



FY19 Q2 - Update

November 2018

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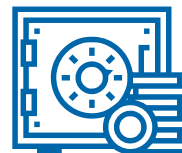
Company Snapshot



**Delhi based NBFC with
AUM of Rs.313 Cr**



**Listed on Bombay
Stock Exchange**



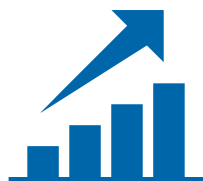
**99.54% of loan
book is secured**



**BBB rating
from CARE**



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



**High CAR
of 63.47%**

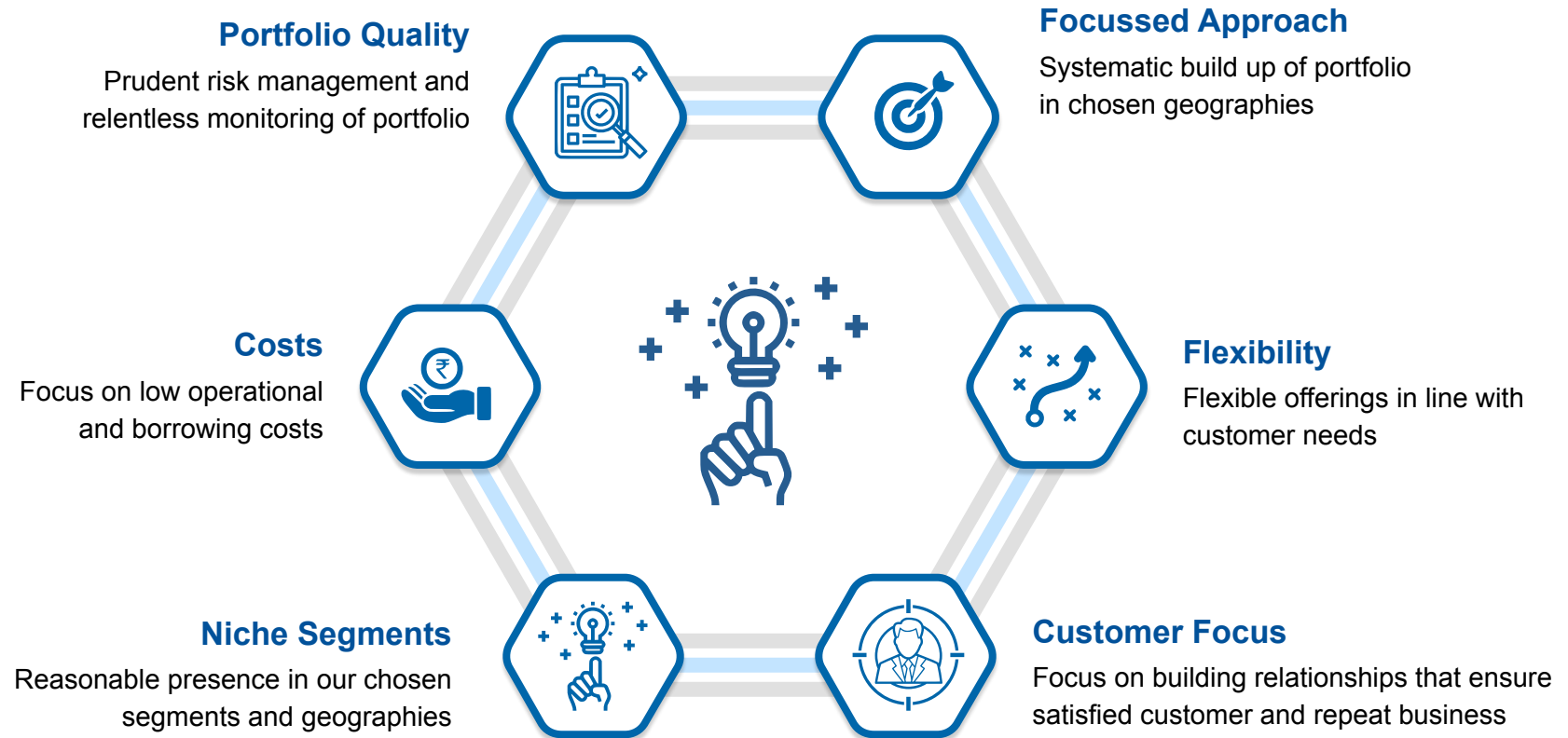


**Low cost of
operations**



**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 to build pressure

Operational Update

- ✓ The company has opened 6 new branches in this quarter. We now have 18 operational branches covering 6 states NCR, Haryana, Punjab, Rajasthan, Uttarakhand and Gujarat
- ✓ The company added 96 new employees in this quarter taking the total employee strength increased to 135
- ✓ The new loan origination platform FinnOne Neo is under implementation and will go live in this quarter
- ✓ We have shifted to a new corporate headquarters in World Trade Tower at Noida, located right on the DND Expressway
- ✓ Our new product in school loans has gained good traction in the market and we are planning to introduce the product in all our existing branches
- ✓ We have good collections in all our accounts where we have escrow mechanism especially in the large wholesale loans
- ✓ We have completed hiring of all our key resources and we now are focused on improving the branch wise productivity
- ✓ There is no mismatch in our ALM
- ✓ Our current cash and cash equivalents are 6.38% including undrawn line of credit as on 30 September 2018

