



INVESTOR PRESENTATION Q4 FY18



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COMPANY OVERVIEW



ABOUT THE COMPANY

BACKGROUND

- Incorporated in 1985
- Promoted by prominent bankers including former Governor RBI, Chief Justice of India
- Initial business was advisory to foreign banks
- Listed on BSE (in 1985) and NSE (in 2016)
- Started providing Micro loans in 2008

As on 31.03.2018

AUM:
Rs. 795 Crores

Clients:
1.69 Lakhs

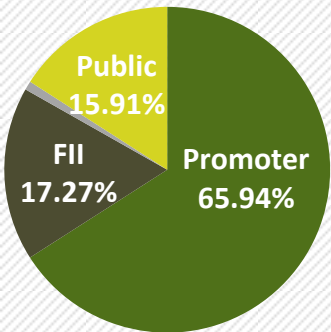
Branches:
237

Employees:
2018

Bank Borrowings:
Rs. 538 Crores

Net Worth:
Rs. 219 Crores

Credit Rating:
BBB+



BUSINESS MODEL



UNIQUE BUSINESS MODEL

Capital Trust Microfinance

Capital Trust Limited

Banks and large NBFCs

MFIs
(Rs. 15K – Rs. 1Lac)

MISSING MIDDLE
(Rs. 1Lac – Rs. 10Lacs)

ASSET FINANCING
(Rs 10Lacs onwards)



Rs. 1.05Lac loan
Footwear Business (Saharanpur)



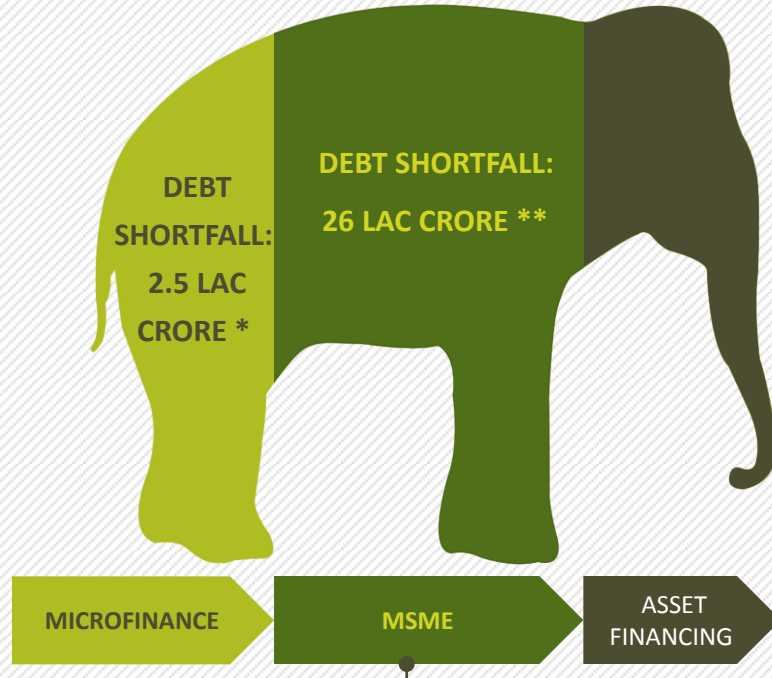
Rs. 2Lac loan
Yarn Production (Hapur)



Rs. 3Lac loan
Cloth Store (Bareilly)



Rs. 5Lac loan
Handloom Business (Hathras)



MSME SECTOR

94% of India's 2.65 Crore MSME's are **unregistered**, hence don't have access to traditional banking

8% of all Microfinance clients graduate to the next economic level each year but do not have access to traditional forms of funding (Mfin)

* Axis Securities Microfinance Report 2016
** IFC Report on Indian MSMEs (2015)



WHO

Typically family-run organizations that employ 1 - 10 people



WHY

MFIs not allowed to provide loans in this ticket size by RBI

Lack of comprehensive formal documentation of accounts, income and business transactions



WHY US

Methods and products designed to meet the customer requirement

Timely credit; feet-on-street model with transparent policies

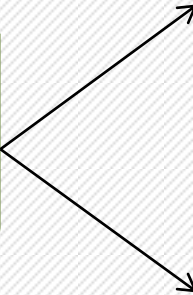


LOAN PRODUCTS

**MICROFINANCE
INDUSTRY**

- Loans from Rs. 25,000 – Rs. 45,000
- Tenure: 24 months
- Joint Liability
- Interest Rate: 24.6%

**MSME
INDUSTRY**



**Micro-
Enterprise Loan**

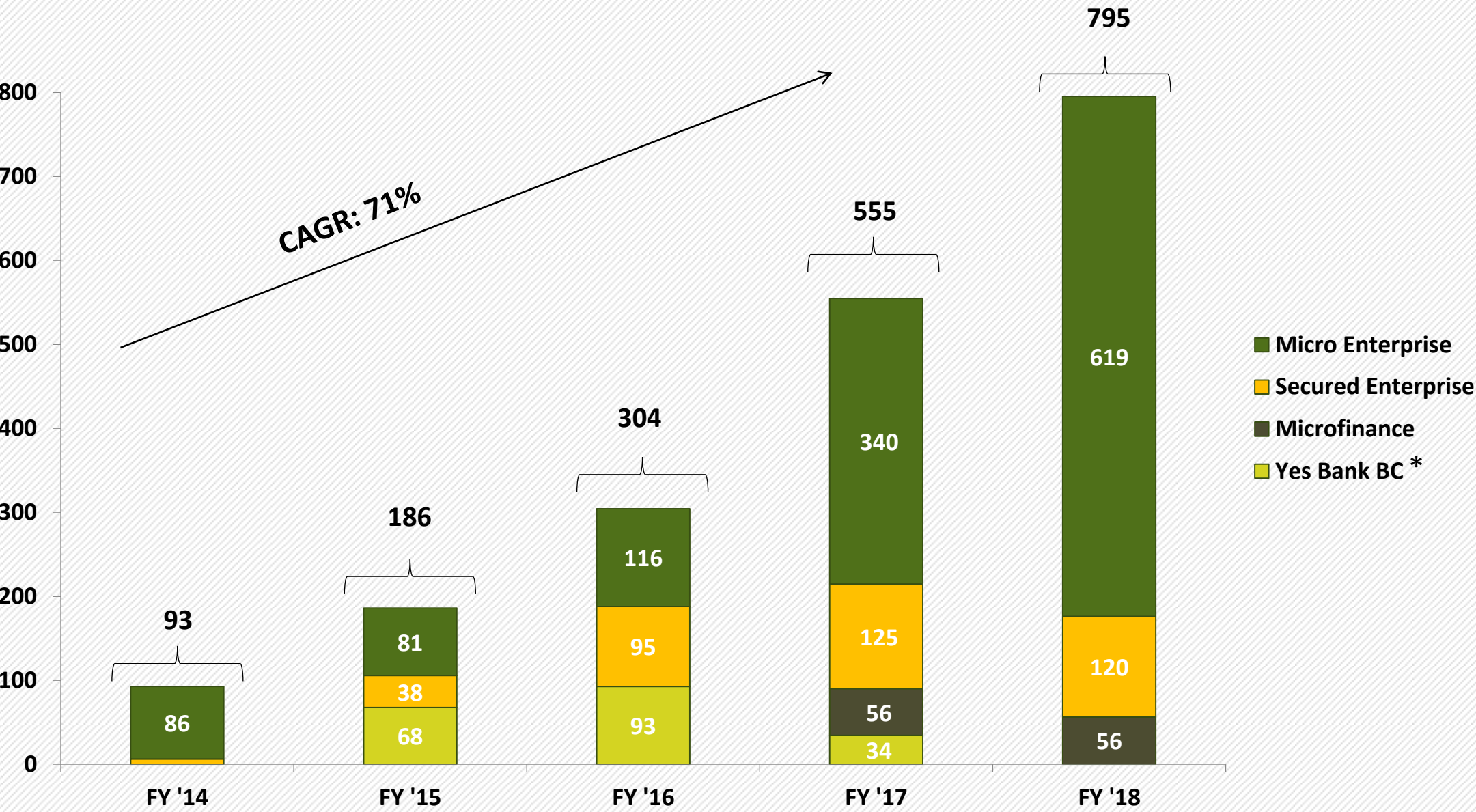
- Loans of Rs. 1,05,000
- Tenure: 36 months
- Joint Liability
- Interest Rate: 26%

