



February 20, 2025

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

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and in furtherance to our letter(s) dated February 10, 2025, February 13, 2025 and February 14, 2025, we have enclosed herewith the transcript of the Earnings Call held on February 14, 2025, at 12:30 p.m. (IST).

We request you to take the same 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 Limited**  
**Q3 & 9M Earnings Conference Call**  
**February 14, 2025**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 and Nine Months FY25 Conference Call of Trucap Finance Limited. As a reminder, all participant's lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone.

Please note that this conference may contain forward-looking statements about the Company based on the belief, opinions and expectations of the management as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. Please note that this conference is being recorded.

Now, I would like to hand over the conference to Mr. Rohan Juneja - Managing Director and CEO from TruCap Finance Limited. Accompanying him from the management will be Mr. Sanjay Kukreja - Chief Financial Officer and Mr. Gaurav Bhargava - Business Head - Gold Loans. Thank you and over to you sir.

**Rohan Juneja:** Thank you. Welcome to everyone for our Earnings Call for the Quarter Ended December 2024.

For the quarter we reported earnings of 12.3 million versus 12.1 million in the previous quarter, for nine months fiscal 2025 we reported earnings of 38.3 million versus 58.6 million in nine months 2024, while the last two quarters have brought on some challenges, including tighter market liquidity conditions and a cautious credit environment that has led to slower growth, we remain committed to our core belief of supporting underserved and under banked MSMEs, including clean energy led MSME businesses. While growth has slowed, we have seen lower slippages and higher recoveries in the December quarter relative to September, which is an encouraging sign that we hope to continue building on.

Interest income of 489 million grew 65% year-over-year supported by AUM growth of 36% year-over-year. Quarter-over-quarter interest income declined by 3% due to lower disbursements, which were 2.18 billion in the quarter versus 2.68 billion in September and 3 billion in the December quarter of last year. The decline was due to a more selective credit approach, coupled with tighter liquidity in the NBFC sector, while interest income declined modestly quarter-on-quarter, our net interest margin which was a pain point for us in fiscal 23 and 24 has now risen for three consecutive quarters to 8.7% versus 8.2% in September 2024, and 6.7% in December 2023. For nine months of the year our NIM was 7.7% versus 4.7% in nine months for fiscal 24, which has resulted from a more calibrated approach adopted last year in

doing business over a certain yield and also increasing share of business from our lending-as-a-service partnerships, which today contributes to 45% of AUM.

Assets Under Management, stood at 11.5 billion, up from 8.5 billion a year ago, but down from 12.2 billion in September 24. 61% of our AUM comprises of gold loans, 33% in MSME business loans and 5% in income generating green energy loans which together are 38% of AUM in non-gold loans. Going forward, majority of the growth in non-gold loans will be driven by secured green energy financing, with disbursements in the unsecured MSME portfolio continuing to decline, as we have seen in the last few quarters. Prioritizing disbursements in secure green energy financing along with digital loan processing, will drive sturdy disbursements and portfolio expansion while ensuring strong control on risk mitigation through direct tie ups with OEMs and dealers.

Coming to specifics on product:

The gold loan business has an active customer base of more than 57,000 and an average ticket size of 0.13 million. The tenure of these loans and origination is usually 12 months, but the average maturity on the books is typically six to seven. Our team has disbursed more than 40 billion to over 322,000 borrowers over the last four years. Gross NPAs in the gold loan book are just over 1%. In the December quarter, we recovered 8 million in gold GNPA accounts, while in the first half of this quarter so far we have already recovered more than 7 million in gold NPAs. We anticipate further recoveries of 10 to 15 million by the end of this current quarter.

Additionally, for gold loans taken to auction due to these loans turning NPA, we have recovered more than 106% of principal and interest due and therefore refunded excess amounts to borrowers. In MSME business loans, including income generating green finance loans, we have an active borrower base of almost 34,000 customers and an average ticket size of 0.11 million. Gross NPAs in this portfolio around 33 million from the previous quarter, due to higher recoveries of 68 million versus 9 million in September 2024. From Jan 1, until today we have recovered an additional 32 million which is an encouraging sign. Slippages were also lower at 34 million in the December quarter, versus 126 million in September 2024. Enhanced collection and legal initiatives are helping reduce slippages and increase recoveries. Also, our tech enabled collection module is supporting the improvement in collection efficiency.

