August 18, 2023

To, The General Manager Department of Corporate Services BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. **Scrip code: 540268**	To, The Manager Department of Corporate Compliance National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. **Scrip code: TRU**

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 August 03, 2023, August 11, 2023 and August 14, 2023, enclosed herewith the transcript of the Earnings Call held on Monday, August 14, 2023, at 11:00 a.m. (IST).

We request you to take the same on record.

Thanking You,

Yours faithfully,
For TruCap Finance Limited

Sonal Sharma Digitally signed by Sonal Sharma Date: 2023.08.18 20:05:52 +05'30'

Sonal Sharma
Company Secretary & Compliance Officer
Encl: As above

TruCap Finance Limited
Q1 FY24 Earnings Conference Call
August 14, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY24 Conference Call of TruCap Finance Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing "*" and then "0" on your touchtone phone.

I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, sir.

Anuj Sonpal: Thank you. Good morning, everyone and a very warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. We represent the Investor relations of TruCap Finance Limited. On behalf of the Company, I would like to thank you all for participating in the Company's earnings call for the first quarter of the Financial Year 2024. Before we begin, let me mention a quick cautionary statement. Some of the statements made in today's earnings call maybe forward looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by an information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the Company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Rohanjeet Singh Juneja – Managing Director and Chief Executive Officer and also Mr. Gaurav Bhargava – Head of Gold and Branch Business.

Without any further delay, I request Mr. Rohanjeet Juneja to start with his opening remarks. Thank you and over to you, Sir.

Rohanjeet Juneja: Thank you, Anuj. Welcome to our Earnings Call today. In the first quarter of fiscal 24, TruCap reported earnings of 12.6 million versus 10.6 million in the previous quarter and 6.8 million in December 2022 resulting from strong revenue growth. Revenues for the quarter were 378 million, up from 327 million in the previous quarter and 261 million a year ago, representing 6% quarter over quarter and 45% year-over-year growth. This was driven by strong interest income growth of 18% quarter over quarter, given our robust trajectory of disbursements. Disbursements in the quarter were 2.61 billion up from 2.38 billion in the previous quarter and 1.64 billion in the year ago period. Assets under management at the end of June 2023 were 6.59 billion, up 67% over the last one year. The product composition of our total on and off-balance sheet AUM today is 61% in gold loans, 36% in MSME business loans and 3% in loan against property and personal loans, which are in runoff mode. Active customer count, which was roughly 11,000 in June 2021 and 46,000 in June 2022, is up to almost 73,000 customers today. Debt on our balance sheet is down by 220 million of 5% quarter on quarter as we continue scaling up lending as a service or core lending partnerships with marquee lenders. As we have spelled out on previous calls, this is a big focus for Trucap where we serve as a 20% capital provider with the large lenders serving as an 80% capital contributor. However, the entire sourcing, servicing and collection on these loans is done by Trucap from our experiential center network. In the June quarter, we tied up with HDFC Bank as a co-lending partner for both the MSME Gold and MSME business loan product. With that addition, we have five partners today, HDFC Bank, DCB Bank, Central Bank of India, Shivalik Small Finance Bank and Ugro Capital. Today, 33% of our AUM is written with these lenders as lending as a service partner. This number is expected to inch up to 40% by the end of this fiscal year, which will make our balance sheet even more capital efficient and minded. With these relationships, scaling up Trucap will need to cater to larger volume of disbursements in the geographies that we serve which are Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Delhi