Strategy In Current Environment

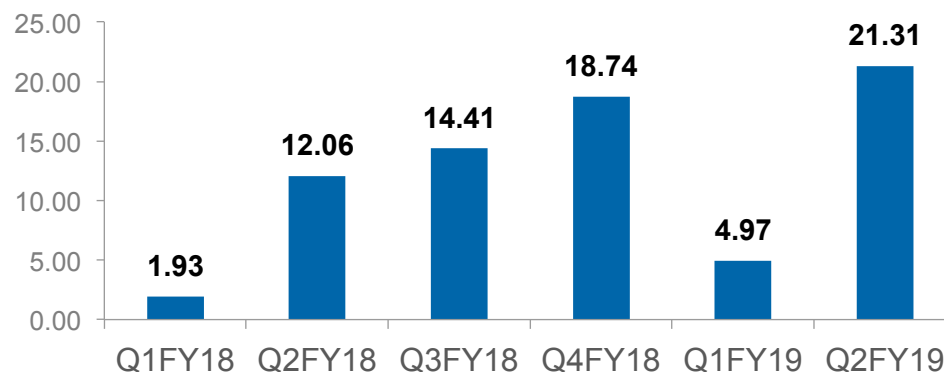
- ✓ We are well funded with our Capital Adequacy Ratio at 63.47%
- ✓ In the current environment of scarce liquidity our focus will be
 - ✓ Increase our SME portfolio & Redevelopment Builder Floor Loans
 - ✓ Rollout of the school loan product across all our SME branches
 - ✓ The rundown of the Wholesale portfolio will fund the growth of the SME portfolio even if the balance sheet growth is limited
 - ✓ We are not borrowing in the money markets and have no short term repayment commitments
 - ✓ 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

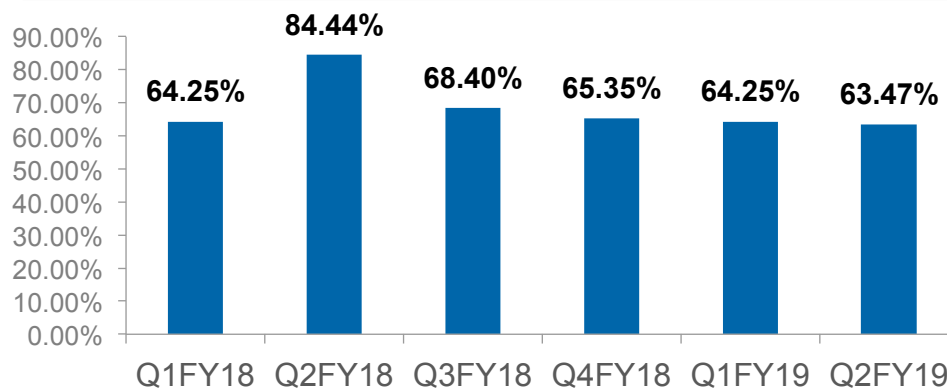
- ✓ Total Revenue increased by 58.57% to Rs 14.62 Cr in Q2 FY2018-19 as compared to Rs 9.22 Cr in Q2 FY2017-18
- ✓ Net Profit increased by 44.36% to Rs 5.89 Cr in Q2 FY2018-19 as compared to Rs 4.08 Cr in Q2 FY2017-18
- ✓ AUM increased by 52.94% to Rs 313.17 Cr in Q2 FY2018-19 as compared to Rs.204.76 Cr in Q2 FY2017-18
- ✓ Net Interest Income (NII) increased by 43.37% to Rs 10.81 Cr in Q2 FY2018-19 as compared to Rs 7.54 Cr in Q2 FY2017-18
- ✓ Employee Costs increased by 134.78% to Rs 1.62 Cr in Q2 FY2018-19 as compared to Rs 0.69 Cr in Q2 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 September, 2018 is Rs 327.52

Liquidity Profile & Capital Adequacy Ratio

Cash and Cash Equivalents (including undrawn line of credit)

