

# Tilt towards women borrowers

Capri Global Capital offers products that are fine tuned for women and incentives for regular repayments:

**W**hile the estimated annual requirement for financial support to women-owned or managed enterprises in India is \$29.16 billion, the annual supply of credit to them, from all formal sources, is estimated to be the only \$9 billion. Capri Global Capital, a diversified NBFC, started responding to this need in 2010-11. Divya Sutar, Group Head, Strategy, Culture & Talent Management, explains: “We have found that there is a significant gap between the demand for financial support to women-owned enterprises and the supply in providing a line of credit to them. We believe that investing in women’s economic empowerment sets a direct path towards gender equality, poverty eradication and inclusive economic growth. We intended to create a separate sub-section for female borrowers to gradually bring more Indian women into the financial forefront.”

From April 2020 till Jan 2021, women borrowers for housing loans accounted for 8.5% of the overall 11,702 housing loan accounts, whereas for MSME loan, women borrowers made up to 4% of the total 14,631 MSME loans.

## CUSTOMERS INCREASE

Capri Global Capital, operating in two major verticals – MSME loans and housing finance - has a strong network of 80 offices spread across 8 states. The company is backed by a committed workforce of 1477 employees and there is an active relationship with over 25,000 customers as of Q3 FY21.

The company has been fulfilling the capital needs of the businesses ranging from retail outlets to small manufacturing units, traders to private schools as well as individual borrowers. Divya provides details: “The average ticket size of the MSME loan is close to ₹1.5 million, whereas for housing finance the average ticket size of the loan is at ₹1 million.”

The company’s business model enables it to transform lives of women and



**Divya Sutar** indicates that ‘Wishwas’ loan product has been acting as a game-changer for women entrepreneurs seeking credit for their business expansion

empower them across spheres of life. In the last couple of years, it has launched various schemes, which have special provisions for the empowerment of women. The number of its female borrowers has increased in the last 3 years. These have been mostly small-ticket loans by women from the bottom of the pyramid for a variety of small businesses and other self-employable avenues.

## RISING PORTFOLIO

For FY2019, the company had approximately 700 customers for housing loans, which increased to approximately 1000 in January 2021, an increment of nearly 43%. Similarly, among MSMEs, it had approximately 450 customers in FY 2019 which have increased to 570 in Jan 2021, an increment of 27%.

Says Divya: “We have seen significant growth in borrowers’ numbers despite the slowdown in business due to the pandemic. As much as 90% of our housing loans

and 93% of SME loans have women as co-borrowers. Out of the 987 housing loans, there are only 13 accounts from April 2020 to January 2021, which have been tagged as NPAs. Similarly, out of the total 570 women SME borrowers, only 9 customers are tagged as defaulters.”

Capri Global Capital is targeting to double its women borrowers for housing finance and MSME loans by 2023. “We are trying to achieve 15% growth for our women borrowers in the housing finance category by 2023 and targeting 10% growth for our MSME women borrowers respectively,” says Divya.

## EMPOWERING WOMEN

The company has designed a loan scheme called ‘Wishwas’ through which it aims to help women across the country gain access to the credit system and encourage the entrepreneurial spirit among them. To derive benefit from the scheme, a women borrower has to be the primary applicant. The loan scheme offers a secured loan up to ₹4 million for business purposes only. The repayment period will be as short as 18 months or as long 10 years.

“Considering women-owned enterprises offer around 10.24% of total employment, we believe a positive intervention in the MSME sector can only further help increase women’s participation in the economy. Our loan product has been acting as a game-changer for women entrepreneurs seeking credit for their business expansion. The concept is at the heart of a broader innovation plan that we have at the forefront to empower small businesses. To encourage the women borrowers, we have introduced a special offer of EMI waivers at various stages of the loan for those who maintains an excellent track record (ETR) for the entire tenure with pre-defined criteria: 3 EMIs waived off at the end of 3rd year of regular payment of EMIs; 5 EMIs waived off at the end of the 5th year of regular payment of EMIs and 10 EMIs waived off at the end of the 10th year of regular payment of EMIs.”

[mehul@bankingfrontiers.com](mailto:mehul@bankingfrontiers.com)