



**CSL Finance
Limited**

CIN: L74899DL1992PLC051462

November 12, 2021

To,
The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze, Jeejeebhoy Towers
Dalal Street, Mumbai-400001

Scrip Code: 530067

Sub: Investor Presentation

Dear Sir/Madam,

Please find enclosed herewith the Copy of Investor Presentation of the Company highlighting the performance and recent developments of the company for the quarter & half year ended September 30, 2021

The Investor Update are also being disseminated on Company's website at www.csfinance.in

This is for your information and records

Thanking you,
For **CSL Finance Limited**

Preeti Gupta
Company secretary & Compliance Officer



Encl: A/a



CSL Finance
Limited

FY22 Q2 Investor Update September 2021

CSL FINANCE LIMITED



Disclaimer

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COMPANY SNAPSHOT



Listed on Bombay Stock Exchange



19 Branches spread across North and West India



Delhi Based NBFC with AUM of INR 377 Cr as on 30th Sept 2021



Raised INR 51 Cr from Marquee investors in Sep 2017



Wholesale Loan book of INR 316 Cr & SME Retail book of INR 61 Cr



High Capital Adequacy Ratio of 72%



99% of the loan book is secured



BBB Stable rating from CARE



Our Team



Rohit Gupta

**Managing Director –
Founder & Promoter**

Over 27 years of
experience and a
Chartered Accountant



Naresh Varshney

Chief Financial Officer

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



Amit Ranjan

Chief Operating Officer

Over 17 years of experience
Ex: Karvy financials (VP &
NSH) and Save Financial
Services Ltd (SVP & BH), HSBC
Bank, ICICI bank, Deutsche
Bank



Chandan Kumar

Wholesale Credit Head

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



Rachita Gupta

Wholetime Director

Over 5 years of experience
and is a Masters of
Business Finance graduate.
Ex: Ernst & Young (EY)



Our Team



Preeti Gupta

Company Secretary

Over 5 years of experience and is a qualified Company Secretary. Ex: Ganga Papers India Ltd



Nikhil Singh

VP Operations

Over 15 years of experience and is MBA in operation Management. Ex: ICICI Bank, HDFC Bank, Ziploan, Eduvanz and SAVE Financial Services Ltd.



Shalini Aggarwal

VP Finance

Over 6 years of experience and is a Chartered Accountant. Ex: Indus Valley Partner, NEC Technologies



Saurabh Priyadarshini

Sr. Manager Legal

Over 8 years of experience and is Company Secretary and LLB



Core Values



Customer Centricity

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.