Gross NPAs on the entire book stood at 2.8% versus 2.6% in September 2024. Please note that on an absolute basis, gross NPAs went up only 2.2% but on a percentage basis, gross NPAs are higher because the AUM has declined from 12.2 billion to 11.5 billion in the quarter. If the AUM were to have stayed flat, gross NPAs would have been flat on a percentage basis, as well. As mentioned earlier, gross NPAs in the non-gold books were steady quarter-on-quarter improvement due to lower slippages and improved recoveries. Total slippages in the quarter were 83 million versus 162 million in September 2024 while

recoveries in the quarter stood at 76 million versus 12 million in September 24. We are hopeful of this trend continuing with enhanced efforts on collections and litigation.

Lastly, the debt-to-equity ratio declined to 2.6x from 2.8x in the previous quarter, while the capital adequacy ratio stood at 26% versus 25.3% in September 24. With that, we now open the call for questions-and-answers.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “\*” and “1” on the touchstone telephone. If you wish to remove yourself from the question queue, you may press “\*” and “2”. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Soham Shah from KRS Capital. Please go ahead.

**Soham Shah:** Thank you very much for giving me this opportunity to clarify my queries. My first question is, that we have seen the decrease in 1. quarter-on-quarter, decrease in quarterly disbursement and also the number of branches. May, I know what is the reason for these decreases and what are we doing to make them stable or increase them in the next coming quarters?

**Rohan Juneja:** Disbursement in AUM has been due to a tighter liquidity environment, which is overall for the NBFC space. In terms of branches, there's been some amount of consolidation with the branches just so that the AUM per branch would go up, and the profitability of the branch could be reached in much better fashion. This consolidation has happened largely in two geographies, which is in Madhya Pradesh and in Delhi, where three to four branches have been consolidated. In terms of what we can do going forward, obviously, one is, the liquidity environment has to turn more favorable, and number two is certain other strategic initiatives that we are working on, which hopefully we will be able to tell you more about by the end of this month.

**Soham Shah:** Okay, understood. Are we also working on technology in disbursement of funds, any technology platform or is it mainly through our branches?

**Rohan Juneja:** So, we do all the disbursement, majority of the disbursements obviously in the gold loan business are through the branches. But the entire process is tech enabled. So, when a customer walks into our branch, the entire application process is through a tech-enabled process at the branches for the non-gold loan business, we have feet on street and along with that we also have a digital platform where applications are put in into the digital platform through which they come to the credit team, and then based on the decisioning from the credit team, along with a personal discussion, the money is disbursed to them digitally.

**Soham Shah:** All right, understood that's good. Also, I have noticed that the fees and commission income has steeply decreased to almost 1/3 and it has kept decreasing since the same quarter last year. So, could you please maybe clarify or put light on this, what is this income and why has it been decreased?

**Rohan Juneja:** Yeah, sure the fees and commission income saw a big decline in the quarter because we had a BC relationship with Shivalik Small Finance Bank in the gold loan product. Unfortunately, from August that relationship we have to stop business given the fact that with the RBI guidelines in a BC relationship on gold loan, the gold had to be kept with the partner who is contributing the capital, which is the bank. So doing business on that basis where the gold had to be kept with the BC partner was very cumbersome. Prior to that, the gold was just kept in our branches, so you didn't have any income from the BC partnership in this quarter, and that's how it will be going forward.

**Soham Shah:** Okay. And how about the promoters selling because since the past one and a half years, the promoter, I would say stake has reduced to almost half that is kind of reducing the confidence of investors in the company, the promoters continuously selling, any comments on that?

**Rohan Juneja:** I would not like to, the company would not like to comment on the promoter stake sale where you are running the business on a day-to-day basis as part of management, and whatever questions you have on the company, happy to answer, but on promoter stake sale, unfortunately I would not be able to comment.

