



CAPITALINDIA

Rediscover Business



Disclaimer



This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular / memorandum, an advertisement, an offer, an invitation to offer or an offer document in terms of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, or any other applicable law in India. This presentation does not constitute or form part of, and should not be construed as, directly or indirectly, any offer or invitation or inducement to sell or issue any securities or an offer / solicitation of any offer, to purchase or sell any securities.

This presentation should not be considered as a recommendation that any person should subscribe or purchase any securities of this Company, its subsidiaries and / or the promoter companies/entities of this Company (collectively, the "Group") and should not be used as a basis for any investment decision. The information contained in this presentation is only current as of its date, unless specified otherwise, and has not been independently verified. Please note that, you will not be updated in the event the information in the presentation becomes stale. You must make your own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and make such independent investigation as you may consider necessary or appropriate for such purpose. Moreover, no express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation. Further, past performance is not necessarily indicative of future results.

Any opinions expressed in this presentation or the contents of this presentation are subject to change without notice. The presentation should not be construed as legal, tax, investment or other advice. None of the Group or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Group.

The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions.

This presentation contains certain statements of future expectations and other forward-looking statements, including those relating to the Group's general business plans and strategy, its future financial conditions, growth prospects and future developments in its sectors and its competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words such as 'may', 'will', 'should', 'expects', 'plans', 'intends', 'anticipates', 'believes', 'estimates', 'predicts', 'potential' 'continue' and similar expressions identify forward- looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the such statements. The factors which may affect the results contemplated by the forward-looking statements could include, inter alia future changes or developments in (i) the Group's business, (ii) the Group's regulatory and competitive environment, (iii) the information technology service sector, and (iv) the political, economic, legal and social conditions in India. Given the risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.



Industry Landscape & Opportunity

Existing banking sector cannot meet the growing credit demand in the country (1/2)



01

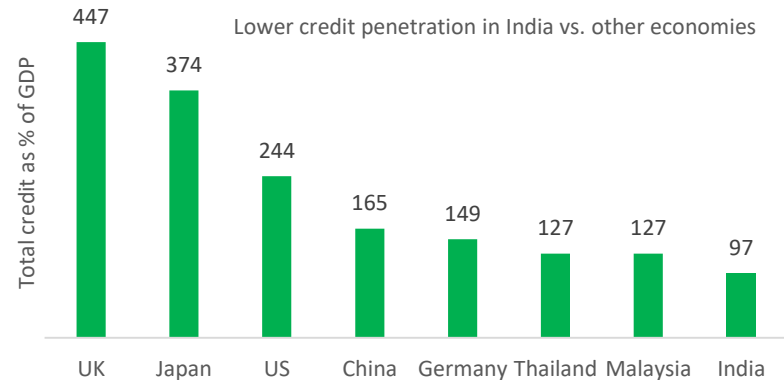
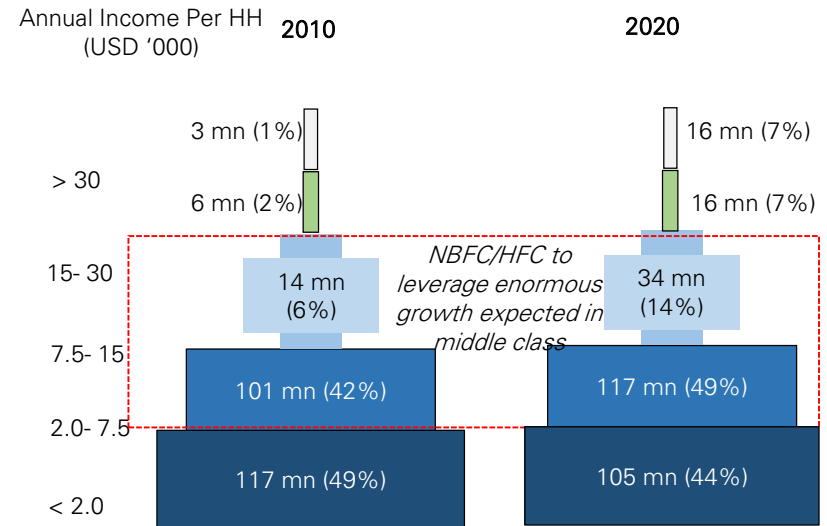
- India's current GDP of USD 2.1 trillion is expected to grow at an average of 7.3% in medium term. Over a long term, (2015 to 2030) expected GDP growth is 6.4%, potentially becoming USD 5.3 trillion by 2030
- Strong GDP growth to drive demand for consumption and productive credit

02

- Credit growth driven by rapid wage increases, expanding size of the middle class, increasing urbanization and industrialization
- The largest household group income category by 2020 will be with an income in range of USD 2,000 – 7,500 per annum (~64% of the total population) and will drive demand for consumption & production

03

- Rural India has seen steady rise in incomes creating an increasingly significant market for financial services
- Credit penetration in India is low as compared to other economies, furthermore, the non bank finance is even lower



