

o r o b o o r o



Innovative Social credit delivery in India through embedded finance for furthering financial inclusion, enhancing financial literacy and bridging the digital divide

The Story – How it began



Sibin Das
UBER Driver

Sibin Das, an UBER driver from Ernakulam had to renew his insurance (INR 28,000 /USD 360) for his car which is his primary income source.

His credit score (550) is not a prime score for many banks to process the loan internally.

Being a cab driver, his monthly income was around INR 30,000. Taking care of household expenses and insurance amount was not feasible.

Other NBFC require some security.

Money lenders are highly unorganized – high rate/ unethical collection



Lata Khatakdhod, lives in suburbs of Mumbai.

Being a house help, she is not covered under the minimum wage act.

Employed in 4-5 house and earn around INR 3,000 – 4,000 (USD 60) per house hold.

With the onset of monsoon, she wanted INR 30,000 to fix her leaky roof of the 100 sq ft room. Being a New to Credit customer, she does not have a credit track record

She uses a smart phone but only for call and WhatsApp

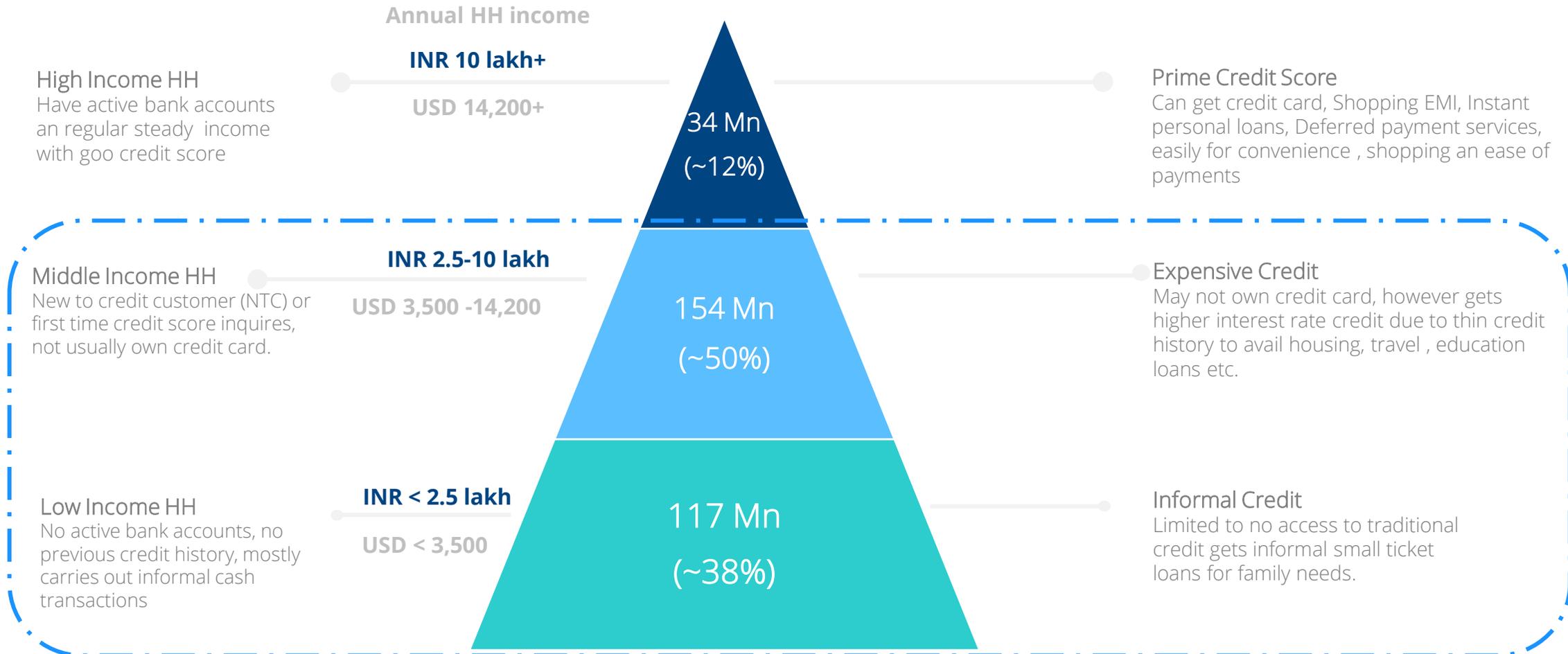


Lata Khatakdhond
House Help

Supply Credit Gap – Low Income household

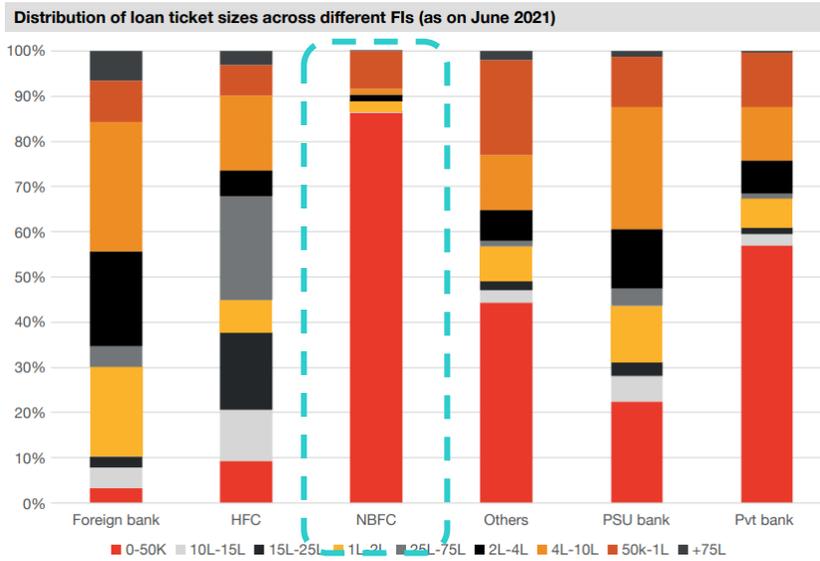
Low income households face a huge challenge to access credit – opportunity for small ticket loans

Urbanisation , access to information an employment opportunities driving consumer demand and spending



Small ticket – Big Potential

80% of loans disbursed by NBFC are below INR 50K



Upto INR 50K is the sweet credit spot

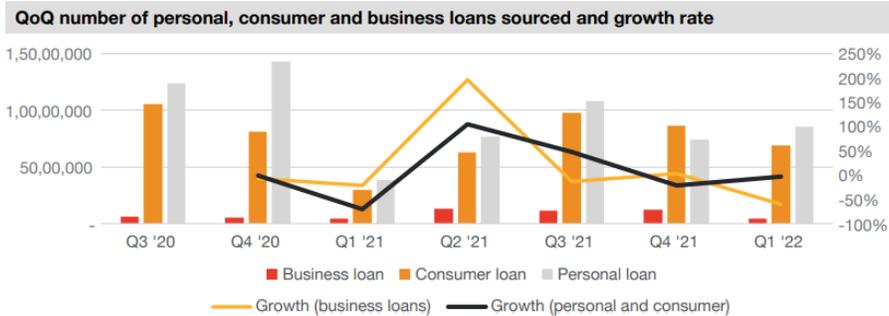
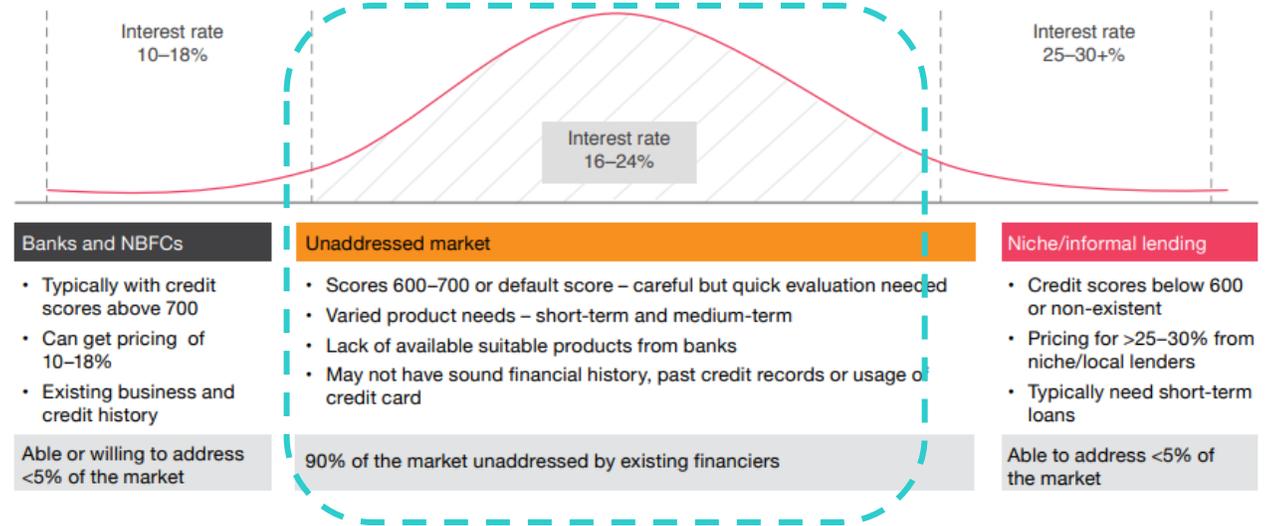


Figure 1.3: Varying interest rates of credit lending across Indian markets¹²



97% of the household reported a decline in household income during covid-19.

Growth in personal loan attributed to the increased need coming in from education and medical expenses.

Huge potential for smaller ticket size, customized product offering and faster turnaround.

