

FY21 Q3
Investor Update
December 2020



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Listed on Bombay Stock Exchange



Delhi Based NBFC with AUM of INR 335 Cr as on 31st Dec 20



Wholesale Loan book of INR 271 Cr & SME Retail book of INR 64 Cr



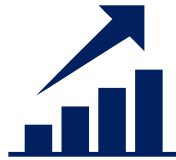
98% of loan book is secured



16 Branches spread across North and West India



Raised INR 51 Cr from Marquee investors in Sep 2017



High CAR of 75%



BBB rating from CARE

Company Snapshot

Leadership Team



Rohit Gupta
Managing Director – Founder &
Promoter

Over 27 years of experience
and a CA



Naresh Varshney
Chief Financial Officer

CA with over 25 years of experience
Ex: RR Finance consultants,
Centrum Capital & Unicorn



Chandan Kumar
Wholesale Credit Head

Over 10 years of experience and
is MBA & CAIIB
Ex: PNB Housing, HDFC, SIB



Divya Sharma
Legal Head

Advocate & LLM, over 6 years of
experience Ex: ECL Finance, HMJ
Mukta Gupta, Delhi high court



Gunjan Khara
Company Secretary

Over 6 years of experience at CSL
and is CS & LLB



Ankit Jain
SME Zonal Credit Head

CA & CS, over 9 years of
experience
Ex: ICICI bank, HDFC bank



Sachin Shah
State Head, SME Gujarat

Over 16 years of experience
Ex: Equitas, Fullerton India &
Max Life

Core Values



Our products and services are designed keeping in view our customer's interest above everything else. Our relationship management is aimed to add value to the customers' business.



Customer Centricity



Passion for Excellence



We strive to achieve the best in all our endeavours, bringing the best in our products, people and ultimately adding value to our clients.



All our actions are guided by the principles of fairness, reliability and ethical practices.



Integrity



Respect for People



We treat our employees like family, providing them with an inspiring work environment that encourages initiative and help facilitate excellence.

Milestone

Got NBFC registration from Reserve Bank of India

2003

Crossed INR 100 Cr in loans

2015

Fresh equity of 53.50. Cr raised

2017

Diversified into Secured Lending to small / midsize companies

2010

2016

SME/Retail loan foray: Opened Seven branches
Raised of Rs 120 Cr. for the first time as debt

2019

Scaled up retail business with focus on school loans
Total 19 Branches operational

2020

Consolidation of few branches to optimise costs
16 operational branches

Our Presence

Gujarat

- 📍 Mehsana
- 📍 Ahmedabad
- 📍 Baroda
- 📍 Surat

Punjab

- 📍 Jalandhar
- 📍 Patiala
- 📍 Ludhiana

Rajasthan

- 📍 Jaipur
- 📍 Ajmer
- 📍 Bhilwara
- 📍 Jodhpur
- 📍 Sikar

Haryana

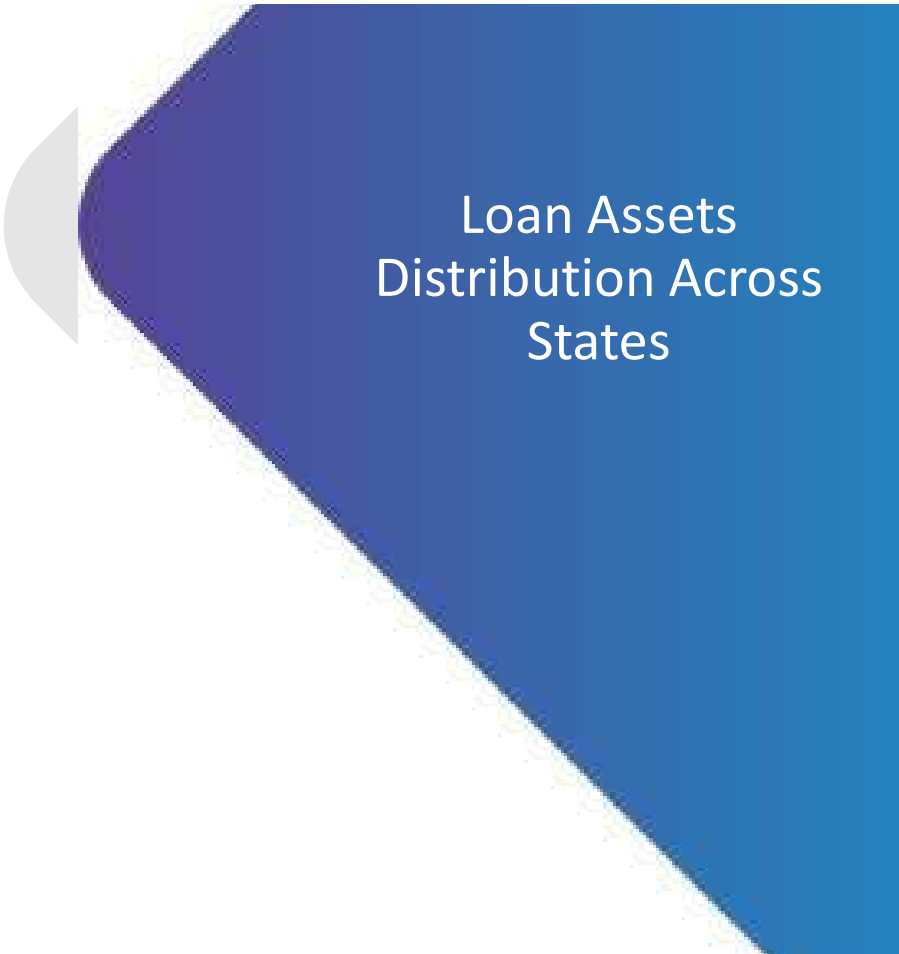
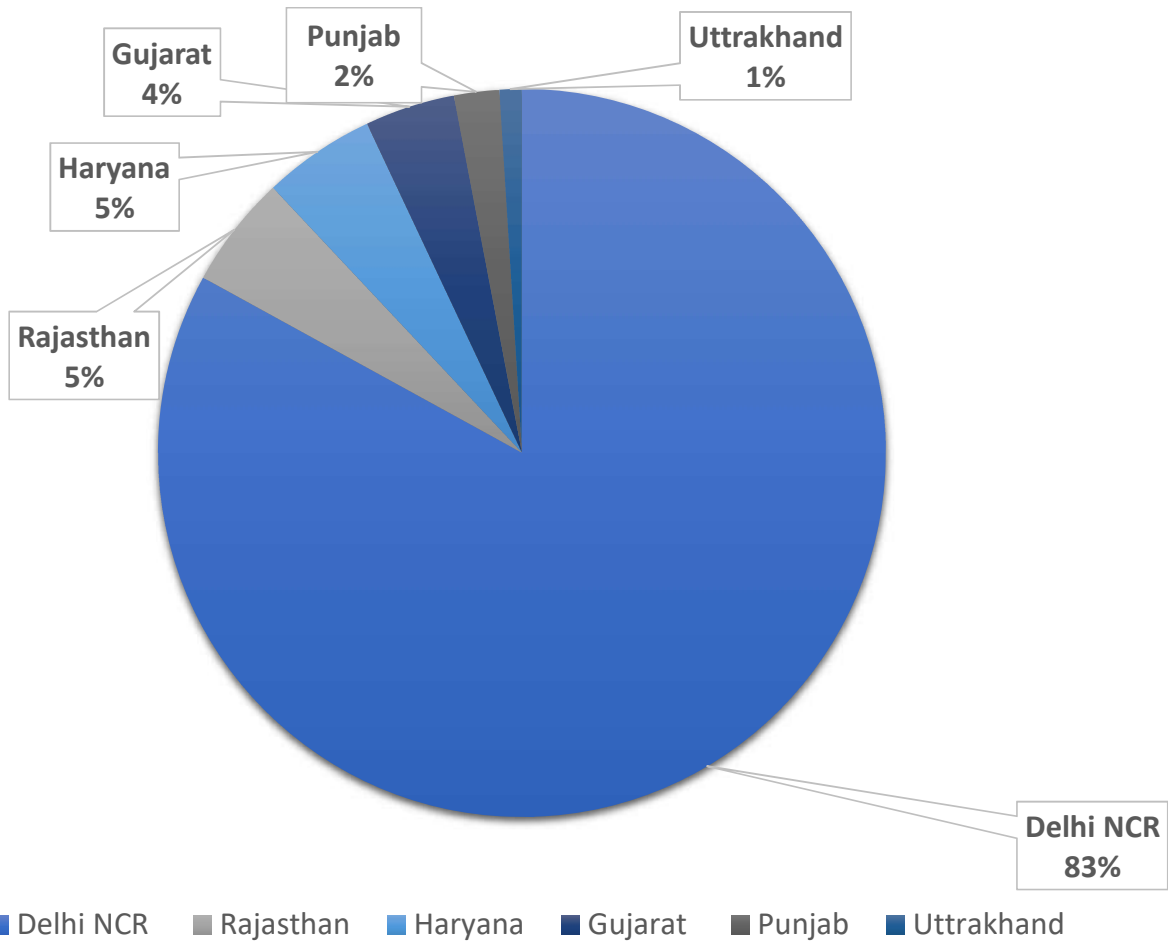
- 📍 Ambala
- 📍 Panipat
- 📍 Hissar

