



FY19 Q3 - Update

January 2019

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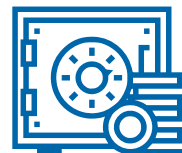
Company Snapshot



**Delhi based NBFC with
AUM of Rs.322.29 Cr**



**Listed on Bombay
Stock Exchange**



**99% of loan
book is secured**



**BBB rating
from CARE**



**18 Branches spread
across North and West
India**



**High CAR
of 63.76%**

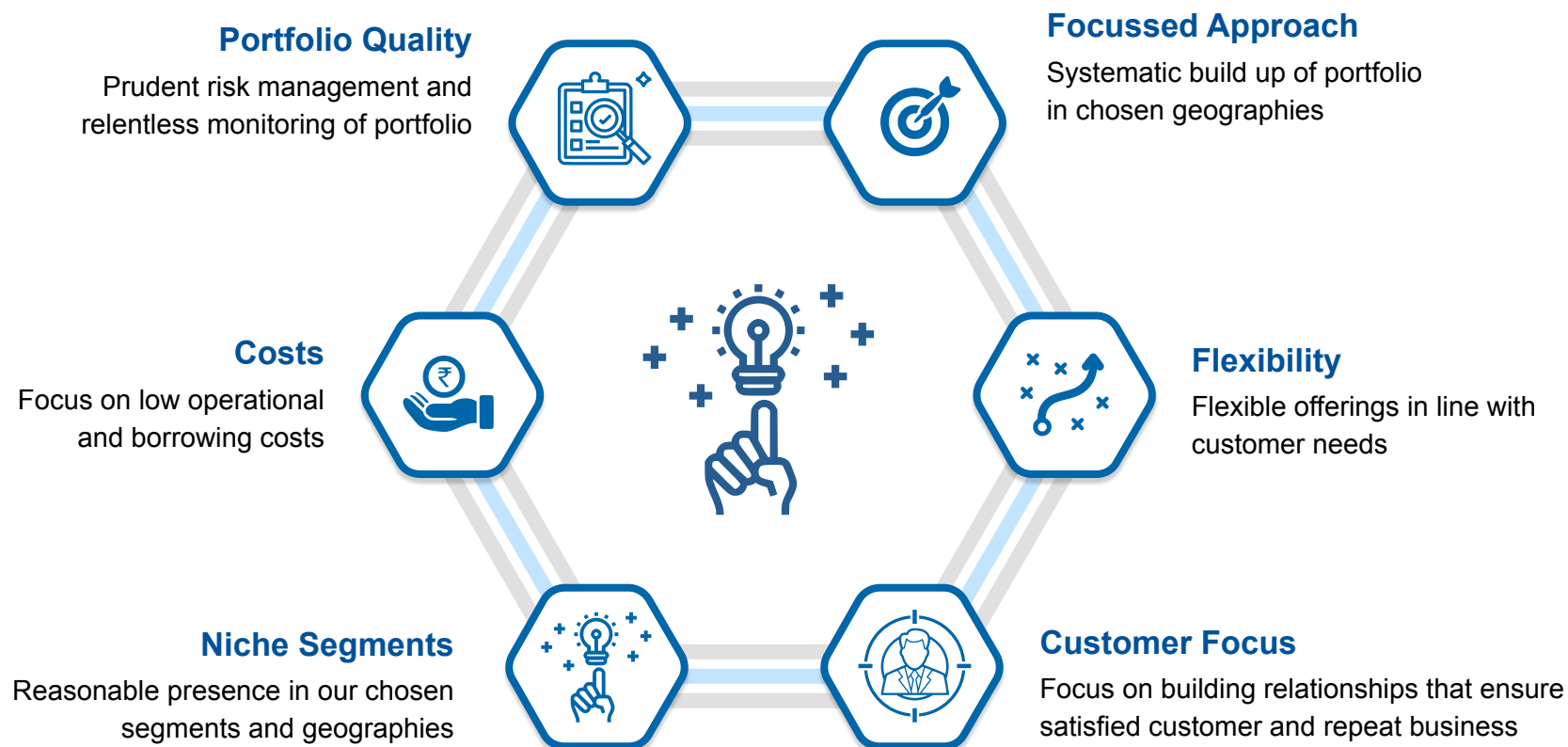


**Low cost of
operations**



**Raised 51 Cr from Marquee
investors in Sep 2017**

Business Strategy



Product Portfolio

Product Portfolio



Wholesale Financing

Wholesale Mortgage – Large (Group Housing)

Wholesale Mortgage – Small (Builder Floor Financing)

Wholesale Mortgage - LAP
(Corporates , Individuals and Education Sector)



Retail Financing

Secured Business Loans

Unsecured Business Loans

Our Presence



Existing Branches



Map not to scale, for representation purposes only

Risk Management Framework

1

Presence in select markets

- Presence in select pockets of NCR
- Excellent understanding of the market dynamics and risks
- Selective focus on market segments with good end-use demand
- Last mile financing – significantly reduces project risk
- Deal with reputed developers with good credibility

2

Excellent screening, credit appraisal

- Robust due diligence with focus on end use demand and other market forces and project associated risks
- Extensive credibility check through formal and informal sources
- Each deal is structured uniquely based on project requirements
- Charge on multiple assets with a portfolio level average of 2X

3

Constant monitoring/review

- Dedicated resources for asset monitoring
- Monthly/quarterly site visits to review/assess project progress
- Review of sales, inventory, market price, costs
- Detect early warning signals; initiate required steps, increase engagement
- Wherever required Initiate early legal actions for faster recovery

Operational Update

- ✓ We have 18 operational branches for SME Loans covering 6 states NCR, Haryana, Punjab, Rajasthan, Uttarakhand and Gujarat
- ✓ The company has a total employee strength of 135
- ✓ The new loan origination platform FinnOne Neo is under implementation and will go live in this quarter
- ✓ Our new product in school loans has gained good traction and is now a significant part of our Retail loan disbursements
- ✓ We plan to expand school loan distributions to newer micro markets
- ✓ Our SME Loan products are getting more traction in Tier 3 Towns and Semi Urban centers. So we have decided to adopt a cluster branch distribution model to increase our penetration and visibility in the states we are present in
- ✓ In SME loans we have increased our focus on direct sourcing of loans and referrals in our existing markets
- ✓ We have done rigorous review of all our Wholesale Loan accounts, in the last quarter and find no stress in any of the accounts
- ✓ We have completed hiring of all our key resources and we now are focused on improving the branch wise productivity
- ✓ Our current cash and cash equivalents including undrawn line of credit are around 5% of balance sheet as on 31st December 2018