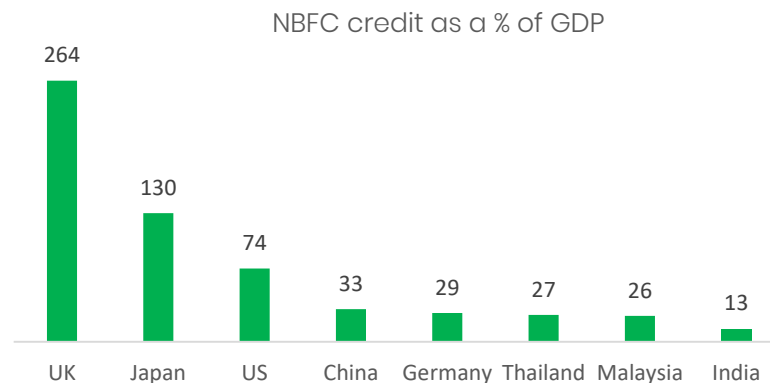
Source: BCG Report on NBFC: Enormous Potential in Non Bank Finance and Ways to Make it Happen

Existing banking sector cannot meet the growing credit demand in the country (2/2)



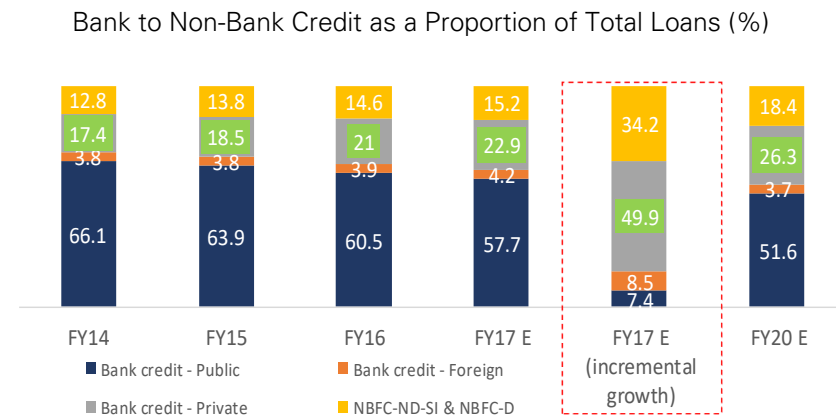
04

- Indian economy has a huge latent credit demand fuelled by massive self employed population that is under served by banks
- Unique nature of credit demand makes it difficult for traditional lending and existing banking system
- High bad debt levels limit risk appetite of banks in India and will have an impact on their credit expansion



05

- NBFCs have served the unbanked customers by pioneering into asset-backed lending, lending against securities and microfinance and aspire to emerge as a one-stop shop for all financial services
- While it is commonly expected that credit will grow rapidly as economic growth gathers pace, it is safe to assume that non bank finance will grow even faster

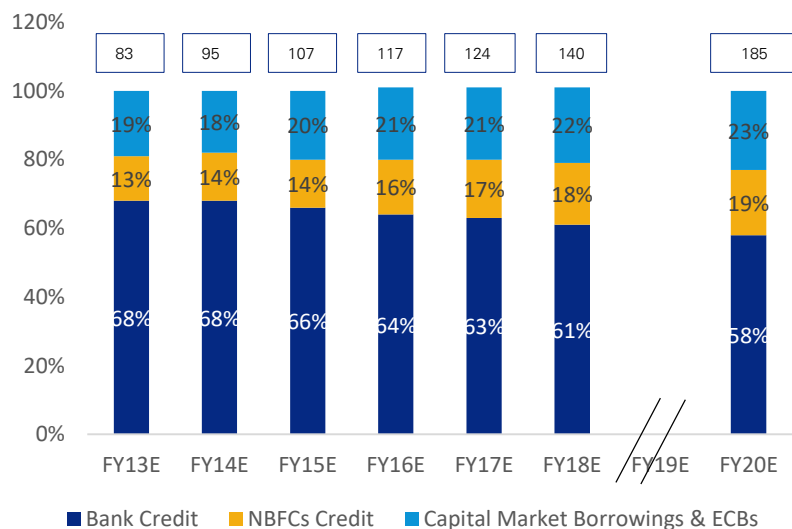


Source: BCG Report on NBFC: Enormous Potential in Non Bank Finance and Ways to Make it Happen

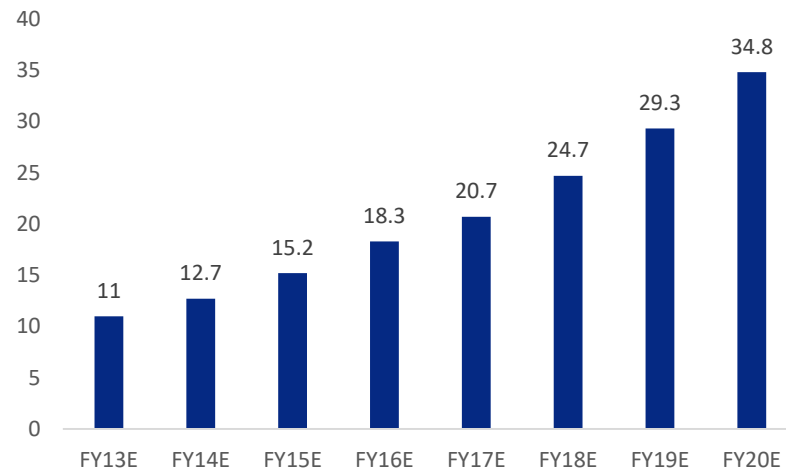
NBFCs to steadily gain market share in overall systemic credit, to account for 19% of systemic credit by March 2020



