



Investor Presentation

August 2018

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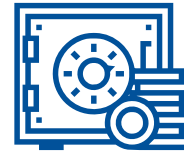
Company Snapshot



**Delhi based NBFC with
AUM of Rs 302 Cr**



**Listed on Bombay
Stock Exchange**



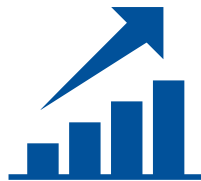
**99% of loan
book is secured**



**BBB rating
from CARE**



**12 Branches spread
across North India**



**High CAR
of 64%**

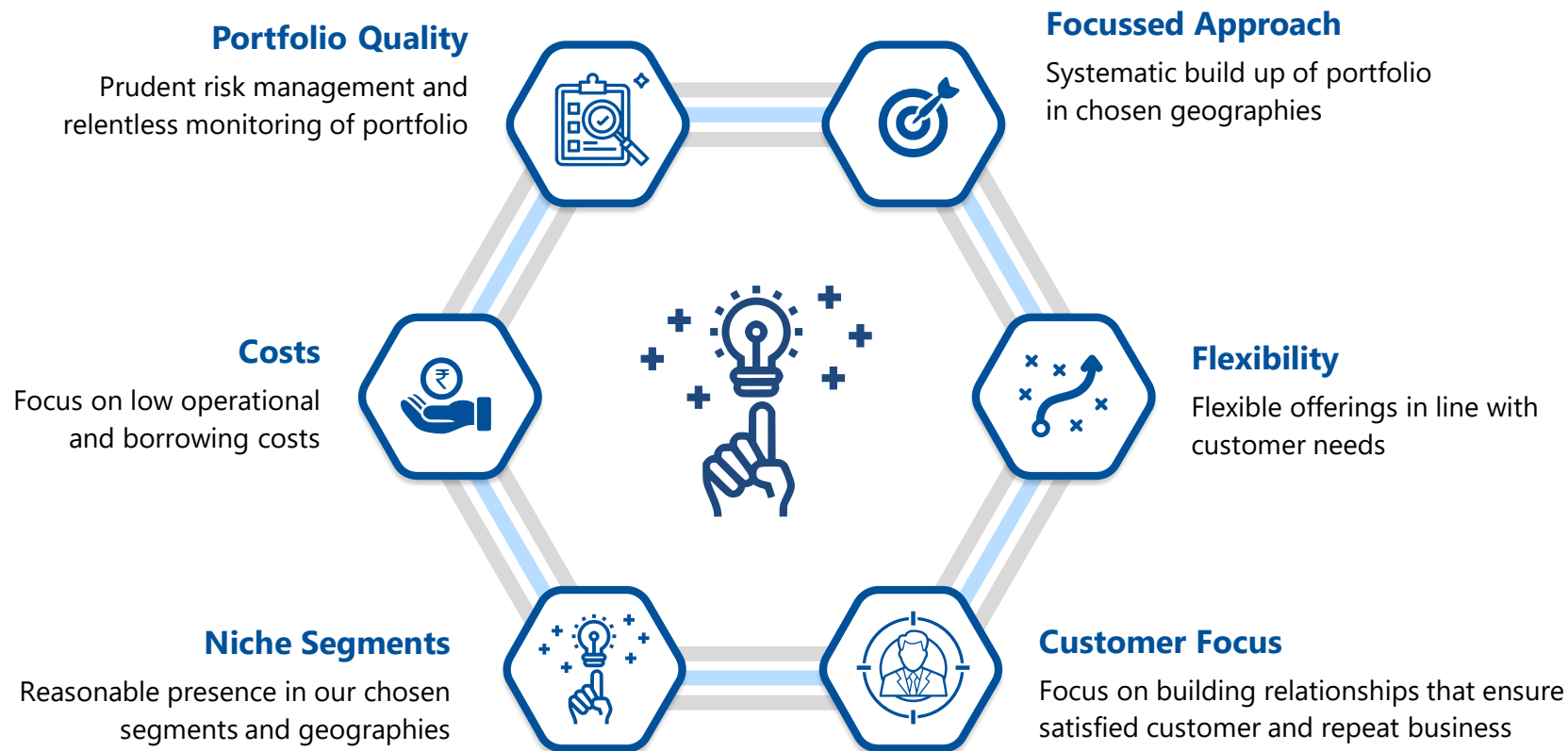


**Low cost of
operations**



**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

Branches

-  Existing Branches
-  Proposed 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 to build pressure

