

Date: 12.11.2018

To,  
The Manager,  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers Dalal Street,  
Mumbai-400001  
Fax: 022-2272 3121/22721278

**Sub: Investor Update**  
**Scip Code: 530067**

Dear Sir,

Please find enclosed herewith the copy of the Investor Update of the Company highlighting the performance and recent developments of the company.

This is for your information and record.

**For CSL Finance Limited**  
For CSL FINANCE LIMITED

  
Company Secretary

**Akash Gupta**  
**(Company Secretary)**

Encl: a/a



CSL Finance  
Limited

BSE: 530067 | ISIN: INE718F01018 | CIN: L74899DL1992PLC051462 | WWW.CSLFINANCE.IN



# FY19 Q2 - Update

November 2018

# Table of Contents

Company Snapshot	3
Business Strategy	4
Product Portfolio	5
Our Presence	6
Operational Overview	8
Financial Update	10
Financial Metrics	17

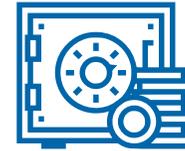
# Company Snapshot



**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%**

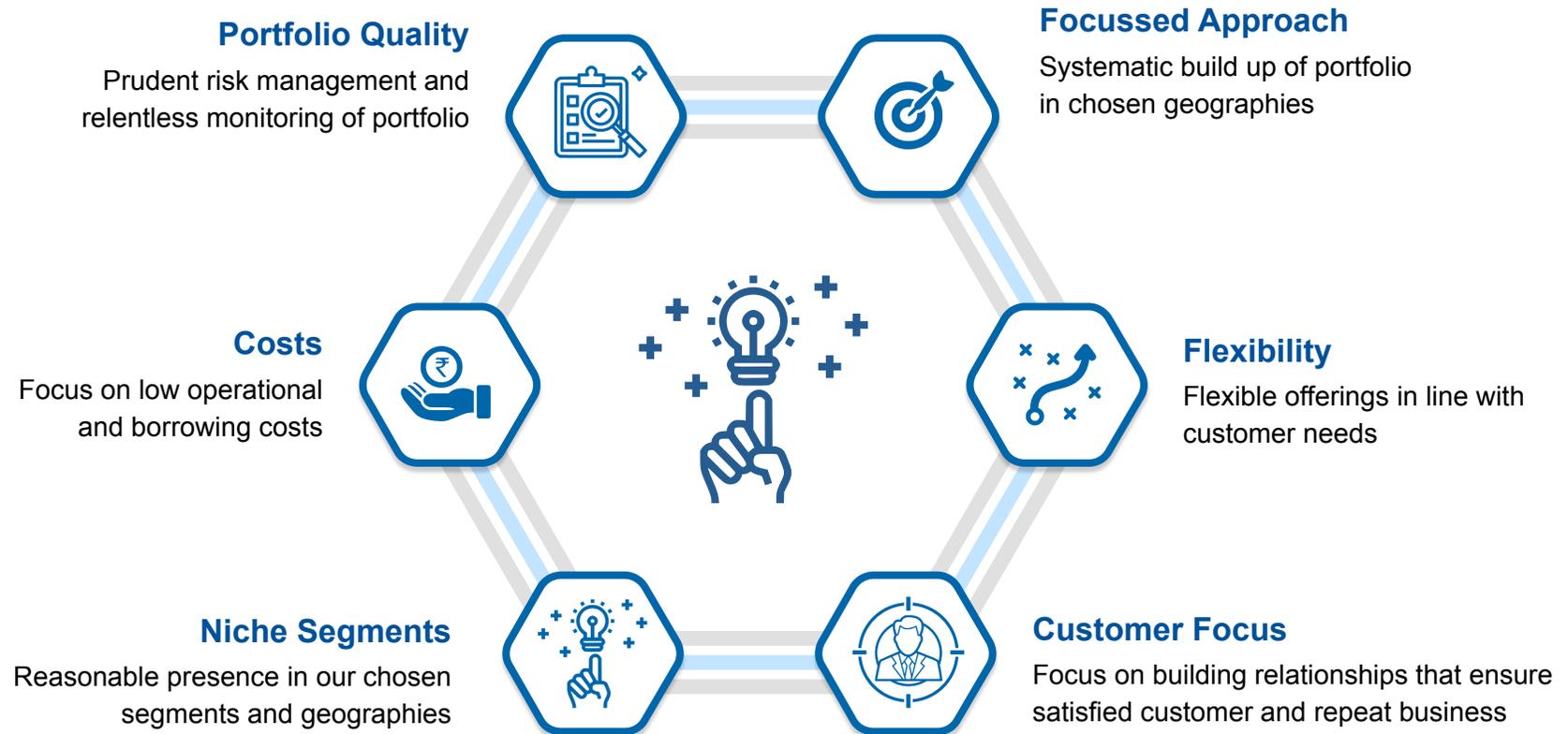