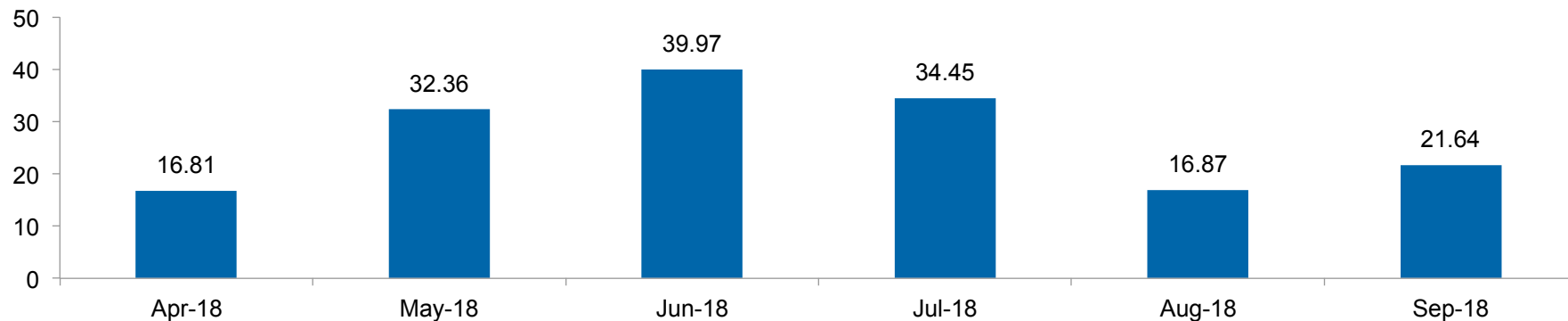


Capital Adequacy Ratio

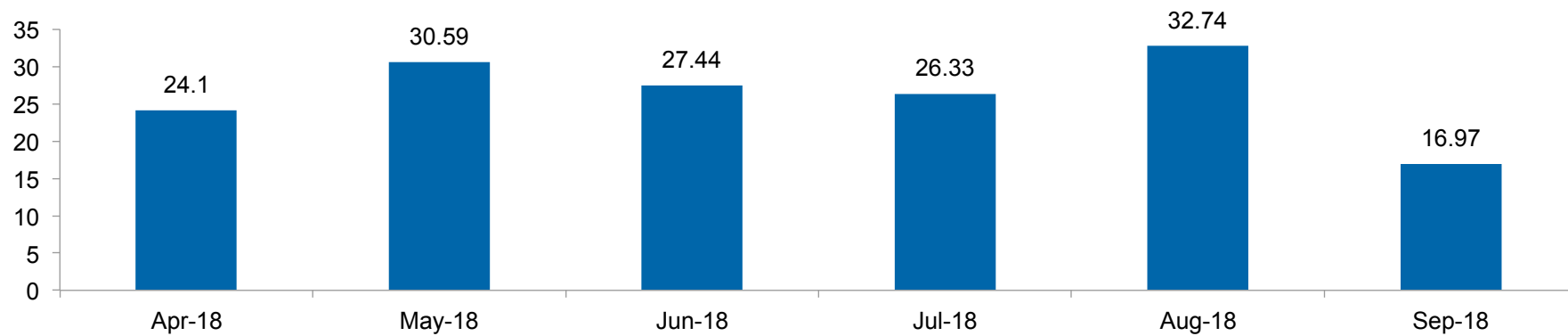


Monthly Collections & Disbursements

Monthly Disbursement (Rs Cr)



Monthly collection (Rs Cr)