Systematic Credit to Grow 15% over next 2yrs



NBFC to grow at a strong 18-20% CAGR over next 2Y



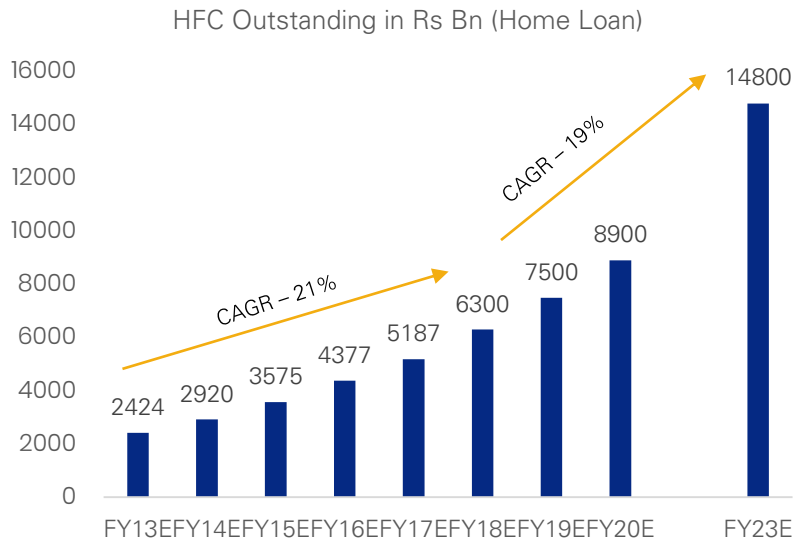
Note: 1. Bank credit includes outstanding of regional rural banks and cooperative banks

2. Capital market borrowing and external commercial borrowing (ECB) include corporate bond and commercial papers outstanding, but exclude amount raised by banks & NBFCs

- Systemic credit grew by 11% over the past five years and touched Rs 140 trillion by the end of March 2018. We expect Non-banking
- financial companies (NBFCs) to continue to grow at a strong pace and outpace banks over next two years, partly aided by cautious
- approach by banks under prompt corrective action (PCA) plan . Banks under PCA account for ~18% of the overall bank credit.

Source: CRISIL NBFC Report, 2018

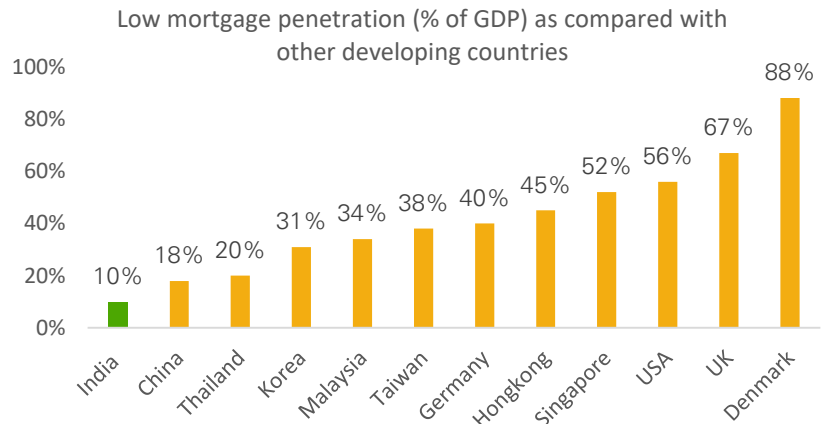
HFCs clocked strong growth between fiscals 2013 and 2018, and expected to double the Outstanding in next 5 years to ~INR 15 trillion



Source: CRISIL NBFC Report 2018
 Note: E: Estimated, P: Projected

- India's mortgage-to-GDP ratio was still low at 10% in fiscal 2016 compared with other developing countries,
- Mortgage penetration in India is 9-11 years behind other regional emerging markets, such as China and Thailand. However, due to various structural drivers, such as a young population, smaller family sizes, urbanisation and rising income levels, growth rates in the mortgage segment should remain healthy over the long term.

- Demand for individual home loans rose on account of increasing demand from tier 2 and 3 cities, rising disposable incomes, interest rate subventions, and fiscal incentives on housing loans.
- Growth will be mainly supported by:
 - Deeper finance penetration, greater affordability, and latent demand for affordable dwellings.
 - Growth in housing units in tier 2, 3, and other smaller cities, urbanisation,
 - Greater transparency on account of new regulations, and strong government focus, will aid growth prospects of product mix tilts towards higher-yielding assets.



Source: CRISIL NBFC Report 2018
 Note: India data for FY16, Other countries data for CY15



About us

Historical Events



Public issue & Listing of Equity shares on BSE.

January 1995



Change of Name of the Company from Bhilwara Tex-Fin Limited to Capital India Finance Limited.

August 2017



Completion of acquisition of shares from the erstwhile promoter and through open offer from public by Capital India Corp LLP

December 2017



SMERA RATINGS LIMITED

“A–” Rating from ACUITE (Formerly SMERA) for our long term borrowings program

August 2018

November 1994

Incorporated as Bhilwara Tex-Fin Limited, a Public Limited Company under the Indian Companies Act, 1956 and received a Certificate for Commencement of Business.