**Soham Shah:** Okay. And my last question is, regarding the partners for LAAS, we have been having six partners according to the presentation in any news or any expectation of new partners adding up in the coming quarters?

**Rohan Juneja:** Nothing for now. If there's something that we need to, if there is a certain addition, et cetera we would definitely let market participants know, by the way of an exchange filing, but nothing on the annual right now.

**Soham Shah:** Okay, thank you very much for clarifying my questions and good luck.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Aniket Kulkarni from BMS PL Capital. Please go ahead.

**Aniket Kulkarni:** Thank you for taking my question. So just one question, if you could please give us some clarity on what are your plans for a potential fundraising in the future, or as of now?

**Rohan Juneja:** Sure. So, a lot of things are being worked right now as we speak and that's the reason I said that you will hear about the strategic initiatives by the end of this month. We outlined it in the outcome of the Board meeting as well yesterday that the Board deliberated on the options

that were put in front of the Board. So, we're very hopeful that by the end of this month, there will be something definitive that we can disclose to all investors through an exchange filing. Obviously, we will have to have a Board meeting related to that, so you should hear about that soon.

**Aniket Kulkarni:** Okay, thank you so much and best of luck.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. Participants who wishes to ask the question may press “\*” and “1”. The next question is from the line of Ravi Kumar Sateja an Individual Investor. Please go ahead.

**Ravi Kumar Sateja:** Good afternoon.

**Rohan Juneja:** Good afternoon sir.

**Ravi Kumar Sateja:** Sir, Can you talk in Hindi?

**Rohan Juneja:** Yes, sir please ask in Hindi.

**Ravi Kumar Sateja:** Sir, I am your company's shareholder. My question was, last month I called your company secretary to ask my query, so no one revert me back. So, I wanted to know is this correct treatment with an investor is someone is asking you a query so no one answers the call and if they do answer then they don't call back? How is the company working in such a way, that you are not answering the investors?

**Rohan Juneja:** Sir, you can connect to our call center for your questions or also connect to the Company Secretary.

**Ravi Kumar Sateja:** The Company secretary Sonal Sharma doesn't answer calls. They give excuses of meeting and all, I called five to seven times. And by this my confidence in the company has dropped and our money has also dropped. After the day the Company has done private placement, the share has gone down and there is no clarification from your end. You have left the investors on their own and is this how the listed companies work?

**Rohan Juneja:** Sir please drop your questions via email and all will be answered.

**Ravi Kumar Sateja:** When you guys don't answer calls then what can I expect over emails. I called five times and no one answered and if this is how you will act then how will the investors feel? when the Company Secretary is not replying the investors then your company isn't that big that you can't reply back the investors. I am an old investor, with 30 years of equity and this is my frustration because of the behavior. We have no problem with the loss or profit but at least attend the investors and understand what their issue is.

**Rohan Juneja:** Sir, there is no issue you can call me directly I will reply your answers.

**Ravi Kumar Sateja:** Sir, when the Company Secretary is not answering my calls then how can I talk to you in that case. I have not seen such worst Company Secretary and its team in my entire life so far in my 30 years of career. The company don't have time to reply back the investors.

**Rohan Juneja:** I am sorry on their behalf, you can please call me and I will answer all your questions.

**Ravi Kumar Sateja:** I have said what I wanted to, what's the future of the company and what are you're planning as you have taken license as well, so what's your planning on that?

**Rohan Juneja:** Sir, we are working as per the company's strategic initiatives, the board deliberated on that yesterday and whatever has to come will come by end of this month. We will let you know in terms of equity raising, in terms of strategic initiative everything will come. On this call this is all I can say, the license which you are asking is corporate agency license and we have applied for that. We are waiting for their reply and accordingly we will let everyone know, but right now we have just applied for the corporate agency licence.

**Moderator:** Thank you very much. Sorry to interrupt, may we request Mr. Ravi Kumar to please rejoin the queue and take this questions offline. Thank you. The next question is from the line of Aniket Raidkar an Individual Investor. Please go ahead.

