



August 13, 2024

To, The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. <u>Scrip Code: 540268</u>	To, The Manager Department of Corporate Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. <u>Scrip Code: TRU</u>
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Subject: Earnings Presentation

Dear Sir/Madam,

This is to inform you that the Board of Directors of TruCap Finance Limited at its meeting held today, i.e., Tuesday, August 13, 2024, has approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2024.

In this regard, pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and in furtherance to our letter dated August 08, 2024, enclosed herewith the Earnings Presentation. The same is uploaded on the website of the Company i.e. www.trucapfinance.com.

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: As above

TruCap Finance Limited
(Formerly known as Dhanvarsha Finvest Limited)



TruCap Finance Ltd



Lender to MSMEs with a thrust on Sustainability and Financial Inclusion

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Company Overview & Financial Highlights



At a Glance



AUM
INR 11.6 Bn



Q1FY'25 Disbursals
INR 3.8 Bn



Branches
128



Average Loan Ticket Size
INR 0.12 Mn



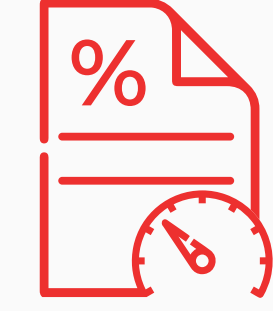
Active Lenders
45+



Active
Customer Base
100,000+



Cumulative
Customer Served
370,250+



Gross NPA
1.4%

Business Highlights

Particulars (INR Mn)	Q1FY'24	Q1FY'25
Disbursements (Excl. Renewal)	2,674	3,785
AUM	6,597	11,627
MSME Gold Loans AUM	4,049	7,661
MSME Business Loans AUM	2,368	3,739
MSME Gold Loans AUM %	61%	66%
MSME Business Loans AUM %	36%	32%
L-a-a-S Portfolio*	2,209	4,818
L-a-a-S Portfolio %	33%	41%
Interest Income	266	432
Finance Cost	173	261
Net Interest Income	93	171
Net Interest Margin (%)	6.1%	6.7%
Profit Before Tax	17	21
ECL Provision	31	61
NNPA %	0.6%	0.9%
Debt to Equity	1.9x	3.2x
Experiential Centers (Count)	108	128
Active Customers (Count)	67,997	100,674

Company announced a warrant infusion of INR 482 Mn in Nov'23. INR 120.6 Mn (or 25% of warrant subscription) was received in early Feb'24.

Company announced a warrant infusion of INR 400 Mn in Apr'24. INR 100 Mn was received in June'24.

Post full subscription of warrants within a period of 18 months from date of issuance, net worth of the company is expected to be in excess of INR 3 Bn.

* 'Lender as a Service' (L-a-a-S) are co-lending partnerships where TRU serves as a minority capital provider and does the entire sourcing, servicing and collection effort.

Product Mix Catering to MSMEs

TruCap believes in providing financial access through a diverse range of product offerings to underserved MSMEs. The company is a one-stop solution for all Credit requirements, categorized and customized as per the customer's needs. The products are easily accessible without any hassles with transparent processes and affordable interest rates.



