December 1, 2023

Investor Service Cell
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

Ref: Your e-mail Ref. No. NSEHO/0012571/23-24/CO/ISC dated November 28, 2023 filed by Mr. Anil Kumar, Infrastructure Watchdog.

Sub: Reply to the reference complaint

Dear Sir / Madam,

We are in receipt of your above referred e-mail and in addition to our earlier response dated November 24, 2023, we wish to submit below:

- The complaint is mere baseless allegations without any substance and we deny all the allegations.
- The Company being a NBFC, is regulated by RBI. The Complainant has raised the same allegations to RBI during February 2023. It may be noted that RBI regularly conduct inspections/reviews/audits of the Company to check the regulatory adherence / compliance to the RBI guidelines as normal practice and has not issued any adverse observations regarding the functioning of the Company.
- It is further to be noted that the Company has been following all the applicable statutory and regulatory guidelines, rules, regulations and circulars.
- The Company is managed by the professional Board of Directors and has prominent independent directors on its Board. The Company has various Board constituted committees including but not limited to Audit Committee, Risk Management Committee, Stakeholders Relationship Committee etc to ensure the highest standard of corporate governance. The Company strictly follows and complies with all the corporate governance policies. Further the Statutory and Internal Auditors are in place, in line with applicable laws, who regularly audits Company's books of accounts/process;
- The complaint is frivolous in nature and appears to have been made with the sole object to harass the Company.

Further please find seriatim reply to the queries raised:

Query no 1: Capri Global is in violation of SEBI Laws as the public float is below 25% - Share beyond the threshold limit of 75% are illegally parked in entities controlled by promoters;

Allegations levelled by the Complainant are devoid of any facts and without any basis. We deny the allegations made by complainant. Please note that the Company's equity shares are listed on NSE and BSE and the shareholding pattern is available in public domain as well with the stock exchanges which clearly shows that 30.09% of the Company's shareholding is held by public including banks / mutual funds / financial institutions and 69.91% is held by the Promoters;

Further in the complaint letter, no documentary evidence has been provided to prove any connections between the alleged entities and the Promoters. In fact the complainant himself has not been able to show any connection of the 4 alleged entities with the Promoters except baseless allegations. In addition to the same, it is to be noted that Mr. Pawan Kumar Varma ceased to be director of the said Capri group of companies since 2009, accordingly Mr. Varma is not associated with said Capri group companies for past more than 14 years.

Hence, it is clear that the allegations are without any substance and mere cooked story with object of harassment.

Query no 2: Corrupt and unholy nexus of Mr Rajesh Sharma, LIC top brass and others are indulging in open loot of millions of small policy holders money;

LIC's huge exposure in Capri Global's equity of Rs 1200 crore was made illicitly, at an artificially inflated price - through corrupt practices and brokered deals;

Adding insult to injury, LIC will further invest Rs 140 crore in the proposed Rights Issue of Capri Global - open loot of millions of minority public investors and policy holders' money;

The statements made by complainant are mere defamatory and baseless allegations against the Promoter of the Company and one of the most reputed financial institution of the country and their officials without any substance.

The Company is listed on both the stock exchanges i.e. BSE and NSE and the equity shares of the Company are freely transferable in the market. All the investors and shareholders have liberty to purchase and sell the equity shares of the Company basis their own investment decisions. It is to be noted that the investment decision of LIC is independent of the Company.

Hence, it is clear that the allegations raised are unfounded, without any basis and directed by the sole object of the complainant to defame the Company and its Promoters.

Query no 3: Notorious past of Mr Rajesh Sharma - Non disclosure of material facts in relation to past cases in offer document;

We would like to bring to the notice of the complainant that presently there are no outstanding cases against Mr. Rajesh Sharma and he was exonerated from all the past cases.

The Complaint is just raking up the past legal matter, which is in the public domain and already closed. Status about the legal cases is already known to all the regulatory agencies.