**Aniket Raidkar:** Good afternoon, sir, and thank you for the opportunity.

**Rohan Juneja:** Good afternoon.

**Aniket Raidkar:** Sir, I just wanted to understand the overall performance, what were the primary revenue and profit drivers during this period?

**Rohan Juneja:** So, the primary revenue driver was interest income. Interest income is derived from the loans that we make out to the customers, and that is from the three products that we do, which is gold loan product, the non-gold loan product which is the MSME business loan product, and the income generating three-wheeler electric vehicle e-rickshaw product, which is green finance. So, the revenue was about 49 crores in the quarter and in terms of profit, as you would have seen, we declared a profit of about Rs.12 million, which was up modestly quarter-over-quarter, but down year-over-year given the fact that disbursements have declined in the quarter, and the disbursement decline is largely been due to a tighter liquidity environment, and also for certain amount of noise in the MSME space.

**Aniket Raidkar:** Okay, got it, and Sir, can you throw some light on our company's loan book growth this quarter, segment that performed?

**Rohan Juneja:** Yeah, so the loan book growth for the December quarter, year-over-year the gold loan book went up 27% and overall, year-over-year growth was 35% in the AUM, quarter-over-quarter the book declined

by about 5% which was led by 11% decline in the gold loan book and 8% in all the other segments decline.

**Aniket Raidkar:** Okay. And sir the current loan book can you give us the composition in terms of the secured and unsecured loan?

**Rohan Juneja:** Yes, sure. So, 61% of the book is backed by gold loans, 33% is in MSME business loans, in this 33% roughly about 14% of the 33% is backed by a first loss default guarantee, and then the balance 5% of the loans are green finance which are secured loans as well. So, 61 plus five, which is 66 is directly secured in the MSME business loan segment which is 33% of the book, roughly about 40% of that 33% is secured by a first loss default guarantee.

**Aniket Raidkar:** Okay, got it. And sir, just one last question, current presence across different regions, so, what is our current presence across different regions so, is there any expansion plan into the tier two and tier three cities?

**Rohan Juneja:** Our presence is predominantly in tier two and tier three cities. Our largest geography is Maharashtra, followed by Gujarat, Rajasthan, Madhya Pradesh, Delhi NCR and Goa. More than 85% of our branches are in tier two, tier three and tier four locations. We have very few locations in prime urban areas, in tier one cities.

**Aniket Raidkar:** Okay, got it. Thank you so much sir and all the best for the future.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Utkarsh from D Street Broking. Please go ahead.

**Utkarsh:** Hi sir, good afternoon, am I audible?

**Rohan Juneja:** Hello, yes.

**Utkarsh:** So sir, I just had one question, like we operate in the loan as a service partnerships. So can you explain the cost dynamics, how much we pay, how much we earn, a bit?

**Rohan Juneja:** So, the way loan lending-as-a-service program works is you tie up with a much larger lender and a co-lending program. They usually put in 80% of the capital, while we as a minority capital provider put in 20%, but we do the entire sourcing, servicing, collection on the loan and the front face for the customer is us, who usually walks into our branches, and on the 80% capital there's a hurdle rate that is provided to the customer. Anything that can get charged to a customer over and above the hurdle rate is what we get to keep for all the collection, sourcing and servicing efforts that we do on the customer and on our 20% contribution we make the entire yield that we charge the customer.



**Utkarsh:** For example, if the partner is charging 12% so if you charge 13% that's the only income that we are going to get?

**Rohan Juneja:** So, the income then we will get, if we can charge the customer 13% and we have to pay the partner 12% on the 80%, on the 80% we will get to keep the 1% plus on our 20% we will get to keep the entire 13% that we charge the customer.

**Utkarsh:** And the cost incurred for collection, for like employee cost, that's in the 1%?

**Rohan Juneja:** Yes, so that's a number that hypothetically you have thrown out, obviously the viability of the business because there's obviously a cost to do all those functions and to serve as the front face for the customer.