Gold backed Loans

Loan Range - INR 0.1-5 Mn

Loan Tenure - 12 months

Average Ticket Size - INR 0.1 Mn

Interest Rate - 15-21%

LTV - 60-75%

Basis of Credit Approval - Purity-22Karat



Business Loans

Loan Range - INR 0.1-5 Mn

Loan Tenure - 12-36 months

Average Ticket Size - INR 0.1 Mn

Interest Rate - 16-22%

Basis of Credit Approval - Cash
flow analysis



Green Energy Finance

Loan Range - Upto INR 0.2 Mn

Loan Tenure - Upto 12-24 months

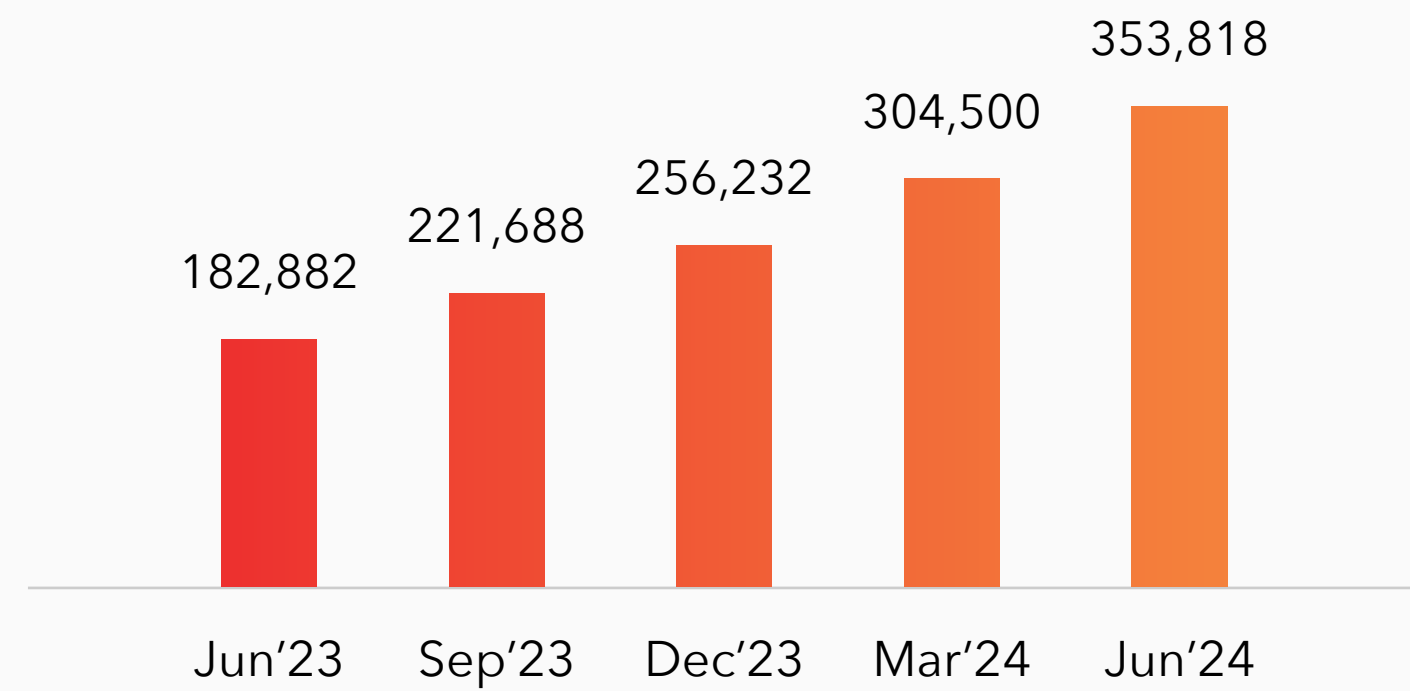
Average Ticket Size - INR 0.12 Mn

Interest Rate - 16-20%

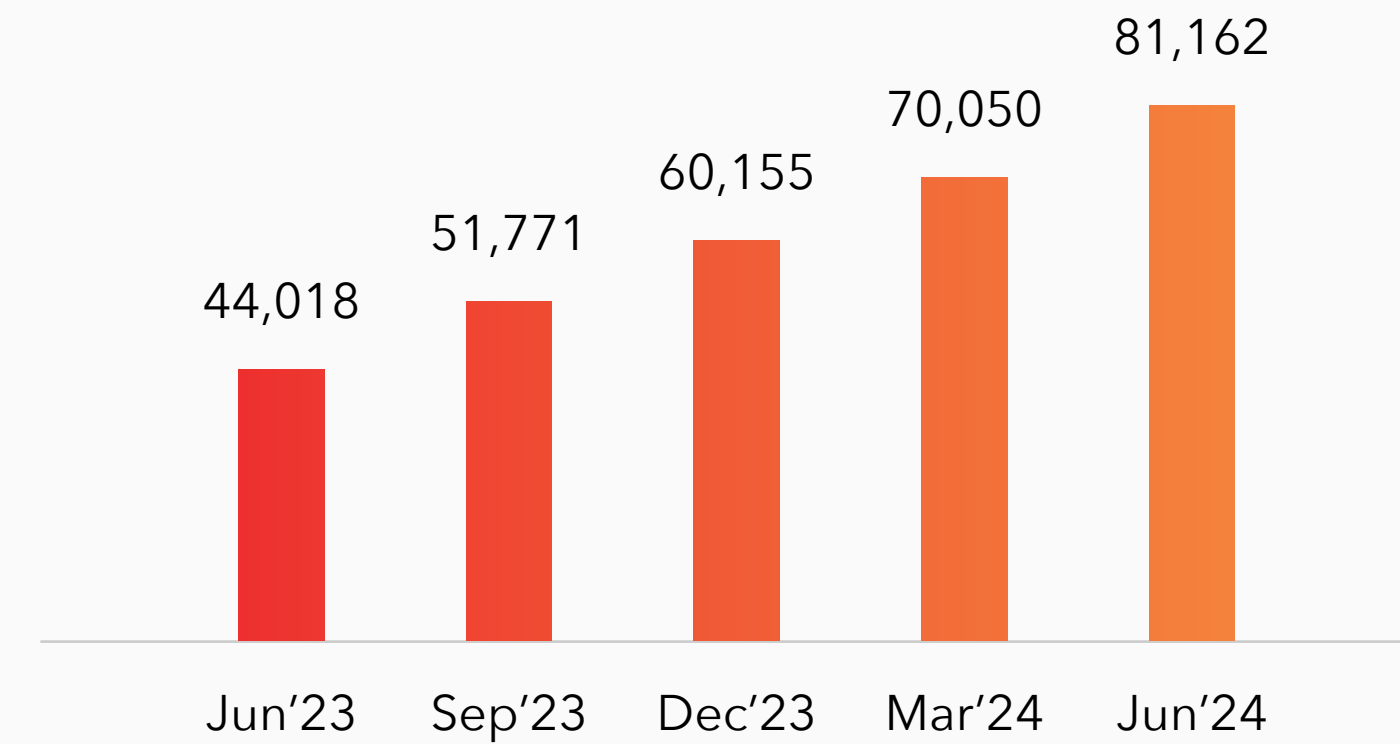
LTV - Upto 75%

Unwavering Commitment to Support Under-Served, Women Led and Clean Energy Businesses...

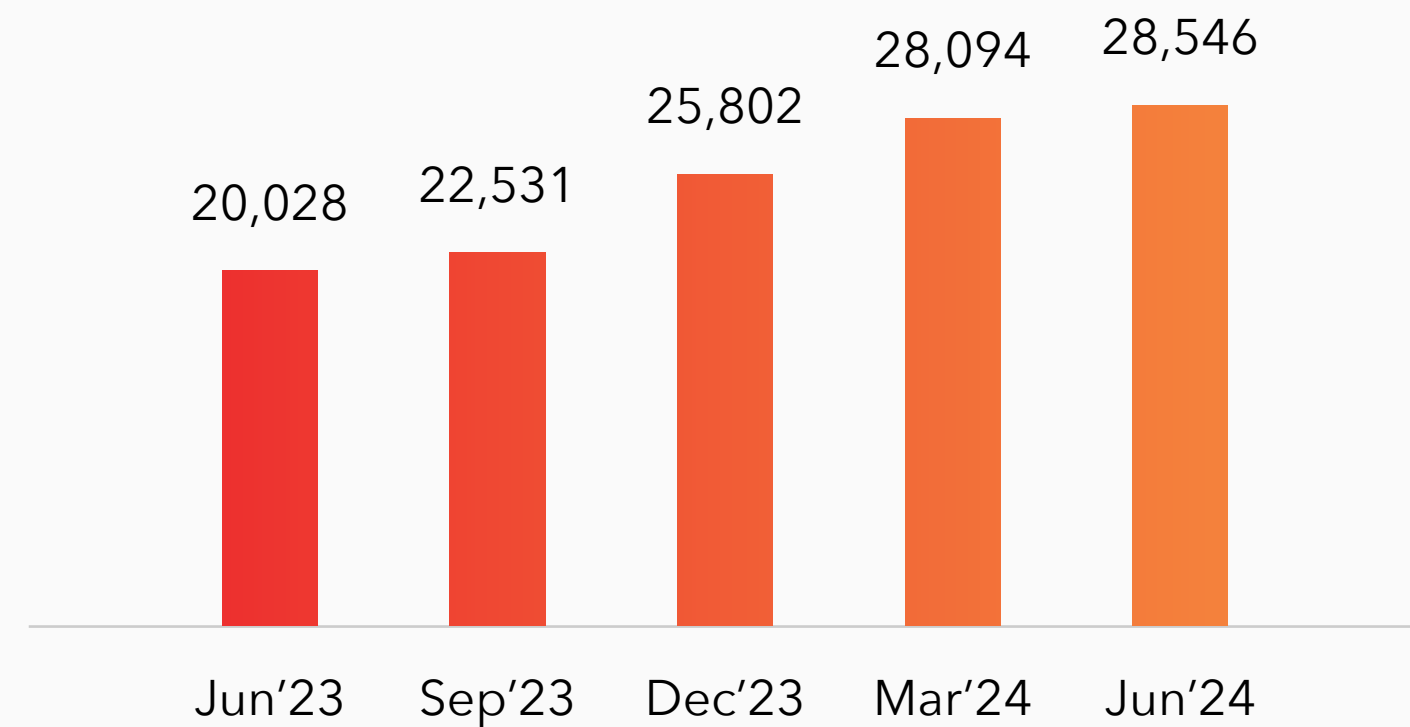
Cumulative Count of Customers below INR 0.5 Mn Ticket Size