Delhi NCR

- 📍 New Delhi

Uttarakhand

- 📍 Dehradun



Loan Assets Distribution Across States

Note: Delhi NCR – 83% is a breakup of Wholesale AUM of 81% which is our niche segment for this category of loans and Retail AUM of 2.08% of the total Delhi NCR AUM

Wholesale (WS) Lending

Category	Book Value (INR Cr)	Product Description
WS Large	136	Structured loans to developers of Mid Income/Affordable Group Housing Projects
WS Small	81	House construction loans given to single plotted projects
WS LAP	27	Loan against SORP/SOCP properties
WS LAS	27	Loan against Securities & Deposits which are highly liquid
Total Wholesale Book	271	

Retail Lending

SME Secured	59	Micro/Small Loans to Kirana Stores, Traders, Schools, and other boutique shops and merchants backed by owned properties as collateral
SME Unsecured	5	Small ticket loans to mainly to K-12 schools in Tier 2 and Tier 3 Cities
Total SME Retail Book	64	

Product Portfolio Q3 FY21

Future Strategy

- Company is using Finnone Neo as its LOS & LMS software. It is further exploring new automation tools to reduce turnaround time and data capture
- Company is aiming to increase the loan duration from 18-24 months to have better cash management in terms of collections and disbursements
- Continuous monitoring, regular site visits and review of project numbers continue to be key strategy for accounts management
- For wholesale loans increase the team size in sales & credit to target the Builder Floor market in NCR in a more comprehensive way
- In the SME Segment, with SARFAESI being enabled for NBFCs in this budget for INR 20 lakh plus loans, we are broadening our target segment of above INR 20 lacs in order to achieve a right mix of loans between INR 5-10 lacs and above INR 20 lacs
- In this calendar year, we plan on increasing the size of our sales team at a branch level from average of 3 people to 6 people in order to increase the branch AUM and improve productivity
- Working towards building a hub and spoke model in the retail lending segment. After achieving the desired productivity level, we will aim to open new branches in the existing states

Key Business Highlights

During Q3 FY21, strong collections in Wholesale segment was observed; collections were at 150% of the scheduled repayments due to revival in sales in affordable and housing segments

Collection Efficiency of SME portfolio has been observed at 78% for this Q3 FY21. Post opening of school in Jan'21 , collection efficiency jumped to 85 % . We expect this efficiency to strengthen further to 95% once schools are allowed to operate fully

Disbursals have risen to INR 151 Cr compared to INR 123 Cr of Q2 FY21. Despite increase in disbursals , AUM is stable at INR 335 Cr due to robust collections in wholesale segment

High demand in affordable housing post COVID-19 has led to good spurt in sales and collections in this quarter and same is expected to continue in coming quarters too

Key Business Highlights

SME segment AUM has de-grown due to negligible disbursements from Mar 2020 till Sep 2020. In the last nine months about 70 accounts of an AUM of INR 3.78 Cr has been foreclosed

Due to the uncertainty in the month of April'20, the company focused on cost cutting and laid off underperforming sales staff. As the economy is opening up with COVID lockdowns behind us, the company plans to hire on average of additional 3-4 sales staff at each branch

School funding has been a major focus in retail lending. Since schools were not functional till January 2021, we had stopped funding in this segment

PAT has declined by 29% IN Q3 FY21 on a YoY basis, because the company decided to end past litigation by applying to the VSV scheme and had to additionally provide for the provision of income tax of INR 1.61 Cr in Q3 FY21