**Secured-
Enterprise Loan**

- Loans from Rs. 1,00,000 – Rs. 10,00,000
- Tenure: 36 – 48 months
- Secured by original property documents of client
- Interest Rate: 28% - 30%



PRODUCT UPDATE



* Microfinance Loan as a Business Correspondent

OPERATING MODEL



GEOGRAPHICAL PRESENCE

DELHI
Branches: 4
Portfolio: 13 Crores

UTTARAKHAND
Branches: 17
Portfolio: 62Crores

PUNJAB
Branches: 40
Portfolio: 189 Crores

UTTAR PRADESH
Branches: 65
Portfolio: 272 Crores

RAJASTHAN
Branches: 32
Portfolio: 115 Crores

BIHAR
Branches: 25
Portfolio: 37 Crores

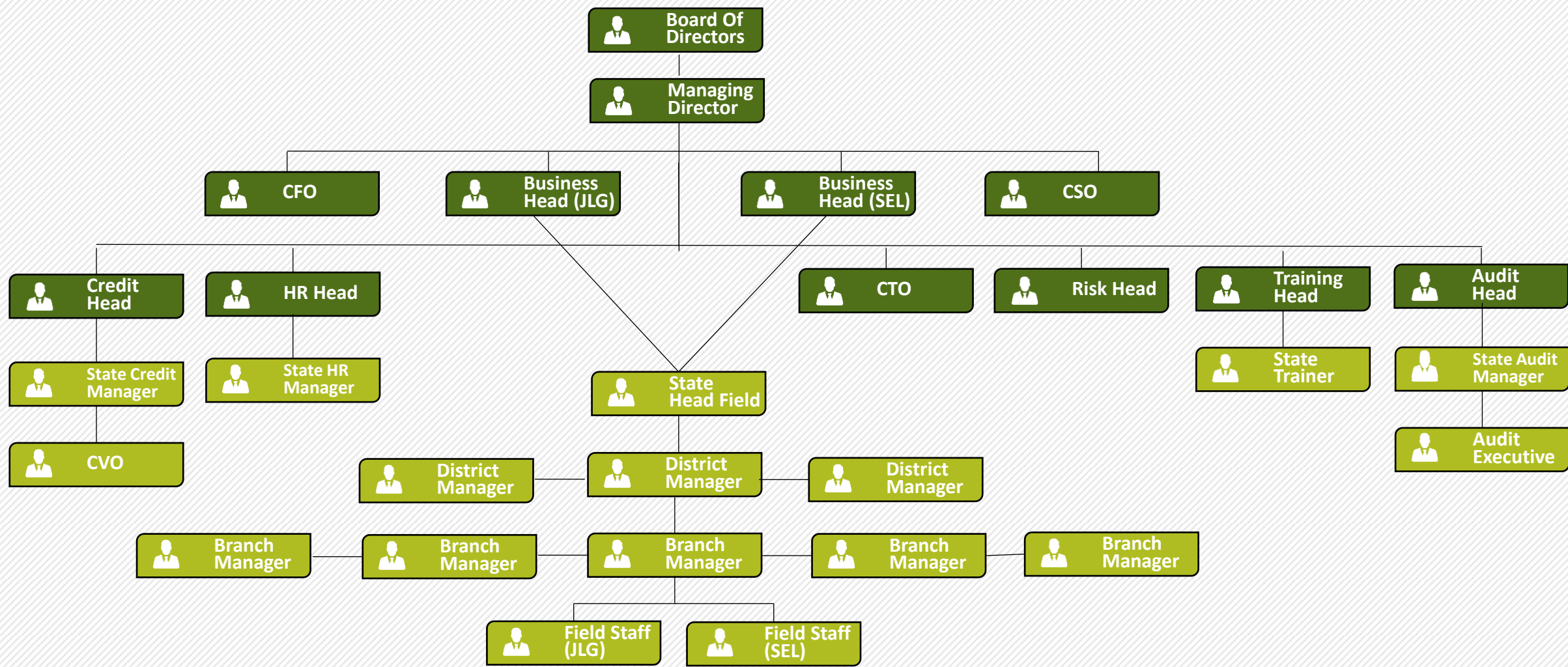
MADHYA PRADESH
Branches: 25
Portfolio: 83 Crores

ODISHA
Branches: 18
Portfolio: 21 Crores



CHHATISGARH
Branches: 6
Portfolio: .5 Crores

JHARKHAND
Branches: 5
Portfolio: 2.5 Crores





Cashless Disbursement for all products since April 2015



Staff empowered with smartphones with access to customized mobile application



Client on-boarding and in-principle approval from scanning of client's Aadhar card



