



Informal MSME
Lending in Rural India



CAPITAL TRUST LIMITED

Q1 FY2026 INVESTOR PRESENTATION

August 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.

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COMPANY OVERVIEW



Company Overview

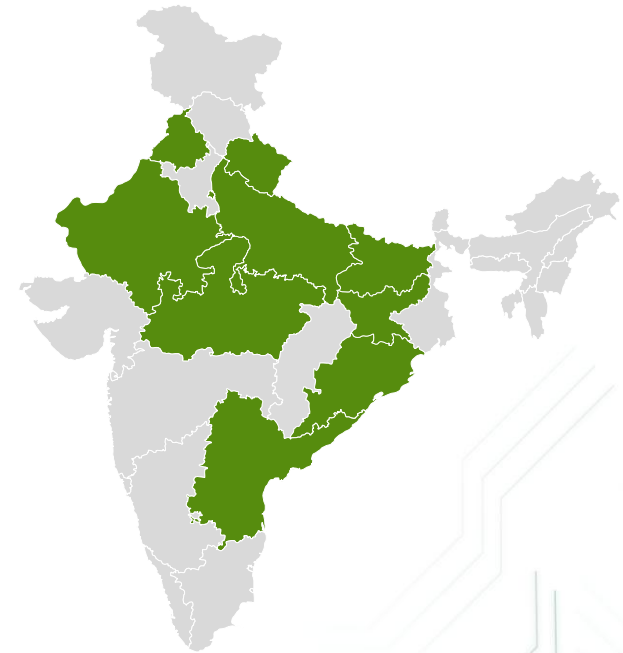
Empowering Bharat's Shopkeepers & Traders Using A Hybrid-Dual Credit Model

Company Snapshot

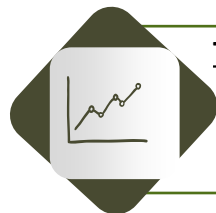
Capital Trust Limited (CTL) is a publicly listed, technology-driven NBFC focused on financing India's **thriving shopkeepers and traders** in semi-urban and rural areas. With a **proven track record of over ₹4,500 Cr disbursed to 12 Lakh+ clients**, CTL is strategically positioned to capture the massive growth potential in India's **unorganized small business credit market** through a **combination of digital & branch-led processes**.

What We Do

- **Informal MSME Lending through 284 Branches in 10 States**
- **Empowering Bharat's Shopkeepers & Traders**
- **Priority Sector Lending**
- Combining the strengths of **doorstep banking** with **cutting-edge technology**
- Promoting **financial inclusion** and **entrepreneurship** through a **hybrid-dual credit model** (leveraging advanced analytics alongside on-site cash flow assessments and behavioral checks to evaluate client creditworthiness)

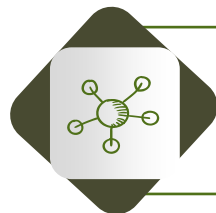


Numbers at a Glance



TOTAL ASSETS UNDER MANAGEMENT

₹ 167 Cr
[QoQ: - 13%]



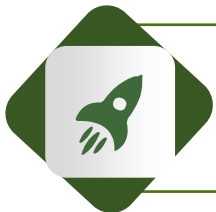
CAPITAL ADEQUACY

₹ 25 %
[YoY: + -14%]



SHOPKEER & TRADER LOAN AUM

₹ 74 Cr
[QoQ: + 72%]



GNPA & NNPA

9.1 % & 3.7%



ON-BOOK PORTFOLIO

₹ 74 Cr
[QoQ: - 19%]



90+ AS % OF DISBURSEMENT IN LAST 2 YEARS

2.3 %



OFF-BOOK PORTFOLIO

₹ 93 Cr
[QoQ: - 54%]



PROFIT AFTER TAX

- ₹ 8.3 Cr

- AUM contraction and rise in NPA percentage is driven by portfolio run-off and intentionally reduced disbursements amid prevailing stress in the MFI and deep rural market

INDUSTRY OVERVIEW



Industry Overview

The Opportunity

India's ₹15 Lakh Crore Informal MSME Credit Gap

- India's informal MSMEs, especially **shopkeepers and traders**, are the heartbeat of Bharat's economy but remain massively underserved.
- **70+ million informal MSMEs** operate without reliable access to formal credit.
- Estimated **₹15 lakh crore** credit gap specifically in the informal MSME segment.
- Shopkeepers and traders face chronic challenges of **seasonal cash flows** and **low formal visibility**.
- **Traditional Banks & NBFCs underserve this segment** due to lack of formal documentation, high operating costs.
- Majority rely on **local moneylenders charging 60%+ annual interest**.

