



**CAPITAL TRUST LIMITED**

**Q3 & 9M FY2024  
INVESTOR  
PRESENTATION**

February 2024

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## Disclaimer



Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.

Capital Trust Limited will not be in any way be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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## COMPANY OVERVIEW

 Capital Trust

# Capital Trust – MSME Financing with a Tech-Touch Balance



## Company Snapshot

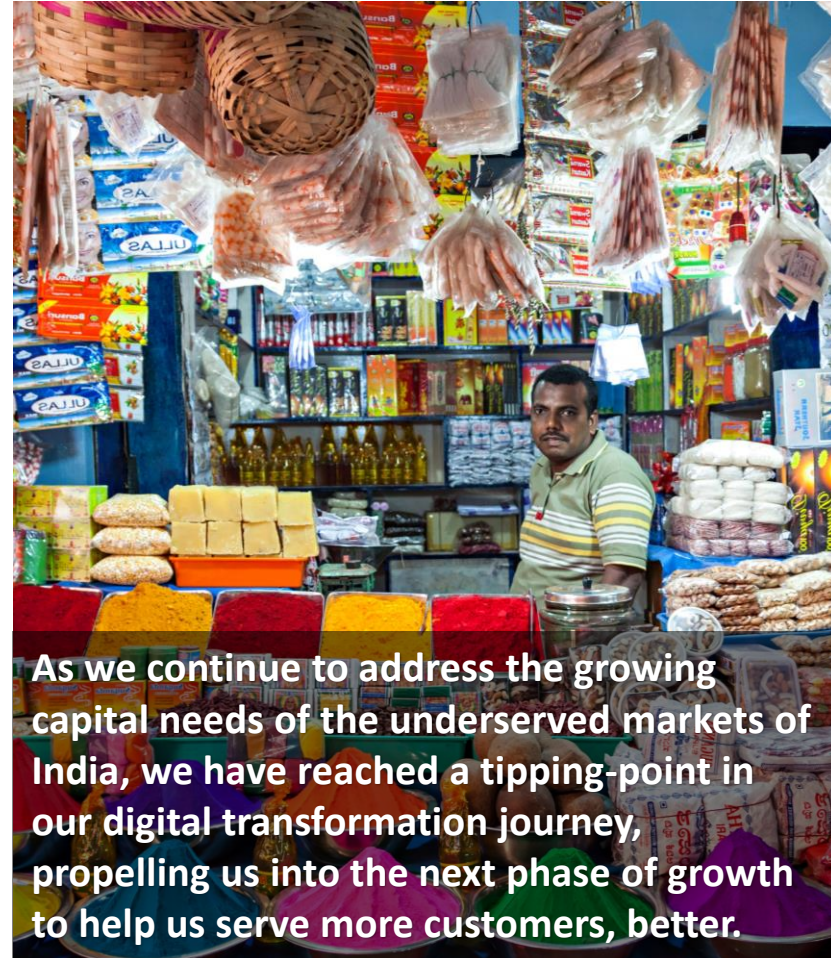
- Being **India's first "Rural Doorstep-Fintech Company,"** we are focused on providing financial inclusion services to underserved India by merging fintech and traditional financing.
- Our digitized rural financing model offers micro business loans to MSMEs and caters to over **87,723 customers across 76 districts through 296 branches in 10 states in India.**

## Our Vision

To become the first fully digitalised and most trusted consumer service point in rural India that redefines the rules of MSME financing.

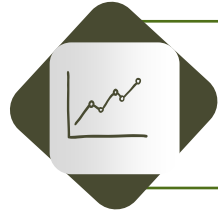
## Our Mission

To encourage self-sufficiency and entrepreneurship in the underserved part of India by using 'low-cost, high-tech' digital finance processes.



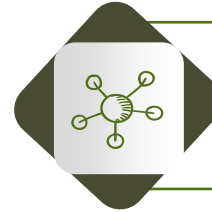
**As we continue to address the growing capital needs of the underserved markets of India, we have reached a tipping-point in our digital transformation journey, propelling us into the next phase of growth to help us serve more customers, better.**

# Numbers at a Glance: Strength In Progress



## ASSETS UNDER MANAGEMENT

₹ 223 Cr  
[QoQ: + 10%]



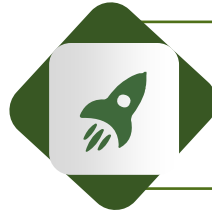
## BORROWINGS

₹ 77 Cr  
[QoQ: + 65%]



## ON-BOOK PORTFOLIO

₹ 70 Cr  
[QoQ: + 22%]



## CAPITAL ADEQUACY

₹ 59 %  
[QoQ: + 0%]



## OFF-BOOK PORTFOLIO

₹ 153 Cr  
[QoQ: + 6%]



## GNPA & NPA

1.3 % & 0.0 %



## NET WORTH

₹ 76 Cr  
[QoQ: + 1%]



## 9M PROFIT BEFORE TAX

₹ 2.07 Cr  
[YoY: + 291%]

Q3FY2024 UPDATES



 Capital Trust

# Q3 FY2024: Striding Forward... With Confidence & Momentum

## 1. Structural Updates

### 01 RBI Approval For Authentication Under Aadhaar Act

In December 2023, RBI authorized Capital Trust to employ **Aadhaar-based authentication in validating the identity of its clients**. This helps streamlining the company's KYC, Signing and NACH authentication processes.