Key Business Highlights

Because of Covid , we expect overall credit losses of 4-8% on the existing Retail Lending portfolio which has already been provided for in the last three quarters of FY21

GNPA has risen to 1.53% in Dec 20 from 0.08% of the overall portfolio due to NPA's observed in retail school lending segment with the AUM of INR 24 Cr . As a prudent & conservative practice, we have classified the GNPA basis the existing company policy

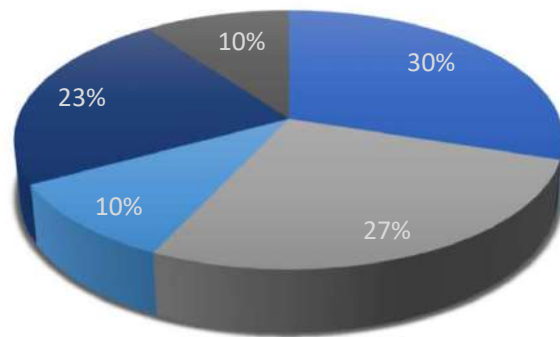
As a prudent Risk Management practice, we have already provided the ECL Provision under Stage-1 of INR 7.52 Cr & Stage-2 of INR 4.88 Cr and Stage -3 of INR 2.64 Cr

- The company has adequate liquidity of INR 36.22 Cr including Cash & Cash Equivalents and undrawn Credit facilities
- Post raising INR 40 Cr debt in the form of NCD in last quarter, we have further availed a term loan of INR 3 Crore from SIDBI
- Weighted average cost of borrowings has come down to 10%
- For the first nine months, the company was sitting at huge unutilized limits but now with market reopening , we will aggressively look for fresh lending
- Sufficient cash flow cushion is there to service existing debts with no ALM mismatch is foreseen for next 24 months
- Replacement of high-cost debt with low-cost debt led to a decline in overall interest costs by 2.62%
- By raising lower cost debt from SIDBI we have prepaid a high-cost loan of INR 3.5 Crore

Treasury Update



WHOLESALE LENDING BOOK



- Small builder floors
- Affordable group housing
- Loan against property
- Mid income group housing
- Loan against security

Wholesale Loan Book	AUM*	% of WS AUM	No. of Loan ACs
Mid Income Group Housing	63.38	23%	12
Affordable Group Housing	72.31	27%	7
Small Builder Floor	81.27	30%	26
Loan Against Property	26.85	10%	10
Loan Against Securities	26.88	10%	3
Total	270.69	100%	58

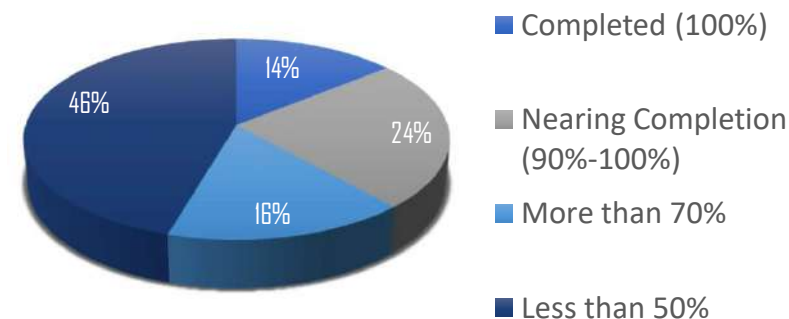
- The Real Estate industry in NCR Region has seen strong trends in Sales & Collections in 3rd quarter, specially in the Affordable Housing Segment and that is also evident from our collections
- Mid-Income Group Housing & Affordable Group Housing is part of Wholesale Large which is 50% of Total Wholesale Book
 - ❖ **Mid-Income Group Housing** includes projects which are completed or nearing completion and are last-mile funded. These projects are located in Delhi-NCR
 - ❖ **Affordable Group Housing** includes project which are approved under the Affordable Group Housing Policy of Haryana Government
 - ❖ Small Builder Floors consists of real estate developers engaged in Construction & Development of G+4 Floor structure buildings in South Delhi & Gurugram Location

WHOLESALE LENDING BOOK: MID-INCOME GROUP HOUSING

Figures in Cr

for	No. of Cases	Sanction	POS as on 31.12.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
Completed (100%)	5	42.25	8.84	14%	23.21	14.37	Satisfactory	Less than 50 lacs
Nearing Completion (90% to 100%)	1	35.00	15.31	24%	36.36	21.05	Satisfactory	Less than 50 lacs
More than 70%	3	39.00	10.42	16%	13.42	2.99	Satisfactory	Less than 50 lacs
Less than 50%	3	56.00	28.81	46%	36.25	7.44	Satisfactory	Less than 60 lacs
Total	12	172.25	63.38	100%	109.24	45.86		

- Mid-Income Group Housing includes projects which are completed or nearing completion and are last-mile funded. These projects are in Delhi- NCR location
- AUM under Mid-Income Group Housing Consists of 23% of Wholesale loan book
- 38% of AUM under Mid-Income Group Housing belongs to 6 projects which are either 100% complete or are nearing completion
- Average ticket Size of units is less than INR 50 Lacs
- Committed Receivables is 4x of existing POS

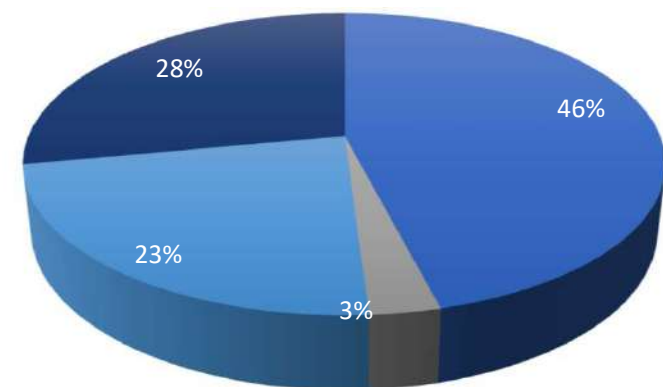


WHOLESALE LENDING BOOK: AFFORDABLE GROUP HOUSING

Figures in Cr

%age Sold	No. of Cases	Sanction	POS as on 31.12.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
More than 90%	4	80.00	33.33	46%	45.89	12.56	Satisfactory	Less than 25 lacs
61% to 90%	1	3.50	2.06	3%	2.64	0.59	Satisfactory	Less than 25 lacs
50% to 60%	1	20.00	16.92	23%	18.07	1.14	Satisfactory	Less than 25 lacs
Less than 50%	1	20.00	20.00	28%	20.00	0.00	Satisfactory	Less than 25 lacs
	7	123.50	72.31	100%	86.61	14.29		

