

Inditrade Capital Limited



Investor Presentation Q1 FY21-22

inditrade
F i n a n c i n g P r o g r e s s



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. Inditrade Capital 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.

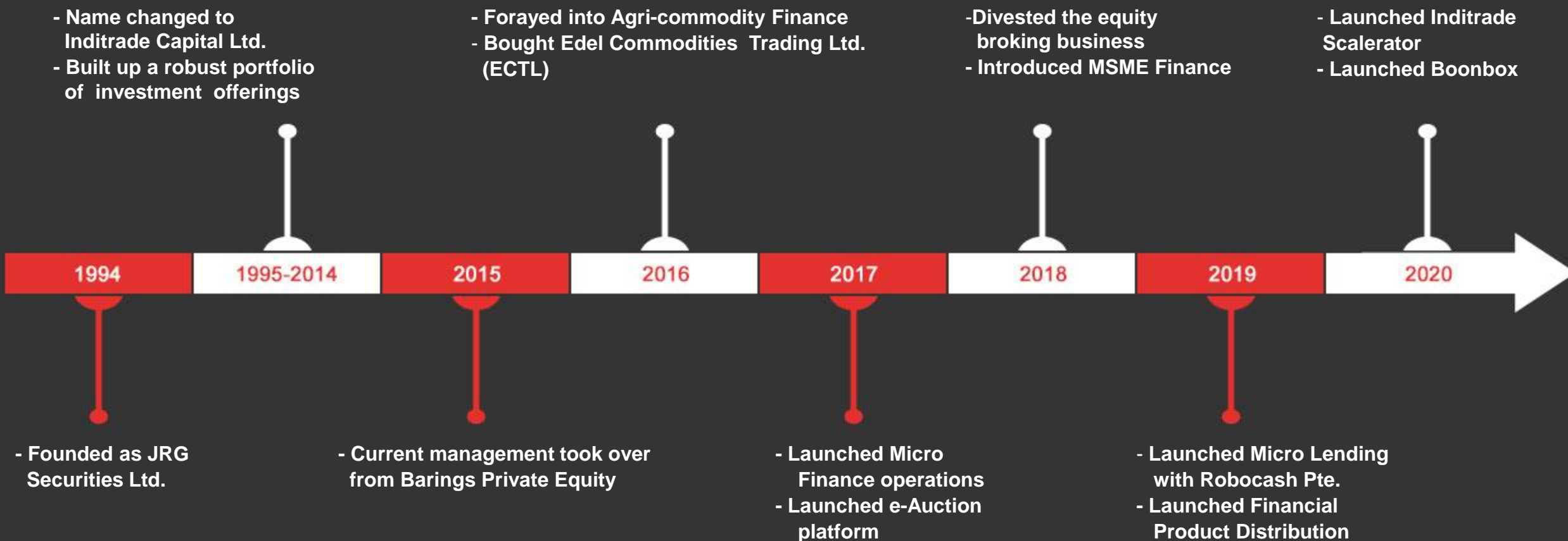


Contents

- Company Overview
- Q1 Update
- Performance Update – Q1 FY21-22
- Business Verticals Update

COMPANY OVERVIEW

Our Milestones



Products Snapshot

MSME Finance

- Business Loans
- Upto INR 50 lakh
- Processed within 72 hours
- Credit underwriting through alternate means

Micro Finance

- Micro business loans
- Upto INR 10,000 to 60,000
- Joint liability group based lending
- Diversified product range to suit all requirements

Micro Lending

- Individual Loan
- Upto INR 25,000
- Processed within 15 minutes
- Completely online process
- Credit underwriting through alternate means

Agri-commodity Finance

- Loan against non-essential commodities
- Upto INR 5 crore
- Evaluation through exchange accredited warehouses
- Price hedged in exchange

Digital Approach

Our Footprint Today

for Q1 FY 21-22



Present in
13
States
and
growing

Lending Partners

Bank Borrowings	          
Non - Bank Borrowings	         
Securitization/ DA/ BC Partner	  

Q1 UPDATE

Inditrade Capital Limited (Q1 FY 2021-22)

1. Background
2. Consequences
3. Result
4. Challenges in Agri Business
5. Way Forward - Inditrade Group

Background

- Different states started imposing strict lockdowns restricting, amongst others, movement of people from early April'21.
- By end of April'21, almost all states where we operate were under strict lockdowns.
- Though Microfinance, NBFC and Insurance came under essential services category, movement of our staff and customer meetings were almost impossible from mid-April till mid-June'21.
- Restrictions started getting gradually lifted from mid-June. Even now there are restrictions in few states where we operate viz; Kerala, Orissa and Maharashtra.