Operational Update

- ✓ The company has built a robust pipeline for deals in the Wholesale Small Lending business and is aiming to tap new regions within NCR
- ✓ The disbursements in the wholesale business were lower due to this being a lean season
- ✓ The company is in active discussion with multiple lenders to build and diversify its institutional borrowing book
- ✓ The new branches opened in Rajasthan have started contributing to the SME business
- ✓ The company added 11 new employees in this quarter taking the total employee strength increased to 96
- ✓ The company has hired a new State Head for Gujarat and is working towards opening new branches in the coming months
- ✓ The company is getting good response to school loans in Tier 2 cities
- ✓ The company has signed up with Nucleus Finone, and implementing the same to streamline the loan origination and management system

Financial Update

- ✔ Total Revenue increased by 66.57% to Rs 13.67 Cr in Q1 FY2018-19 as compared to Rs 8.20 Cr in Q1 FY2017-18
- ✔ Net Profit increased by 58.51% to Rs 6.17Cr in Q1 FY2018-19 as compared to Rs 3.89 Cr in Q1 FY2017-18
- ✔ AUM increased by 61.97% to Rs.301.72 Cr in Q1 FY2018-19 as compared to Rs 186.28 Cr in Q1 FY2017-18
- ✔ Net Interest Income (NII) increased by 60.96% to Rs 11.21 Cr in Q1 FY2018-19 as compared to Rs 6.96 Cr in Q1 FY2017-18
- ✔ Employee Costs increased by 108.09 % to Rs 1.32 Cr in Q1 FY2018-19 as compared to Rs.0.63 Cr in Q1 FY2017-18 (This excludes Rs. 0.12 Cr of Employee compensation on account of ESOPs granted to the key employees)
- ✔ Book Value as on 30th June, 2018 is Rs.317

Credit Business Mix

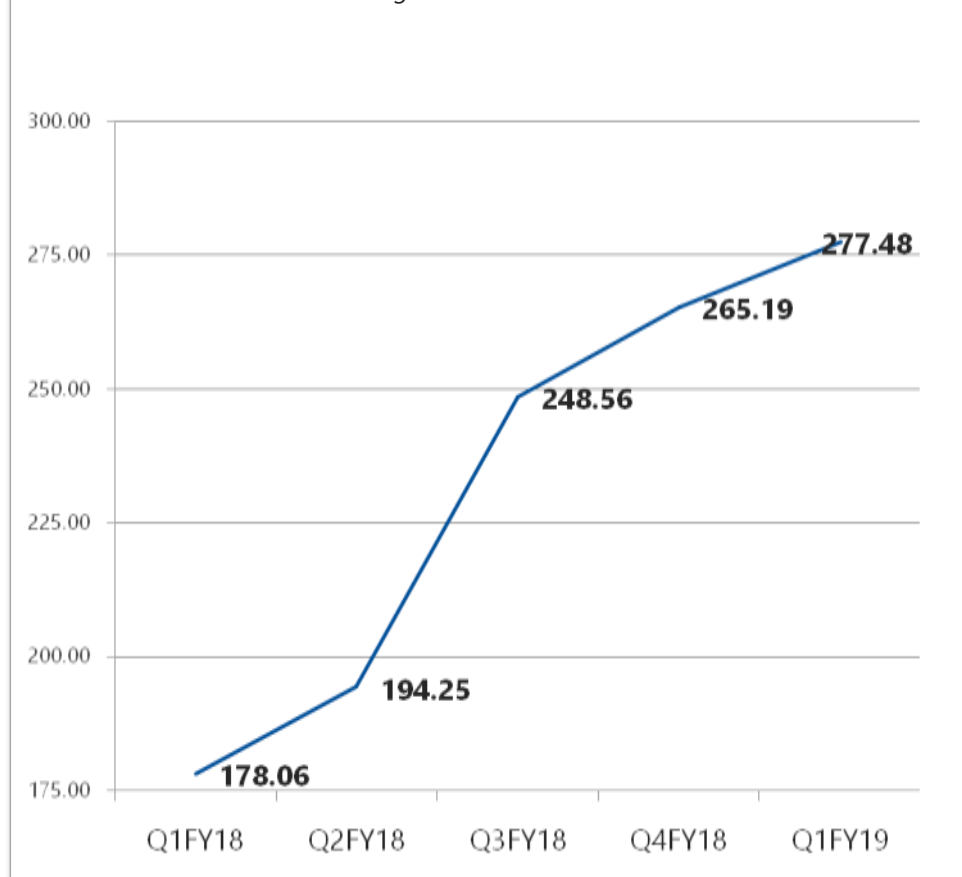
Product Category			Book Size (Rs Cr)
Corporate Lending			
Wholesale Mortgage – Large	169	Loans to Group Housing Projects consisting both of standard loans and structured collateralised loans	
Wholesale Mortgage – Small	56	Builder Floor & Site Redevelopment Loans	
Wholesale Mortgage – LAP	52	Mezzanine loans given to Educational institutions and other corporate	
Retail Lending			
SME - Secured	23	Kirana Shops, Traders & School with the Shop/Home as collateral	
SME – Unsecured*	2	Small ticket loans to traders & fabricators	