Capital Trust bridges this gap by offering structured, affordable credit tailored for Bharat's entrepreneurs.

Why the Time is Now

Tailwinds for Informal MSME Credit

- **Formalization of Informal MSME Sector** by RBI.
- **RBI's policy push** on financial inclusion through targeted MSME support with Strong regulatory support for financial inclusion and **PSL mandates**.
- Rapid **UPI and QR code adoption** by small businesses, modernizing payment systems (grew **250% YoY**).
- Increasing willingness of shopkeepers and traders to shift from informal to formal credit channels.
- Growth of **co-lending, embedded finance**, and digital financial ecosystems in semi-urban and rural India.
- Increased availability of **data-driven insights through QR Code analysis** to underwrite thin-file borrowers with limited formal histories.

Capital Trust is ideally positioned to lead this wave of formalization for shopkeepers and traders.



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	- Income Tax Return - GST Certificate - Shop & Establishment - Aadhaar + PAN Card - Udyam Aadhaar	> ₹ 10 Lakh	> ₹ 10 Lakh	New Age Fintechs	Banks / Large SME Focused NBFCs
		₹ 1 Lakh - 10 Lakh	₹ 6 Lakh - 10 Lakh	Geography Focused MSME NBFCs	Product Focused MSME NBFCs
Informal MSME	- Aadhaar + PAN Card - Udyam Aadhaar - Udyam Assist - Bank Account	₹ 50,000 – 10 Lakh	₹ 3 Lakh - 6 Lakh		
Microfinance	- Aadhaar Card	₹ 20,000 – 60,000	< ₹ 3 Lakh	NBFC-MFIs	

A man in a red and white striped shirt is operating a large industrial textile machine. The machine has a green frame with the word 'JELUK' visible on it. The background shows a factory setting with a striped cloth hanging on the wall.

OPERATING MODEL

The logo for Capital Trust, featuring a stylized green 'C' icon to the left of the company name.

Capital Trust

Product Offering & Typical Clientele

	Financing The Overlooked Shopkeeper
Type of Loan	Income-generating business loan
Ticket Size (₹)	Unsecured: 50,000 – 2,00,000 Secured: 2,00,000 – 10,00,000
Tenure	Unsecured: 18 - 36 months Secured: 36 - 120 months
ROI	Unsecured: Starting 30% Secured: Starting 24%
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 can disburse loans in a matter of hours from onboarding