Consequences

- Restriction of movement of people resulted in :-
 - a) Almost complete stoppage of collection in Microfinance business
 - b) Inability to deliver goods to customers in case of Boonbox
 - c) Inability to hold customer meetings and carry out customer interactions in Insurance segment
- Overall collapse of business and economic activities led to stoppage of all disbursements from lenders and affected our Scalerator business significantly.
- Uncertainties and ferocity of the second wave also made us risk averse and we stopped all fresh loans from mid-April'21 in our business segments :-
 - a) MSME
 - b) Robocash
 - c) Microfinance
 - d) Agri Finance

Result

- Almost no business in Boonbox and Scalerator during last quarter
- Extremely inadequate collections in Microfinance
- Consequent upon no disbursal, significantly depleted book size in all our lending segments

Challenges in Agri Business

- While the entire economy was reeling under the influence of the second wave, Agri commodity prices shot through the roof and reached 10 years highs.
- At such elevated price levels, we took conscious call of not increasing any exposure in our Agri book.
- Sudden imposition of stock limits by Government on various commodities (with the intention to control speculation) led to massive disruption in the market and made us exit our positions in some cases.

Way Forward - Inditrade Group

- Since mid-June'21 the economy has been opening up gradually with progressive reduction of restriction on movement of goods and people
- Except Kerala and to an extent Maharashtra and Orissa, things are almost back to normal.
- With opening of economy, all our businesses are limping back to normalcy.
- Lending in all segments have restarted.
- All leading banks, NBFCs and institutions have also started disbursals making availability of funds relatively easier.

- Onground collections are improving and physical meetings with customers are happening in our multiple businesses like Microfinance, Boonbox and Insurance.
- Agri commodity prices are stabilizing with fresh kharif arrival and relaxation of earlier imposed strict stock limits.
- We expect fresh funding opportunities to emerge in the near future in this segment as kharif arrivals start
- Exercise for right sizing the organization was carried out in Microfinance during Q1 to bring down cost
- Subject to no further waves hitting the country, we are optimistic about business performance in Q2 and the rest of the year

Financial Performance update – Q1 FY 2021-22

Q1 FY 2021-22 Consolidated Financial Performance Highlights

Total AUM stands at INR 333.27 Cr

Balance Sheet Size as on 30th June 2021 is INR 467.1 Cr

Gross Total Income for Q1 FY 21-22 is INR 31.9 Cr

Profit before Tax for Q1 FY 21-22 stands at INR 1.2 Cr

Profit after Tax for Q1 FY 21-22 stands at INR 0.4 Cr

Q1 FY 2021-22 – Consolidated Profit & Loss Statement

As per Ind AS

Amt. Rs. in Cr

Particulars	For the Quarter ended 30 June 2021	For the Quarter ended 31 March 2021
Interest Income	18.1	11.9
Sale of Services	5.4	7.5
Fee & Commission Income	1.2	3.3
Gain on de-recognition of financial instruments	0.0	0.0
Other Income	7.2	5.4
Gross Total Income	31.9	28.1
Finance Costs	7.5	7.1
Net Total Income	24.4	21.0
Employee Benefit Expenses	12.3	13.8
Depreciation & Amortization	0.9	0.9
Other Expenses	8.2	(32.5)
Impairment on financial instruments	1.8	38.8
Profit before Tax from Continuing operations	1.2	0.0
Profit / Loss before Tax from discontd. operations	-	-
Profit before tax and exceptional item	1.2	0.0
Income from exceptional item	-	-
Total Profit before tax	1.2	0.0
Less: Tax Expense	0.8	(0.2)
Total Profit After Tax for the Period	0.4	0.2

Q1 FY 2021-22 – Consolidated Profit & Loss Statement

As per Ind AS
Amt. Rs. in Cr

Particulars	For the Quarter ended 30 June 2021	For the Year ended 31 March 2021
Interest Income	18.1	149.3
Sale of Services	5.4	12.5
Fee & Commission Income	1.2	6.4
Gain on de-recognition of financial instruments	0.0	0.0
Other Income	7.2	14.4
Gross Total Income	31.9	182.6
Finance Costs	7.5	28.5
Net Total Income	24.4	154.1
Employee Benefit Expenses	12.3	48.5
Depreciation & Amortization	0.9	3.3
Other Expenses	8.2	37.2
Impairment on financial instruments	1.8	52.7
Profit before Tax from Continuing operations	1.2	12.4
Profit / Loss before Tax from discontd. operations	-	-
Profit before tax and exceptional item	1.2	12.4
Income from exceptional item	-	-
Total Profit before tax	1.2	12.4
Less: Tax Expense	0.8	3.8
Total Profit After Tax for the Period	0.4	8.6

