



November 14, 2022

To,  
The General Manager  
Department of Corporate Services  
BSE Limited  
P.J. Towers, Dalal Street,  
Mumbai - 400 001.

**Scrip Code: 540268**

**Subject: Earnings Presentation**

Dear Sir/Madam,

This is to inform you that the Board of Directors of TruCap Finance Limited (Formerly known as Dhanvarsha Finvest Limited) at its meeting held today i.e. November 14, 2022, has approved the Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2022, and the same has been uploaded.

A copy of the earnings presentation is attached herewith.

We request you to take the above on record.

Thanking You,

Yours faithfully,  
**For TruCap Finance Limited**

**Sonal Sharma**  
**Company Secretary & Compliance Officer**

Encl: a/a

**TruCap Finance Limited**  
**(Formerly known as Dhanvarsha Finvest Limited)**

**Regd. Off :** 3<sup>rd</sup> Floor, A Wing, D.J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069  
**Tel :** 1800 210 2100 | [contact@ghanvarsha.co](mailto:contact@ghanvarsha.co) | [www.ghanvarsha.co](http://www.ghanvarsha.co) | **CIN :** L24231MH1994PLC334457



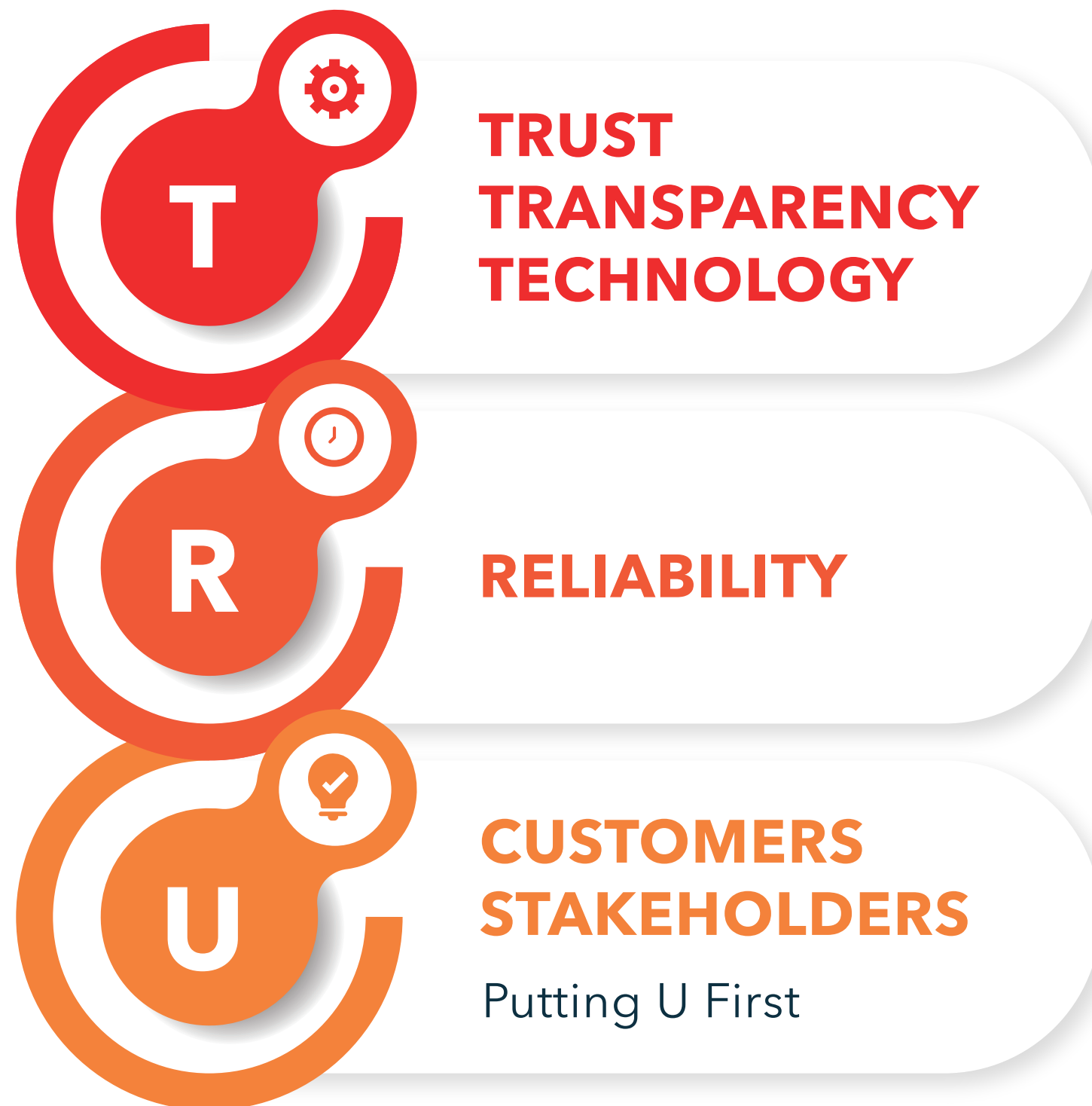
TruCap  
Finance  
Ltd

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# Tru Cap Finance

## Lender to India's MSME Needs



### TRU Promise

We stand by the belief that technology & capital can be employed to catalyze the growth journey of MSMEs. It can bring positive social impact by creating opportunities & supporting livelihoods through fostering of talent and facilitating people to lead a more meaningful life.

We want our customers to feel confident dealing with money instead of dread, frustration & helplessness. It is a moment of pride for us if a woman entrepreneur breaks conventional barriers to establish a business and create in turn employment for people to earn their livelihood.