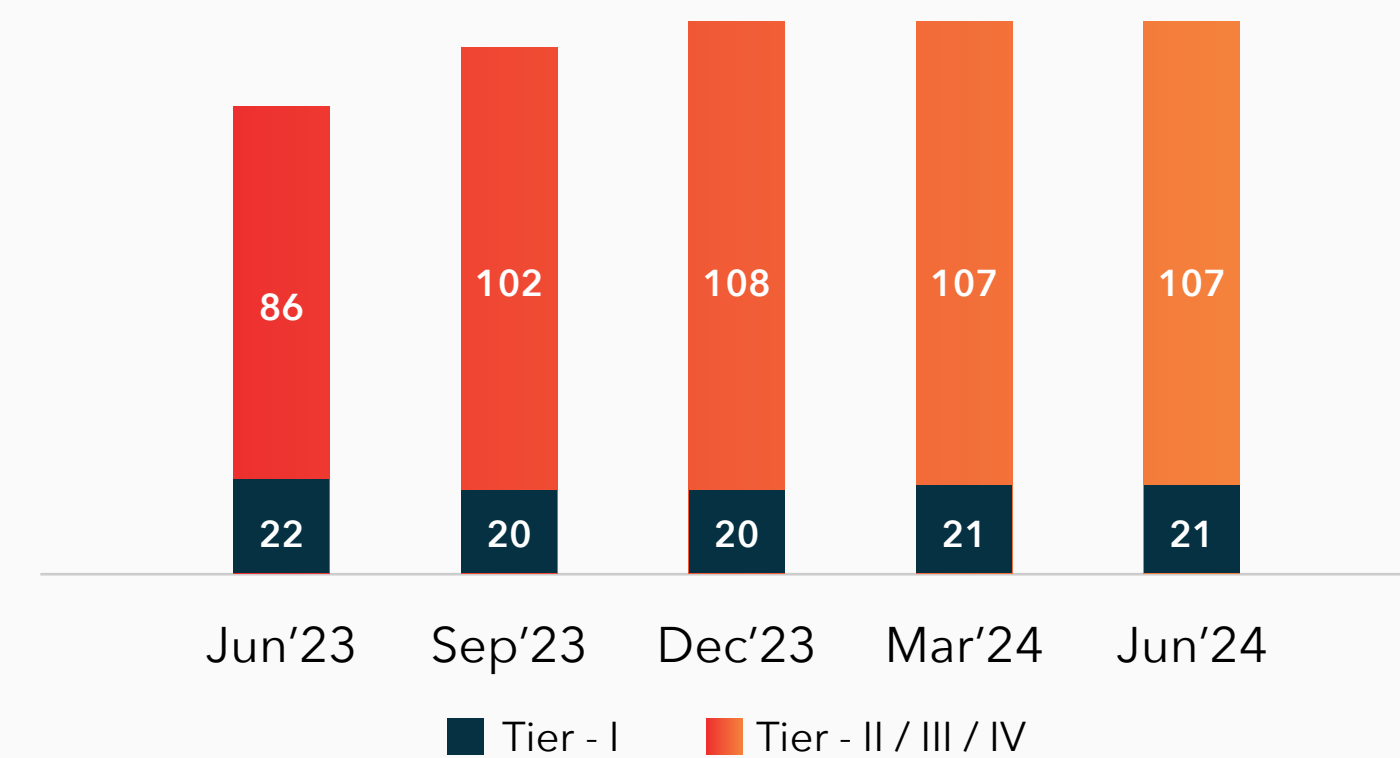
Cumulative Count of Women Borrowers



Active NTC Borrowers' Coverage

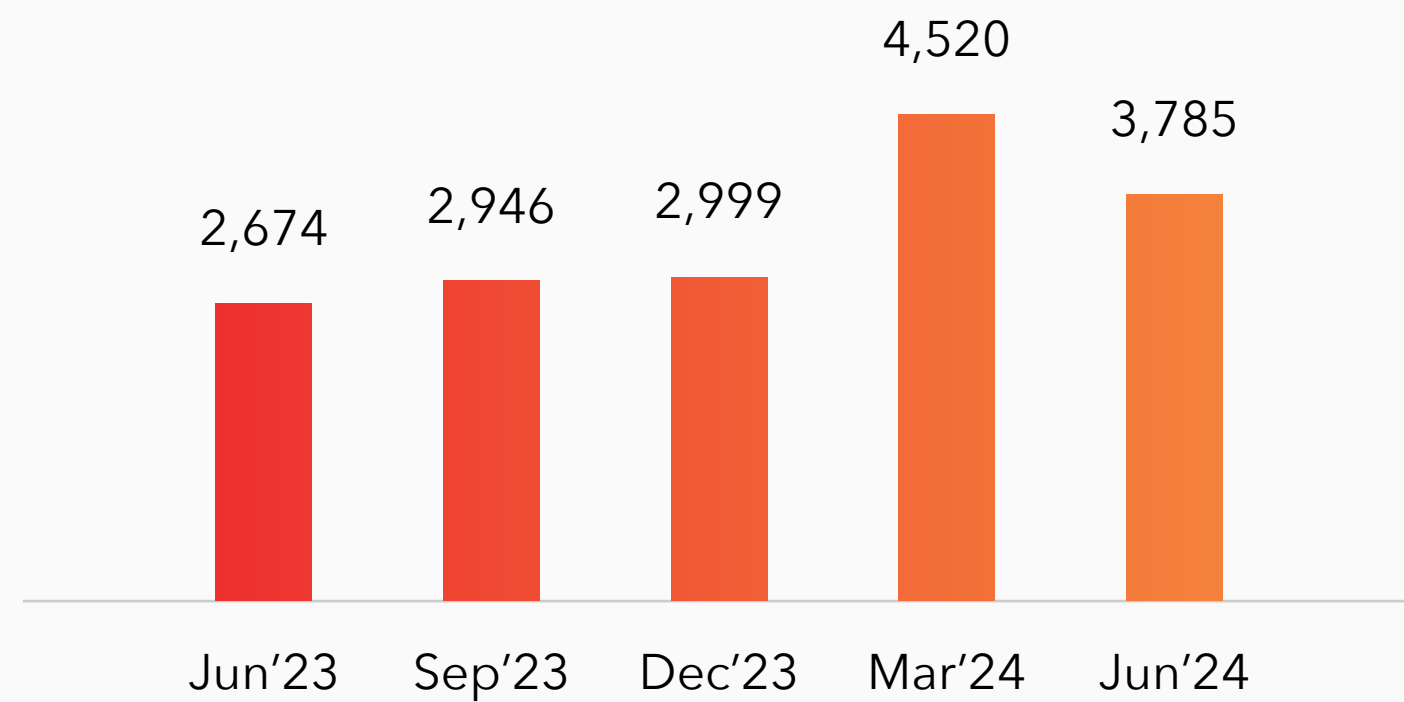


Distribution Network

