



August 11, 2023

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: Earnings Presentation of the Company**

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company, at its meeting held today, i.e. August 11, 2023 have, inter alia, considered and approved Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2023.

In this regard, pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and in furtherance to our letter dated August 03, 2023, please find attached herewith the Earnings Presentation. The same is uploaded on the website of the Company i.e. [www.trucapfinance.com](http://www.trucapfinance.com).

We request you to take the above information 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)**

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

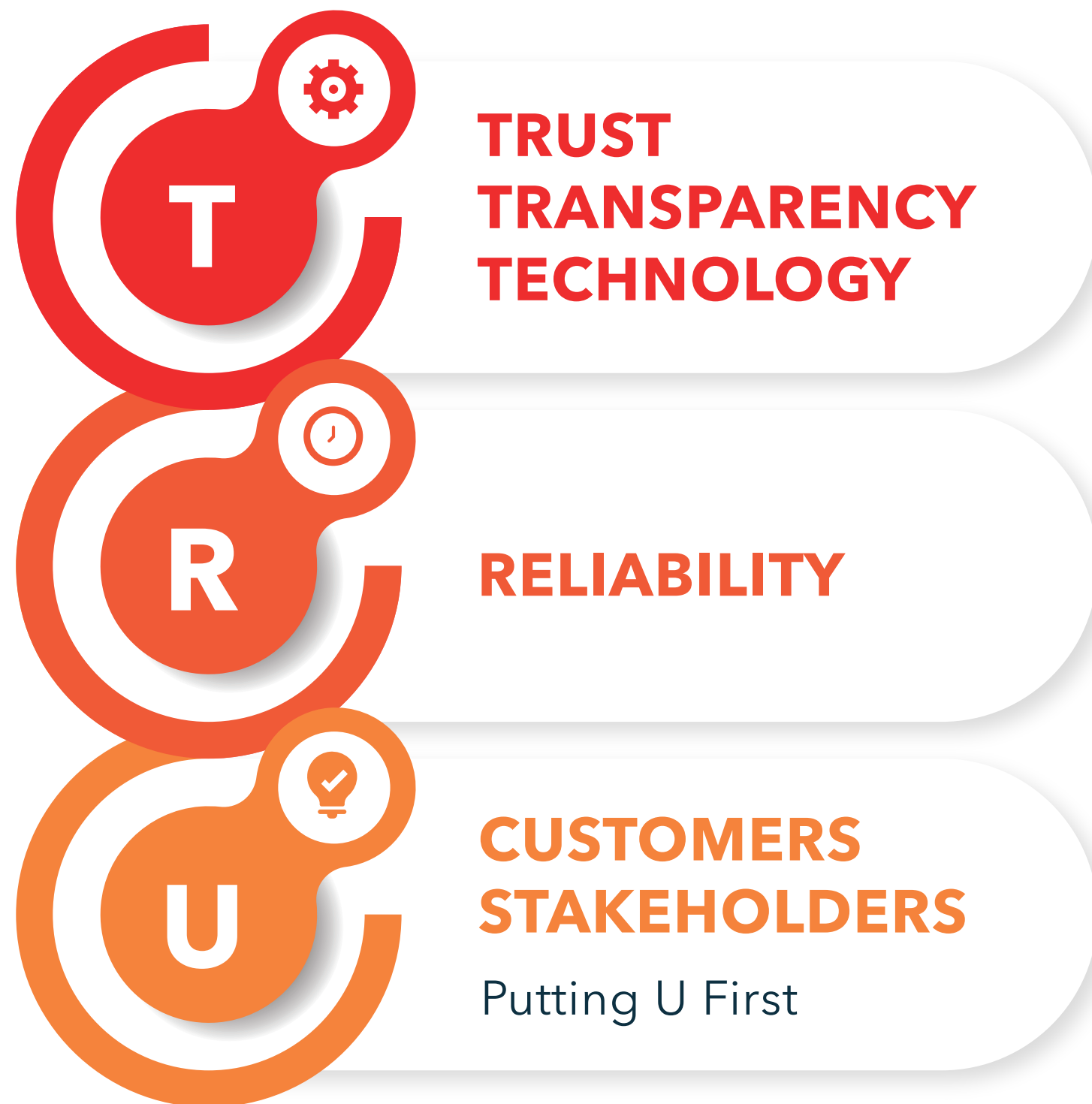


TruCap  
Finance  
Ltd

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# TRU Lender to India's MSME Needs



## TRU Promise

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

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

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

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

# Key Highlights - Q1 FY24

INR Mn

Particulars	Dec'22	Mar'23	Jun'23
Disbursements (Excl. Renewal)	1,752	2,354	2,608
AUM	5,104	5,810	6,597
MSME Gold Loans AUM	2,553	3,328	4,049
MSME Business Loans AUM	2,240	2,257	2,362
L-a-a-S Portfolio	1,217	1,611	2,209
L-a-a-S Portfolio %	24%	28%	34%
Interest Income	241	225	266
Total Income	347	327	378
Total Opex	199	164	188
Profit Before Tax	10	14	17
Debt to Equity	1.7x	2.0x	1.9x
Experiential Centers (Count)	74	79	108
Employees (Count)	428	473	639
Customers (Count)	64,596	64,824	67,997
Women Customers (Count)	15,863	16,478	18,254
CRAR %	37%	34%	35%

Significant scale up in L-a-a-S partnership with addition of large and reputable financial institutions

Continued scale up of distribution franchise to cater to larger L-a-a-S partnerships has led to increase in opex

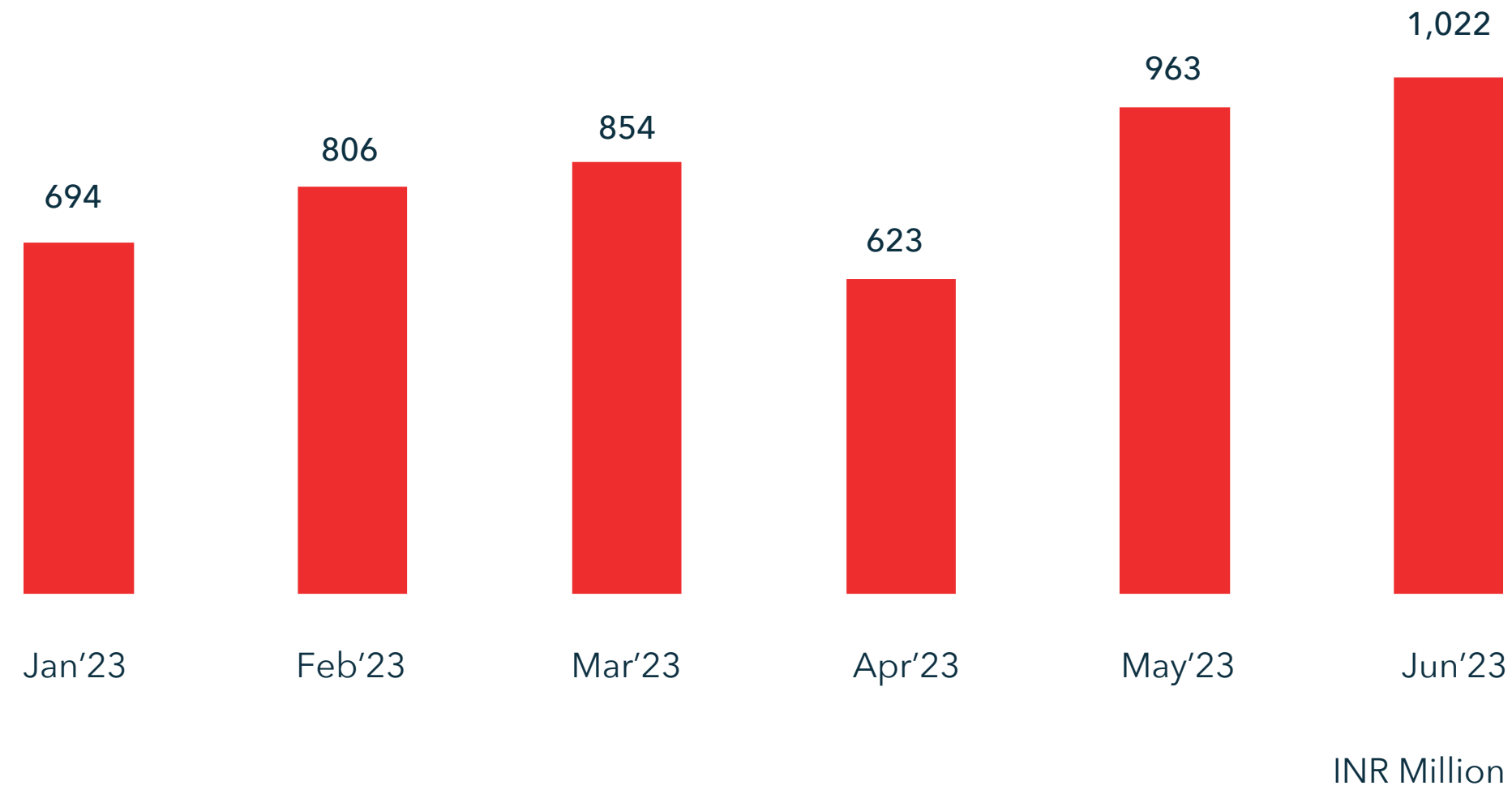
Q/Q reduction in Debt to Equity given lower debt taken out with expansion of L-a-a-S partnerships