February 2005

Open Offer by Sainik Mining and Allied Services Limited to the shareholders of the M/s. Bhilwara Tex-Fin Limited and became Promoter of the Company.



November 2017

New Management took over the control with appointment of new Board



June 2018

Equity infusion of INR 250 cr. through preferential route



January 2019

Equity Infusion of ~ INR 250cr through Rights Issue

Capital India – Strong growth fundamentals coupled with focussed approach



Overview

- Capital India Finance Limited (formerly Bhilwara Tex-Fin Limited) is a **two decades old NBFC**; it is listed on **Bombay Stock Exchange**
- The current management took over the control of the Company in **November 2017** and has made significant **institutional and business improvements** since then
- Capital India Home Loans Ltd, a 100% subsidiary of Capital India, has received approval from NHB to operate as Home Finance company

Funding plan

- Equity Capital of **INR 500 crore** - INR 250 crore raised in June 2018 through Preferential allotment of Equity shares and INR 250 crore raised through Rights Issue in January 2019
- We have been **rated A-** by Acuité Ratings (formerly SMERA) for debt upto **INR 500 crore**
- Company is geared up to raise further equity and Tier II capital in line with business growth

Our Focus

- We are **corporate / small business** focused lending institution, primarily catering to the growth and working capital requirements of Indian corporates and enterprises
- We are **sector agnostic** and intend to develop diversified portfolio across sectors
- We provide financing solutions primarily in situations where there is **sufficient collateral** available to secure lending, i.e. we **avoid unsecured or partially secured lending**

Business approach

- We intend being a partner credit institution seeking to provide customized financial solutions in line with the requirements and **repayment capability** of our borrowers
- We have **institutionalized systems and processes** to be able to provide financing support to our customers in a **timely manner** – to achieve this we have in-house team of experts to evaluate, value and estimate marketability of all kinds of collaterals offered by our borrowers, legal team to scrutinize the transaction and prepare documentation

Our Investors



Capital India Corp LLP

- Capital India Corp LLP, is a limited liability partnership (LLP) promoted by Mr. and Mrs Narvar. Mr. Narvar has rich experience in construction and infrastructure sector in India
- Under his leadership Trident Realty group has delivered real estate projects with 2.5 million sq. ft. area in NCR, and 7 million sq. ft. of Residential and Commercial Space in Mumbai through the group company Sahyog Homes Limited

RJ Corp

- RJ Corp, led by Mr. Ravi Kant Jaipuria, is a diversified business conglomerate with thriving businesses in beverages, fast-food restaurants, retail, ice-cream, dairy products, healthcare and education. RJ Corp group has a turnover of over USD 1.1 billion
- Varun Beverages, an RJ Corp group company, is the second largest franchisee in the world (outside US) of carbonated soft drinks sold under trademarks owned by Pepsico. Another group company Devyani International, is one of the fastest growing profitable player in the Indian retail F&B sector.

Dharampal Satyapal Group

- Dharampal Satyapal Group (DS Group) is a conglomerate with presence in diverse industry sectors
- DS Group has strong presence in high growth sectors such as F&B which includes Spices, Beverages, Confectionary, Dairy, Mouth Fresheners, Hospitality, Tobacco, Packaging and Agro forestry. It owns several popular brands in food sector such as Catch, Passpass, Rajnigandha, Pulse.

Sudhir Power Ltd

- Sudhir Power is a renowned name for three decades in Power Generation sector and has been providing complete turnkey electrical solutions, right from Generation and Distribution to Electrification. It has a revenue of over INR 1500 Crores, Sudhir power has significant collaborations, and license agreements with select industry giants, including Cummins for Generators, Schneider for Packaged Sub Stations and HT Panels