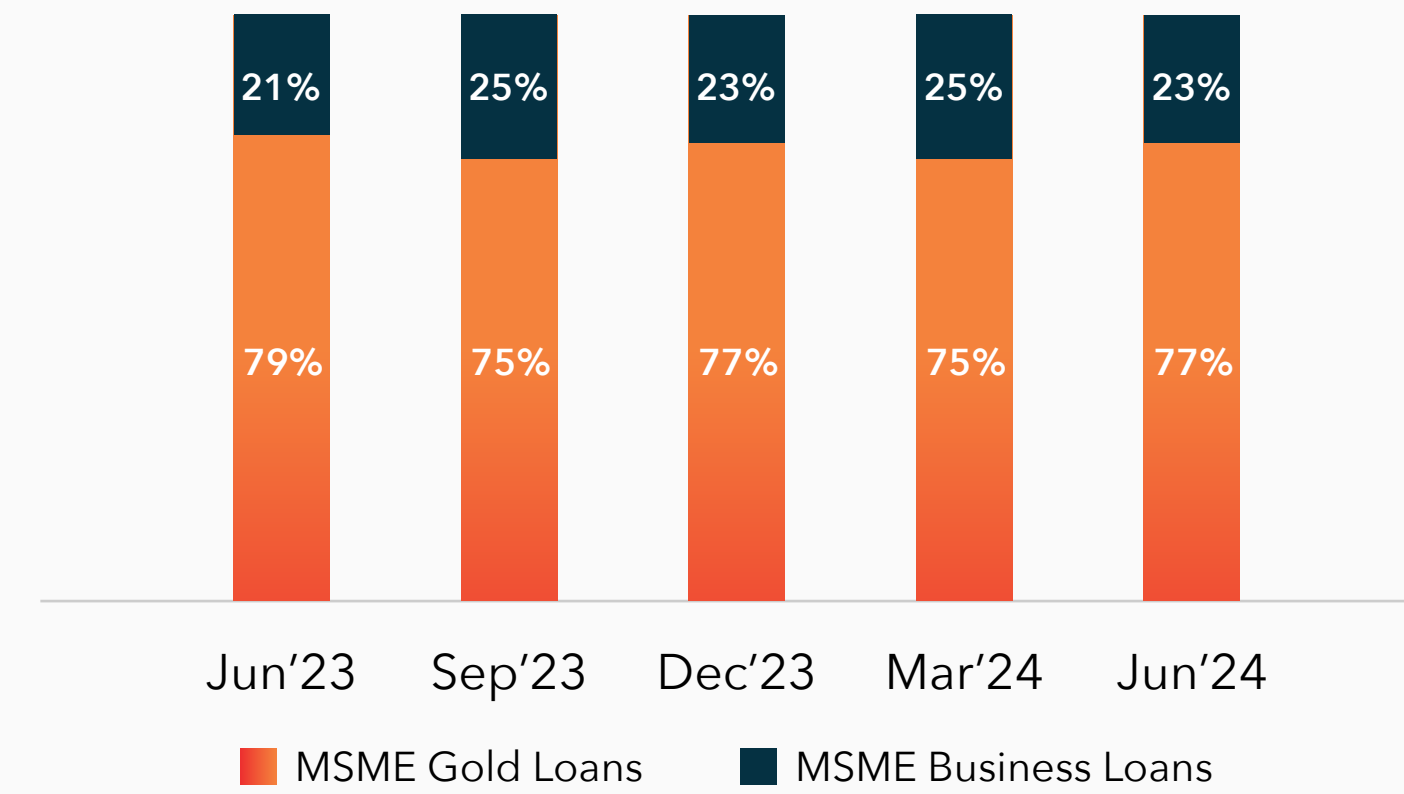


...With Financial Inclusion at the Helm

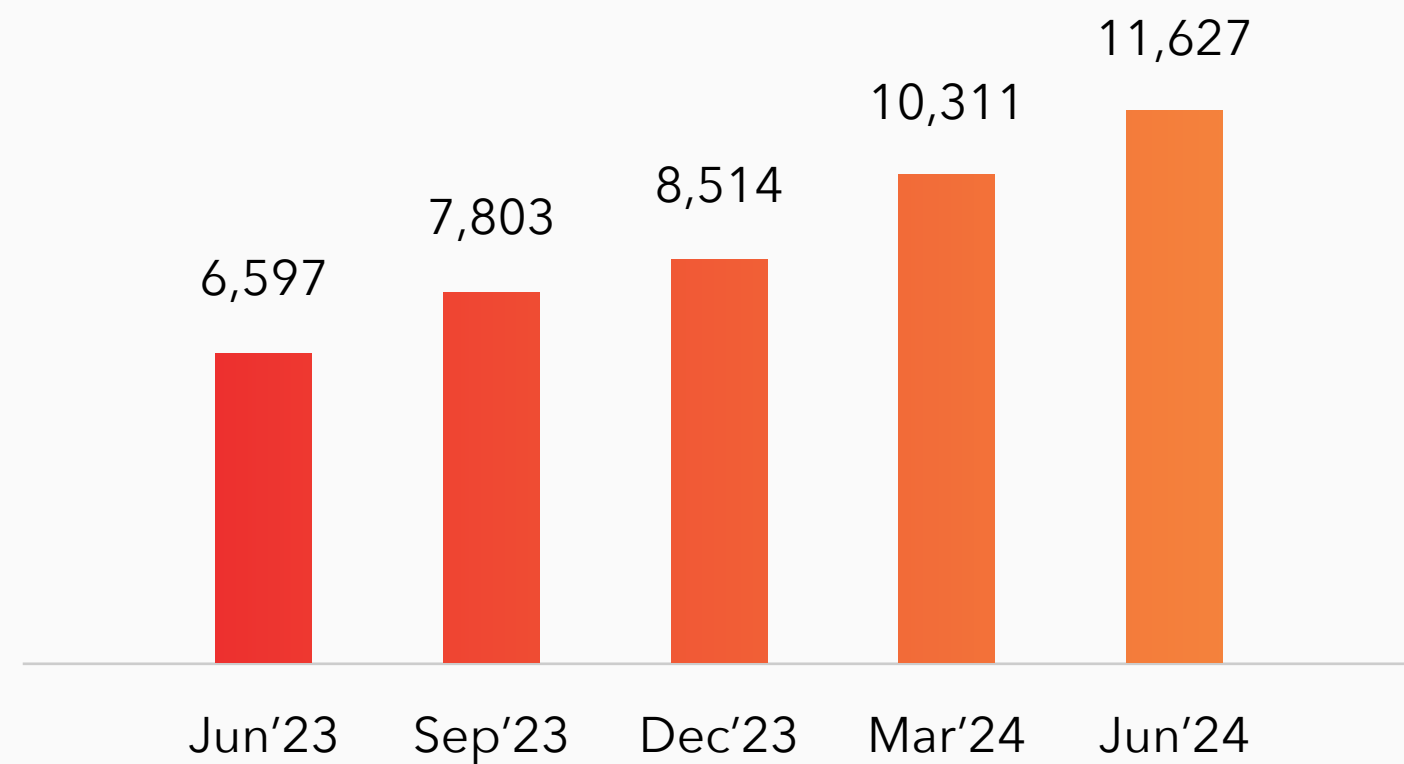
Quarterly Disbursals (INR Mn)