June 2021 – Consolidated Balance Sheet

As per Ind AS

Amt in Cr

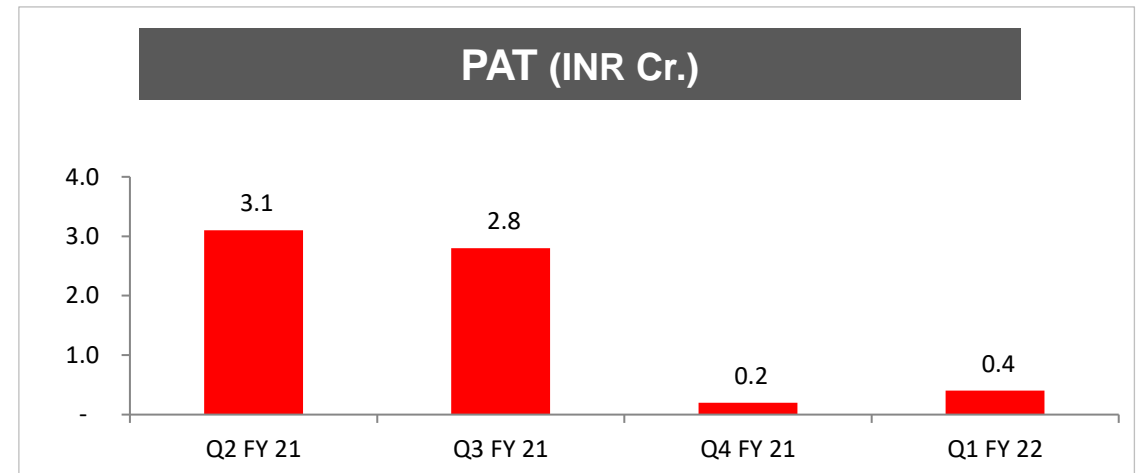
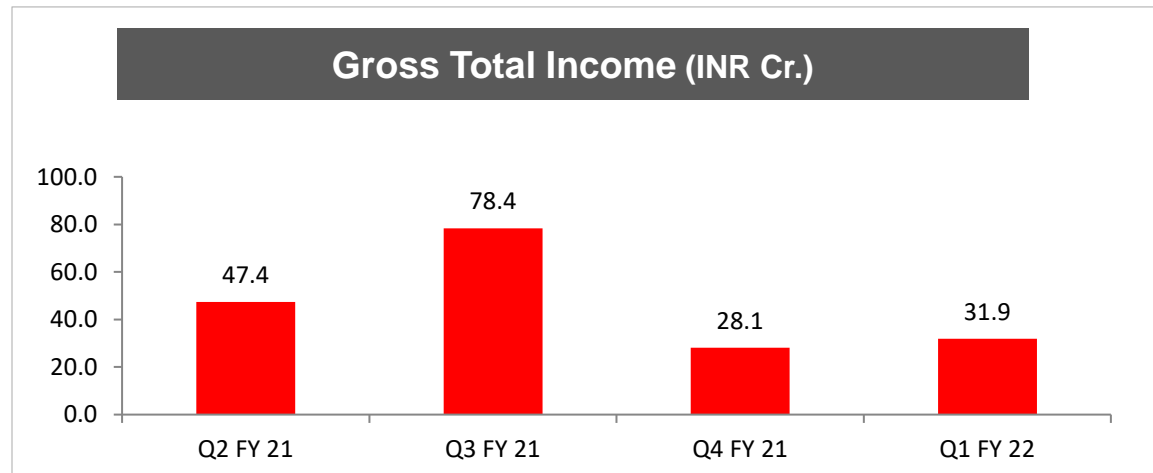
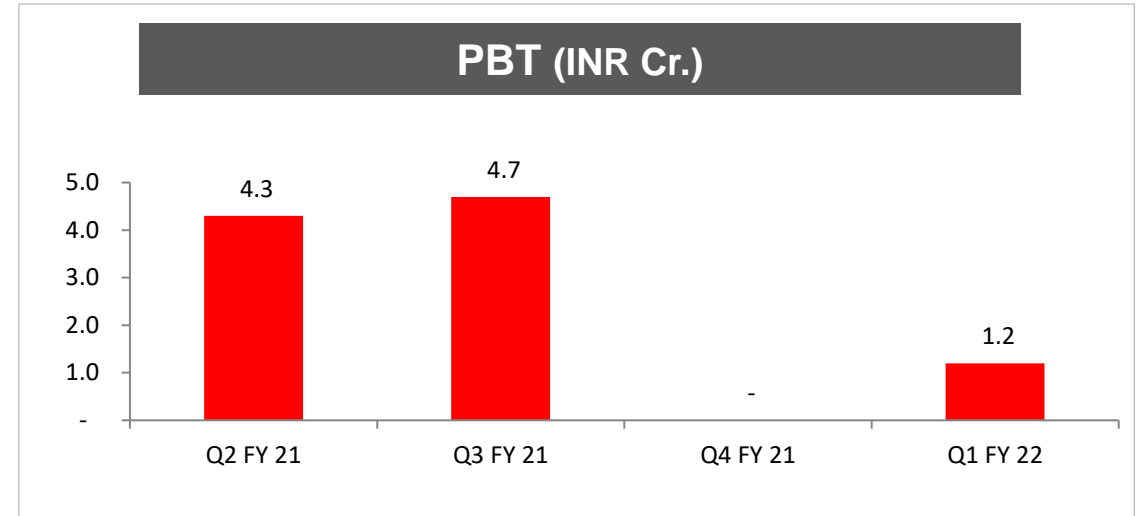
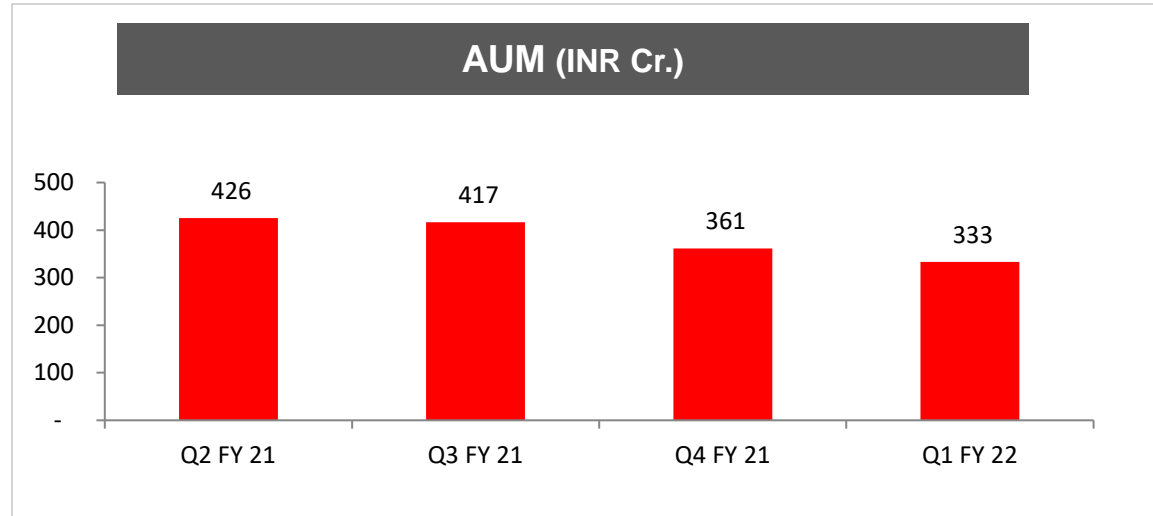
ASSETS	June-21	March-21
Financials Assets		
Cash & Bank Balance	53.4	56.2
Receivables	5.9	6.5
Loans & Advances	276.7	302.0
Investments	11.9	10.0
Other Financial Assets	29.8	32.9
Total Financial Assets	377.7	407.6
Non- Financials Assets		
Inventories	55.8	64.6
Current & Deferred Tax Assets (Net)	6.8	6.7
Property, Plant and Equipment	3.5	3.6
Intangible assets & Goodwill on consolidation	1.9	2.1
Right to Use Asset	2.8	3.3
Other non financial assets	18.6	17.7
Total Non- Financial Assets	89.4	98.0
Total Assets	467.1	505.6