Information available to staff for collections on real-time basis at remotest location in country



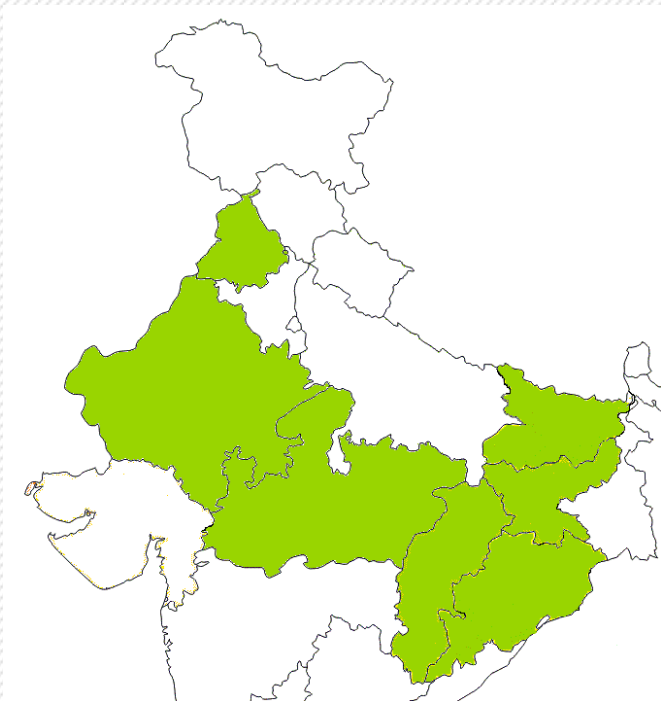
Paperless Audit and closing of EOD cashbook branch-wise at 6PM



One of the most technologically advanced NBFCs in this sector

PORTFOLIO UPDATE

NON-AFFECTED STATES (OVERVIEW)



States

Punjab, Rajasthan, Madhya Pradesh,
Bihar, Odisha, Jharkhand, Chhattisgarh

Branches

151

AUM

447 Crores

Clients

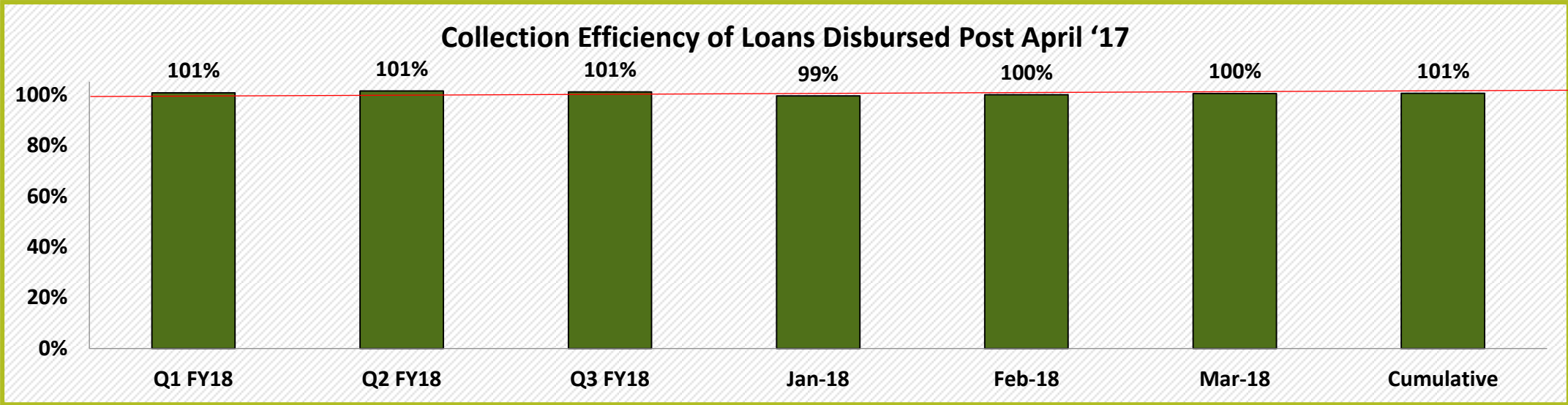
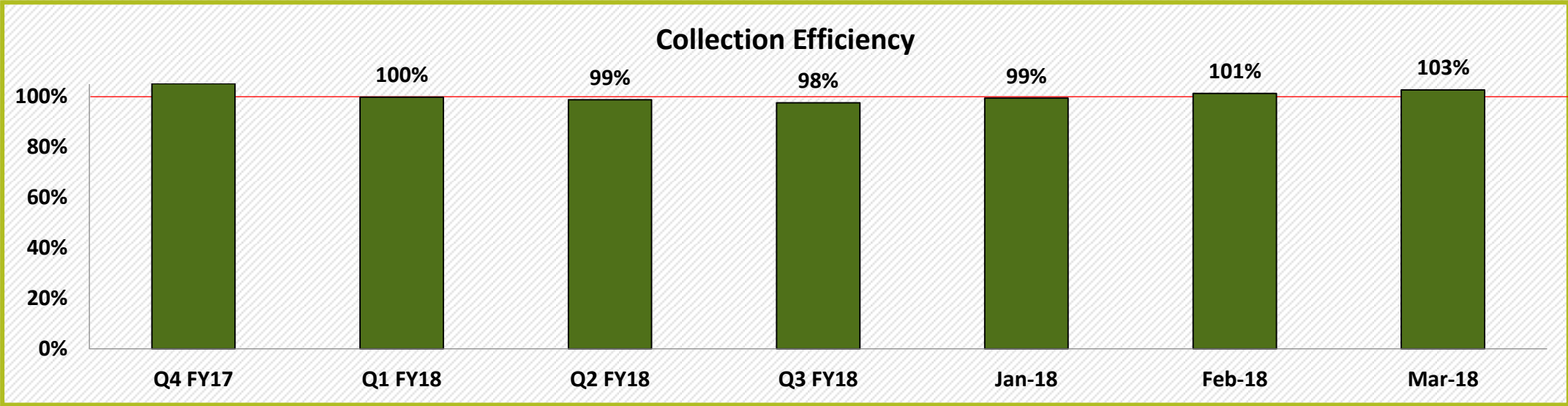
1.02 Lakhs

Staff

1089



NON-AFFECTED STATES (CUMULATIVE COLLECTION UPDATE)