Credit Business Mix

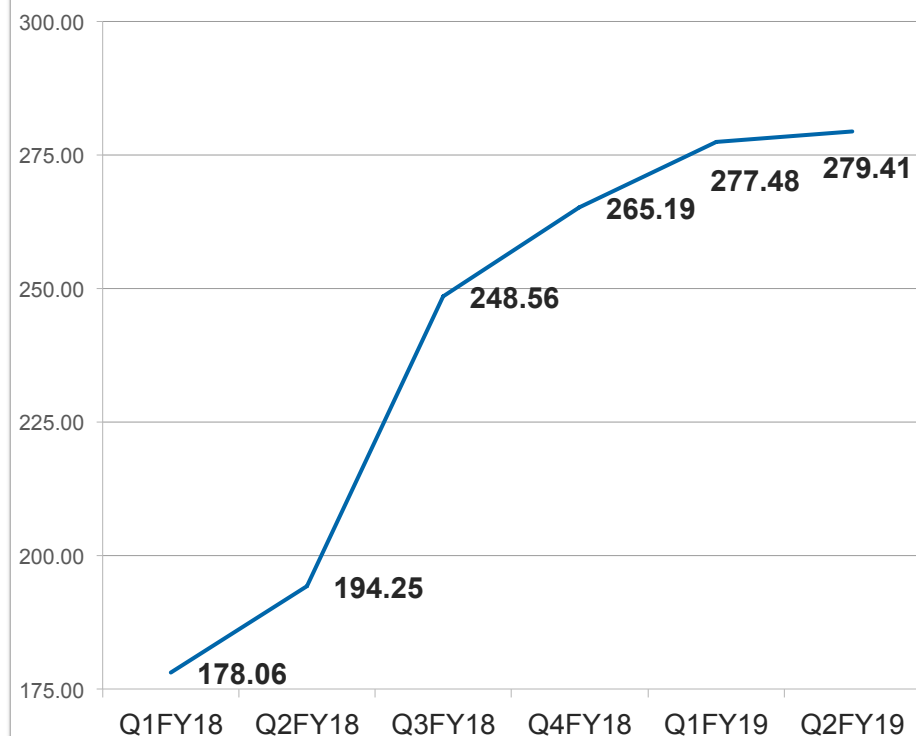
Product Category	Book Size (Rs Cr)	
Corporate Lending		
Wholesale Mortgage – Large	152	Loans to Group Housing Projects consisting both of standard loans and structured collateralised loans
Wholesale Mortgage – Small	75	Builder Floor & Site Redevelopment Loans
Wholesale Mortgage – LAP	52	Mezzanine loans given to Educational institutions and other corporate
Retail Lending		
SME - Secured	32	Kirana Shops, Traders & School with the Shop/ Home as collateral
SME – Unsecured*	1.45	Small ticket loans to traders, schools & 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 15 months**

Wholesale Credit – Leveraging our Relationships

Assets Under Management (AUM)

Figures in INR Crores

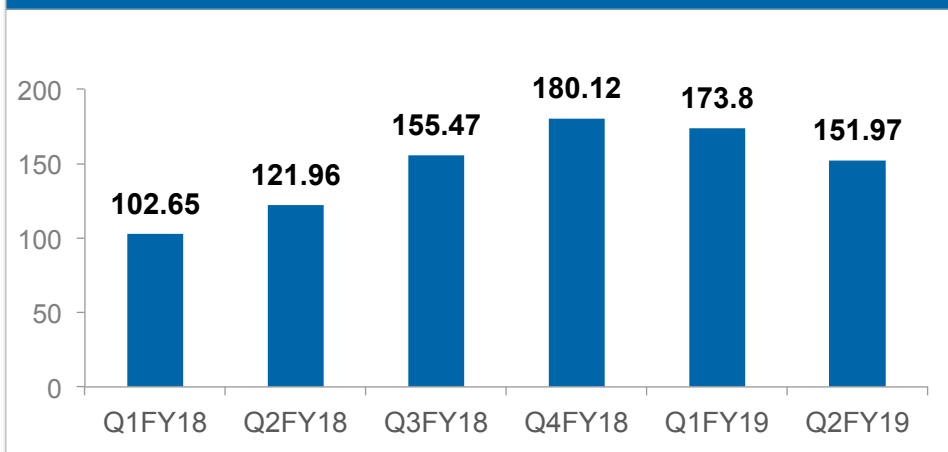


Business Approach

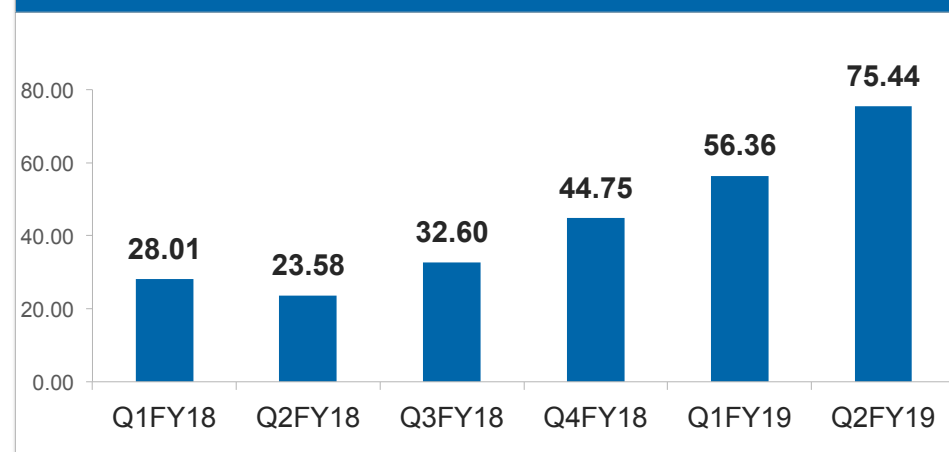
- ✓ Better domain knowledge due to controlled geographical presence
- ✓ Selective focus on market segments with good end-use demand
- ✓ High degree of flexibility in deal structuring and repayment
- ✓ Collateral cover is more than 2.5 times
- ✓ Last mile financing significantly reduces project risk
- ✓ Monthly site visits to review and assess project progress. We aim to detect early warning signals and initiate required steps