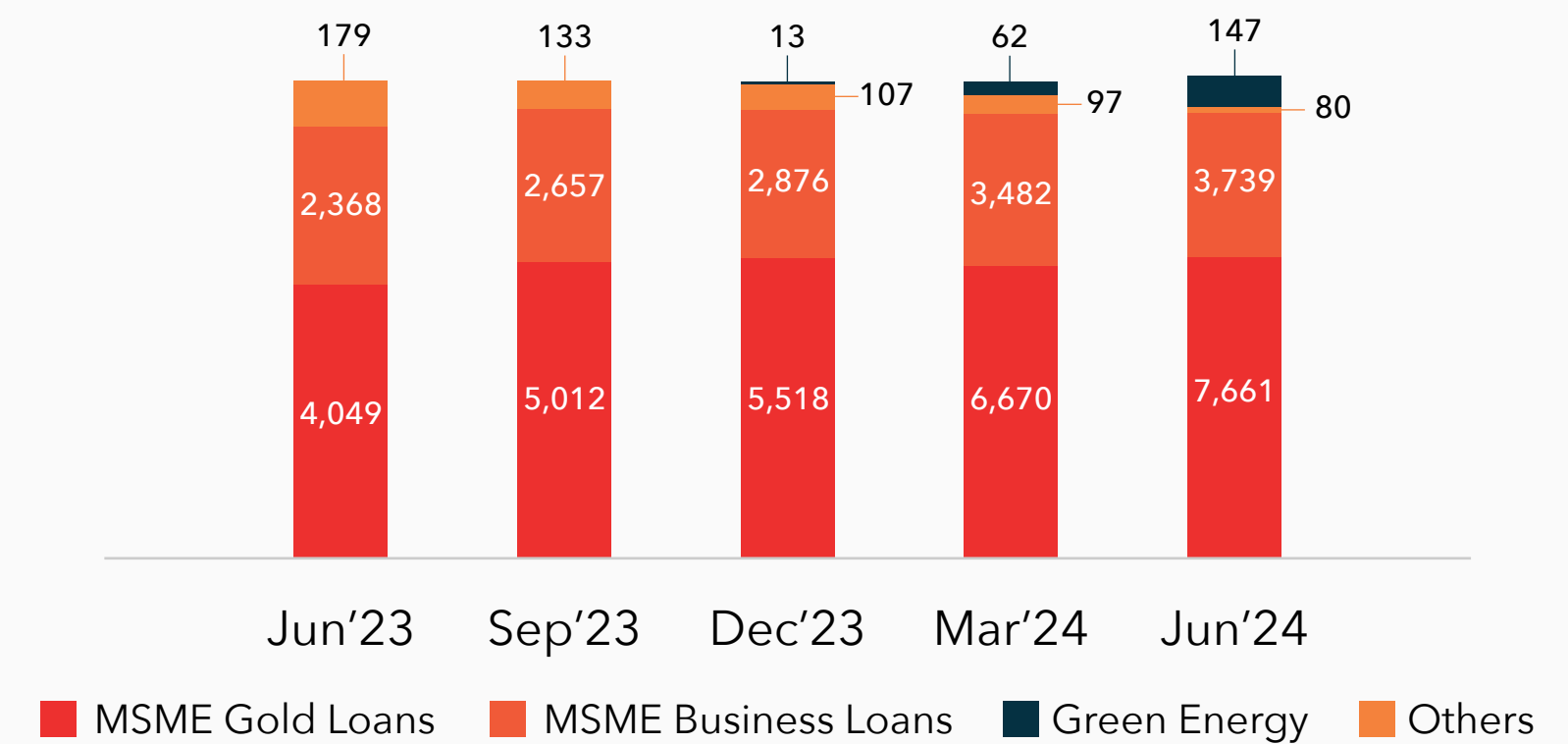
Disbursal (%)



AUM (INR Mn)

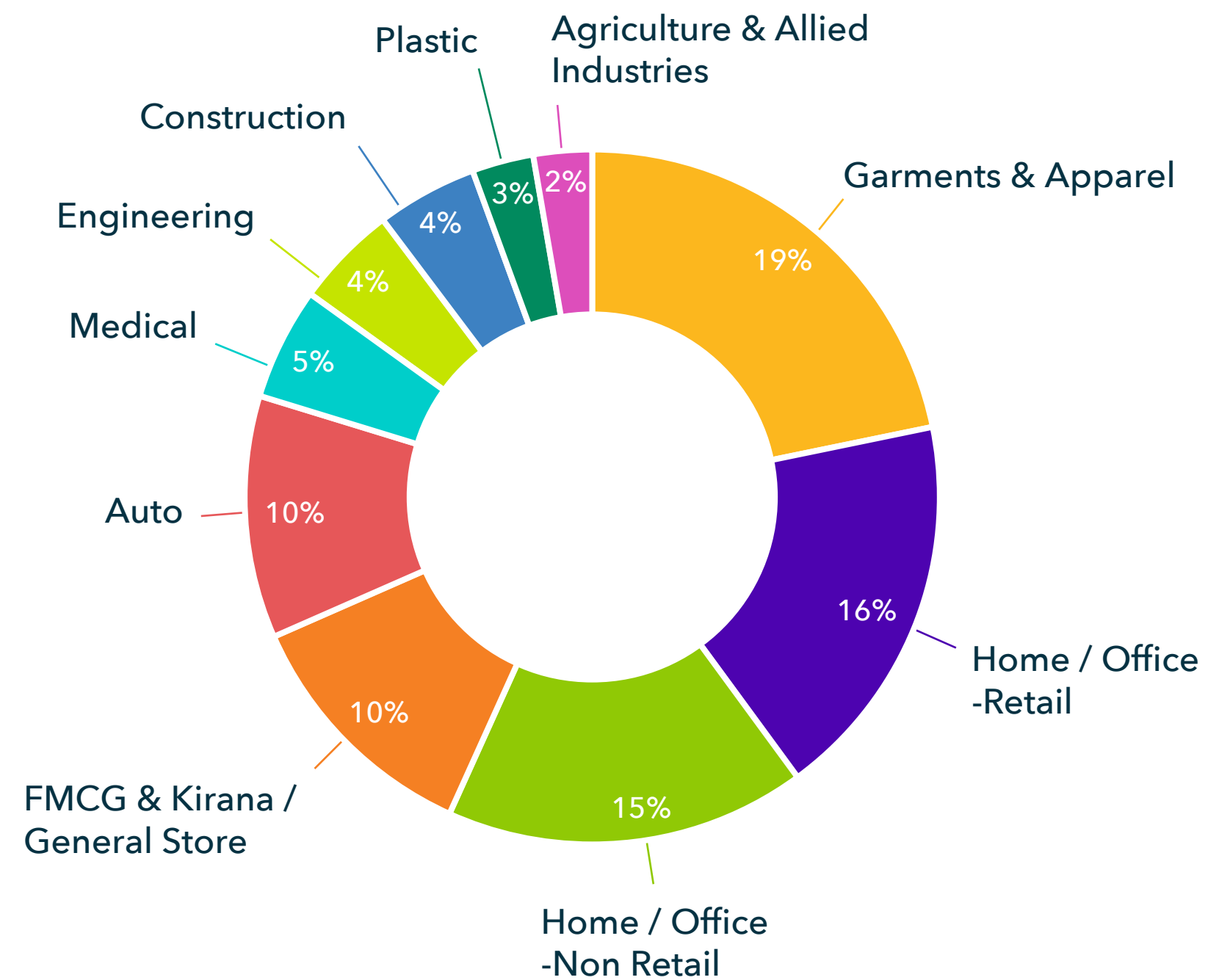


AUM Split (INR Mn)