The background features a large, stylized number '4' on the left side, rendered in a dark red color. To the right of the '4' is a large, light orange graphic that resembles a ribbon or a stylized 'U' shape, with a vertical bar extending upwards from its right side. The entire scene is set against a gradient background that transitions from a darker orange on the left to a lighter orange on the right.

*Significant Milestones Achieved in Q1 FY24*

# Crossed INR 100 Crs of Monthly Disbursals and 100 Branches in Jun-23

Crossed INR 100 crs of Monthly Disbursals in Jun-23\*



Crossed 100 Branches in Jun-23

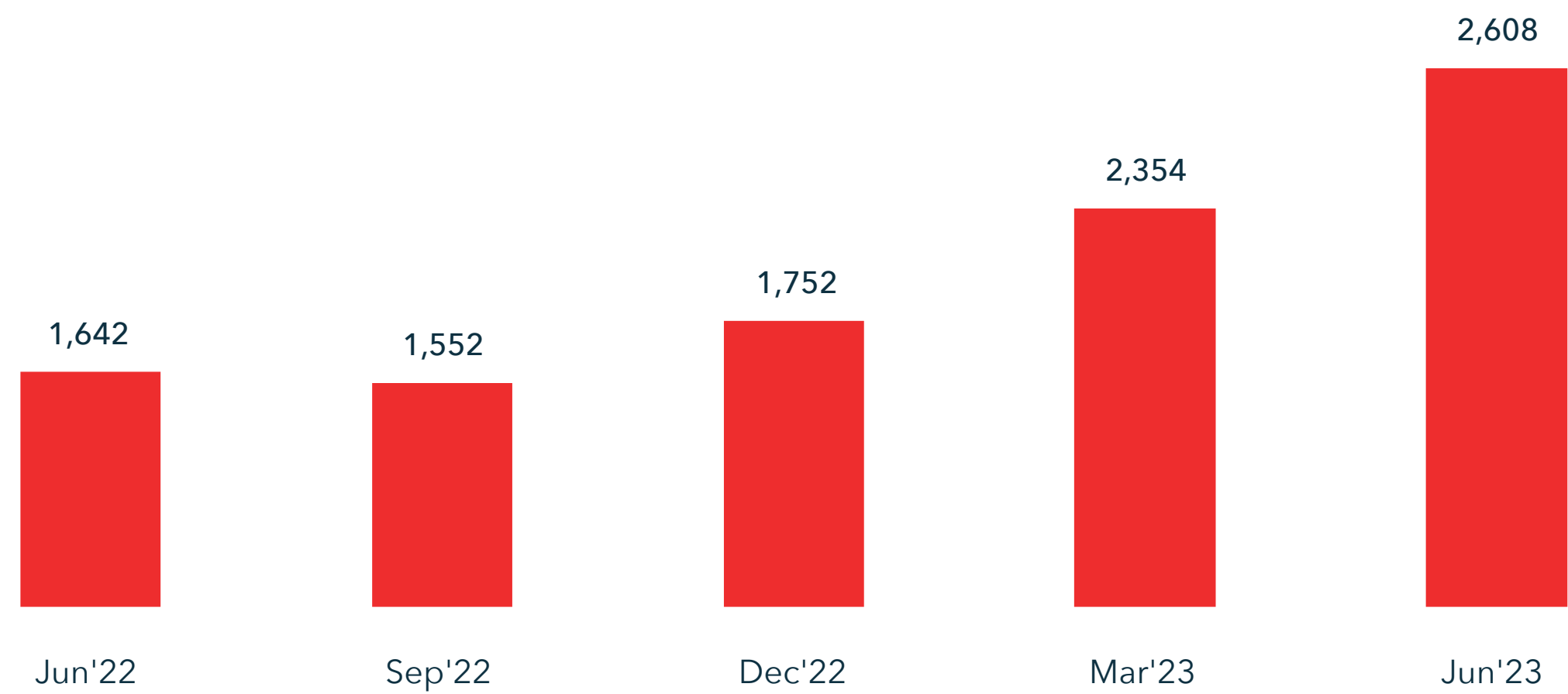


We have successfully reached a milestone of 100 crs of monthly disbursement along with exceeding a network of over 100 branches in Jun-23

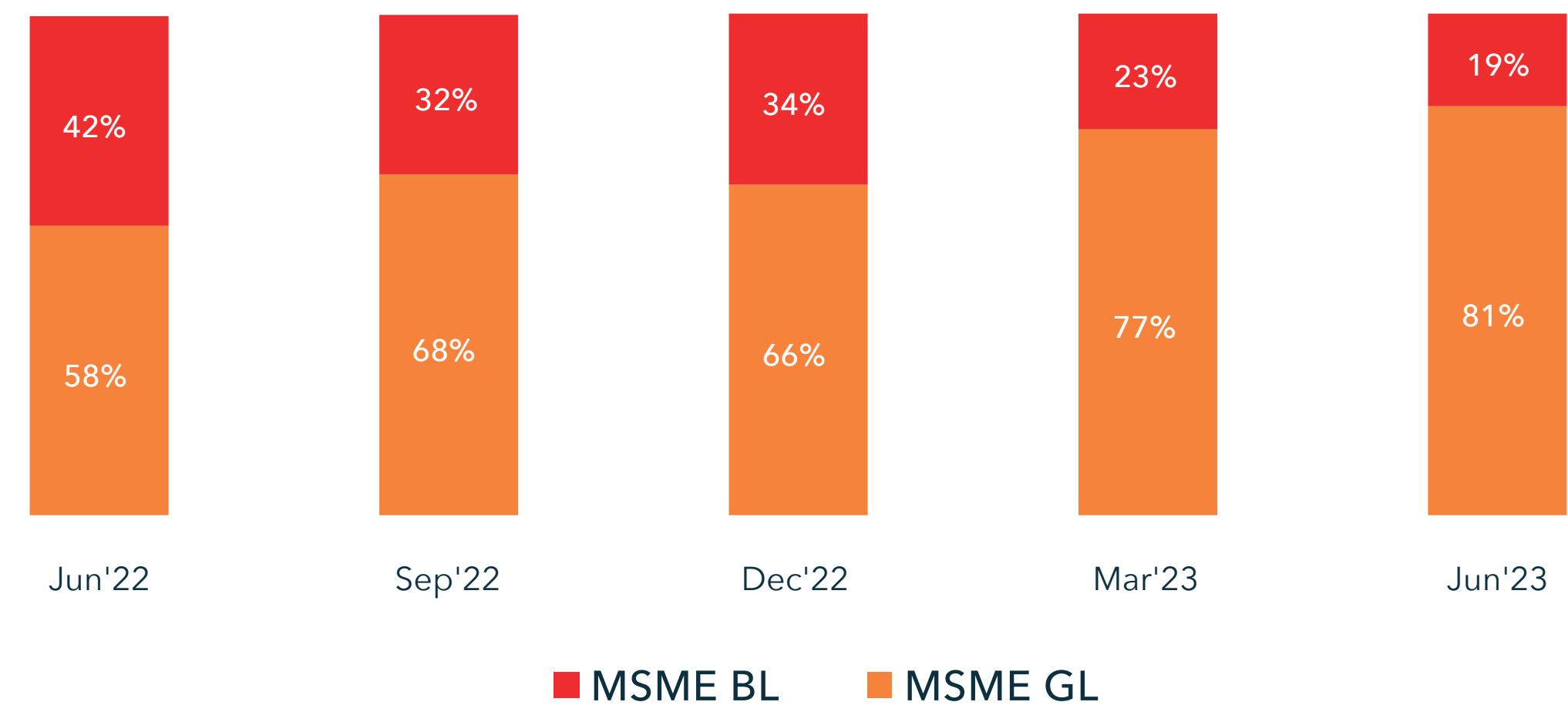
\* Includes On and Off Book disbursals and excludes gold loan renewals