India - A global FinTech Superpower

India has the highest FinTech adoption rate globally

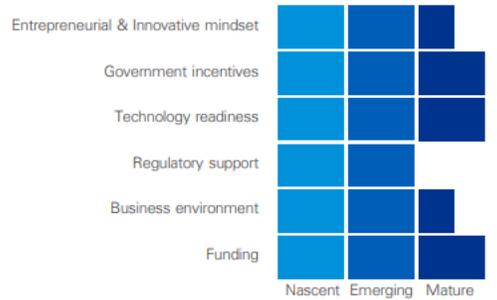
Stagnant Market

Mature Market

Emerging Market

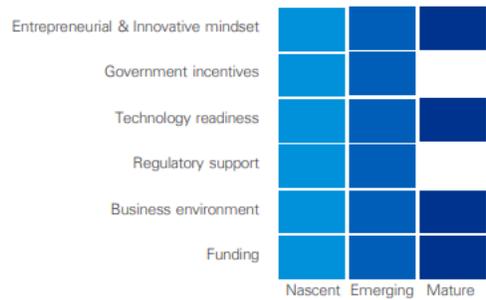
The United States

The U.S. is the gravitation centre of entrepreneurs as well as hi-tech talent, which has attracted the highest fintech investment and built the largest network of start-up firms^{01,02,03}.



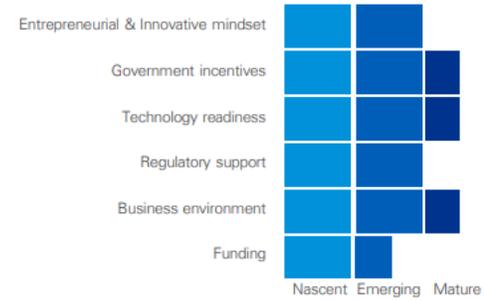
Israel

Israel uses indigenous technology skills and a strong network of foreign investors, providing favourable environment to foster fintech innovations¹².



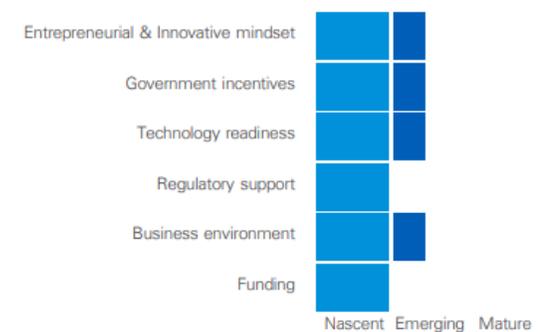
Hong Kong

Hong Kong is shaping up as a strong fintech hub in Asia, backed by robust investment support from the government and venture capitalists to nurture entrepreneurship^{08, 09}.



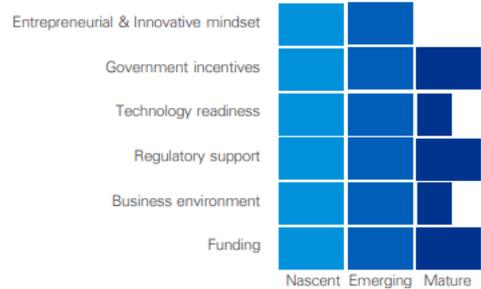
India

India is gaining ground on the growth of the fintech ecosystem with fair supply of proficient and inexpensive talent, a potential to capture a large portion of the unbanked population and a steady inflow of funds.



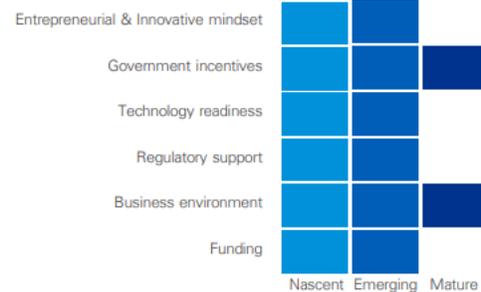
The United Kingdom

The U.K. has established itself as one of the most attractive locations in fintech with high digital connectivity, an indigenous financial services workforce and solid funding landscape⁰⁶.



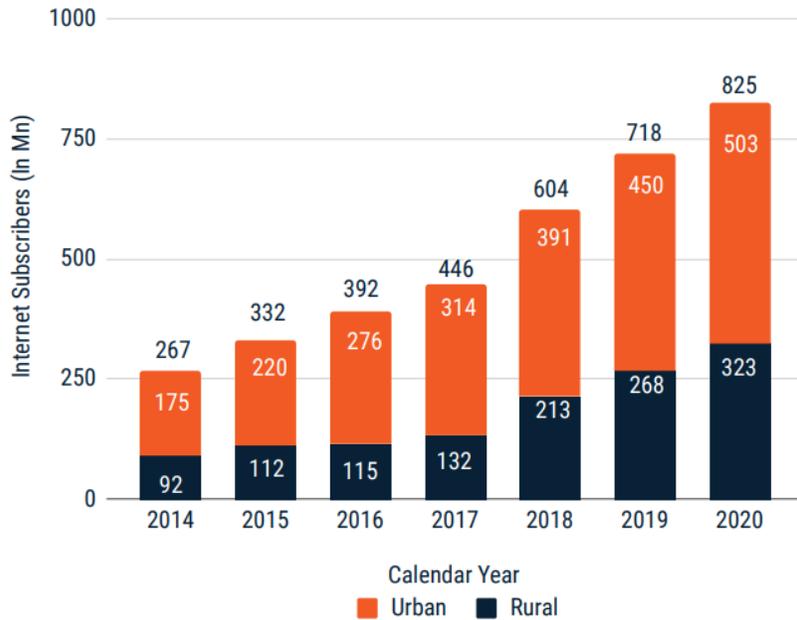
Singapore

Singapore is attracting investors and foreign industry players along with extensive government support and expertise of corporate mentors to position itself as an international leader¹³.