**Low cost of  
operations**



**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

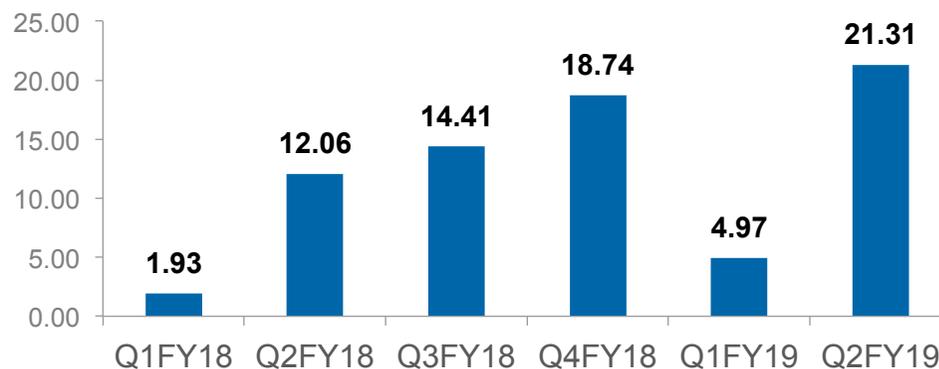
- ✓ We are well funded with our Capital Adequacy Ratio at 63.47%
- ✓ In the current environment of scarce liquidity our focus will be
  - ✓ Increase our SME portfolio & Redevelopment Builder Floor Loans
  - ✓ Rollout of the school loan product across all our SME branches
  - ✓ The rundown of the Wholesale 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

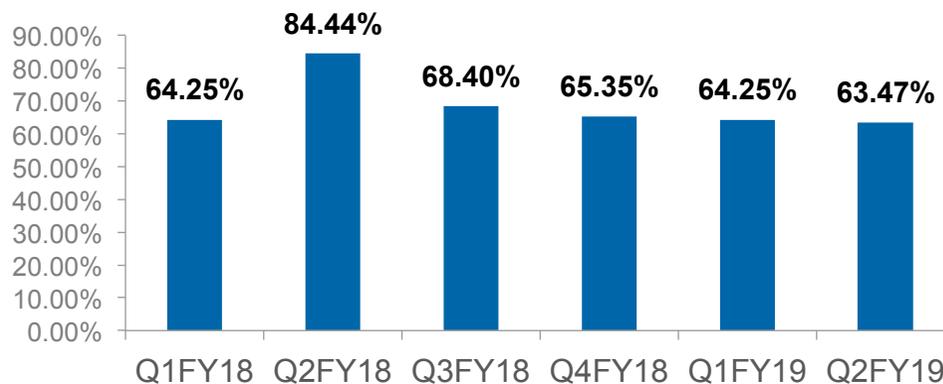
- ✓ Total Revenue increased by 58.57% to Rs 14.62 Cr in Q2 FY2018-19 as compared to Rs 9.22 Cr in Q2 FY2017-18
- ✓ Net Profit increased by 44.36% to Rs 5.89 Cr in Q2 FY2018-19 as compared to Rs 4.08 Cr in Q2 FY2017-18
- ✓ AUM increased by 52.94% to Rs 313.17 Cr in Q2 FY2018-19 as compared to Rs.204.76 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 30<sup>th</sup> September, 2018 is Rs 327.52