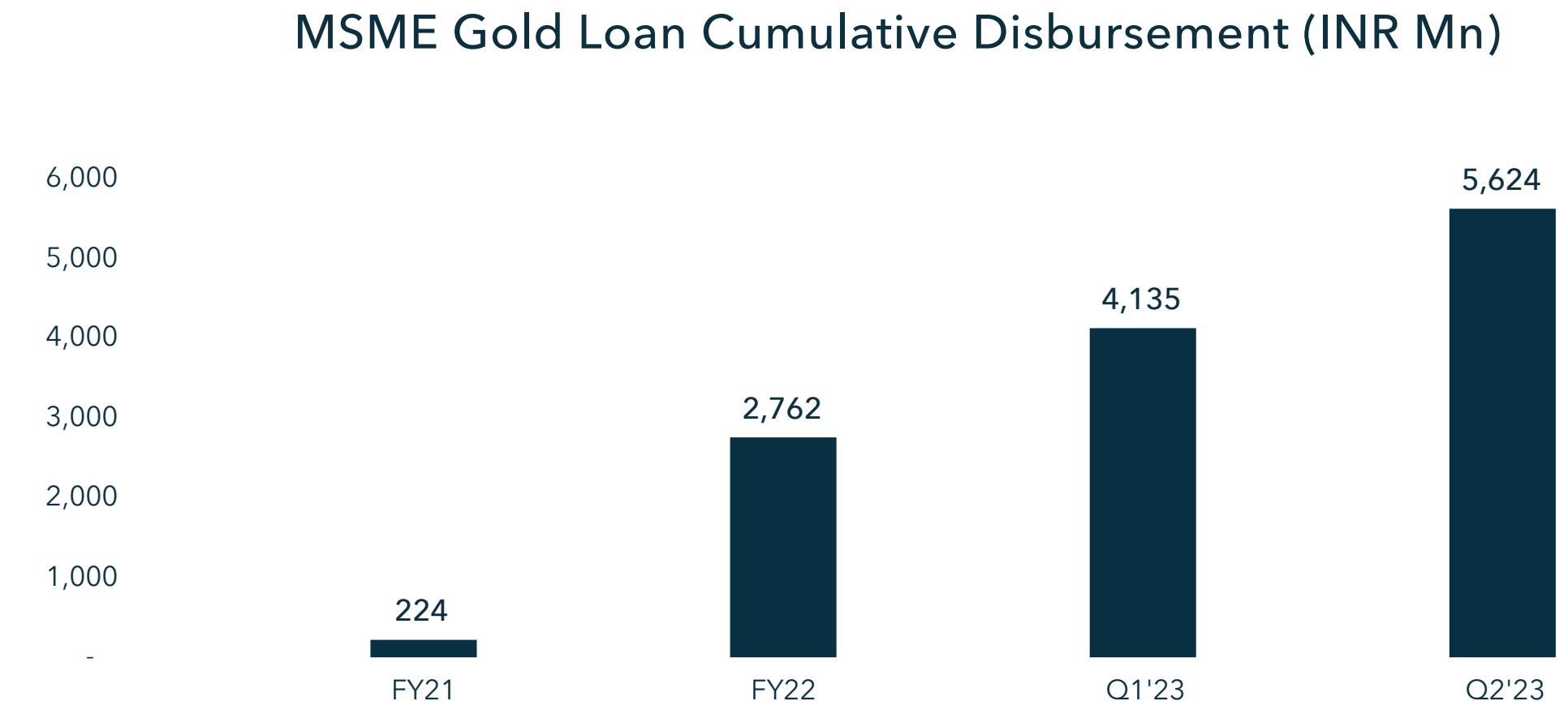
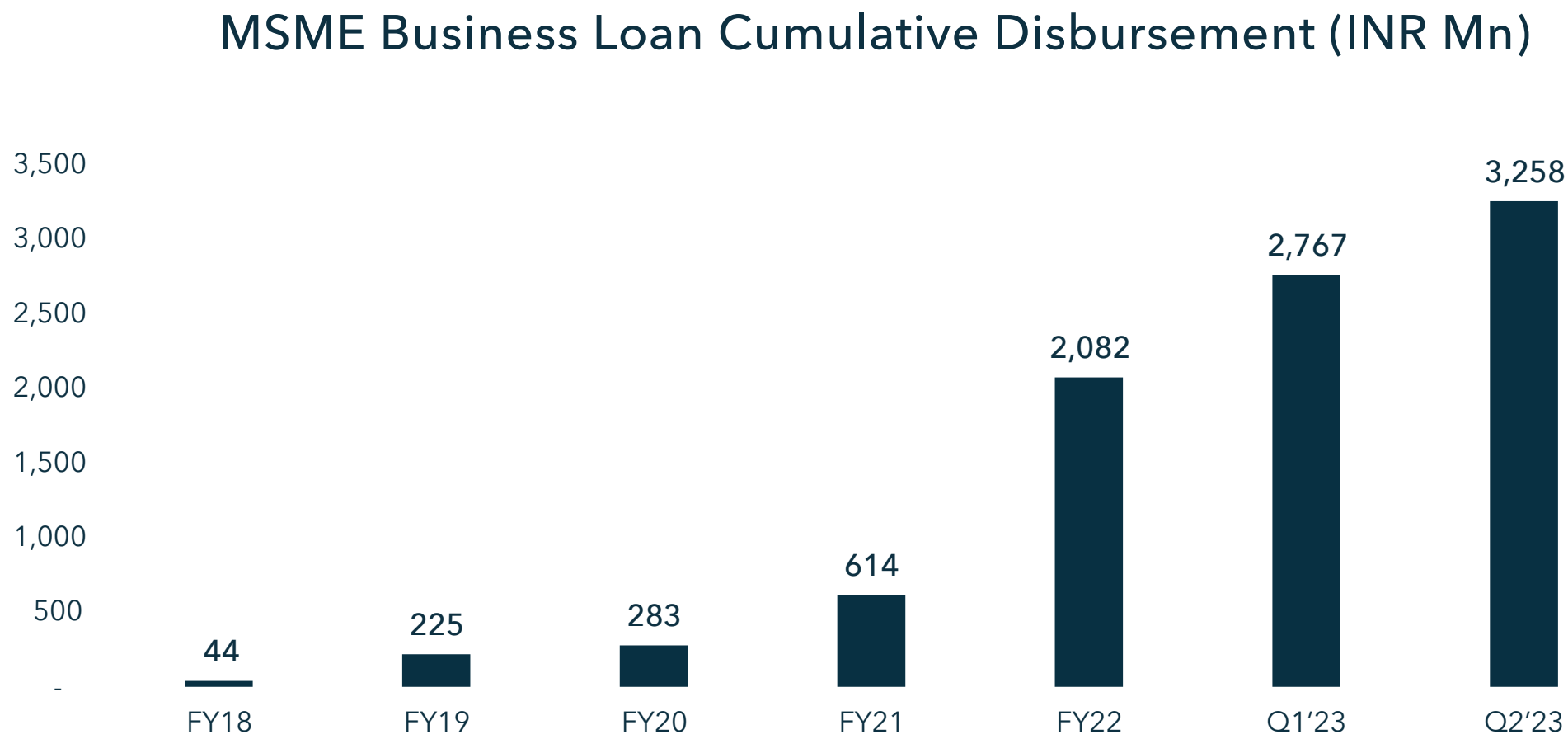
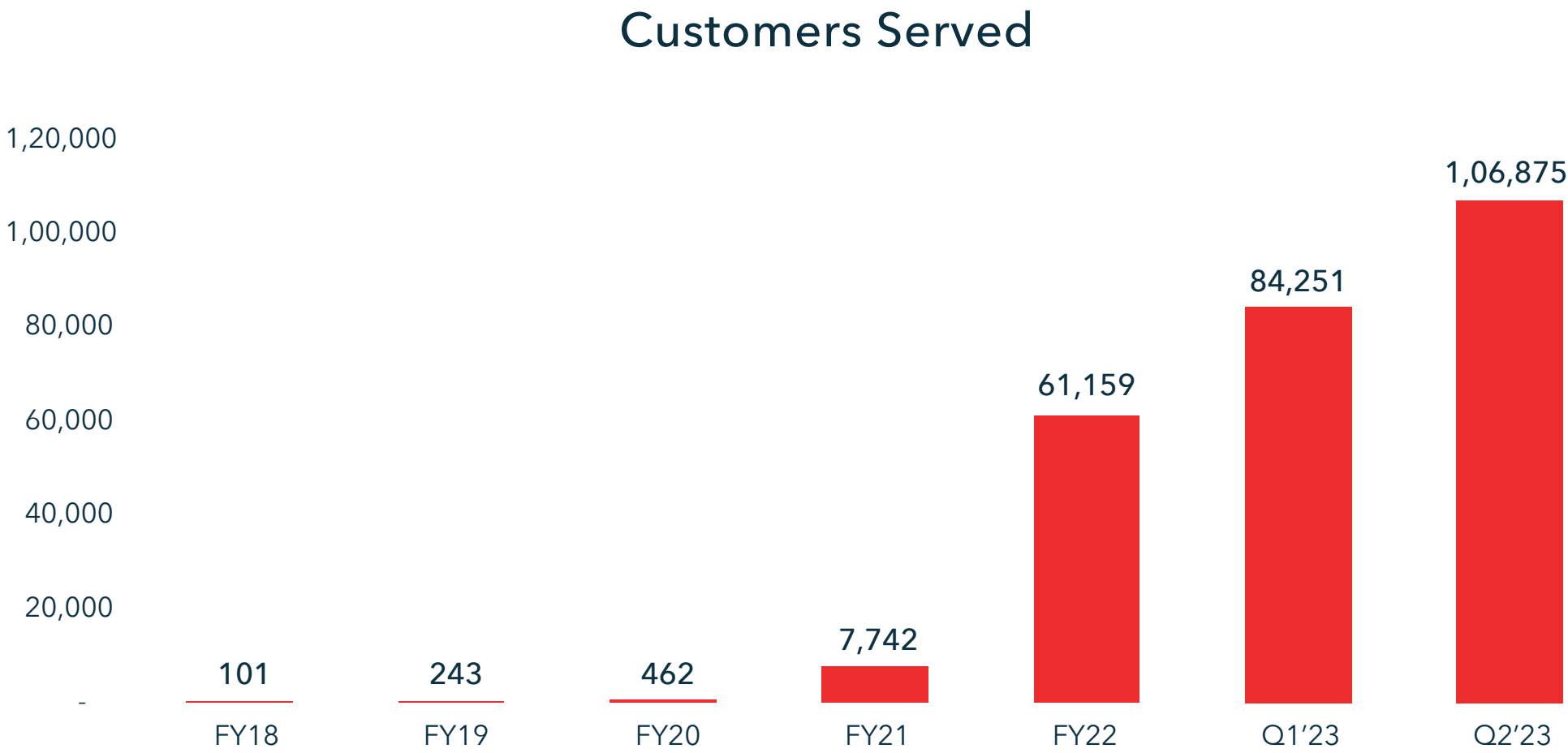
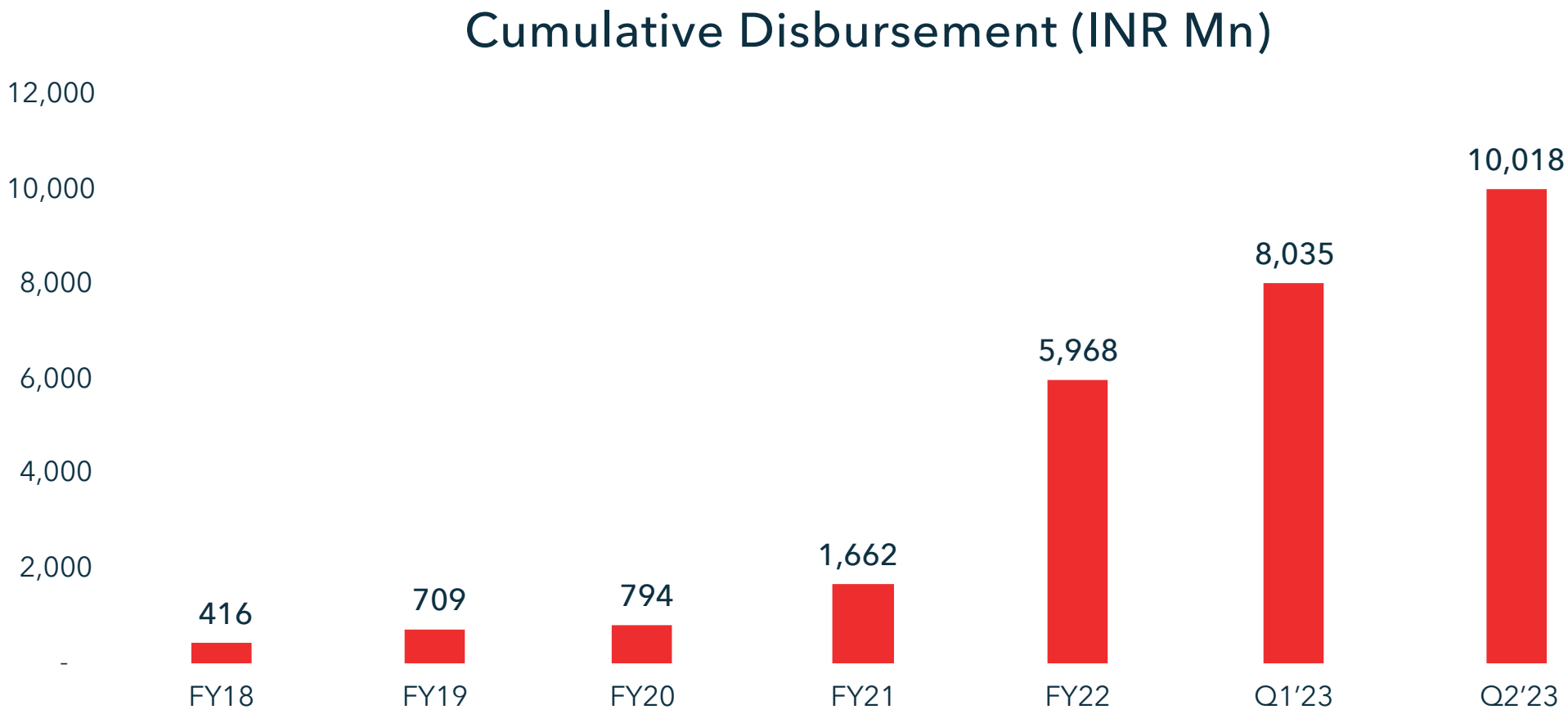
We want businesses to feel secure while expanding their units without the fear of lack of money by ensuring that our support will make their cash inflows run an extra mile to build capacity and improve their profitability.

We want our stakeholders to believe that capital is not difficult but flexible, and we have their back as they chase sustainable economic & business growth.