### 02 Great Place To Work Certification

In December 2023, Capital Trust achieved **Great Place to Work Certification for the first time in its history**, underscoring its commitment to fostering an exceptional work environment for its dedicated staff.



### 03 Thriving Business Model Of Providing Lending-As-A-Service

Having **disbursed over ₹ 500 Cr with 12 partners (1 Bank, 8 NBFCs, 3 P2Ps)**, Capital Trust's model of providing Lending-As-A-Service has **matured from a test model to a successful business model**. **₹61 Cr disbursed** through this model in Q3FY24.

### 04 Formalization of Informal MSMEs Via Udyam Certificate Generation

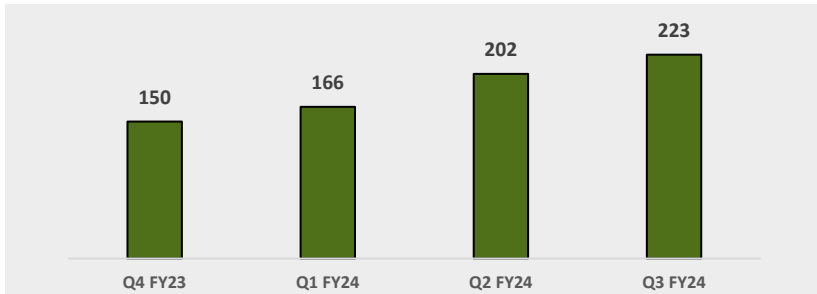
Through the Udyam Assist Platform, Capital Trust has produced more than **70,000 Unique Registration Numbers (URN)**, reinforcing its commitment to categorizing all its clients as recipients of **MSME Priority Sector Loans**.



# Q3 FY2024: Striding Forward... With Confidence & Momentum

## 2. Operational Updates

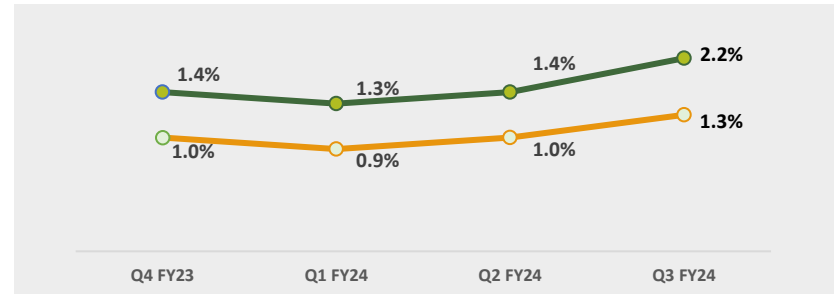
Asset Under Management (₹ in Crores)



CAGR: 70%

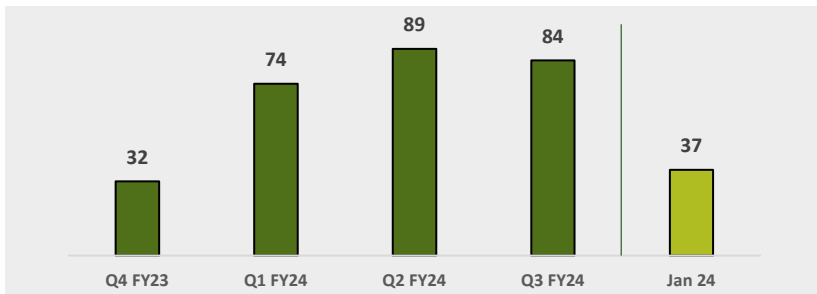
QoQ: 10%

PAR 30 & PAR 90



PAR 30 DPD %  
PAR 90 DPD %

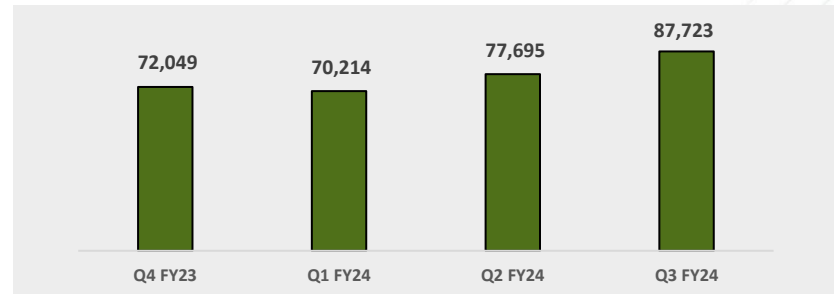
Quarterly Disbursement (₹ in Crores)



CAGR: 262%

QoQ: -6%

Clients (in No.)