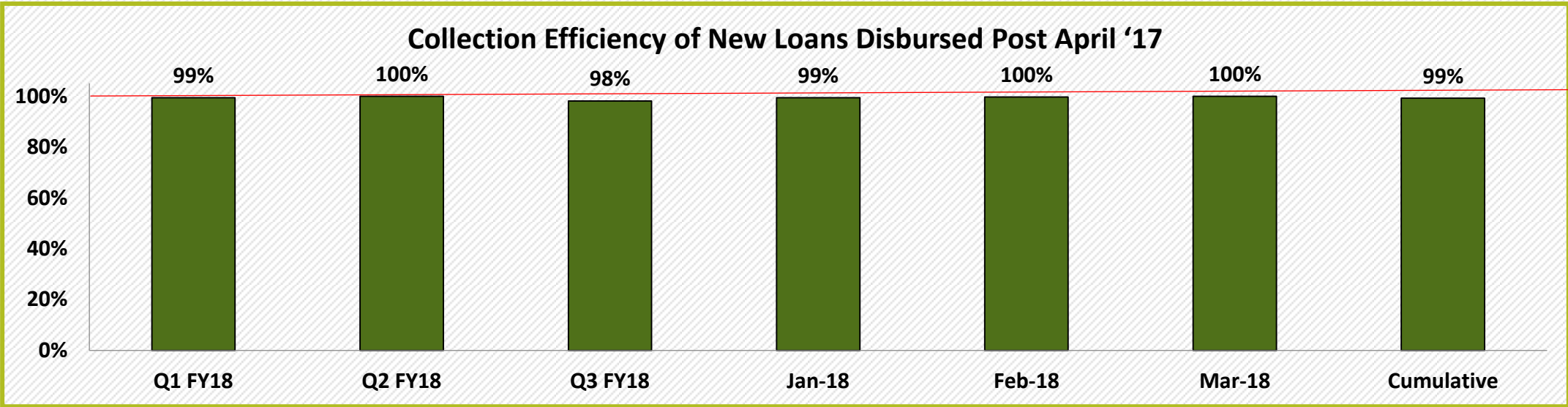
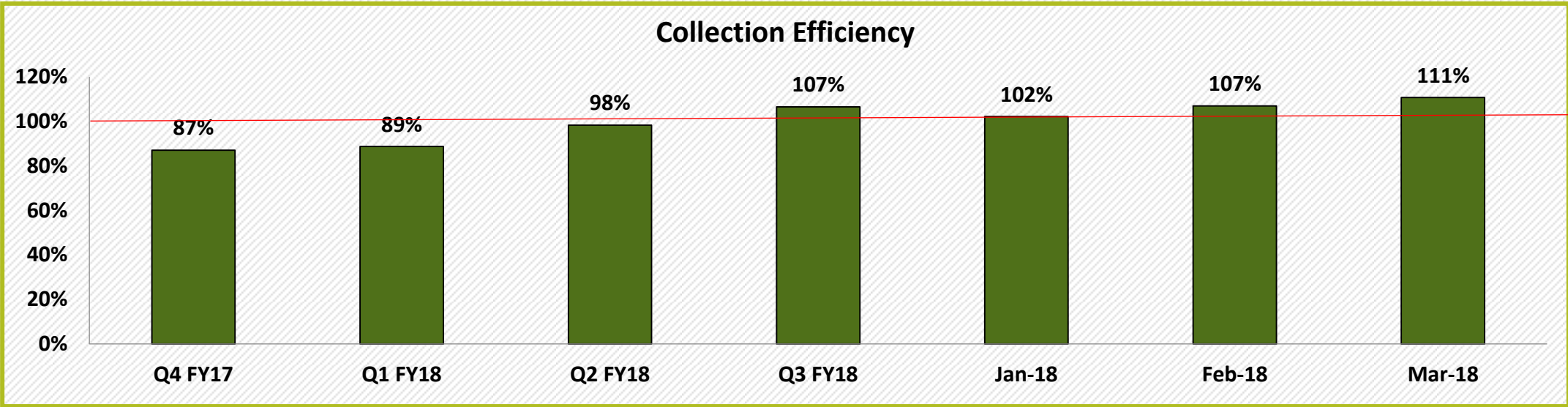


NON-AFFECTED STATES (PORTFOLIO QUALITY)

Non-Affected States	
As on 31.03.18	
AUM (Cr.)	447.12
90+ AUM (Cr.)	2.47
90+ %	0.55%
90+ Non Active AUM (Cr.)	1.43
90+ Non Active AUM%	0.32%
New loan disbursements since 01.04.17	
AUM (Cr.)	311.56
90+ AUM (Cr.)	0.03
90+ %	0.01%
90+ Non Active AUM (Cr.)	0.02
90+ Non Active AUM%	0.01%



COMPANY-WIDE (CUMULATIVE COLLECTION UPDATE)



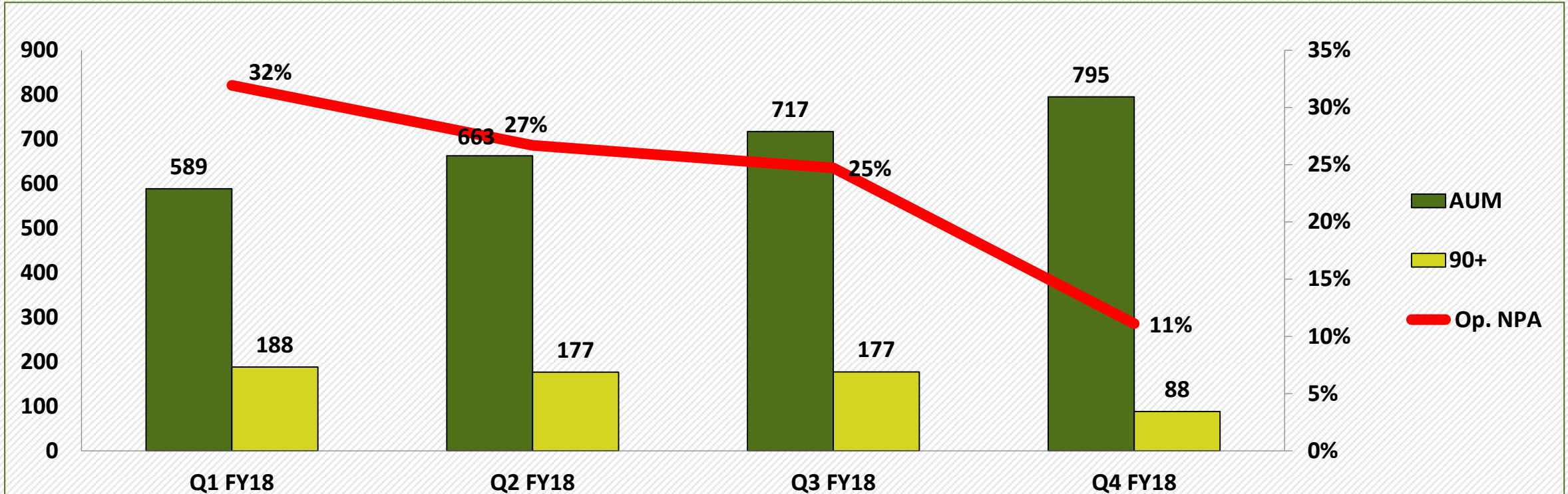


COMPANY-WIDE (PORTFOLIO QUALITY)

