh sanctions and disbursements and has made the credit underwriting process more stringent by assessing risks related to valuations of collateral, income assessment parameters of businesses, FOIR, etc.
7.	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	The Company does not foresee any default in performance by the Company of its obligations envisaged in contract / agreement entered into with the Banks and Financial institutions and has adequate liquidity to meet its contractual obligations and business requirements.
8.	Other relevant material updates about the listed entity's business	The COVID-19 Pandemic has significant impact on the business and operations of the Company. The Company and its management is consistently, continuously and closely monitor any material changes to future economic conditions and align its business and operations to such developments. We would keep the exchanges and stakeholders informed on any material updates on the Company business.

We would further like to inform you that while submitting the financials under Regulation 33 of the SEBI Listing Regulations, we have included the impact of the COVID-19 pandemic on the Financial Statements of the Company as on March 31, 2020.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
for Capri Global Capital Limited



Abhishek Kanoi
Vice President & Group Company Secretary