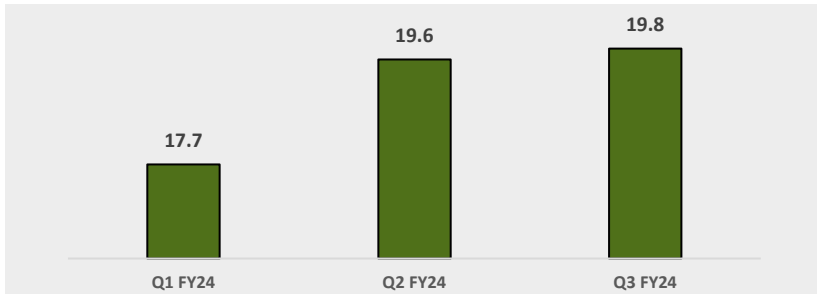
CAGR: 30%

QoQ: 13%

# Q3 FY2024: Striding Forward... With Confidence & Momentum

## 3. Financial Updates

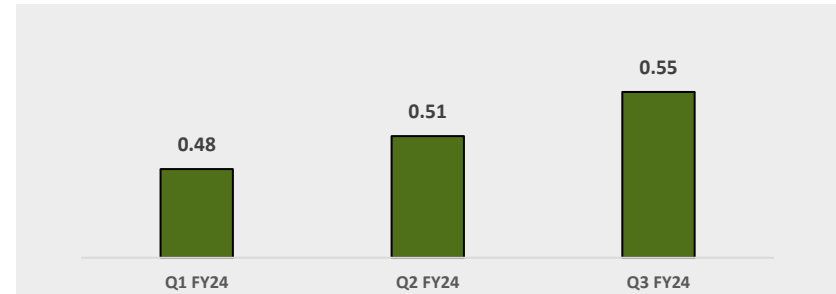
### Revenue (₹ in Crores)



CAGR: 25%

QoQ: 1%

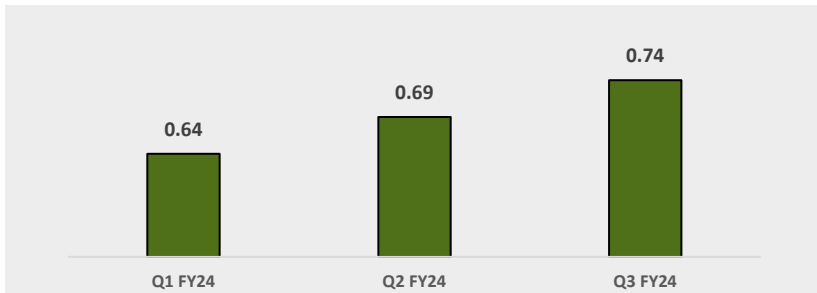
### Profit After Tax (₹ in Crores)



CAGR: 31%

QoQ: 8%

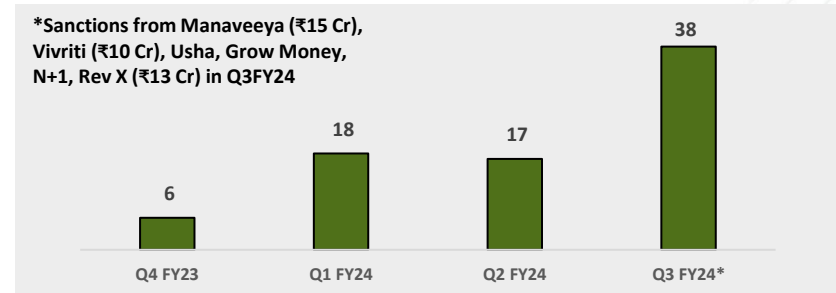
### Profit Before Tax (₹ in Crores)



CAGR: 34%

QoQ: 7%

### On-Book Funding Raised (₹ in Crores)



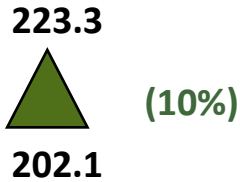
CAGR: 1072%

QoQ: 123%

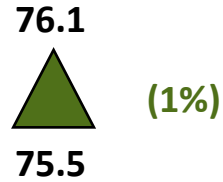
# Q3 FY2024: Striding Forward... With Confidence & Momentum

## 4. Comparison of Q3 FY24 vs Q2 FY24

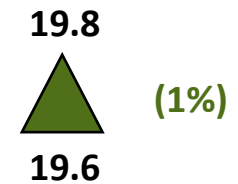
### Assets Under Management (in Cr):



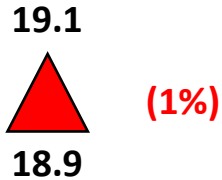
### Net Worth (in Cr.):



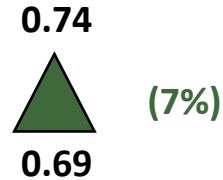
### Revenue (in Cr):



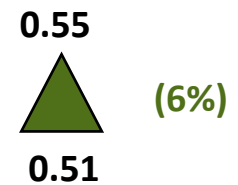
### Expenses (in Cr):



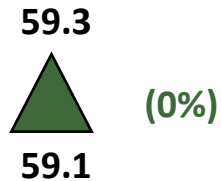
### Profit Before Tax (in Cr)



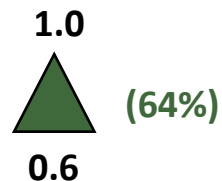
### Profit After Tax (in Cr)