NCR, Goa and Punjab. To that effect, we opened 31 branches in the quarter, taking the total count to 108 branches at the end of June. The majority of our branch openings have been in tier 2, tier 3 and tier 4 towns, which today represent almost 80% of our branch presence. We are very hopeful of substantial value accretion with these partners in our existing geographies over the coming years. Gross NPAs declined to 1.1% versus 2.2% in the previous quarter and 3.1% a year ago. This has been driven by our relentless focus on resolving legacy LAP and personal loans, which last year were almost 60% of our gross NPAs. Today, only 14% of NPAs come from legacy LAP and personal loans, which also are in the process of being resolved by March 24. To drill down further into NPAs, gold loans, which is 61% of AUM, represents 0 NPAs, while business loans, which comprise 36% of the loan book as an NPA ratio of 2.4%. Collection efficiency in the gold loan product is well north of 200% due to prepayment, repayment, part closures, etc. While for the business loan product, collection efficiency has ranged between 93 and 96% since July 2022. Now coming on to what is our big focus going forward? Number one is on improving the net interest margin. While our NIM has inched up by more than 100 basis points in the June quarter, it is still below our expectations of 7.5 and 8%. This has resulted largely due to rate hikes being passed on to us from June 2022 onwards. On the asset side, given the increasing proportion of gold loans in the AUM mix, coupled with the fact that almost 18% of full year disbursements came on the Gold loan product, there was margin compression in fiscal 23. We are pleased to tell you that on the liability side, incremental funding cost has come down by more than 100 basis points in the June quarter. Furthermore, as the Company is writing more business with co-lending partners in lending as a service which gets funded at a fixed hurdle rate to the partner, this will be NIM accretive to us going forward. We are doing this fairly swiftly, the results of which will be evident from the September quarter onwards. Number 2 is on increase in operating efficiency through productivity and tech enhancements. As a Company, we disbursed more than 35,000 loans in the June quarter versus 26,500 loans in March 2023 and 23,000 loans in June 2022. This means we average close to 380 loans per working day versus 288 loans in March 2023 and 250 loans a year ago. Total active customer count, which was almost 11,000 in June 2021 and 46,000 in June 2022 was up to almost 68,000 in June 2023 and is over 73,000 today. As we have added more than 60 branches and manpower in the last one year in these locations, we are now obsessively focused on branch productivity, which is measured in loans per day per branch and the resulting profitability it brings to the business. 46% of our branches broke even in one Q24 and we expect this number to go up every quarter as more than 45% of the branches have crossed the four crore AUM threshold and almost 30% of our branches have crossed more than the 5 crores AUM threshold in the most recent quarter. Going forward, the pace of increase in branch additions will slow for the rest of fiscal 24 and OPEX as a percentage of AUM will decline in the back half of the year and in fiscal 25. Furthermore, with several other initiatives being undertaken by the Company to substantially enhance business volume through tech enablement, our cost to income should start to see material improvement later in the year and in fiscal 25. In coming months, we are hopeful of giving you more color on traction and lending as a service and other productivity and efficiency measures the Company has undertaken to ramp up earnings growth. With that, we now open the call for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Anyone who wishes to ask questions may press "*" and then "1" on your touchtone telephone. If you wish to remove yourself from the question queue you may press"*" and 2. Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. To ask questions please press "*" and 1. The first question is from the line of Aditya Shah from Hercules Advisors. Please go ahead.

