

Growth | Inclusion | Efficiency

Newsletter
| H1FY'24





Dear Stakeholders,

Living in our current world, it's not an exaggeration to say that we are constantly confronted with significant macroeconomic and geopolitical challenges. For months now, experts from various fields have been forecasting an impending economic downturn, supply chain disruptions globally & adjustments across various asset classes. However up to this point, these predictions have yet to materialize. We find ourselves living with these persistent concerns, always aware that they may materialize in the near future.

Around the world, nations and individuals are adapting to this ever-changing landscape, adjusting their approach in order to restore normalcy and support operations in a business-as-usual manner. In the words of Mr. Charles Dickens, these are the best of times and worst of times, akin to a winter of despair and a spring of hope.

In the midst of these challenges, one notable development is the growing optimism regarding India's growth prospects. India has embarked on an ambitious path, dedicating substantial resources to policy reforms, infrastructure development, and fiscal initiatives over the next decade. However, it's essential to recognize that India is not impervious to global developments and may have to grapple with inflationary pressures driven by escalating energy and food costs.

We take immense pride in sharing that, even in the face of a volatile and unpredictable macroeconomic environment, TRU has not only weathered the storm but has also achieved remarkable success across various segments of the business.

We have wholeheartedly embraced change as an integral part of our operational landscape, fostering a capable team that has not only navigated through uncertainties but has also established a robust & systematic approach to addressing business challenges. This has led to significant advancements in numerous key performance indicators. Together, as a team, TRU has not only delivered tangible business results and added value, but also implemented systems that enhance resilience, ultimately turning adversity into a strategic advantage.

Our collective efforts are dedicated to achieving following key objectives: optimizing our operations, ensuring an exceptional customer experience, introducing innovative initiatives, and establishing protective measures to safeguard the interests of all stakeholders.

Our dedication to inclusivity and equitable distribution of credit remains unwavering. At TRU, our core mission is to democratize credit, enabling its accessibility to those who are in utmost need. We are resolute in our commitment to empowering small businesses, fostering a ripple effect of prosperity within communities. We firmly believe that credit can serve as a potent catalyst for success, forging valuable connections between individuals and communities for mutual benefit. In times of adversity, we aspire to stand as a symbol of unwavering strength and support.

We are enthusiastic about the emerging opportunities on the horizon and remain committed to exploring avenues for generating exceptional returns. With an optimistic outlook, we anticipate a brighter road ahead, underpinned by rational decision-making. To stay informed, please follow us on <https://www.linkedin.com/company/tru-cap-finance-limited>

In closing, on behalf of our entire team, I extend our heartfelt gratitude for your continued support, and we wish you good health.

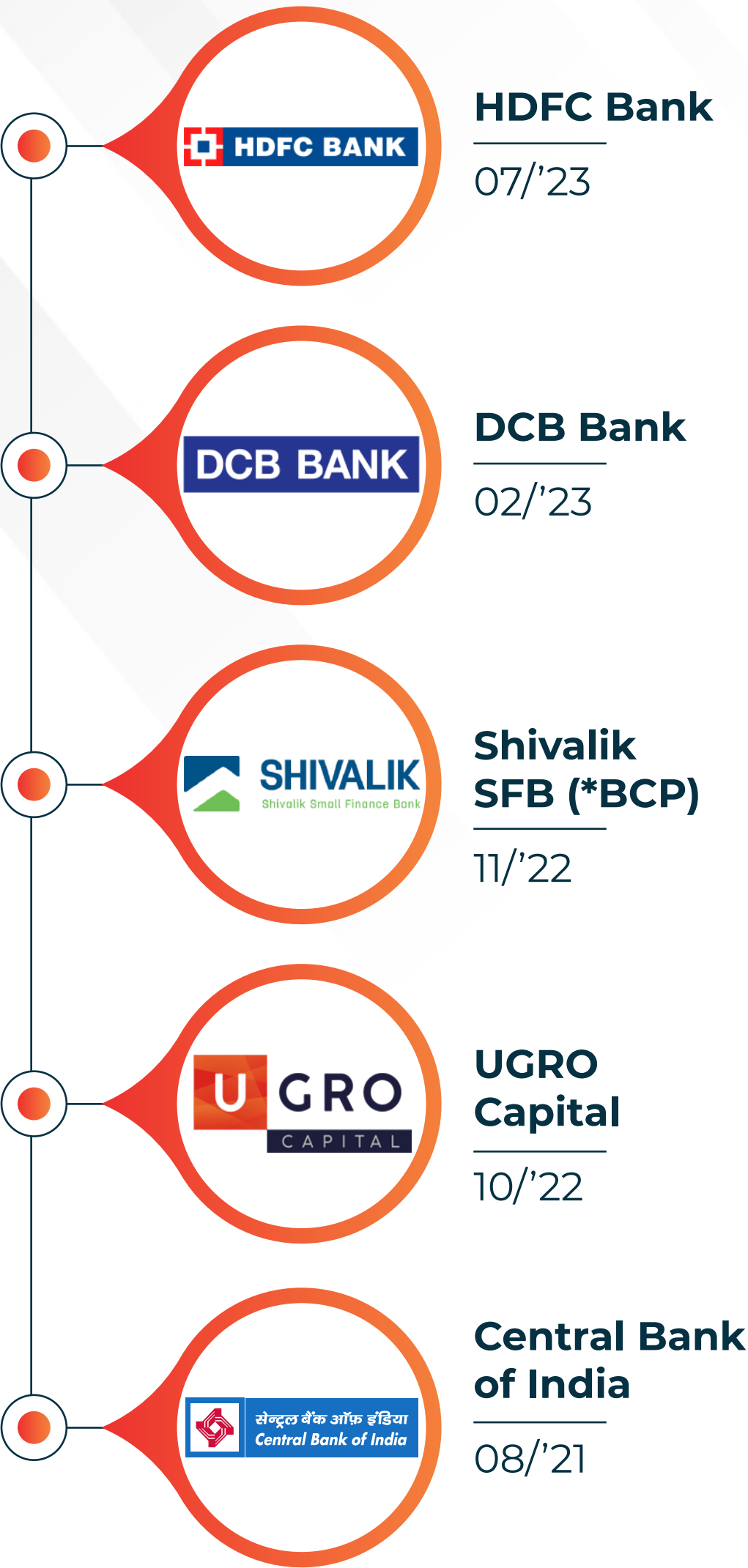
Rohan Juneja
Managing Director & CEO
TruCap Finance Limited
H1FY'24

Transforming Adversity to Advantage



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Scaling L-a-a-S Model : Capital Efficient Growth



From FY'22, L-a-a-S contribution to Loan Book has increased from a paltry 1% to ~40% at the end of Q2FY'24.