# *Portfolio Summary*

# TruCap Finance - INR 10 billion of Cumulative Disbursements to over 100k Customers

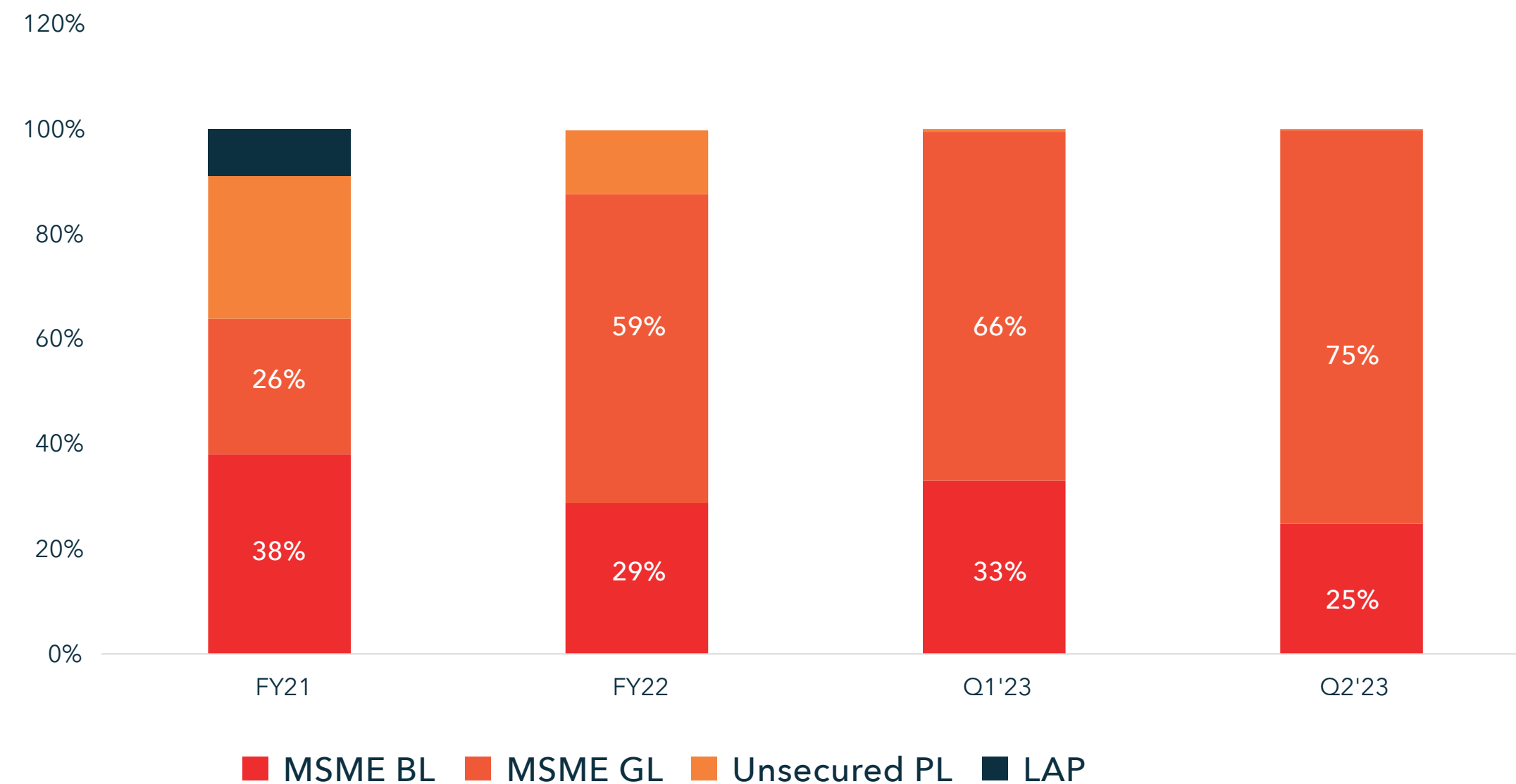


TruCap entered the Gold loan business in August 2020

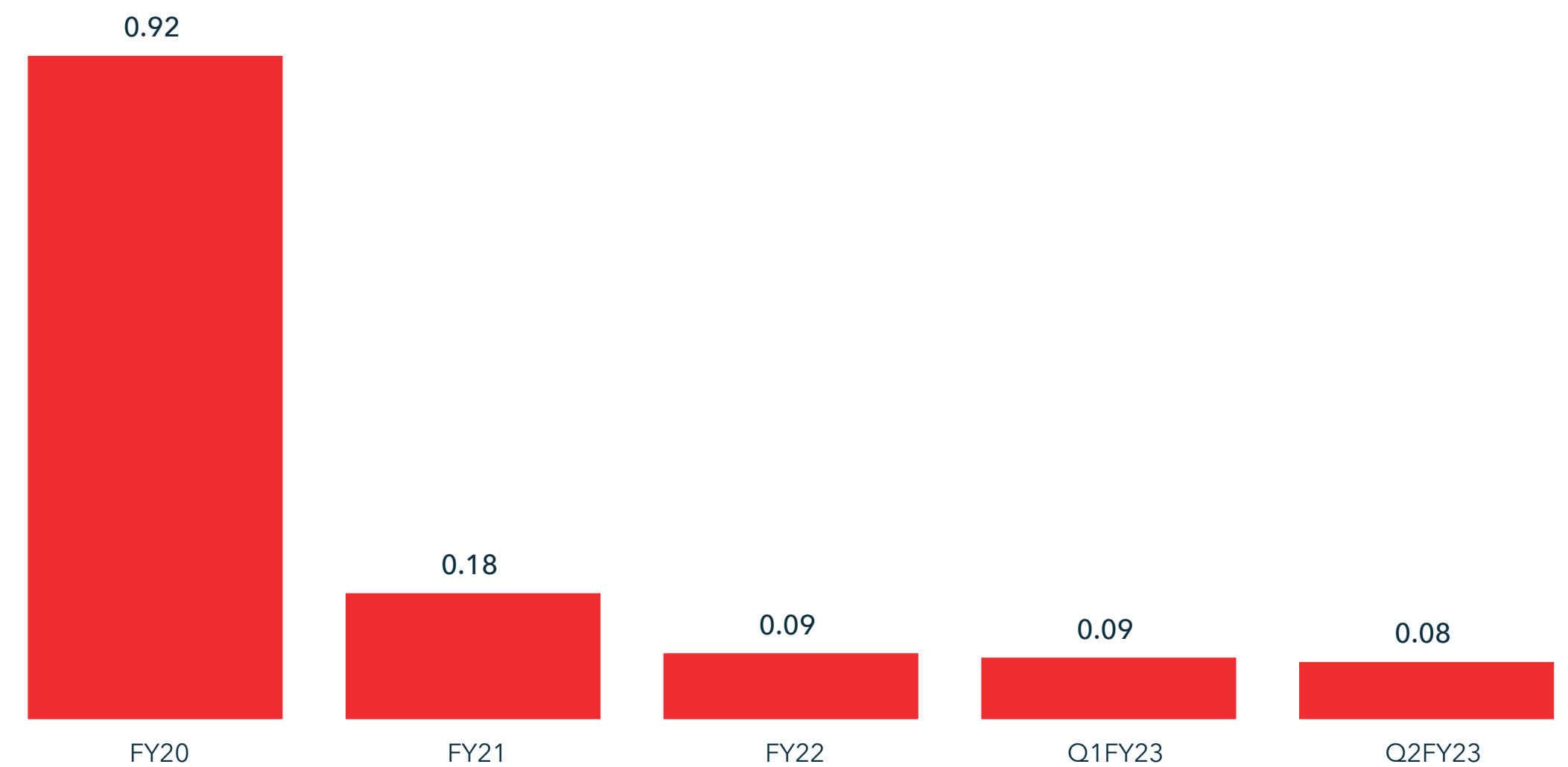


# Major Focus on Granular MSME Gold and Business Loan Disbursement

TruCap Transformation - Changing Disbursement Mix



Average Ticket size of portfolio (INR Mn)



Of the total INR 10 billion cumulative disbursement, we have disbursed more than INR 5.62 billion in Gold loans to 52,000+ borrowers

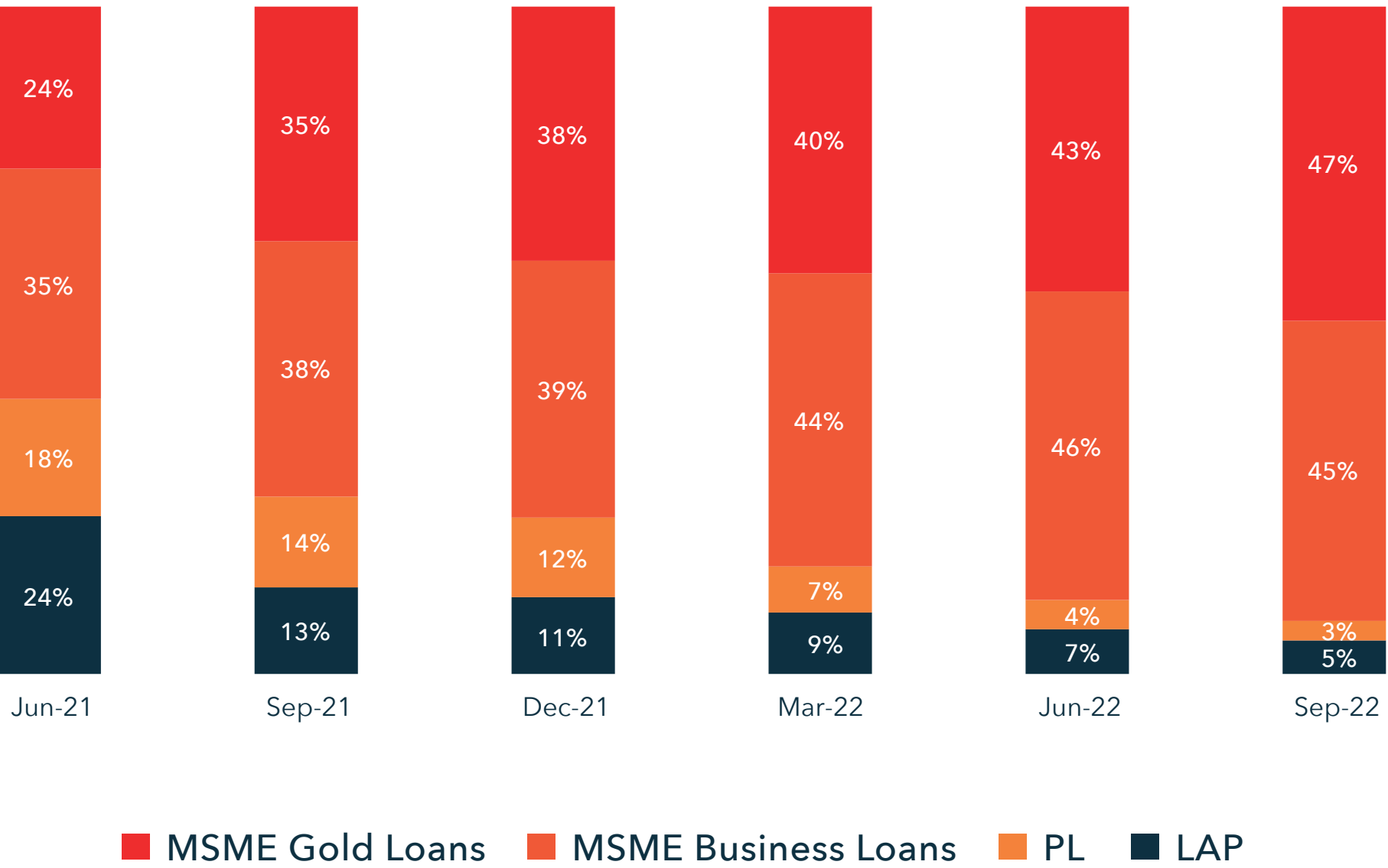
In business loans we have disbursed more than INR 3.25 billion to 39,000+ borrowers