LIABILITIES	June-21	March-21
Equity Share Capital	23.3	23.3
Reserves & Surplus	118.4	111.2
Non controlling Interest	59.1	63.3
Total Shareholders Funds	200.8	197.8
Financial Liabilities		
Payables	19.7	28.2
Borrowing & Debt Securities	180.5	208.7
Subordinated Liabilities	48.0	48.0
Other financial liabilities	6.7	11.6
Total Financial Liabilities	254.9	296.4
Non- Financial Liabilities		
Current tax liabilities	5.6	5.0
Provisions	2.3	2.0
Other non-financial liabilities	3.5	4.4
Total Non- Financial Liabilities	11.4	11.4
Total Liabilities & Equity	467.1	505.6

Portfolio Performance

					Rs in Cr
Particulars	Micro Finance	MSME	Micro loans	Agri Commodity & Others	Total
Outstanding Gross Portfolio as on 31st March 2021	185.73	62.73	28.60	59.59	336.65
Interest Accrued	23.59	0.21	-	0.87	24.67
Gross Portfolio - 31st March 2021	209.32	62.94	28.60	60.46	361.32
*Disbursement in Q1	4.80	0.79	0.49	10.60	16.67
Interest Accrued	11.37	3.30	-	2.68	17.34
Restructured Interest Capitalized		-	-	-	-
Collection in Q1					
Collection on account of Principal	29.78	10.70	1.08	5.90	47.46
Collection on account of Interest	8.05	2.83	-	1.51	12.39
Bad Debts / Reversal		0.18	2.04	-	2.22
Closing Portfolio					
Principal Loan	160.75	52.64	25.97	64.30	303.65
Interest Accrued	26.90	0.68	-	2.03	29.62
Portfolio as on 30th June 2021	187.65	53.32	25.97	66.33	333.27

Q1 FY21-22 QoQ – Performance Update



Cost of Borrowings

Segment wise average cost of Borrowings:

Microfinance	-	12.36%
MSME Finance	-	11.25%
Agri Commodity	-	8.32%

Provision on Portfolio

Segment	Gross NPA%	Net NPA %
MSME	4.65%	1.23%
Microfinance	1.89%	0.00%
Micro Loans	21.99%	11.01%
Agri Commodity	0.00%	0.00%

Portfolio and Debt Details – ICL Consol

Particulars	June 2021 Amount (in Cr)	March 2021 Amount (in Cr)
Own Portfolio	275.44	295.77
Managed Portfolio	57.83	65.55
AUM	333.27	361.32

Term Loan	136.96	157.43
Sub-Ordinate Debt	48.00	48.00
Total Debt	184.96	205.43
DA PTC	57.83	65.55
Total Debt & DA PTC	242.79	270.98

Net Owned Fund	200.76	197.74
-----------------------	---------------	---------------