Benefits of L-a-a-S Model

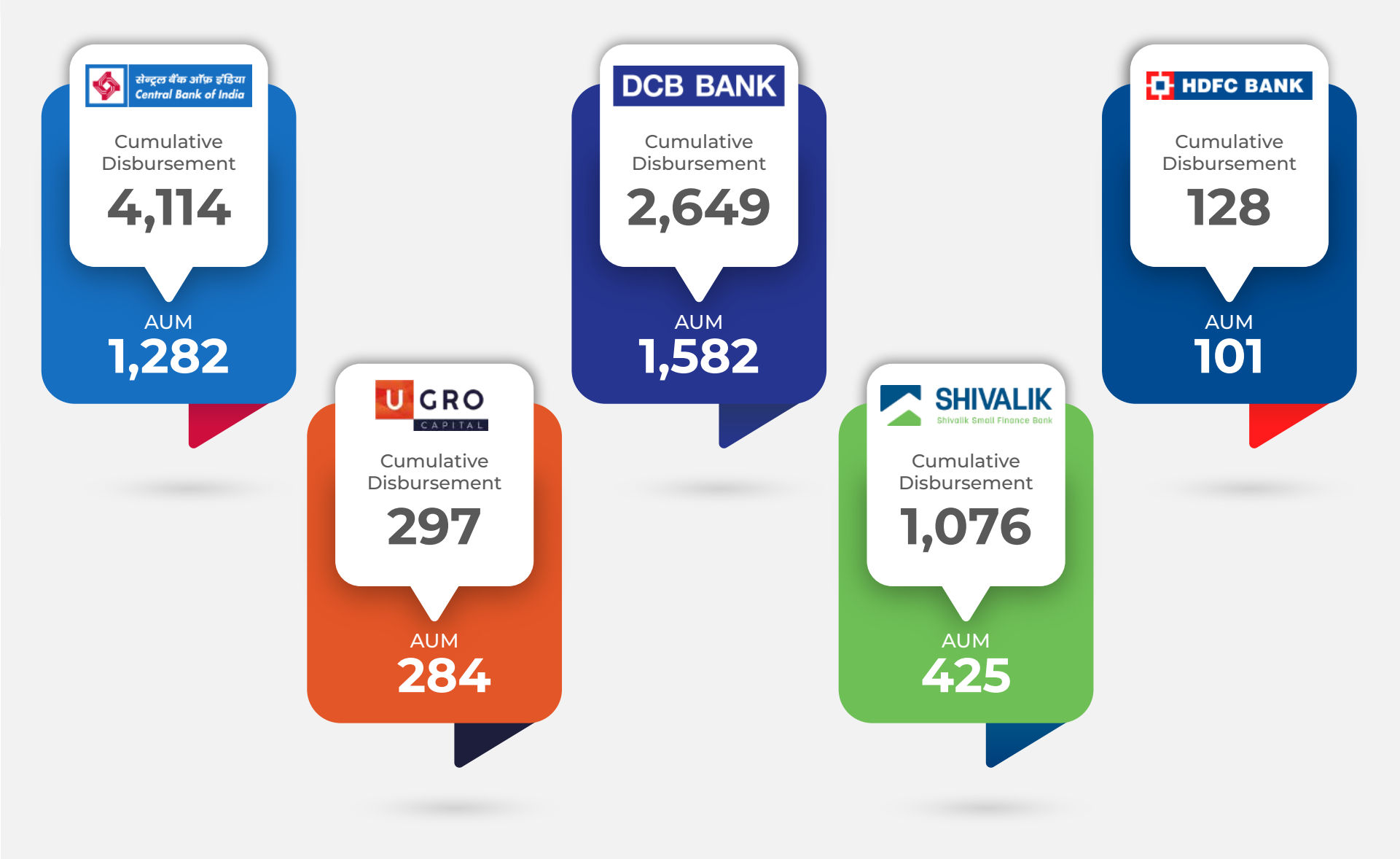
- 01 Empowering MSME sector**
These collaborations build lives & livelihoods in underserved areas, many first generation entrepreneurs access formal growth capital to scale their businesses.
- 02 Last Mile Financial Inclusion**
Propelled by significant volume & scale, it enables last mile financial inclusion by leveraging the distribution strength of TRU in underserved regions.
- 03 Efficient Credit Access**
Efficient access to affordable capital by leveraging TRU's distribution strength, underwriting experience & collections' expertise to benefit small businesses & NTC customers.
- 04 PSL Growth**
It is a win-win for banks and NBFCs to collaborate and achieve priority sector lending(PSL) goals.
- 05 Symbiotic Partnership for Profitability**
The larger financial instituion has zero capex or opex while entities like TRU have accretive earnings promoting profitable growth.



Trucap Finance, HDFC Bank commence co-lending partnership for MSME business and gold loans

L-a-a-S Book Building : A Brief Snapshot (Q2FY'24*)