# Quarterly Disbursements focused on MSME Gold & Business loans

Quarterly Disbursements INR Mn



\*TRU Disbursement Mix



60% y/y growth in quarterly disbursements. In the Jun-23 quarter, TRU has disbursed over INR 2 billion.

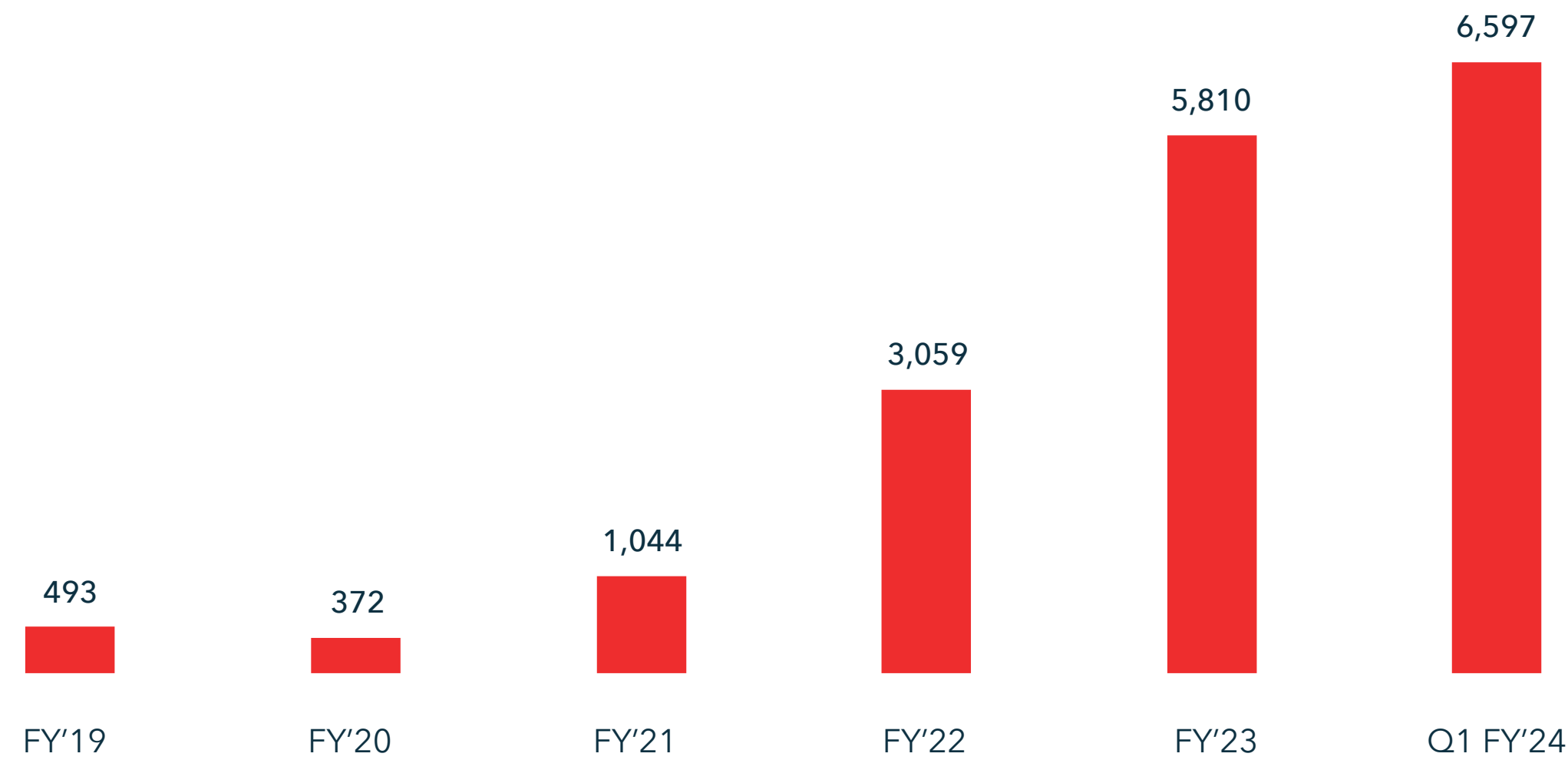
This has been built with focus on MSME Gold and Business loans - both targeted to serve the Micro end of the MSME segment.