Wholesale Credit – Product Breakup

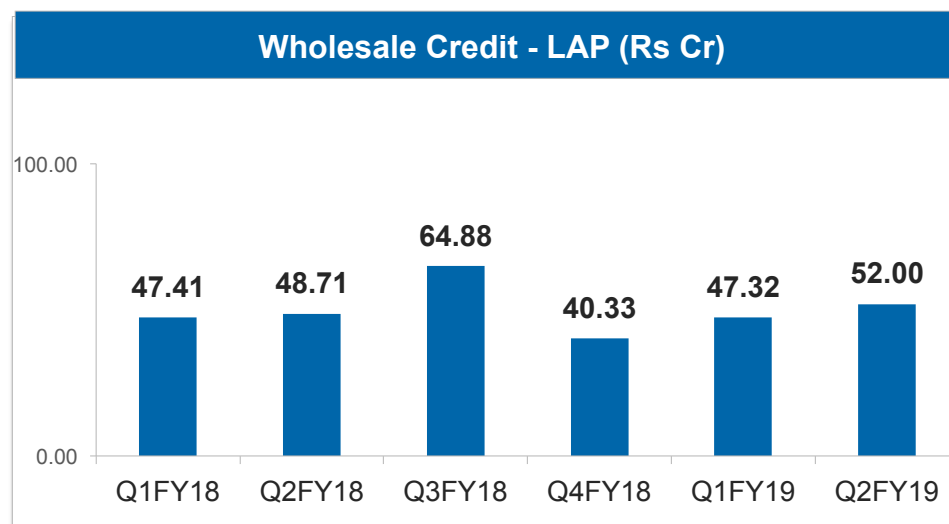
Wholesale Credit - Large (Rs Cr)



Wholesale Credit - Small (Rs Cr)



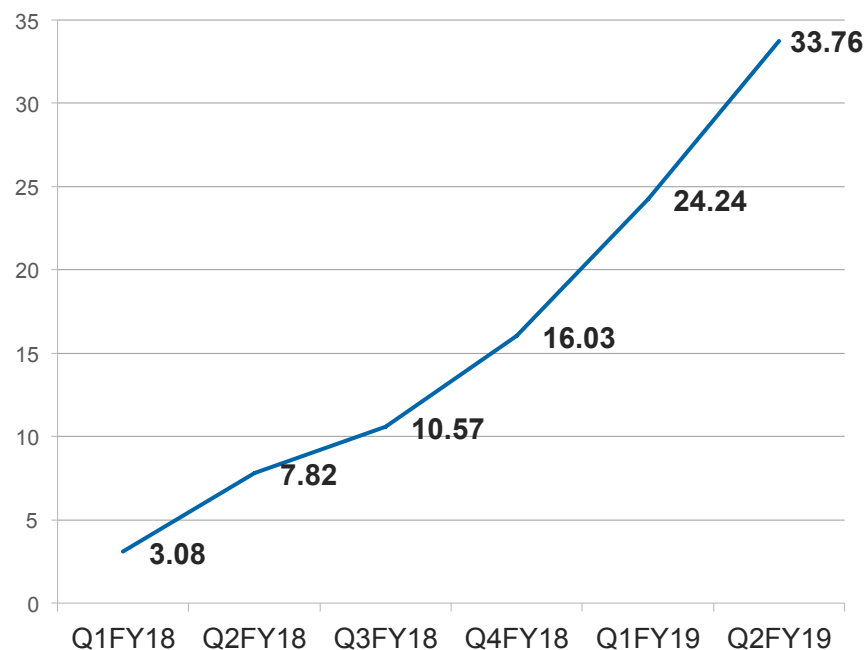
Wholesale Credit - LAP (Rs Cr)



Retail Credit Expanding Footprint

Assets Under Management (AUM)