- Affordable Group Housing includes project which are approved under the Affordable Housing Policy of Haryana Government
- Time-linked payment plan
- AUM under Affordable Group Housing consists of 27% of Wholesale loan book
- 46% of AUM under Affordable Group Housing belongs to 4 projects which are more than 90% Sold
- 1 Project which falls under less than 50% sold are those where allotment process has not started, and they are expected to achieve 100% allotment in first draw.
- Average ticket Size of units is less than INR 25 Lacs
- Committed Receivables is 3x of existing POS



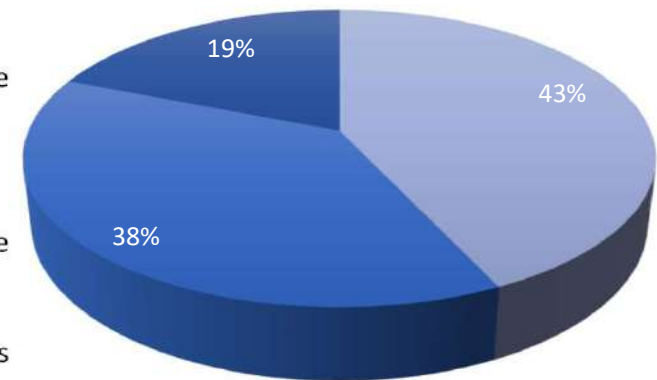
■ More than 90% ■ 61%-90% ■ 50%-60% ■ Less than 50%

WHOLESALE LENDING BOOK: SMALL BUILDERS

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 31.12.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct
100%	10	47.80	35.12	43%	39.60	4.49	Satisfactory
More than 50%	11	39.35	30.97	38%	35.72	4.75	Satisfactory
Less than 50%	5	43.45	15.18	19%	19.30	4.12	Satisfactory
	26	130.60	81.27	100%	94.62	13.35	

- Small Builder Floors consists of real estate developers engaged in Construction & Development of G+4 Floor structure buildings in South Delhi & Gurugram
- In these builder floor projects the construction cost is a small part of the project cost, the average project tenure is 15-18 months
- These loans are generally funded for a period of 36 months or less
- The feedback loop is fast and demand supply corrects quickly, adjusting to the dynamics of the market
- Risk of non-completion of project is minimal. Also, there are minimal regulatory compliances as these projects do not fall under RERA Compliances
- Sales in this segment has shown the good pick up specially in Gurugram Region and we are expecting the good growth in this segment in coming quarters.



■ 100% ■ More than 50% ■ Less than 50%

WHOLESALE LENDING BOOK– RISK MANAGEMENT FRAMEWORK



Presence in select markets

- Presence in selected pockets of Delhi NCR
- Excellent understanding of the market dynamics and risks
- Customer selection based on end use demand
- Last mile financing – significantly reduces project risk
- Deal with reputed developers with good credibility



Excellent screening, credit appraisal

- Robust due diligence
- Extensive credibility check includes profile. Project and market screening and assessment of market supply demand trends.
- Each deal is structured uniquely based on project requirements
- Charge on multiple assets with minimum security cover of 2X



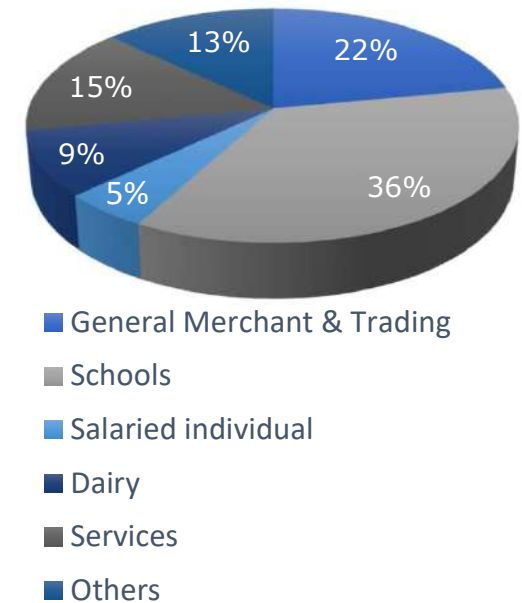
Constant monitoring /review

- Dedicated resources for asset monitoring
- Bi-monthly site visits to review/assess project progress
- Review of sales, inventories, market price, costs
- Detect early warning signals; initiate required steps, increase engagement
- Wherever required initiate early legal actions for faster repayments

SME RETAIL BOOK

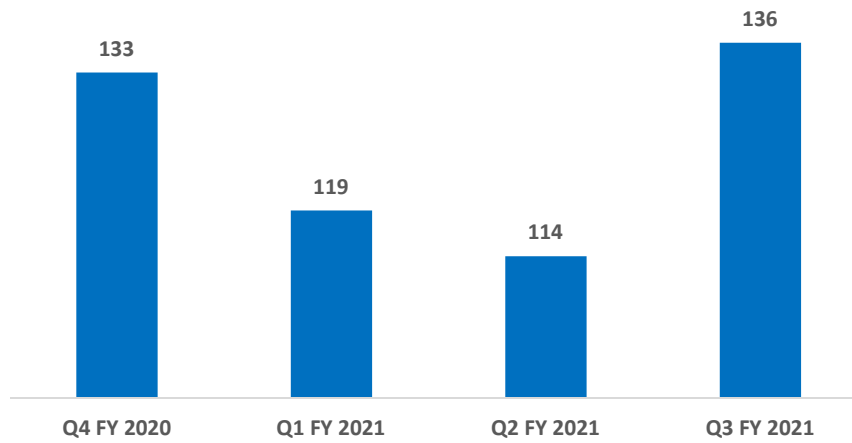
- SME retail book includes both secured and unsecured loans with an AUM of INR 64Cr as on 31st December 2020
- Disbursements in this segment has risen to INR 3.34 CR by the end of Q3 FY21 vis-a-vis INR 5 lacs in Q2 FY21
- School AUM in the retail book comprises of INR 23.71 Cr
- 91% of the SME book is secured with an AUM of INR 58.58 Cr
- These unsecured loans are capped to a ticket size of INR 7 Lacs
- Focus on increasing market presence and sustainability in current geographies of north and west India
- Overall collection efficiency during Q3 FY21 has been 78% as compared to 75 % in Q2 FY21

