

I. Investment Thesis

Problem: The casual workforce (informal and contract worker) often faces a negative cash balance between paydays. This causes dependence on informal money-lenders with effective interest rates in excess of 100%, perpetuating a cycle of debt.¹



Banks/NBFC/MFI
EAR: 10%-20%



DAS Capital
EAR: 18%-21%



Informal Lenders
EAR: 100%+

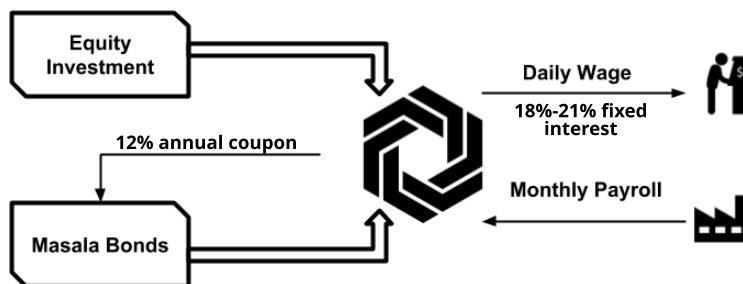
Opportunity: There is a need for daily credit at favorable interest rates for casual workers to purchase basic necessities, such as food, fuel, light, health, and education.² Due to the lack of credit history for these individuals, micro-finance institutions (MFIs) and non-banking financial companies (NBFCs) are unable to provide cash with enough frequency or accessibility to meet this need.

Solution: DAS Capital enables the withdrawal of daily wages for contract and informal workers by: **(1)** partnering with Annual Survey of Industries (ASI) recognized factories³ and labor contractors to track and manage monthly payroll for the casual workforce, **(2)** placing a network of franchised ATM's⁴ in select factories at accessible distance for beneficiaries to withdraw their daily wage (<30min travel), and **(3)** providing beneficiaries a pre-paid card with a balance that grows by expected wage each working day for a fixed 18% - 21% fee on advanced wages.

This solution enables DAS Capital to smooth income and measure credit-worthiness based on return rate of advanced wages – allowing beneficiaries to reduce dependence on informal debt, become bankable, and retain more of their income.

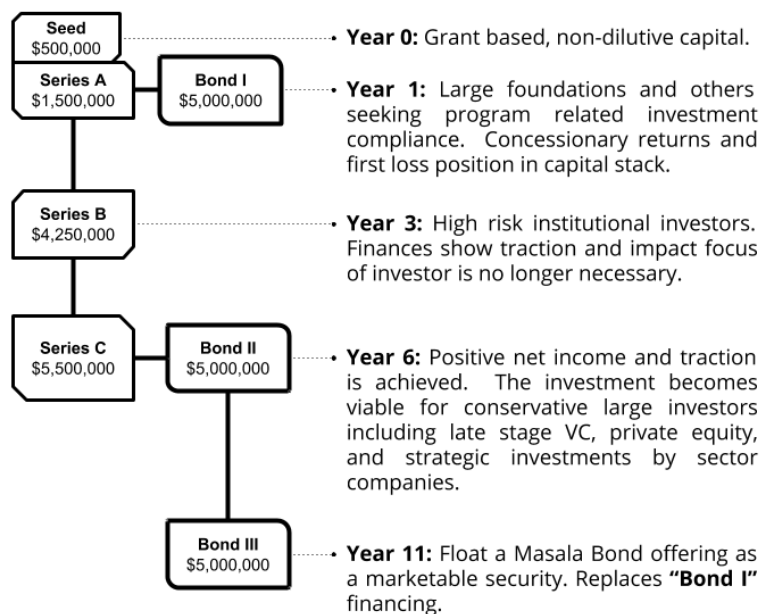
Investment Vehicle: DAS Capital issues 10-year, 12% annual coupon Masala bonds in years 1, 6, and 11 that are used to finance the rolling short-term credit. Masala bonds are rupee denominated bonds sold by Indian corporates and issued to overseas investors, eliminating currency risk for the issuer.