**Utkarsh:** Can you just give a ballpark figure like, what's the average percentage?

**Rohan Juneja:** So, for the gold loan product it's usually between 10% and 11%.

**Utkarsh:** 10% and 11%. So why not reflected in the numbers then?

**Rohan Juneja:** Sorry, it's part of the interest income and the non-interest income both.

**Utkarsh:** Okay, and Trucap as a, if we exclude the LAAS program, so as a Trucap, how is it doing like how many of your branches are profitable or like what's their growth anything on that?

**Rohan Juneja:** LAAS is part of Trucap, it's not that LAAS is separate from Trucap. So whatever happens at Trucap LAAS is part of what we are doing at Trucap, whatever we do in every branch also is part of what we do consolidated at Trucap. So, there may be a certain branch that does not do lending as a service, because there may not be a product fit in that particular branch, or there may be a particular partner who doesn't want to do business in that particular region or geography. But there's nothing segregated that LAAS is separate and Trucap is separate. Everything is one entity, so whatever we are doing in LAAS is reflected in what Trucap is doing.

**Utkarsh:** Okay, thank you. And sir, like you said to the other investors that your board is going to meet and like plan an initiative for further growth, but can you guide us like how it's going to work further?

**Rohan Juneja:** So, I can guide you on when we have something definitive. The Board deliberated on the options that were placed in front of us, which happened yesterday. Obviously, the Board needs certain time and certain other documents, legal framework, et cetera needs to be put in front of Trucap as well from the potential investors before we can come, before the Board can deliberate on it in definitive and then come to the investors with an outcome. So, our view is that, that should happen before the end of this month. I can only tell you more

specifics once the Board has approved a certain decision, and then it can be shared with stock exchanges.

**Utkarsh:** Yes, correct. Thank you, sir. All the best.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Aditya Shah from Meteor Wealth. Please go ahead.

**Aditya Shah:** Hello sir, I just have two broad based questions. One is that sir, where do you see your company for the next five years aligned with the industry like you say, if you can share some margins on that, it could be great. And my second question is, in your green financing segment, can you share some little more details from now to the 2030, how is this segment going to grow, are you going to, how are you going to reach for the extra market cap and what margins, what revenues do you see in the coming time?

**Rohan Juneja:** So that will all be part of a detailed business plan that we put out post the Board outcome, which like I mentioned to you, should happen before the end of this month. In terms of your specific on point number two, which is on the green finance space. In the non-gold portion of the book, which today is 39% of the book, the unsecured component has come down, while the green financing secured component has gone up, which today is about 5% you will continue to see this number go up and the unsecured component come down as a percentage of the incremental growth and sorry, on your first question in terms of where we are relative to the industry over the next five years, five years is a very long time. The NBFC space in itself is a fairly cyclical space. But needless to say, in terms of specifically you asked a question on margins, our net interest margin has come up to about 8.7% in the last quarter, and it's gone up for three consecutive quarters. It was a big pain point for us in fiscal 23 and 24, it has now hopefully stabilized, and we expect the net interest margin which we have always said is on a sustainable basis. The net interest margin is usually between 7.5% to 9% is what a sustainable NIM is.

**Aditya Shah:** And that can going forward you can maintain that?

**Rohan Juneja:** We feel we can maintain, like I said sustainable level, see quarter-to-quarter there may be cyclical, but sustainable level on a year-over-year basis, usually 7.5% to 9% obviously, we would like to be between 8% to 9% bank closer towards 8.5% to 9% but again, that depends on several, macro variants and not just micro initiatives undertaken by the company, but what we would like to maintain is between 8% to 9%.

**Aditya Shah:** Okay, sir alright. Thank you, and all the best sir.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Gauri, an Individual Investor. Please go ahead.

**Gauri:** Thank you for taking my question. My question was regarding our disbursement. So, you have mentioned in our presentation that they are lowering so, may I get any kind of quantum like at what number it will be because last year it was 563, if I am not wrong and this year how much you think it will be?

**Rohan Juneja:** So, for the first half, for the first nine months of the year, disbursements have been flattish relative to where disbursements lower for the nine months ended fiscal 2024, I cannot give you guidance right now as to where it would be for this current quarter, but in general the liquidity environment overall for NBFCs is tighter, which is contributing to lower disbursements for us.

