



CAPITAL TRUST LIMITED

**Q3 & 9MFY2025
INVESTOR
PRESENTATION**

February 2025

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.

TABLE OF CONTENTS

COMPANY OVERVIEW	04-05
Q3 FY2025 UPDATES	06-11
INDUSTRY OVERVIEW	12-15
OPERATING MODEL	16-18
CAPITAL TRUST 2.0	19-24
FINANCIALS	25-28
KEY PARTNERSHIPS	28-29



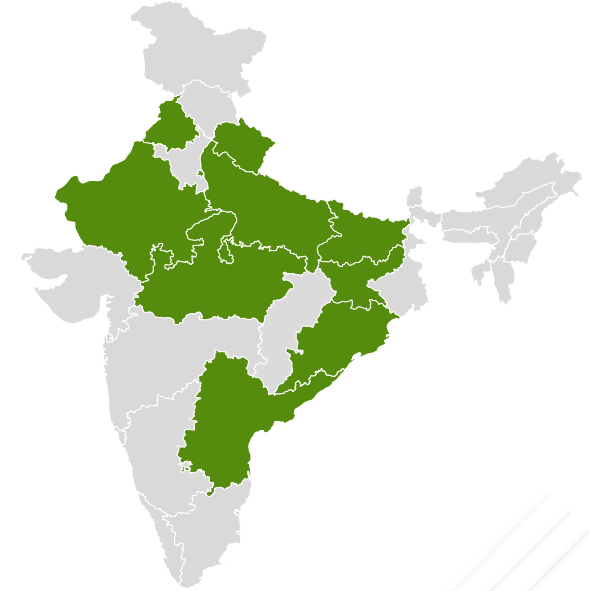
COMPANY OVERVIEW

 Capital Trust

Capital Trust – MSME Financing with a Tech-Touch Balance

Company Snapshot

- Publicly listed NBFC
- Funded over ₹ 4000 Crore to 12,00,000+ clients since inception
- Branch based financing model: 317 branches in 10 states
- PE fund backed with 26 funders / partners



What We Do

- **Informal MSME lending** (between microfinance & formal MSME sector)
- Small ticket size Secured and unsecured MSME loans
- Financing the **overlooked shopkeeper**
- Merging best practices of doorstep banking with advanced technology



AUM

₹ 241 Cr

On: ₹ 97 Cr
Off: ₹ 143 Cr



NET WORTH

₹ 86 Cr



**CAPITAL
ADEQUACY**

33 %



**Own Book
GNPA**

4.4 %



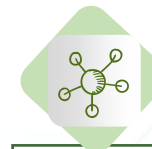
**Own Book
NNPA**

1.0 %



9M Revenue

₹ 75.1 Cr



9M PBT

₹1.5 Cr

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Q3 FY2025
UPDATES



 Capital Trust

Q3 FY2025: Thoughtful Restraint With Forward Focus

CTL's Strategic Decisions:

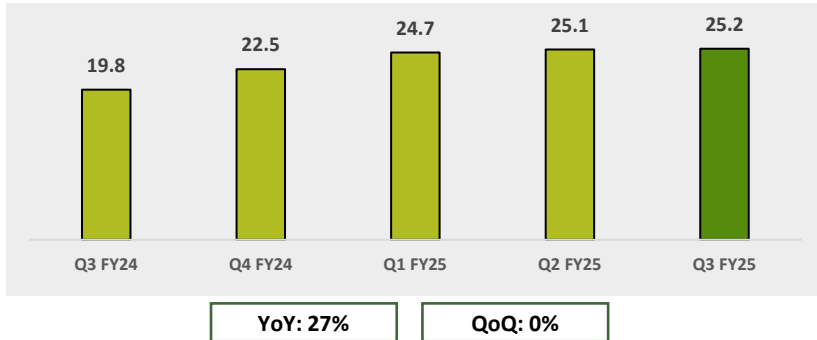
Proactive Rather Than Reactive Approach To Challenging Market Conditions