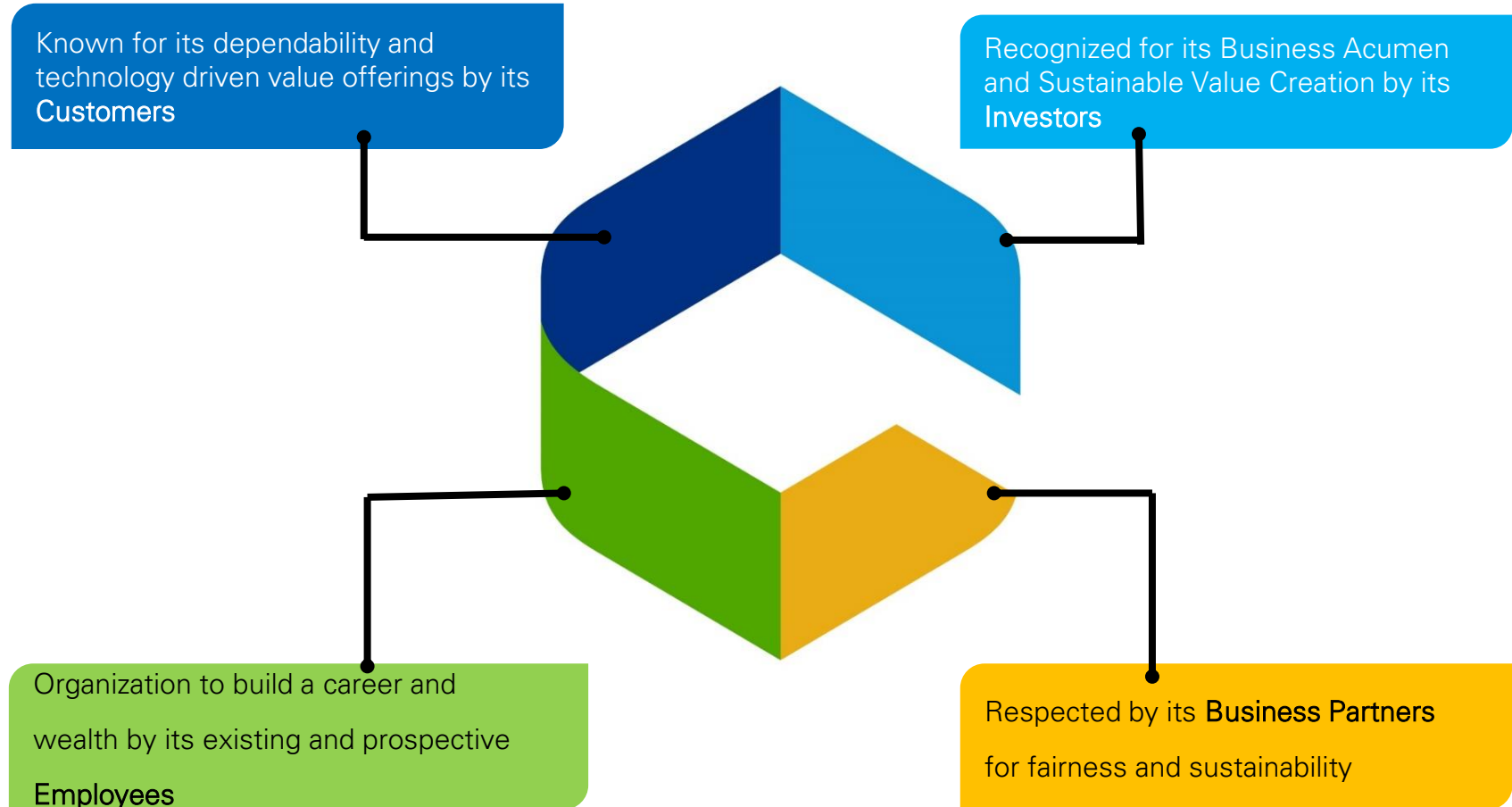


What do we plan to do?

What do we plan to do (1/2)



To Build a USD 22 Billion Financial Services Institution in the next 10 years



What do we plan to do? (2/2)



Phase 1

Develop and grow Asset Backed Lending

- Business will not be system driven/delegated
- Top management directly involved in decision making on each lending case

Continuous Risk Monitoring

- A strong Risk team to monitor the value of the underlying assets on a continuous and periodic basis
- Pro-active and timely mitigation measures

Develop and grow Housing Finance business

- Housing Finance business to be undertaken through a subsidiary
- Housing Finance business will be system driven and backed by robust risk and operations framework
- It will have an elaborate Risk Matrix approved by the Board

Phase 2

Develop and grow Consumer Finance

- Utilize the Customer base created in the Housing Finance business to build Consumer Finance business, mainly focussing on
 - Automobile finance
 - Commercial Vehicle finance
 - Plant and Machinery finance
 - Loan against shares
- Build a branch and distribution network over a period of time
- Further expand into areas such as Wealth Management and Corporate Finance

- Leverage relationship and sector expertise to develop niche lending opportunities such as with vendors/suppliers of real-estate sector
- Such niche sectors to be developed only if the risk adjusted returns are attractive



Our Businesses

- Corporate/Small Business Finance
- Retail Finance



Capital India Finance Ltd

Corporate/Small Business Finance

Business strategy



Finding niche

Focus on opportunities where Banks are not likely to be keen on entering like construction finance, last mile funding and acquisition finance

Security cover

Fund only to the extent that provides comfortable security to cover capital and interest

Relationship

Leverage relationships to build scale without a large infrastructure/organization



Collateral

Fund in only those cases where collateral is available/ or create collateral solutions by taking over existing loans or otherwise