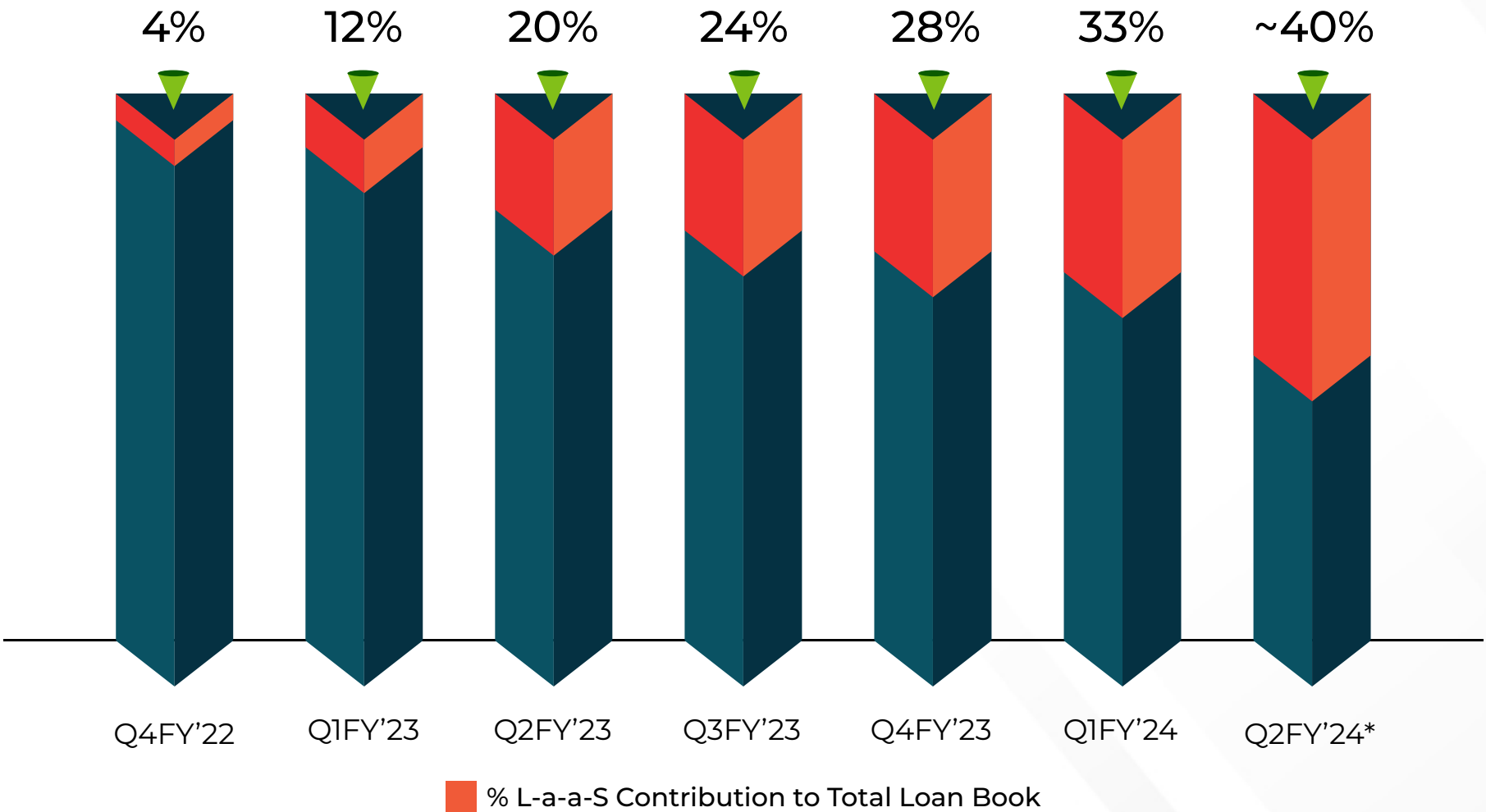
(All Figures in INR Mn)



*All Figures for Q2FY'24 are provisional and subject to audit.
AUM consists of On & Off Book.

Growth in L-a-a-S Contribution

(As a % of Total Loan Book)



Debt Cap Table : Formidable Institutions Onboarded

Banks added in H1FY'24



Marquee banks of India have joined the cap table in last 6 months. These financial institutions are among the top 5 private sector banks in India.