Aditya Shah: Hi Sir, Can you hear me?

Rohanjeet Juneja: Yes, we can hear you.

Aditya Shah: Sir I had a couple of questions. Point number one is on this presentation that you have given the cost of funds and the yield is not mentioned anywhere. I had asked for this so if you could give this data, it would be great. That is the first point. The second point is we have seen the largest MSME lender in this country report a very different set of numbers, saying that the MSME credit off take has not been received. So, I just wanted to understand from our point of view what is happening in the MSME sector and how is the credit offtake? That's the second question. The third question is on the gold loan side of it we have seen banks becoming really very aggressive because of it there has been a NIM compression for almost all NBFCs. So, what are we experiencing on that side of our business would be my third questions. So, if you could help me with these three questions.

Rohanjeet Juneja: Sure Aditya. Thank you. So, I will go to your first question first. The yield for us was 18.9% in the most recent quarter and the total cost of funds was 13.1%. Happy to tell you that incrementally, as I mentioned in the comments earlier, that incremental cost of funds has gone down by more than 100 basis points in the most recent quarter and also going forward, we are taking an increasing proportion of our funding mix from larger banks. So, we expect this to continue. On your second question on the credit off take for MSME, we haven't seen any slowdown as yet. Obviously our base is much smaller than the other competitor that you are talking about, who is a much larger lender and also the geographies that we are serving right now predominantly in these seven states the majority of our branches are in Tier 2, Tier 3 and Tier 4 towns where we are still continuing to see very good traction. One definite change that we are seeing is people are a lot more open to taking gold loans and for our segment specifically where people are taking out gold loans for business purposes. It is much quicker than an unsecured business loan where a lot of documentation has to be provided. So, for us at least given the fact that we are doing roughly a disbursement of about 100 plus crores a month, we are not seeing any slowdown. On your third question on in compression for a lot of other lenders due to competition from banks on the gold loan side for us and in compression at least that I can speak of has come predominantly on the liability side. On the asset side, we could not take the yield up last year while a lot of the large lenders passed on the rate hikes to us. For us with banks, the segment is very different, so the banks cater to a larger ticket size segment relative to us in gold loans. Our average ticket size for gold loans is 1,20,000, which is much lower than it is for the banks. Also, one way to mitigate margin compression going forward is not to compete with the banks but to collaborate with them. So, we have adopted this in August 2021 where we got on to co- lending what we call lending as a service partnerships. We are increasingly adding more and more partners and as mentioned in the call earlier that we have added HDFC Bank as a partner, we have tied up with DCB Bank in the previous quarter as well, which was in the March quarter and today we have five of these partners. So, while the yield that we charge may be lower, the IRR that we look to make with these banks to service the borrower is fairly accretive for us.

Aditya Shah: Understood sir. Sir I have three more questions. Point number one is we are in the middle of a huge credit up cycle where a lot of lenders are now mid sizing their loans and it could be possible that over the period of next 12 to 36 months as new NPA formation comes in, there could be a possibility that NPAs could come. So, what we as a Company are really doing to make sure that our credit underwriting standards are relatively better than other lenders is something that I wanted to understand, first point. The second point is, I also wanted to understand from your opening commentary you said that the number of branch additions would start to come down by which the OPEX will start to come down. So, just wanted to understand the rationale for bringing down the branch additions. I thought that since we are in the expansion phase, we will like to add some more branches so that we get a lot of traction. That's the second point that I wanted to ask. So, if you can answer these two questions.

Rohanjeet Juneja: Sure**.** So, on the new NPA formation what we have done in credit specifically., firstly, if you look at what we did in fiscal 23, 77% of our disbursements were on the gold loan product, which is a zero NPA product for us and in this most recent quarter, it was up to 82% just to give you some more color, in the gold loan product specifically, which again is catered predominantly towards business loan customers., we have done a cumulative disbursement of more than 1,700 crores from when we started the business until today. In that 1,700 crores, we have only taken about 4.2 crores into auction and in those 4.2 crores also taken into auction we have recovered on average 114% of principal plus interest. So, we have seen so far, very good vintage on the gold loan product with **zero** NPAs. In fact in auction, we have given back, we recovered more than P+I and given money back to the customer., So that is a way to kind of play the credit cycle where you are lending to a business loan customer a secured product in a very-very risk mitigated manner. In terms of what we see on the unsecured business loan side, clearly there are definitely bounces you know that happened in the unsecured business loan product towards the MSME segment, there is no doubt about that. The key is how strong is the collection team and how quickly you can be in front of the borrower to recover on your dues. So, for us this is about 15 to 18% of our quarterly disbursements right now. We are being very calibrated in the sectors that we lend to. So, we have picked essential goods sector, which are largely chemists, kirana stores, cloth traders, shoe retailers, hardware stores, plumbers, manufacturers of dupattas, manufacturers of small-scale wires, cords, etc. that go into your computer, telephones which are used for home and office wear. So, there our traction at least we have seen is fairly good and the gross NPA ratio is 2.4%. On branch additions, what I did mention is that the pace of increase, so, for example, we added 31 branches in the most recent quarter and we are up to 108 branches that pace of adding 20 to 30 branches that will slow down. So, I am not saying we will not add branches going forward, but obviously the idea is as we add a fewer number of branches per quarter while we are still in growth mode the idea now is to continue to extract more and more juice out of your branches so that we can enhance productivity and extract larger earnings growth. So, what I have mentioned in my comments as well, just for example, we did about 380 loans per working day, which means we did about 3.8 loans per day in the branch. The idea is to pick this up substantially so that we can extract more juice and more earnings growth from the branches. Also, at one point in time, the branch additions will slow down because you want to slow down CAPEX and the OPEX to get more revenue generation from the existing branches that we do.