Industry-wise AUM Composition

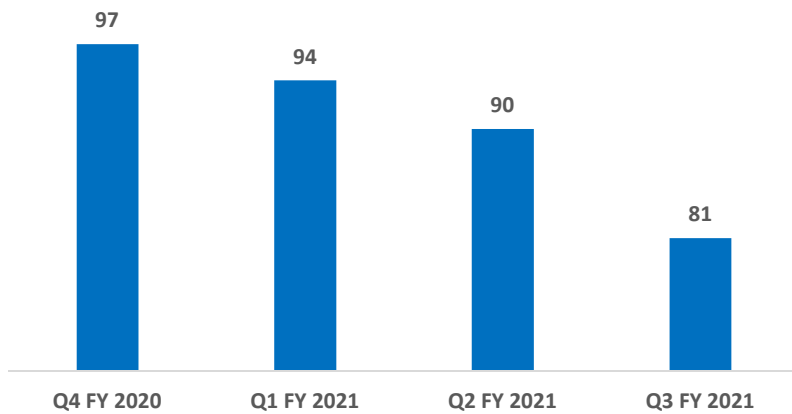


AUM Wholesale Lending Segment

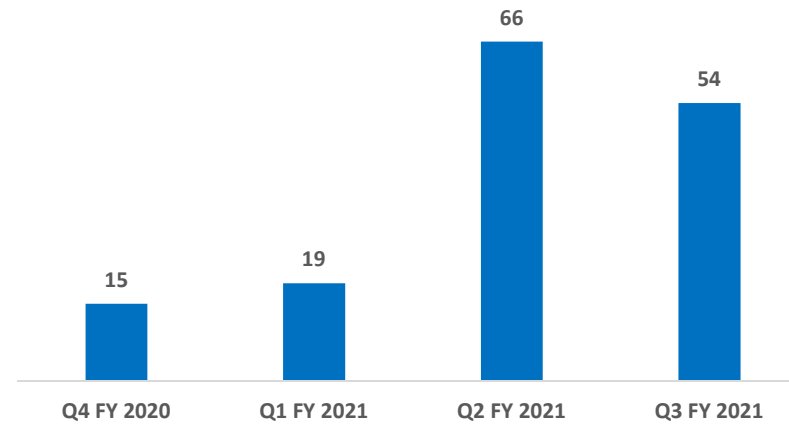
Wholesale Large (in cr)



Wholesale Small (in cr)

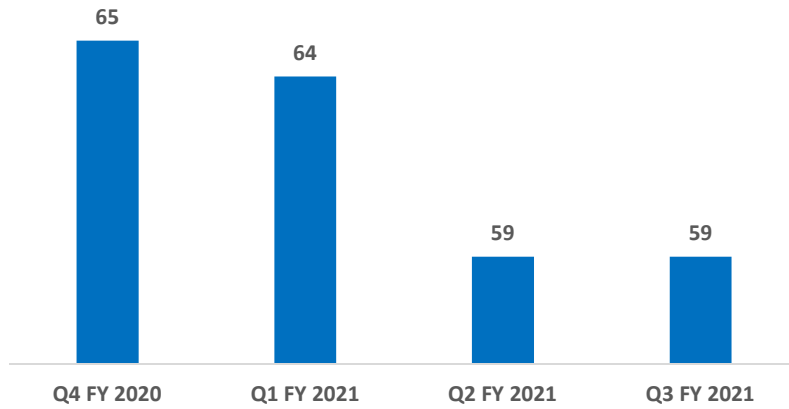


Wholesale LAP (in cr)

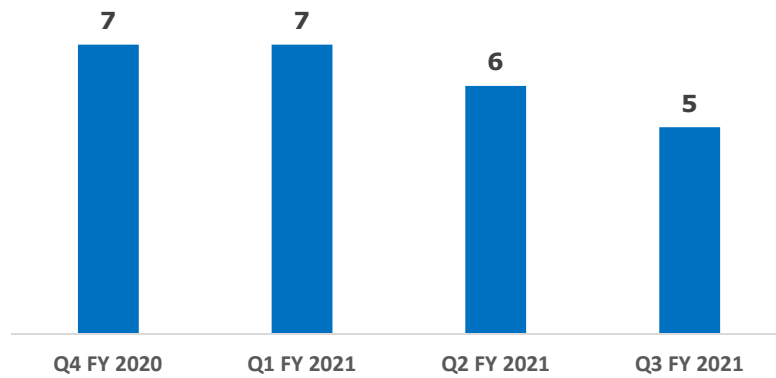


AUM Retail Lending Segment

SME Secured (in Cr)

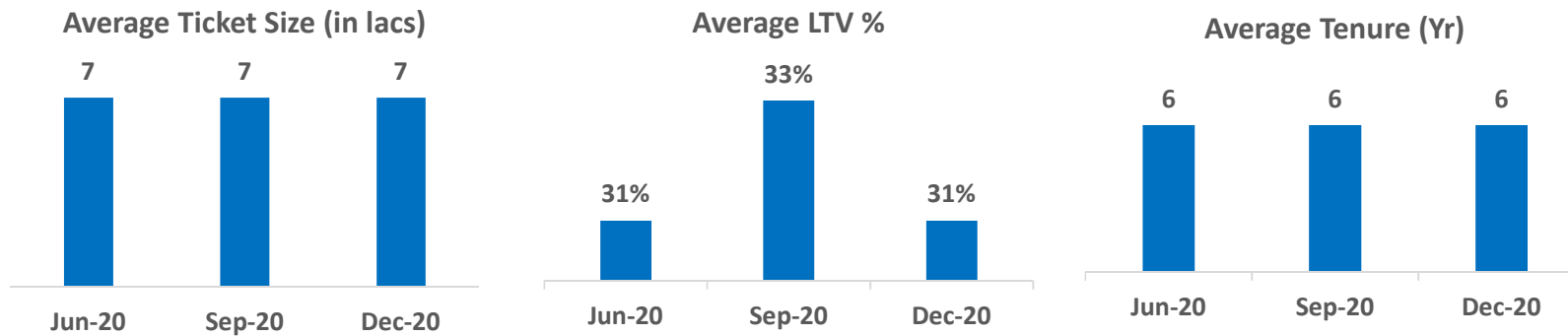


SME Unsecured (in Cr)