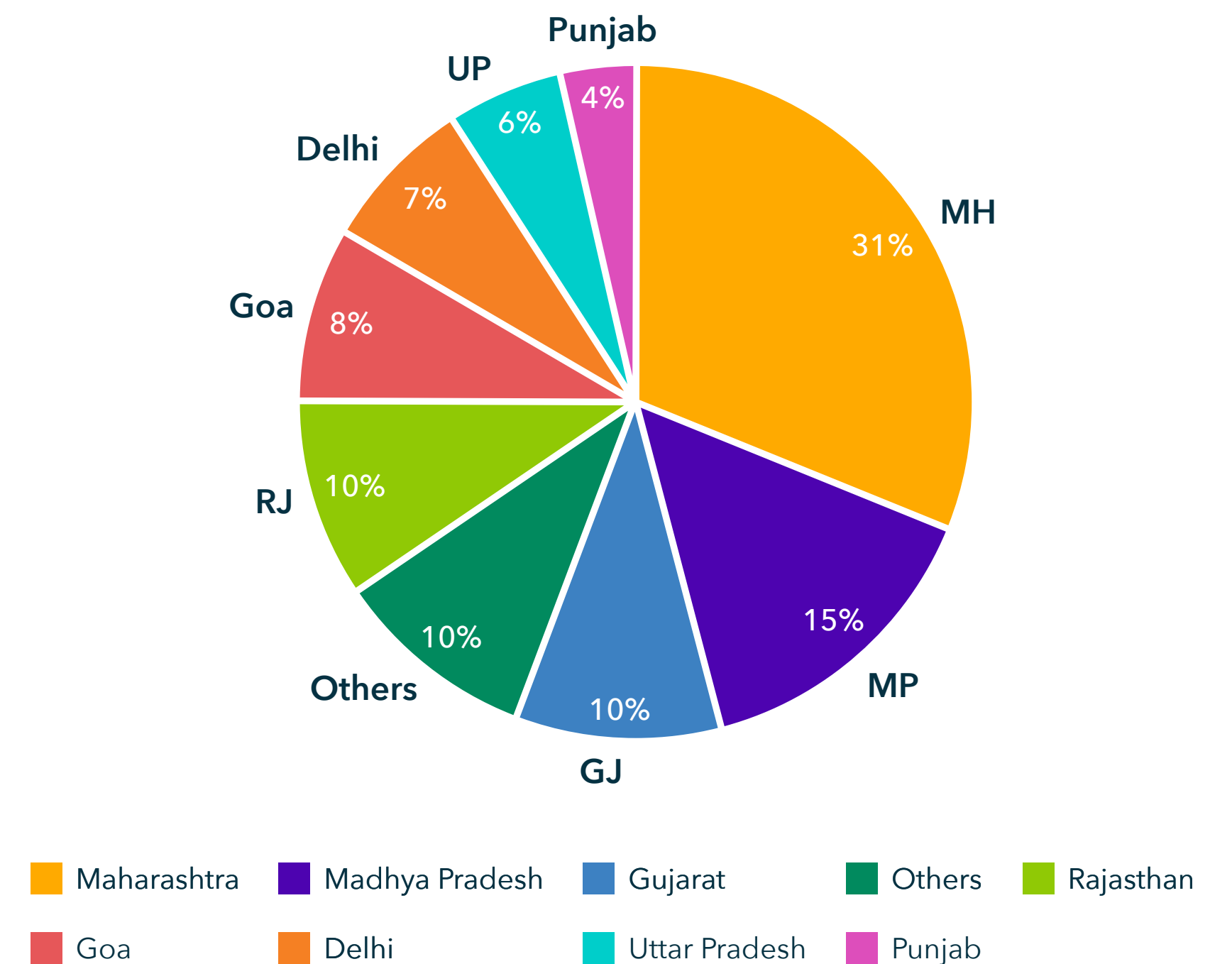


Sectoral and Geographical Split of Loan Portfolio

Top 10 Sectoral Mix as on June-24



Geography



Home/Office - Retail refers to retail cash and carry shops like hardware stores, furniture shops, etc.

Home/Office - Non Retail refers to wholesale manufacturers and distributors of home appliances.

Income Statement - Quarterly

Particulars (INR Mn)	Q1FY'24	Q1FY'25	Y-o-Y
Interest Income	266	432	62%
Less: Finance Cost	173	261	51%
Net Interest Income	93	171	84%
Fee & Other Income	112	92	-18%
Net Revenue	205	263	28%
Operating Expenses	188	242	29%
Profit Before Tax	17	21	22%
Less: Tax	4	7	57%
Profit for the Period	13	14	10%

Strong Interest Income growth led by scale up of L-a-a-S* partnerships.

Net interest margin showing signs of stability with potential for improvement going forward.

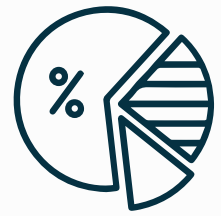
Opex growth is expected to decelerate going forward as operating leverage starts to play out.

* 'Lender as a Service' (L-a-a-S) are co-lending partnerships where TRU serves as a minority capital provider and does the entire sourcing, servicing and collection effort.

How is TruCap Addressing Needs of MSMEs



Latent MSME Potential in India



MSMEs Market Size

63.4Mn MSMEs in India, over 99% of total MSMEs qualify as micro-enterprises that make up to 63.1Mn enterprises

Potential Addressable Market size: INR 819 Bn

Only 14% of MSMEs have access to Credit

350 Mn Blue-collared workers



MSMEs Contribution to India's GDP

29%, Exports (2022): 50%

Contributes to 6% to India's manufacturing GDP & 24.6% to the service GDP.

Accountable for 1/3rd of India's Manufacturing Output.

Number of People Employed by MSMEs in India: Current ~130 Mn, Projected (2024): ~150 Mn



MSMEs Credit Needs

Addressable credit gap in the MSME sector is INR 25.8 trillion*

This credit gap still persists due to limitation of credit lending mechanism of...

- A. Thin credit history at the lower end of the spectrum
- B. Balance Sheet based lending
- C. Reliance on "tangible" collateral limits credit expansion



MSMEs Growth Outlook

Bank credit to MSMEs expected to increase at a CAGR of 16%-18% in the next two years, driven by their pivotal role in the Economy.