# Liquidity Profile & Capital Adequacy Ratio

## Cash and Cash Equivalents (including undrawn line of credit)



## Capital Adequacy Ratio

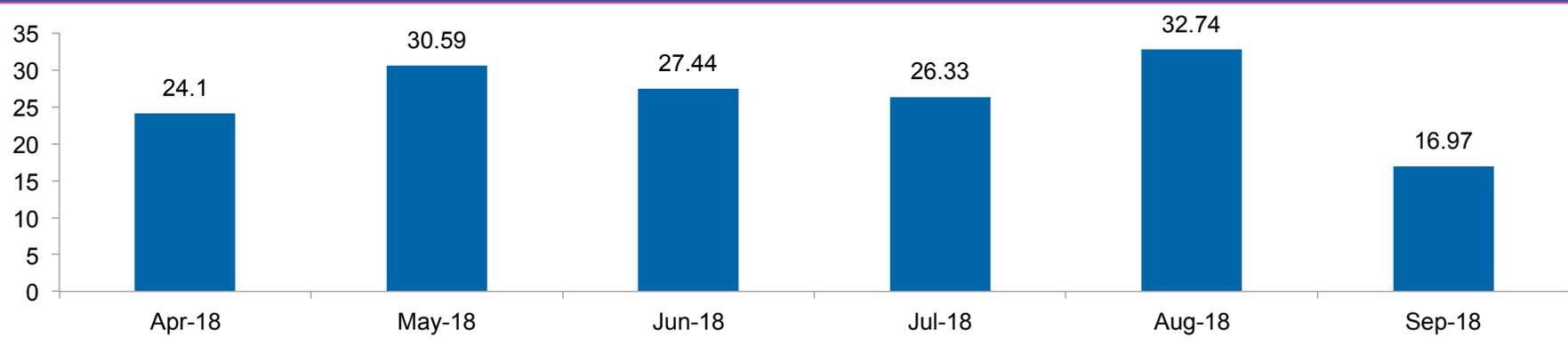


# Monthly Collections & Disbursements

## Monthly Disbursement (Rs Cr)



## Monthly collection (Rs Cr)



# Credit Business Mix

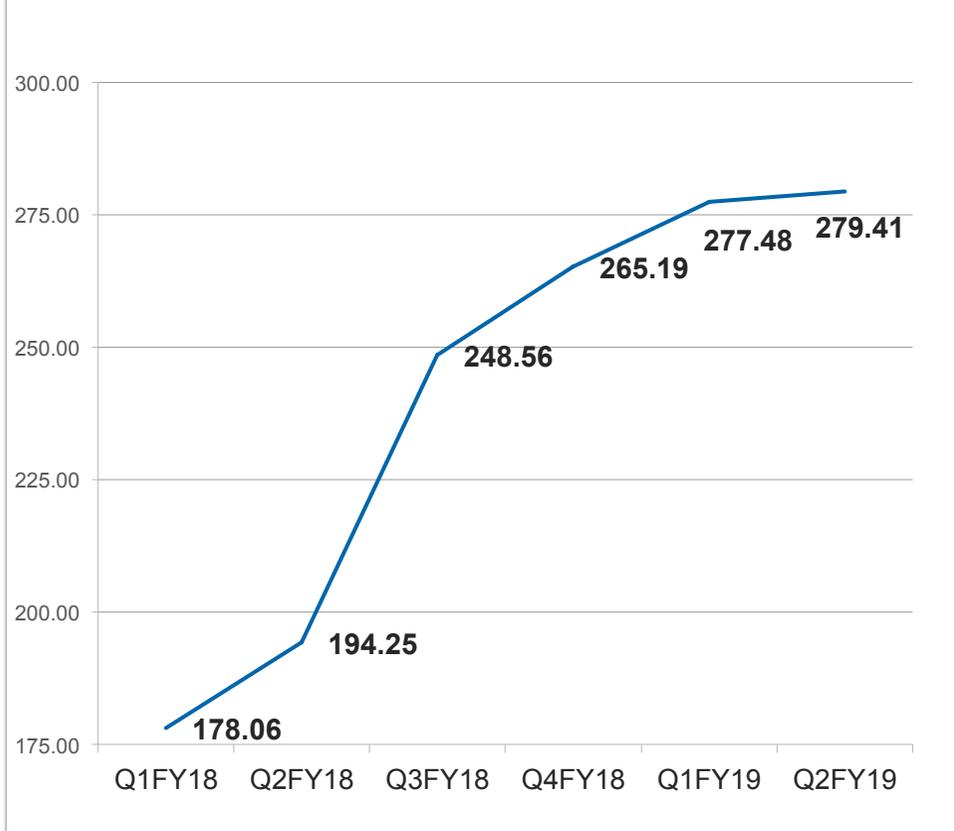
Product Category	Book Size (Rs Cr)	
<b>Corporate Lending</b>		
<b>Wholesale Mortgage – Large</b>	152	Loans to Group Housing Projects consisting both of standard loans and structured collateralised loans
<b>Wholesale Mortgage – Small</b>	75	Builder Floor & Site Redevelopment Loans
<b>Wholesale Mortgage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