GNPA's in the gold loan book are at 0.3% and in business loan are at 2.1%

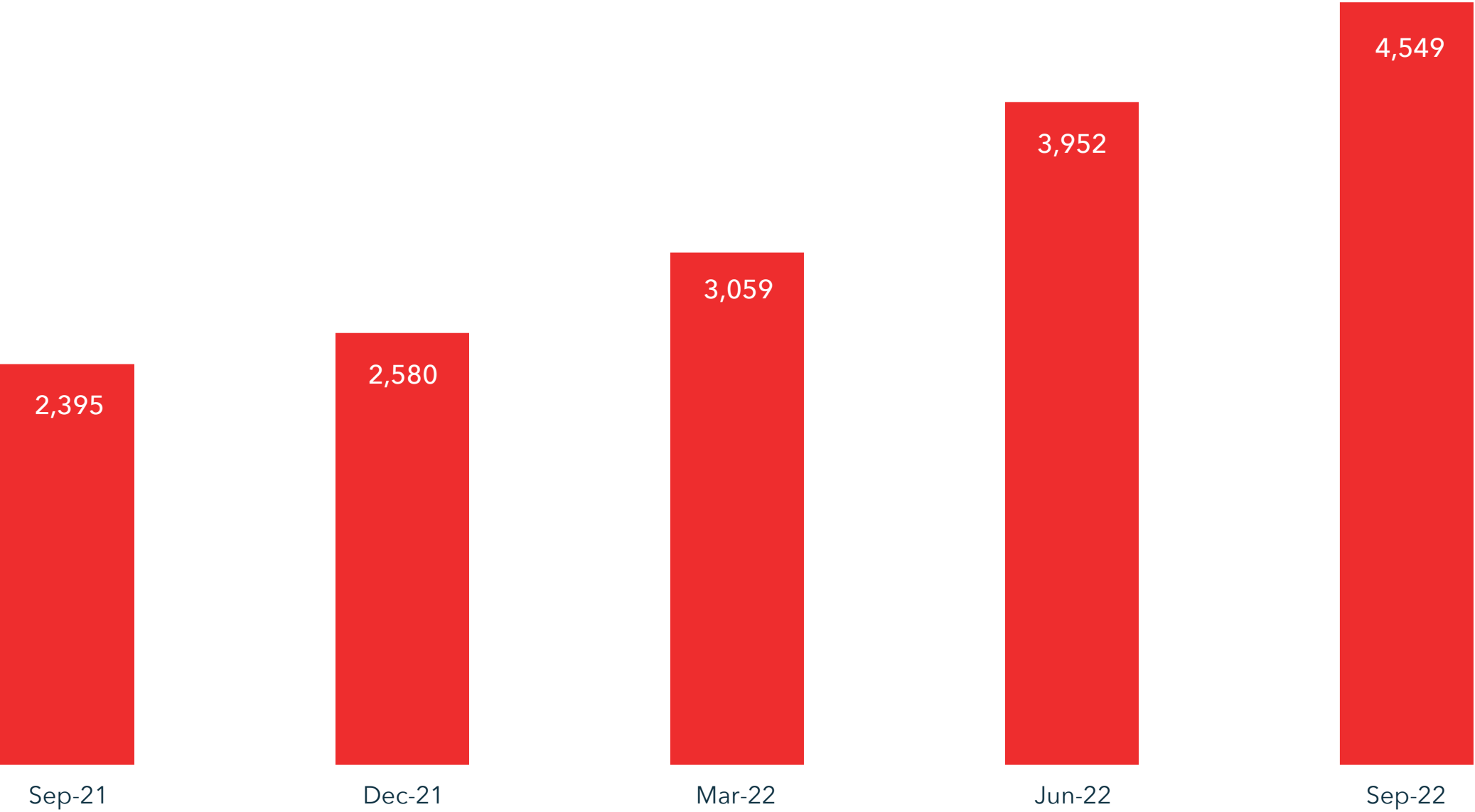
Gold taken to auctions are less than INR 20 Mn (0.35% of cumulative disbursements and 0.38% of customers).

# Leading to more than 90% of AUM in MSME Gold and Business Loans

Evolving Portfolio Mix



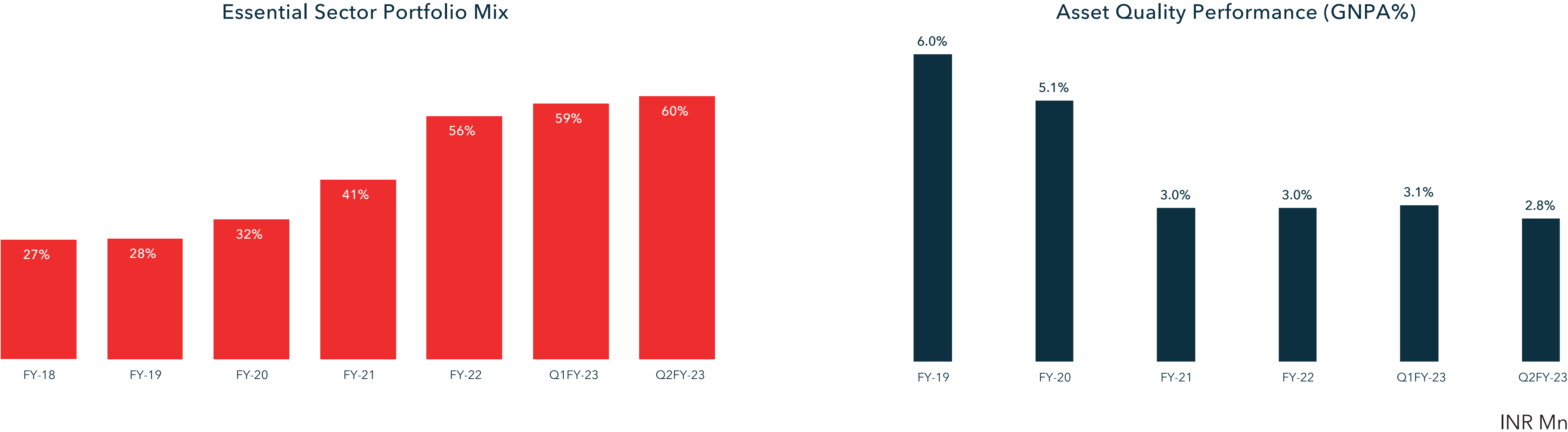
Gross Loan Portfolio INR Mn



AUM = managed book which includes on and off balance sheet loans



# Increasing Focus on lending to 'Essential Goods\*\*' Sector has led to Improvement in Asset Quality



Product*	Amount Disbursed	Closures	Write Offs	AUM	AUM Mix	GNPA	GNPA%	GNPA% on Cumu. Disb
Business Loan	3,258	684	0.7	2,044	45%	43.8	2.14%	1.35%
Gold	5,624	3,401	0.0	2,120	47%	5.9	0.28%	0.11%
<b>MSME &amp; Gold</b>	<b>8,882</b>	<b>4,085</b>	<b>0.7</b>	<b>4,164</b>	<b>92%</b>	<b>49.8</b>	<b>1.19%</b>	<b>0.56%</b>

\*Products detailed do not include LAP & PL, which have been discontinued and are in run-off mode  
 \*\*TruCap identifies sectors such as Home/ Retail, Kirana stores, E-comm, Garments amongst others as Essential Goods.

# Sectoral Portfolio Composition

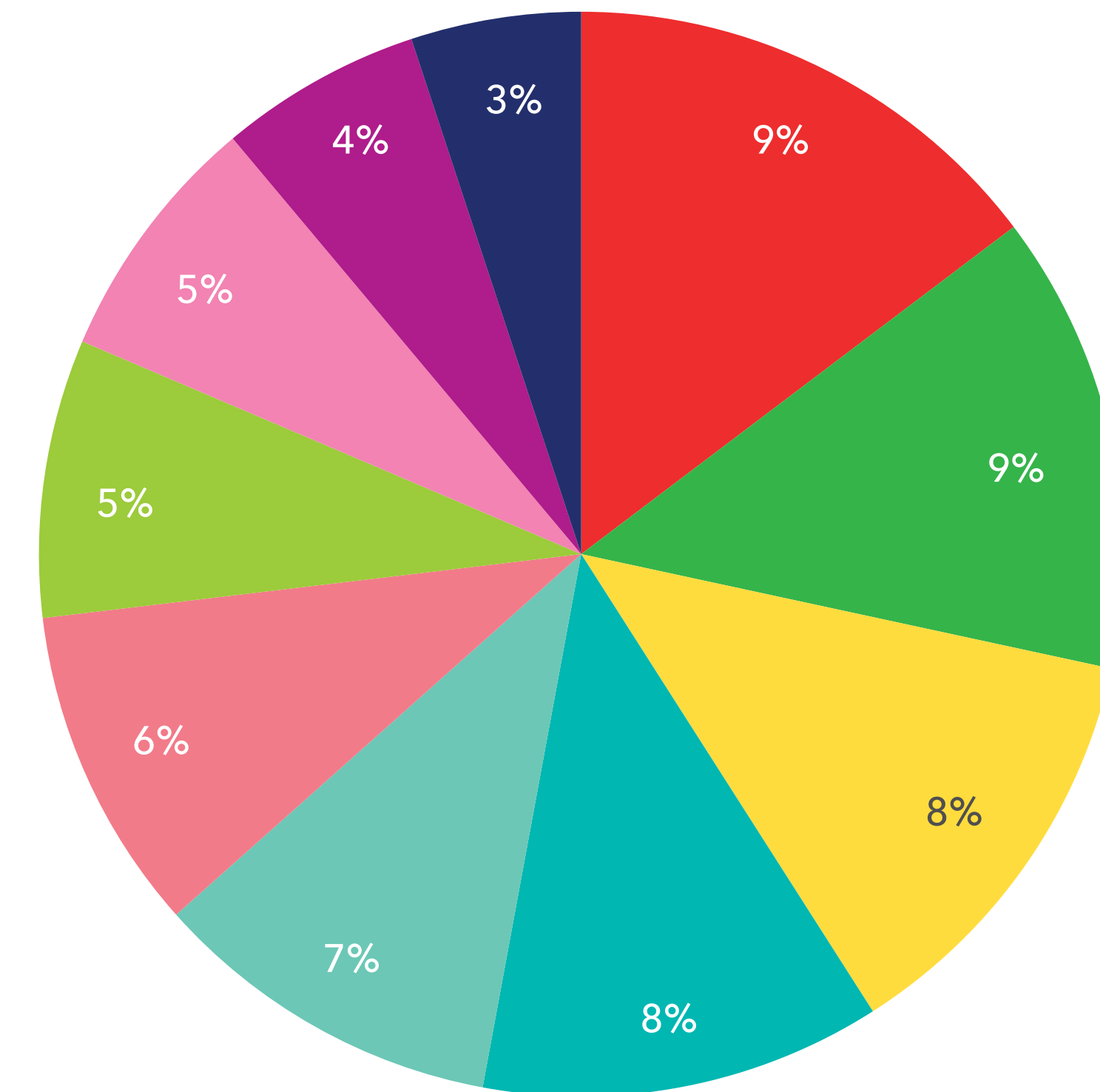
Customer Engagement  
in Essential goods segments

Deep Sectoral understanding

Wide spread sourcing capabilities  
through technology & branch network

Sector Mix - Top10

Sector Composition



■ FMCG

■ Agriculture

■ Media / Advertising

■ Construction

■ Beauty / Fashion / Apparels

■ Garments

■ Transport & Tourism

■ Home / Office-Retail

■ Medical

■ Kirana / General Store

# Expanding Geographic Customer Base – Supported by Growing Branch Network

AUM distribution Over the Years

State	FY19	FY20	FY21	FY22	Q2FY23
Maharashtra	100%	100%	81.3%	52.8%	39.6%
Madhya Pradesh			1.6%	8.9%	17.5%
Delhi NCR			12.3%	22.5%	22.5%
Goa			0.0%	3.2%	5.7%
Rajasthan			2.5%	2.9%	2.5%
Gujarat			1.7%	1.7%	2.2%

Increasing Branch Distribution with Focus on Tier II/III/IV

		FY20	FY21	FY22	Q2FY23	
Tier I	Maharashtra	0	2	4	1	15
	Delhi NCR	0		5	3	
	Goa	0				
	MP	0				
Tier II/III/IV	Maharashtra	0	4	5		44
	Delhi NCR	0	3	2	2	
	Goa	0		2	3	
	Madhya Pradesh	0		9	14	
		0	9	27	23	59

Having commenced operations in Maharashtra, over 5 years TruCap has spread its presence to 5 other states.