Lenders of TRU









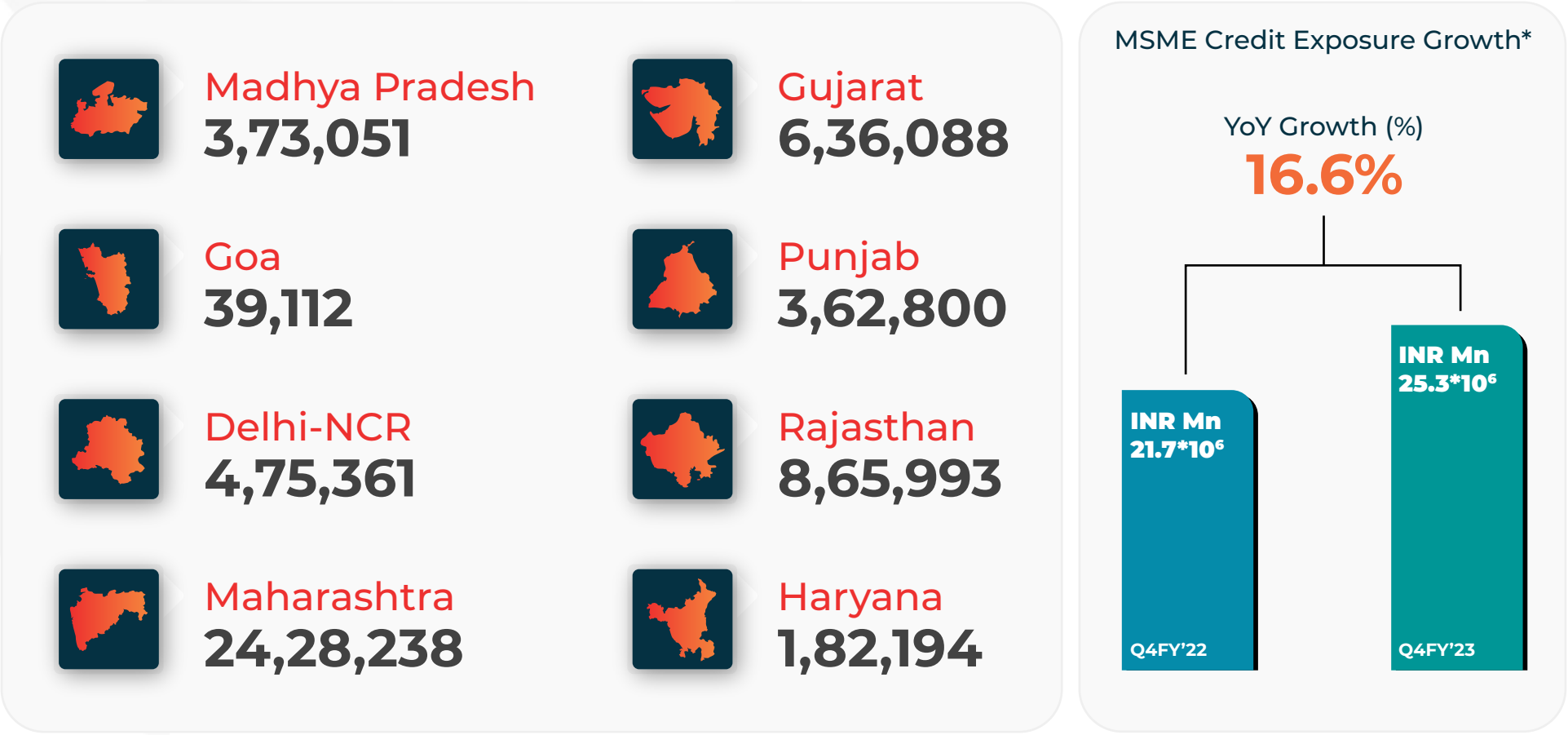




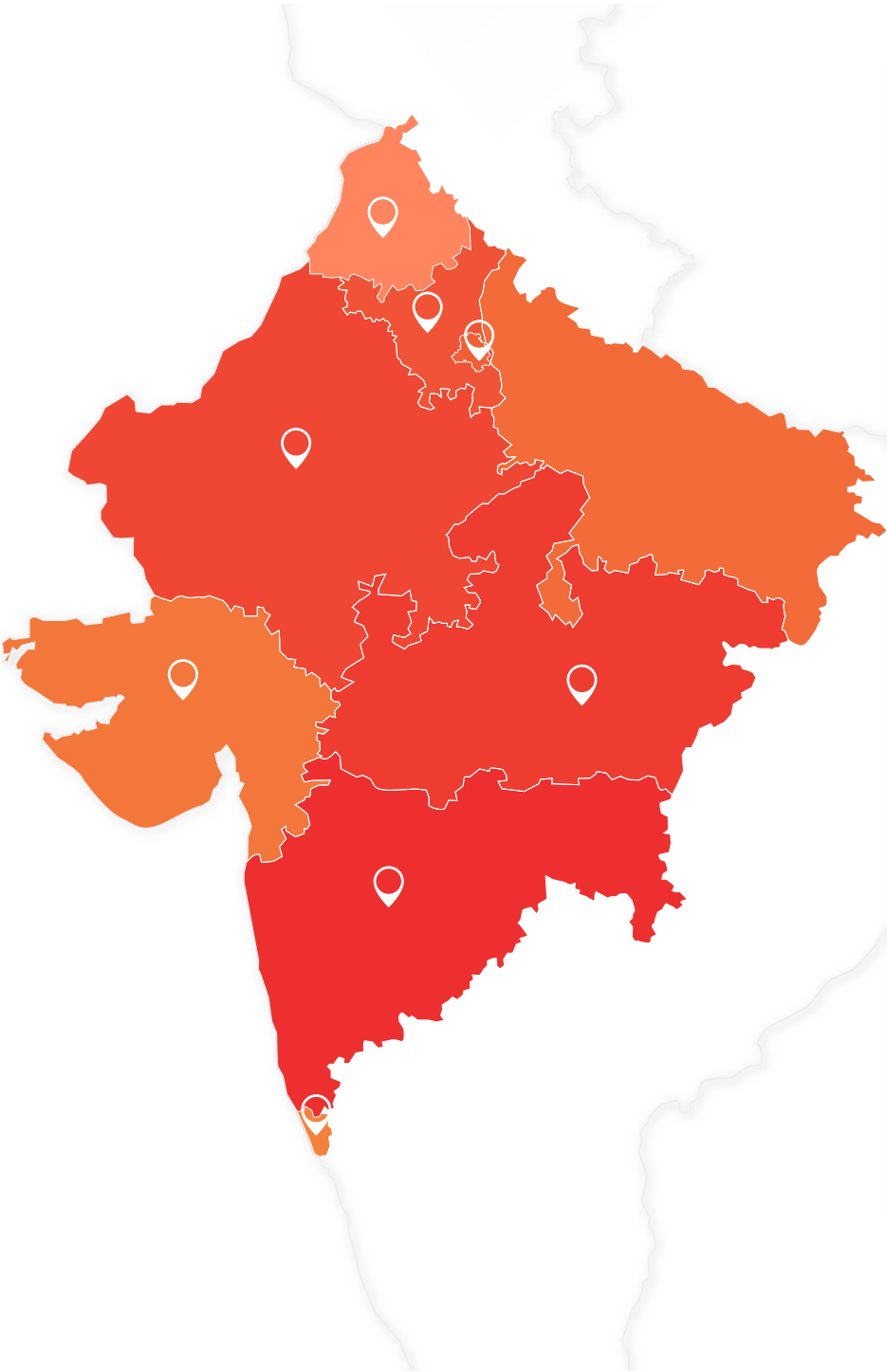


Enabling Access to Formal Growth Capital

Total Addressable Market[#] - Registered MSME Units across our branch network



8 Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Delhi-NCR, Goa, Haryana, Punjab



We are now present in 8 states. TRU adopts a cluster based approach to build its distribution strength.

We expanded into Gujarat & Rajasthan in the previous fiscal year and in Punjab in Q1FY'24.

Our experiential center network now covers West & North India, covering the Delhi-Mumbai industrial corridor which powers significant economic activity for the country.

#Source : msme.gov.in

*Source TransUnion CIBIL

Distribution Strength : Empowering Bharat

Branch additions		FY'20	FY'21	FY'22	FY'23	Q1FY'24	Q2FY'24	Total branches
Tier I	MH	-	3	4	5	-	-	22
	Delhi / NCR	-	-	5	4	-	-	
	Goa	-	-	-	-	-	-	
	Madhya Pradesh	-	-	-	-	-	-	
	Gujarat	1	-	-	-	-	-	
	Rajasthan	-	-	-	-	-	-	
	Punjab	-	-	-	-	-	-	
Tier II/III/IV	MH	-	4	4	5	5	3	96
	Delhi / NCR	-	4	2	2	4	-	
	Goa	-	-	2	4	2	-	
	Madhya Pradesh	-	-	9	13	-	-	
	Gujarat	-	-	-	5	6	1	
	Rajasthan	1	-	-	-	8	5	
	Punjab	-	-	-	-	6	1	

More than 81% of our branches are located in Tier II, III, IV cities which are expected to lead the next phase of economic growth.