Figures in INR Crores



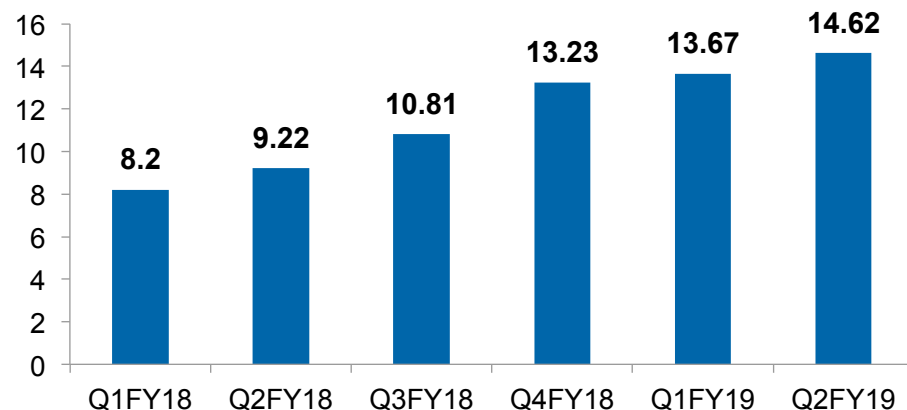
Business Approach

- ✓ 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
- ✓ 96% of the lending in this segment is secured; focusing only secured lending going ahead
- ✓ Increased focus on school loans

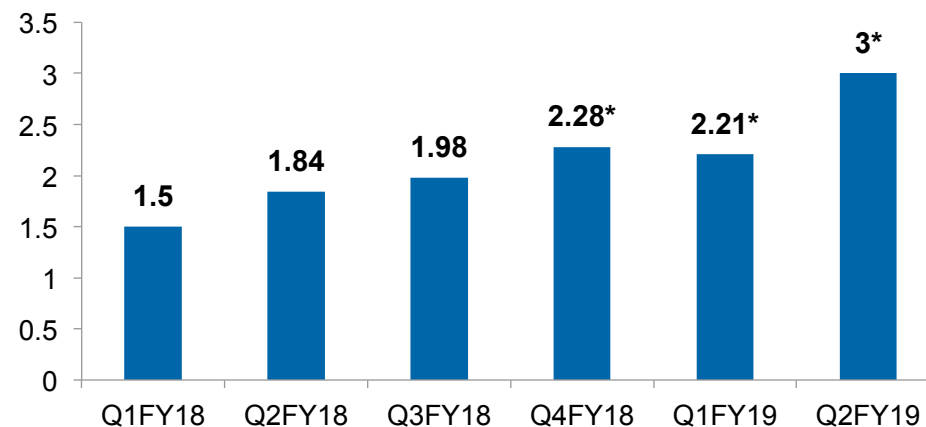
Financial Metrics

1

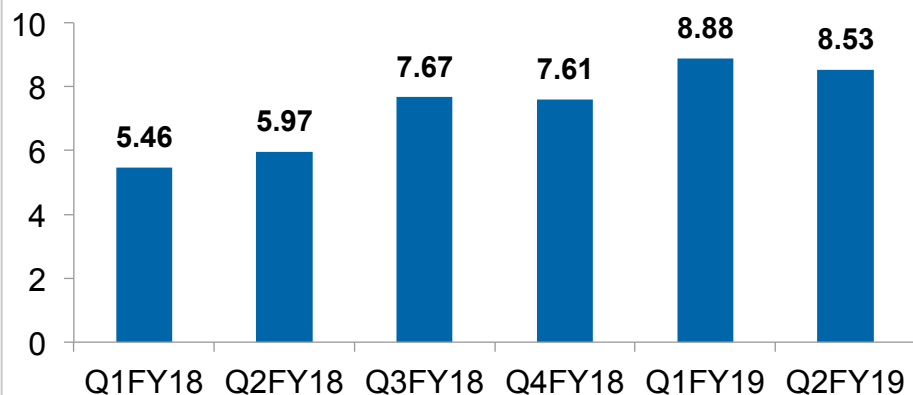
Total Income



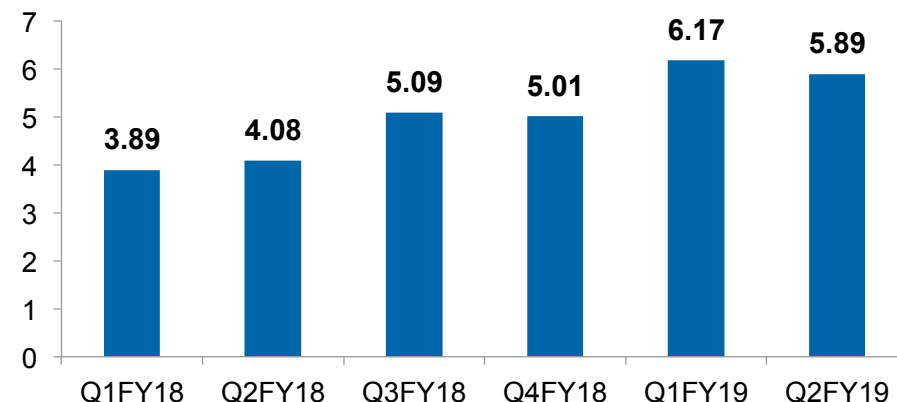
Operating Expenses (Rs Cr)