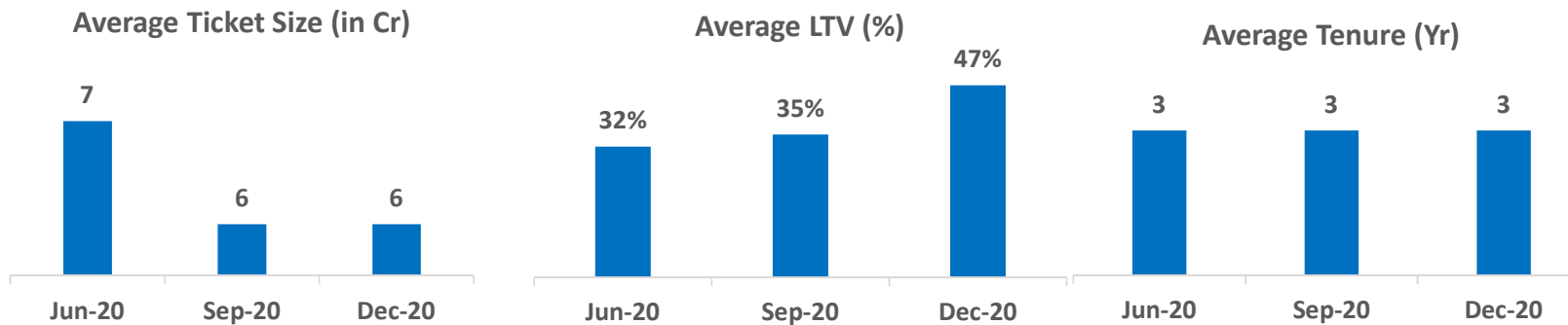


LOAN MATRIX




SME Loan Matrix



Wholesale Loan Matrix






FINANCIAL SNAPSHOT- Q3 FY21 vs Q3 FY20

<p>Net Interest Income 1.38%</p>		<table border="1"> <tr> <td>Q3 FY21</td> <td style="background-color: #0070C0; color: white;">Rs 13.29 Cr</td> </tr> <tr> <td>Q3 FY20</td> <td style="background-color: #D9E1F2;">Rs 13.11 Cr</td> </tr> </table>	Q3 FY21	Rs 13.29 Cr	Q3 FY20	Rs 13.11 Cr
Q3 FY21	Rs 13.29 Cr					
Q3 FY20	Rs 13.11 Cr					
<p>Total Income 4.08%</p>		<table border="1"> <tr> <td>Q3 FY21</td> <td style="background-color: #0070C0; color: white;">Rs 14.90 Cr</td> </tr> <tr> <td>Q3 FY20</td> <td style="background-color: #D9E1F2;">Rs 15.53 Cr</td> </tr> </table>	Q3 FY21	Rs 14.90 Cr	Q3 FY20	Rs 15.53 Cr
Q3 FY21	Rs 14.90 Cr					
Q3 FY20	Rs 15.53 Cr					
<p>Profit After Tax 29.32%*</p>		<table border="1"> <tr> <td>Q3 FY21</td> <td style="background-color: #0070C0; color: white;">Rs 4.86 Cr</td> </tr> <tr> <td>Q3 FY20</td> <td style="background-color: #D9E1F2;">Rs 6.87 Cr</td> </tr> </table>	Q3 FY21	Rs 4.86 Cr	Q3 FY20	Rs 6.87 Cr
Q3 FY21	Rs 4.86 Cr					
Q3 FY20	Rs 6.87 Cr					

* Because of the adoption of VSV scheme, the company had to additionally provide for the provision of income tax of INR 1.61 Cr in Q3 FY21

FINANCIAL SNAPSHOT- Q3 FY21 vs Q3 FY20

Net Worth	8.53%		Q3 FY21 Q3 FY20	Rs 250.42 Cr Rs 230.74 Cr
AUM	5.17%		Q3 FY21 Q3 FY20	Rs 334.69 Cr Rs 318.24 Cr
Capital Adequacy Ratio	2.32%		Q3 FY21 Q3 FY20	74.82% 72.50%



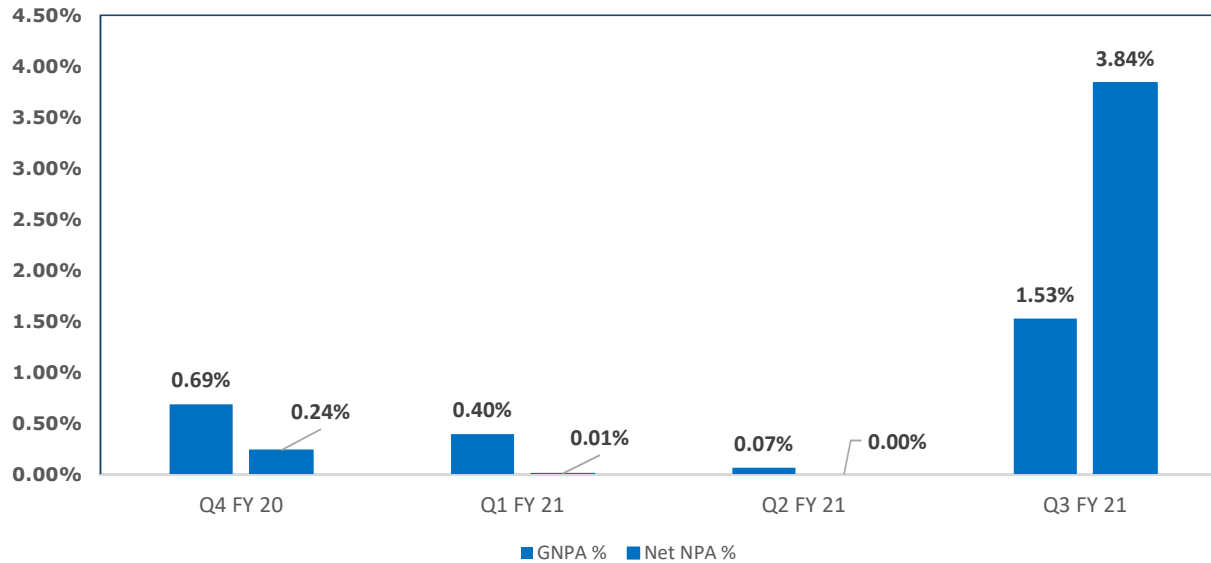
Expected Credit Losses (ECL)