The Rise of Digital Economy - India

India has the highest FinTech adoption rate globally at 87% , lending segment potential to reach USD 1tn in the coming years



Source: TRAI, Statista, App Annie

834 Mn+

Total Number Of Internet Subscribers In India As Of Sept 2021

61%

Internet Penetration In India

931 Mn

Smartphone Users In India

\$0.68

Per GB Internet Cost In India

4.7 Hours

Average Hours Spent On Mobile Per Day Per User

305 Mn

Users Doing Online Transactions In India

73 Bn

Total Volume Of UPI Transactions As of Dec.2021

\$1.7 Tn

Total Value Of UPI Transactions As Of Dec.2021

337 Mn+

Total Number Of Rural Internet Subscribers As Of Sept 2021

Amongst the fastest growing Fintech markets in the world with ~ **6,386** FinTech startups in India.

3rd Largest Fintech ecosystem globally

India fintech market opportunity is estimated to be **USD 1tn** by 2025 growing at CAGR of 31% during 2021-2025. Lending tech USD 616bn, Insuretech USD 339 bn and payments USD 208 bn

As of April 2022, India has **16** Fintech companies, which have gained 'Unicorn Status' with a valuation of over USD1 bn

In 2021, the country's fintech startups raised **around USD 8 Bn** across 280 funding deals, a record high in both cases, average investment ticket size stood at \$33 Mn

Embedded Finance – game changer

Global embedded finance market estimated to be USD 7tn by 2030

Global Embedded Finance Market



Current valuation:
\$241 billion



Forecast for 2030:
\$7 trillion



CAGR:
23.9%
(2022-2029)



Total global funding raised in 2021:
\$4.25 billion



Top five countries (highest demand for embedded lending):
Australia, India, China, Singapore, Indonesia & Malaysia

India Opportunity



India's embedded finance industry expected to reach **USD 4bn** in 2022.

Expected to grow around **30.4%** between 2022-2029

Revenue from embedded finance sector expected to go from **USD 4bn** in 2022 to **USD 21bn** by 2029

Embedded Finance is a concept through which any non-financial organization of varying complexity and digital maturity (Individuals, Startups, Fintechs, Digital Businesses, or Large Enterprises) can offer financial services (cards, accounts, insurance, loans, investments) to its customers with the help of an Embedded Finance platform

The Story – next leg of growth

Shravandas
Proprietor



Shravandas runs a popular eatery, Vasant Sagar in Nariman Point.

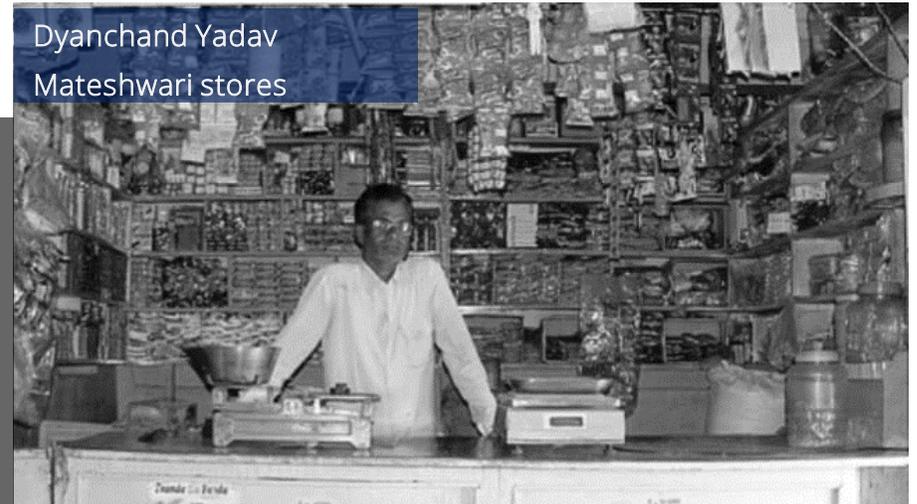
Frequented by office goers everyday.

Order booking via a restaurant software, Major transaction in cash

He requires small credit limit to basically expand / buy raw materials



Dyanchand Yadav
Mateshwari stores



Dyanchand runs a Kirana store in Navi Mumbai.