	Affected States (UP / UKH/ DEL)	Non-Affected States	Company-Wide
AUM (Cr.)	348.03	447.12	795.15
90+ AUM(Cr.)	85.91	2.47	88.38
90+%	24.68%	0.55%	11.11%
90+ Non Active AUM (Cr.)	23.67	1.43	25.10
90+ Non Active AUM%	6.80%	0.32%	3.16%



90+ NPA MOVEMENT



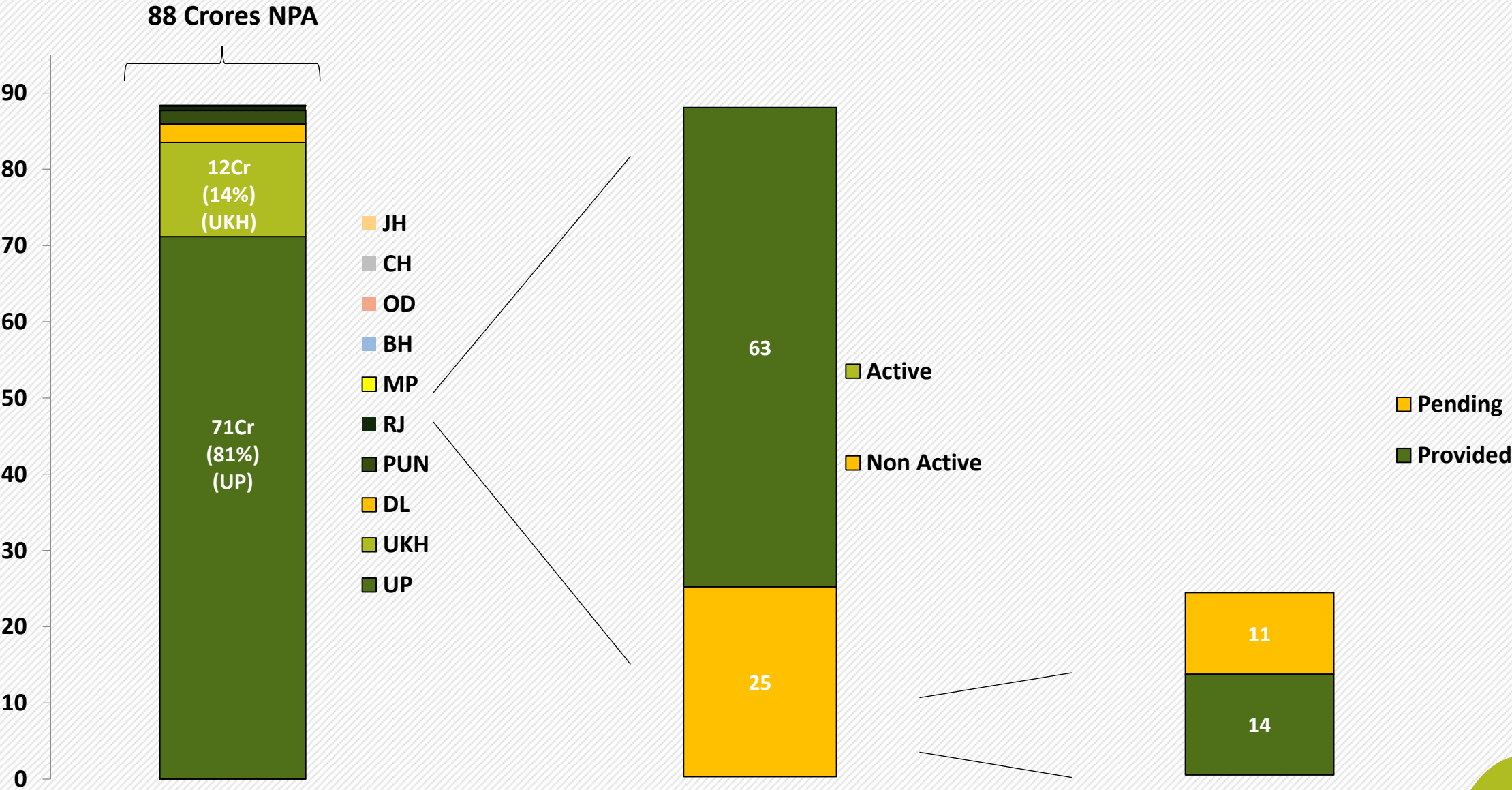
Reason For Reduction:

Owing to the lag of installments between November '16 – March '17, the company is dealing with **“Active 90+ cases.”** These are cases that are giving us **timely installments but are still potentially reflecting as NPAs** on our books because of the company’s decision to **not provide any top up loan / do any form of restructuring**. What was a 36month loan is now behaving as a 40-42 month loan. When **the tenure of an active client gets over, every additional installment received shifts the client one bucket to the left.**

The tenure of ~13000 Active 90+ cases got over in Q4 FY18 resulting in a reduction in NPA