Strategy In Current Environment

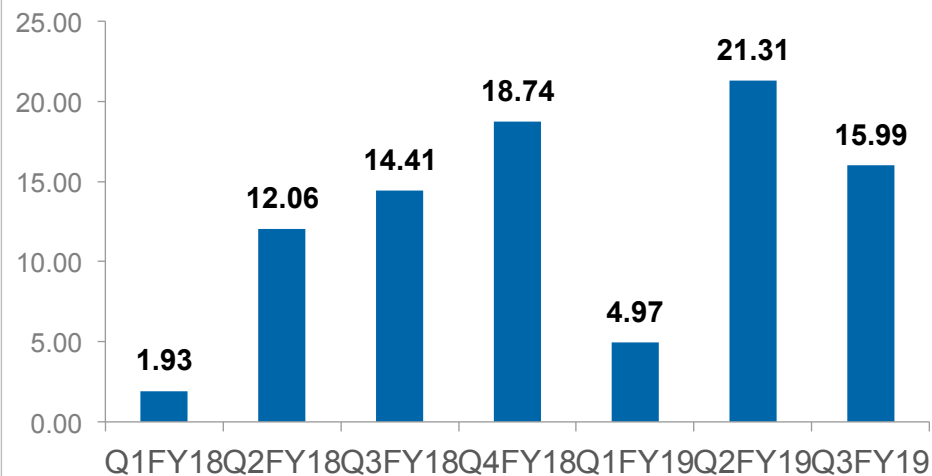
- ✓ We are well funded with our Capital Adequacy Ratio at 63.76%
- ✓ In the current environment of scarce liquidity our focus will be
 - Increase our SME portfolio & Small Builder Loans (Redevelopment of existing houses)
 - Rollout of the school loan product across all our SME branches
 - The rundown of the Wholesale portfolio will fund the growth of the SME portfolio even if the balance sheet growth is limited
 - We are not borrowing from the money markets and have no short term repayment commitments
 - We are actively looking to raise debt, but it has been challenging to do so in the last 3 months
 - We will maintain 5-7% of our Balance sheet in cash equivalents or undrawn lines of credit
 - Focus on increasing productivity of the existing branches

Financial Update

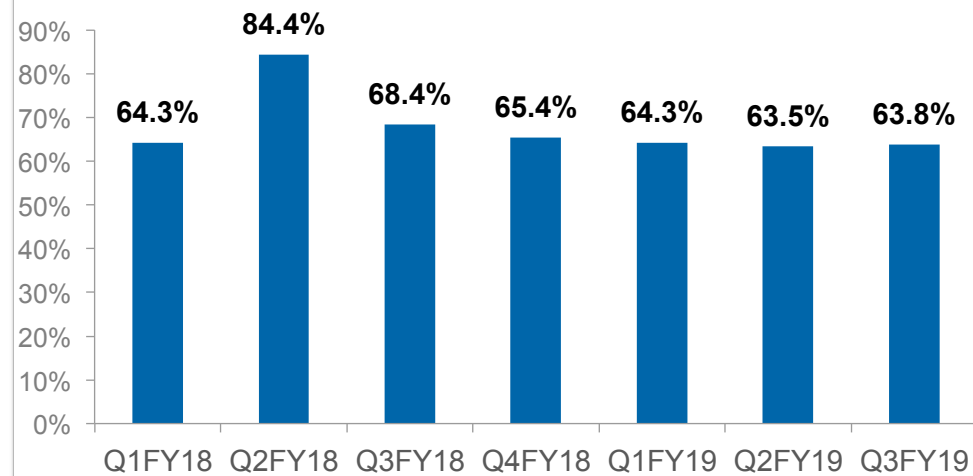
- ✓ Total Revenue increased by 46.27% to Rs 15.81 Cr in Q3 FY2018-19 as compared to Rs 10.81 Cr in Q3 FY2017-18
- ✓ Net Profit increased by 29.79% to Rs 6.61 Cr in Q3 FY2018-19 as compared to Rs 5.09 Cr in Q3 FY2017-18
- ✓ AUM increased by 23.85% to Rs 322.29 Cr in Q3 FY2018-19 as compared to Rs. 260.22 Cr in Q3 FY2017-18
- ✓ Net Interest Income (NII) increased by 18.52% to Rs 11.05 Cr in Q3 FY2018-19 as compared to Rs 9.32 Cr in Q3 FY2017-18
- ✓ Employee Costs increased by 91.13% to Rs 1.78 Cr in Q3 FY2018-19 as compared to Rs 0.93 Cr in Q3 FY2017-18 (*This excludes Rs 0.12 Cr of Employee compensation on account of ESOPs granted to the key employees*)
- ✓ Book Value as on 31st December, 2018 is Rs 338.59