***No disbursements in SME – Unsecured as the company has decided to focus only on secured business.
Outstanding loans in this segment will run down in next 18 months**

Wholesale Credit – Leveraging our Relationships

Assets Under Management (AUM)

Figures in INR Crores



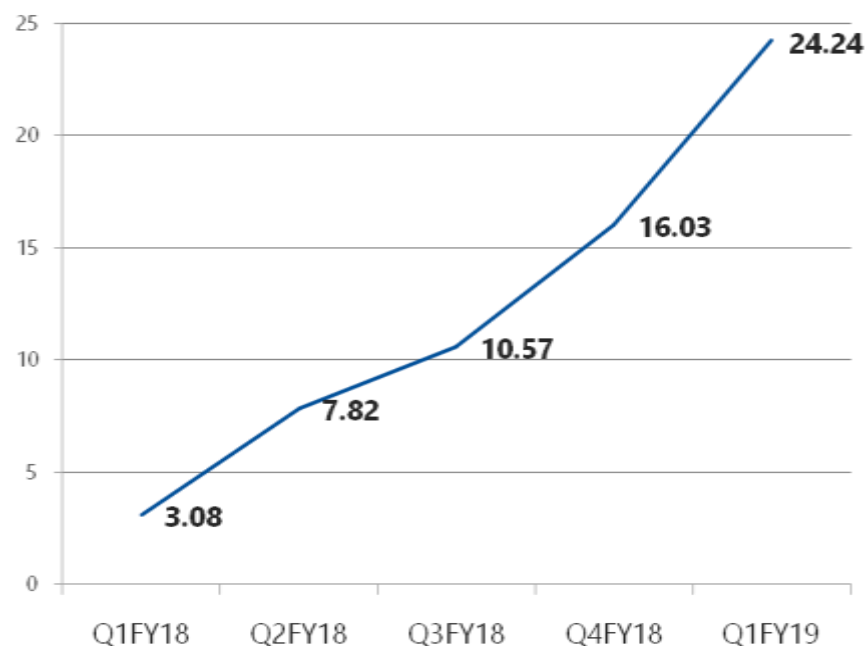
Business Approach

- ✓ 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 2.5 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

Retail Credit Expanding Footprint

Assets Under Management (AUM)