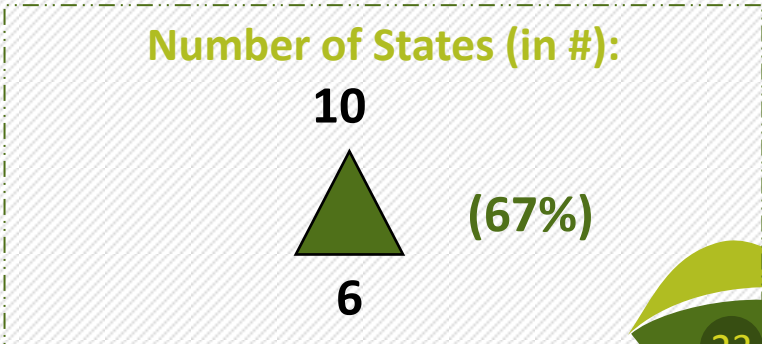
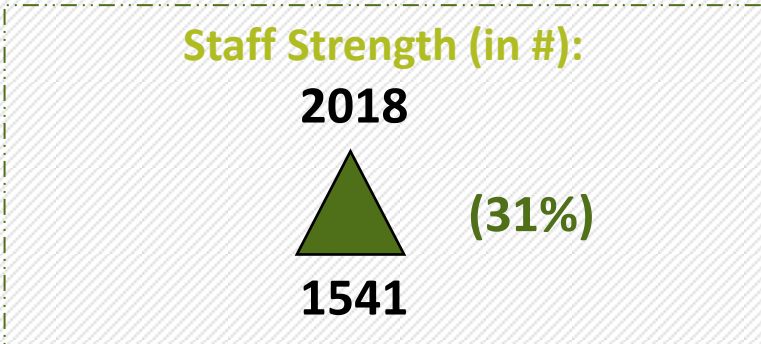
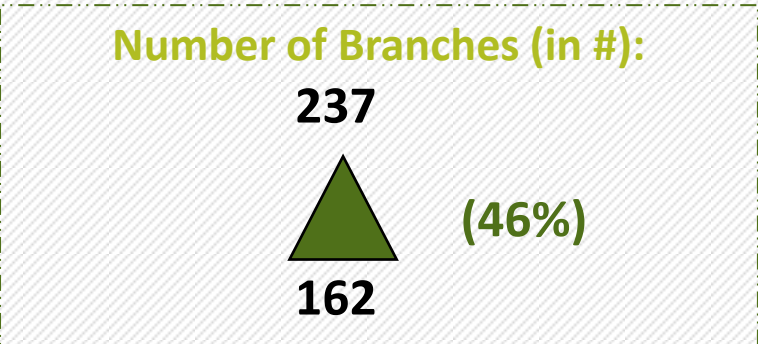
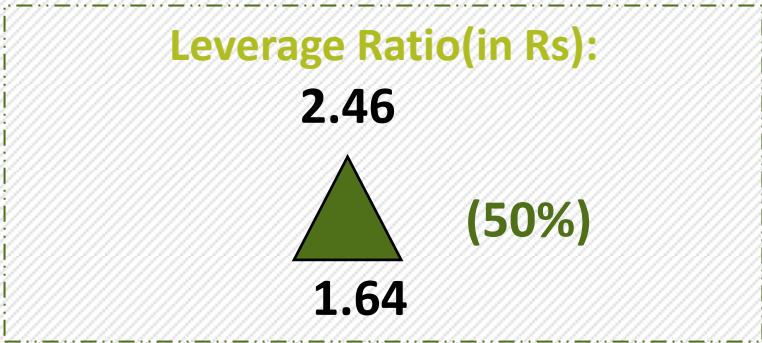
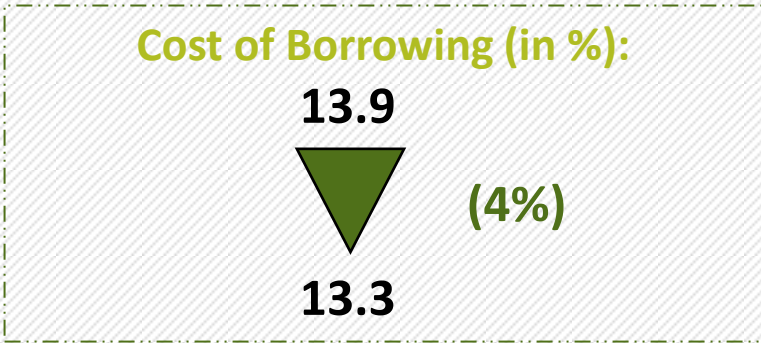
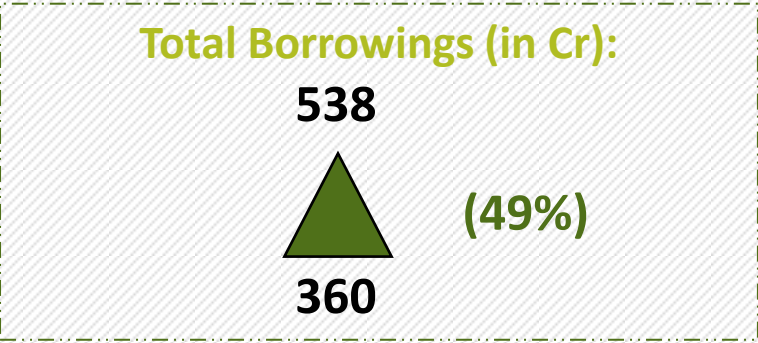
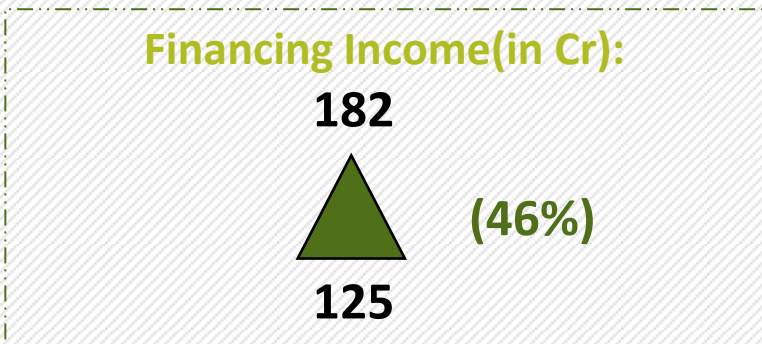
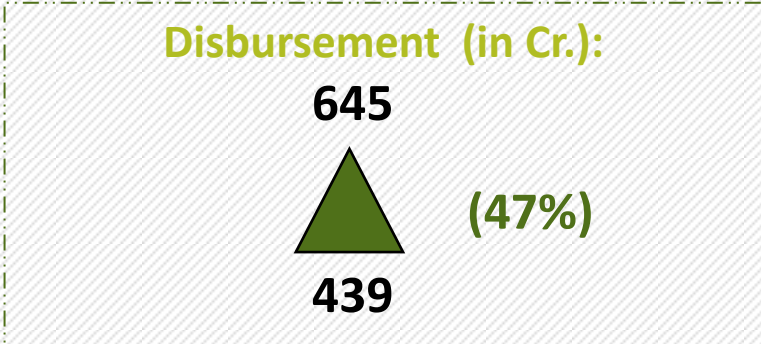
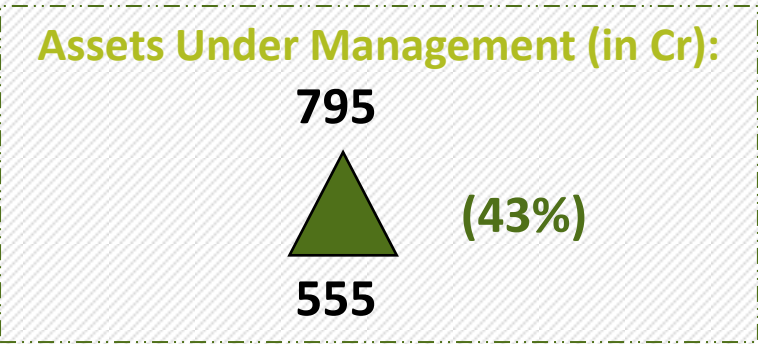