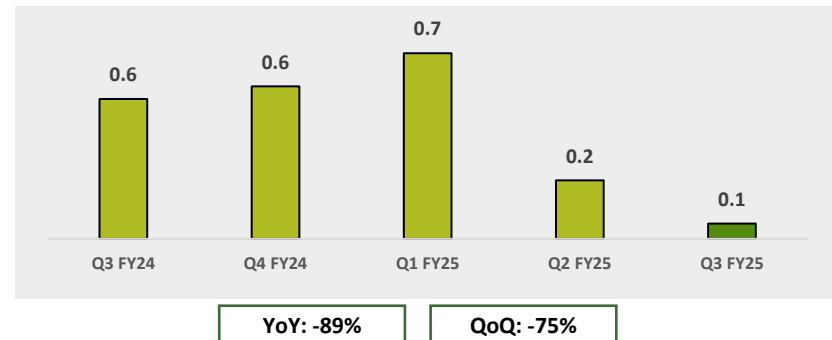
Q3 FY2025: Thoughtful Restraint With Forward Focus

Financial Parameters:

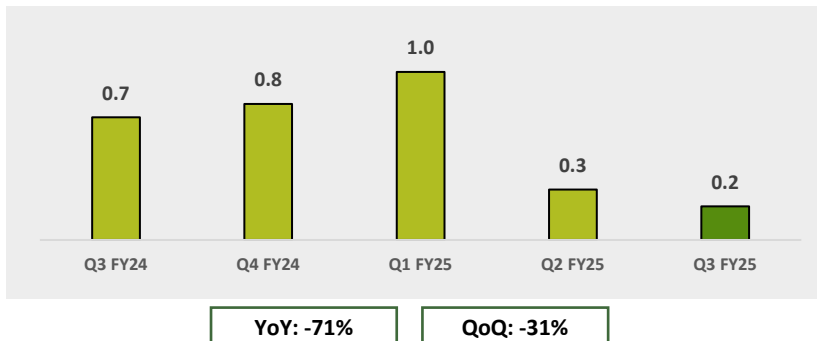
Revenue (₹ in Crores)



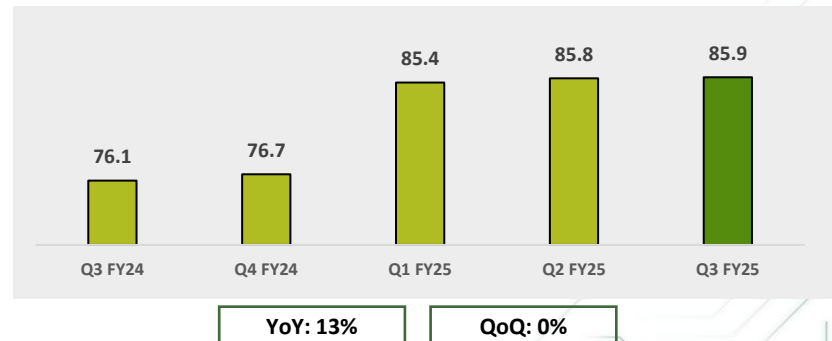
Profit After Tax (₹ in Crores)



Profit Before Tax (₹ in Crores)



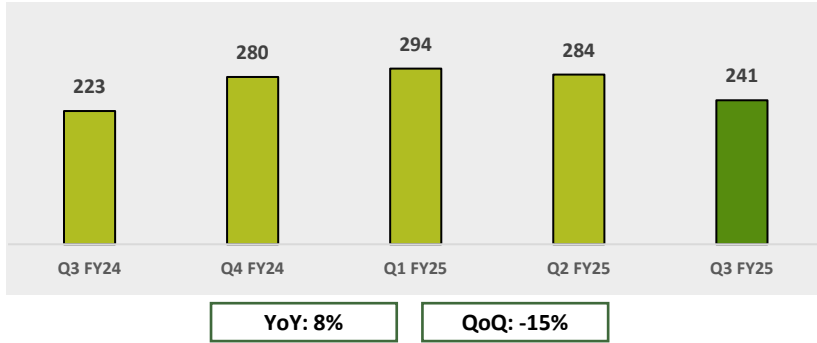
Net Worth (₹ in Crores)