Debt Equity Ratio	0.92	1.04
Solvency Ratio (Including DA/PTC/Partnership)	72.85%	75.00%
Solvency Ratio (Excluding DA/PTC/Partnership)	67.15%	69.46%

Portfolio – Detailed Breakup

Portfolio Segment			Amt in Cr
	Own	Managed	Total
Microfinance	158.32	29.33	187.65
MSME	24.82	28.50	53.32
Micro Loans	25.97	-	25.97
Agri & Other Loans	66.33	-	66.33
Total Portfolio	275.44	57.83	333.27

Portfolio Share	Percentage
Microfinance	56%
Others	44%

Indi Impact

BUSINESS VERTICALS

Agri Commodity Finance

New Digital Initiatives for Future Growth

Dissemination of price & demand/ supply information to facilitate:



Commodity Procurement Engine

Mobile app solution to enable fulfilment of commodity demand of processors by aggregating supplies from trader network



Commodity Disposal Engine

Disposal of agri-commodities through efficient price discovery, enabled through live e-auction and mobile app solution

Micro Finance

Tech-enabled underwriting

- 100% automated rule based approvals with no deviations/ manual intervention
- Geo-tagging of home addresses
- 100% customer onboarding using Adhar
- eKYC being explored through partnerships
- 100% disbursement through bank accounts
- Analytics based platform for up-selling

Tech-enabled monitoring & collection

- Prime color coding of centres based on track record of repayments for monitoring
- Automation of internal audit processes*
- Cashless collection pilot project

MSME Finance

Tech-enabled underwriting

- Credit underwriting & loan programs based on POS swipes at merchant outlets and/ or financials
- Templates & engine rules for credit evaluation across customer segments
- Automated rule based approvals
- Ongoing exercise to create alternate credit & social scoring methodology using digital footprints

Tech – enabled collection solutions

Automated repayment mechanisms to ensure a first claim on revenue, enabling low default rates:

- Own POS deployment
- Lock box POS
- Fixed, scheduled daily/ weekly/ bi-weekly ACH transactions

Micro Lending

Completely Digital Process



Credit Underwriting

- Credit Bureau integration
- Bank statement analyzed
- Alternate credit & social scoring methodology

Fraud Checks

- Image recognition
- IP screening
- Email id verification
- Mobile scoring

24X7 disbursement & collection

1. MSME Finance, launched in 2018



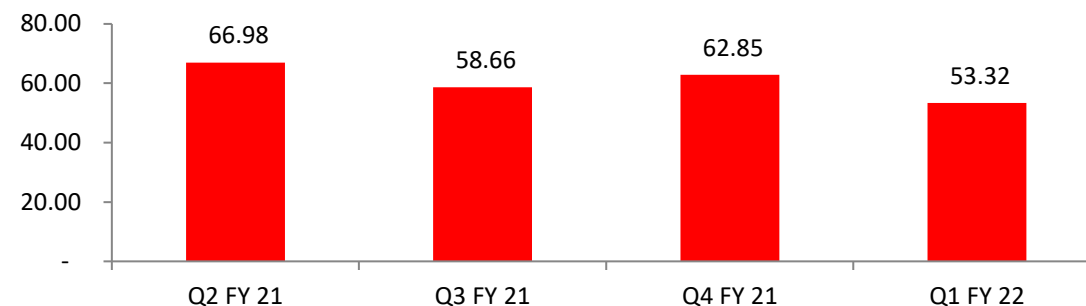
A large portion of the **63.3 million MSMEs** in India do not have access to organised financial services



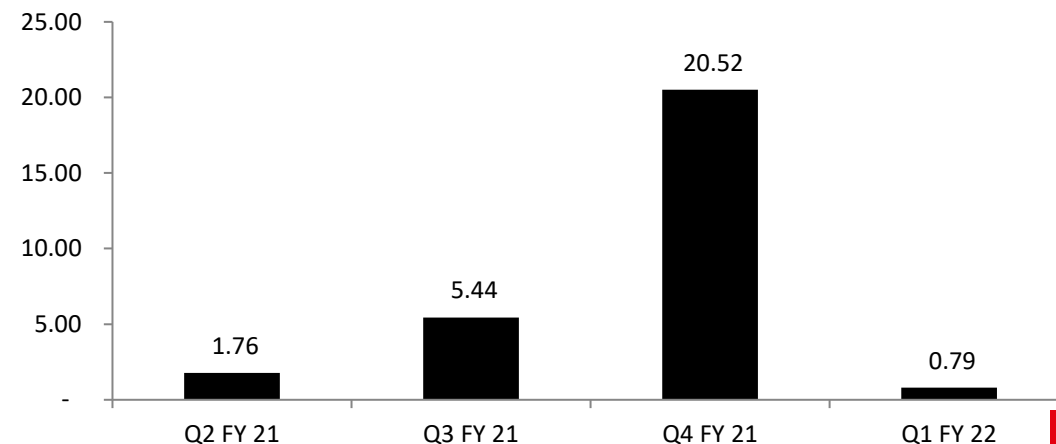
MSME Finance

- Focussed towards providing working capital and business loans to small enterprises.
- Operations of the same is run through 10 locations spread across Tier I and Tier II cities in 4 states of southern and western India.
- The Segment started its operations in May 2018 and has been able to disburse cumulative amount of INR 163 Cr.
- Handled by professional team of 60 odd employees having in-depth experience/ knowledge across all the functions
- Active borrowers stands at 655.