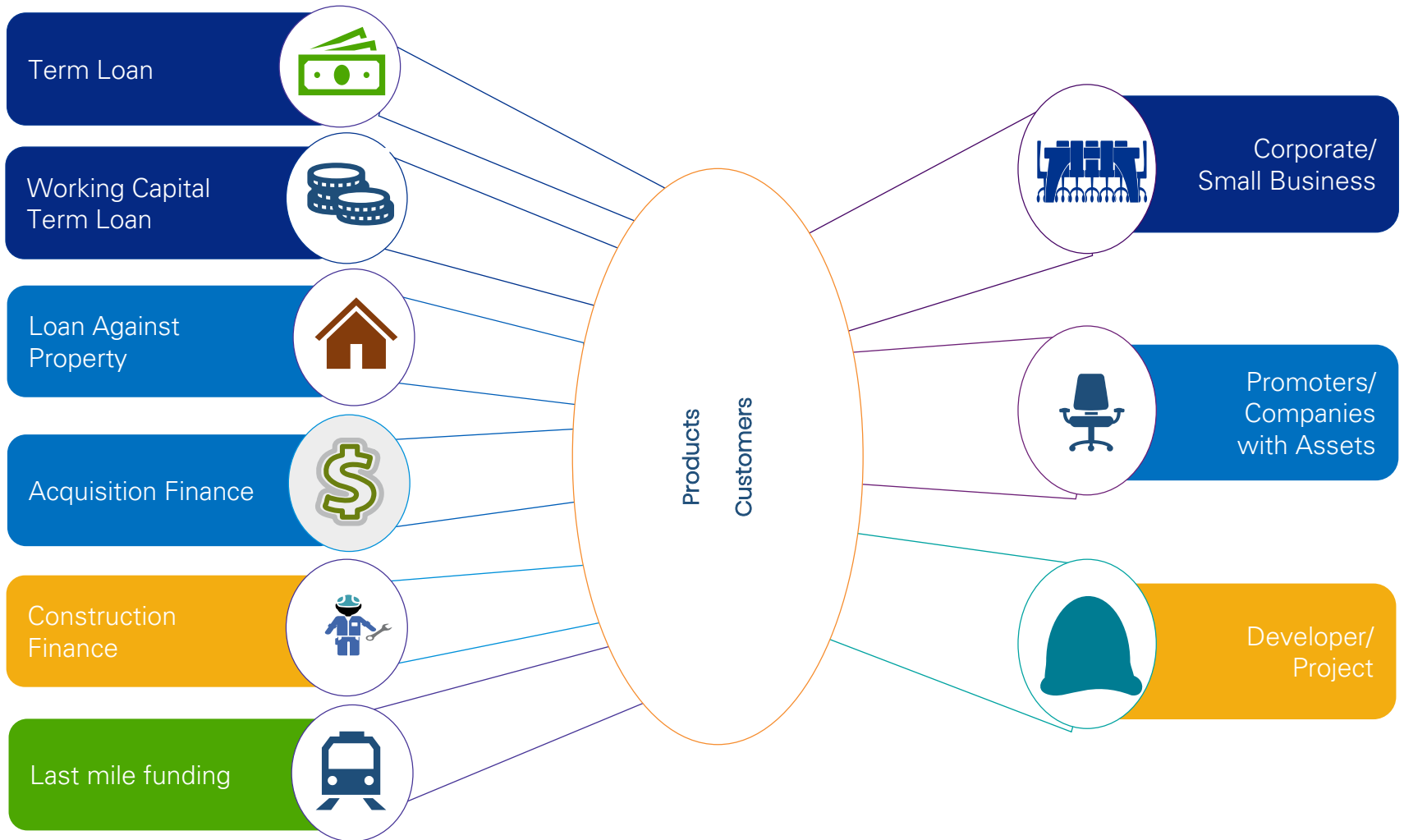
Track record

Focus on companies and promoters who have a proven track record of honoring commitments

Customization

Structure each transaction to address needs of customers without compromising on risks

Products & Customers



Risk Management – Constant Asset Monitoring



Risk team to continuously assess project performance



Dedicated asset monitoring team to review cases



Constant appraisal of cases to detect and act on early warning signals



Regular and periodic site visits to assess the project progress



Monthly performance review with regard to sales units, value & price, collections and various costs



Computation of Collateral cover on a monthly basis to provide adequate time for remedial measures

Project escrow A/Cs monitoring

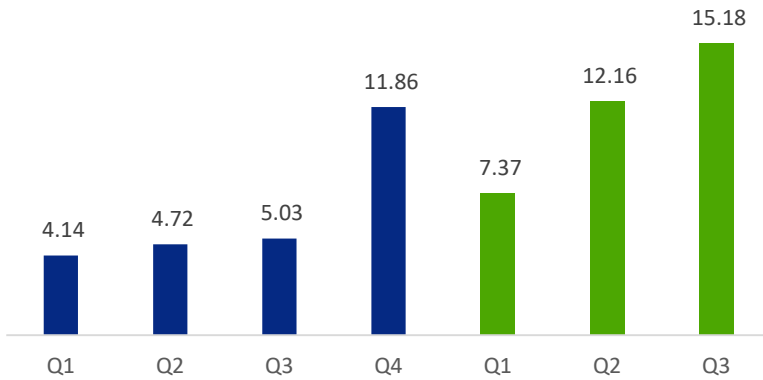
Approvals & Sales tracking

Periodic review of Transactions

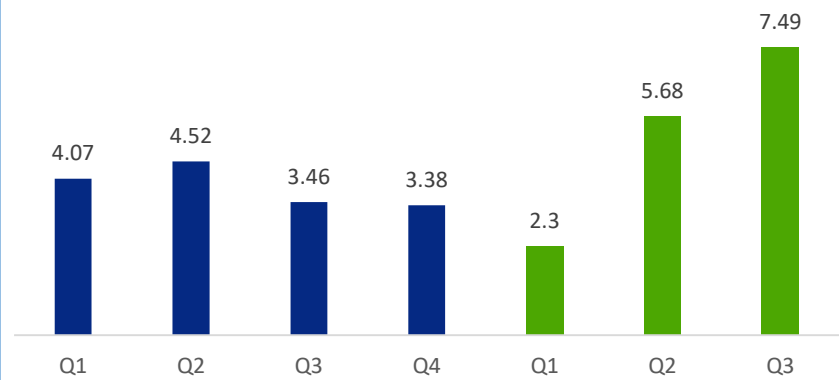
Financial Snapshot - Increase in income levels after new management took control in November 2017