Pre Provisioning Profit Before Tax (Rs Cr)



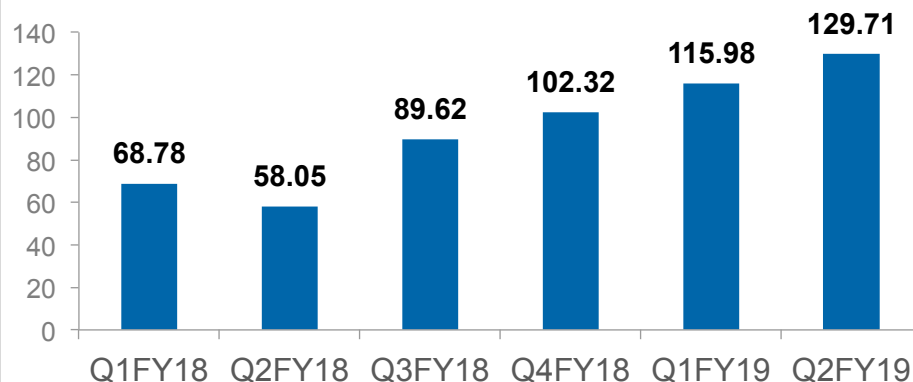
Net Profit (Rs Cr)



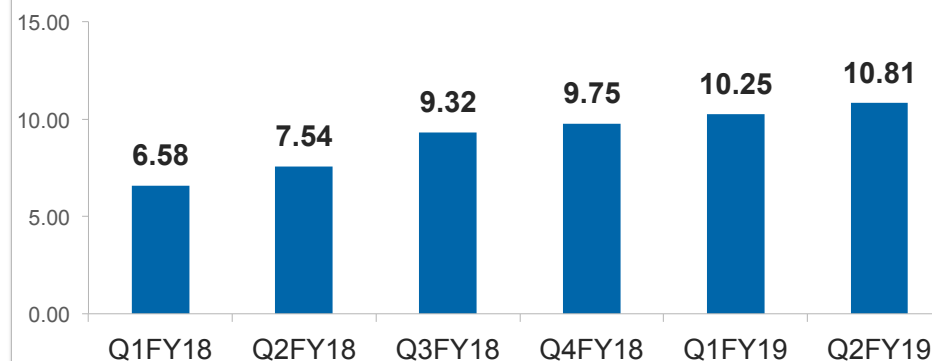
Financial Metrics (contd..)

2

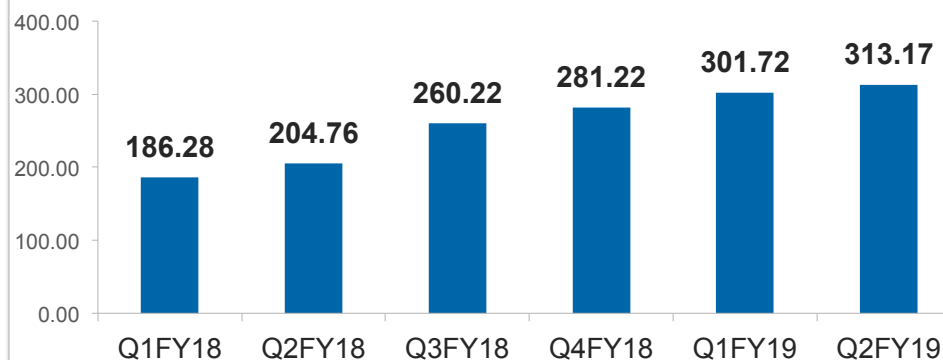
Borrowings (Rs Cr)



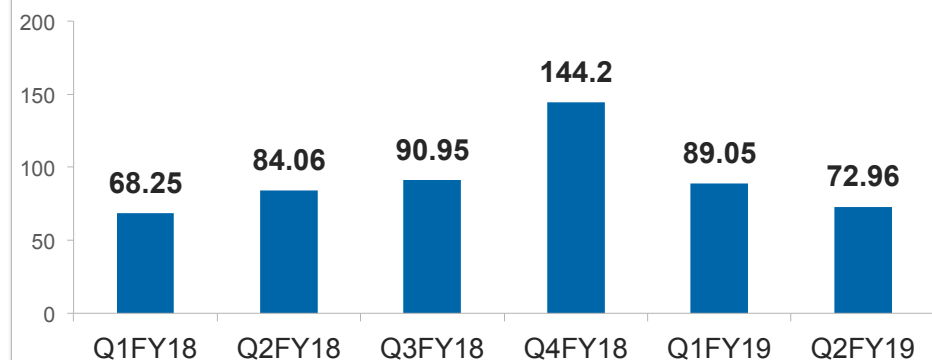
Net Interest Income (Rs Cr)