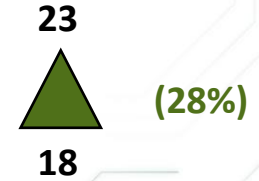
### Capital Adequacy (in %)



### Leverage (in Times):



### Funding Partnerships (in #):



OPERATING  
MODEL



 Capital Trust

## 2. CREDIT UNDERWRITING

- QR Code scan of Aadhaar Card
- Automated credit bureau check
- Physical Verification of business and residence premise
- Business and cash flow analysis
- Physical Visit Engine
- Credit Engine
- Telephonic Verification

## 4. COLLECTION

- Automated client allocation based on client geo-tagged residence
- Automated outbound dialling, installment reminder message
- Monthly NACH payment
- Payment enabled through company app
- Cash collection if digital payment not received

## 1. LEAD GENERATION

- Generate lead by door to door canvassing
- Geotagging of business and residential premise
- Mobile number verification through OTP
- Handholding of client through digital onboarding

## 3. DISBURSEMENT

- E-Sign / Signing of Terms and Conditions
- E-NACH
- Penny-drop verification
- Disbursement into bank account

DIGITAL PROCESS

PHYSICAL PROCESS

# Current Product Offering

<b>Product Name</b>	<b>Capital Digital Loan</b>
<b>Sector</b>	<b>MSME</b>
<b>Type of Loan</b>	<b>Unsecured Income Generating Business Loan</b>
<b>Ticket Size (₹)</b>	<b>30,000 – 75,000</b>
<b>Tenure</b>	<b>12 – 24 months</b>
<b>ROI</b>	<b>32%+</b>
<b>Repayment</b>	<b>Digital NACH followed by physical cash collection</b>

### Why CTL?

- Branch banking
- Ease of getting loan
- Unsecured loan
- Digital process
- Human connect
- Quick turnaround time
- Transparency with customer app
- Paperless process

### Production Optimization

- Small Ticket Size
- Short Tenure
- Optimal EMI amount
- Short Turn-Around-Time
- High Yield
- Digital Collection Enabled
- Full Cash Collection Setup
- Geo-tagged and Analytics backed

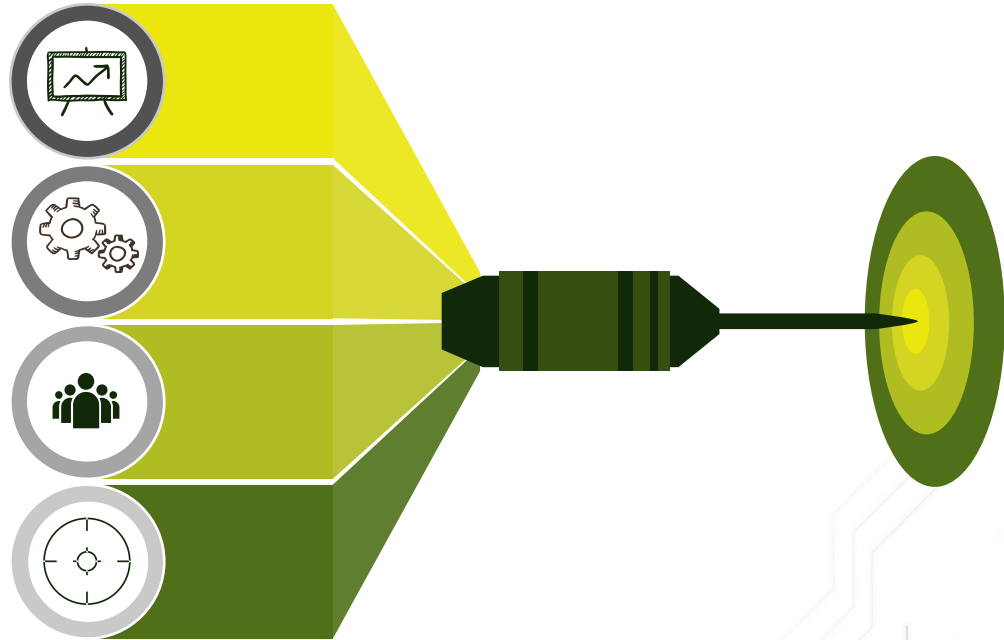
# Market Segment

<u>CLASSIFICATION</u>	<u>DOCUMENTATION</u>	<u>TICKET SIZE</u>	<u>ANNUAL INCOME</u>	<u>UNSECURED</u>	<u>SECURED</u>
<b>Formal MSME</b>	<ul style="list-style-type: none"> <li>- Income Tax Return</li> <li>- GST Certificate</li> <li>- Shop &amp; Establishment</li> <li>- PAN Card</li> <li>- Udyam Aadhaar</li> </ul>	> ₹ 10 Lakh	> ₹ 10 Lakh	New Age Fintechs	Banks / Large SME Focused NBFCs
		₹ 1Lac - 10 Lakh	₹ 4Lac - 10 Lakh	Geography Focused MSME NBFCs	Product Focused MSME NBFCs
<b>Informal MSME</b>	<ul style="list-style-type: none"> <li>- Aadhaar Card</li> <li>- Udyam Assist</li> <li>- Bank Account</li> </ul>	₹ 30,000 – 1 Lac	₹ 3Lac - 4 Lakh		
<b>Microfinance</b>	<ul style="list-style-type: none"> <li>- Aadhaar Card</li> </ul>	₹ 20,000 – 60,000	< ₹ 3 Lakh	NBFC-MFIs	