He stocks basis fast moving items to meet customer demand

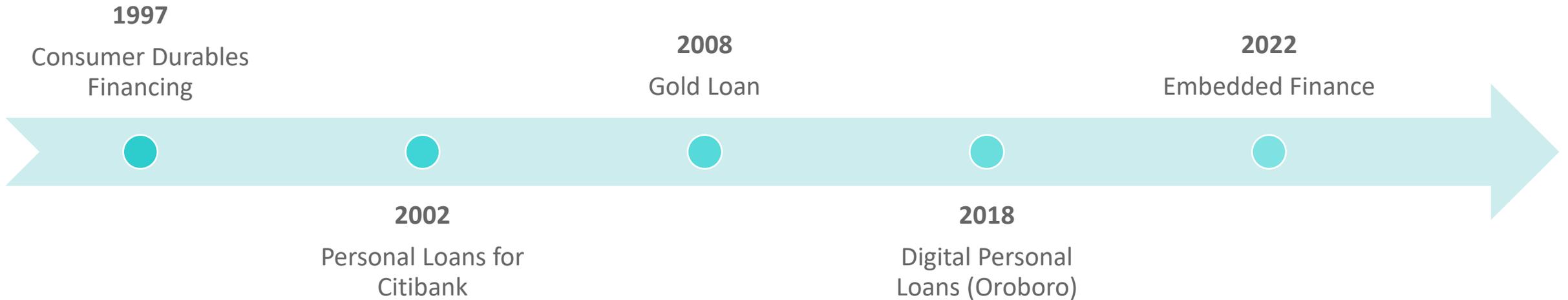
He has aspiration to stock few high margin items/ or order in bulk and enjoy additional discounts

Distributor approach him and punch in orders via an app and deliver at a later date

Oroboro – The journey so far

Oroboro is the fintech arm of the RBI licensed NBFC – Transwarranty Finance Limited

Key Milestones



Business Expertise

<p>28+ Years of Trade Pedigree</p>	 <p>Trade Finance Syndication USD 5 bn ₹ 400 crs</p>	 <p>IB/CF Syndication USD 100 mn ₹ 780 crs</p>	 <p>GOLD LOANS USD 5 mn ₹ 34 crs</p>	 <p>Offline/Online LOANS DISBURSED 1,50,000+</p>
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Company Highlights

Snapshot of Transwarranty Finance Ltd and its Subsidiary Vertex Securities Ltd

Our reputation:

- Serving customers for the past 25 years.
- TFL Listed on BSE & NSE and VSL on BSE
- TFL has strong business association with large corporates and over 500 SME / MSMEs
- Strong syndication track record across trade finance, debt & equity & structured deals

Market Access & Channels:

- Unique capabilities in debt, equity & structured transactions
- Large number of MSME and retail clients
- Lending focused on niche social impact and Fintech segments
- Advisory business services for clients across the value chain starting from trade finance to investment banking
- VSL has network of ~ 150 offices and ~ 20,000 registered clients.
- Third Party Product distribution: Mutual funds, Bonds & Debentures and Fixed Deposits
- IRDA approved Corporate Agency for life, general and medical insurance

Licenses & Regulatory:

- TFL RBI licensed NBFC
- VSL SEBI licensed Merchant Bank
- VSL SEBI licensed Stocks, Commodity & Currency Broker
- VSL member on BSE / NSE / NCDX / NMCE / MCX
- Good track record with regulators

TFL Experience in Lending Business:

- Consumer/ Personal loans
- Focus on bridging the credit gap for financial inclusion through Fintech

Oroboro – Performance glance for last 3 years

Digital loans paying the way for easy origination, assessment, disbursement and collection