AUM – End of Quarter (Rs Cr)



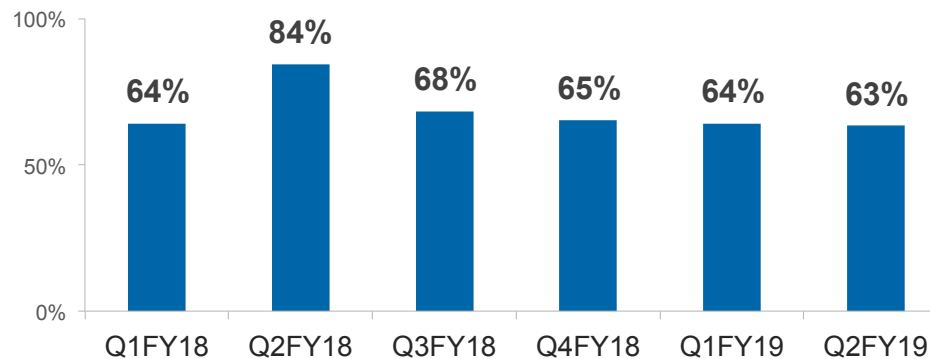
Disbursements (Rs Cr)



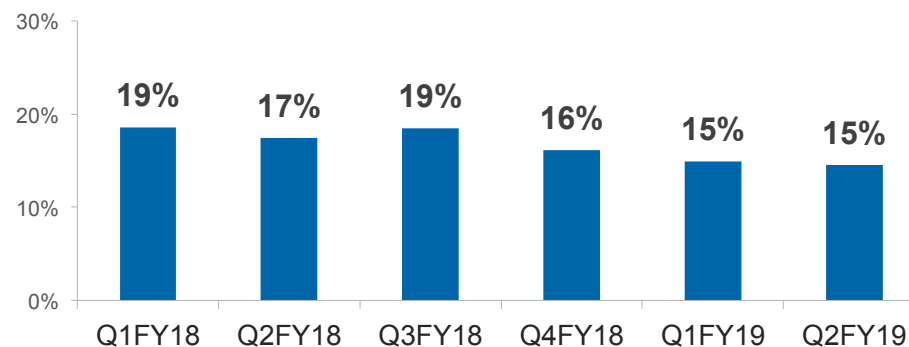
Financial Metrics (contd..)

3

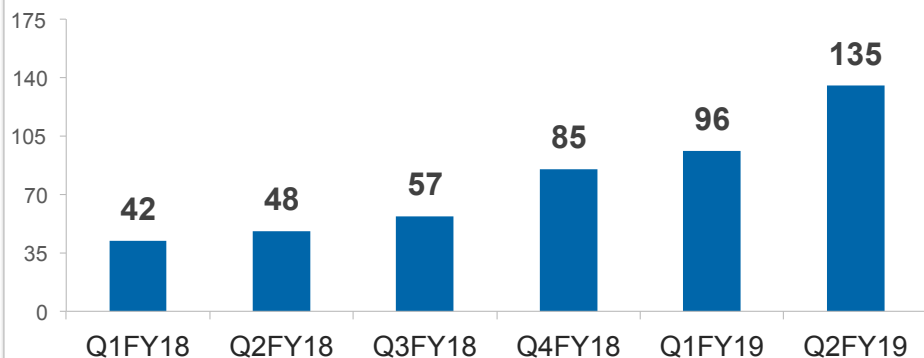
Capital Adequacy Ratio (%)



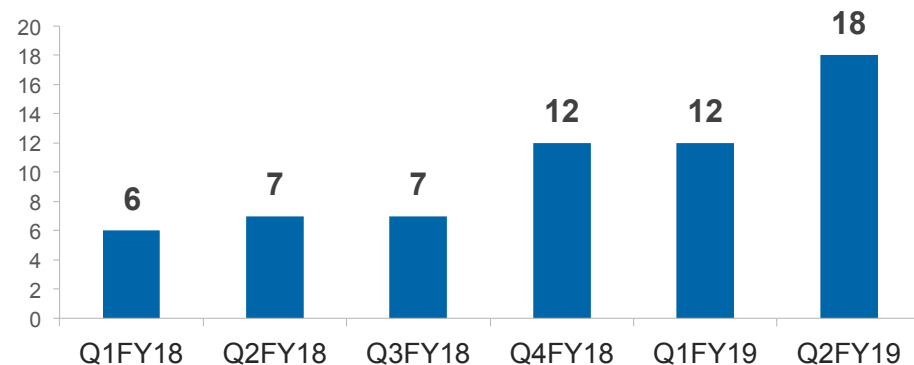
Net Interest Margin (%)



Number of Employees



Number of Branches



Thank You



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