Liquidity Profile & Capital Adequacy Ratio

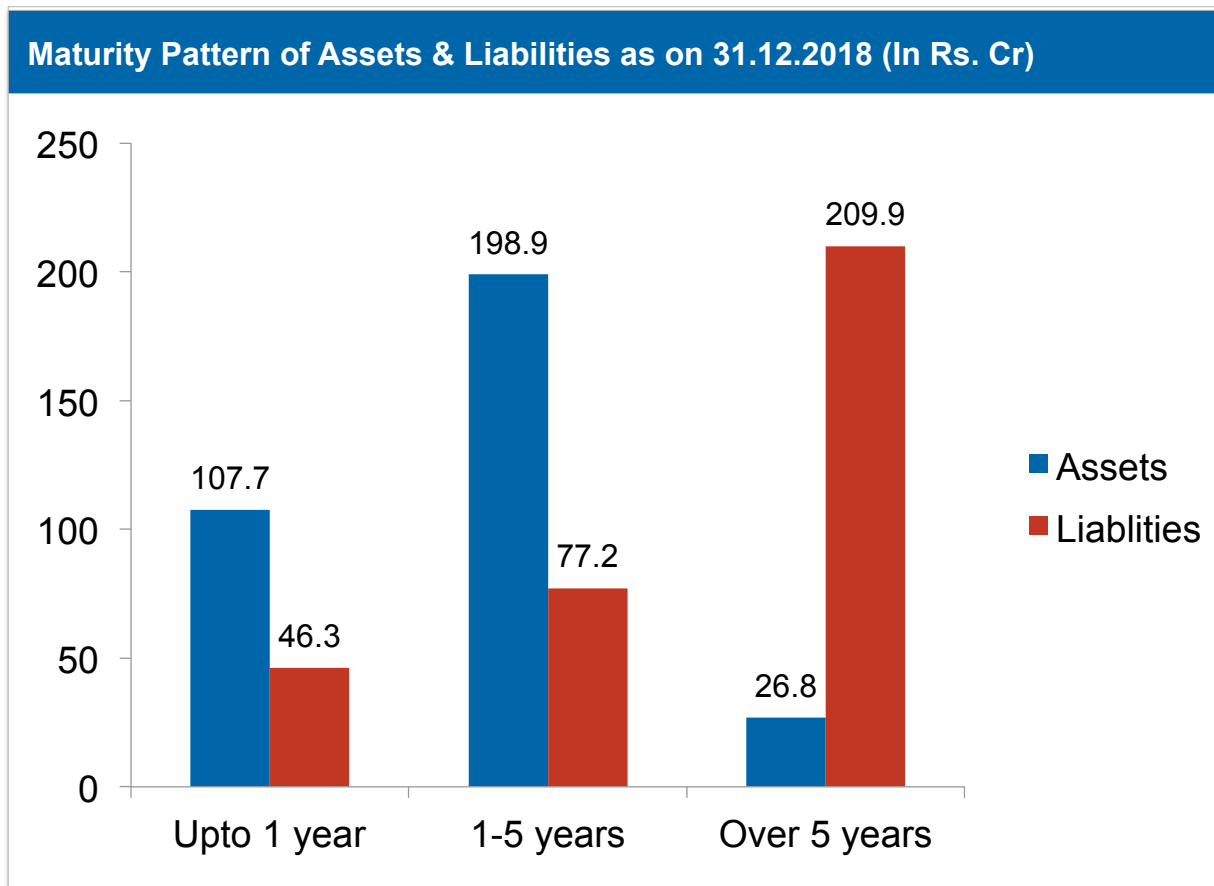
Cash & Cash Equivalents (incl. undrawn line of credit) (In Rs. Cr)