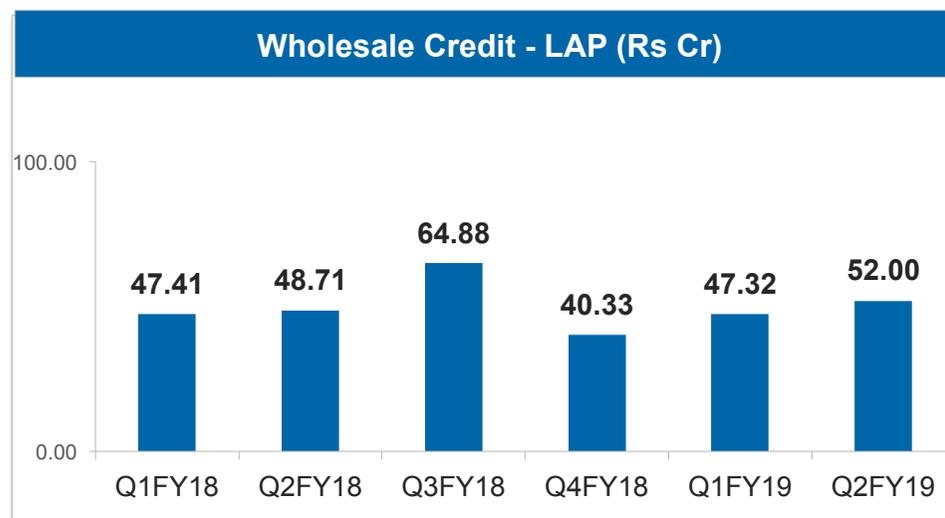
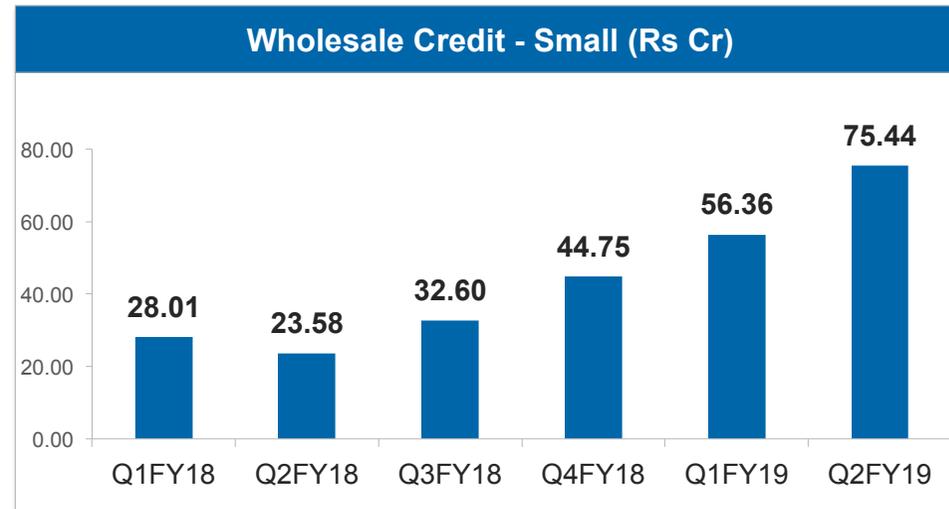
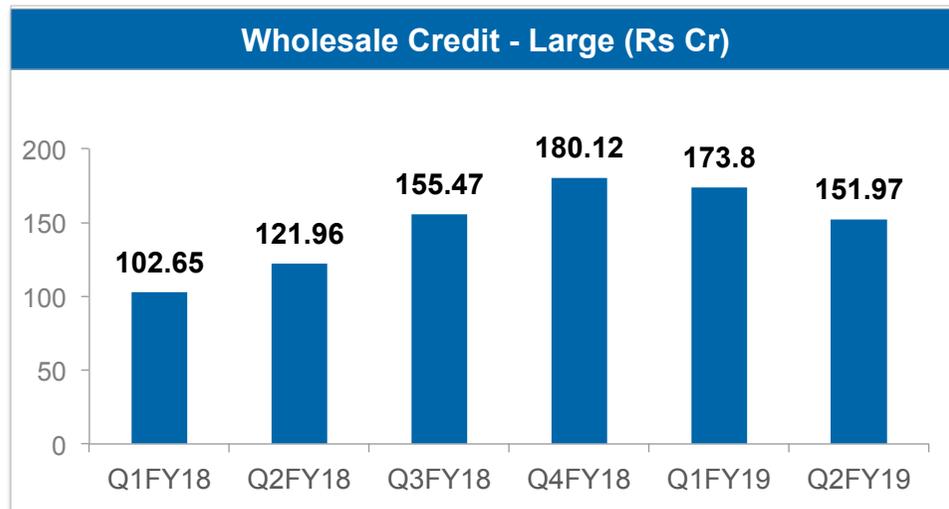
Figures in INR Crores