II. Entity Form



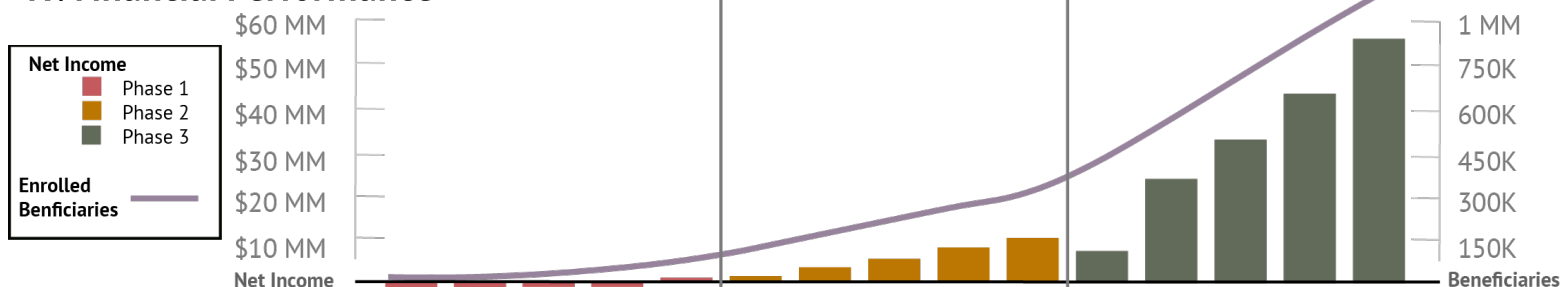
Asset Class & Capital Structure

DAS Capital offers traditional equity and Masala Bonds. After Phase 1, equity is only needed to scale operations since sustainable profit from operations is made on the spread between capital costs and the fee on wage advances for beneficiaries.



III. Target Market	Phase 1 India POC	Phase 2 India Expansion	Phase 3 Emerging Market
Target Geographies	Tamil Nadu & Andhra Pradesh	Maharashtra, Gujarat, Uttar Pradesh, Punjab, Karnataka, Rajasthan, & W Bengal	ASEAN Community
Target Market Size⁵			
Revenue	\$2,441,225,437	\$7,663,634,805	\$16,188,491,873
Beneficiaries	21,397,647	67,172,719	141,894,600

IV. Financial Performance



*denominated in USD

V. Key Assumptions

- Wage growth follows historical trends at 7% per annum.
- Tax rate remains at the historical average of 34.5%
- Default/closure rate of 10% on credit extended to beneficiaries.
- DAS Capital meets the minimum number of transactions to produce positive cash flow from ATM franchising.
- In Year 6, collection date for payroll from employers is reduced to 15 days from end of payment period.
- Y1 amount of credit extended (\$556,531) and signing on 60 employers supports fundraise request.

VI. Risks







Risk		Mitigation
Factory	Factory Closure / Default	Due Diligence of Factory: The history of operations and payments will be analyzed. ASI recognized factories will be targeted. Public tax and regulatory compliance records will be queried in the analysis. Bank records will be consulted to certify free cash. Factory and partner client payments will be reviewed to ensure timely payment.
	Lack of Adoption	Show the factory how working with DAS Capital reduces their payroll expenses by bundling their wage payments into a single payment. The factory can also benefit from improved worker morale leading to increased worker productivity.
Borrower	Unregistered Worker	The employers provide an attendance sheet and the workers are required to register with DAS Capital. This provides formal documentation on the previously unregistered worker.
	Fraudulent Borrower	Receive attendance report from the employers to validate correct payments. Withdrawing excess from actual earnings results in withholding the amount from the next pay period.
External	Weak Regulatory Capacity	Hiring experienced local staff and partnering with local banks will help navigate the regulatory framework.
	Insufficient ATM Cash Balance	DAS Capital aggregates data to know what the ATM cash balance needs to be to cover payments. The Company also partners with Tata Payment Services to ensure minimal downtime.

VII. Growth Highlights (By Y15)

12k	\$113M	\$60M	\$141M
<i>Factories Served</i>	<i>Revenue</i>	<i>Net Income</i>	<i>Monthly Credit Extended</i>

VIII. Impact & Measurement

Metrics (By Y15):

-  # of beneficiaries (1.26M+)
-  # receiving credit score (1.13M+)
-  Decrease in borrower dependence on informal lenders
-  Increase in active savings accounts (630k+)
-  Increase in # covered under accidental insurance (630k+)
-  % of beneficiaries that are female (30%+)

Social Impact:

Reduced level of household indebtedness: Daily pay and a lower EAR leads to increased monthly household cash balance.

Credit worthiness: Loan history with the beneficiaries provides a way to aggregate data and assign a borrower credit score. This credit score enables the beneficiary to work with formalized lenders for future needs.

Formalized savings system: The beneficiary receives a zero-balance savings account that pays 4% compounding interest annually to encourage saving and growing the additional take-home pay. This savings account also provides accidental insurance coverage up to \$1,600.⁶

Increased registered workforce: Registering the workers for DAS Capital loans provides formalized documentation and contracts for the beneficiaries, enabling them to qualify for credit history. Historically, 95% of casual workers have been unregistered which made these individuals unbankable.⁷

Female contribution to household income: By being selective in the customer base, DAS Capital can ensure 30% of the beneficiaries are female. This enables more women to have access to formalized loans through the Pradhan Mantri Jan Dhan Yojana (PMJDY) government scheme, and it increases the likelihood that each household benefits from the increased take-home pay and formalized loans.

IX. References:

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