These hubs of MSME enterprises are powerhouses generating significant local employment opportunities.

TRU reached a milestone of 100 Experiential Centers in Q1FY'24.

Network strength is now over 118 branches across 8 states in India.

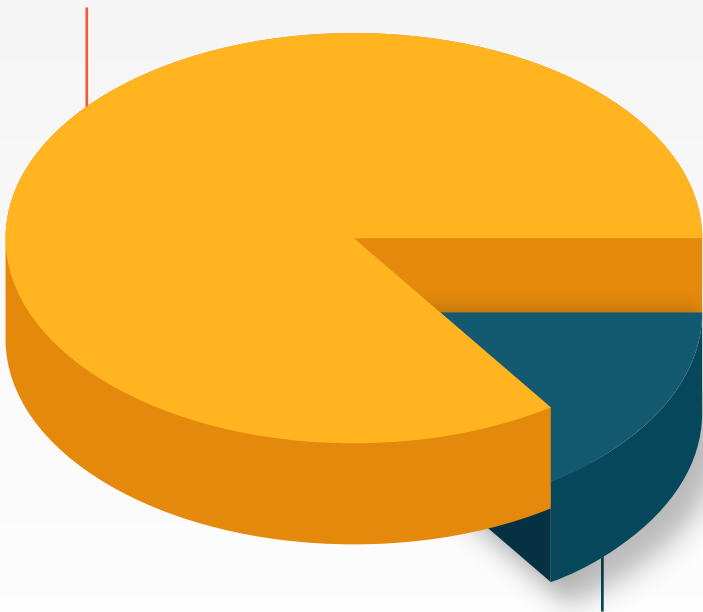
Inclusion is the bedrock of our Experiential Centers expansion strategy with special focus on promoting women leaders from the grassroots.

We strongly believe in nurturing local talent. Majority of our branch personnel requirement is fulfilled through local sourcing.

More than 20% of our branches are women led and staffed. A significant number of women branch managers have been nurtured and trained towards a fast tracked career growth trajectory. Hence, we have substantial women representation in leadership roles for the branch led business.