**Gauri:** So, it will be in the similar range if that's what I can expect?

**Rohan Juneja:** Ma'am for the nine months, first nine months it was flat relative to last year. I cannot give you guidance on what it will be in this quarter.

**Gauri:** Okay. And about co-lending, how much is your percentage, which is like of your AUM?

**Rohan Juneja:** 45.

**Gauri:** Okay, thank you so much.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Utkarsh from D Street Broking. Please go ahead.

**Utkarsh:** Hi, sir it's Utkarsh again. Sir can you just define a mote with differentiates us from like our competitors in this space?

**Rohan Juneja:** Ya, I think, the space is fairly competitive, it's hard to pinpoint what exactly someone does different from the rest, but the one area that we like to focus on is the service for the customer. Customer service experience, while it's very easy to say, it's very hard to do, and given the fact that we have lent to over four lakh customers over the course of the last six years, with an active customer base of almost 93,000 customers, one of the things which is something that we have done well, I don't know whether I can call it a mote or a differentiator, but something that we have done well is good customer service.

**Utkarsh:** All right. Thank you, sir that's all.

**Rohan Juneja:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sana M an Individual Investor. Please go ahead.

**Sana M:** Hello sir, good afternoon.

**Rohan Juneja:** Good afternoon.

**Sana M:** Sir my question is, what are the strategies being implemented to enhance brand visibility and strengthen our customer engagement?

**Rohan Juneja:** For us, our brand visibility and customer engagement, we truly believe our brand ambassadors are our team members themselves. So, we have several initiatives in branches where one was initiated two years back, where the brand ambassadors were people who performed really well in the branches itself. So, your employees, your team members, are your biggest brand builders in our mind. How they treat a customer and the repeat value and also the word of mouth publicity is the biggest brand builder for us in our mind. We have no plans right now to go and hire a branding expert or someone who can be a brand ambassador for the company. For us, we truly believe, at this point of time given our size and scale, and also going forward for the near term, the biggest brand ambassadors for us will be our people themselves.

**Sana M:** Okay. And sir one more question, how do digital leading platform and fintech collaborations contribute to your business strategy?

**Rohan Juneja:** Ma'am, we are not doing much on collaborating with digital lenders, that is not an area of focus for us. We are more of, obviously we are a physical player in the way of we have a physical presence, and we have a digital platform that helps our branch people largely and team members, et cetera, in terms of the loan application process along with the customer. But we are not an end-to-end digital lender that will disperse without a personal discussion with the borrower for any of the products.

**Sana M:** Okay, that's it from my side.

**Rohan Juneja:** Thank you.

**Sana M:** Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Neha Jain and Individual Investor.

As the person has placed the call on hold we will move to the next question, which is from the line of Prakash Sharma an Individual Investor. Please go ahead.

Prakash Sharma, please go ahead with your question your line is unmuted. Prakash Sharma, we request you to please go ahead with your question.

As there is no response, we will move to the next question, which is from the line of Rohan Mehta, an Individual Investor. Please go ahead.

**Rohan Mehta:** Sir, good afternoon, sir. Just a couple of queries. This loan management system that we are running the technology, is it developed in-house, or has it been outsourced, or developed from a third party?

**Rohan Juneja:** No, it's developed by a third party, because they have the developers, coders, et cetera. We have a tech team that helps them with everything that needs to get developed in terms of modifications, customizations, et cetera.

**Rohan Mehta:** Okay, so we were curious whether the servers and the system lies within our premises, or is there any risk in terms of data privacy or data security, if all the technology is residing on outside servers?

**Rohan Juneja:** The servers, et cetera resides in our premises, so there's no risk related to that. It's on literally in our corporate HO over here in Andheri.

**Rohan Mehta:** Alright, okay. So the developers, per se wouldn't have any access into it?

**Rohan Juneja:** No.

**Rohan Mehta:** Understood. And sir the recent 40 crores that we raised, if you could shed some light on the utilization of that where all it has been utilized, how much of it has been utilized, and the plans in that aspect?