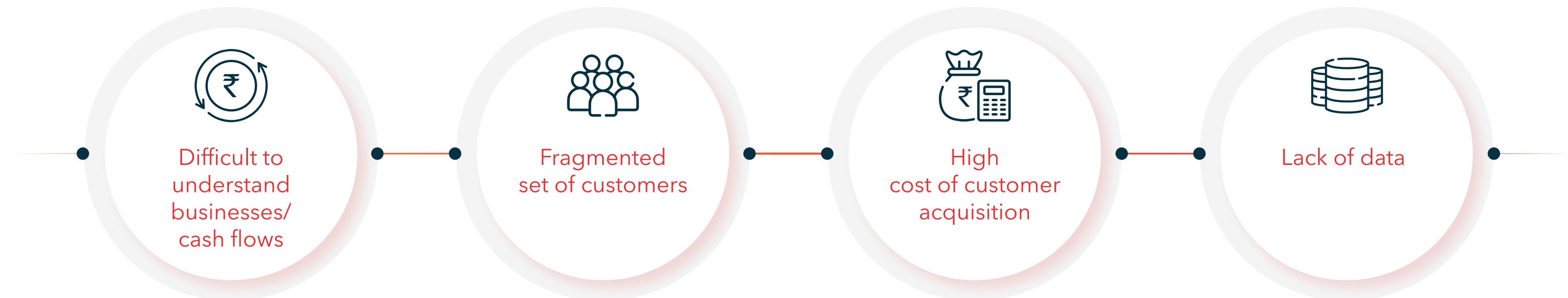
Indian economy aimed to be the 3rd largest in the world in next 5 years, fuelled by unprecedented growth in MSME sector.

Relatively Un-addressed & Undeserved Market

Challenges MSME Customers face when trying to get a loan



Challenges Lenders face when catering towards MSMEs



Loan Growth driven by Capital Efficiency with L-a-a-S Partners

INR Mn

Balance Sheet	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24
Total Disbursement	2,674	2,946	2,999	4,520	3,785
L-a-a-S Disbursement*	1,344	1,465	1,582	2,569	1,971
L-a-a-S Disbursement (%)	50%	50%	53%	57%	52%
Total AUM	6,597	7,803	8,514	10,311	11,627
L-a-a-S AUM	2,209	3,075	3,467	4,333	4,818
L-a-a-S AUM (%)	33%	39%	41%	42%	41%

INR Mn

L-a-a-S Partner Name	Product	Cumulative Disbursement	Total AUM [^]
DCB Bank Limited	Gold Loan	8,046	2,705
Central Bank of India	Gold Loan	6,170	1,556
Ugro Capital	Business Loan	675	546
HDFC Bank	Business Loan & Gold Loan	1,099	482
Shivalik Small Finance Bank	Gold Loan	2,874	474
Ratnaafin Capital Private Limited	Business Loan	110	106
SIDBI	Business Loan	42	42

*L-a-a-S Disbursements excludes renewals

[^]Total AUM includes On + Off Book

What is L-a-a-S?

In an effort to bolster lending to MSMEs, the company has focused on developing 'Lender as a Service' (L-a-a-S) partnerships with large lenders who have a bigger capital base relative to TruCap.

In L-a-a-S, TRU serves as a minority capital provider but does the entire sourcing, servicing and collection effort in the partnership.

Benefits for TruCap

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

TruCap contributes upto 20% while the remainder portion is funded by the Financial Institution.

Growth with higher IRR.

Enables cheaper funding in debt table.

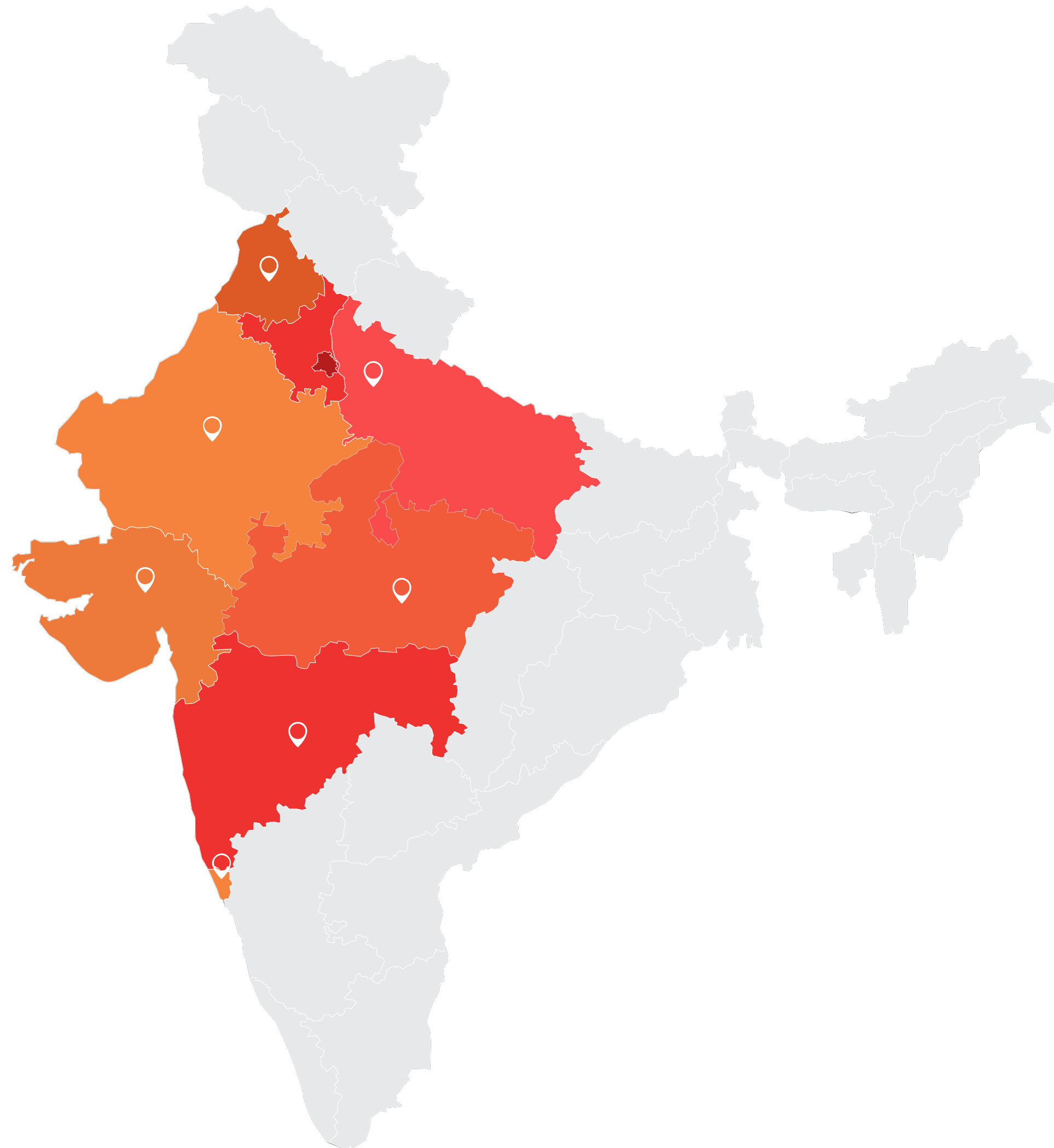
Benefits for L-a-a-S Partners

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

Supported by a robust risk and technology framework.