Rural Doorstep-Fintech Company Focused on MSME Lending

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

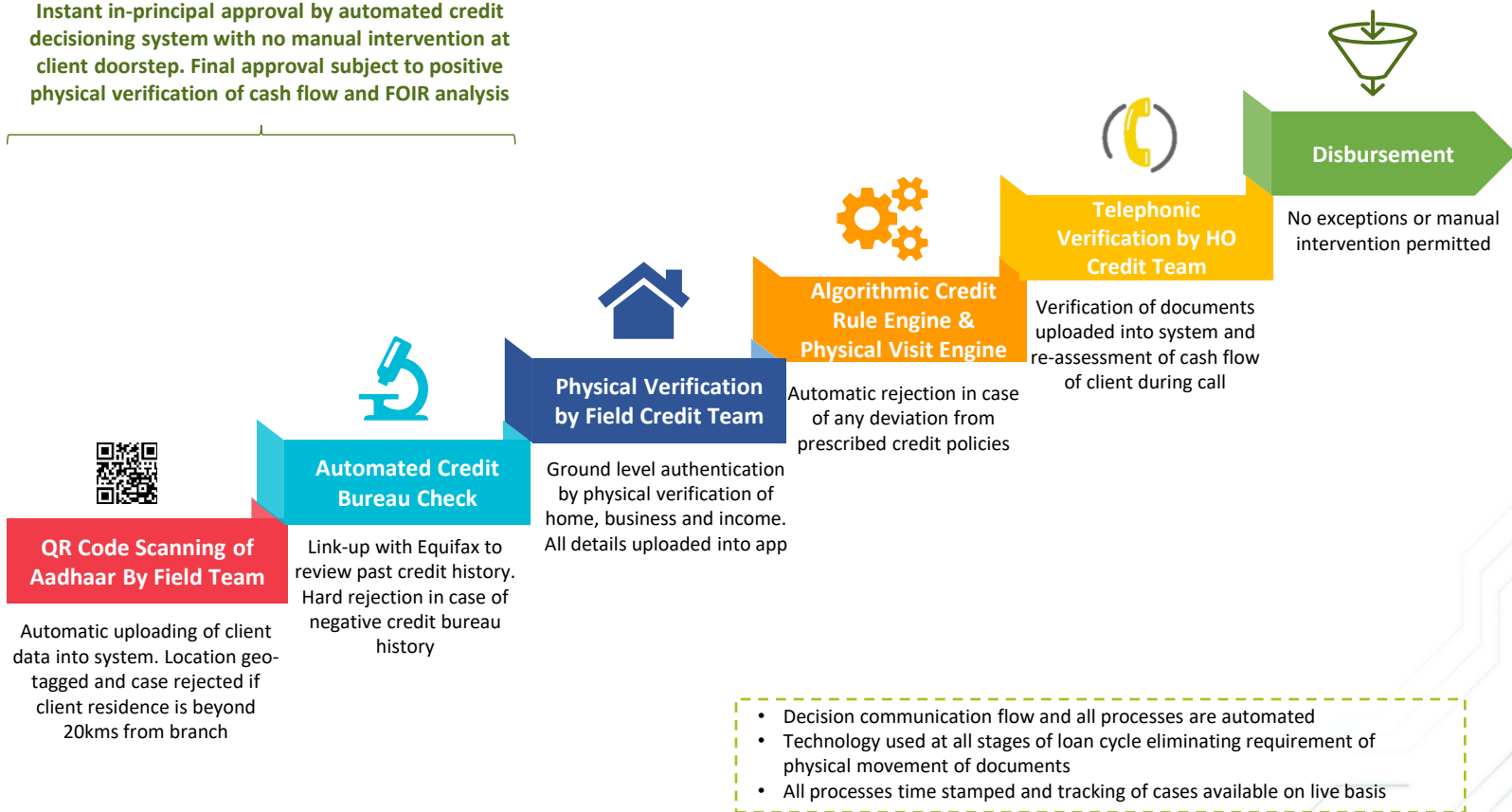
DIGITAL PROCESS

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

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



UNIQUE SELLING PROPOSITION



 Capital Trust

Why Capital Trust?

Massive Market Opportunity

- India's **₹15 lakh crore** Informal MSME lending market remains underpenetrated.
- Semi-urban and rural economy is witnessing rapid growth, yet financial access remains limited for small business owners.
- **Limited companies focusing specifically on shopkeepers and traders** forming part of Informal MSME sector.

Scalable Model With High Growth Potential Business

- Robust branch network (284 branches across 10 states) and a technology-driven underwriting model enable rapid expansion allowing the company to target 5X growth in 3 years.
- **Secured + Unsecured model** ensures risk diversification with **Hybrid Dual-Credit Model** (automated underwriting + physical verification) ensuring portfolio quality.
- Existing partnership with numerous NBFCs to provide **Lending-As-A-Service** allowing the company to leverage larger partner's balance sheet.