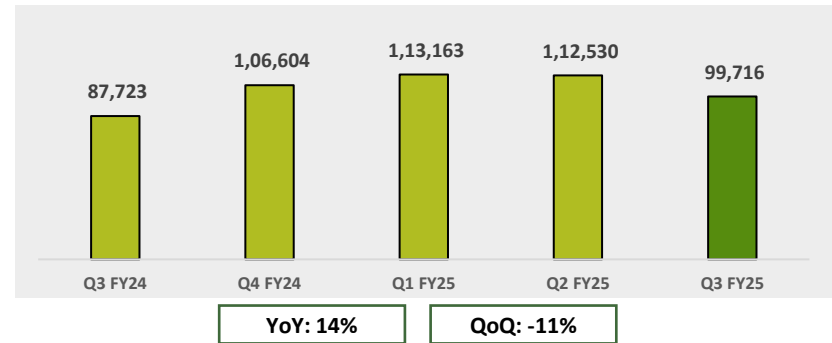
Q3 FY2025: Thoughtful Restraint With Forward Focus

Operational Parameters:

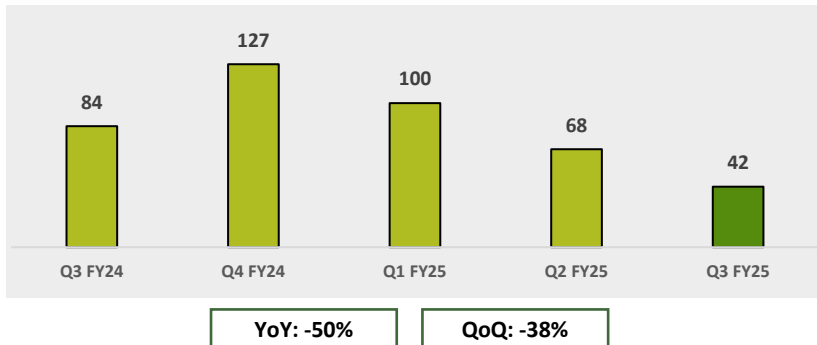
Asset Under Management (₹ in Crores)



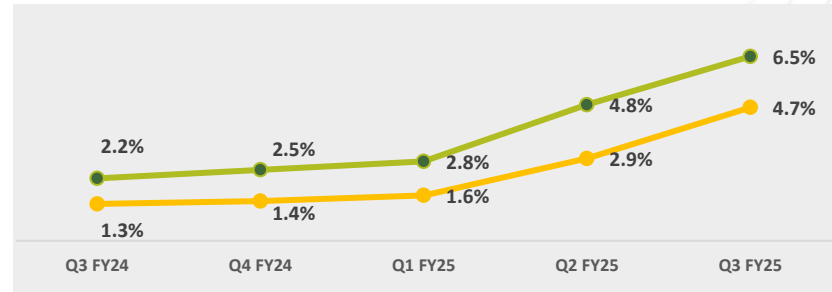
Clients (in #)



Quarterly Disbursement (₹ in Crores)



30+ PAR % & 90+ PAR % Of AUM



YoY Comparison (Q3 FY2025 vs Q3 FY2024)

Assets Under Management (in Cr.):

240.5



(8%)

223.3

Own Book Portfolio (in Cr.):

97.5



(39%)

69.9

Off Book Portfolio (in Cr.):

153.4



(-7%)

143.0

Revenue (in Cr.):

25.2



(27%)

19.8

Expenses (in Cr.):

25.0



(31%)

19.1

Profit Before Tax (in Cr.):

0.7



(-71%)

0.2

Net Worth (in Cr.):

85.9



(13%)

76.1

Capital Adequacy (in %):

32.7



(3%)

31.8

Book Value / Share (in ₹):

50.5



(8%)

46.9

QoQ Comparison (Q3 FY2025 vs Q2 FY2025)

Assets Under Management (in Cr):

283.6



(-15%)

240.5

Own Book Portfolio (in Cr.):

108.0



(-10%)

97.5

Off Book Portfolio (in Cr.):

175.6



(-19%)

143.0

Revenue (in Cr):

25.2



(0%)

25.1

Expenses (in Cr):

25.0



(1%)

24.8

Profit Before Tax (in Cr):

0.3



(-71%)

0.2

Net Worth (in Cr.):