Integrity

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



Passion for Excellence

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



Respect for People

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



Our Presence

Gujarat

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

Haryana

- 📍 Chandigarh
- 📍 Ambala
- 📍 Panipat
- 📍 Hissar

Punjab

- 📍 Jalandhar
- 📍 Patiala
- 📍 Ludhiana

Rajasthan

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

Delhi NCR

- 📍 New Delhi

Uttar Pradesh

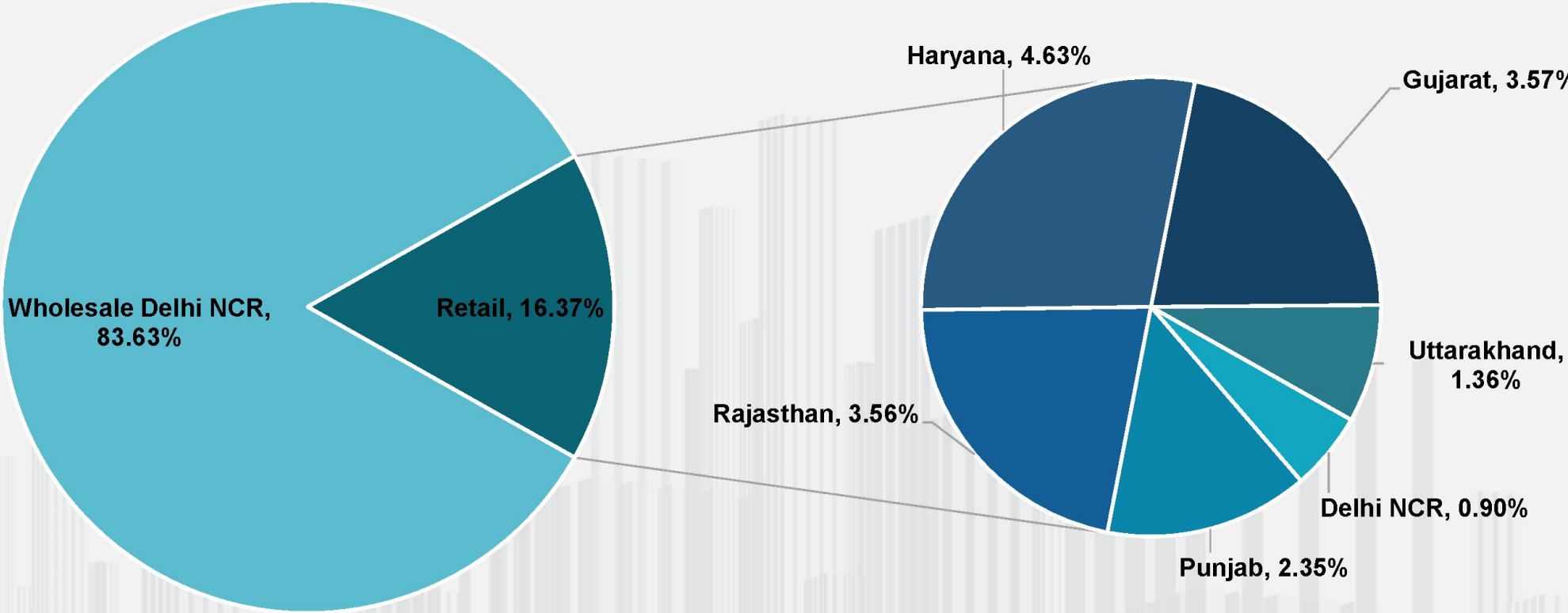
- 📍 Noida

Uttarakhand

- 📍 Dehradun



Loan Assets Distribution Across States



■ Wholesale Delhi NCR ■ Delhi NCR ■ Punjab ■ Rajasthan ■ Haryana ■ Gujarat ■ Uttarakhand



Product Portfolio Q2 FY22



Wholesale (WS) Lending

Retail Lending

Category	Book Value (INR Cr)	Product Description
WS Large	163	Structured loans to developers of Mid Income/Affordable Group Housing Projects
WS Small	131	House construction loans given to single plotted projects
WS LAP	11	Loan against SORP/SOCP properties
WS LAS	11	Loan against securities & deposits which are highly liquid
Total Wholesale Book	316	
SME Secured	58	Micro/Small Loans to Kirana Stores, Traders, Schools, and other boutique shops and merchants backed by owned properties as collateral
SME Unsecured	3	Small ticket loans to mainly to K-12 schools in Tier 2 and Tier 3 Cities
Total SME Retail Book	61	



Key Business Highlights

1 Wholesale AUM

Our Wholesale segment has risen from INR 304 Cr to 316 Cr Q-o-Q. We have been able to keep the NPAs to the minimum i.e. INR 0.37 Cr which is 0.12% of the total Wholesale AUM because of our strong domain knowledge and focus on the NCR region. In the last 12 months, prices in the real estate sector have increased by around 10%, as a result of this we have witnessed phenomenal growth both in terms of sales and prices along with robust collections after the first phase of covid pandemic.

2 Disbursements

Disbursals stood at INR 93 Cr during the quarter ended 30-Sept'21 compared to INR 79 Cr for the quarter ended 30th June'21. The disbursals have increased in our SME portfolio from INR 1.51 Cr in Q1 FY22 to INR 5.97 Cr in Q2 FY22 and in our wholesale segment from INR 77.54 Cr in Q1 FY22 to INR 87.26 Cr in Q2 FY22.

3 Collections

Collection efficiency has been over 99% for wholesale and about 96% for SME for Sept'21. Collections in wholesale accounts are strong due to escrow mechanism and repayments are received well in advance as compared to their scheduled repayments

Key Business Highlights

SME AUM

SME AUM has seen minimal growth from INR 59 Cr to INR 61 Cr on a Q-o-Q basis inspite of high disbursals of INR 5.97 crores due to accounts of INR 2.63 Cr being foreclosed by Q2 FY 22.

Focus on SME growth

We have done strong hiring in the last few months with an idea of disbursing more number of loans from each branch. We are also planning to setup new branches starting from Q4FY22.