## 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

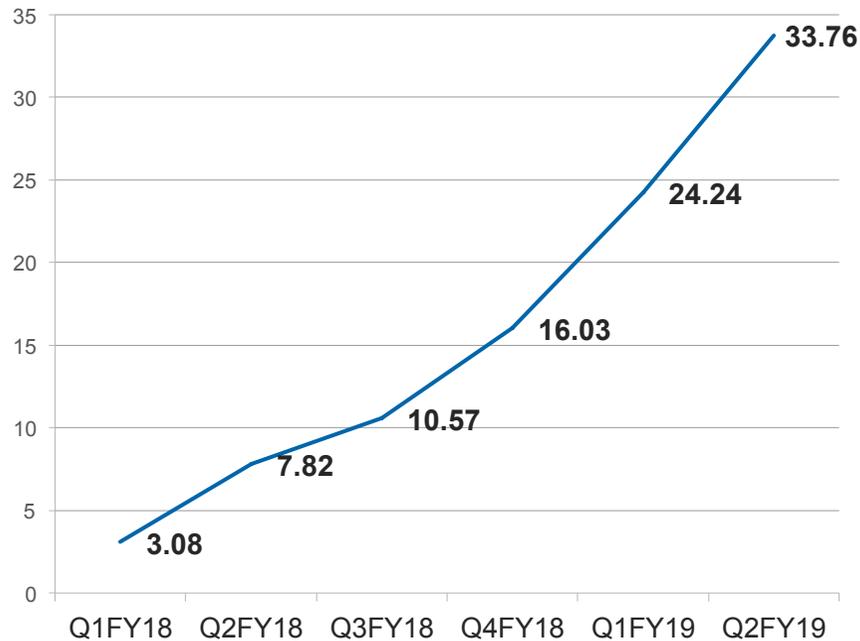
# Wholesale Credit – Product Breakup



# Retail Credit Expanding Footprint

## Assets Under Management (AUM)

Figures in INR Crores



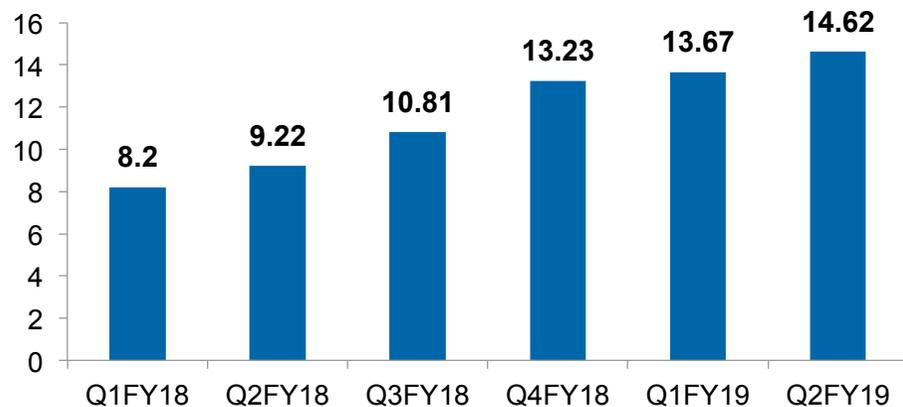
## Business Approach

- ✓ 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