AUM (INR Cr.)



Disbursement (INR Cr.)



2. Micro Finance, since 2017



Almost
98% Women-Owned
Businesses are currently
micro-enterprises which are
under served.

COMPLETELY DIGITIZED PROCESS, A COMPLETELY CONFIDENT BUSINESS



Identification, KYC
and Credit Checks



Sanction &
Disbursement

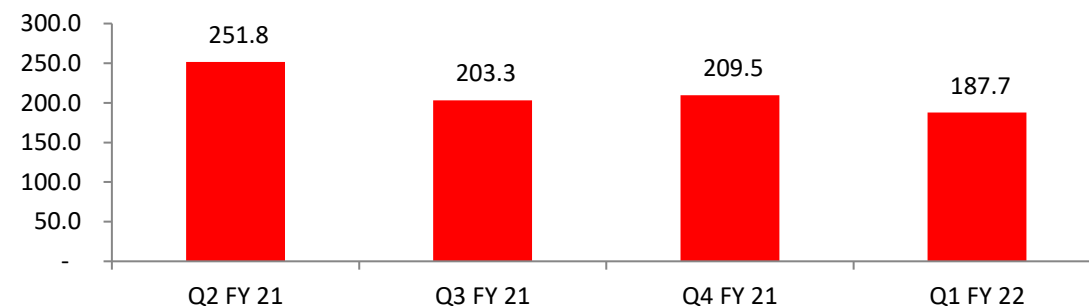


Collection &
Servicing

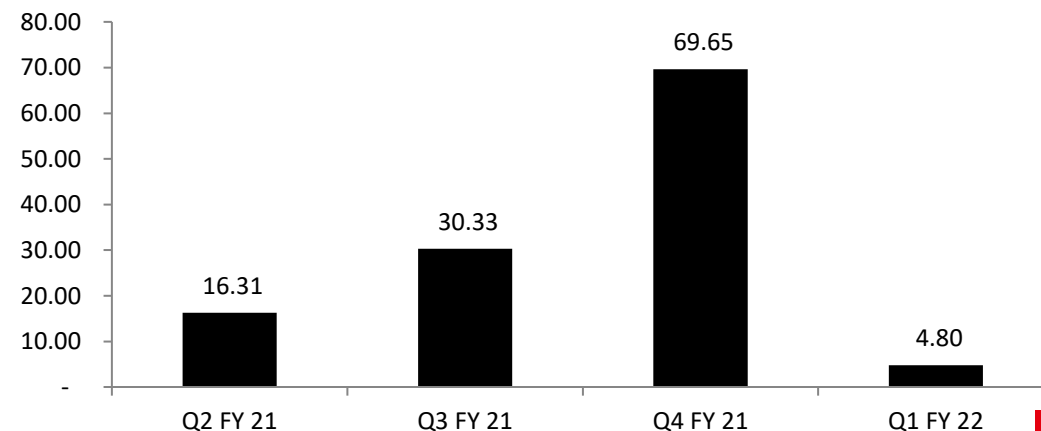
Microfinance

- JLG model of lending with average ticket size of 30K given to women borrowers for income generation activities.
- Operations in 9 states: 171 active branches .
- Started its operations in April 2017 and has made cumulative disbursement of INR 931 Cr.
- Handled by a team of 1000 plus employees and managed by leadership team having cumulative experience of more than 50 years.
- Active borrowers stands at 84K (approx).

AUM (INR Cr.)



Disbursement (INR Cr.)