\*Disbursement mix includes on & off balance sheet

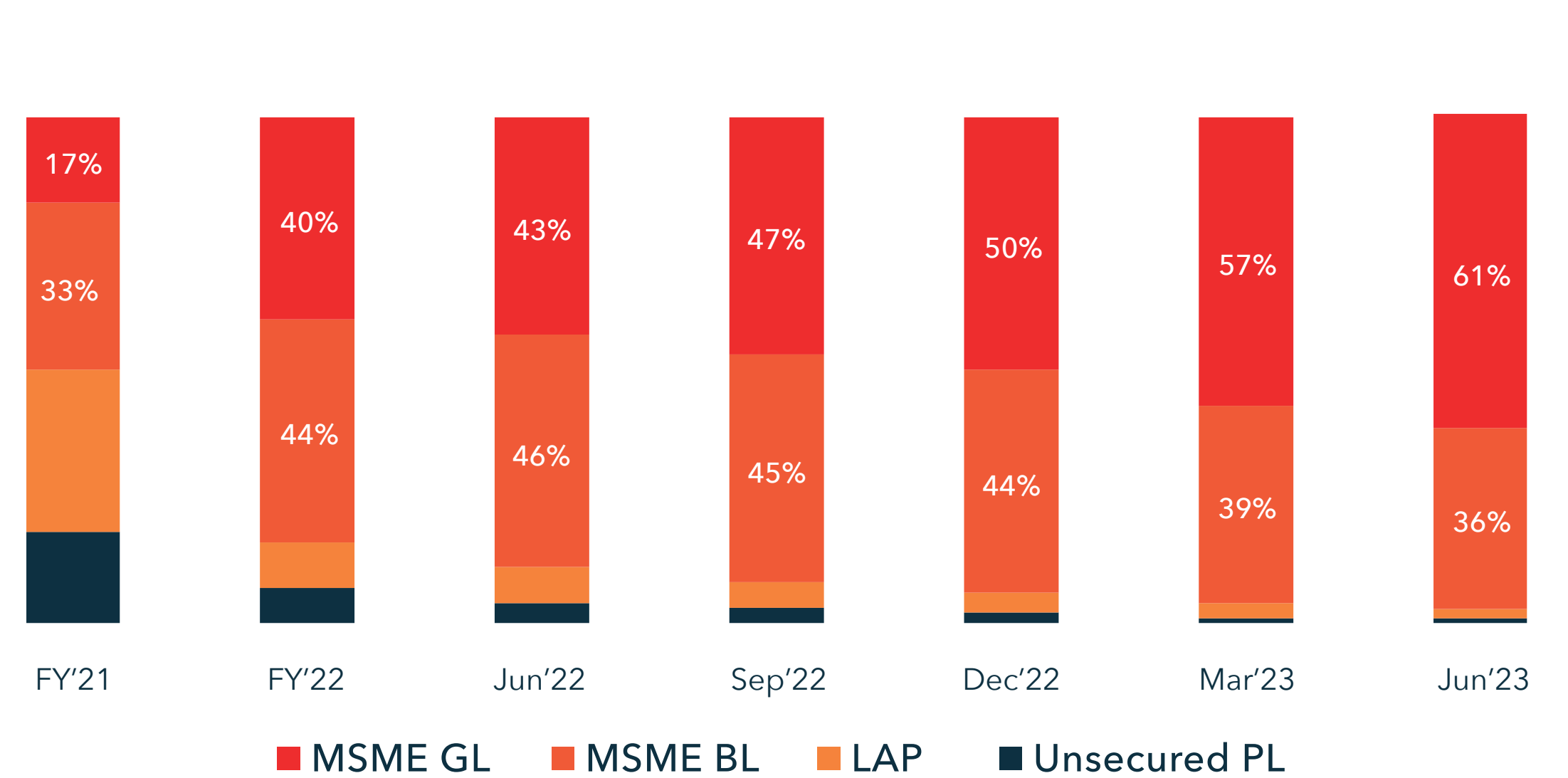


# Granular & Capital Efficient Portfolio mix

Gross Loan Portfolio (AUM) INR Mn\*



Focused MSME Gold and Business Portfolio



TRU has disbursed more than INR 15 billion in Gold loans to 1,12,000+ borrowers.

In Business loans we have disbursed INR 5 billion to 61,200+ borrowers.

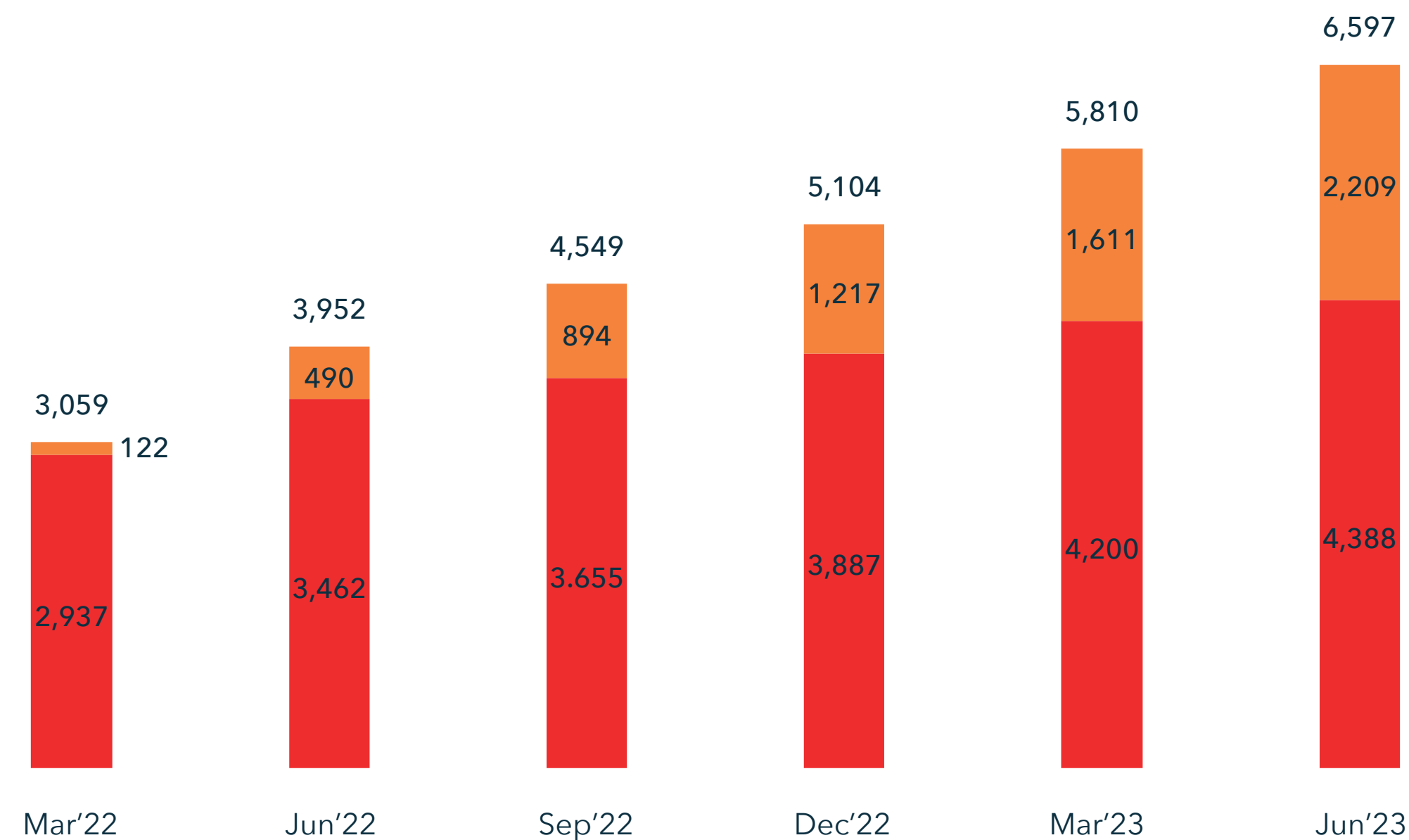
MSME Gold & Business loans are up to 97% of AUM.

LAP and Personal loans which were 16% of AUM in Mar-22 is down to 3% of AUM in Jun-23.

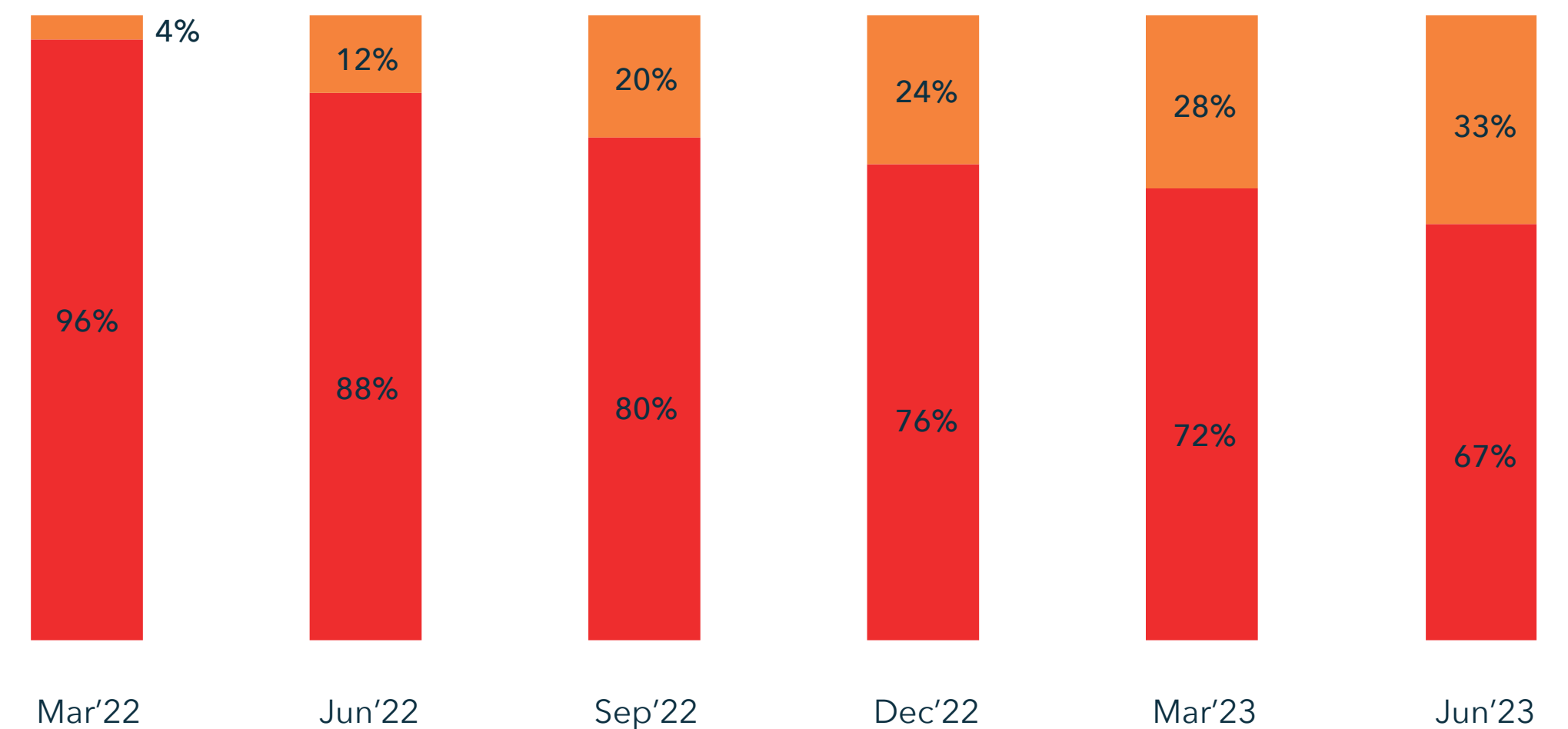
\*Products and Portfolio mix based on on & off balance sheet AUM .  
TRU entered the Gold loan business in August 2020