Loans Disbursed
13,685 | ₹ 1,538 L
\$ 2 MN

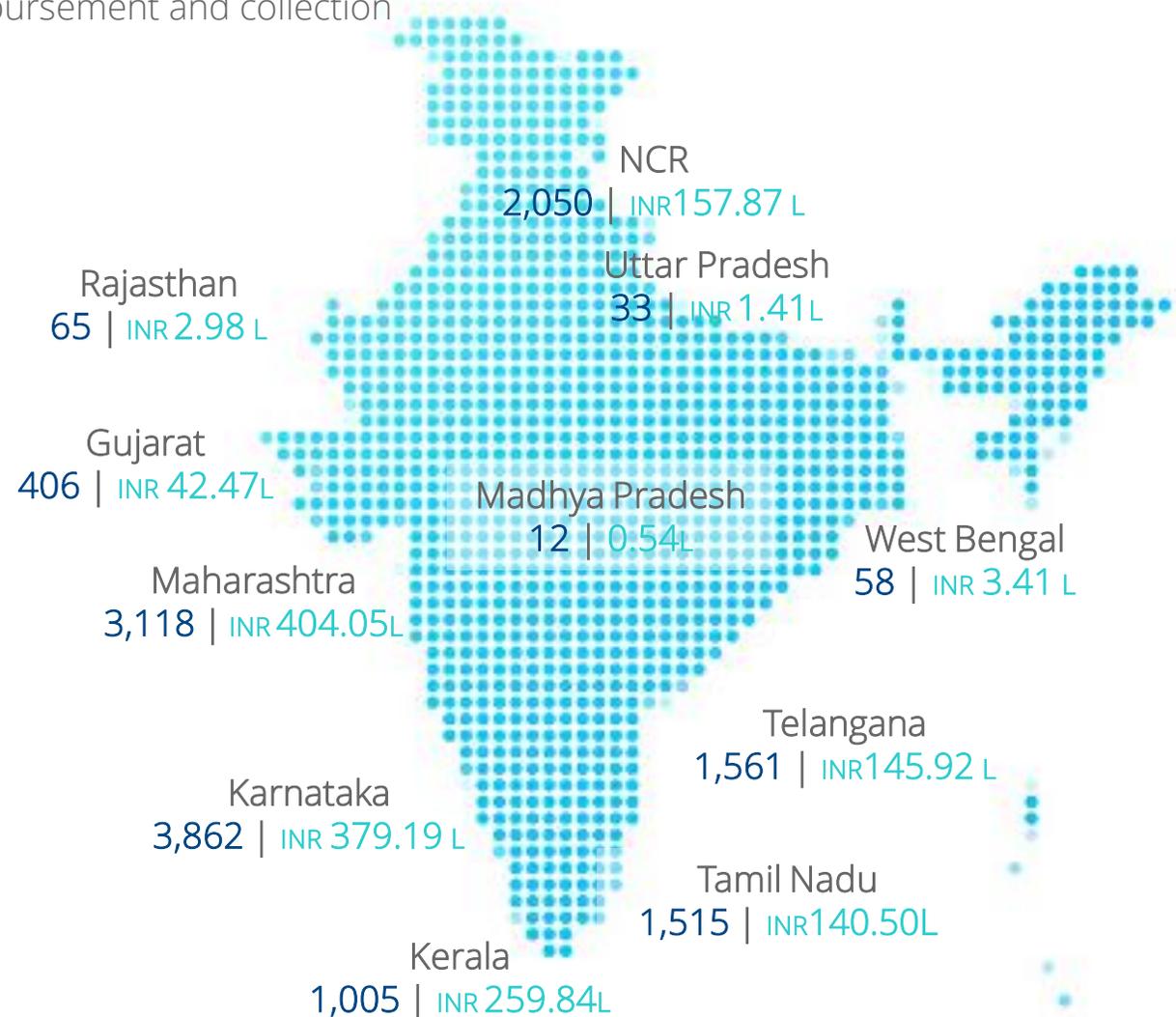
Gender diversity
72%  28%^{*B2C} 

Tenure
8w - 15m

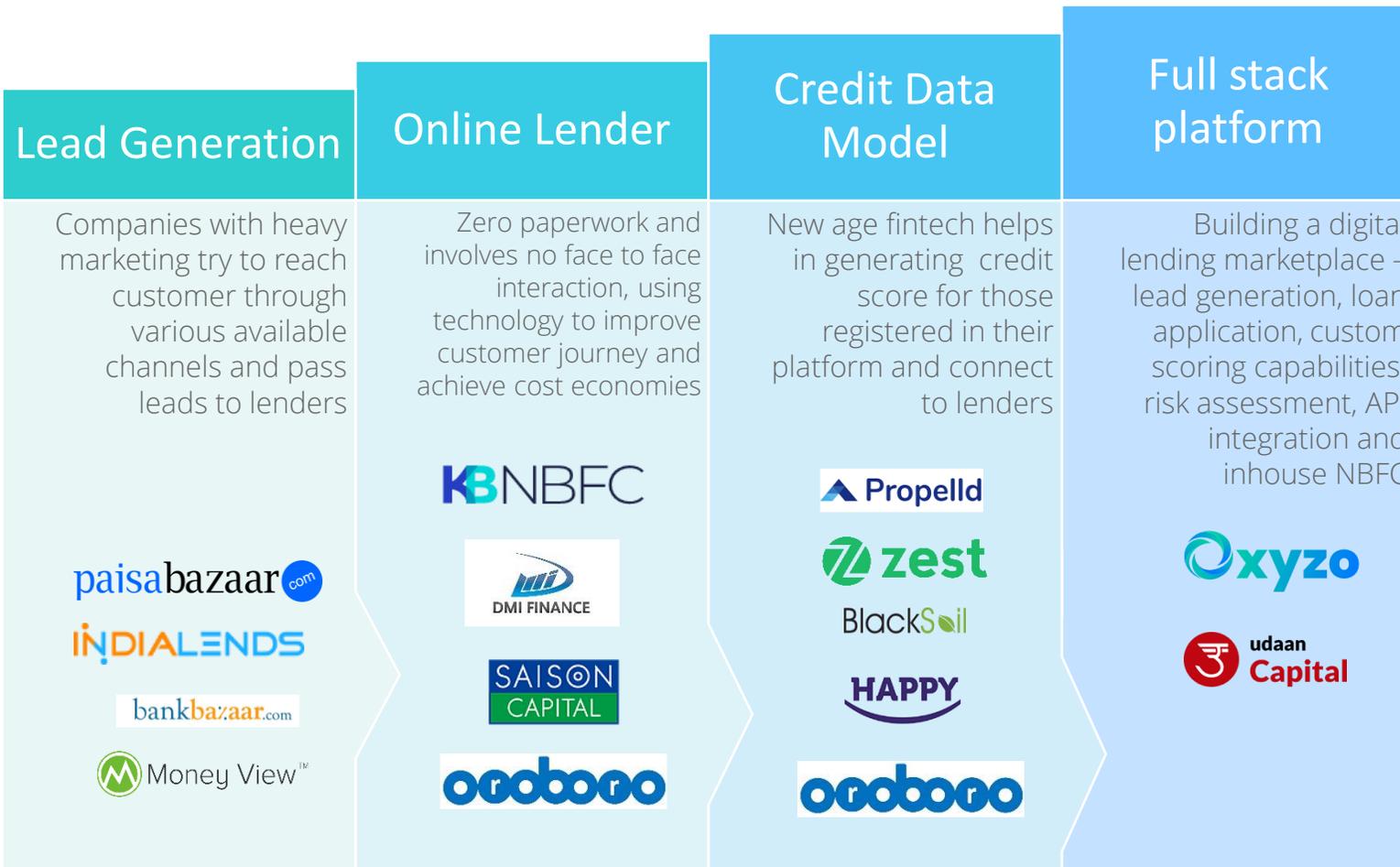
Pin Codes
 2,562

Loan ticket size
₹ 5,000 – ₹ 50,000
\$65 – \$ 650

Avg approval rate
20%



Market Scoping - Business Model based on value chain



Oroboro USP

- New age technology
- Superior customer experience
- Seamless partner integrations
- Real time loan decision
- New age underwriting models
- Profitability business model and not cash burn.