Proven Track Record

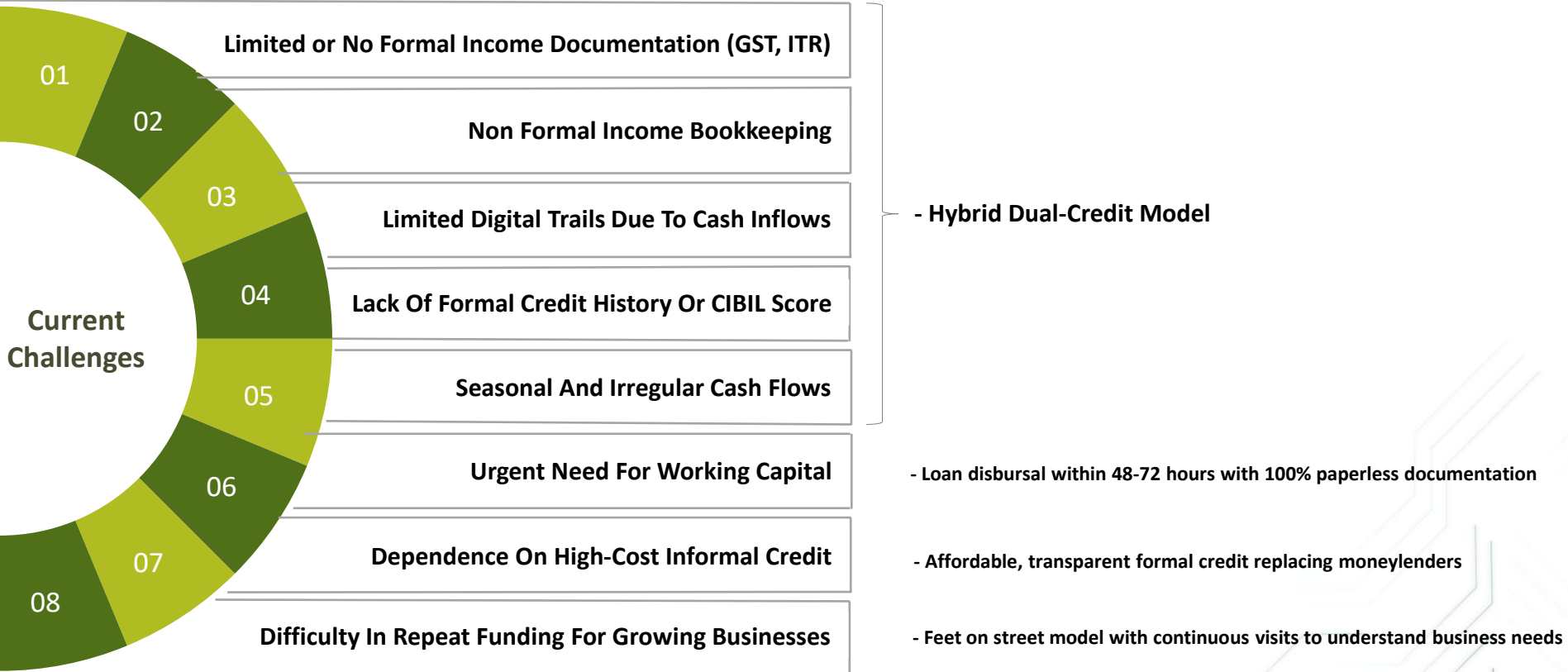
- ₹4,500+ Cr disbursed to **12+ Lakh MSME clients** over 3 decades.
- Blemish less financial track record having borrowed and repaid over ₹4,000+ Cr from Banks / NBFCs.
- Fully compliant with all statutory requirements in company's 39 years legacy.

Pioneers In Technological Advancements

- Capital Trust is emerging as a **Thought and Innovation** leader in Technology when it comes to capturing the changing rural landscape.
- 87% of own book loans disbursed within 2 days of client onboarding. Historical data analyzed to create engines facilitating quick credit decisioning.
- **100% paperless onboarding, E-NACH, UPI payments** driving efficiency.