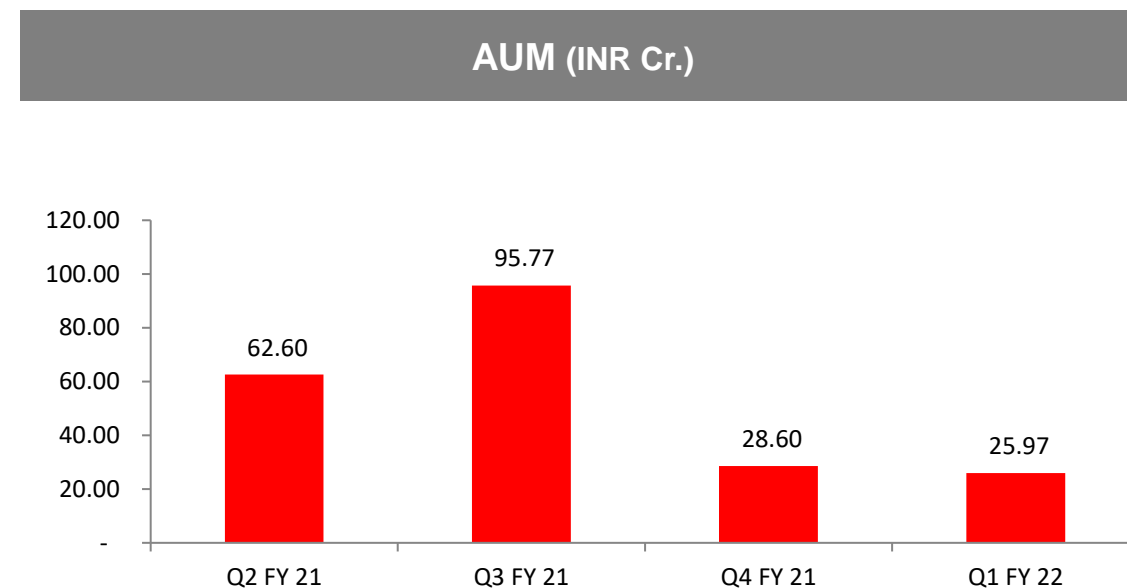
3. Micro Lending



Digital lending in India will reach **US\$ 1 trillion** by 2023 driven by the five-fold rise in the digital disbursements*

Micro Loans

- Focussed towards providing instant small ticket unsecured loan (INR 2- 25K) through state of the art online platform.
- PAN India operations targeting customers from bottom of the pyramid.
- Segment started its operations in Jan 2019 and has made a cumulative disbursement of INR 552.5 Cr
- Managed by in house team of more than 30 members



4. Agri Commodity Finance, since 2016



Only **12-18%** of the
INR 4 Lakh Crore
agri-commodity market is served
by banks and financial institutions



We facilitate
Post-Harvest Finance
for non-essential,
exchange-traded commodities



25 Commodities
lent against

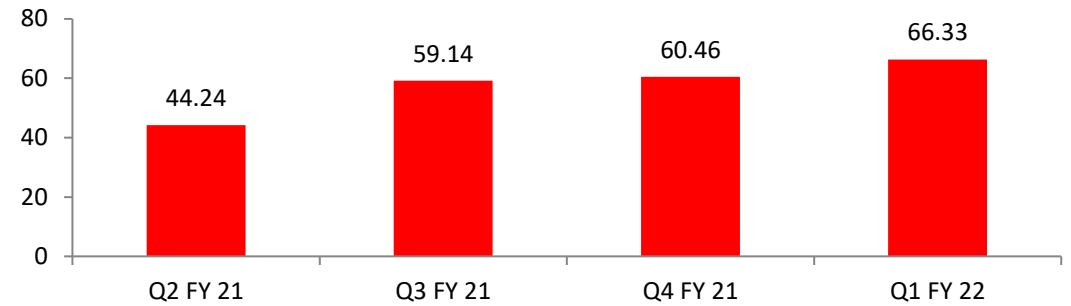


e-Auction Services

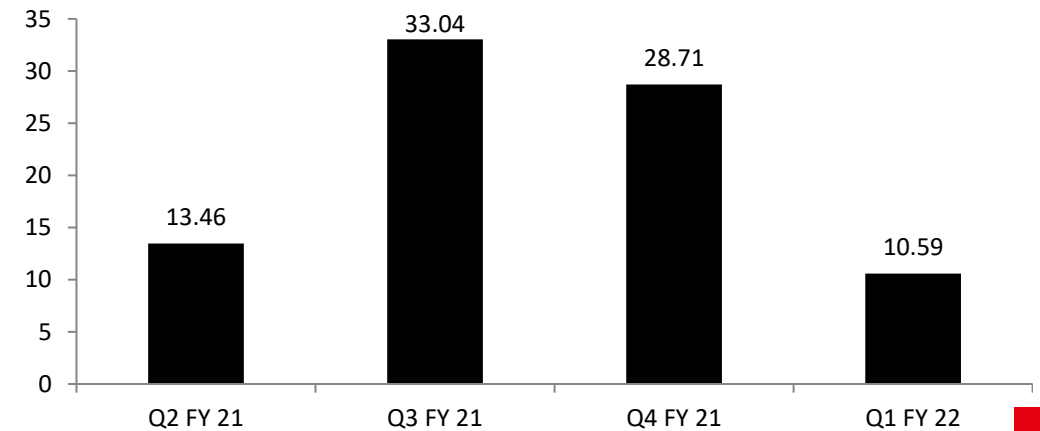
Agri Commodity

- Segment is focussed towards providing finance in non essential and exchange traded agri commodities.
- Operations spread across all the major mandis in western, central and southern India.
- Started in 2016 and Cumulative disbursement stands at more than INR 995 Cr.