85.9



(0%)

85.8

Capital Adequacy (in %):

32.7



(12%)

29.2

Book Value / Share (in ₹):

50.9



(-1%)

50.5

INDUSTRY OVERVIEW



Need For Evolution In Rural Financing

Unchanged processes since early 2010s that have not kept up with evolving client demands

01 Financing The Overlooked Shopkeeper

Existing:

- Limited companies focusing specifically on rural and semi-urban Informal MSMEs

Need For Evolution:

- 8% MFI clients annually graduate from the sector but are still seen as low-income individuals instead of business owners
- MFIs have limited focus on serving MSMEs as they serve different client segment

02 Technology

Existing:

- Limited technology usage with no reliance on business intelligence or data science

Need For Evolution:

- Paper based, manual processes that increase inefficiency leading to disbursement TAT of 5-7 days
- Minimal data utilization in credit assessment

03 Group Structure (Client Perspective)

Existing:

- Clients assessed on collective group strength rather than their business' cash flows

Need For Evolution:

- Clients running businesses hesitant to provide group guarantee for 5-7 others
- Demand for digital payment options eliminating the need for frequent cash collection center meetings

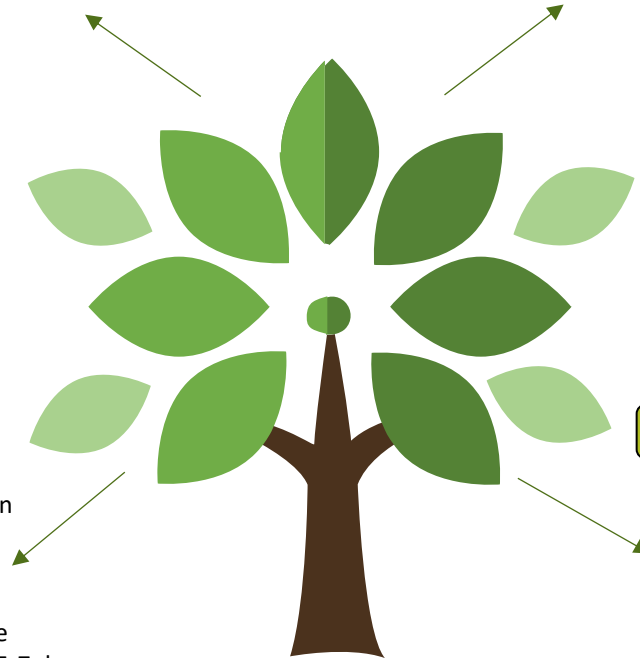
04 Group Structure (Company Perspective)

Existing:

- High risk of joint liability group model with binary payment history (all or none of the members pay)

Need For Evolution:

- Joint liability structure breaking due to recurring external events every 4-5 years, causing increased repayment issues in group loans
- Increasing prevalence of pipeline sourcing and ring leaders



Spearheading The Evolution



Financing The Overlooked Shopkeeper

Finetuned product (small ticket size, short tenure, optimal EMI) and target sector over a decade of exclusively serving business loans to MSMEs



Technology

82% of own book loans disbursed within 2 days of client onboarding. Historical data analyzed to create engines facilitating quick credit decisioning



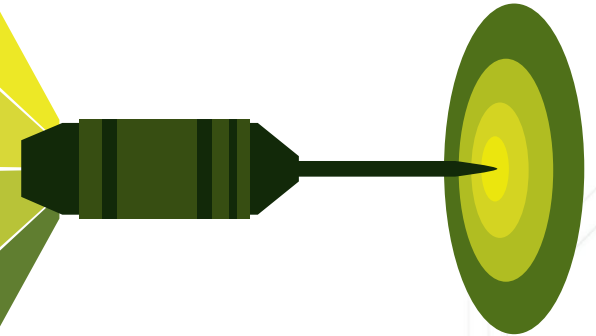
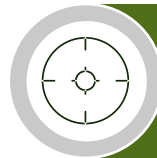
Group Structure (Client Perspective)

Providing individual loans that assess repayment capacity of client's business in isolation. ~65% collections done digitally eliminating need for frequent physical meetings




Group Structure (Company Perspective)