Empowering Bharat's Shopkeepers & Traders

Our Solution



Capital Trust's Strengths



Hybrid Dual-Credit

Blending Digital Intelligence with Local Expertise

- Branch-Level Safeguards: Physical verification of residence, business premises, and cash flow.
- No Formal Documentation Needed: Lending enabled without GST, ITR, or audited financials.
- Data-Backed Decisioning: Insights from ₹4,500+ Cr disbursed, reducing subjectivity.
- On-Site Cash Flow Assessment: Independent credit teams verify stock turnover, supplier payments, and purchase cycles.
- Alternate Documentation Review: Checks kuccha & pukka bills, handwritten records to validate income.
- Digital Business Footprint Verification: Verifies QR code transactions, account statements, and confirms business ownership.
- Behavioral Risk Assessment: Conducts five reference verifications (2 residential neighbors, 1 business neighbor, 2 suppliers/customers).



Technology

Fast, Scalable, and Data-Driven

- 100% Digital Onboarding: Paperless processes with eKYC, UPI, and E-NACH integration.
- AI-Based Risk Scoring: Credit decisioning based on borrower transaction history & cash flow trends.
- Real-Time Loan Processing: Automated workflows enable faster underwriting & 72-hour disbursal.
- Predictive Analytics for Risk Management: Early warning system flags potential delinquencies.
- Mobile & Digital Collections: Enables seamless repayments via UPI, QR codes, and automated debit mandates.
- Field Officer App Integration: Digital tools assist on-ground teams with credit assessment & servicing.
- Operational Efficiency: Tech-enabled processes improve scalability without increasing costs.



Branch Network

Reaching Bharat's Last-Mile Entrepreneurs

- 284 Branches Across 10 States: Strong presence in rural and semi-urban Bharat with potential to increase disbursement 3 fold using existing setup.
- Doorstep Credit Access: Field officers provide end-to-end services, from onboarding to collections.
- Localized Relationship Lending: Trusted, community-driven approach vs. transactional banking models.
- Credit Support for Non-Digital Borrowers: Personalized service for those unfamiliar with fintech solutions.
- Quick Decision-Making at Branch Level: Loan approvals based on real-time local market intelligence.
- Multi-Product Accessibility: Offering both secured & unsecured loans tailored to shopkeepers & traders.
- High Customer Retention: Relationship-based model leads to repeat lending & business growth.

Capital Trust's Unique Niche



Feature	Capital Trust	Banks / NBFCs	Fintechs	NBFC-MFIs
Target Segment	Informal MSMEs (Shopkeepers & Traders)	Formal Businesses, GST-registered MSMEs	Salaried & urban customers	Female Micro borrowers
Loan Ticket Size	₹50,000 – ₹10 lakh	₹5 lakh – ₹50 lakh	₹5,000 – ₹1 lakh	₹20,000 – ₹60,000
Documentation Required	Aadhaar, PAN, Cash Flow Checks	GST, ITR, audited financials	Digital data (payments, KYC)	Aadhaar, basic KYC
Loan Turnaround Time	72 hours (digital + field verification)	2–3 weeks	Few hours (fully digital)	1 week+
Credit Assessment Approach	Hybrid (analytics + field cash flow verification)	Financial documents + bureau	Digital footprints	Group lending model
Physical Presence	284 branches in rural & semi-urban Bharat	Limited in rural/semi-urban areas	Digital only	Dense rural network
Without Formal Income Documentation	✓	✗	✗	✓
Secured + Unsecured Loans	✓	✓	✓	✗
Digital + Physical Collections	✓	✓	✗	✗
Shopkeeper Focused Approach	✓	✗	✗	✗