Capital Adequacy Ratio

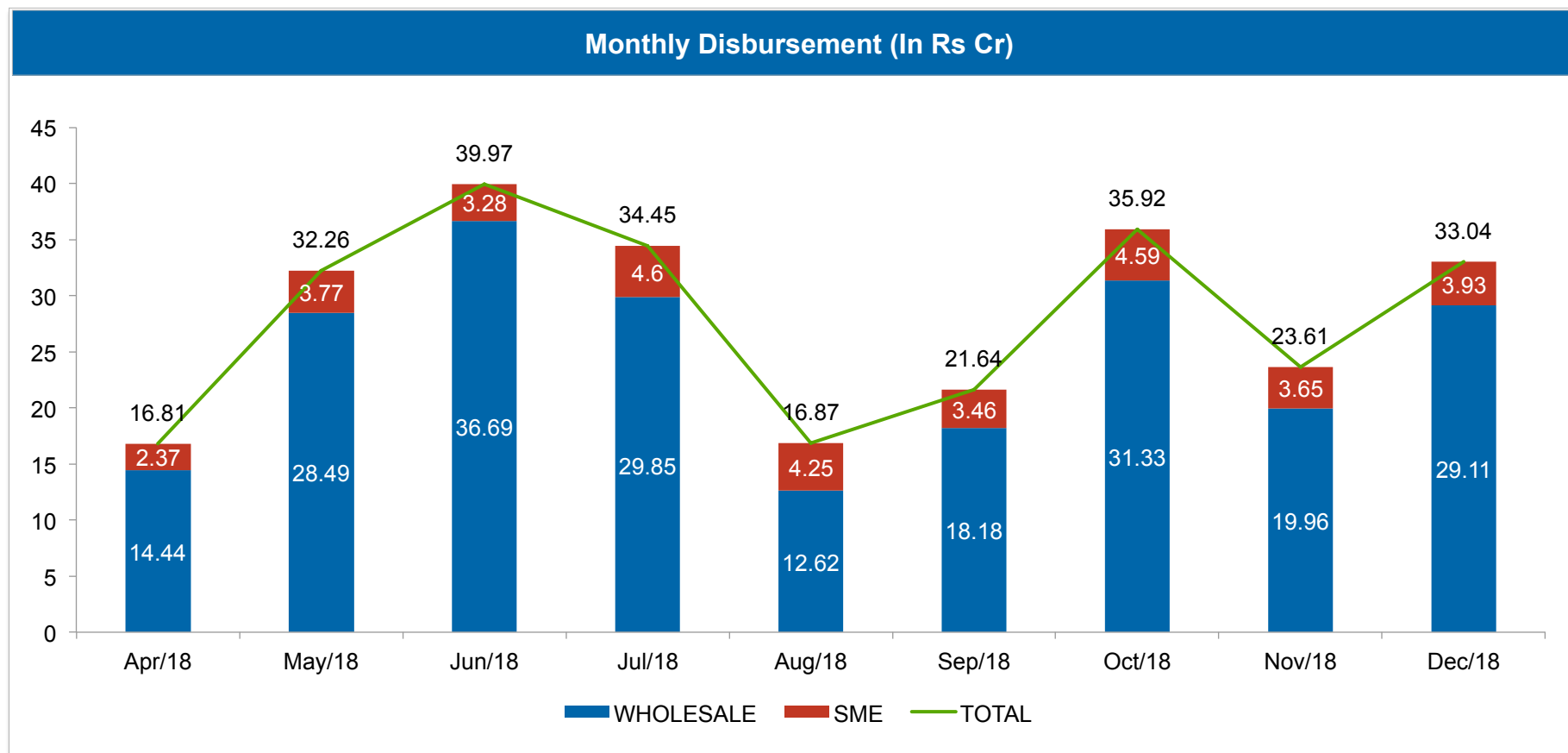


ALM Breakup

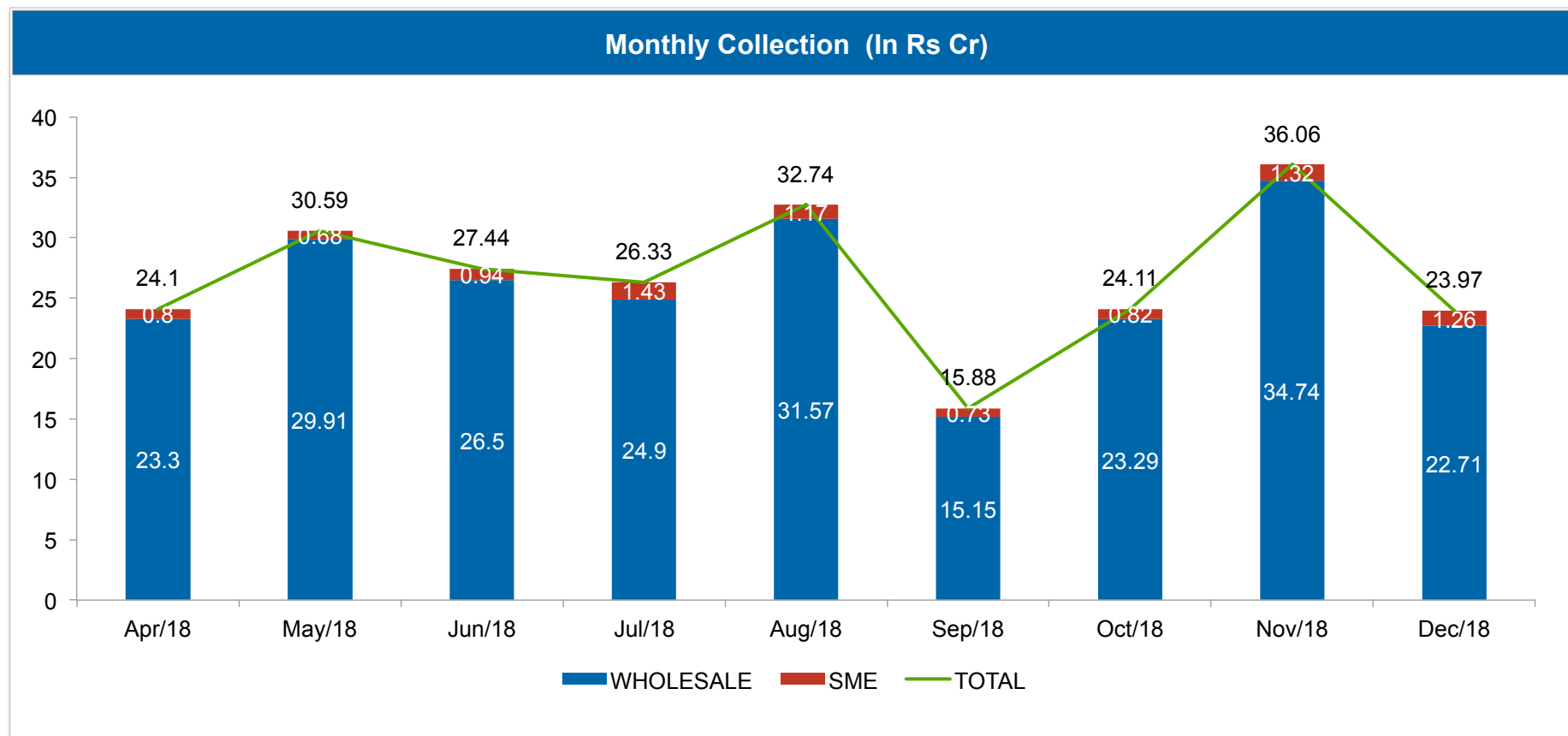


Note: Last bucket of over 5 years includes Net worth of INR 205.51 Cr

Monthly Disbursements



Monthly Collections



Credit Business Mix

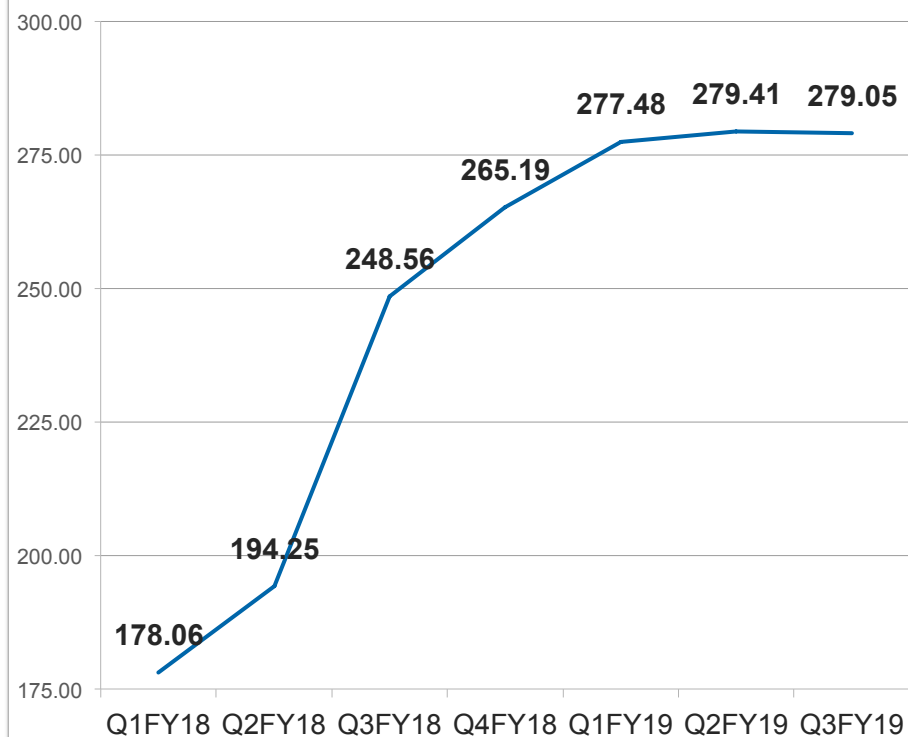
Product Category	Book Size (Rs Cr)	
Corporate Lending		
Wholesale Mortgage – Large	147.03	Loans to Group Housing Projects consisting both of standard loans and structured collateralised loans
Wholesale Mortgage – Small	78.83	Builder Floor & Site Redevelopment Loans
Wholesale Mortgage – LAP	53.19	Mezzanine loans given to Educational institutions and other corporate
Retail Lending		
SME - Secured	40.37	Kirana Shops, Traders & School with the Shop/ Home as collateral
SME – Unsecured*	2.86	Small ticket loans to traders, schools & fabricators

***Company is currently offering unsecured loans to only schools due to better profile and not to MSME traders**

Wholesale Credit – Leveraging our Relationships

Assets Under Management (AUM)