Aditya Shah: **Okay.** Understood, Sir last two questions that I had is, sir, our partnership with UGRO Capital, I can understand our partnership with banks. So, I just wanted to understand what is the nature of partnership since we are an NBFC and we are tying up with another NBFC. So, wanted to understand what capabilities does UGRO help us with point number 1, and the last point is on the personal loan side of it I just wanted a break up of how the slippages are turning out over the period of last 6 to 12 months just to understand what is going on, on that business. If anybody from your team could help me in providing those, that would be great.

Rohanjeet Juneja: No, certainly so with the UGRO Capital specifically or with any of the other partners that we have in lending as a service, they are all capital contributors, the entire sourcing, servicing and collection gets done by Trucap from our branches and experiential center networks. So, they are largely capital providers. On your second question on PL and slippages, it is a very-very small portion for us, less than 1% of our loan book between LAP and PL combined with 3%. PL is less than 1%. There the slippages are fairly high, but for us it is inconsequential right now just given the fact that there is a very small tail left and even those loans that we had originated with the 12 and 18-month tenure, they are reaching the end of that tenure. So, it would not be appropriate for me to give you, you know any color over there because we do not really have the pulse on what exactly is going on in personal loan space, given how inconsequential that product is for us now.

Aditya Shah: OK, no problem and the last questions sir. Apologies, last question. So, over the period of next two to three years, how do we want to grow our gold business and the MSME business and are we wanting to add any new products or are we going to continue within these same two products? So, last question and thank you for your kind reply.

Rohanjeet Juneja: Sure**.** So, in terms of both the products as well, I think the most common thing there is we cater towards the small business and micro small business customer. How we secure ourselves is through gold loans and obviously we have unsecured product. Within these two, there will be certain other sub products that we do have. So, for example in business loans there will be certain other things that we come up with in terms of product variation, product diversification, but we will not diversify from the business loan segment or the business loan product per say. Other than that there is no plan right now to go into several different products. Like mentioned to you, we had done LAP and we had done personal loans earlier, but we will not be getting back into those products.

Aditya Shah: Okay. Thanks a lot, sir.

Rohanjeet Juneja: Thank you very much.

Moderator: Thank you. The next question is from the line of Vineet Jain from Wise Investments. Please go ahead.

Vineet Jain: Hi Sir. I want to understand you just said that you have other small products, but what portion of, what percent percentage of the total loan book you want to expand it to because I see only two major products?

Rohanjeet Juneja: So, these two products will be the predominant focus of the Company. Within these products so for instance, in business loan, what we do offer right now is a pure plate term loan product to our customer. There will be certain variations of that, that we offer within business loans itself, so can it be supply chain financing or can it be an overdraft line of facility. Those are the kind of things we will do, but we will not deviate from the business loan product. So, it will be these two products predominantly and extensions of these two products, but nothing in you know some or the other products that many of our competitors do.

Vineet Jain: Okay so any kind of a fee income you are working on?

Rohanjeet Juneja: So, yes, we are working on several fee income initiatives. For instance, we have a BC relationship as well right now, which will add to our fee income. So, that is something that is a big focus for us as well. So we may not necessarily manufacture that product or provide capital for that product what I need from our own balance sheet, but can we be a distributor for that product from our experiential center network for other lenders.? The answer to that is certainly yes.

Vineet Jain: Yeah. But like coming next one 2-3 years kind of, what could be the share of the revenue in that.?

Rohanjeet Juneja: So, the goal is to get our to have fee income to be about 20 to 25% of total income. Going forward, obviously we can extract more and more juice from that because that is very accretive to the bottom line. There is a very minimal cost associated with that that will be better. But to be conservative, it is better to say that is about 20 to 25% of total income should be contributed by fee income going forward in the next few years.

Vineet Jain: Yeah, I have another question on the promoter selling, which was recently done. There was a lot of volatility being created and got confused with that. So, could you explain on that going forward.

Rohanjeet Juneja: We do not comment on any stock price movement of any kind.

Vineet Jain: Yeah, but the stake sale which was done.

Rohanjeet Juneja: So, there was no stake sale done in a block or anything as such. There was a small quantity that I believe was sold, but that was largely, you know market conditions. There was nothing specific associated with that. As I mentioned on stock price movements, etc. the Company cannot comment on that.