# Target Audience

MSME  
MISSING  
MIDDLE

- Graduated from Microfinance**  
8% of the Microfinance clients graduate yearly from the Microfinance sector and hit a wall
- New to Organized Credit**  
Replacing traditional informal sources of financing (local moneylenders) which currently account for 84% of all financing to MSMEs
- Informal MSMEs**  
Unserved by MFIs (owing to RBI guidelines) and banks / large NBFCs (owing to no formal income documentation)
- Clients Needing Instant Credit**  
With 100% digital processes, company is able to disburse loans in a matter of days from onboarding





# Typical Clientele



Kirana Stores



Dairy and Livestock Farmers



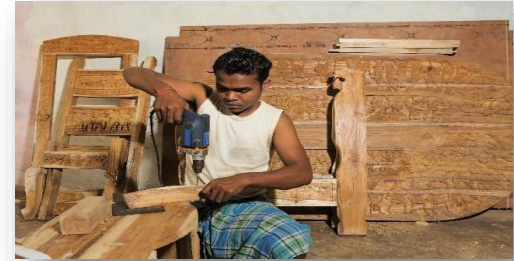
Grocery Vendors



Small Eateries



Textile Stores



Handicraft Manufacturers



Utility Stores

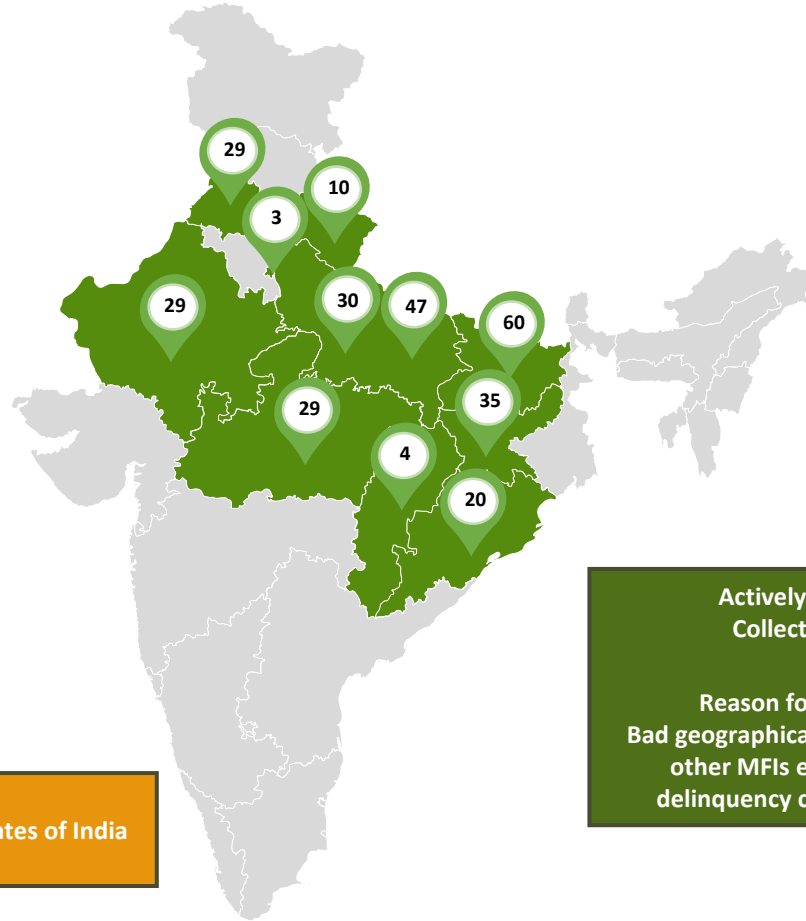


Salons



Flower Vendors

# Branch Network



296 Branches spread across 76 Districts in 10 States of India

Actively Disbursing Branches: 180  
Collection-Only Branches: 116\*

Reason for Collection-Only Branches:  
Bad geographical delinquency in past, high DPD of other MFIs evident in pin code report, CDL delinquency crossing set 30+DPD benchmark

\*26 collection-only branches merged in Q3FY24

\*\* Majority of branches in Punjab converted to Collection-Only Branches for time being

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CAPITAL TRUST 2.0



 Capital Trust



# Capital Trust 2.0: A Clean Slate

## 1. Portfolio Details

- High quality, seasoned AUM with 1.3% GNPA and 0% NNPA
- Current product continues to show strength with ₹760 Cr total disbursement with minimal credit cost. Portfolio sourced prior to FY20 continues to reduce

## 2. Pioneers in Technological Advancements

- By leveraging technology to penetrate underserved segments, we have capitalized on the inability of banks to rapidly scale operations and customize rigid policies in regard to providing business loans in rural India