Figures in INR Crores

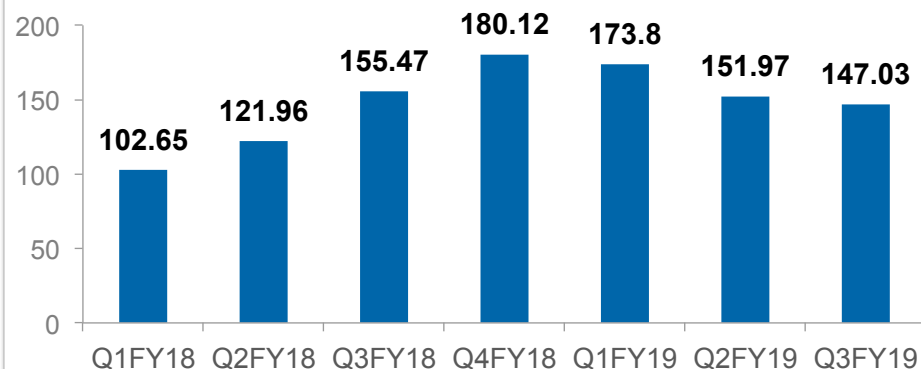


Business Approach

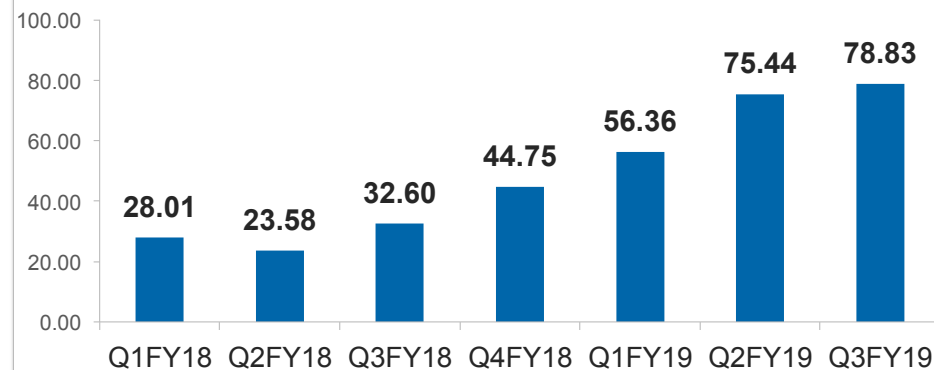
- ✓ Better domain knowledge due to controlled geographical presence
- ✓ Selective focus on market segments with good end-use demand
- ✓ High degree of flexibility in deal structuring and repayment
- ✓ Collateral cover is more than 2 times
- ✓ Last mile financing significantly reduces project risk
- ✓ Monthly site visits to review and assess project progress. We aim to detect early warning signals and initiate required steps

Wholesale Credit – Product Breakup

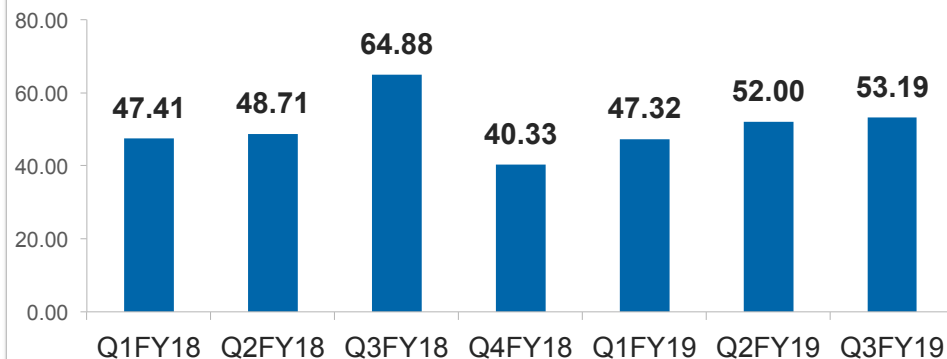
Wholesale Credit - Large (Rs Cr)



Wholesale Credit - Small (Rs Cr)



Wholesale Credit - LAP (Rs Cr)



Wholesale Large & Small Portfolio

Affordable Housing Rs.52.07 Cr (16% of AUM)

- Under policies of state and central government like Deen Dayal Upadhyay Scheme, Haryana & UP Government affordable schemes
- Unit size of 300 to 600 sq. ft. flat or 60-120 yards Plot
- Unit price of not more than 25 Lacs (this price is almost 50-70% of the regular housing project in the vicinity)
- In this segment payment from home buyers are very stable and regular
- Authority rules are very strict so developers are focused on timely completion from day 1
- Populated areas with availability of connectivity and basic infrastructure
- Collateral cover is more than 2 times

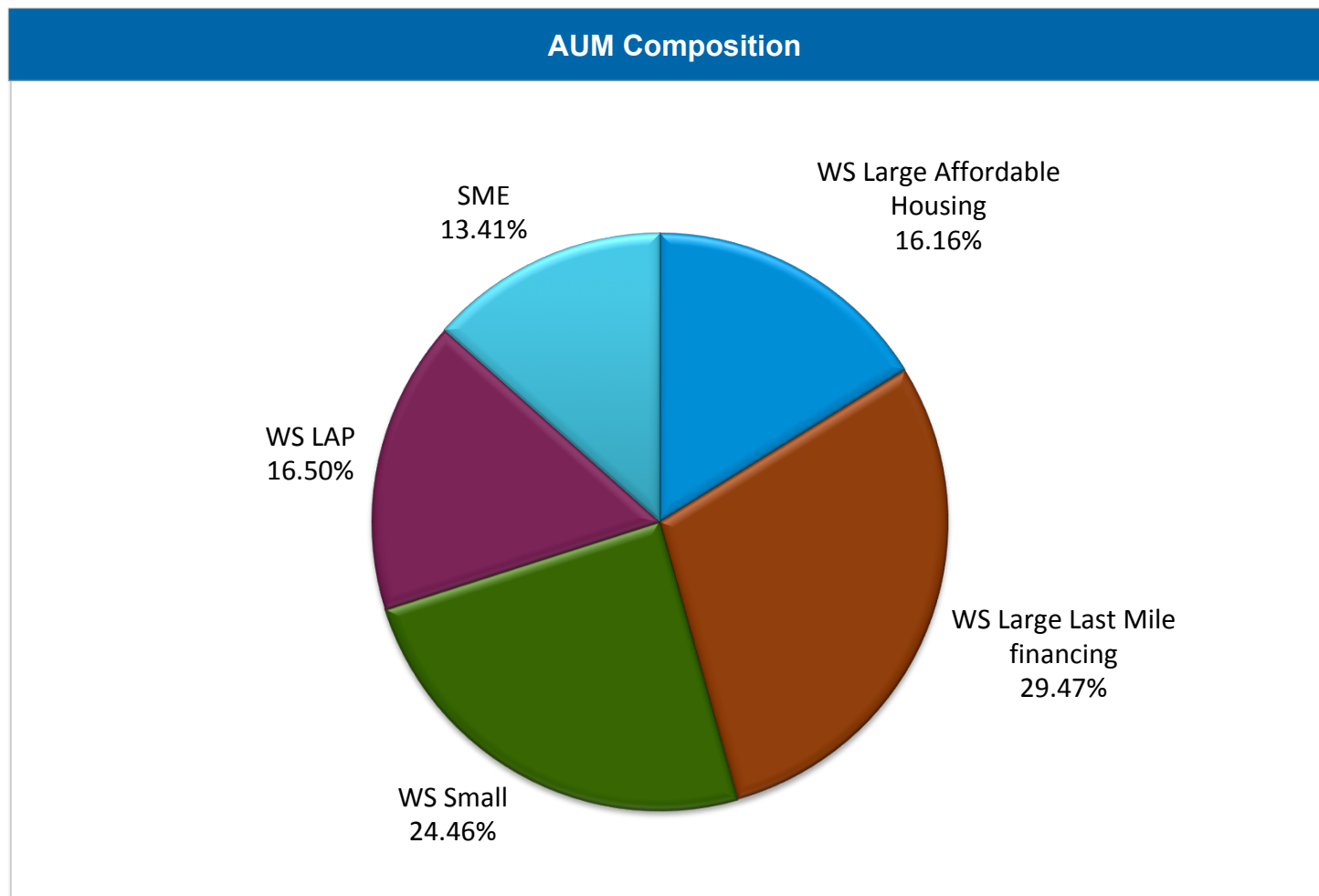
Small Builder Loans Rs 78.83 Cr (24.46% of AUM)