OUTSTANDING RISK



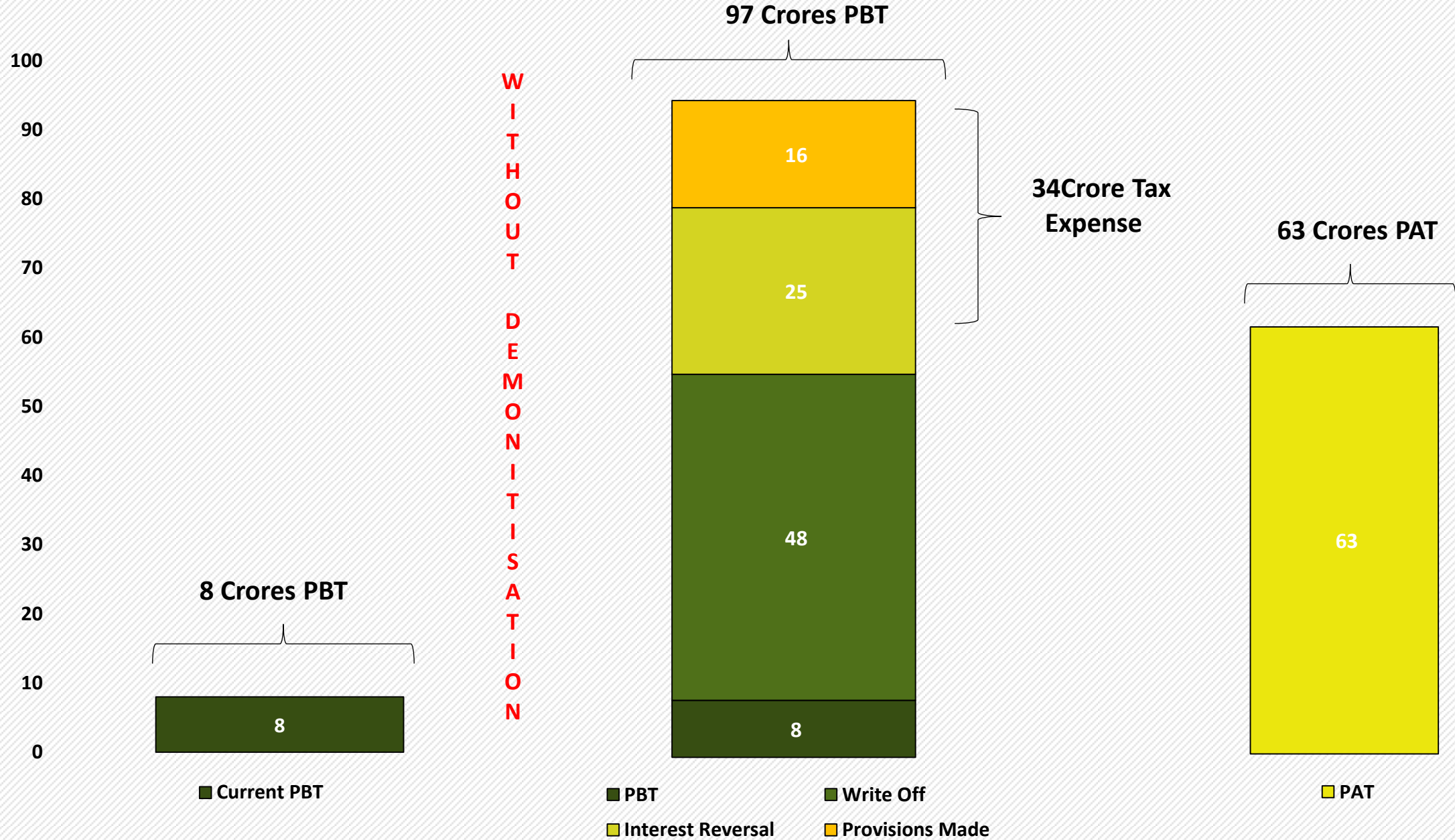
FINANCIALS

 YEAR-OVER-YEAR GROWTH (FY18 vs FY17)





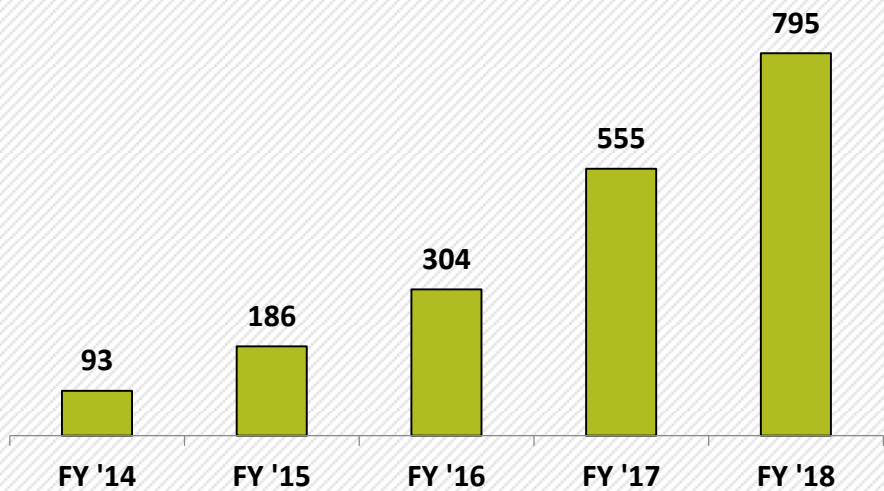
DEMONITISATION'S EFFECT ON FY18 PROFITABILITY