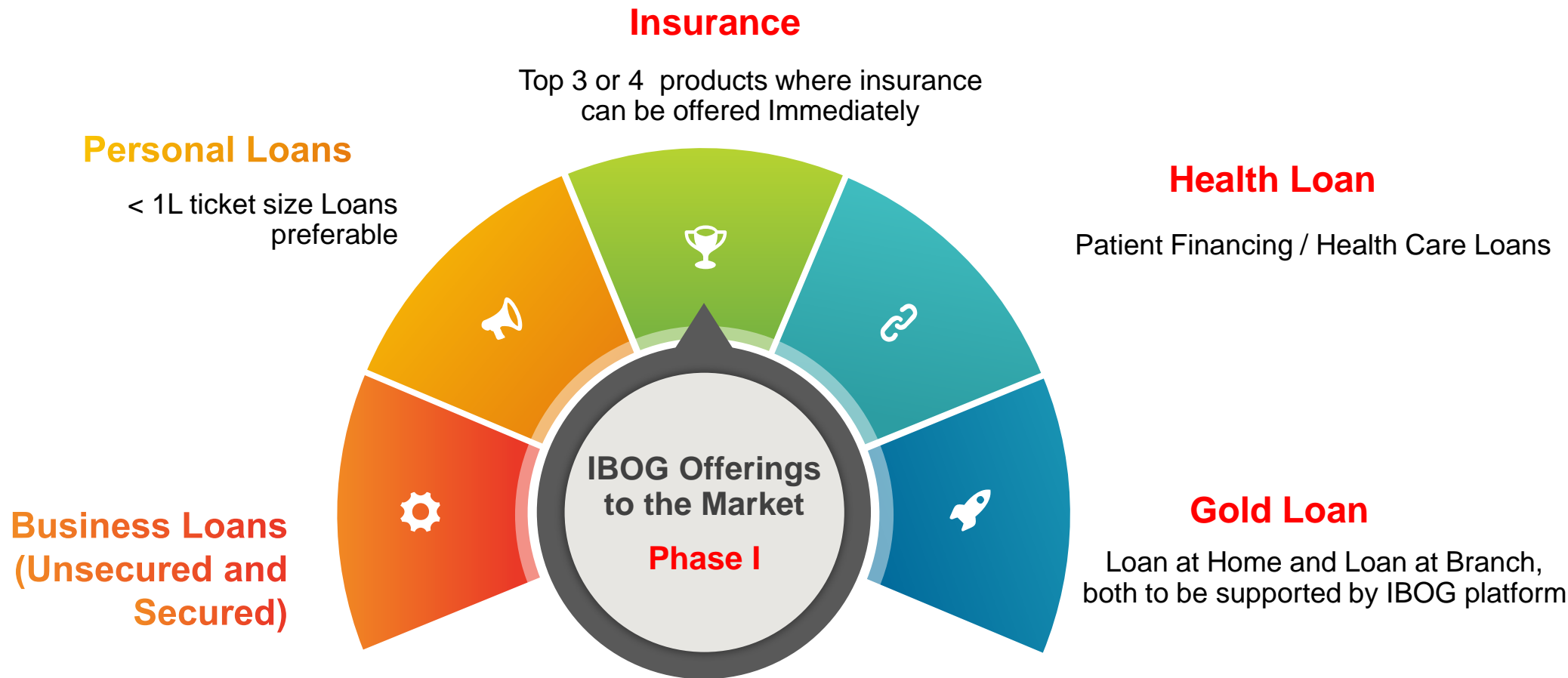
AUM (INR Cr.)



Disbursement (INR Cr.)



5. Scalerator



6. Boonbox - Profile

- Boonbox is a Rural Assisted Commerce platform that brings choice and convenience to the doorsteps of the rural consumer. Boonbox has catered to the needs and aspirations of rural consumers and delivered products like Consumer durables (TV, refrigerators, washing machines), Mobile phones, Kitchen appliances, and Fast Moving Consumer Goods to customers across 3,00,000 villages, in 16 states.
- Boonbox is unleashing to tap the the \$100Bn Rural E-Commerce potential with its Vision to become one stop destination to satisfy all the needs of RURAL INDIA. Boonbox is serving the underserved but aspirational segment of Bharat by leveraging years of experience in last mile distribution and expertise in working in rural markets.
- In its 8 years of experience, Boonbox has developed a complete new rural ecosystem, which provides a rural consumer affordability, accessibility and assortment which in turn is alleviating their lifestyles.

Boonbox – Business Model

Boonbox leverages the power of rural networks to fulfil the needs of the aspirational rural customer. The ecosystem created by Boonbox encompasses end-to-end of rural commerce:-

1. Customer acquisition: Through tie ups with affiliates (typically microfinance institutions, banking correspondents, rural level NGOs etc.) which provide Boonbox access to a large captive customer base
2. Discovery and Catalogue: Boonbox has access to the field force of its affiliates and trains them to showcase a catalogue of rural products (mobiles, consumer durables and cookware among others) to rural customers.
3. Financing: Boonbox tie ups allow for financed purchases at the rural customer's level. The financing can either be provided by the affiliates directly or by the network of NBFCs lined up by Boonbox.
4. Category & Sourcing: Curated Catalogues based on the understanding of the local markets is used to create the categories & products relevant for the rural consumers. Boonbox has direct tieups with all the leading Consumer brands like Samsung, LG, Whirlpool, Prestige, Butterfly etc) and procures directly from them through its centralized sourcing team.
5. Fulfilment: Boonbox has created a network of rural last mile partners who deliver products to the doorstep of the customer in an efficient and timely manner
6. Servicing: Boonbox operates an in-house multi-lingual call centre to support customers in product delivery and installation as well as provide first level customer support

Target Segment: Aspirational Rural Consumers with annual household income of >INR 1 lakh per annum. Addressable market estimated to be ~120 Mn Households

THANK YOU