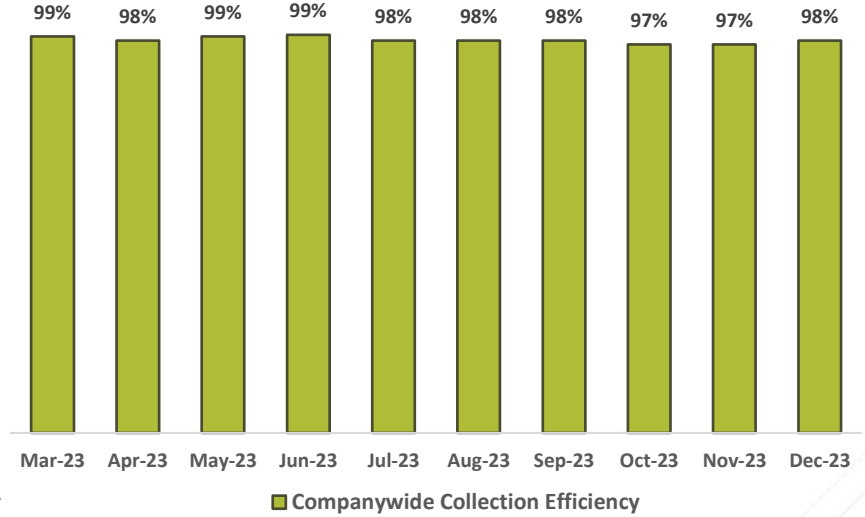
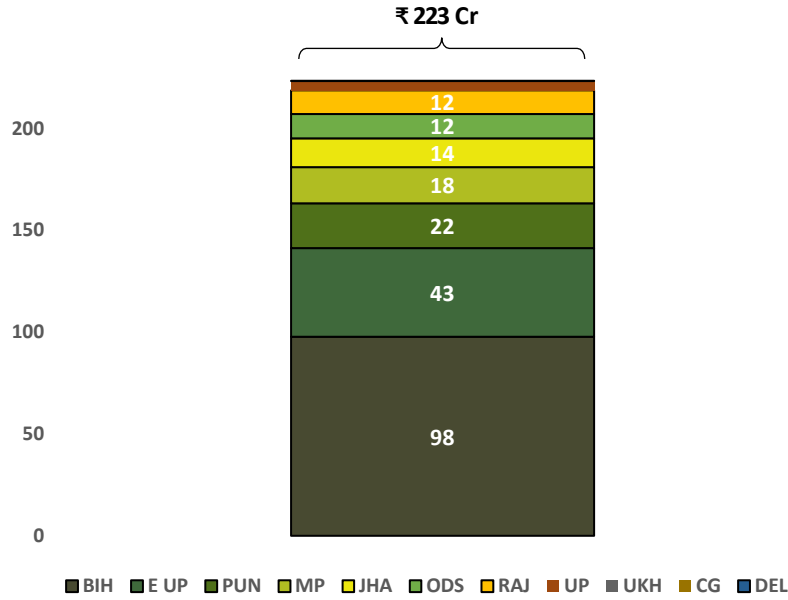
## 3. Hybrid Dual Credit

- Automated credit (credit bureau checks and preset algorithms) supplemented with Traditional Safeguards of Branch Banking (physical verification of residence, business premise and cash flow analysis)

## 4. Lending-As-A-Service

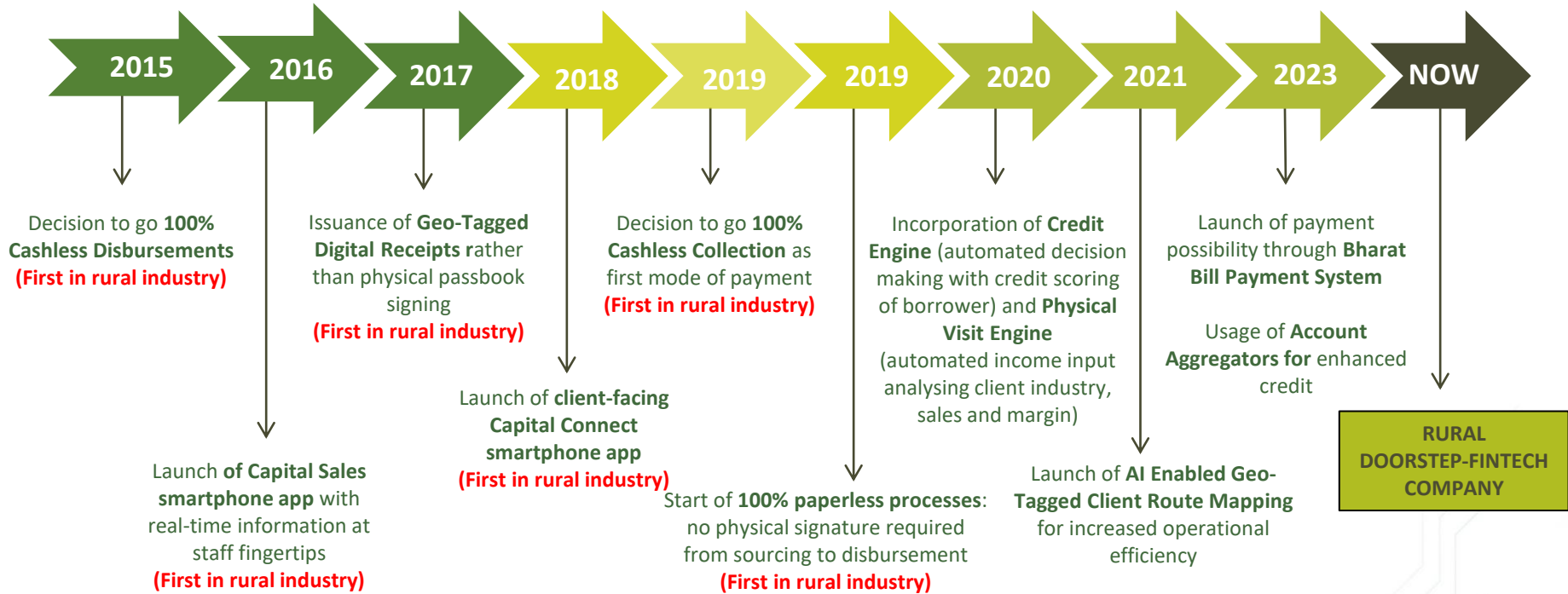
- With the inherent potential to disburse upwards of Rs. 70Cr monthly through its existing branch network, Capital Trust is employing Lending-As-A-Service as a model for growth
- 6 live Co-Lending & BC partnerships