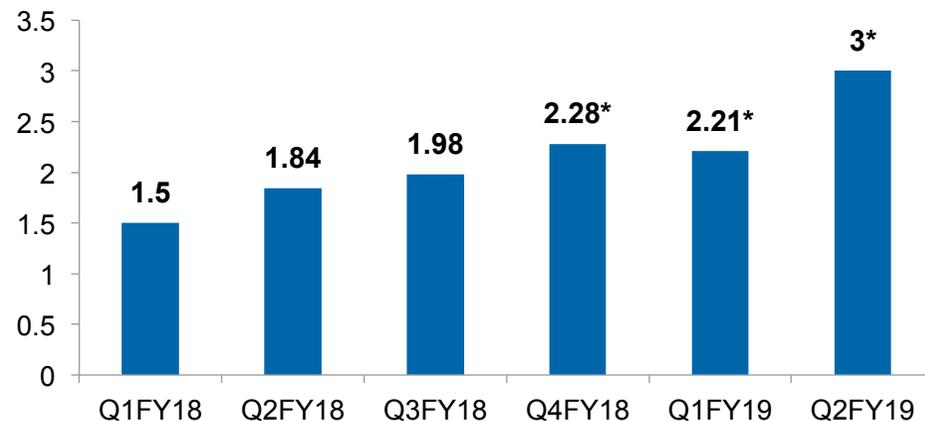
# Financial Metrics

1

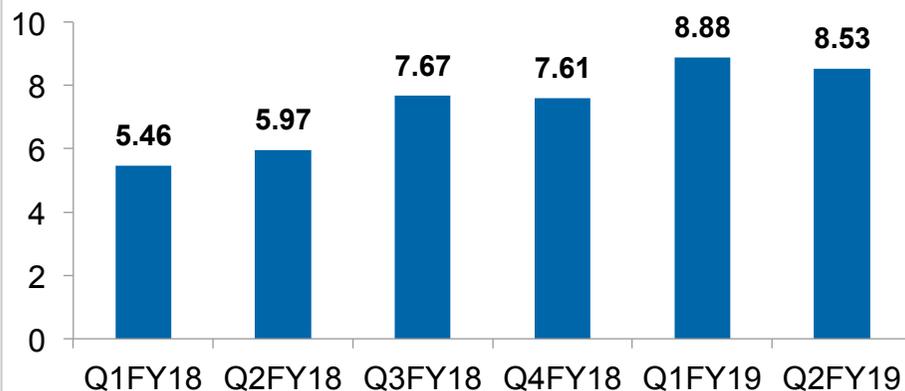
### Total Income



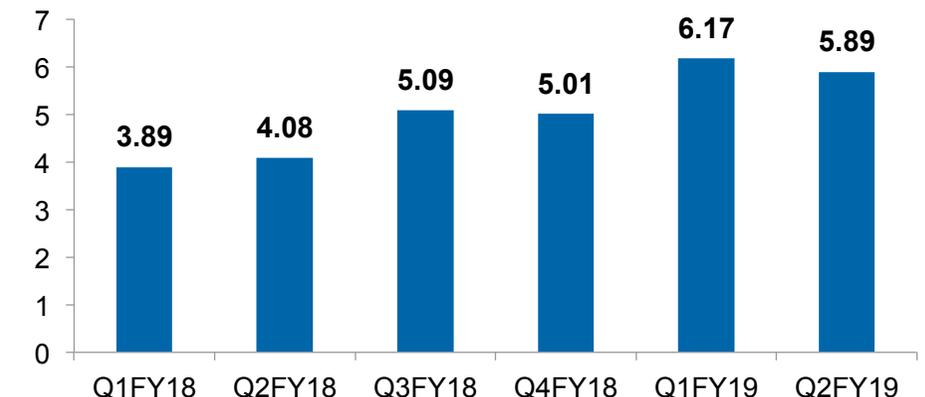
### Operating Expenses (Rs Cr)



### Pre Provisioning Profit Before Tax (Rs Cr)



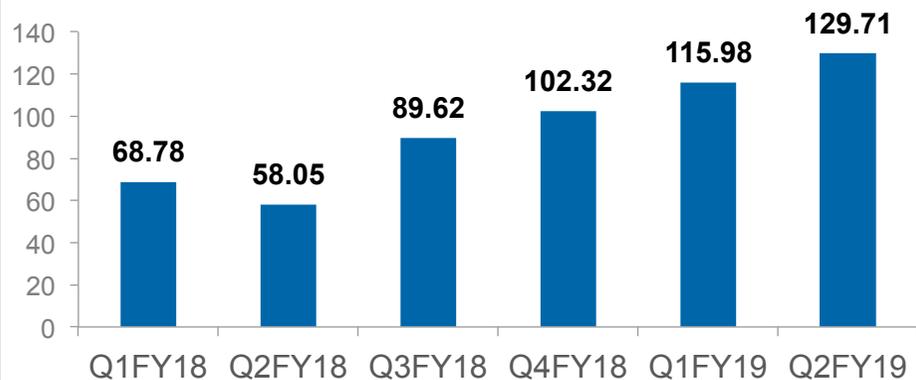
### Net Profit (Rs Cr)