- Haryana Government has increased FAR on plotted development and that has created opportunity for us in Gurgaon and Faridabad
- Our existing presence is in South Delhi floors and we are now expanding to newer areas in NCR like North Delhi, West Delhi and Gurgaon3
- We have doubled our loan book in this segment in the last 9 months to Rs.78.83 and further plan to grow this segment
- The entire redevelopment happens between 9-15 months, and it is sold within 3-6 months of completion
- The loan tenures is 24-30 months

Last Mile Financing - Rs.94.96 Cr (29.46% of AUM) More than 80% completion of construction

- Projects have traversed the high risk phases
- Unit Price in these projects is less than Rs.50 lacs
- Carefully selected geographical pockets with end user demand
- No exposure in high risk clusters such as Yamuna expressway, Dwarka expressway, Kundli-Manesar etc.
- Escrow mechanism with consistent cash flows
- Project Debt adequately covered with receivables from the sold inventory
- Consumer demand is clearly in completed projects and nearing completion project. Keeping this in mind we have funded only those projects that are close to completion
- Collateral cover is more than 2 times

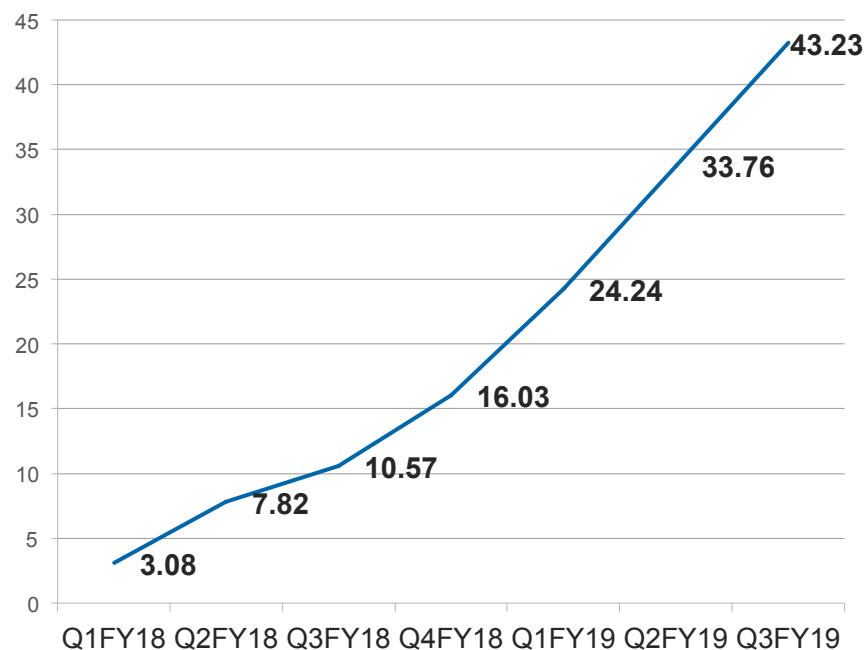
AUM Composition



Retail Credit Expanding Footprint

Assets Under Management (AUM)

Figures in INR Crores



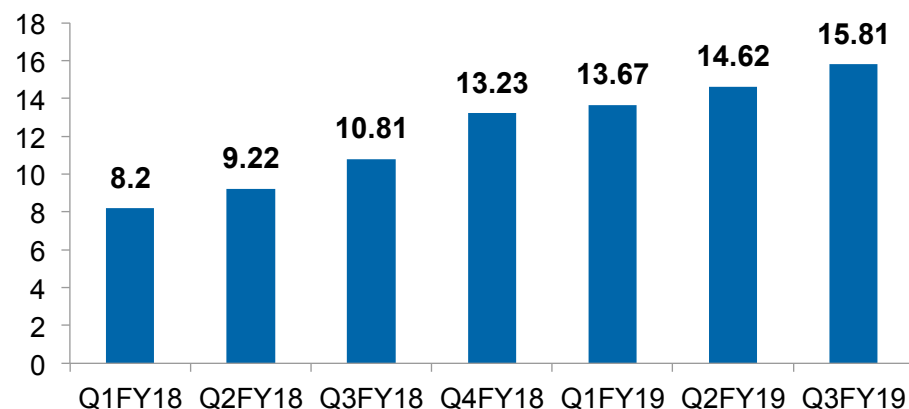
Business Approach

- ✓ Building a focussed retail presence. Started with select markets in NCR, Haryana, Punjab and Rajasthan; further expanded into Gujarat
- ✓ Currently 18 operational branches
- ✓ Focus on having low operational costs
- ✓ Products are tailored for target segments that are large, underpenetrated and profitable
- ✓ 94% of the lending in this segment is secured; focusing only secured lending going ahead
- ✓ Increased focus on school loans segment.
- ✓ Unsecured loans small ticket size only for schools and not for MSME's