Mitigation of risk with reduced group exposure, evidenced by better portfolio quality during Covid and Punjab's Mazdoor Mukti Morcha agitation



Market Segment

RBI recognizes Capital Trust’s target sector as the **Informal Micro Enterprises Sector** by placing it on par with the Formal MSME Sector, classifying it as Priority Sector Lending (RBI/2023-24/27: FIDD.MSME & NFS.BC.No.09/06.02.31/2023-24)

<u>CLASSIFICATION</u>	<u>DOCUMENTATION</u>	<u>TICKET SIZE</u>	<u>ANNUAL INCOME</u>	<u>UNSECURED</u>	<u>SECURED</u>
Formal MSME	<ul style="list-style-type: none"> - Income Tax Return - GST Certificate - Shop & Establishment - PAN Card - Udyam Aadhaar 	> ₹ 10 Lakh	> ₹ 10 Lakh	New Age Fintechs	Banks / Large SME Focused NBFCs
		₹ 5 Lakh - 10 Lakh	₹ 5Lakh - 10 Lakh	Geography Focused MSME NBFCs	Product Focused MSME NBFCs
Informal MSME	<ul style="list-style-type: none"> - Aadhaar + PAN Card - Udyam Assist - Bank Account 	₹ 50,000 – 5 Lakh	₹ 3Lakh - 5 Lakh		
Microfinance	<ul style="list-style-type: none"> - Aadhaar Card 	₹ 20,000 – 60,000	< ₹ 3 Lakh	NBFC-MFIs	



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

- Physical brick-and-mortar setup to ensure continuous client interaction
- Using fintech processes to increase efficiency and utilizing historical data for credit underwriting

Product Offering & Typical Clientele

Financing The Overlooked Shopkeeper	
Type of Loan	Income-generating business loan
Ticket Size (₹)	Unsecured: 50,000 – 1,50,000 Secured: 2,00,000 – 5,00,000
Tenure	Unsecured: 18-36 months Secured: 36-72 months
ROI	Unsecured: 32%+ Secured: 25%+
Repayment	Digital (NACH, BBPS, UPI, Static QR) followed by physical cash collection
Product Optimisation	Small ticket size, short tenure, optimal EMI amount, short turn-around-time, digital collection enabled, cash collection setup

Target Clientele	
Shopkeepers	Overlooked by formal financial institutions, the company aims to support rural and semi-urban shopkeepers
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



CAPITAL TRUST 2.0



 Capital Trust



Unique Selling Proposition

Portfolio Quality

- High quality, seasoned portfolio with 4.69% GNPA
- Current product continues to show strength with ₹1096 Cr total disbursement with minimal credit cost. Portfolio sourced prior to FY20 continues to reduce

Pioneers in Technological Advancements

- First NBFC in rural India to have:
 - i) 100% cashless disbursement (2015)
 - ii) Staff-facing smartphone application to show real-time data for monitoring (2016)
 - iii) Client-facing smartphone application (2018)
 - iv) 100% digital collection as first mode of repayment (2019)
 - v) 100% paperless processes from sourcing to disbursement (2019)
 - vi) Credit & physical visit engines (2020)