Figures in INR Crores



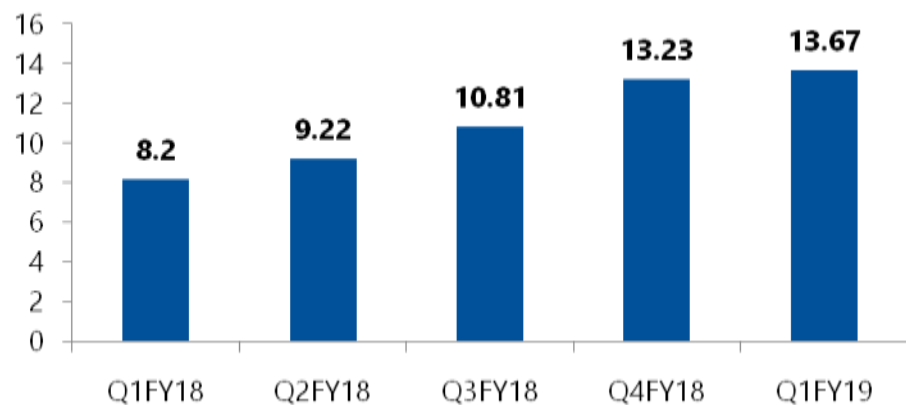
Business Approach

- ✓ Building a focussed retail presence. Started with select markets in NCR, Haryana, Punjab and Rajasthan; further expanding into Gujarat
- ✓ Currently 12 operational branches
- ✓ Focus on having low operational costs
- ✓ Products are tailored for target segments that are large, underpenetrated and profitable
- ✓ 93% of the lending in this segment is secured; focusing only secured lending going ahead