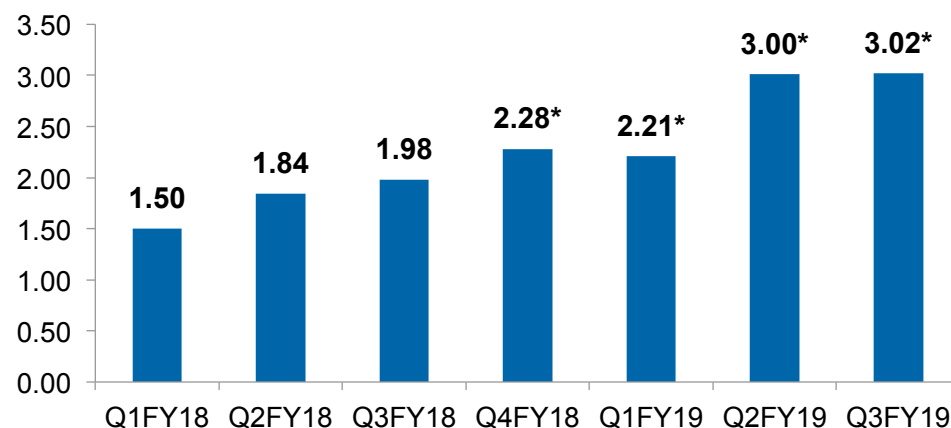
Financial Metrics

1

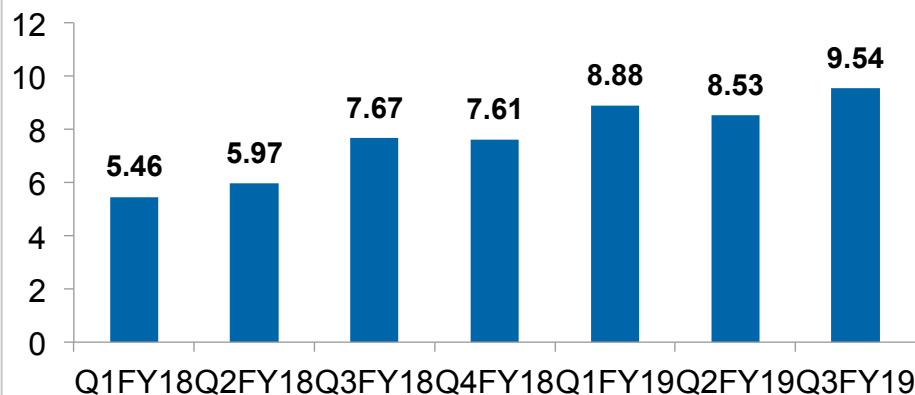
Total Income



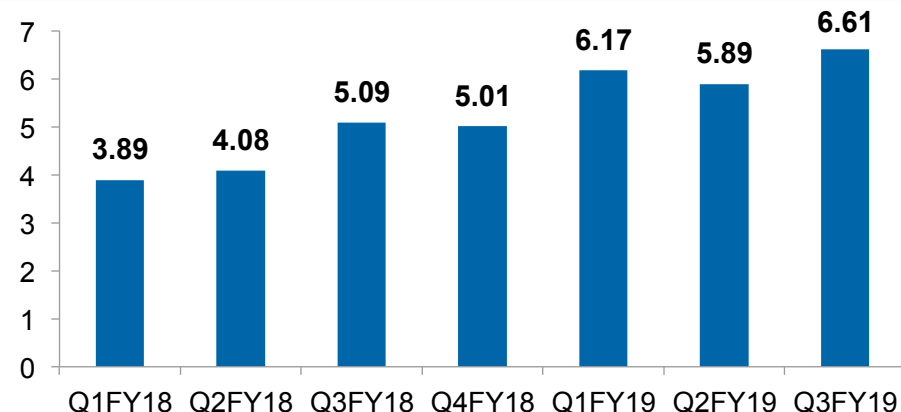
Operating Expenses (Rs Cr)



Pre Provisioning Profit Before Tax (Rs Cr)



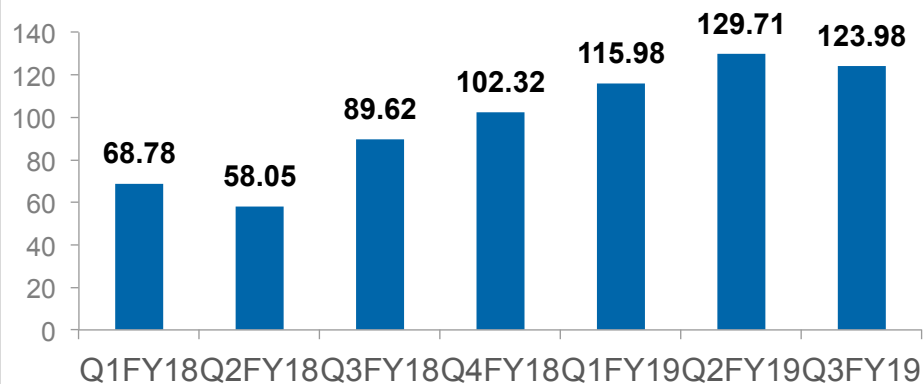
Net Profit (Rs Cr)



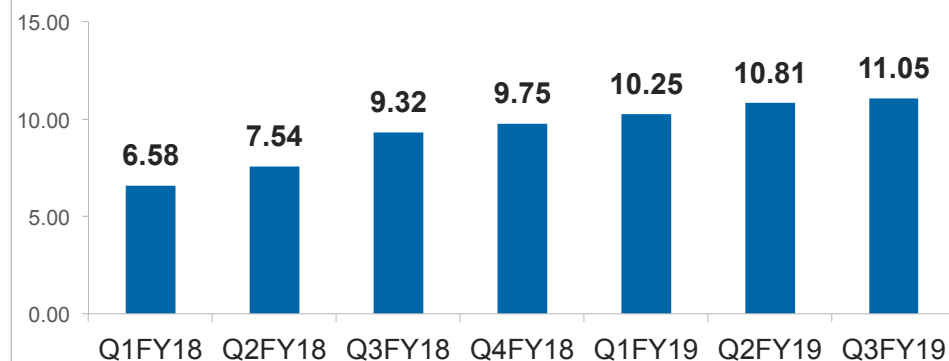
Financial Metrics (contd..)