Capital Trust 2.0

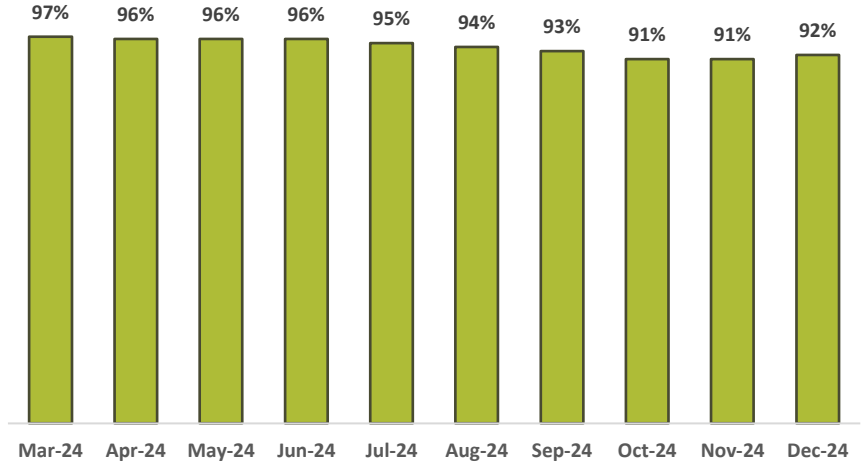
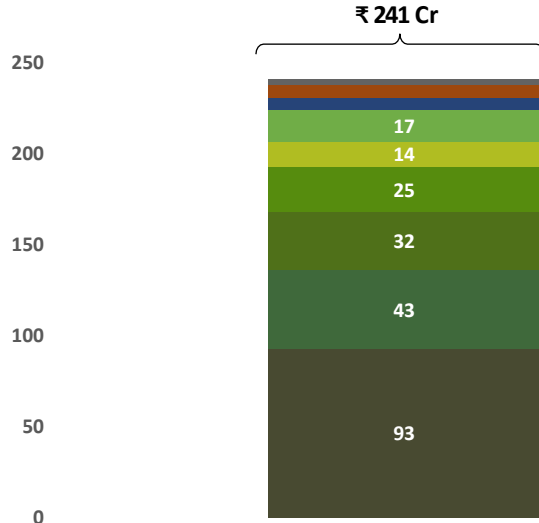
Providing Lending-As-A-Service

- Inherent potential to disburse upwards of ₹ 80 Crore monthly through existing branch network
- 6 live Co-Lending & BC partnerships that help company leverage larger partner's balance sheet while increasing its own ROE

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)
- Reliance on data of ₹4,000+ Crore disbursed to 12 Lakh clients to reduce subjectivity of one individual credit officer
- No exception or deviation matrix