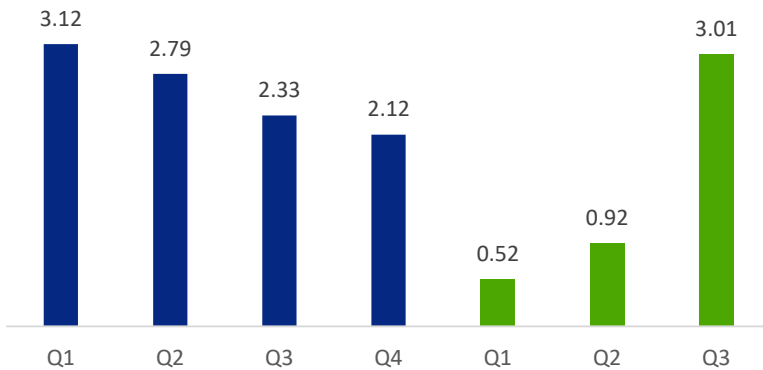
Total Income (INR crores)



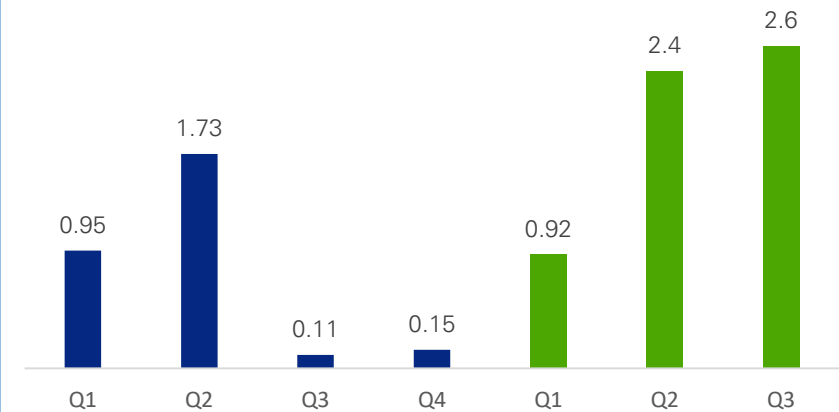
EBITDA (INR crores)



Interest Expense (INR crores)



PAT (INR crores)



■ FY 2017-18 ■ FY 2018-19



Capital India Home Loans Ltd

Retail Business



Strategic partnerships

- Tie-ups with Developers and other intermediaries for Distribution of Housing loans
- Use Internet as an alternate channel

Build strong appraisal technique

- Evolve operating model competent to evaluate income & repayment capability of non-salaried individuals
- Employee driven appraisal systems and recovery
- Scoring system to built overtime based on portfolio behavior

Strong processes and Technology deployment

- Investment in technology
- Service quality benchmarks



Focus on...

...Customer profiles from middle and upper middle income segment

- Focus on relatively underserved Self Employed segment in addition to Salaried segments

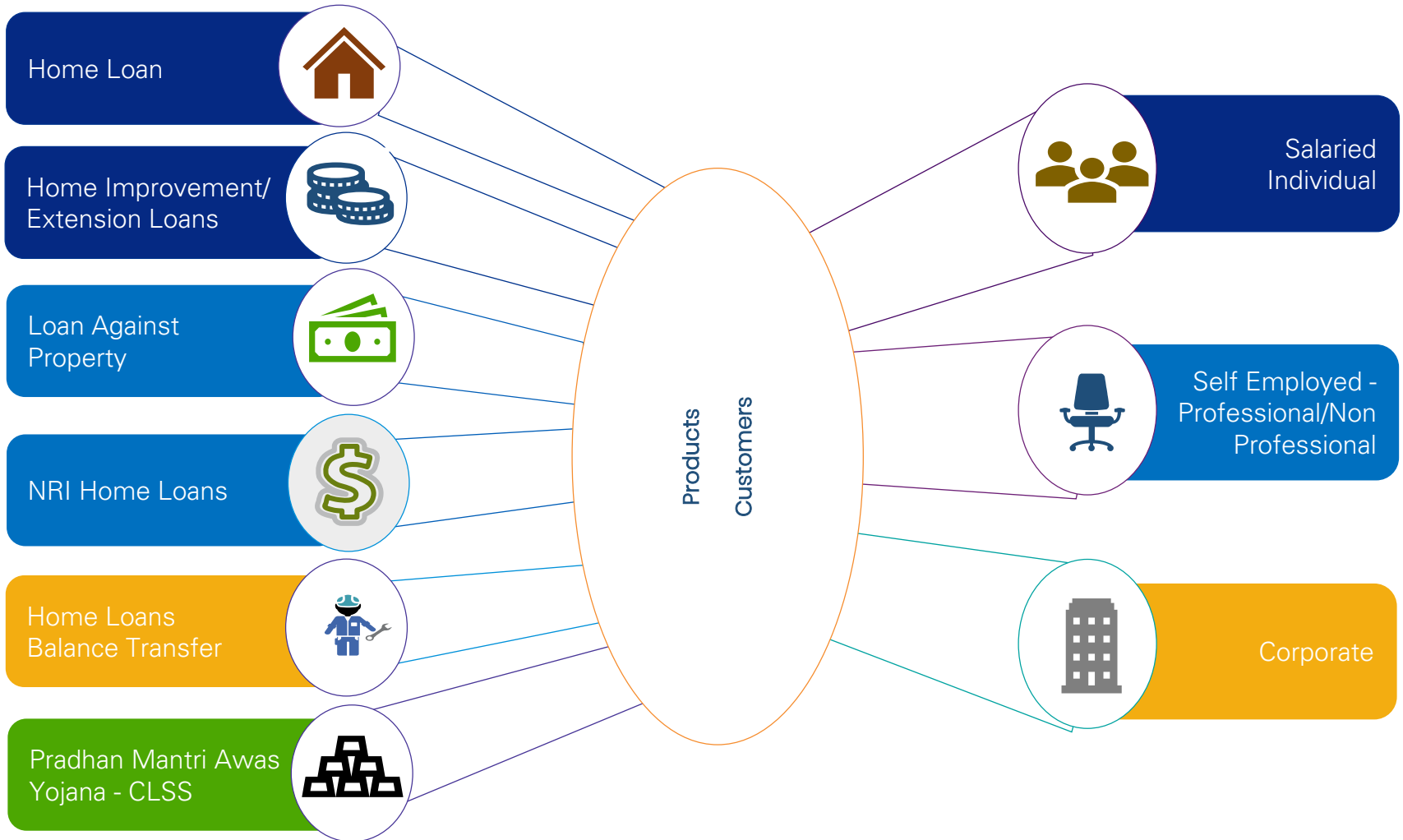
Calibrated branch growth in Tier I Cities