Technology in SME Space

Technology platforms such as Karza, MIMO, Scoreme, CIBIL are now being widely used in our company for better due diligence which helps in saving us from fraudulent cases at the pre-sanctioning stage.



Key Business Highlights



PAT

Profit After Tax stands at INR 7.10 Cr in Q2FY22 which has increased from INR 7.01 Cr on a Q-o-Q basis



GNPA

GNPA has risen to 3.25 % in Sept-21 from 2.86% in June 21 of the overall portfolio due to NPA's observed in school loans segment. As the schools reopen, we foresee recoveries coming from these accounts in the next 6-12 months which would lead to a rollback of certain NPA accounts

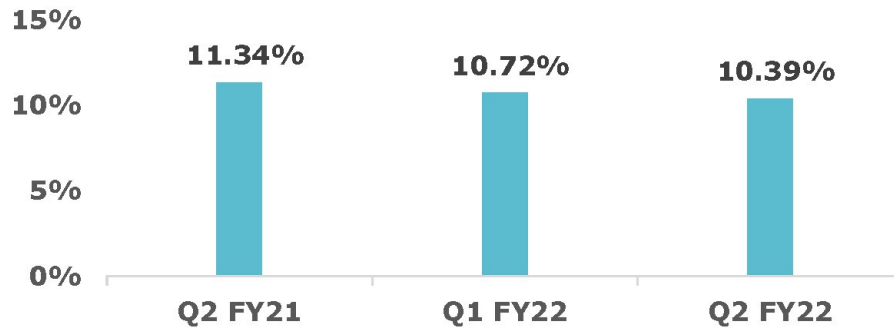


Risk Management

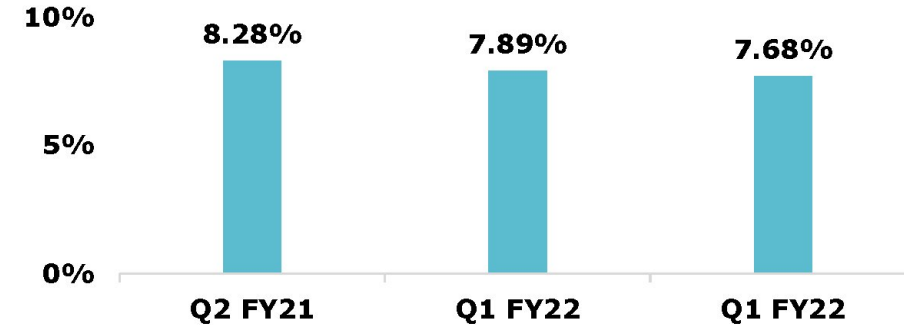
As a prudent Risk Management practice, we have already provided the ECL Provision under Stage-1 & Stage -2 of INR 3.68 Cr and Stage -3 of INR 5.53 Cr

Key Ratios

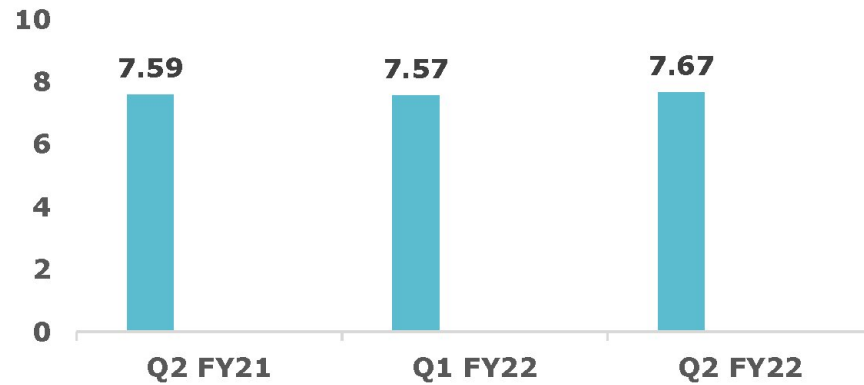
Annualized Return on Equity(%)