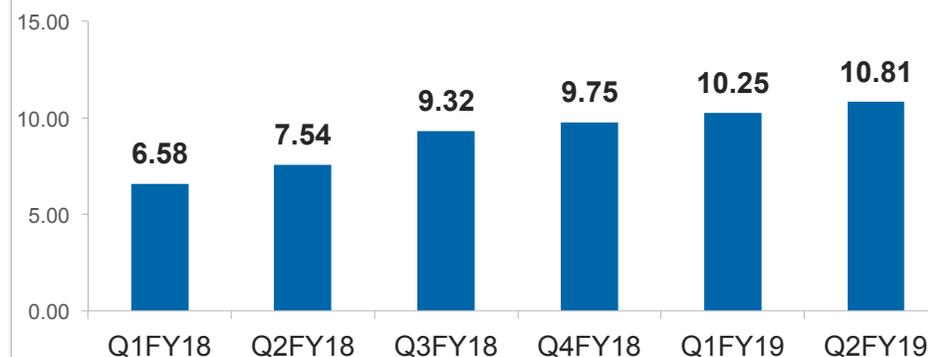
# Financial Metrics (contd..)

2

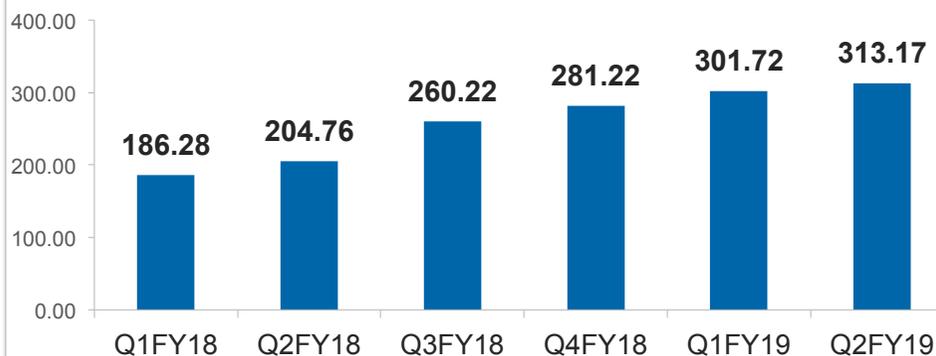
### Borrowings (Rs Cr)



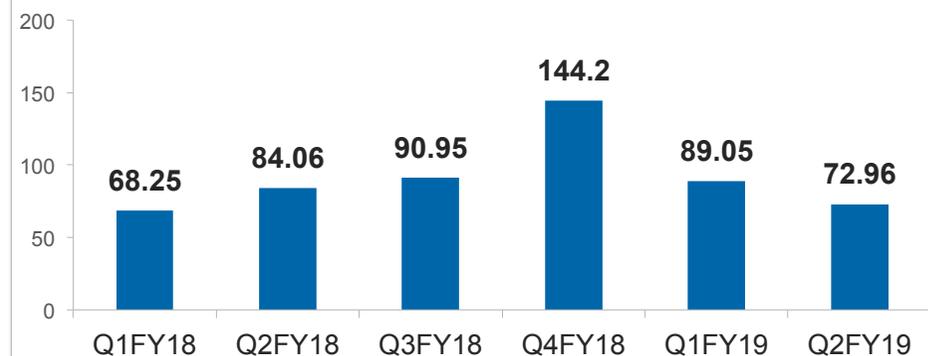
### Net Interest Income (Rs Cr)