# Loan growth with Increasing Capital Efficiency through L-a-a-S Partnerships

Gross Loan Portfolio (AUM) INR Mn\*



L-a-a-s AUM as a % of Total AUM



AUM = managed book which includes on & off- balance sheet loans

L-a-a-S = Lending as a Service where TRU is a minority capital provider but does the entire sourcing, servicing and collection effort in the partnership

# ~INR 6 billion of L-a-a-S Cumulative Disbursements

	Jun'22	Sep'22	Dec'22	Mar'23	Jun'23
L-a-a-S Disbursement (INR Mn)	470	574	645	1,258	2,057
L-a-a-S Disbursement %	23%	29%	30%	33%	43%
L-a-a-S AUM (INR Mn)	490	894	1,217	1,611	2,209
L-a-a-S AUM %	12%	20%	24%	28%	33%

### Benefit for TRU

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

TRU serves as the minority capital provider but is responsible for the entire sourcing, servicing and collection on loans offered to end borrowers for which it gets paid a fee.

INR Mn

L-a-a-S Partner Name	Product	Cumulative Disbursement	Total AUM
Central Bank of India	Gold Loan	3,610	1,305
DCB Bank Limited*	Gold Loan	1,181	874
Shivalik Small Finance Bank	Gold Loan	706	305
Ugro Capital	Business Loan	225	219
HDFC Bank Limited**	Business Loan & Gold Loan	2	2

### Benefit for Partner Institutions

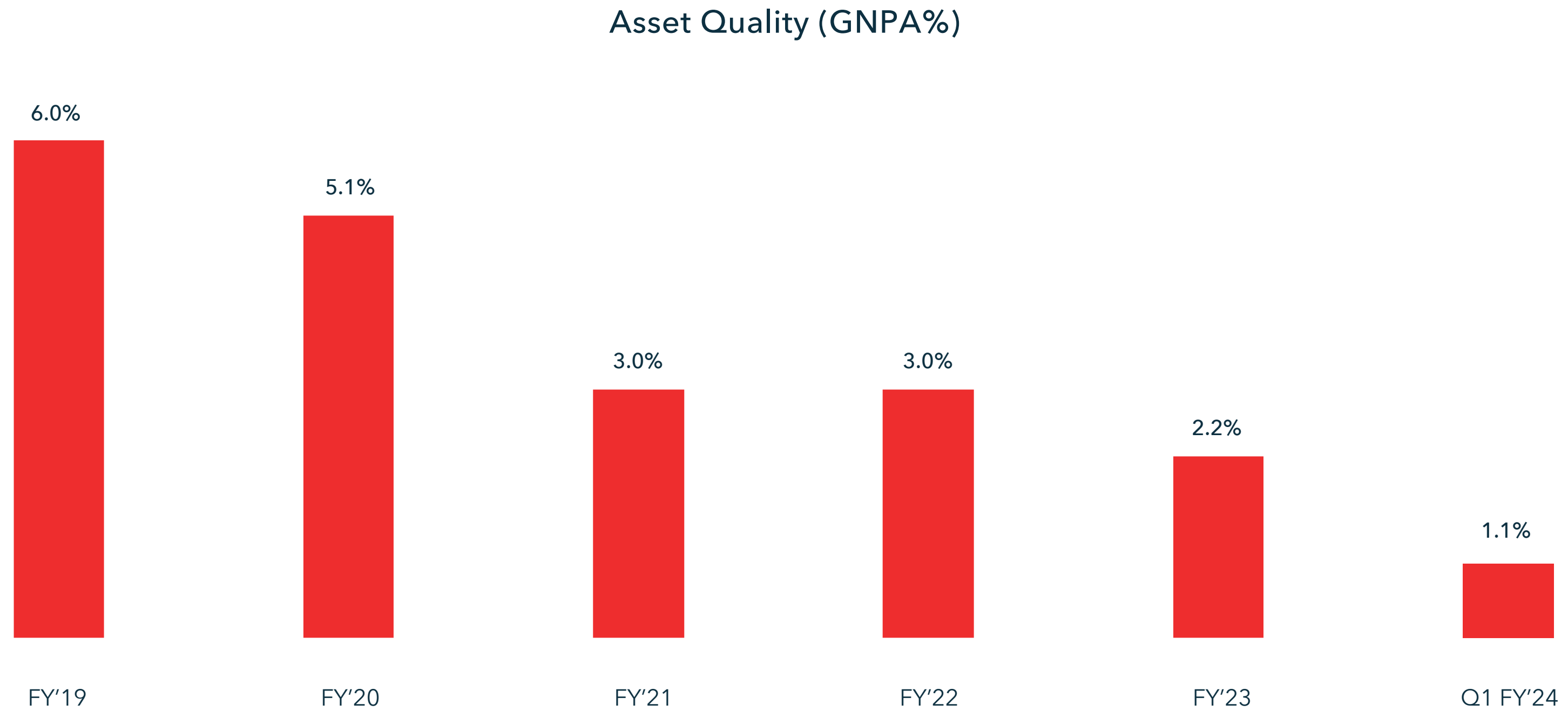
Derive benefit from TRU's distribution, robust underwriting practices and collection processes.

No cost of opex, capex or marketing

\*Disbursements with DCB Bank commenced in late March 2023

\*\* Disbursements with HDFC Bank commenced in Jun'23 quarter for business loans and very recently in gold loans.

# Substantial Improvement in Asset Quality...



GNPAs in the gold loan book are negligible at 0.04%; Business loan are currently 2.4%

Gold taken to auctions are INR 41 Mn (0.3% of cumulative disbursements).