- Fully regulated with RBI licensed NBFC – Transwarranty Finance Limited
- Own Collection team in place

	UDAAN Capital	zest	slice
Valuation	USD 3 bn	USD 1.5 bn	USD 1.5 bn
Topline	₹ 456 cr / \$ 58 mn	₹ 78 cr / \$ 10 mn	₹ 35 cr / \$ 4.50 mn
PAT	₹ -1,256 cr / \$ -161 mn	₹ -181 cr / \$ -23 mn	₹ -8.9 cr / \$ -1.15 mn

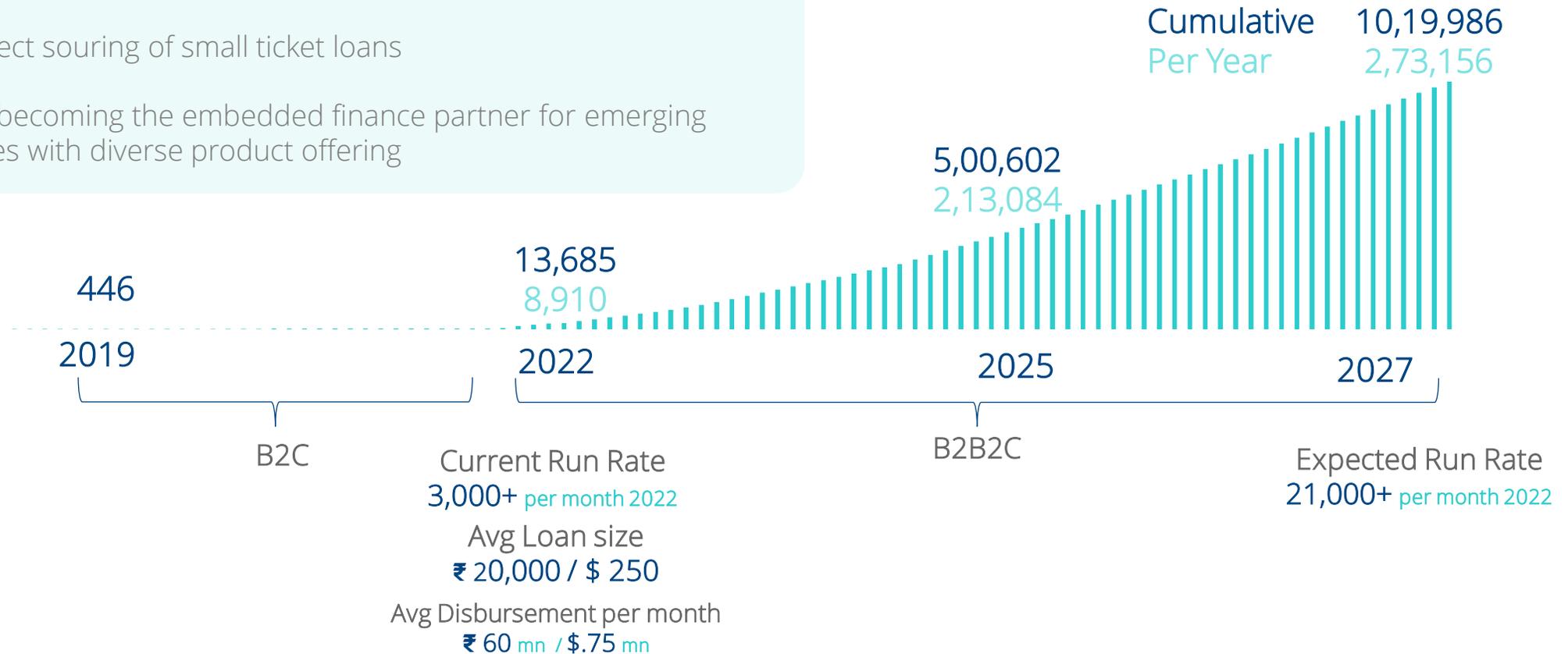
Oroboro – Tech enabled model enables to scale rapidly

Galloping towards new highs through B2C and B2B2C tie-ups

Oroboro's – Two pronged approach to scaling.