### AUM – End of Quarter (Rs Cr)

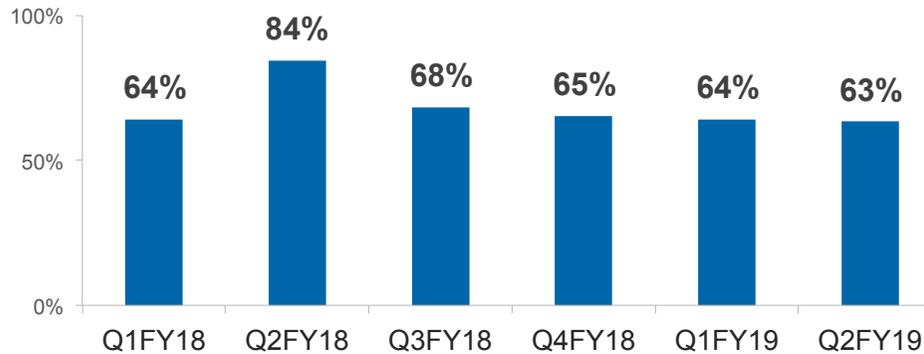


### Disbursements (Rs Cr)

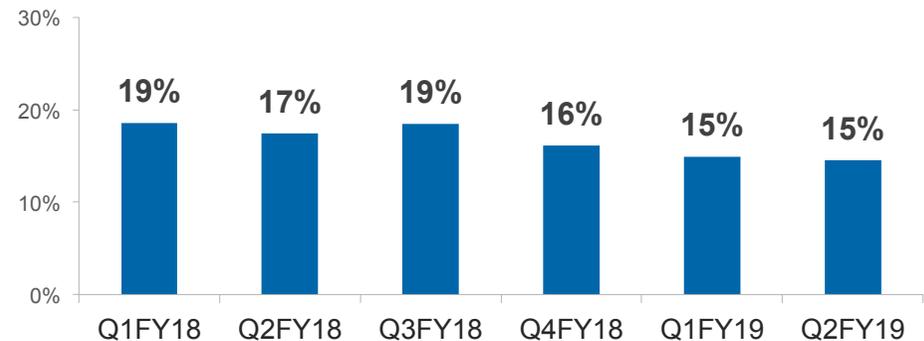


# Financial Metrics (contd..)

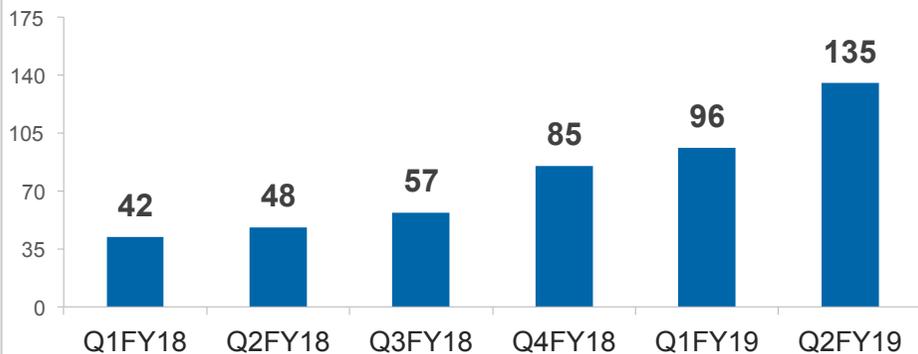
### Capital Adequacy Ratio (%)



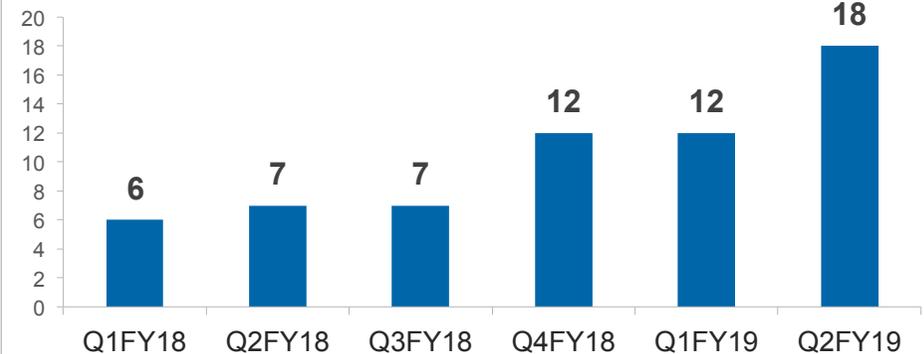
### Net Interest Margin (%)



### Number of Employees



### Number of Branches



# Thank You



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