1. Portfolio Quality

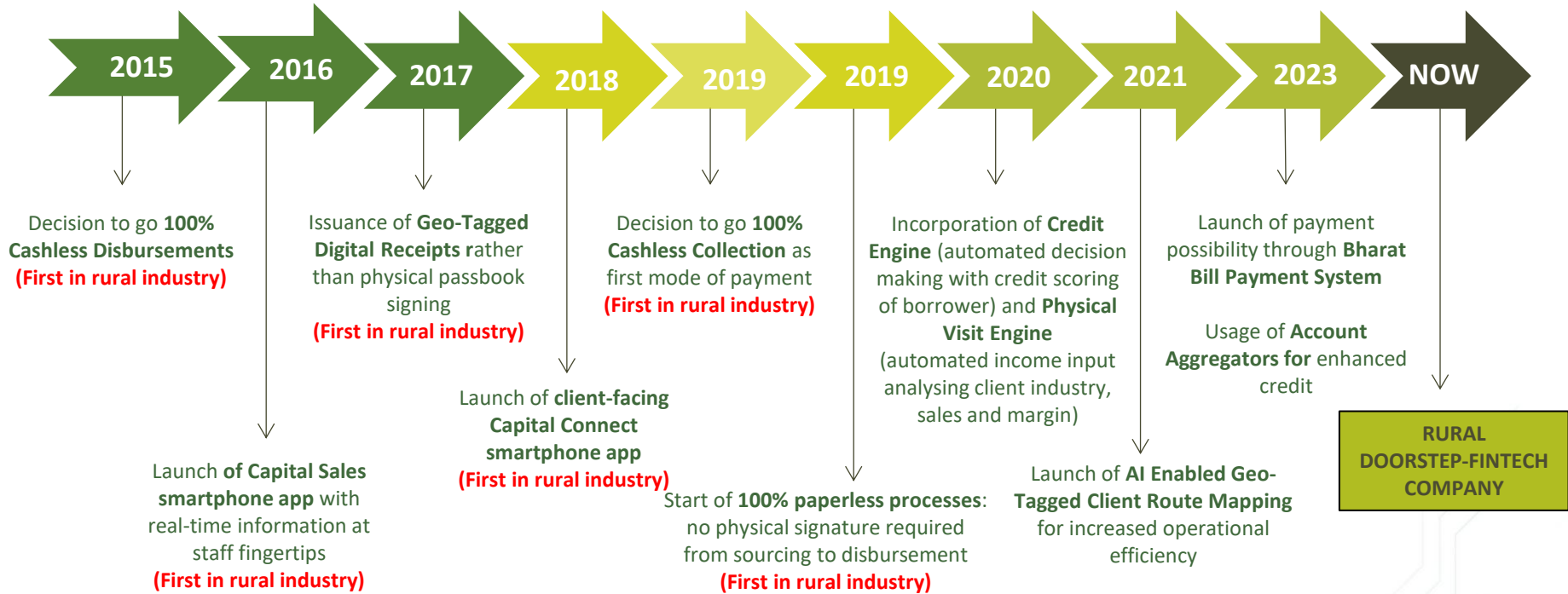


■ BIH
 ■ E UP
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 ■ MP
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 ■ RAJ
 ■ PUN
 ■ AP
 ■ UP
 ■ UKH
 ■ CG
 ■ DEL

■ Companywide Collection Efficiency

Total Assets Under Management	₹ 240.5 Cr
90+ on AUM	₹ 11.3 Cr
90+ % on AUM	4.7 %
Own Book	₹ 97.5 Cr
90+ on Own Book	₹ 4.3 Cr
90+ % on Own Book (GNPA)	4.4 %
Provision on Own Book	₹ 3.3 Cr
NNPA	₹ 1.0 Cr
NNPA	1.0 %

2. Pioneers in Technological Advancements



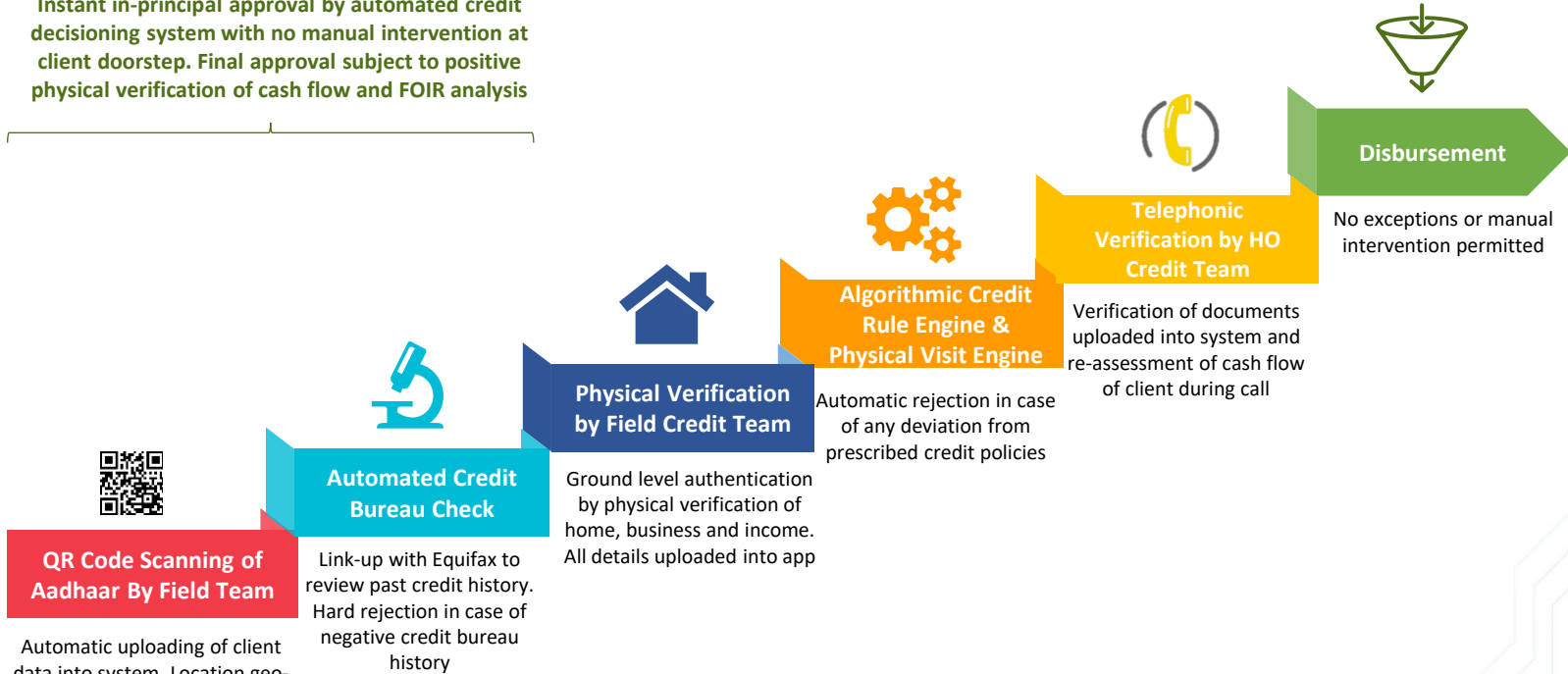
PROACTIVE RATHER THAN REACTIVE:

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 FY25

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 FOIR analysis



- 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)	90+ % (on POS)	30+ % (on Disbursement)	90+ % (on Disbursement)
Co-Lending + BC Partnerships	660	143	4.9%*	1.7%*	1.1%*

* With current portfolio performance, partners have started sharing risk





FINANCIALS

 Capital Trust



Key Highlights & Ratios

(₹ in Crores)

Particulars	Q3 FY25	Q2 FY25	QoQ %	Q3 FY24	YoY %
Total Income	25.2	25.1	0%	19.8	27%
Total Expense (excluding tax)	25.0	24.8	1%	19.1	31%
Profit / Loss Before Tax	0.2	0.3	-31%	0.7	-71%
Profit / Loss After Tax	0.1	0.2	-75%	0.6	-89%
Net Worth	85.9	85.8	0%	76.1	13%
On-Book Portfolio	97.5	108.0	-10%	69.9	39%
Off-Book Portfolio	143.0	175.6	-19%	153.4	-7%
Total Assets Under Management (AUM)	240.4	283.6	-15%	223.3	8%
Cost Of Borrowing	16.5%	16.3%	1%	16.1%	3%
Book Value Per Share (in ₹)*	50.5	50.9	-1%	46.9	9%

Balance Sheet

(₹ in Crores)

Assets	Q3 FY25	Q2 FY25	Q1 FY25
Financial Assets			
Cash and Cash Equivalents	27.7	20.0	36.2
Bank Balances other than Cash & Cash Equivalents	9.0	11.1	10.5
Trade Receivables	3.6	5.0	4.7
Loan Portfolio	92.4	103.9	87.1
Investments	0.6	2.6	0.6
Other Financial Assets	18.7	17.9	17.3
Total Financial Assets	151.9	160.4	156.4
Non-Financial Assets			
Current Tax Assets (Net)	5.9	5.4	4.7
Deferred Tax Assets (Net)	48.2	48.2	48.3
Property, Plant and Equipment	1.8	1.8	1.5
Right to use Asset	0.0	0.0	0.0
Intangible Assets	0.2	0.2	0.2
Other Non-Financial Assets	1.4	1.0	1.0
Total Non-Financial Assets	57.4	56.7	55.7
Total Assets	209.3	217.1	212.1

Liabilities And Equity	Q3 FY25	Q2 FY25	Q1 FY25
Financial Liabilities			
Trade Payables	0.5	0.5	0.5
Debt Securities	18.2	16.5	6.7
Borrowings other than Debt Securities	95.4	93.6	96.0
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	5.2	12.0	16.3
Total Financial Liabilities	119.2	122.6	119.5
Non-Financial Liabilities			
Current Tax Liabilities (Net)	0.0	0.0	0.0
Provisions	1.6	1.6	1.5
Other Non-Financial Liabilities	2.7	7.1	5.6
Total Non-Financial Liabilities	4.3	8.7	7.1
Equity			
Equity Share Capital	16.9	16.9	16.2
Share Application Money	0.0	0.0	8.0
Other Equity	69.0	68.9	61.2
Total Shareholders Fund	85.9	85.8	85.4
Total Liabilities and Equity	209.3	217.1	212.1



KEY PARTNERSHIPS

 Capital Trust

Funding & Partnerships

Equity: 1

Co-Lending: 5

Business Correspondent: 3

On-Balance Sheet Funders: 20



THANK YOU



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