ECL Provisioning

Classification of Assets basis the ECL computation as per Ind-AS:

Particulars	31-12-2020	30-09-2020	30-06-2020
Gross Stage 3 (GNPA)	5,10,51,855	25,18,018	1,21,12,081
% portfolio in Stage 3	1.53%	0.08%	0.40%
ECL provision Stage 3	2,63,61,764	24,60,746	1,19,26,901
Net Stage 3	2,46,90,091	57,272	1,85,181
Total Provision Coverage Ratio	51.64%	97.73%	98.47%
Gross Stage 1 & 2	3,28,25,21,797	3,34,98,72,394	2,98,55,52,614
% portfolio in Stage 1 & 2	98.47%	99.92%	99.60%
ECL provision Stage 1 & 2	4,88,44,705	6,32,96,874	5,38,40,485
Net Stage 1 & 2	3,23,36,77,092	3,28,65,75,520	2,93,17,12,129
Total Provision Coverage Ratio	1.49%	1.89%	1.80%
Total Assets	3,33,35,73,652	3,35,23,90,412	2,99,76,64,695
% portfolio	100%	100%	100%
ECL Provision	7,52,06,469	6,57,57,620	6,57,67,386
Net Stage	3,25,83,67,183	3,28,66,32,792	2,93,18,97,309
TOTAL ECL Provision %	2.26%	1.96%	2.19%

Gross Non Performing Assets



Gross Non-Performing Assets

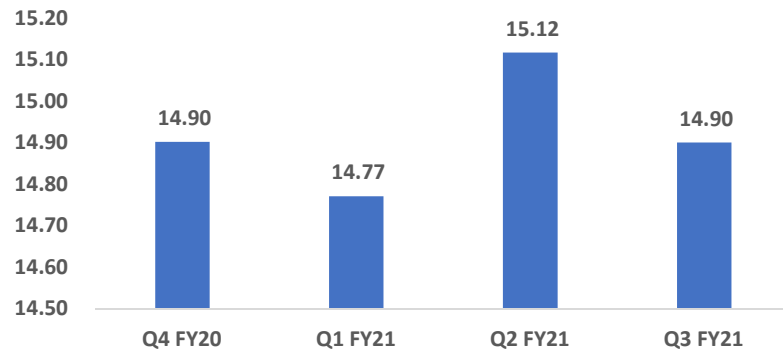
As on 31-Dec-2020

Gross NPA	5.10 Cr
Total ECL Provision	7.52 Cr

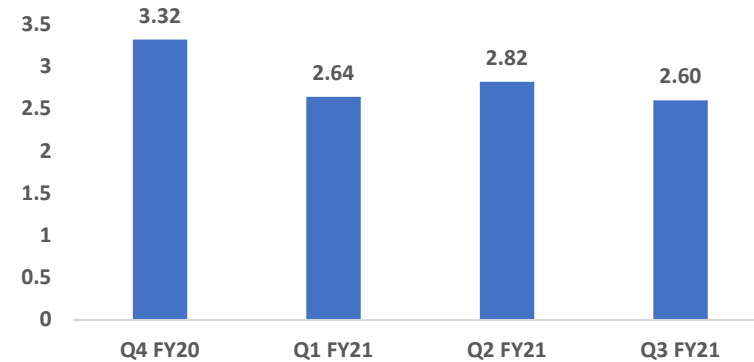
Note: Our GNPA % has risen from 0.08% in Q2FY21 to 1.53% in Q3FY21. In order to mitigate the risk, additional provision has been provided of INR 1 Cr.

Financial Metrics

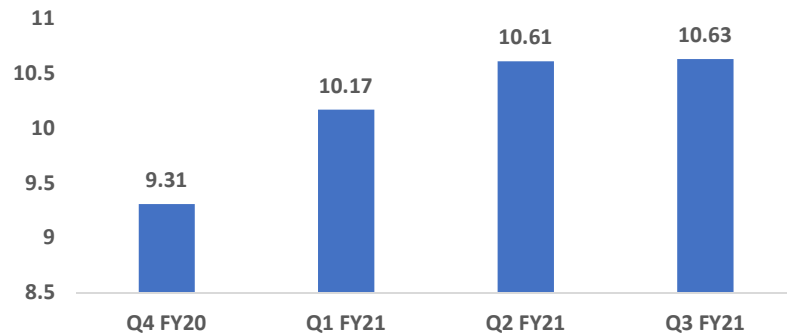
Total Income (Rs Cr.)



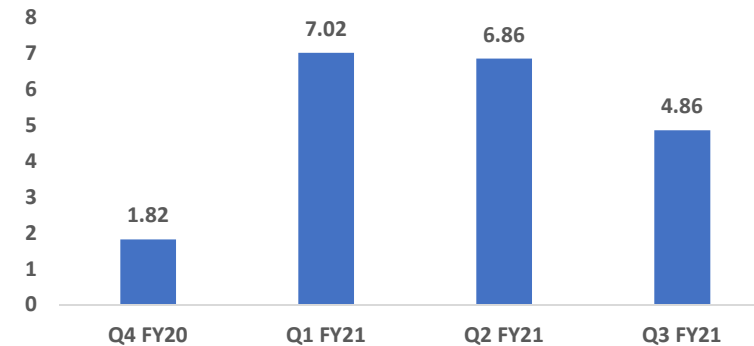
Operating Expenses without ESOP (Rs cr.)



Pre Provisioning Profit Before Tax (Rs cr.)

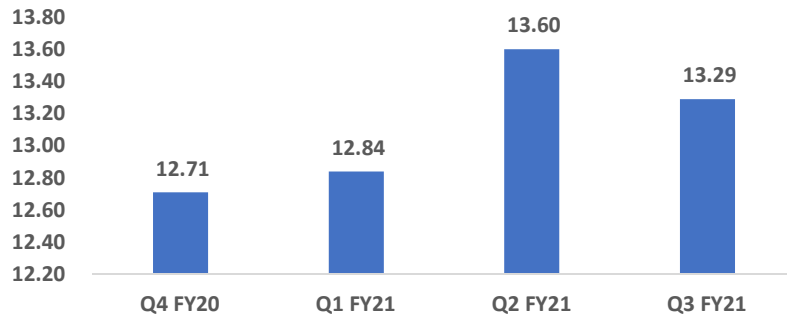


Net Profit (Rs cr.)