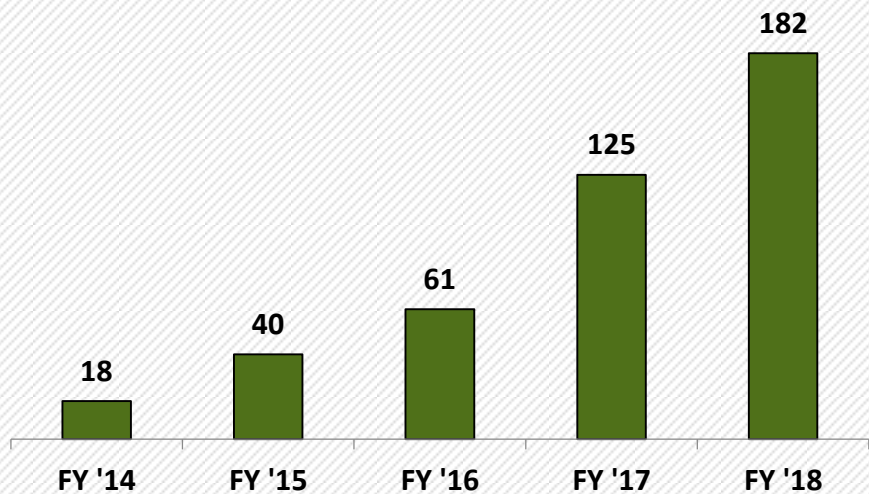


GROWTH ANALYTICS

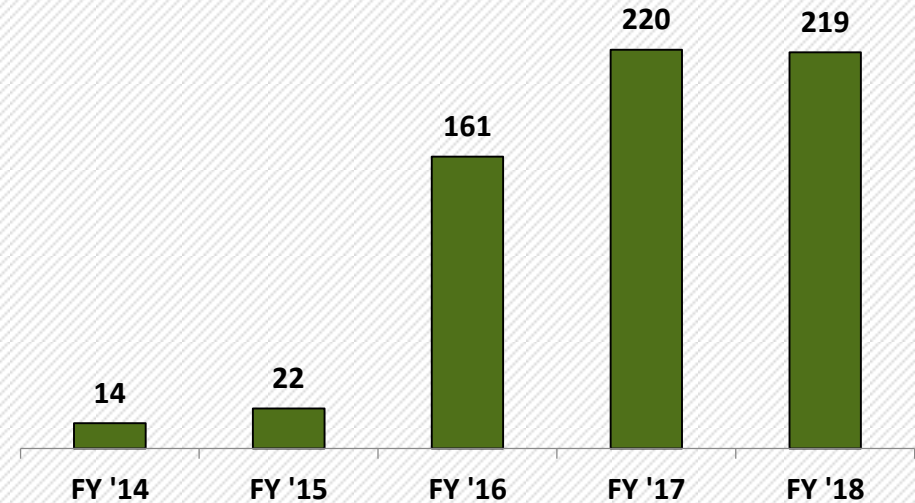
ASSETS UNDER MANAGEMENT (CR.)



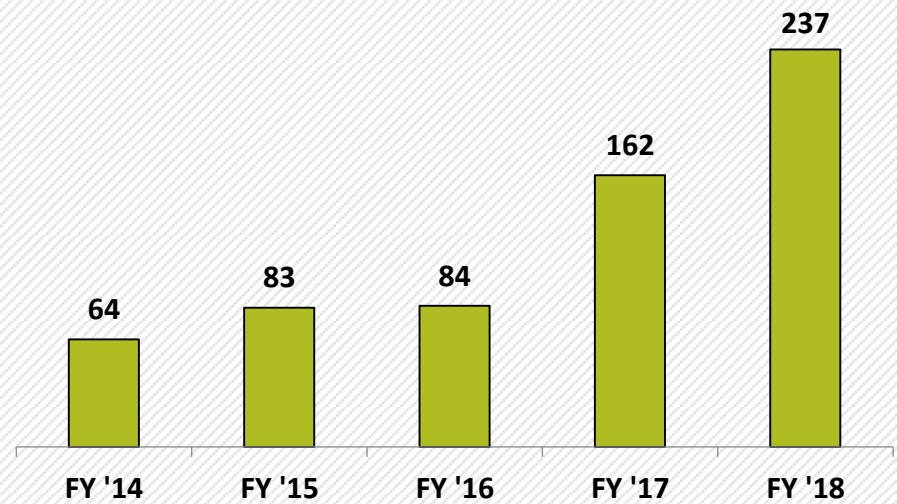
FINANCING INCOME (CR.)



NET WORTH (CR.)



BRANCHES





KEY FINANCIALS AND RATIOS

Line Item / Ratio	FY17	FY18	(YoY)	Q3 FY18	Q4 FY18	(QoQ)
Total Income	124.8	182.1	46%	49.7	56.0	13%
Total Expense (excluding tax)	67.9	174.6	157%	33.7	54.2	61%
Profit / (loss) after tax	37.9	1.4	-96%	9.4	-1.2	-112%
Net Worth	220.4	218.8	-1%	220.0	218.8	-1%

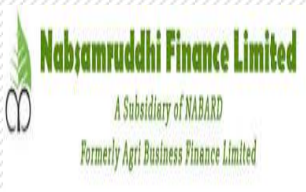
Micro-Enterprise Loan	339.7	619.0	82%	538.2	619.0	15%
Secured Enterprise Loan	124.8	119.9	-4%	117.9	119.9	2%
Microfinance Loan	90.0	56.3	-37%	60.9	56.3	-8%
Total Assets Under Management (AUM)	554.5	795.2	43%	717.0	795.2	11%

Net Interest Margin	15.2%	11.6%	-24%	13.5%	13.2%	-3%
Operating Cost to AUM Ratio	10.2%	8.5%	-17%	8.0%	9.5%	18%
Earnings Per Share (Diluted) (Rs.)	24.8	0.8	-97%	23.1	-0.7	-103%
Book Value Per Share (Rs.)	134.71	133.7	-1%	134.5	133.7	-1%
Return on Assets	11.5%	0.2%	-98%	5.7%	-0.7%	-112%
Return on Equity	19.9%	0.6%	-97%	17.5%	-2.1%	-112%
Gross 90+ Operational NPA (%)	4.3%	11.1%	160%	13.2%	11.1%	-16%
Provision Coverage	13.4%	15.7%	17%	19.9%	15.7%	-21%
Cost of Borrowing	13.9%	13.3%	-4%	13.4%	13.3%	0%
Capital Adequacy Ratio	47.6%	34.8%	-27%	35.8%	34.8%	-3%

PARTNERS



PARTNERS



THANK YOU



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