In fact we ourselves have kept RBI, the regulatory body of our Company, fully aware about all legal cases and they were completely apprised of the same. It is also important to note that the regulators have taken cognizance of the status of closure of cases while granting permission/license applied by the Company including its wholly owned subsidiary - Capri Global Housing Finance Limited ("CGHFL"), as under:

- NHB – Granted Housing Finance Company License for CGHFL;
- RBI – Permission to set-up a Wholly Owned Subsidiary in Mauritius;

- SEBI – Approval for setting up Alternate Investment Fund;
- RBI – In-principal approval for setting up Asset Reconstruction Fund;

We further would like to add that the Letter of Offer for the Rights issue was prepared in consultation with / vetted by leading Merchant Bankers / Lead Manager to the issue i.e. ICICI Securities Limited and leading Legal Counsel i.e. Cyril Amarchand Mangaldas; J. Sagar Associates, Domestic Legal Counsel to Lead Managers and Duane Morris & Selvam LLP as international legal Counsel to the Lead Manager.

All the necessary disclosures were forming part of the Offer Document for Rights Issue basis which the said rights issue was approved by SEBI and all relevant statutory bodies including trading approval received from the stock exchanges.

It is obvious from the aforesaid factual data that the complainant is mere misguiding the regulators with false allegations and targeting Rights issue.

<u>Query no 4: Mr Rajesh Sharma is now functioning with masked identity - Frequent changes in corporate identity;</u>

The complainant has referred 4 incidents of change in names of the Company for which we would like to submit that “Dover Securities Limited” was acquired by Mr. Rajesh Sharma in 2008 and the name of the Company was changed to “Money Matters Financial Services Limited” vide Certificate of incorporation dated October 6, 2008. Hence, we are not concerned with the changes in the name of the Company prior to 2008 that is before we acquired the same.

Further post 2008, Company have changed its name only once i.e. from “Money Matters Financial Services Limited” to “Capri Global Capital Limited”.

It is clear from the aforesaid facts that aforesaid change of name is wrongly construed by the complainant as an attempt by Mr. Sharma to mask the blemished past. Such arguments of complainant are mere pointless conspiracy theory and should be ignored.

<u>Query no 5: Capri Global promoter needs to pump in huge sum aggregating to Rs.1075 crores to subscribe the rights issue - The source of such funds needs to be investigated;</u>

We would like to inform that the Promoters of the Company, Capri Global Holdings Private Limited who has subscribed to the Rights issue has its own businesses and cashflows. The Promoter company is distinct legal entity which is subject to corporate and tax laws in India and subject to various audits and income tax assessments from time to time.

From the aforesaid facts, it is clear that promoters have its own business/earnings/cashflows and request for investigation in source of fund is baseless.

<u>Query no 6: Capri Global is in violation of “Fit and Proper” guidelines issued by RBI and NHB;</u>

We reiterate that there are no outstanding cases against Mr. Sharma and he has been exonerated from the past CBI cases and accordingly he is eligible to be appointed and continue as Managing Director of the Company.

CAPRI LOANS

There are no restrictive Orders from any of the courts / regulatory authorities to prohibit appointment of Mr. Sharma as Managing Director of the Company.

Basis aforesaid factual data, allegation of violation of Fit and Proper guidelines are totally vague and we confirm compliance with aforesaid RBI guidelines. As mentioned above, RBI was fully apprised of the legal cases and closure of the same.

Query no 7: Capri Global Holdings Private Limited, one of the promoter of the Company has purchased one franchise in Women's Premier League (WPL) organised by BCCI for 757crore, this price sensitivity was not disclosed to the stock exchange.

It may please be noted that requirement of the intimation to stock exchanges for acquisition of a franchise by Capri Global Holdings Private Limited (CGHPL) in Women's Premier League is not applicable to the Company since CGHPL is different legal unlisted entity.

In lights of the aforesaid facts, allegation of non-disclosure of price sensitive information to the stock exchange is frivolous arguments and has no legal standing.

In view of the above submissions, we state that the complaint is frivolous in nature and appears to have been made with sole object of harassment to the Company to extract financial gains and therefore needs to be discarded.

You are requested to kindly treat the complaint as closed.

Thanking you,

Yours faithfully,
for **Capri Global Capital Limited**

YASHESH
PANKAJ
BHATT

Digitally signed by YASHESH PANKAJ BHATT
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Yashesh Bhatt
Company Secretary & Compliance Officer
Membership No. ACS 20491