# 1. Portfolio Details



<b>Portfolio Under Management</b>	₹ 223.3 Cr
<b>GNPA</b>	₹ 2.9 Cr
<b>GNPA %</b>	1.3 %
<b>Provision Balance</b>	₹ 3.1 Cr
<b>NNPA %</b>	0.0 %

## 2. Pioneers in Technological Advancements



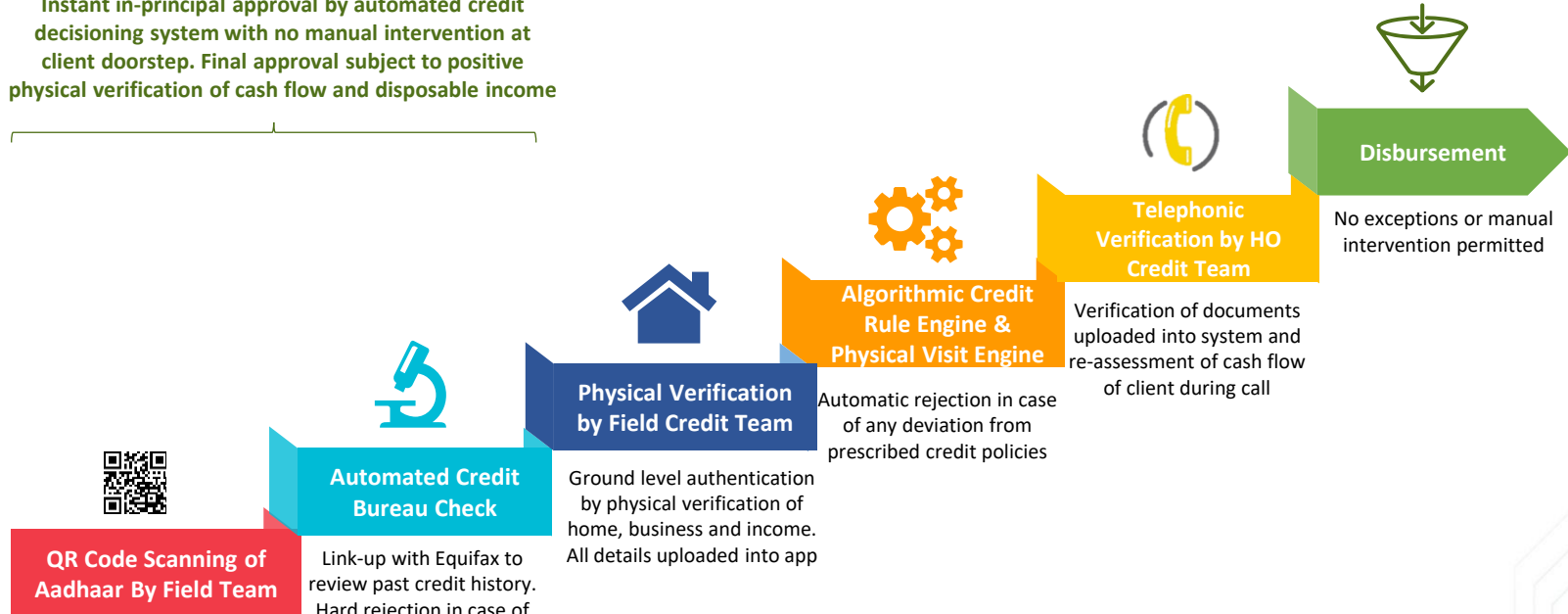
### PROACTIVE RATHER THAN REACTIVE:

Capital Trust is emerging as a **Thought and Innovation leader** capturing the changing rural landscape.