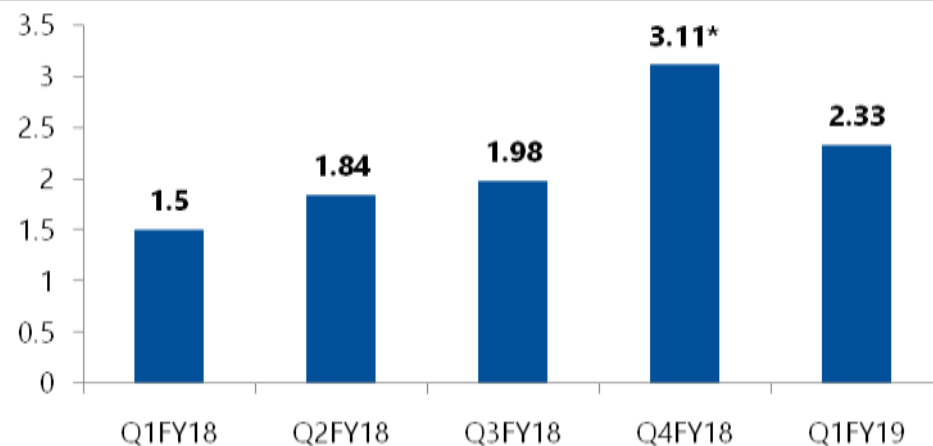
Financial Metrics

1

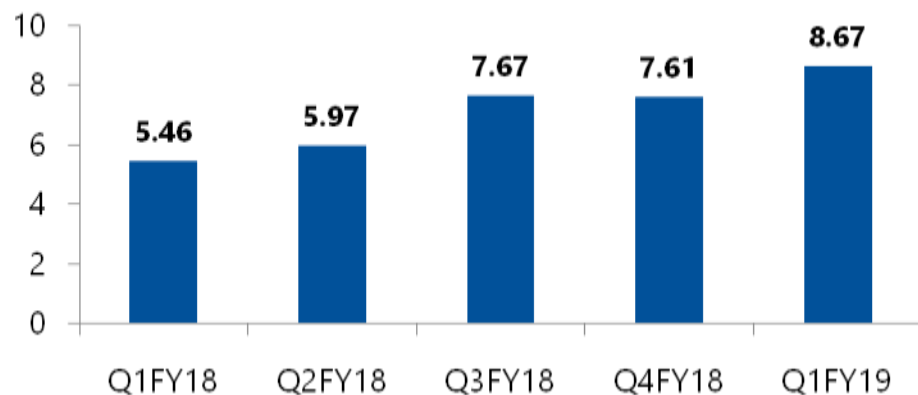
Total Income



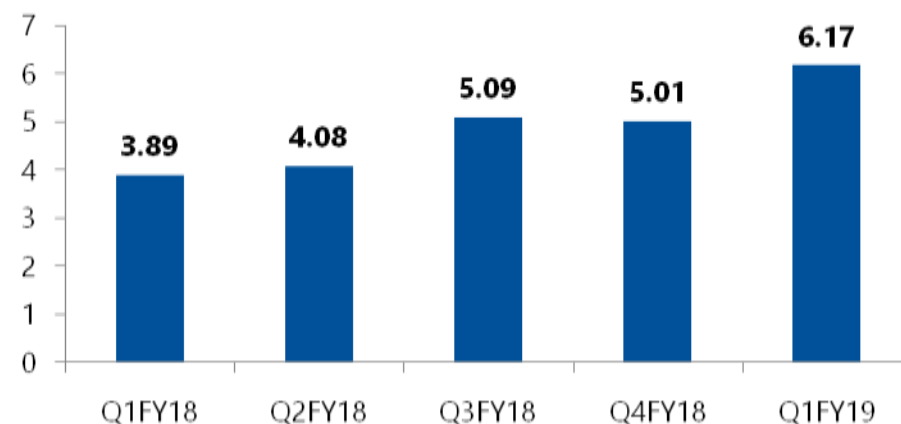
Operating Expenses (Rs Cr)



Pre Provisioning Profit Before Tax (Rs Cr)



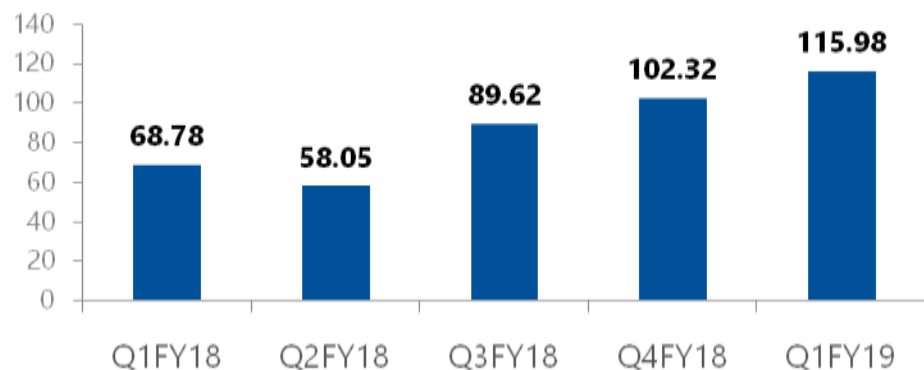
Net Profit (Rs Cr)



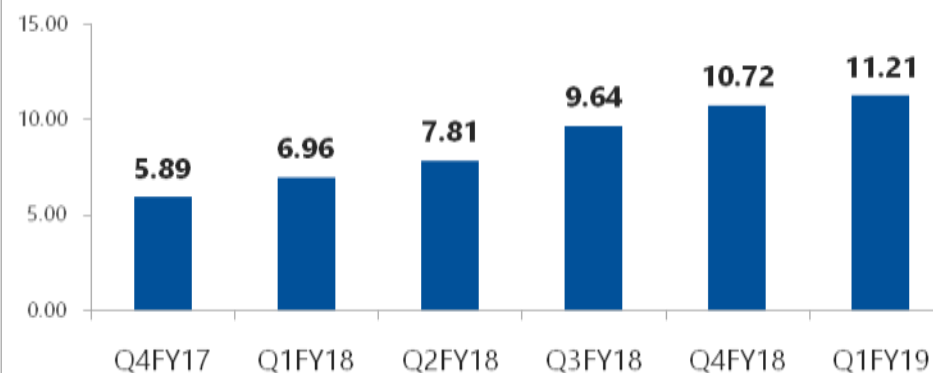
Financial Metrics (contd..)