# ... Driven by Sturdy Product level Portfolio Performance

INR Mn

Product	Mar'22			Jun'22			Sep'22		
	AUM	% of AUM	GNPA%	AUM	% of AUM	GNPA%	AUM	% of AUM	GNPA%
MSME GL	1,223	40%	0.7%	1,704	43%	0.5%	2,120	47%	0.3%
MSME BL	1,346	44%	1.1%	1,817	46%	2.2%	2,042	45%	2.1%
LAP + PL	491	16%	14.1%	436	11%	16.8%	388	9%	19.9%
<b>Total</b>	<b>3,059</b>		<b>3.0%</b>	<b>3,958</b>		<b>3.1%</b>	<b>4,549</b>		<b>2.8%</b>

INR Mn

Product	Dec'22			Mar'23			Jun'23		
	AUM	% of AUM	GNPA%	AUM	% of AUM	GNPA%	AUM	% of AUM	GNPA%
MSME GL	2,533	50%	0.2%	3,328	57%	0.0%	4,049	61%	0.0%
MSME BL	2,240	44%	2.6%	2,257	39%	3.7%	2,368	36%	2.4%
LAP + PL	331	6%	23.0%	225	4%	19.6%	179	3%	5.5%
<b>Total</b>	<b>5,104</b>		<b>2.7%</b>	<b>5,810</b>		<b>2.2%</b>	<b>6,597</b>		<b>1.1%</b>

Increasing mix of Gold loans has led to significant improvement in GNPA's.

Substantial resolution in LAP & Personal loan AUM & NPA from Jun-22 to Jun-23.

In Jun-22, LAP & Personal loans were 60% of total GNPA's vs. 14% in Jun-23.

# Robust Collection Efficiency driven by Gold Loans

INR Mn

Month	Demand for the month	Collection for the month	Collection efficiency (CE) for the month	Payment & foreclosures in the month	CE including prepayment /part payment
Jul-22	187	167	<b>90%</b>	268	<b>233%</b>
Aug-22	190	169	<b>89%</b>	323	<b>259%</b>
Sep-22	204	183	<b>89%</b>	347	<b>259%</b>
Oct-22	212	189	<b>89%</b>	291	<b>227%</b>
Nov-22	196	176	<b>90%</b>	371	<b>279%</b>
Dec-22	214	193	<b>90%</b>	544	<b>344%</b>
Jan-23	227	202	<b>89%</b>	766	<b>427%</b>
Feb-23	237	211	<b>89%</b>	880	<b>460%</b>
Mar-23	259	236	<b>91%</b>	781	<b>392%</b>
Apr-23	281	243	<b>87%</b>	869	<b>396%</b>
May-23	288	252	<b>87%</b>	1,317	<b>544%</b>
Jun-23	261	235	<b>90%</b>	1,086	<b>506%</b>

Collection Efficiency in Gold loans is well north of 100% because of prepayments/repayments/foreclosures which are the regular feature in the gold loan business.

Collection Efficiency just for Business Loan excluding LAP & Personal Loan has been between 92-96% for all months from June'22.

Total Collection Efficiency of 90% has been due to lower collections in our legacy LAP and PL accounts which today represent 3% of AUM.

The background features abstract geometric shapes in shades of red and orange. On the left, there are several overlapping rectangular and trapezoidal shapes in a vibrant red color. On the right, there is a large, semi-circular shape in a lighter orange hue, resembling a stylized 'U' or a partial circle. The overall composition is clean and modern, with a focus on geometric forms and a warm color palette.

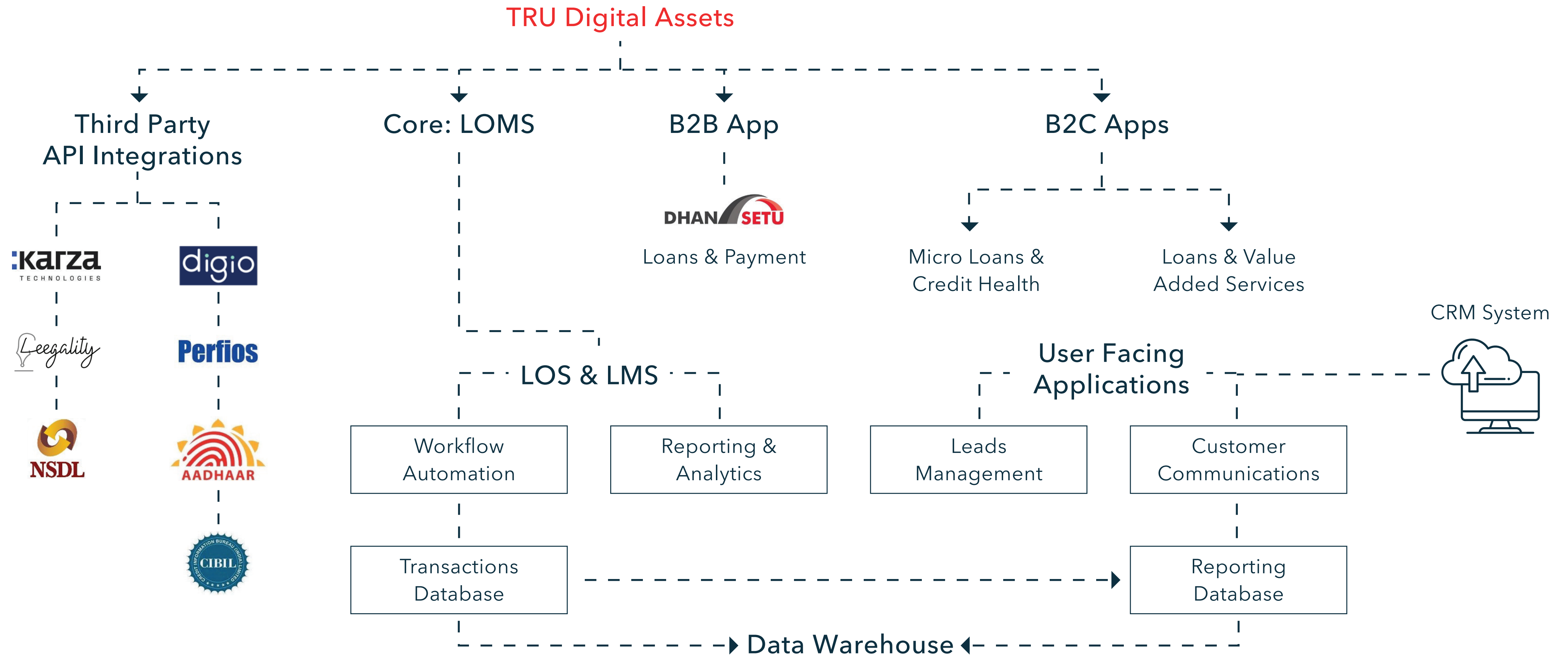
*Omnichannel Distribution Platform Powering  
Capital Efficient Loan Growth*

# Multi Channel Distribution Built in the Last Few Years...





# ... with Technology as a Strong Enabler...



**A robust platform enabling seamless onboarding, underwriting, servicing, monitoring and on-time collections.**

## Salient Attributes

### Speed with Scale

Seamless loan origination and management platform that enables faster onboarding and disbursement for multiple loan products