B2C – direct sourcing of small ticket loans

B2B2C – becoming the embedded finance partner for emerging corporates with diverse product offering



Oroboro – gaining strong foothold

Associated as a preferred embedded finance partner with industry leaders

Geographical footprint	B2C product and lending model	New B2B partnership & products
<p>Expand to Tier 2 and Tier 3 cities</p> <p>Automation to drive growth and making it easy to process.</p>	<p>Build On-Balance sheet and Off Balance sheet capabilities.</p> <p>Offering other products to augment the requirement of the customer</p>	<p>Improve and scale existing partnerships</p> <p>Expand B2B partnership network</p> <p>Structuring unique products to help B2B partner scale their business</p>

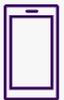


Logistics

Transport aggregator



Status:
LIVE and potential to scale



Electronics

Consumer durables opportunity



LIVE and potential to scale



Retail/FMCG

Supply chain finance

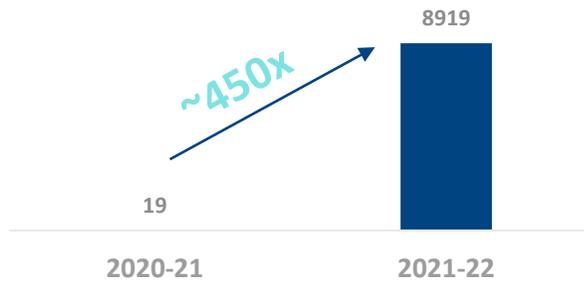


LIVE and potential to scale

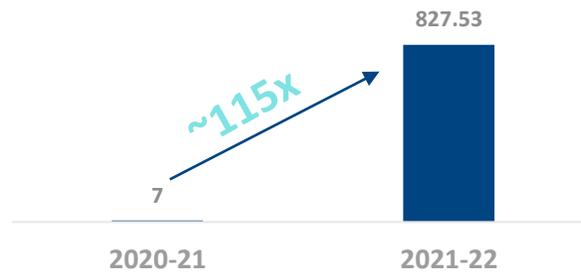
Operational Performance – FY 21-22 at a glance

On the road to growth trajectory

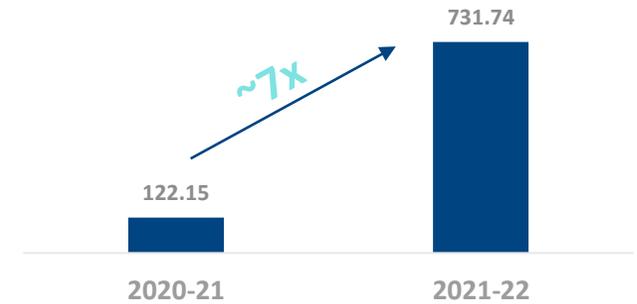
No of Loans Disbursed



Amount Disbursed (Rs Lakhs)



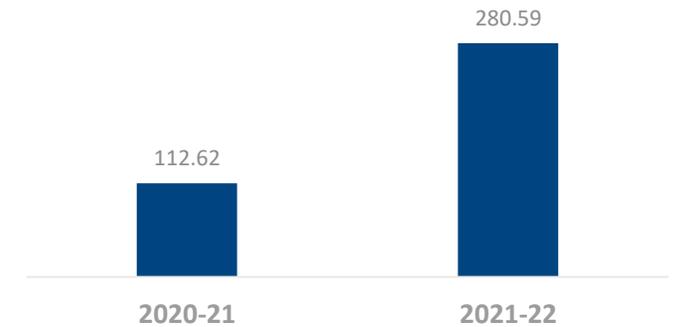
AUM (Rs in Lakhs)



Cumulative Loans disbursed till 31-03-2022



Fee income (Rs in Lakhs)



What makes us Unique

Powered by fully regulated NBFC Transwarranty Finance Limited – listed on BSE and NSE

01 Reputation



Serving customers for over 28 years. Strong syndication track record across Trade Finance, Debt, Equity & Structured Finance Transactions

Both Corporate & Retail Clients. Advisory services for clients across the value chain VSL's Network of 200 offices & 30,000+ clients.



Market Access & Distribution Channels 02

03 Lending Experience



Personal & Consumers Loans. Lending focused on niche social impact to bridge the credit gap and promote financial inclusion

All regulatory licenses required for smooth functioning of business present. Good track record with regulators. No barriers to entry with regards to regulation.



Licenses & Regulatory Compliances 04

Thank you!

GET IN TOUCH:

Transwarranty Finance Limited
403 Regent Chambers
Nariman Point
Mumbai – 400 021
India
investors@transwarranty.com