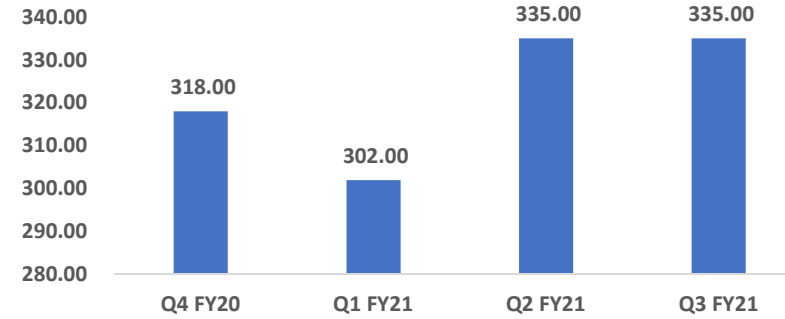


Financial Metrics

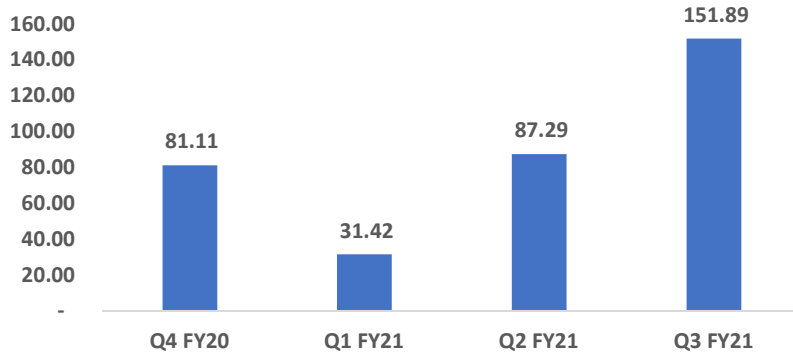
Net Interest Income (in Cr)



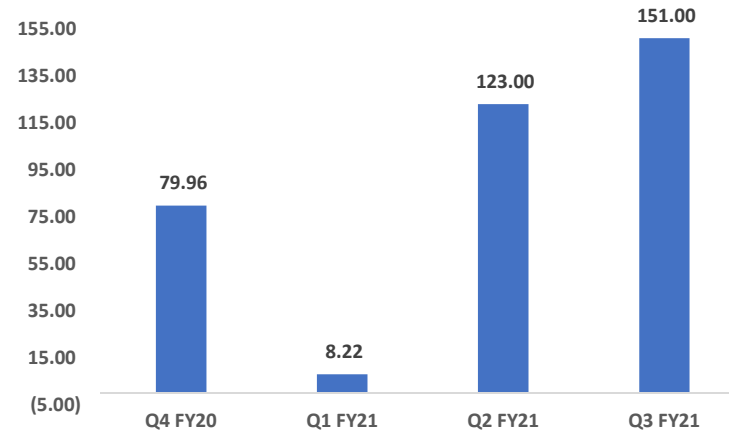
AUM End of Quarter (in Cr)



Collection (in Cr)

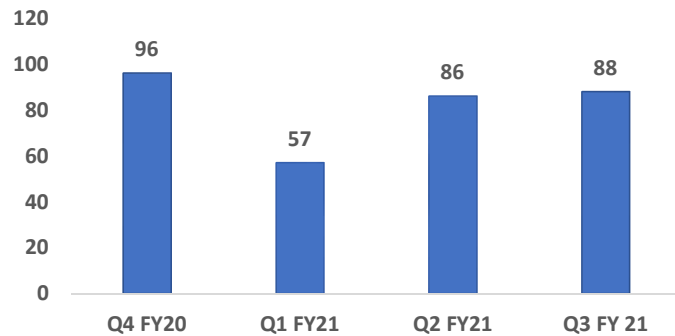


Disbursements (in Cr)

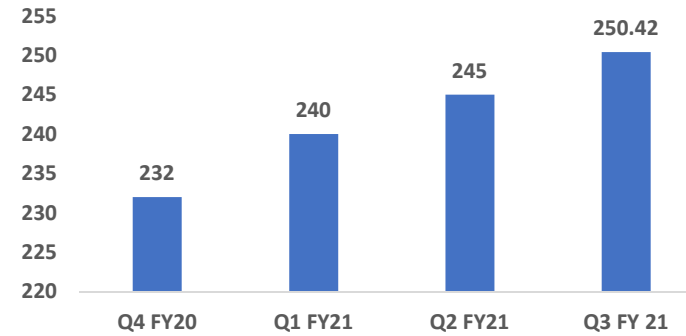


Financial Metrics

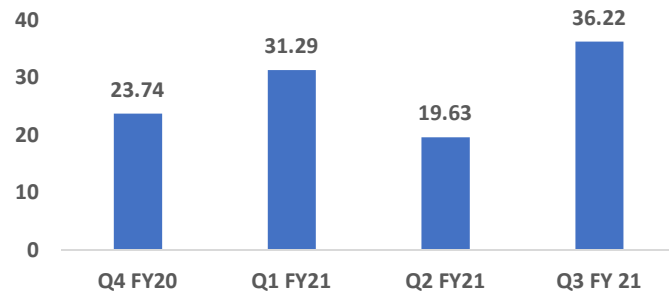
Borrowings (in Cr)



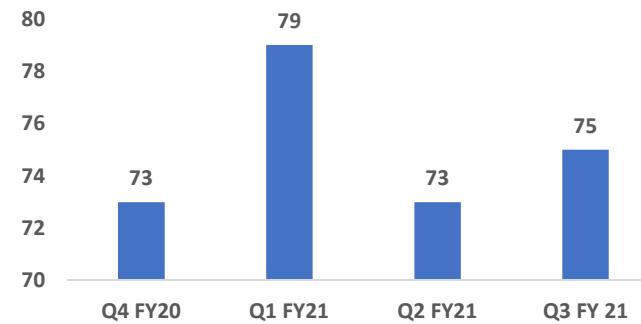
Net Worth (in Cr)



Cash & Cash equivalents including undrawn CC limits (in Cr)



Capital Adequacy Ratio (%)



Corporate Office:

716-717, 7th floor, Tower B,
World Trade Tower,
Sector 16,
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