**Rohan Juneja:** Which 40 crores are you talking about, are you talking about the debt?

**Rohan Mehta:** Through the impact investor that we raised 40 crore?

**Rohan Juneja:** So, that was in the month of December, so that gets deployed in lending. So that is part of a debt agreement that we have, which is used for onward lending to MSME borrowers.

**Rohan Mehta:** Got it, understood sir. And sir in our disbursement levels in the third quarter, what would be the average rate of gold, and what kind of LTV levels did we provide if you could shed some light on that?

**Rohan Juneja:** So, average LTV was about 70% and the gold levels also, gold prices have been going up, but it's you usually we use the average of the last 30 days in terms of disbursement for this thing. But one of the other thing also is, as gold prices go higher, which we mentioned in our previous calls as well. We get a little nervous with disbursing larger amount, just given the fact that you expose yourself to the risk of gold prices going down and reaching the LTV. So that is something to be cautious about, but that is us as a company. I am sure many of the others do that as well, but the average LTV was about 70%.

**Rohan Mehta:** Okay, understood sir. And sir just touching upon the unit economics of the branch wherein we are doing gold or MSME and green financing, how many of our branches would have completed especially those that

have completed more than two, three years, if you could talk about that a little bit, the unit economics there?

**Rohan Juneja:** So, in the branches that have usually been active for about two to two and a half years, the average AUM over there, and the branches north of about 6.5 crores. And that's when, usually when you cross about a 4.5 to 5 crore threshold is when the branch really starts to make good amount, starts to make good money. Prior to that, it's largely about a branch breaking even. So, today we have 123 branches about 78 branches have broken even.

**Rohan Mehta:** Okay. And our total branch count as of for the nine months would be?

**Rohan Juneja:** 123.

**Rohan Mehta:** 123 right, sir. And sir in terms of talking about green financing, since it's been picking up quite well, what do you see as our potential addressable market, and what kind of growth triggers do you expect in green financing?

**Rohan Juneja:** So, see we are a very small player here. We are not going to chase market share, honestly for us to talk about market share also as a company, is somewhat irrelevant. Just because we are a very small player, the space is fairly big. Now, how big can the space becomes in the entire infrastructure green financing that is debatable, but it's a very large space, I think it's still in early stages so whether you are funding a retail customer, whether you funding for solar projects, whether you are funding for many other things within the green finance space, it's something that we have done over the course of the last 15 to 18 months, and we feel confident now on, taking it a step further and expanding on that space first but not getting into too many different verticals right now. So, we are in one vertical within green finance. We will continue to expand the product as we get bigger. But we are too small to talk about market share, or grabbing X percentage of market share, for us what matters the most, very candidly, is about how profitably we can grow in this product so that it can become scalable for us over a period of time.

**Rohan Mehta:** Fair enough, sir and all the best for on that front. Sir, just to conclude, fees and commission revenue if you can give some light on that since it's been on the decline lately?

**Rohan Juneja:** Sir you expect that to be subdued only, we don't have the BC relationship, which was the last contributor towards that was the BC relationship that we had in gold. Now we don't have that because for a BC relationship in gold, the gold will have to be kept with a partner which is very cumbersome for us to do. So, we have co-lending relationships in gold, but the BC relationship had got stopped from the previous quarter itself which is a big reason for why the decline was there and seen too.