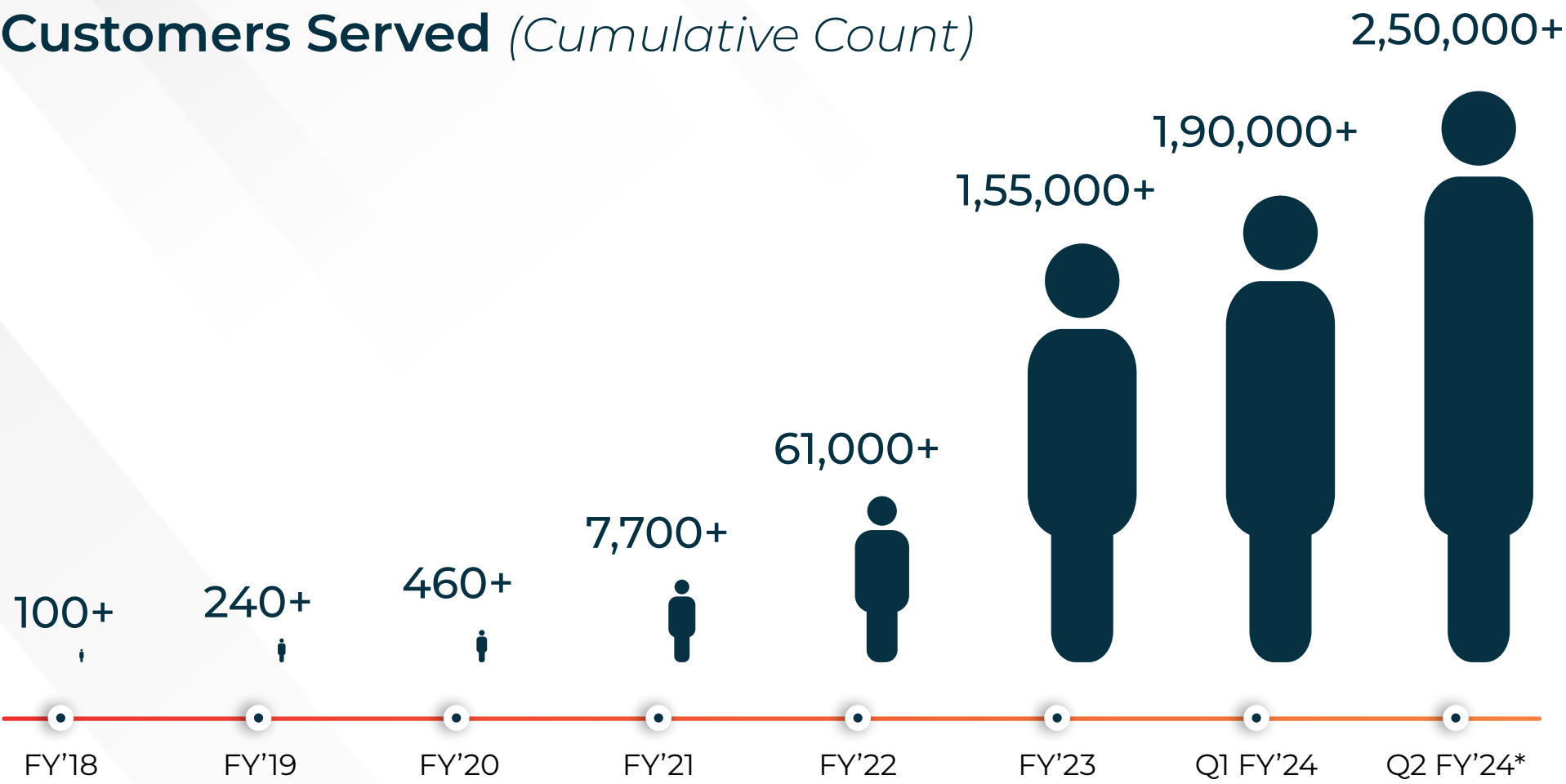
Geographic spread of branch network

>81% (Tier II, III, IV) Cities



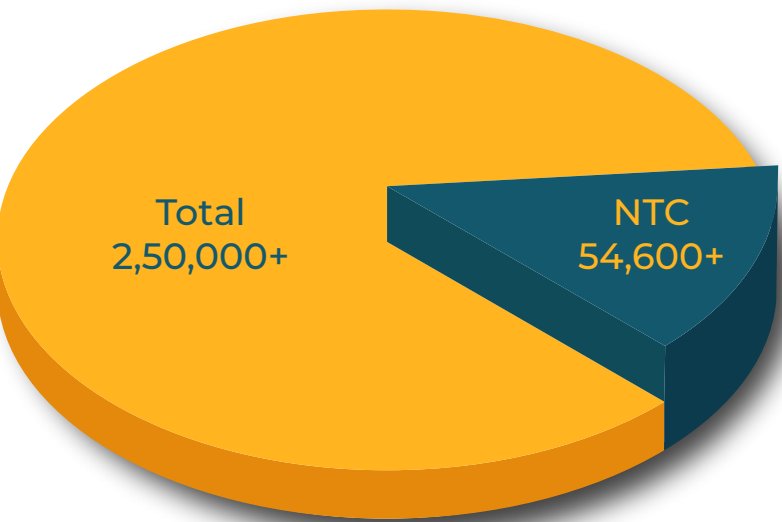
<19% (Tier I) Cities

Inclusive Growth : Building Lives & Livelihoods



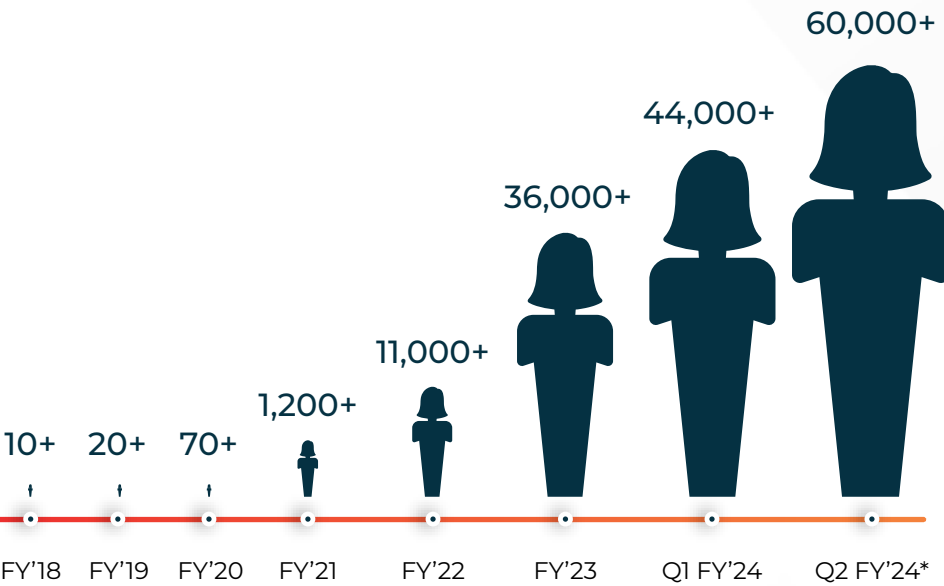
The scaling of our distribution strength has catalyzed TRUs capability to serve a large no. of customers and build a granular loan book.

New-To-Credit (NTC) Customers (Cumulative Count)



TRU has supported small businesses to build a credit history and avail relevant credit solutions. NTC or thin file customers are at high risk of falling into debt trap spiral while servicing loans taken from predatory lenders.

Women Customers (Cumulative Count)



To support women entrepreneurs and become an enabler to increasing female labour participation in formal economy, TRU has credit solutions and gender sensitization training for its employees to serve women customers effectively.

*All Figures for Q2FY'24 are provisional.

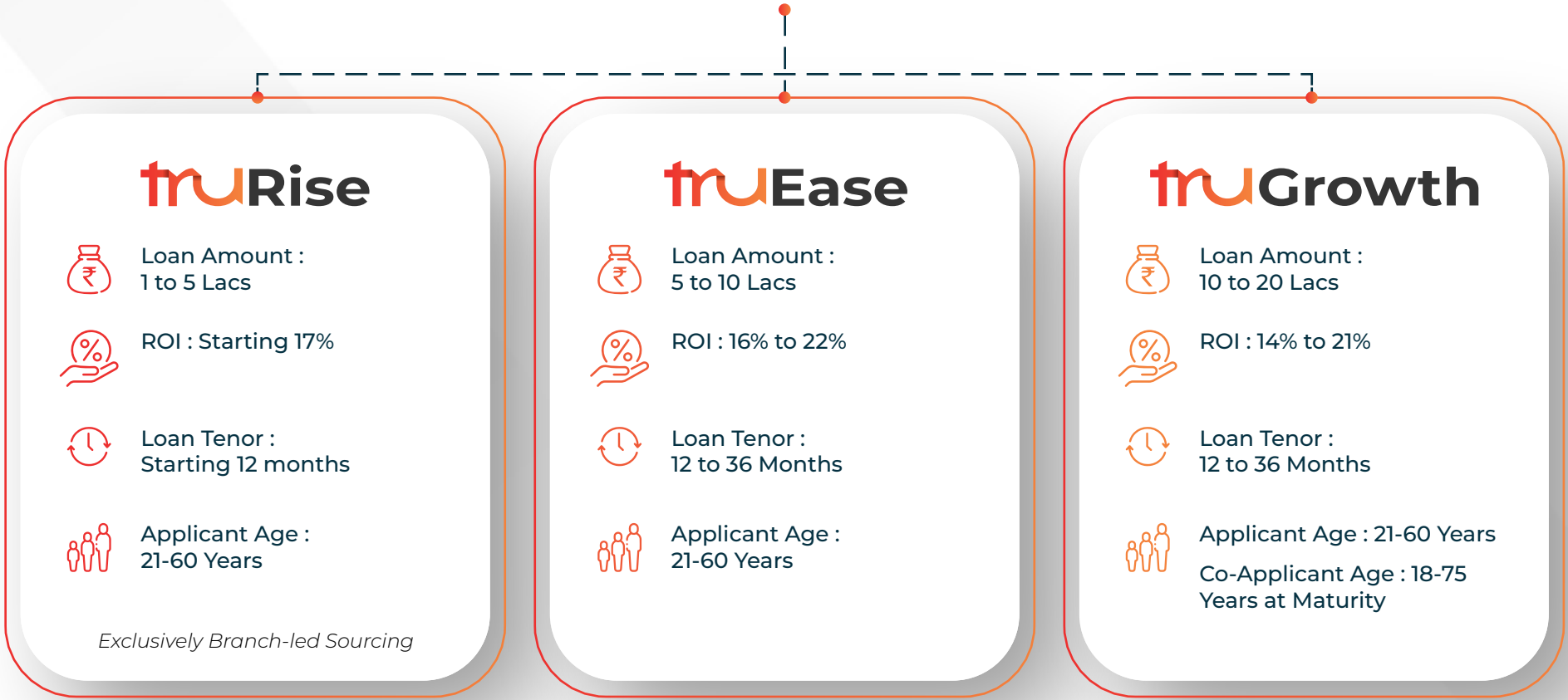
Consistency & Innovation : Evolving Product Suite