Maharashtra which was 100% of loan exposure, has now dropped to below 40% of AUM

FY23E branch count is 75, including new states such as Gujarat



# *2QFY23 Quarterly Results*

# Key Highlights - H1FY23

INR Mn

Particulars	H1FY22	H1FY23	Y-o-Y Change
Disbursements	1,891	4,051	2.2x
AUM*	2,372	4,549	1.9x
MSME Gold Loans	822	2,120	2.7x
MSME Business Loans	1,068	2,044	1.9x
LAP Loans	307	243	(0.4x)
Personal Loans	175	141	(0.2x)
On Book Portfolio	2,362	3,655	1.5x
L-a-a-S Portfolio	24	894	37x
L-a-a-S Portfolio %	1.0%	20%	-
Interest Income	177	467	2.6x
Total Income	354	566	1.6x
Post Tax Profit	19	38	2.0x
Number of customers	22,499	57,152	2.4x
Number of Women Customers	5,415	12,549	2.3x
Number of Branches	31	59	2x
Number of lenders	16	26	1.6x
Cost to Income	50.8%	52.5%	-
Debt to Equity**	1.1x	1.4x	-
CRAR%	56%	38%	-

Significant scale up in L-a-a-S partnership reflecting in Off-book AUM.

Disbursement growth has outpaced branch growth, as branch network has matured.

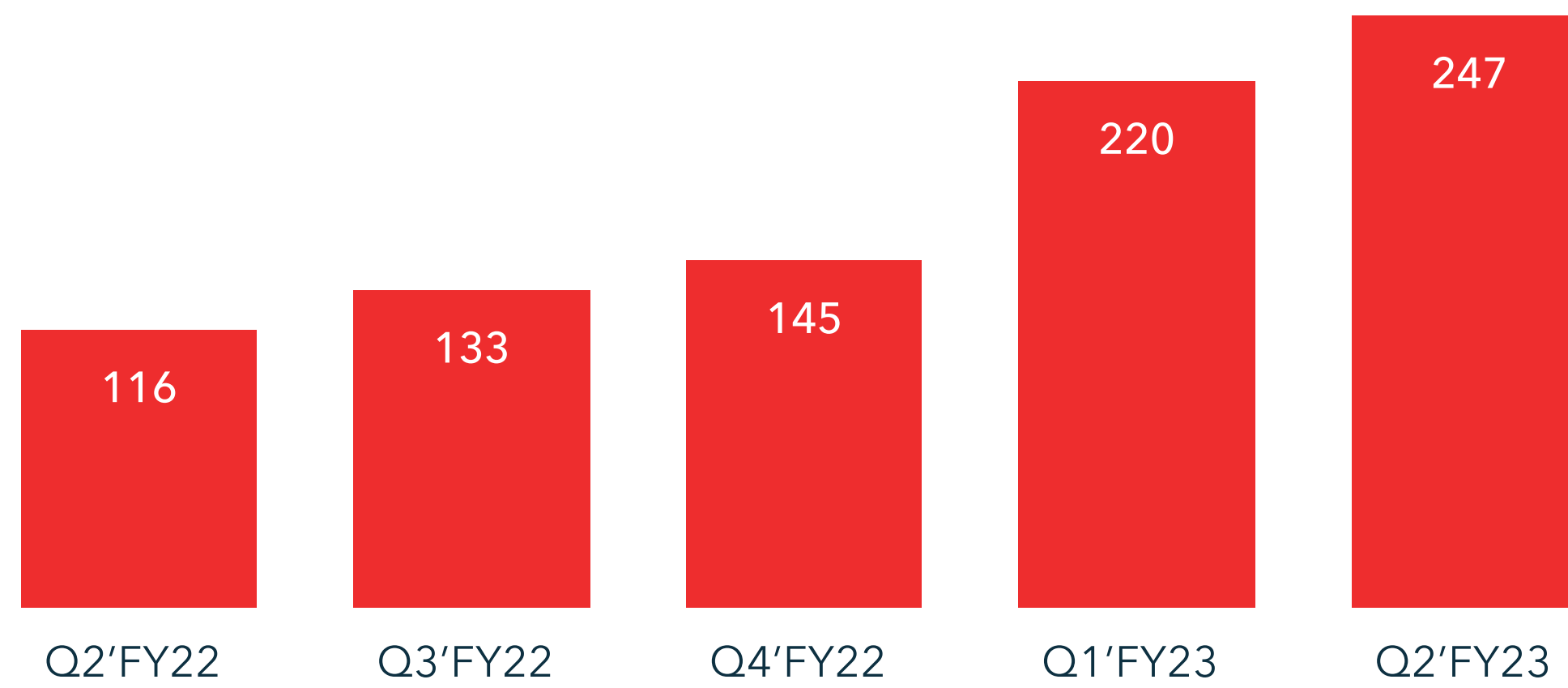
Growth in interest income has stayed ahead of AUM indicating accretive asset creation.

Keeping with management's stated objective, LAP & PL portfolios have de-grown and are in run-off mode.

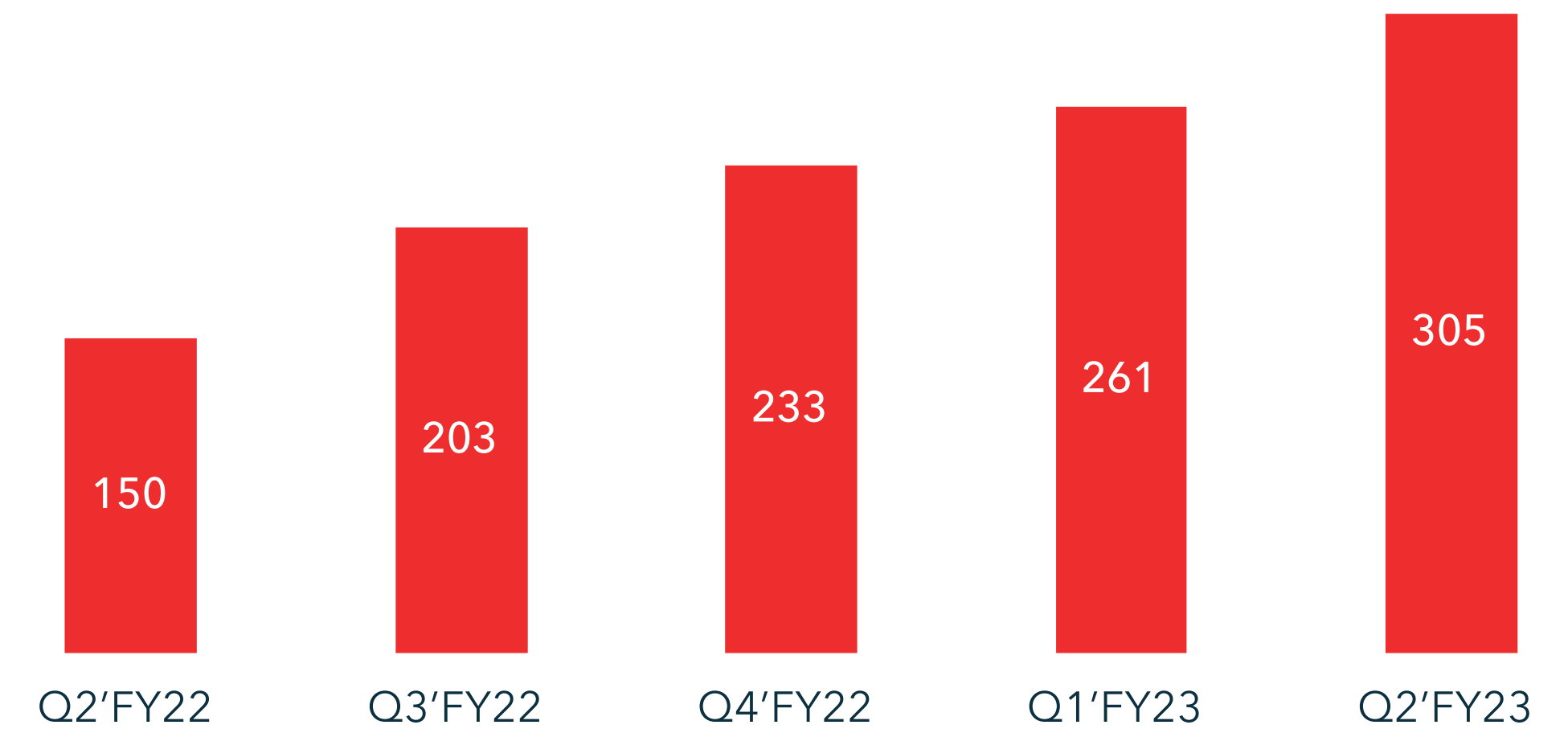
AUM share of MSME customers across Gold & Business Loans are at 92%.

# Key Financial Metrics

Interest Income INR Mn



Total Income INR Mn



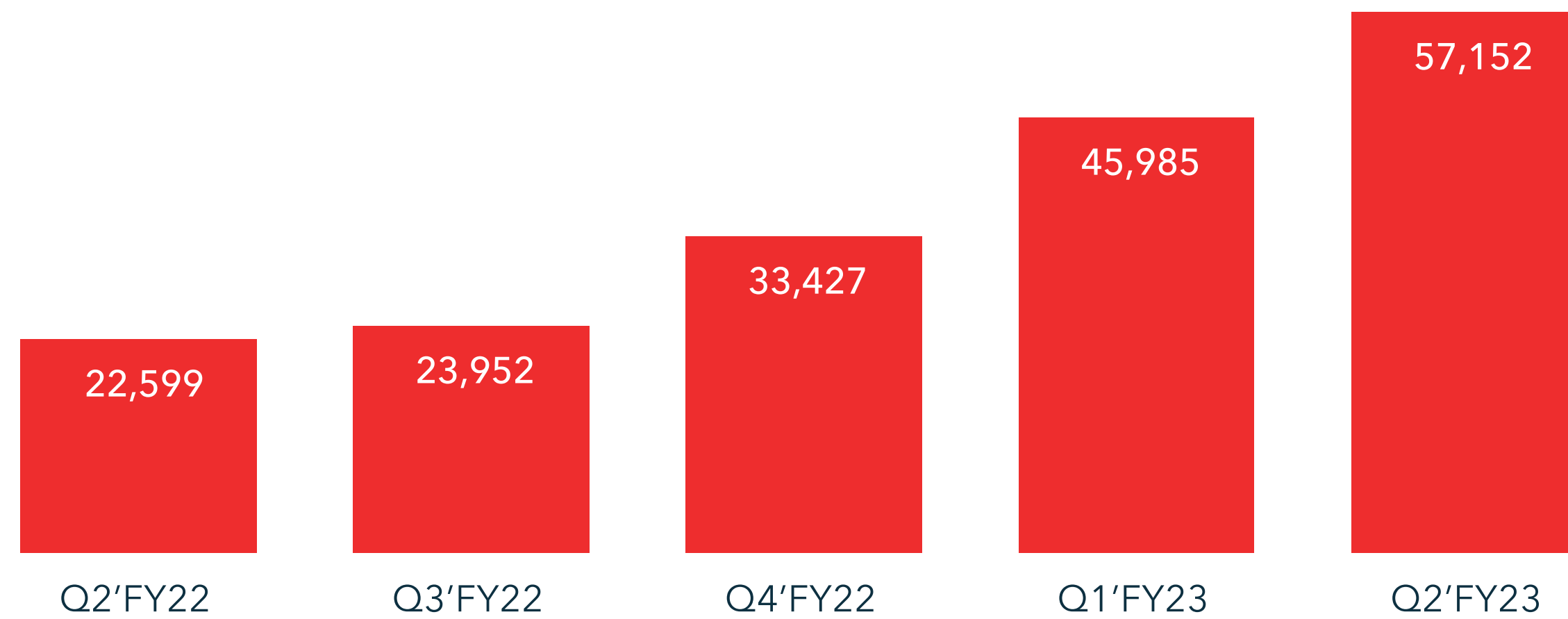
Consistent growth in Income, led by interest earning assets