Vineet Jain: I get that. Okay. Thank you.

Rohanjeet Juneja: Thank you.

Moderator: Thank you. The next question is from the line of Ankur Gulati, who's an investor. Please go ahead.

Ankur Gulati: Sir with the current OPEX of 188 million. What is?

Moderator: Ankur, your voice is a little low. If you could speak a little louder.

Ankur Gulati: Your current OPEX was 188 million. So to get a sense, what type of revenue or PBT you guys can do if assuming in ongoing from this point onwards.

Rohanjeet Juneja: I am sorry your voice is very inaudible. I could barely hear you.

Ankur Gulati: Is it better now?

Rohanjeet Juneja: Much better.

Ankur Gulati: Okay. Your OPEX for this quarter was 188 million. If you run with the same OPEX what is the top line and PBT you guys can do if you don't grow from this point onwards.

Rohanjeet Juneja: So, I would not say that we are not going to grow. I again just to clarify for everyone on the call, what I did mention is that the pace of the increases in branch additions will slow down, which means last quarter we had at 31 branches we will not continue to add those number of branches. For the existing branch network that we do have, like I mentioned on the call, we are doing about 3.8 loans per day. We can easily take up to close to five to six loans per day, if not more than that. So, there is ample room for us to run with the existing infrastructure and network, along with the additions of more infrastructure that will come at a slightly slower pace for us to take up revenue and earnings substantially from here.

Ankur Gulati: Yes, Sir. What I am trying to understand is you have spent certain OPEX CAPEX. So, what are the returns on those OPEX CAPEX, I mean if you can do five loans per branch per day, does it mean that current infrastructure is good enough to return rate 25-30% higher revenue from where we start.

Rohanjeet Juneja: Yes, it is even more than that.

Ankur Gulati: Okay., that is helpful or any updates on Money Rabbit or is it still in?

Rohanjeet Juneja: So, there are there are certain developments that have happened over there. We are working actually with an external party on developing that asset, that is something that has progressed fairly recently and we will have more updates for you over the next three to six months on that. But there is a full plan being made around that and how we develop that asset for significant accretion, not just for us, but maybe even potential other partners going forward. I would give more and the Company would give you more clarity around that when we have the full plan baked in and once that is approved by the board as well. So, in the next quarter or perhaps soon after that, we will be able to give you more color on that.

Ankur Gulati: That is great and can you share any number of what kind of CAPEX or OPEX which went into Money Rabbit till date.

Rohanjeet Juneja: So, total CAPEX and OPEX that went into Money Rabbit specifically was close to about 5.5 crores.

Ankur Gulati: And last UGRO talks of a great tech stack. Just wanted to understand, are we integrated with the tech stack or we are running our own tech stack?.

Rohanjeet Juneja: So, we have our own tech stack, but as we mentioned earlier, what we are, what we do truly believe is as a lender, technology is largely an enabler. Now I know there is a lot going on in technology with a lot of discussions on AI etc., and how that could improve lending modules going forward. So, all of this, we will be able to give you a lot more color on as I mentioned earlier, along with Money Rabbit, we are working with a large party on kind of rehashing our entire infrastructure architecture on the tech side where we are looking at scaling the business substantially. So, when I spoke about, you know, enhancing productivity and efficiency through tech enablement as well, the idea is how at a particular point and branches then how do you enable the business substantially with tech enablement? So, this is something that we're working on very comprehensively along with MoneyRabbit as well so this is one big project on technology, that the Company is working on. This does not happen overnight, so this is something that we will come back to you in subsequent calls. But the idea is through tech and our own tech stack, how we do a lot of things which include repurposing of the productivity enhancement, substantial scaling up of business volume, etc., where you know everything is integrated into one middleware which is proprietary to us.

Ankur Gulati: Okay last and on your lending as a service business, what is the cost of income ratio only on that business if someone was to look at that piece.

Rohanjeet Juneja: So, let us come back to you with color. We ourselves have not broken out just what it is in just what it is in cost to income for that piece but essentially, that piece leverages of our infrastructure. So, you know it is hard for it to break down branch by branch. The reason being most of our branches cater towards one of the other partners today. So, the cost of funds are much easier to bifurcate over there just given the fact that you do business with each partner at a particular hurdle rate. But in terms of OPEX cost, it is very hard to break down between partners the reason being that you would in any case spend that money on the CAPEX or OPEX if we were writing 100% of those loans on our own balance sheet.