TRU has introduced new products in the MSME Business Loan portfolio. Each product has been designed to suit distinct customer preferences with their unique sourcing and servicing strategy to gain market share coupled with profitability.

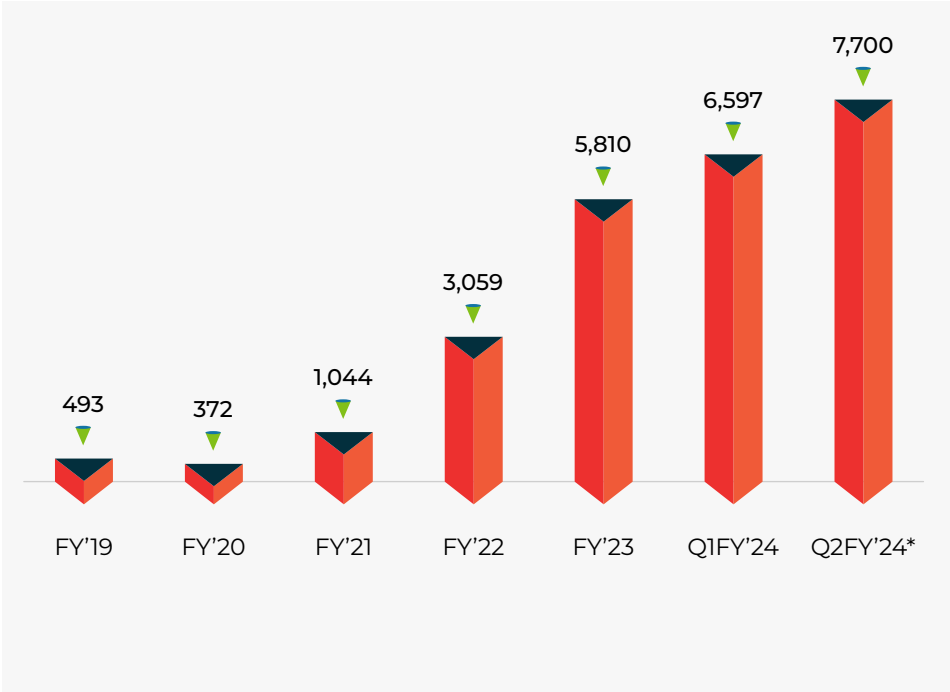
TRU achieved a significant milestone of crossing monthly loan disbursement run rate of INR 1 billion in the month of June 2023 and looks to scale this further thereby, setting new benchmarks.

TRU Business Loans



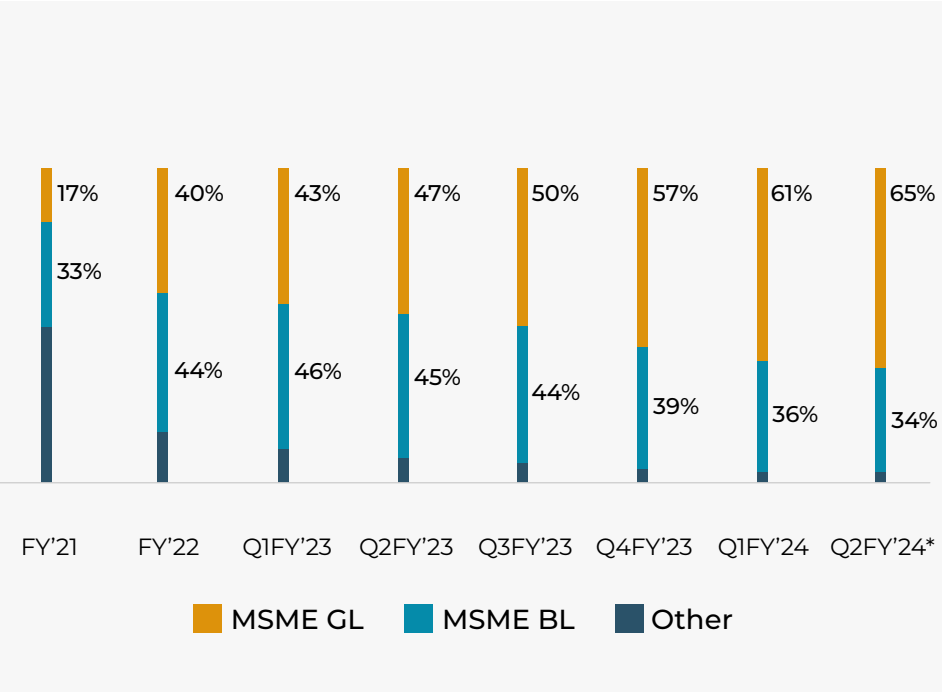
Loan Book Growth

(All figures in INR Mn)



Loan Book Composition

(in % split between MSME Gold Loan, MSME Business Loan, and Others comprising LAP & PL)