No cost of opex, capex or marketing.

Cluster-based Distribution Network...



128 Experiential Centres

- 33 Maharashtra
- 22 Rajasthan
- 20 Madhya Pradesh
- 18 Delhi NCR/ Haryana
- 16 Gujarat
- 11 Punjab
- 8 Goa

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

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

87 Experiential Centres are located in these geographies which are the hub of micro and small enterprises units.

...Focused Largely in Tier II/III/IV Cities...

Branch additions		FY'20	FY'21	FY'22	FY'23	FY'24	Total Branches
Tier I	Maharashtra		2	4	5		19
	Delhi/NCR			3	4		
	Goa						
	Madhya Pradesh						
	Gujarat	1					
	Rajasthan						
	Punjab						
Tier II/III/IV	Maharashtra		4	3	5	10	109
	Delhi/NCR		4	1	2	4	
	Goa			2	4	2	
	Madhya Pradesh			7	13		
	Gujarat				5	10	
	Rajasthan	1				21	
	Punjab					11	

Network strength



128 branches across 8 states in India



More than 85% of our branches are located in MSME hubs of Tier II, III, IV cities

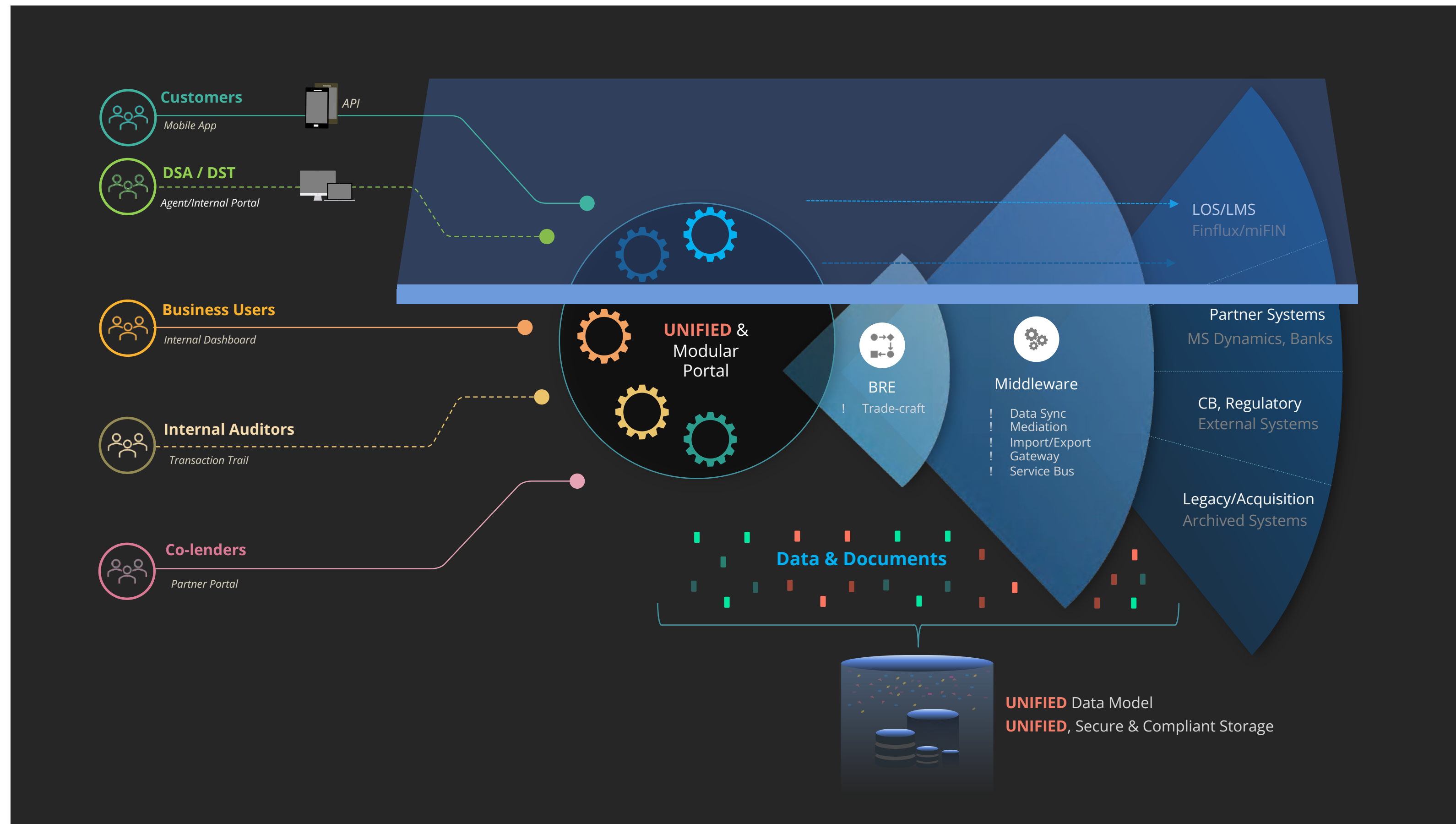


Generating significant local employment opportunities



Expected to lead the next phase of economic growth

...With a Scalable Tech Platform



Our Unified & Modular Portal will be a centralized platform acting as a core bridge between front-end apps and back-end systems.

The Middleware houses a Business Rules Engines (BREs) for automated decisions.

This centralized portal ensures seamless data movement from Front-End to the Central Platform and then to the Back-End system.

It provides nearly real-time data for quick decisions, reducing delays and making the system swift and user-friendly.

It guarantees secure data storage and regulatory compliance.

Marquee Lenders Funding Growth



Professional Management Team



Mr. Rohan Juneja
Managing Director
& CEO



Mr. Sanjay Kukreja
Chief Financial Officer



Mr. Mahendra Kumar Servaiya
Chief Credit Officer



Mr. Lalit Mohan Chendvankar
Chief Compliance Officer
and Legal Head



Ms. Sonal Sharma
Company Secretary



Mr. Gaurav Bhargava
Business Head -
Gold Loans



Ms. Priyanka Singh
Chief Impact &
Marketing Officer



Mr. Sreeman Reddy
Product Head -
Digital Development



Mr. Syamantak Mayekar
Head of Operations



Ms. Radhika Seshadri
Business Intelligence



Mr. Mohinder Dogra
Head - Collections

Summary of Key Strengths



Thank You

For further information, please contact

TruCap Finance Limited

corpsec@trucapfinance.com
www.trucapfinance.com

Adfactors PR Private Limited

Ms. Savli Mangle / Mr. Siddharth Soni
savli.mangle@adfactorspr.com
siddharth.soni@adfactorspr.com