OPERATIONAL NUMBERS

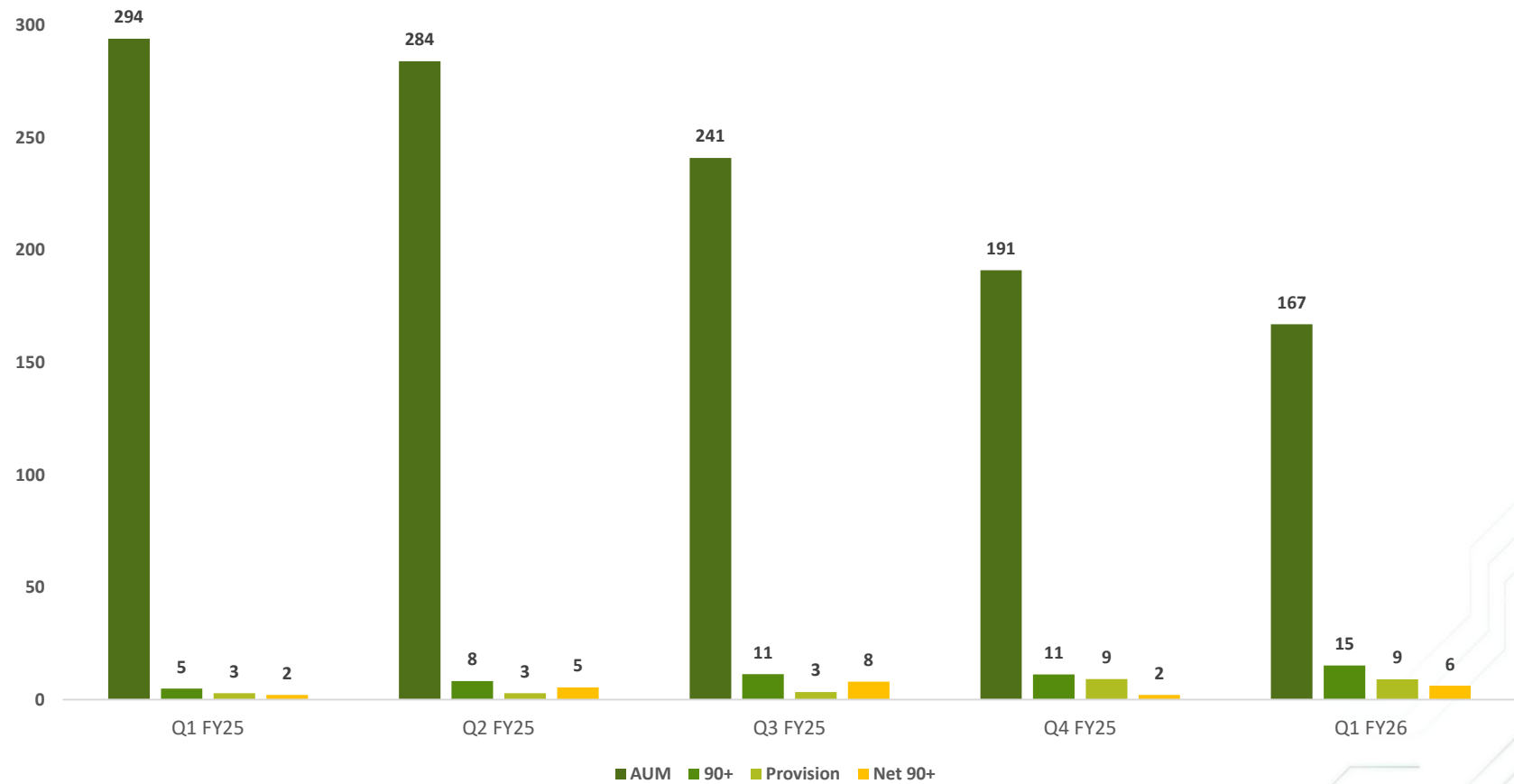


SHOPKEEPER & TRADER LOANS

30+ PAR as % of Disbursed Amount

Disb. (In Lacs)	Cases	Disb Month	MOB 1	MOB 2	MOB 3	MOB 4	MOB 5	MOB 6	MOB 7	MOB 8	MOB 9	MOB 10	MOB 11	MOB 12	MOB 13	MOB 14
264	527	Apr-24	-	-	-	-	-	0.48	0.79	1.22	1.63	1.86	2.09	2.30	2.44	2.41
296	592	May-24	-	-	-	-	0.46	0.61	1.28	1.40	1.76	2.09	2.29	2.43	2.58	
547	1093	Jun-24	-	-	-	-	0.08	0.24	0.39	0.38	0.51	0.75	0.91	1.03		
416	831	Jul-24	-	-	-	-	-	0.20	0.30	0.40	1.01	1.24	1.31			
426	852	Aug-24	-	-	-	0.22	0.10	0.19	0.19	0.35	0.68	0.74				
286	566	Sep-24	-	-	-	0.34	0.34	0.33	0.46	0.60	0.71					
358	703	Oct-24	-	-	-	0.27	0.26	0.12	0.11	0.44						
444	859	Nov-24	-	-	-	0.33	0.33	0.33	0.41							
472	891	Dec-24	-	-	-	0.10	0.29	0.39								
470	781	Jan-25	-	-	-	-	-									
492	717	Feb-25	-	-	-	-										
1,082	1270	Mar-25	-	0.14	0.25											
1,088	1225	Apr-25	-	-												
1,114	1146	May-25	-													
1,533	1480	Jun-25	-													

COMPANYWIDE DATA





FINANCIALS



Key Highlights & Ratios

(₹ in Crores)

Particulars	Q1 FY26	Q1 FY25	YoY %	Q4 FY25	QoQ %
Total Income	12.6	24.7	-49%	20.9	-40%
Total Expense (excluding tax)	23.8	23.8	0%	20.8	14%
Profit / Loss Before Tax	-11.1	1.0	-	0.1	-
Profit / Loss After Tax	-8.3	0.7	-	0.1	-
Net Worth	77.6	85.4	-9%	85.9	-10%
On-Book Portfolio	73.7	90.9	-19%	88.5	-17%
Off-Book Portfolio	92.8	203.4	-54%	102.3	-9%
Total Assets Under Management (AUM)	166.5	294.3	-43%	190.9	-13%
Cost Of Borrowing	16.5%	16.1%	2%	16.5%	0%