### Modular Architecture

Customizable workflows allow changes with minimal turnaround time

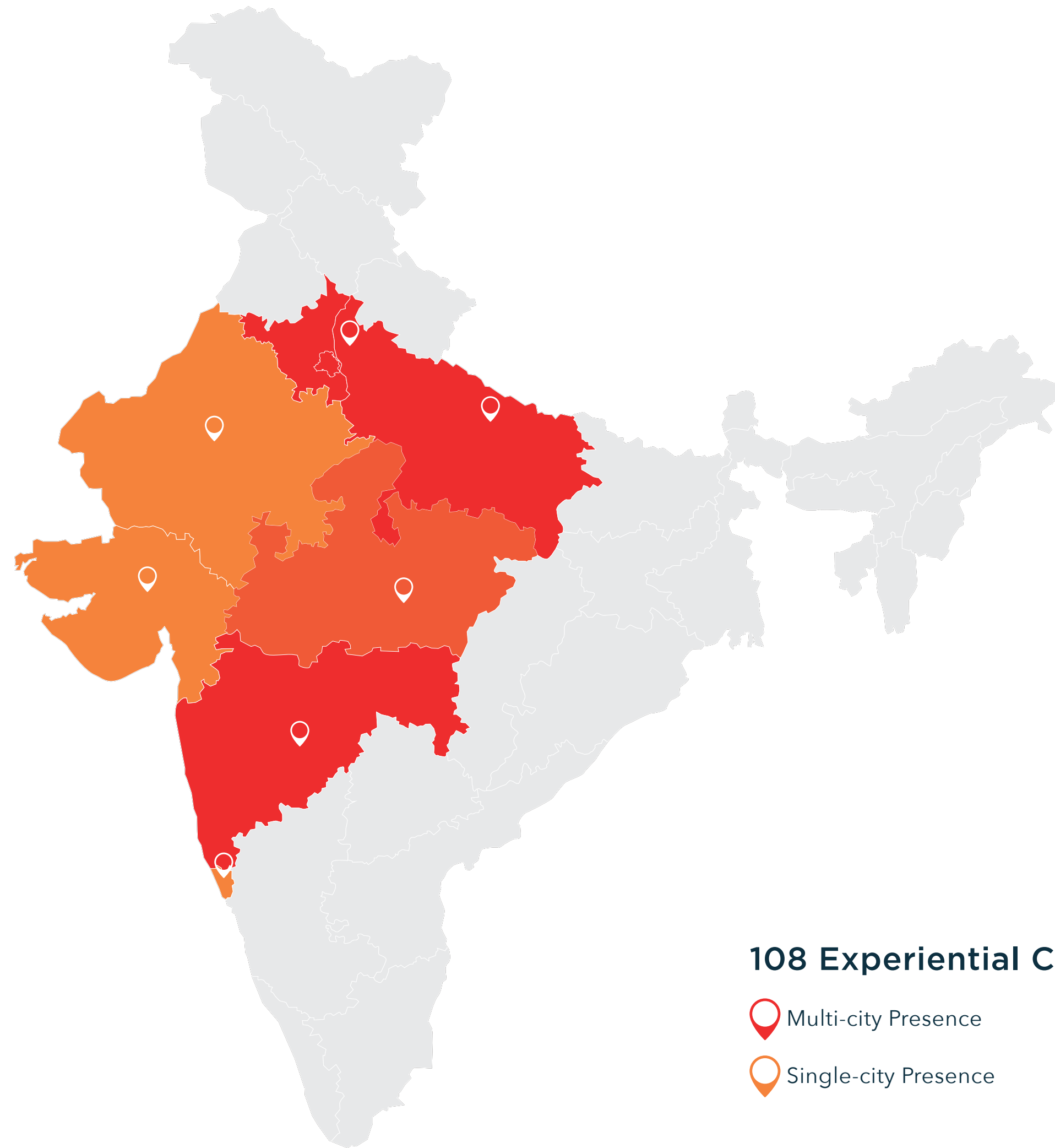
### MicroServices Centric

Open API architecture allowing seamless integration with 3<sup>rd</sup> parties

### Automation & Rules Driven

Automated rules engine, credit underwriting and fulfilment resulting in lower risk, reduced TAT, enhanced scalability & better decision making

# ... And Cluster-based Distribution Network through Experiential Centres...



- 30 Maharashtra
- 22 Madhya Pradesh
- 21 Delhi NCR/ Haryana
- 12 Gujarat
- 9 Rajasthan
- 8 Goa
- 6 Punjab

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

The states of Maharashtra, Gujarat, MP, Haryana and Delhi-NCR comprise 35% of MSME enterprises\*. 92 Experiential Centres are located in these geographies which are the hub of micro and small enterprise units

In the last two quarters, TRU has entered Gujarat, Rajasthan & Punjab for Gold loans.

# ...Focused Largely in Tier II/III/IV Towns...

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

Branch additions		FY'20	FY'21	FY'22	FY'23	Q1FY'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	86
	Delhi / NCR	-	4	2	2	4	
	Goa	-	-	2	4	2	
	Madhya Pradesh	-	-	9	13	-	
	Gujarat	-	-	-	5	6	
	Rajasthan	1	-	-	-	8	
	Punjab	-	-	-	-	6	

AUM distribution Over the Years

State	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Jun'23
Maharastra	100%	100%	81.3%	52.8%	36.2%	35.7%
Delhi NCR			12.0%	23.0%	24.0%	22.8%
Madhya Pradesh			1.6%	8.9%	19.1%	18.0%
Goa			0.0%	3.2%	7.1%	8.5%
Gujarat			1.7%	1.7%	4.1%	5.3%
Rajasthan			2.5%	2.9%	1.8%	2.2%
Punjab						3.7%

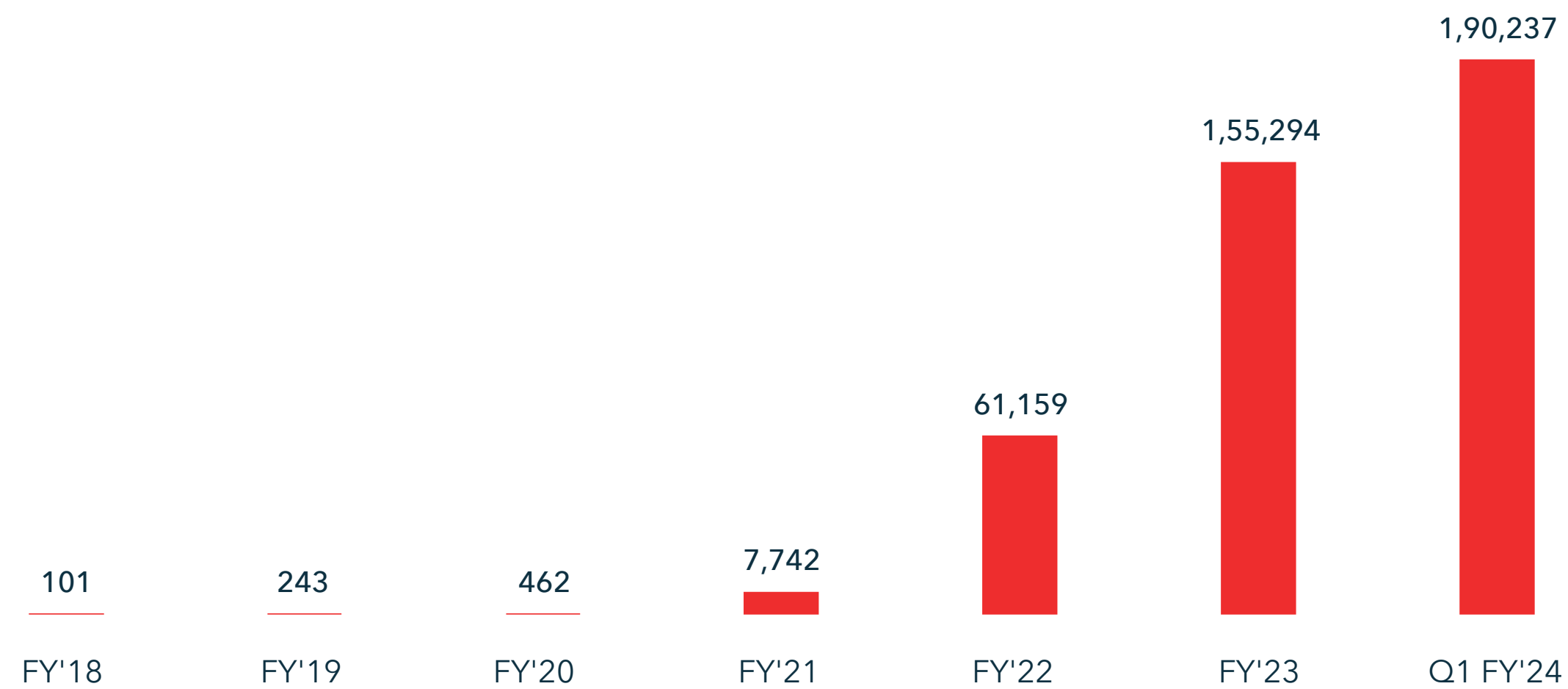
Having commenced operations in Mumbai in 2018, TRU has diversified its presence in 7 other states.