2

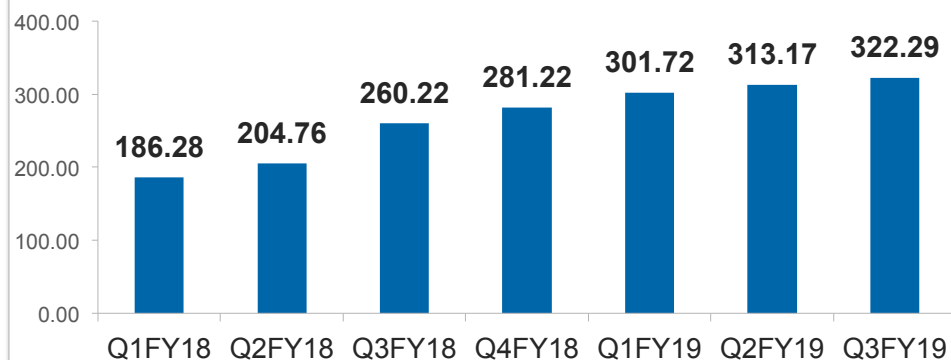
Borrowings (Rs Cr)



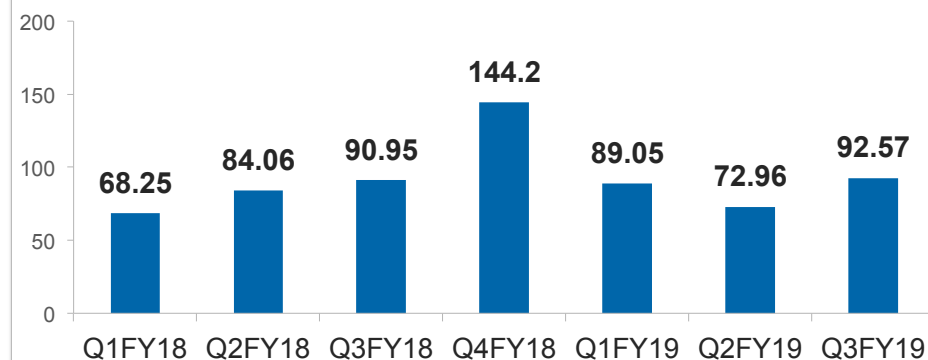
Net Interest Income (Rs Cr)



AUM – End of Quarter (Rs Cr)



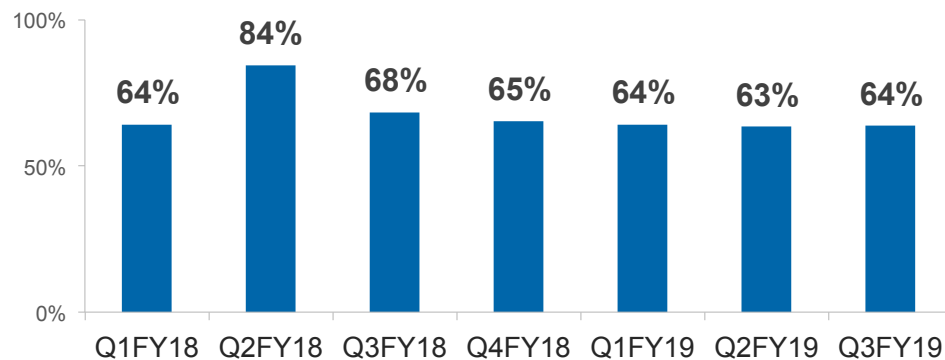
Disbursements (Rs Cr)



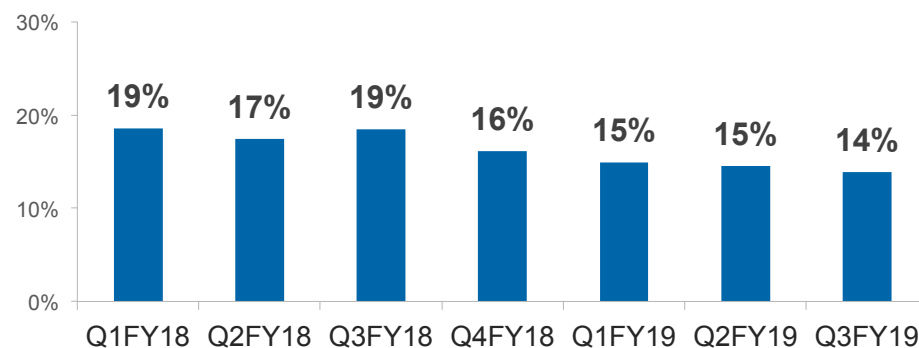
Financial Metrics (contd..)

3

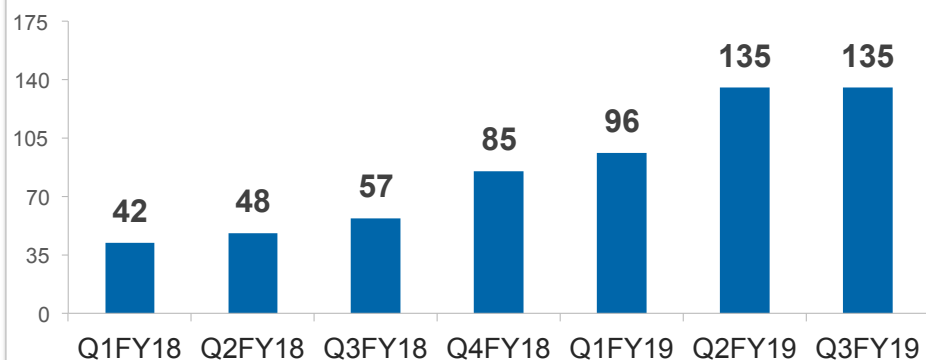
Capital Adequacy Ratio (%)



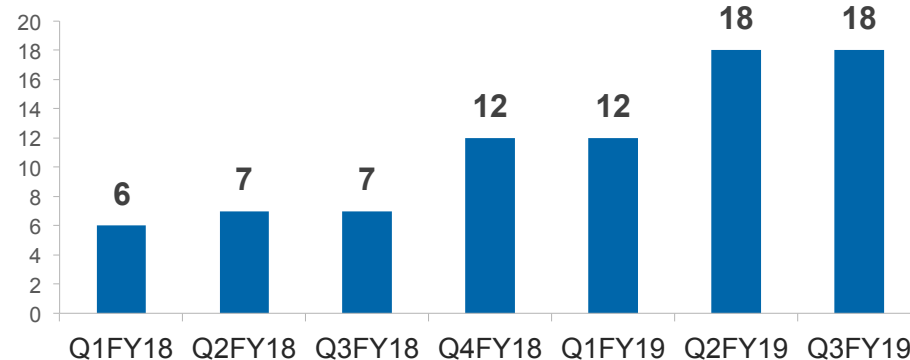
Net Interest Margin (%)



Number of Employees



Number of Branches



Thank You



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