Ability to integrate with other lenders to boost L-a-a-S income

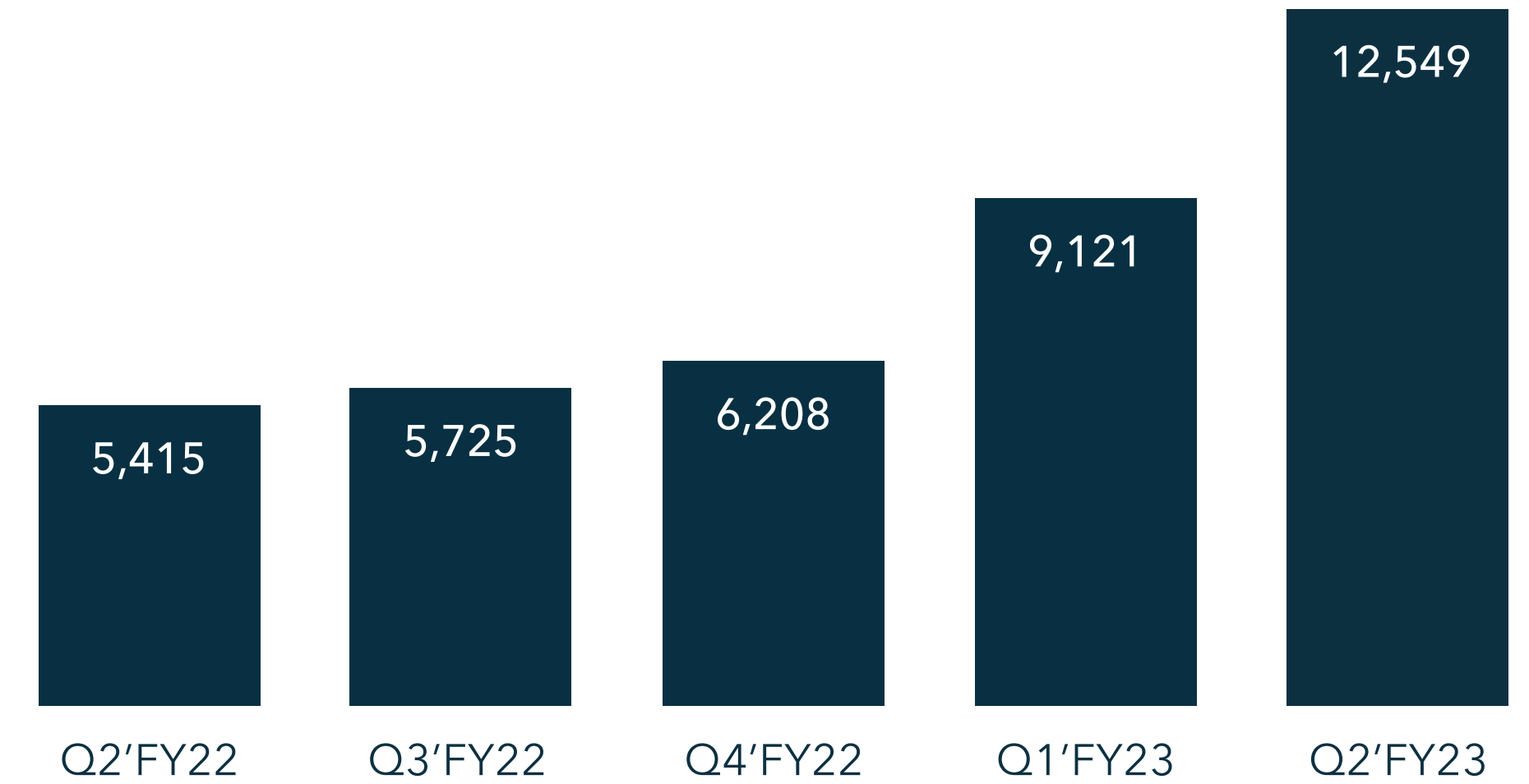
Front ending of Capex to enhance distribution will bear fruits in L-a-a-S business.

# Key Operational Metrics

## Active Customers



## Active Women Customers



Consistent growth in customer base, led by increasing reach

Focused effort to cater to the women entrepreneurs

Ability to cross sell products and enhance customer experience, leading to higher retained customers



# Income Statement

INR Mn

Income Statement (INR Mn)	Sep'20	Sep'21	Sep'22
Interest Income	28.5	115.6	247.1
Less: Finance Cost	11.0	51.5	121.7
Net Interest Income	17.5	64.1	125.3
Other Income	31.8	34.8	58.2
Operating Expenses	43.6	63.6	161.2
Profit Before Tax	0.9	26.0	22.3
Less: Tax	0.4	6.9	2.9
Profit for the period	0.4	19.0	19.4

Standalone results

Substantial increase in interest income,  
ahead of AUM growth

Increase in operating expenses due to  
continued addition to experiential center  
and technology build out

Profit grew in a challenging rate environment,  
testimony to TruCap asset creation

# Balance Sheet

INR Mn

Balance Sheet	Sep'20	Sep'21	Sep'22
Financials Assets	751	3,264	5,135
Cash and Investments	189	942	1,527
Gross Loans	609	2,372	3,655
Less: Impairment Loss Allowance	47	50	47
Net Loans	562	2,322	3,608
Non Financials Assets	107	246	483
Total Assets	858	3,510	5,618
Financial Liabilities	376	1,832	3,388
Trade payables & Other liabilities	24	37	68
Borrowings	353	1,795	3,320
Non-Financial Liabilities	12	41	85
Total Liabilities	388	1,873	3,473
Equity Share capital	144	153	216
Other Equity	326	1,483	1,929
Total Equity	470	1,636	2,145
Total Liabilities and Equity	858	3,510	5,618

Consistent build up of secured and more granular loan assets

Well capitalized and low gearing, ensures high growth in future

Debt provided by marquee financial institutions, testament to credibility and growth potential

# Well Capitalized for Growth

INR Mn

Equity (INR Mn)	
Current Equity (INR MN)	2,145
Capital infusion concluded in May'22, has a residual infusion towards warrants. This round was led by Aviator Emerging Market Fund (AEMF) backed by marquee investors such as Porter Collins and Vincent Daniel*	270
Net Worth (On Fully Diluted Basis)	2,415

~ Debt to equity measured on fully diluted network

TruCap successfully raised another round of capital in May 2022. This reflects renewed confidence from prominent global investors

Combined with lending through L-a-a-S partnerships, will ensure future growth with continued low leverage

INR Mn

Debt (INR Mn)	
Borrowings from Banks & FIs	3,099
NCD & other debentures	221
Total debt	3,320
Debt to Equity ratio	~1.4x

The background features a gradient from dark red on the left to light orange on the right. On the left side, there are several overlapping geometric shapes in various shades of red and orange, including a large 'L' shape and a cross-like figure. On the right side, there is a large, light orange shape that resembles a stylized 'U' or a bracket.

*Lending-as-a-Service -  
Accretive & Accelerating*

# TruCap Finance Differentiated Approach in Lending

## Capital efficiency & risk management at the fore

### Own balance sheet lending

MSME Business loans and Gold loans

Small ticket (1-20lakhs)

Short tenor, high yield products (12-36 months)

Conservative underwriting

Robust collection and recovery platform

MSME Loans Backed  
by Gold

MSME Business  
Loans

### Lending as a Service (L-a-a-S)

High IRR generating business with share of interest & fee

Ability to collaborate with large lenders to build substantial off-balance sheet AUM

Large sourcing platform that enables successful build up of profitable AUM

MSME Loans Backed  
by Gold

MSME Business  
Loans

### Preferred Sourcing Partnership

Solid sourcing in new geographies with very low acquisition cost

Joint credit underwriting policy

Risk moved to partner with funded guarantee provided by them

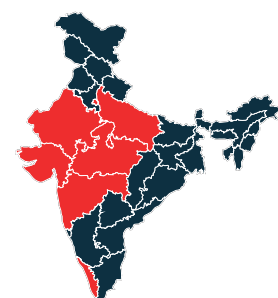
High ROA with minimal asset quality risk

MSME Business  
Loans

## Sourcing



59 branches



Cluster Focused  
Sourcing Strategy



Partner  
B2B App



Tie up with large retail  
distribution channels



~200 partners



Cross source  
from co-lending  
platform



Tie up with  
Marquee Lenders

# Increasing and Accelerating L-a-a-S Partnerships



## What does it entail

### Benefit for TruCap Finance

Sourcing partnership with large lenders to realize last mile affordable credit inclusion

TruCap Finance contributes between 5% to 20% while the remainder portion is funded by the financial institution

### Benefit for Partner Institutions

Derive benefit from TruCap Finance's distribution, robust underwriting practices and collection processes

Supported by a robust risk and technology framework



## Commercial synergies

### Benefit for TruCap Finance

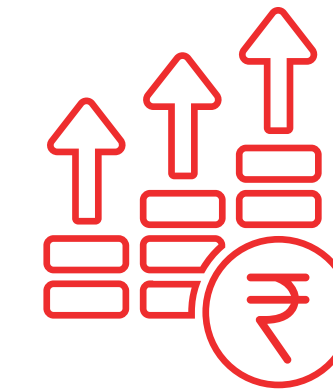
Superior Growth with High IRR

TruCap Finance earns on 100% of the loan book

Enables cheaper funding in debt table

### Benefit for Partner Institutions

No cost of opex, capex or marketing



## Partnerships details across products

### TruCap now Live Partnership with Central Bank of India

Co-Lending with CBOI now live across 38+ branches

AUM in CBOI L-a-a-S partnership at INR 894 Mn, under 80-20 model

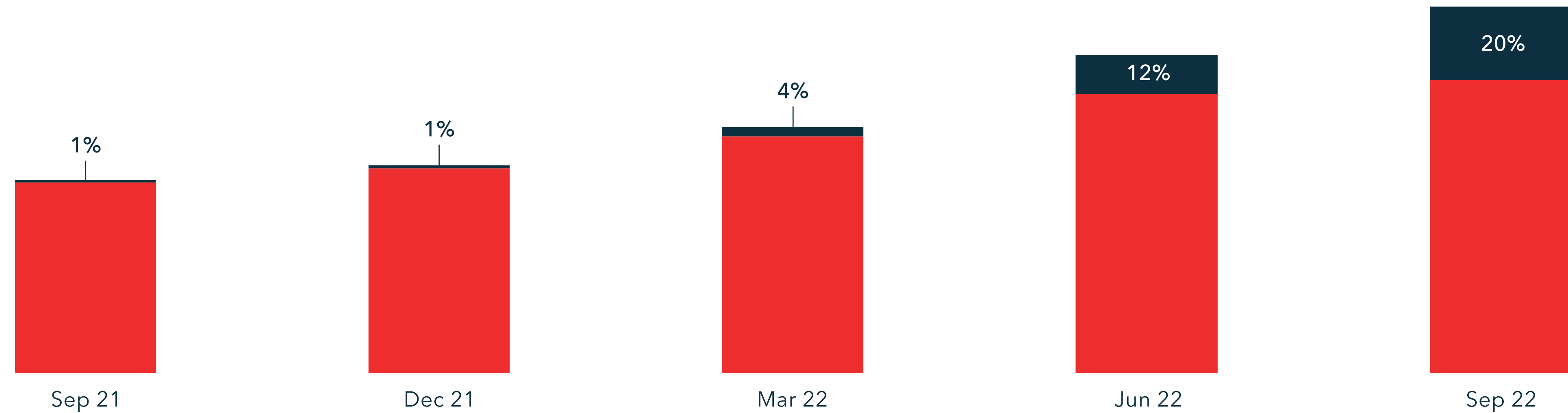
Signed Co-Lending for MSME Business Loans with a large NBFC