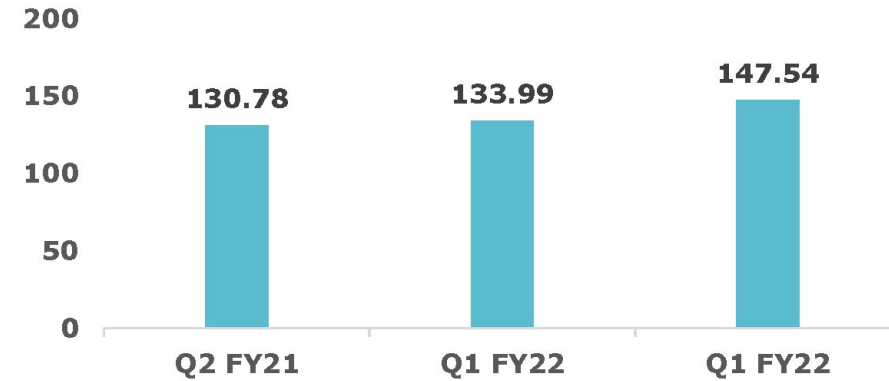
Annualized Return on Assets (%)



EPS (INR)



Book Value Per Share (INR)

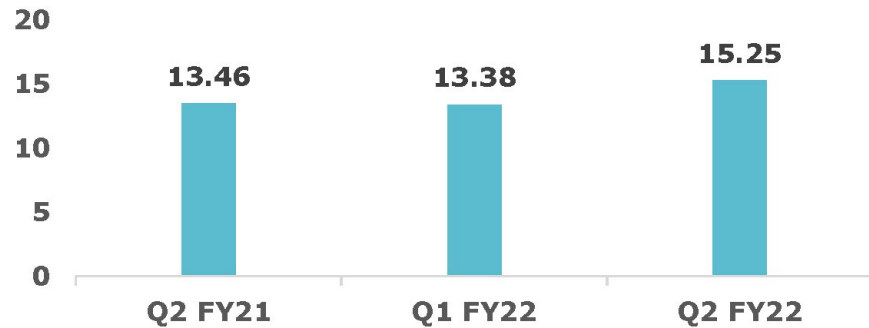


Note: During the Quarter ended 30th September 2021 the company has issued bonus shares in the ratio of 2:1 (i.e. 1,23,38,414 equity shares of Rs 10/- each fully paid up). Earnings per share & Book value for earlier period has been adjusted accordingly

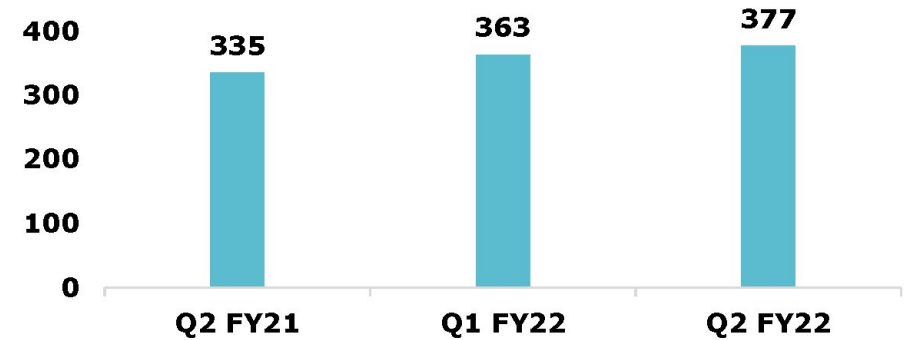


Performance Matrix

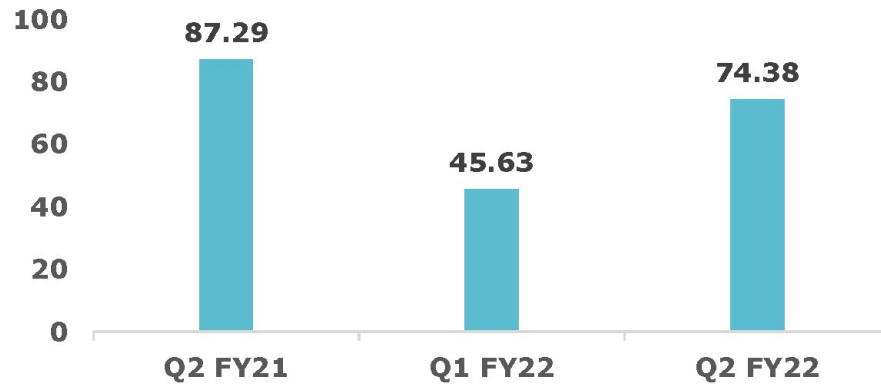
Net Interest Income (INR Cr.)