MH which was 100% of asset market in 2018 & 2019, has now dropped to 36% of AUM

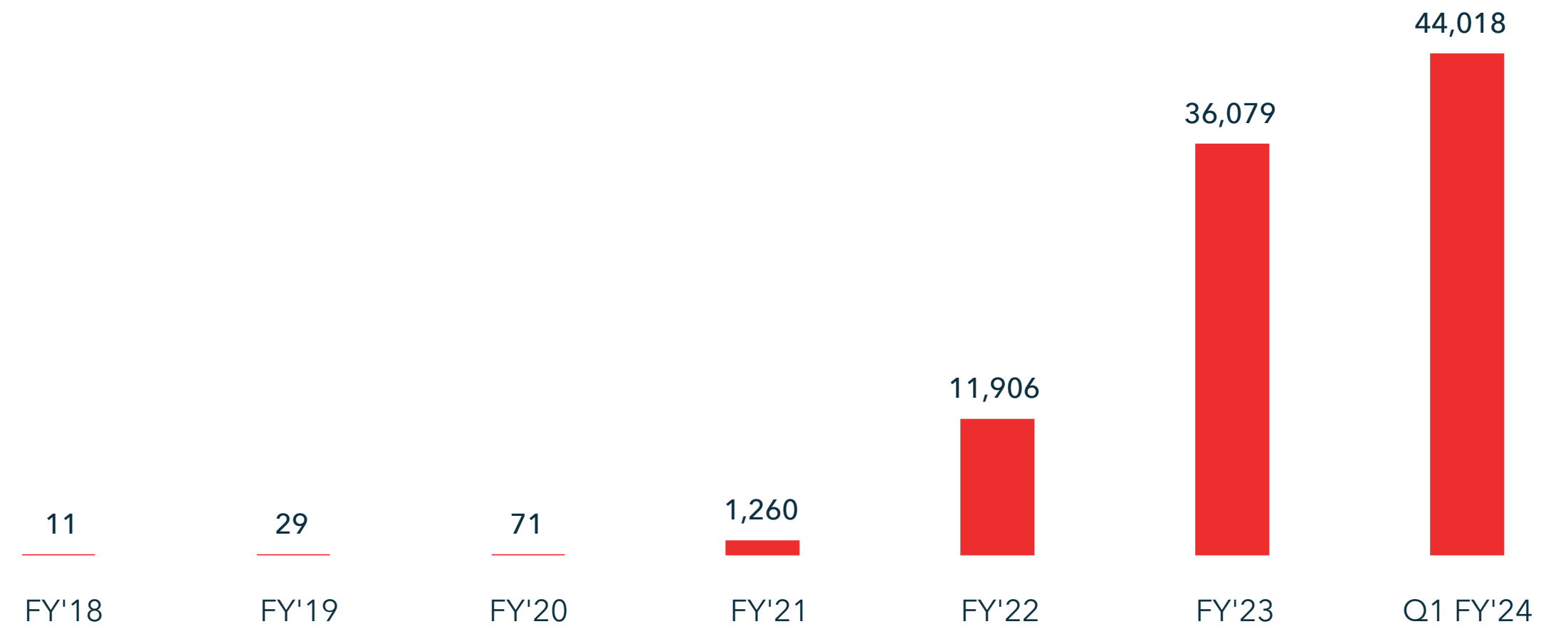
80% of our branch network is in Tier II/III/IV towns.

# ...Helping Serve Large Number of Customers including Women Entrepreneurs

Customers Served



Women Entrepreneurs Served



23% of the total customers we have served are women entrepreneurs.

*Q1 FY24 Results*

# Income Statement

INR Mn

Income Statement	Dec'22	Mar'23	Jun'23
Interest Income	241	225	266
Less: Finance Cost	137	149	173
Net Interest Income	103	76	93
Other Income	106	102	112
Operating Expenses	199	164	188
Profit Before Tax	11	14	17
Less: Tax	4	4	4
Profit for the period	7	11	13

Strong revenue growth driven by robust disbursement trajectory

Other income being aided by continued build out of distribution franchise

Sturdy q/q growth in profits

\*Standalone results

# Balance Sheet

INR Mn

Balance Sheet	Dec'22	Mar'23	Jun'23
Financials Assets	5,623	6,300	6,031
Cash and Investments	949	1,183	865
Gross Loans	3,887	4,200	4,388
Less: Impairment Loss Allowance	48	20	31
Net Loans	3,839	4,179	4,357
Other Financial Assets	835	938	809
Non - Financials Assets	453	477	527
Total Assets	6,076	6,777	6,558
Financial Liabilities	3,817	4,462	4,251
Trade payables & Other liabilities	52	37	47
Borrowings	3,764	4,425	4,204
Non-Financial Liabilities	67	88	52
Total Liabilities	3,883	4,550	4,303
Equity Share capital	232	232	233
Other Equity	1,961	1,995	2,023
Total Equity	2,193	2,228	2,256
Total Liabilities and Equity	6,076	6,777	6,558

High level of liquidity to protect the balance sheet from any exogenous shocks.

Q/Q reduction in debt given increasing business with L-a-a-S partnerships.

*Risk & Governance*



# Comprehensive Risk Management Framework

Action Undertaken >>>	Aspects Covered >>>	Objective Achieved / To Be Achieved
Risk Assessment Framework	Credit, liquidity, solvency, financial, and information security risks	Common standards for management of various risks at portfolio level
Independent unit for internal controls - Standard Assessment of Branch Performance through Branch Control Score Card	Gold loan branches, audit of partners, hind-sighting of traditional business	Branch control score card for objective assessment to aimed to achieve low risk rating
Rigorous review of infant/non-starter	Revised allocation of these cases to sales/credit to resolve	Majority of resolution done in FY23 in line with management guidance
All embracing LAP collection	Pre-SARFESI notice for 60+ day delinquent borrowers	LAP NPAs currently out of the loan portfolio
Comprehensive & exhaustive criteria on risk assessment for preferred sourcing partners	Partnership framework and SOP that ensures high quality customer selection & servicing	Negligible NPAs from preferred sourcing partners

# Standardised Branch Score Card

## Mitigate Risk and Maintain Quality Service

### Standard Branch Audit Score Card Mechanism

Standard scoring mechanism following weighted average mechanism based upon risk rating of 12 comprehensive processes and 130 checkpoints  
 RBI tenets, internal auditors and external auditors observations compliant

### Performance Management of Branch to Mitigate Risk

Evaluate the branch process and internal controls  
 Prescriptive and corrective action driven  
 Audit is comprehensive, detail-oriented and full-scale for all loan accounts



Branch Score Card

Objective

Standardised

Evolving & aligned to Growth

Centralized Monitoring

### Branch Score Matrix

Risk	Rating
High	C
Medium	B
Low	A

There are 12 risk parameters with 130 checkpoints with weighted scores to measure compliance

Branch Self Certification Process is additionally applicable to measure risk

Implemented Surprise audits in FY23

Implemented Regional Head based Branch assessment in FY23

# Focus on Governance

## Independent and Eminent Board Comprising of Industry Stalwarts

### Rakesh Sethi

Non-Executive Chairman

*Past experience:*

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

### Nirmal Momaya

Independent Director

*Past experience:*

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

### Atwood Porter Collins

Non-executive Director

*Past experience:*

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

### Rajiv Kapoor

Non-executive Director

*Past experience:*

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

### KP Raghuvanshi

Independent Director

*Past experience:*

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

### Geetu Gidwani Verma

Independent Director

*Past experience:*

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

### Abha Kapoor

Independent Director

*Past experience:*

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

### Rushina Mehta

Non-executive Director

*Past experience:*

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

### Rohan Juneja

Managing Director & CEO

*Past experience:*

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

### Statutory Auditor

Bansal Bansal & Co.

### Concurrent Auditor

Grant Thornton

### Secretarial Auditor

U. Hegde & Associates

# Shareholding Pattern

Substantial management ownership in the company