Signed BC arrangement for Gold Loans with an SFB

# Accelerating L-a-a-S Footprint

■ On Book Portfolio  
■ L-a-a-S Portfolio

20% Share of L-a-a-S AUM  
Currently Built with Single Partner



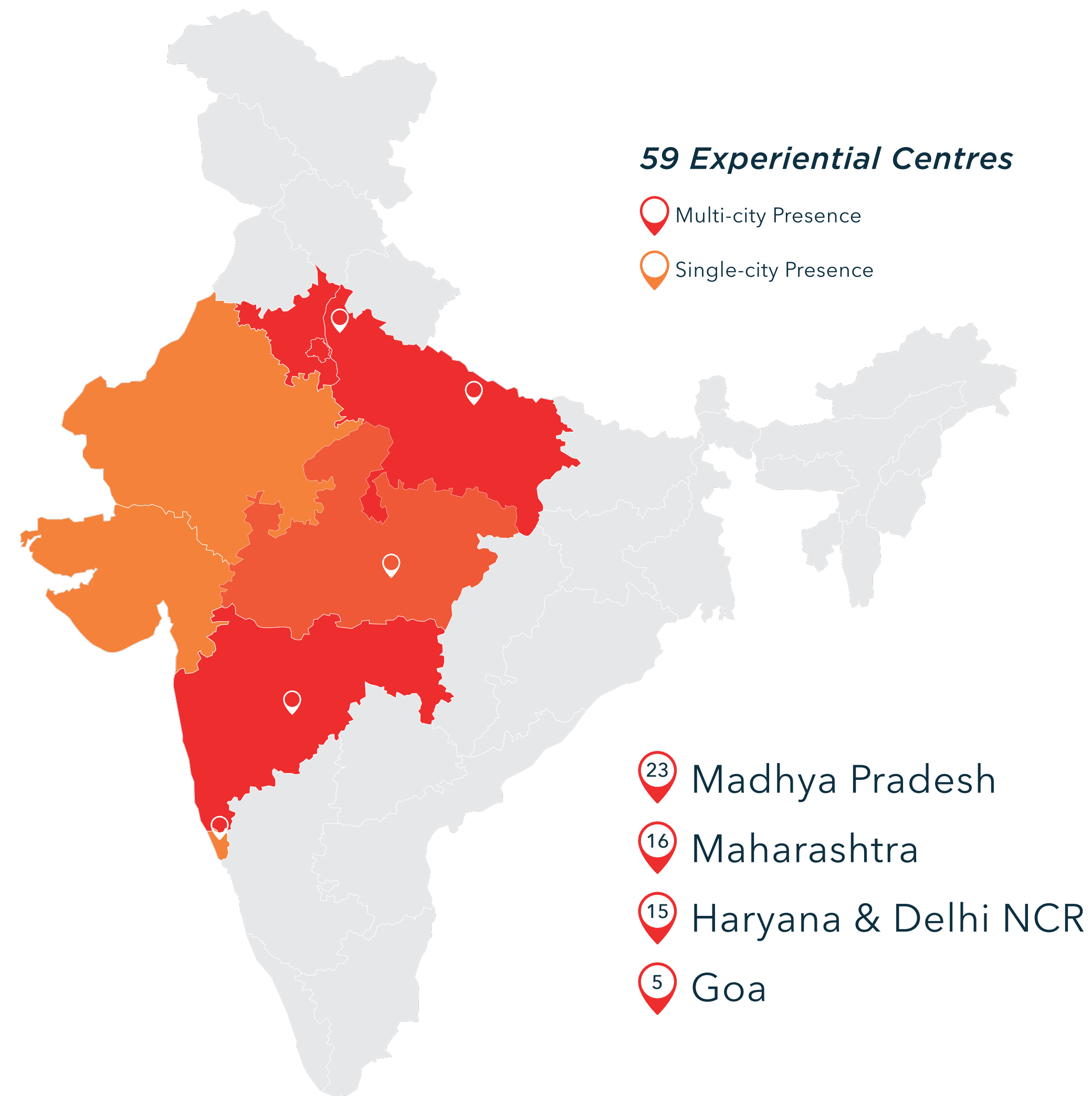
	Sep'21	Dec'21	Mar'22	Jun'22	Sep-22
L-a-a-S AUM (INR Mn)	24	32	122	490	894
L-a-a-S AUM %	1%	1%	4%	12%	20%



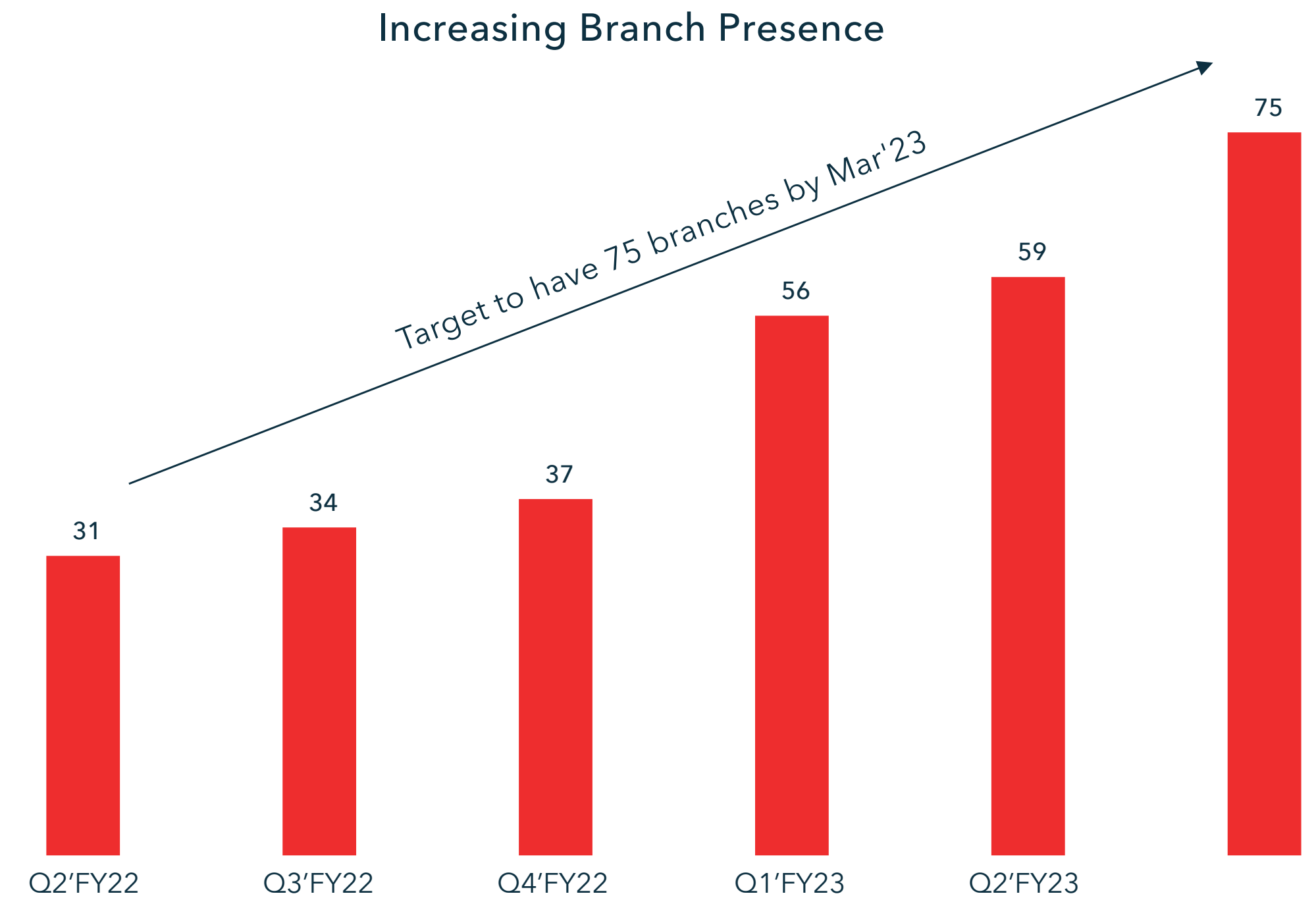
# L-a-a-S Bolstered by Multi Channel Distribution Built in the Last Few Years...



# Experiential Centers to Drive Growth



\*Government of India, Ministry of MSME, Annual Report 2021-21



Expanding network to cater to MSME customers for both Gold & Business Loans

The states of Maharashtra, Gujarat, Haryana and Delhi-NCR comprise 35% of MSME enterprises\*

59 Experiential Centres are located in these geographies which are the hub of micro and small enterprise units

TruCap will be expanding in the state of Gujarat, besides the Existing states of operation.