- Approach Business Metro City Wise
- Tier 1 Towns where RE activity is robust and demand sustainable
- Tier 1 Peripheral Locations where Affordable housing projects are planned

Operating model

- Developer referral model for sourcing - Credit appraisal, monitoring will be done by In-house employees only
- Credit authorities vests with the regional hubs which controls branch networks

Products & Customers





Capital India Team

Our Board of Directors – Independent Directors



- Mr. Vinod Somani, is a Fellow member of Institute of Chartered Accountants of India. He is a senior partner with M/s KG Somani & Co., chartered accountants since 1986. He has been auditing the accounts of Nationalised Banks, Insurance Companies, Government and Public Sector Companies.
- He has a sound knowledge of Finance, Companies Act and Tax Laws. Since M/s KG Somani & Co was registered SEBI Merchant Banker Category IV, he is well versed with Merchant Banking activities. He was a member of the MOU Task Force and Expert panel of the Task Force on the Memorandum of Understanding of Central Public Sector Enterprises.



- Mr. Yogendra Pal Singh had joined IPS in 1981 and has held various positions since then. He has served as General Manager and Head of Anti-Corruption from June 2011 to March 2017 at International Cricket Council, Dubai.
- He has served as as DIG (Special Crime) and Joint Director (Mumbai and Delhi Anti-Corruption zone) with the Central Bureau of Investigation. Prior to this he has held various positions with Uttar Pradesh Police in executive policing, vigilance, police trainings and armed police.

Capital India Management Team



Keshav Porwal
MD - CIFL

- Keshav Porwal is the Managing Director of CIFL. Keshav has more than 19 years of experience in Real Estate and Financial Services sector.
- Keshav brings considerable experience in successfully closing large and complex real estate transactions involving leading developers as well as PE investments and restructuring of medium size companies in the Auto and the Hospitality sectors. Prior to this, Keshav has been associated with leading banks including Société Générale, ABN AMRO and ICICI Bank. Keshav is a member of the Institute of Chartered Accountants of India and is a Bachelor of Science from Kanpur University.



Amit Kulshreshtha
CEO – CIFL

- Amit Kulshreshtha is the CEO of CIFL. Amit has over 19 years of varied professional experience in the areas of mergers & acquisitions, structured finance, equity fundraising, financial structuring, project finance, and management consulting.
- Amit has led a large part of Investment Banking practice at YES Bank covering sectors like Infrastructure, Industrials, Real-estate, Retail, Financial Services, Metals, etc. Prior to YES Bank, Amit led a number of business development initiatives at Reliance Infrastructure.
- Amit is a B. Tech from IIT (BHU) Varanasi and management graduate from IIM Kozhikode.



Vineet Saxena
CEO – CIHL

- Vineet is the CEO of Capital India Home Loans Limited, a 100% subsidiary of CIFL which will be undertaking Housing Finance business.
- Vineet is a seasoned Banking & Financial services professional with over 24 years of experience in Commercial & Retail Lending across organisations like ICICI Bank, Barclays Bank, G.E.Capital TFS, ABN Amro Bank, Religare Finvest Ltd. & StarAgri Finance Ltd.
- In his last assignment, he was the Chief Operating Officer at StarAgri Finance Ltd. Vineet is B.E. (Electronics) from University Of Pune and M.B.A.(Finance) from University of Lucknow.



Thank you!