Book Value Per Share (in ₹)	45.6	50.7	-13%	50.5	-10%

Balance Sheet

(₹ in Crores)

Assets	Q1 FY26	Q4 FY25	Q3 FY25
Financial Assets			
Cash and Cash Equivalents	10.0	11.8	27.7
Bank Balances other than Cash & Cash Equivalents	4.1	4.9	9.0
Trade Receivables	1.9	3.1	3.6
Loan Portfolio	66.8	83.0	92.4
Investments	5.6	10.6	0.6
Other Financial Assets	33.2	34.7	18.7
Total Financial Assets	121.4	148.0	151.9
Non-Financial Assets			
Current Tax Assets (Net)	4.5	4.3	5.9
Deferred Tax Assets (Net)	51.0	48.1	48.2
Property, Plant and Equipment	1.5	1.6	1.8
Right to use Asset	0.0	0.0	0.0
Intangible Assets	0.2	0.2	0.2
Other Non-Financial Assets	1.6	1.4	1.4
Total Non-Financial Assets	58.7	55.6	57.4
Total Assets	180.1	203.6	209.3

Liabilities And Equity	Q1 FY26	Q4 FY25	Q3 FY25
Financial Liabilities			
Trade Payables	0.4	0.7	0.5
Debt Securities	9.7	13.7	18.2
Borrowings other than Debt Securities	82.5	87.8	95.4
Deposits	0	0.0	0.0
Subordinate Liabilities	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0
Other Financial Liabilities	6.6	11.8	5.2
Total Financial Liabilities	99.2	114.1	119.2
Non-Financial Liabilities			
Current Tax Liabilities (Net)	0.0	0.0	0.0
Provisions	1.7	1.6	1.6
Other Non-Financial Liabilities	1.6	2.0	2.7
Total Non-Financial Liabilities	3.4	3.6	4.3
Equity			
Equity Share Capital	16.9	16.9	16.9
Share Application Money	0	0.0	0.0
Other Equity	60.7	69.1	69.0
Total Shareholders Fund	77.6	85.9	85.9
Total Liabilities and Equity	180.1	203.6	209.3