Ankur Gulati: Okay that is helpful. Thanks a lot.

Rohanjeet Juneja: Thank you.

Moderator: Thank you. The next question is from the line of Pratik Ajit Shroff, who is an investor. Please go ahead.

Pratik Ajit Sharaf : Hi, good morning. Could you please actually throw some light on the pledge shares promoter holding is that why the recent stake dilution that happened from 65% now we are at some 53% odd promoter holding. Is it because of some pledge being invoked or is it just promoter selling off? Could you throw some clarity on that and secondly, also on the warrants that are due in November at 132 odd this. So, is there anything else that is going to be offered to the warrant holders? Is there any norm for it or does SEBI allow it actually, that will be great help.

Rohanjeet Juneja: So, on your first question, again the holding was never 65%, it was 55.2 or 55.3% which has come down to about 52.3% right now. So, that is one clarification. I would not like to comment on what is the reason why it has come down and I cannot comment on forward looking events on the warrant, there is still time until November 2023 for the investors to put money in for the warrant. So, you know, in due time you will get to hear what is happening over there, but I cannot comment on, you know any forward-looking comments over there.

Moderator: Okay. Thank you. We will move to the next question. The next question is from the line of Khushi Jain, who is an investor. Please go ahead.

Khushi Jain: Hello Sir. Good morning. I have a couple of questions. So, what is the cost of borrowing now?

Rohanjeet Juneja: So, our total cost of borrowing right now is 13.1%, which is coming down because that is the total debt cost. We have high-cost paper rolling off as well, which was money that was taken out from other NBFC's over the last two years. That duration of usually 18 to 24 months is now wearing off. The incremental cost of funds today in the last quarter has come down by about 120 basis points. So, in the last quarter we funded ourselves at 12.2% and now that has come down to below 12% in this quarter so far.

Khushi Jain: Also, so, what strategies are we working for to further increase uhh, decrease this?

Rohanjeet Juneja: Two things one is obviously we are letting the high cost. We are taking out more funding from larger lenders, which are from banks, as you know, we have grown in size as well and our business model is being validated by many of the lenders. So, we have been able to bring in three large banks in the last three months specifically as our lenders. So we have more than 27 lenders today. We have many of the PSU banks which include SBI, Bank of India, Central Bank of India and now we have three of the large private banks as well that have given out term loans to us in the last three months at a lower cost than what we had raised money earlier in the last one year specifically. Number 2 is we are writing more business on the asset side with these co-lending partners and what we call lending as a service where the rate given to these partners is a fixed hurdle rate over and above that is something for us to keep for the sourcing, servicing on the collection. So, for all the 80% contribution that they may take at a fixed hourly rate and then we make a spread on that.

Khushi Jain: Okay, so the next question I have is so actually are other income is more than the net interest income. So, could you clarify the components and the contributions of other income?

Rohanjeet Juneja: Yeah, so, the other income for us as mentioned to you, we have a BC relationship. We have many other partners that we help out on the co-lending. We just like we do co-lending with larger partners, we also do co-lending with the smaller partners on the business loan side. So, there is a lot of fee income that gets generated from them that's the fee income component. As mentioned earlier as well now we are looking to expand that especially on the BC side with other lenders where there will be products that we do not provide capital for on our own balance sheet, but we will help cross sell it for them from our own experiential center network and make up for income over there.

Khushi Jain: Okay sir. Thank you. My last question is that the Company has achieved the gross NPAs around 1%, which has significantly improved in the last couple of years. So, what are the initiatives contributed to this improvement and what levels of gross NPAs can be anticipated moving forward?