Thus, we endeavour to take our branch count to 75 by the end of FY23

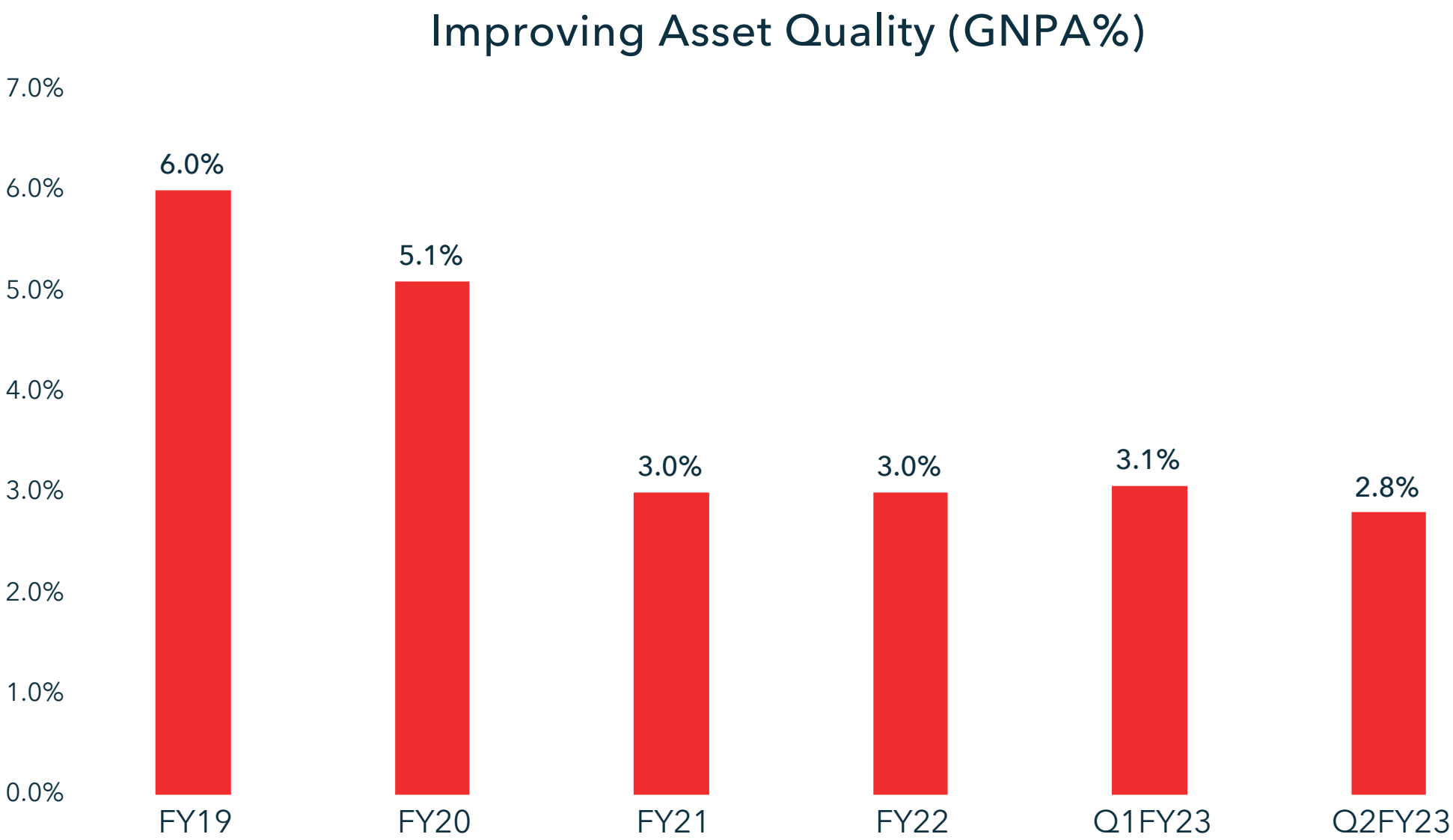


*Risk & Governance*

# Strong Collections – Testimony to Underwriting Strength

INR Mn

Months	Demand for the month	Collection done for the month	Collection efficiency (CE) for the month	Payment & foreclosures in the month	CE including prepayment /part payment
Jan-22	114	101	88.6%	119	193.5%
Feb-22	117	104	88.8%	152	219.3%
Mar-22	117	105	89.2%	390	421.5%
Apr-22	129	116	89.8%	358	366.5%
May-22	143	127	88.9%	291	293.1%
Jun-22	158	142	89.4%	253	249.1%
Jul-22	187	167	89.5%	268	232.9%
Aug-22	190	169	89.1%	323	258.9%
Sep-22	204	183	89.3%	347	258.9%



Excluding **LAP** and **Personal loans** which are in run-off mode, **GNPA would be 1.2% and NNPA would be 0.6%**

Collection efficiency exceeds 100% after considering pre-payments & foreclosures on the gold loan book.

It's important to note that pre-payments & foreclosures are a regular feature in the gold loan business and customers endeavor to repay ahead of time to release the asset.

# Comprehensive Risk Management Framework

Action Undertaken >>>	Aspects Covered >>>	Objective Achieved / To Be Achieved
Risk Assessment Framework	Credit, liquidity, solvency, financial, and information security risks	Common standards for management of various risks at portfolio level
Independent unit for internal controls - Standard Assessment of Branch Performance through Branch Control Score Card	Gold loan branches, audit of partners, hind-sighting of traditional business	Branch control score card for objective assessment to aimed to achieve low risk rating
Rigorous review of infant/non-starter	Revised allocation of these cases to sales/credit to resolve	Majority of resolution to be concluded in Q3 & Q4 FY23 of infant/non-starter cases
All embracing LAP collection	Pre-SARFESI notice for 60+ day delinquent borrowers	Expected higher recoveries on legacy LAP loans
Comprehensive & exhaustive criteria on risk assessment for preferred sourcing partners	Partnership framework and SOP that ensures high quality customer selection & servicing	Zero NPA's from preferred sourcing partners (~17% of quarterly disbursements)

# Standardised Branch Score Card

## Mitigate Risk and Maintain Quality Service

**Standard Branch Audit Score Card Mechanism**

Standard scoring mechanism following weighted average mechanism based upon risk rating of 12 comprehensive processes and 130 checkpoints

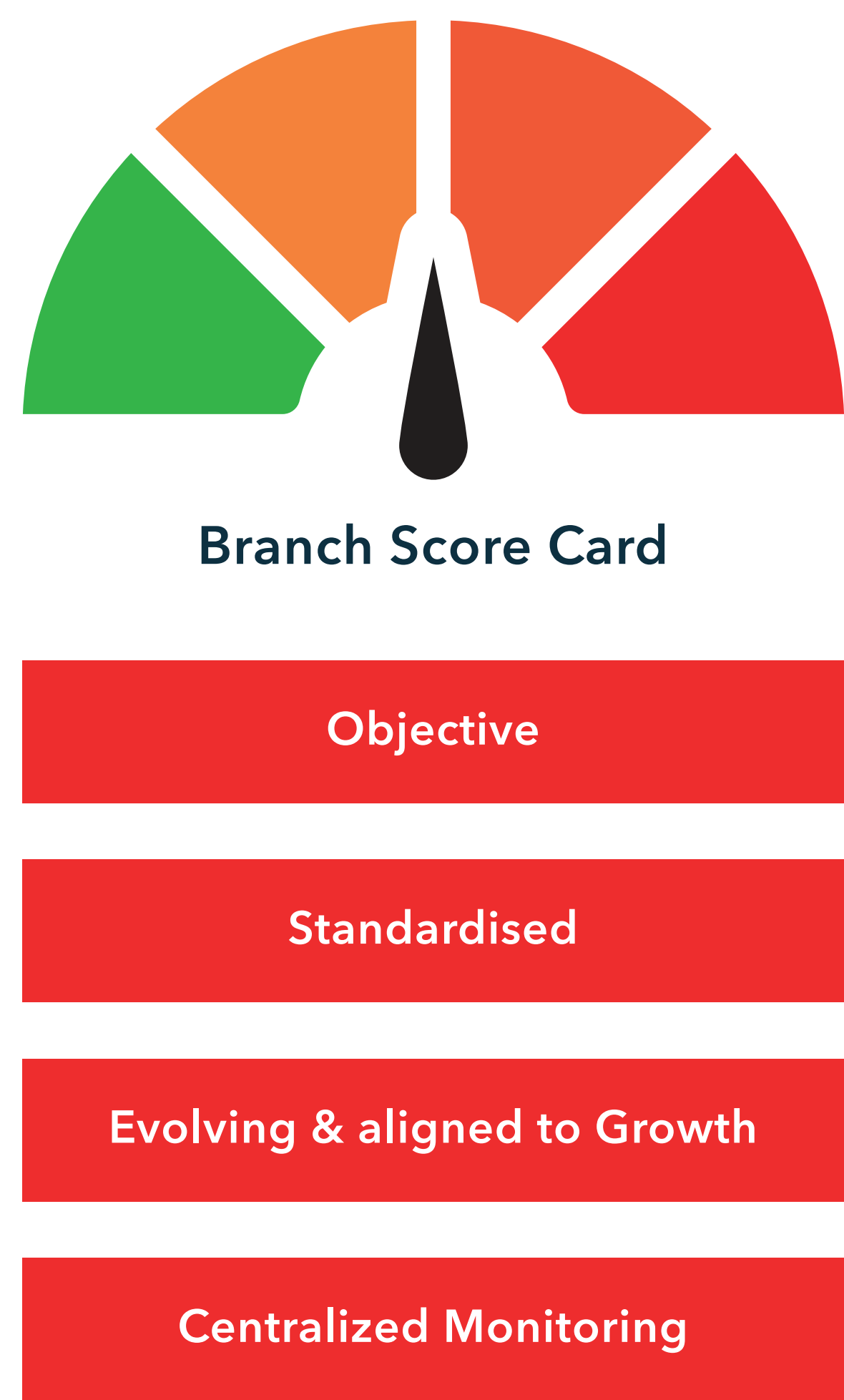
RBI tenets, internal auditors and external auditors observations compliant

**Performance Management of Branch to Mitigate Risk**

Evaluate the branch process and internal controls

Prescriptive and corrective action driven

Audit is comprehensive, detail-oriented and full-scale for all loan accounts



**Branch Score Matrix**

Risk	Rating
High	C
Medium	B
Low	A

There are 12 risk parameters with 130 checkpoints

All checkpoints are assigned weighted scores to measure compliance

Branch Self Certification Process is additionally applicable to measure risk



# Focus on Governance

## Independent and Eminent Board Comprising of Industry Stalwarts

### Rakesh Sethi

Non-Executive Chairman

#### Past experience:

Over 38+ years of experience, ex-CMD of Allahabad Bank, ED of PNB

### Nirmal Momaya

Independent Director

#### Past experience:

Entrepreneur with 26+ years of experience. BoD at Camlin Life Sciences

### Atwood Porter Collins

Non-executive Director

#### Past experience:

Global Portfolio Manager. 22+ years of global investment experience. Co-founder Seawolf Capital. Partner at FrontPoint - featured in the book & movie 'The Big Short' for accurately predicting 2008 global financial crisis

### Rajiv Kapoor

Non-executive Director

#### Past experience:

Former Senior Executive at VISA Inc with 36+ years of experience in corporate advisory, consulting, sales and marketing

### KP Raghuvanshi

Independent Director

#### Past experience:

1980 batch IPS Officer. Served as Commissioner of Police (Thane) from 2011-14. Currently Strategic Advisor.

### Geetu Gidwani Verma

Independent Director

#### Past experience:

Global Business Leader having been associated with FMCG giants such as Unilver & P&G.

### Abha Kapoor

Independent Director

#### Past experience:

Entrepreneur with 26+ years of experience. BoD at Quint Digital Media

### Rushina Mehta

Non-executive Director

#### Past experience:

She is an entrepreneur and a Finance graduate with specialization in accounting & audit.

### Rohan Juneja

Managing Director & CEO

#### Past experience:

An investment banker, hedge fund manager and Head of Strategy & Research for an HFC and NBFC with 17+ years of experience, in India and USA

### Statutory Auditor

Bansal Bansal & Co.

### Concurrent Auditor

Grant Thornton

### Secretarial Auditor

U. Hegde & Associates



# Shareholding Pattern

Substantial management ownership in the company