KEY PARTNERSHIPS



Funding & Partnerships

Equity: 1



Co-Lending: 5



Business Correspondent: 3

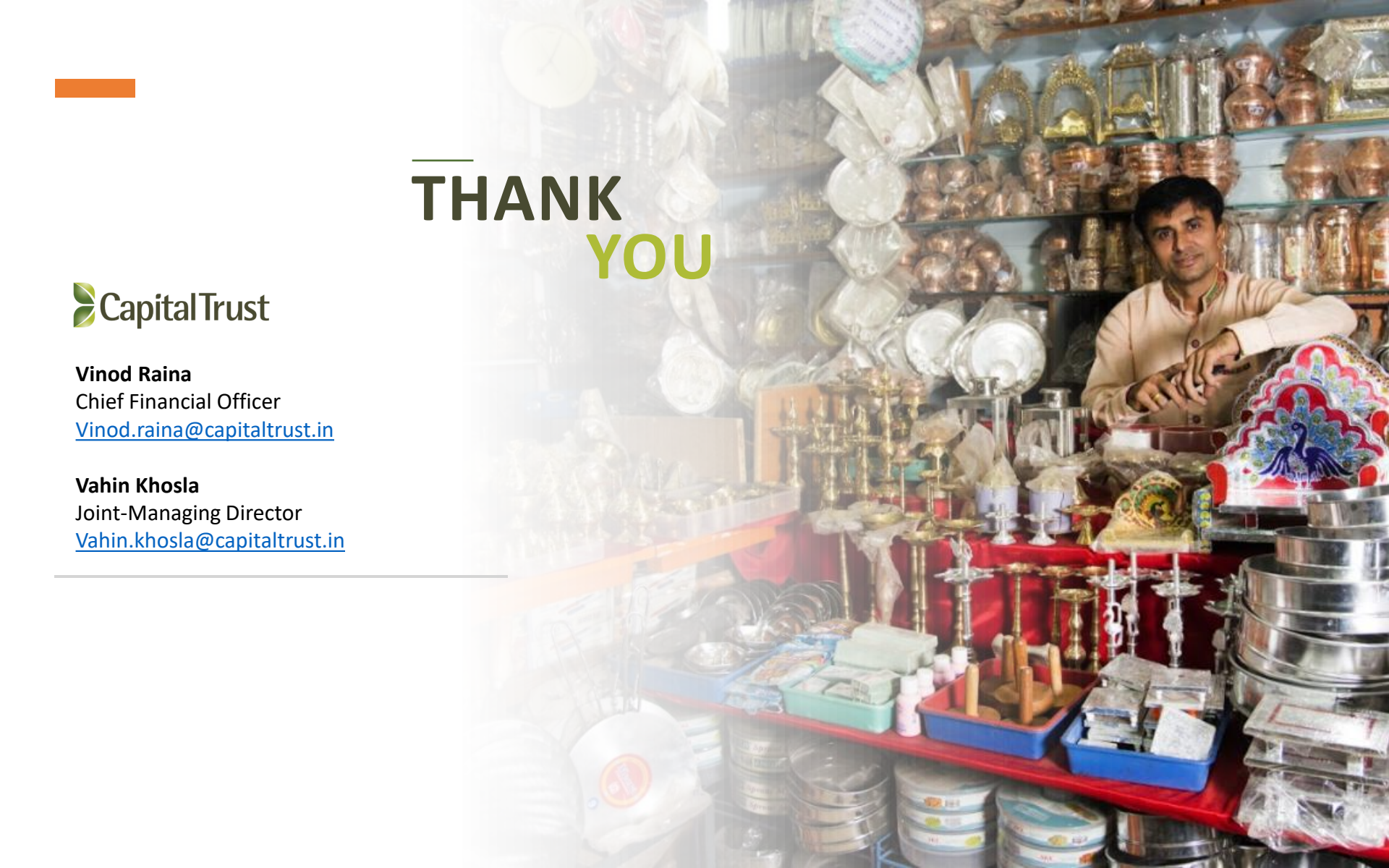


On-Balance Sheet Funders: 16



BC Partners not currently live:





THANK YOU



Vinod Raina

Chief Financial Officer

Vinod.raina@capitaltrust.in

Vahin Khosla

Joint-Managing Director

Vahin.khosla@capitaltrust.in