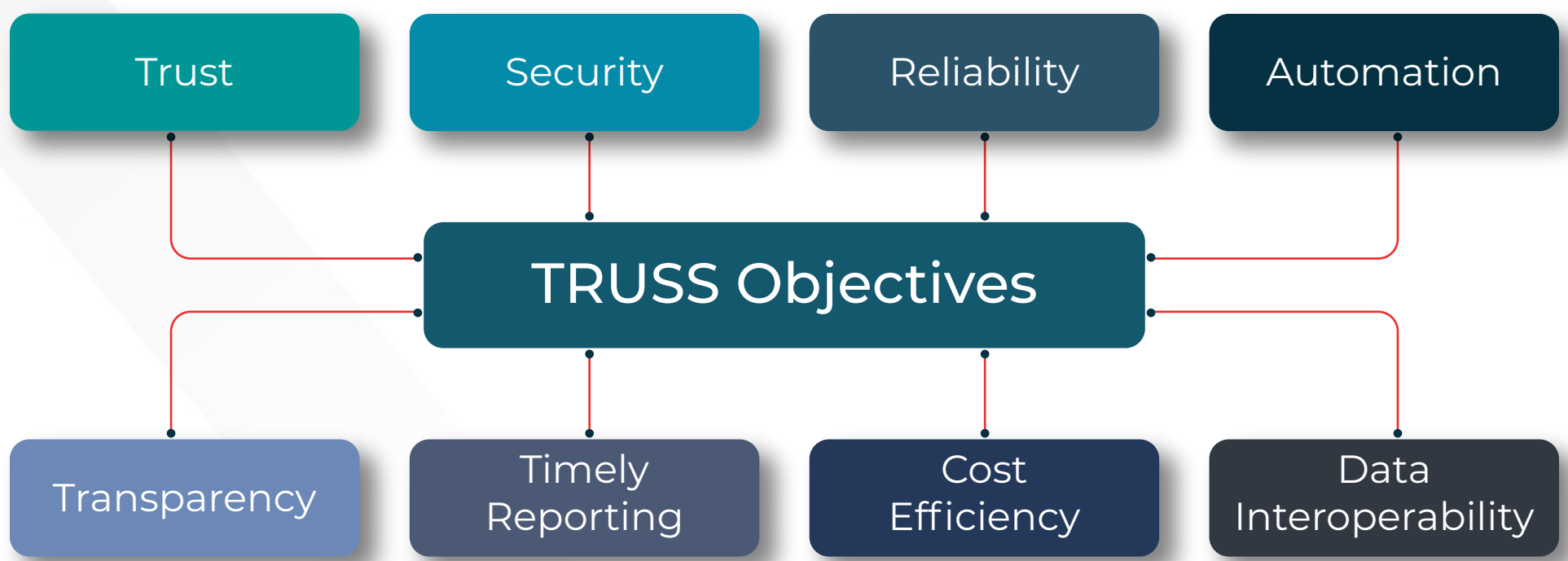


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TRUSS Portal : Tech-enabled Efficiency

TRUSS Portal is an agile and modular approach to build a secure and user friendly data bank to drive advanced analytics & automate reporting. It will be beneficial to future proof operations, strengthen security, build internal efficiency and implement data driven quantifiable strategic outcomes aimed towards customer centricity & profitable growth.


The portal is being built as a critical asset to fulfill longterm requirements of internal & externals stakeholders while eliminating need for manual intervention in standardized but voluminous operational activities.




TRUSS Ecosystem : Goals

One Data Storage

- » Self-Reliance
- » Business Analytics
- » Flexibility to interact with Internal and External Systems
- » Integration with Co-lending and Compliance Partners

Eliminating Legacy Baggage Issue

- » One-Stop Automated Reporting
 - ✓ Compliance Reporting
 - ✓ Internal Reporting
- » Business Analytics Limitations
- » Better Channel Partner Collaboration

Direct Contribution to Strategic Pursuits

- » Consolidated, Enriched I.P. Asset
- » GL2C Unique Experience & Handling Exceptions
- » Iterative LOS land grab for higher control
- » Re-purpose Leads Management
- » Opportunity for custom credit products, exceptions, monitoring

TRU Beneficiaries : Empowered Entrepreneurs



Noorjahan Mullaji
Nutrend Lifestyle Private Limited

Single mother & self motivated serial entrepreneur who has seen multiple ups & downs in her business. The desire to build a better life and quality education to her daughter motivated Ms. Noorjahan to strive and succeed. Today, She has built a profitable business and offers employment to more than 100 people directly.



Bhimjibhai Nathabhai Thanth
Maitri Thread House

Bhimji hails from a remote village in Gujarat. With little education, he started working at a young age doing odd jobs before setting up a small shop as a thread trader. After 2 decades into the business he now owns 2 shops & a wholesale unit in the outskirts of Mumbai. Each shop is handled by an independent team, allowing Bhimji to expand his business further with help from institutions like TRU.



Mahesh Shinde
G-Force Fire Services

Mahesh started as a white collar worker before plunging into entrepreneurship 15 years ago. He tried diverse lines of business before finding success in implementing fire safety infrastructure of residential & commercial buildings. Today he has a strong client base of more than 10,000 customers & with TRU's help he has expanded operations into allied activities of fire safety & water management.



Shobha Kamble
Sabri Tyres

Being a first generation female breadwinner her family, Shobha started as an operations executive in Shabri Tyres. After working 12 years and gaining significant knowledge and network capital, Shobha bought the company from her employer and runs this profitable organisation in a traditionally male dominated market. Her success has thrown multiple stereotypes out of the window & is an inspiration to aspiring women entrepreneurs.



Rachna Tripathi, Meenakshi Jaiswal and Madhuri Tiwari

Kumud's Academy
Rachna, Meenakshi, & Madhuri transformed their journey from being dedicated housewives to fearless business women with purpose and zeal to bring positive impact in the society. They run an educational academy and from the proceeds of the academy help under-privileged children secure quality education. They demonstrate how profit with purpose transforms the society towards equity & betterment.



Dinesh Prajapati
Kartik Hosiery

Dinesh is a first generation entrepreneur with a dream to build a better life for his family and the workers. He wants the people in his life to access opportunities denied to him due to lack of education and money. He has setup three manufacturing units in the garment business and launched his own brand of budget hosiery garments suitable for semi-urban & rural demand. He has grown his company from a single person to 50 people unit, majority of whom are first time working women in their family. His employees appreciate Dinesh's support & commitment to their livelihood improvement.



Building Lives & Livelihoods

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