Rohanjeet Juneja: So, two things. One is, 2 reasons why there has been substantial improvement, one is obviously we have tried to resolve many of our last and personal loan legacy book, which was something that was underwritten in 2018-2019 and part of 2020 fiscal. So, there has been significant resolution over there. If you recall back in March 2020, almost 78% of the loan book was in LAP. Today between LAP and personal loans, it is only about it is less than 3%, which will go down to almost zero by March 2024. So, last fiscal LAP and personal loan alone were almost 60% of NPAs, which is 60% of 3% now that is now in our 1.1% only 14% comes from LAP and NPAs, which will come down further. Number 2 is also we have done incrementally more and more disbursements for the business loan product in the Gold Loan category and even in our unsecured business loan category, it has been towards these essential goods sectors which has contributed to better vintage. What we endeavor for going forward is a similar gross NPA ratio where we are today. Obviously, if we do better than this going forward that will be good, but I would not like to give any specific guidance on where we will be in the next few years, but our endeavors is to be in this range of about 1 to 1.1%.

Khushi Jain: Okay sir. That is it from my end. Thank you.

Rohanjeet Juneja: Thank you.

Moderator: Before we take the next question a reminder to the participants that you may press "*" and 1 to join the question queue. Ladies and gentlemen to ask the question you can press "*" and 1.

Moderator: The next question is from the line of Ritu Java, who is an investor. Please go ahead.

Ritu Java: Hello Sir, am I audible.

Rohanjeet Juneja: Yes, we can hear you.

Ritu Java: Hi, good morning. So, thank you for the opportunity. I have a few questions. The first one being what is our current credit rating and what agency is this rating by?

Rohanjeet Juneja: We are rated BBB+ by Infomerics and BBB+ with CARE.

Ritu Java: Okay. The next question that I have, so the presentation indicates a projected 50% co-lending or to the total AUM by FY25. So, could you just outline the strategies intended to achieve this particular goal?

Rohanjeet Juneja: So, one is if you look at where we were in March 2022 as well, it was only about 1% of our total AUM. It is up to about 33% of total AUM and as we have added more of these co-lending partners, we have five of them today. The idea is to take this up to about 40 to 45% by the end of this fiscal and the end of next fiscal and then how we take it up is obviously through continued addition of our branch network, which we have done now because we have to give them a certain level of volume and number 2 is more and more of our disbursement volume that's written with these partners, which we already are doing at this point in time. So, you know for this what you need to do is write a good vintage of business, which hopefully given the fact that we have tied up with five very reputable firms so far, at least that showcases our ability to write good business volume for them, because as you can understand and appreciate that tying up with any of these partners, not just you have to agree on product, policy and process, there is a ton of integration that gets involved as well, which includes operational teams, collections teams, risk teams etc. So, it is a long and time-consuming process. We have done it with five of these partners and hopefully for them, we will be able to write good volume which will take our lending as a service book to about 45% of AUM by the end of March 25.

Ritu Java: Understood. Thank you so much, Sir. One last question, so recently the Company has tied up with HDFC Bank and also apart from DCB and UGRO, which are already our partners, so what is our growth strategy here going ahead?

Rohanjeet Juneja: Our growth strategy with them is in the products that we are doing co-lending with them. So, for instance in DCB, it is only for the Gold Loan product, where UGRO is only for the business loan product and for HDFC Bank it is both for the gold loan and for the business loan product. So, what gets agreed with these partners, as I mentioned, is product policy and process. How we write business for them where they are 80% capital contributors, we contribute 20% of our own capital as well, but the entire sourcing, servicing and collection gets done with us, so that is our strategy, not just with them, but with any of the other co-lending partners that we do have which are Central Bank of India and obviously there are others in the pipeline that we are talking to as well. But what we have to calibrate very carefully is what kind of volume we will be able to give to each partner because firstly tying up with the partner is a very long and cumbersome exercise and then post that it is even more difficult on the integration part. So, you have to be fairly, you know careful about who you tie up with both from their side and from our side and it's a long term marriage which hopefully will benefit both entities.

Ritu Java: Understood Thank you so much, sir. It was very insightful and that is it from my side. Thank you.

Rohanjeet Juneja: Thank you.

Moderator: Thank you very much. A reminder to the participants once again that you can press "*" and 1 to ask questions. Well, that was the last question in the queue. I would now like to hand the conference back to the management team of TruCap Finance for closing comments.

Rohanjeet Juneja: Thank you, Rio and thank you to everyone who joined the call today. We look forward to talking to you in the next earning calls. Thank you.

Moderator: Thank you very much. On behalf of TruCap Finance Limited that concludes this conference. Thank you for joining us, ladies and gentlemen you may now disconnect your lines.