**Rohan Mehta:** Okay. And are we going to expect any headwinds in the MSME credit environment?

- Rohan Juneja:** I think, a lot has been written about headwinds in the MSME credit environment over the course of the last two quarters. Our view is that, you know, even this quarter it's not going to be, September for us specifically, I won't comment about the rest of the industry for us, September was a tough quarter for sure. December turned out to be a better quarter in terms of the MSME space, where you can see it's evident in the slippages and the recoveries number, both of them were much better relative to the September quarter. So, we are hopeful that this quarter turns out to be very similar to December, if not slightly better and we continue to build from there. From a macro standpoint, it's not that it's going to get over immediately. It's a matter of time, these are cyclical businesses. You go through a cyclicalities once every four to five years, it's part and parcel of the business.
- Rohan Mehta:** Fair enough. Thank you so much for addressing our queries and all the best.
- Rohan Juneja:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Prakash Sharma an Individual Investor. Please go ahead.
- Prakash Sharma:** Thank you for taking my question. My first question is, what have been the total borrowing done in this quarter?
- Rohan Juneja:** In the previous quarter, I will get back to you with the exact amount, I don't have the number handy in terms of how much we borrowed, but it was close to about, roughly it was between 60 to 70 crores.
- Rohan Juneja:** Okay. And how much of our debt that we have raised so far is up for renewal in FY26/27?
- Rohan Juneja:** If you don't mind, I don't have that number handy as to how much is maturing in 26 and 27, I think it is, I'll get you, if you can send us an email or you can call us directly, I will get you the exact numbers, it's about 210 or 212 crores which is in fiscal 26 and fiscal 27 is about 140 odd crores.
- Prakash Sharma:** Okay, sir. And sir, can you help me with the cost of funds for this quarter. And you know as the repo rate has dropped a bit by 25 basis points so what would be our cost of funds in future?
- Rohan Juneja:** For us there has been no impact on the repo rate decline so far, I think the macro environment right now at least for lenders who are lending to the MSME space or smaller NBFCs, I don't think much has percolated down to us or to some of the others, in terms of the decline of 25 basis points on the repo rate.
- Prakash Sharma:** Okay. Okay sir, and sir my next question is regarding the green financing, so as I have seen that from the disbursement in this quarter, the share from green financing has picked up strongly. So, can you tell

me, understanding of how business is being originated in and what is the potential addressable market?

**Rohan Juneja:** So again, we are too small to talk about how much market share we want over there, the addressable market is fairly large for us, it's become 5% of AUM, but please remember that this is a business of scale, so it's not that suddenly in one quarter has gone to 5% we have been doing it for the last five quarters now, and we slowly built it up. So when we started in the first quarter of this business which was about four quarters back, we started with a monthly disbursement of close to about 50 to 60 lakhs, which is a fairly small number in the overall context of the disbursements we were doing at that point in time, it was less than 1%. Now that number has gone up over the last five quarters from 50 to 60 lakhs a month to about 8 to 9 crores, and one month was also 10 crores. So, we are doing it in a calibrated manner and it's been something that we have built over the course of the last 15 months. So, it's not something that just suddenly one quarter, we decided that we want to get into this space and we want to ramp up disbursements it's something that's built over a period of time, because you want to build that pipeline you want to build partnerships with the OEM, partnerships with dealers, et cetera. So it's a long process, going forward we expect steady growth in this segment, nothing that we will go all out or do something in this space, which will be outsized compared to what we have done in the past.

**Prakash Sharma:** Okay. Sir, and what would be the growth levers around green financing?

**Rohan Juneja:** So there's a good amount of growth in the green financing space. Be it for, three wheeler EV rickshaws, be it for solar projects, be it for many of the others whether it is battery swap, battery infrastructure, et cetera. Like I mentioned to you, we are only in one vertical right now obviously there is, some thought into what we can do in other verticals but at this point in time, there is only one vertical that we are growing in, in the green finance space.

**Prakash Sharma:** Okay, sir. Sir my last question is around our new to credit borrowers. So, our NPC borrowers have largely come out from around 28,000 customers to about 21,000 so, it indicates like so can you help me understand the strategy, will it be lower risk, high value ticket customer or what is it?

**Rohan Juneja:** It's also because the disbursement number has come down, right. So when you have a larger disbursement number, you have a larger count in terms of the number of borrowers you are funding as well. So it's not that our focus has moved away from not funding new to credit customers, but it's largely because the disbursement count has come down in the quarter.

**Prakash Sharma:** Okay. Thank you, that's it from my side.

**Rohan Juneja:** Thank you.



**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comment.

**Rohan Juneja:** Thank you for joining this call. We look forward to talking to everyone soon. Thank you.

**Moderator:** Thank you. On behalf of Trucap Finance Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.

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