2

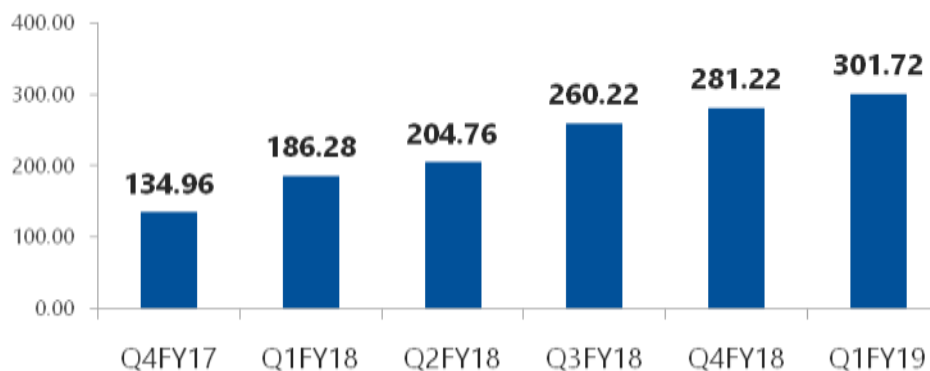
Borrowings (Rs Cr)



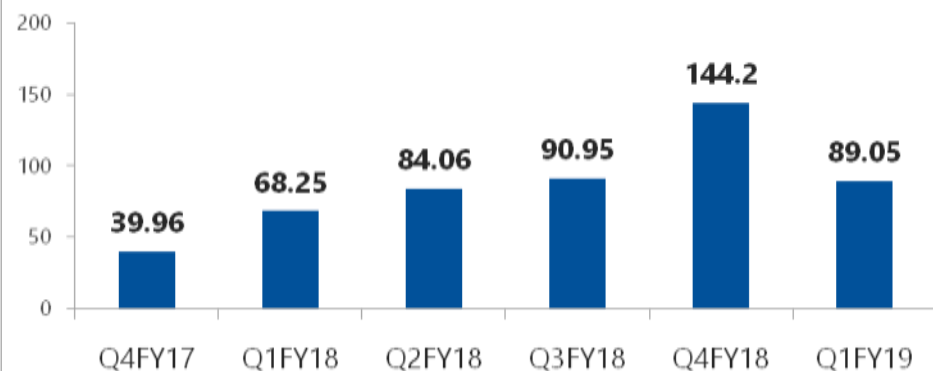
Net Interest Income (Rs Cr)



AUM – End of Quarter (Rs Cr)



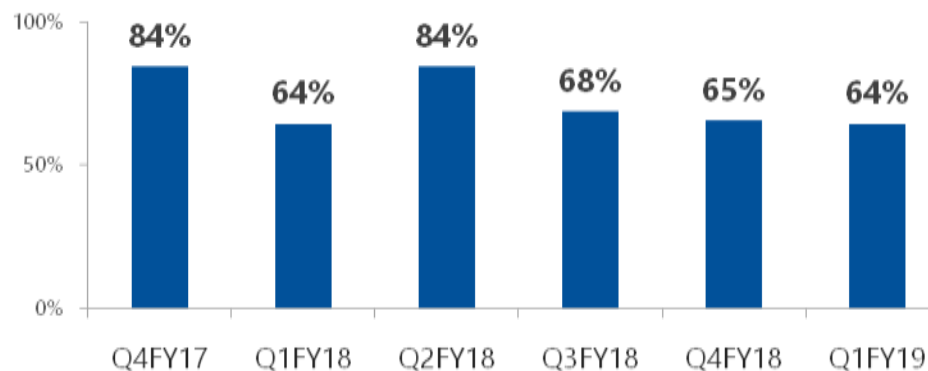
Disbursements (Rs Cr)



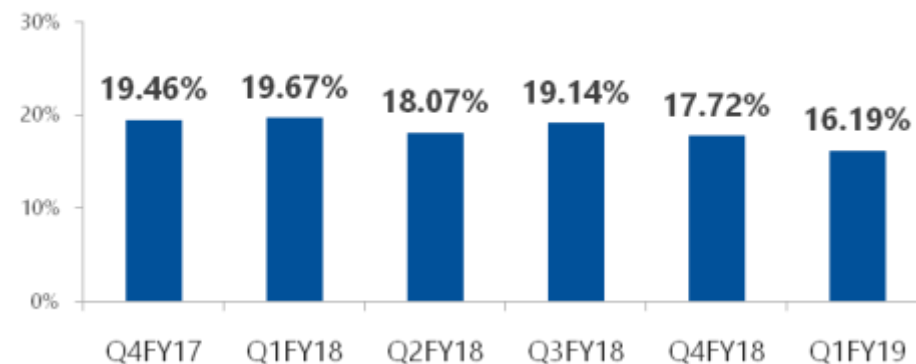
Financial Metrics (contd..)