With our newly developed automated disbursement engine and algorithmic credit scorecard, our disbursements have increased consistently. Further, our average turnaround time has improved to less than 48 hours as on Q3 FY24

### 3. Hybrid Dual Credit

Instant in-principal approval by automated credit decisioning system with no manual intervention at client doorstep. Final approval subject to positive physical verification of cash flow and disposable income



Automatic uploading of client data into system. Location geo-tagged and case rejected if client residence is beyond 20kms from branch

Link-up with Equifax to review past credit history. Hard rejection in case of negative credit bureau history

Ground level authentication by physical verification of home, business and income. All details uploaded into app

Automatic rejection in case of any deviation from prescribed credit policies

Verification of documents uploaded into system and re-assessment of cash flow of client during call

No exceptions or manual intervention permitted

- Decision communication flow and all processes are automated
- Technology used at all stages of loan cycle eliminating requirement of physical movement of documents
- All processes time stamped and tracking of cases available on live basis

## 4. Lending-As-A-Service

Shift towards Off Balance Sheet partnerships for last 2 years in an aim to offer Lending-As-A-Service (LAAS)  
Co-Lending / BC Disbursements done with:

**Co-Lending:**



**Business Correspondent:**



	Total Disbursements (₹ in Cr)	POS (₹ in Cr)	30+ % (on POS)	90+ % (on POS)	30+ % (on Disbursement)	90+ % (on Disbursement)
Co-Lending + BC Partnerships	433	152	2.3%*	1.6%*	0.8%*	0.6%*

\* With current portfolio performance, partners have started sharing risk





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# FINANCIALS



# Key Highlights & Ratios

(₹ in Crores)

Particulars	Q3 FY24	Q2 FY24	QoQ %	Q3 FY23	YoY %
<b>Total Income</b>	19.8	19.6	1%	19.8	0%
Total Expense (excluding tax)	19.1	18.9	1%	24.6	-23%
<b>Profit / Loss After Tax</b>	<b>0.6</b>	<b>0.5</b>	<b>7%</b>	<b>-3.5</b>	<b>-116%</b>
<b>Net Worth</b>	<b>76.1</b>	<b>75.5</b>	<b>1%</b>	<b>119.2</b>	<b>-36%</b>
On-Book Portfolio	69.9	57.5	22%	126.8	-45%
Off-Book Portfolio	153.4	144.6	6%	134.3	14%
<b>Total Assets Under Management (AUM)</b>	<b>223.3</b>	<b>202.1</b>	<b>10%</b>	<b>261.1</b>	<b>-14%</b>
Net Interest Margin	24.2%*	24.5%*	-1%	14.7%*	65%
Cost Of Borrowing	16.1%	15.7%	3%	14.3%	12%
Book Value Per Share (in ₹)	46.9	46.6	1%	73.5	-36%

\* Annualized

# Consolidated Balance Sheet

(₹ in Crores)

Assets	Q3 FY24	Q2 FY24	Q1 FY24
<b>Financial Assets</b>			
Cash and Cash Equivalents	18.5	9.2	11.2
Bank Balances other than Cash & Cash Equivalents	8.1	7.5	8.2
Trade Receivables	4.1	2.4	4.0
Loan Portfolio	66.2	54.0	32.7
Investments	0.6	0.6	0.6
Other Financial Assets	12.8	10.9	12.3
<b>Total Financial Assets</b>	<b>110.2</b>	<b>84.6</b>	<b>69.1</b>
<b>Non-Financial Assets</b>			
Current Tax Assets (Net)	7.8	7.1	6.5
Deferred Tax Assets (Net)	48.8	48.9	49.1
Property, Plant and Equipment	1.3	1.2	1.2
Right to use Asset	0.0	0.0	0.0
Intangible Assets	0.2	0.2	0.2
Other Non-Financial Assets	0.4	0.4	0.6
<b>Total Non-Financial Assets</b>	<b>58.4</b>	<b>57.9</b>	<b>57.6</b>
<b>Total Assets</b>	<b>168.7</b>	<b>142.5</b>	<b>126.7</b>

Liabilities And Equity	Q3 FY24	Q2 FY24	Q1 FY24
<b>Financial Liabilities</b>			
Trade Payables	0.4	0.7	0.5
Debt Securities	5.4	0.0	0.0
Borrowings other than Debt Securities	70.5	46.2	33.0
Deposits	0.0	0.0	0.0
Subordinate Liabilities	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0
Other Financial Liabilities	12.7	15.8	15.6
<b>Total Financial Liabilities</b>	<b>88.9</b>	<b>62.7</b>	<b>49.2</b>
<b>Non-Financial Liabilities</b>			
Current Tax Liabilities (Net)	0.0	0.0	0.0
Provisions	1.4	1.3	1.3
Other Non-Financial Liabilities	2.3	3.0	1.2
<b>Total Non-Financial Liabilities</b>	<b>3.7</b>	<b>4.3</b>	<b>2.5</b>
<b>Equity</b>			
Equity Share Capital	16.2	16.2	16.2
Other Equity	59.9	59.3	58.8
<b>Total Shareholders Fund</b>	<b>76.1</b>	<b>75.5</b>	<b>75.0</b>
<b>Total Liabilities and Equity</b>	<b>168.7</b>	<b>142.5</b>	<b>126.7</b>



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## KEY PARTNERSHIPS



# Equity & Funding Partnerships

Equity:  
1



Banks:  
2



DFI / NBFCs / P2Ps:  
20





# THANK YOU



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**Vahin Khosla**

Joint-Managing Director

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