3

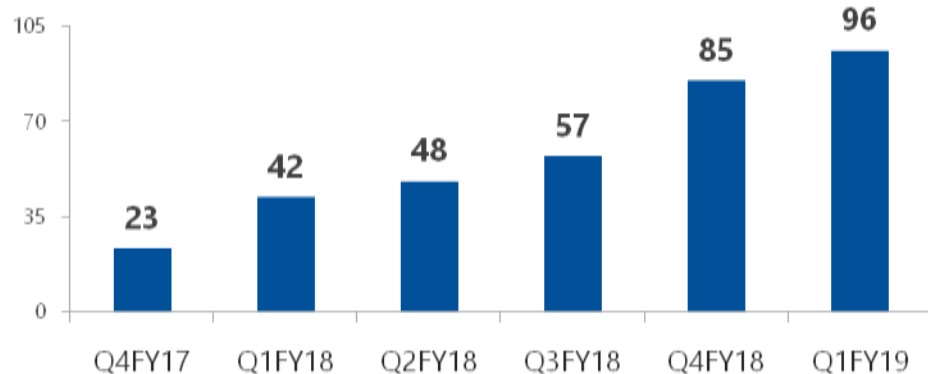
Capital Adequacy Ratio (%)



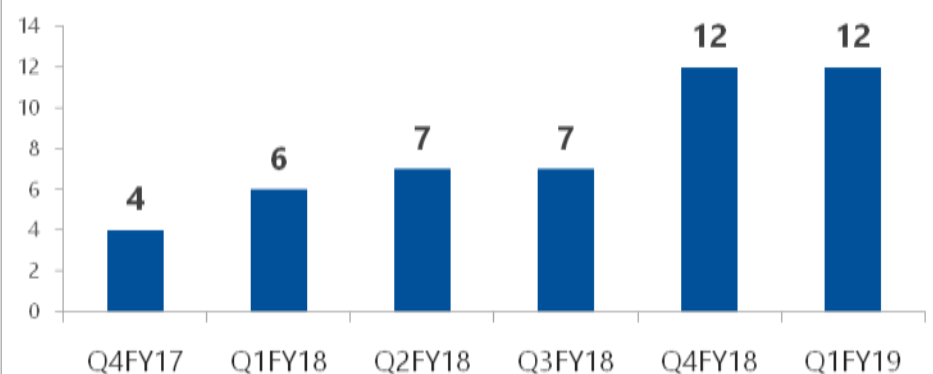
Net Interest Margin (%)



Number of Employees



Number of Branches



Our future growth strategy

Portfolio Mix

- ✓ Consolidate our wholesale lending book and diversify into Retail SME lending
- ✓ Aim to achieve a mix of 60:40 between Wholesale and Retail lending over 3 years



Wholesale Mortgage – Large

- ✓ Broaden our loan target segment with better deterrents, like escrow account linkage
- ✓ Maintain our USP in mezzanine and last mile funding by being flexible and building relationships
- ✓ Focus on doing deals in affordable housing space
- ✓ Focus on doing deals with relatively longer tenures with better quality clients
- ✓ Improved deal-sourcing & pipeline build-up

Wholesale mortgage – LAP

- ✓ Continue to focus on select deals with strong cash flow and marketable security .
- ✓ Structured LAP for funding commercial projects in prime commercial locations.
- ✓ Fund future growth initiatives of established educational institutions with predictable cash-flows

Wholesale Mortgage-Small

- ✓ Expand our focus in Builder floor financing from South Delhi to other potential areas in NCR
- ✓ Building innovative products as per the market requirements
- ✓ Building up a dedicated team to focus on demand of formal financing in this space.
- ✓ With larger scale and competitive cost of funds we aim to build-upon our strength an presence in this space.

SME Lending

- ✓ Expand footprints in select cities in North and West India – (expanding to Gujarat)
- ✓ Develop deeper penetration in select markets
- ✓ Focus on small businesses, traders and schools with consistent cash flows
- ✓ Focus on secured loans



Thank You

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