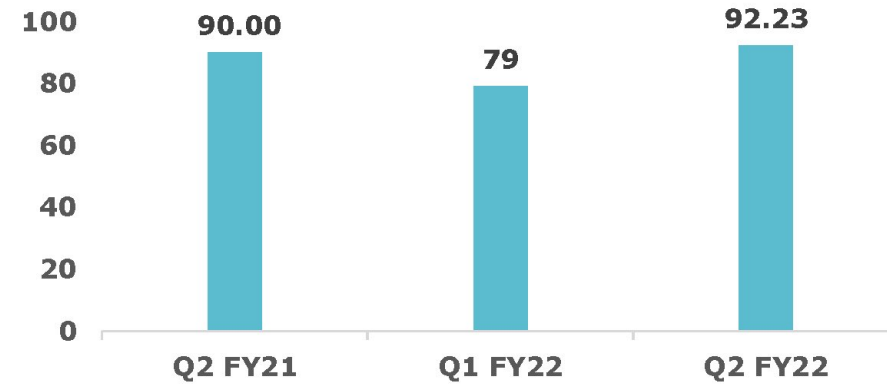
AUM End of Quarter (INR Cr.)



Collections (INR Cr.)



Disbursements (INR Cr.)



Treasury Updates



Liquidity Position

The company has adequate liquidity of INR 22.56 Cr including Cash & Cash Equivalents and undrawn Credit facilities as on Sept'21



Borrowing Rate

Our weighted average cost of borrowings is at about 10.50% on Q2 FY22 as compared to 9.70% in Q1 FY21. The company is actively looking for raise more debt to drive its expansion at a reasonable cost of borrowings



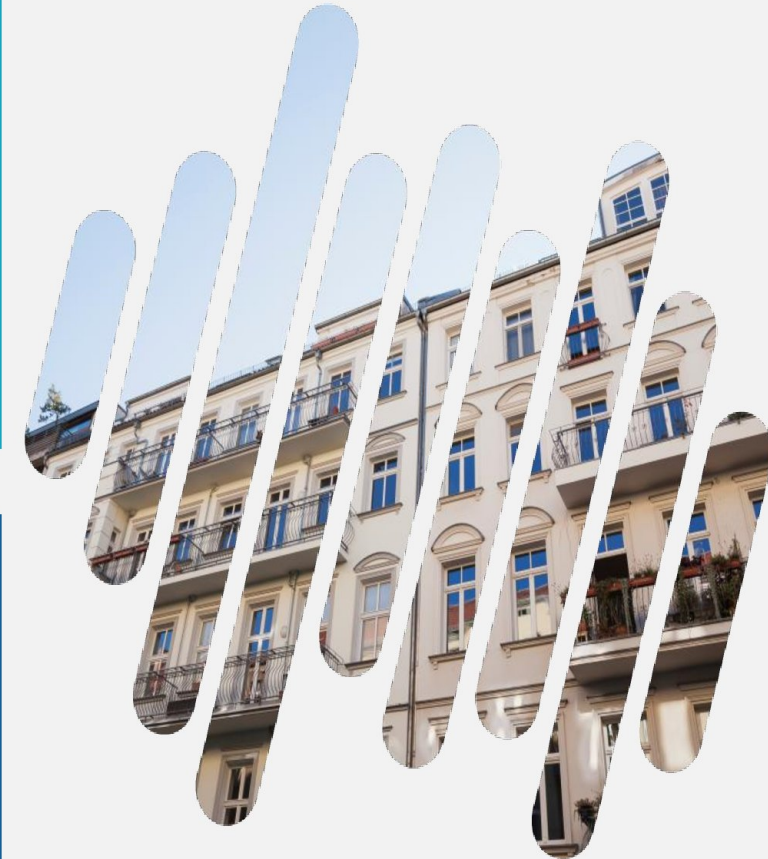
Leverage

The Leverage Ratio is 0.40x as on 30th Sept'21 with total outstanding borrowings of INR 109.45 cr.



ALM Position

Comfortable Liquidity Position with no ALM Mismatches in the next 24 months



WHOLESALE LENDING BOOK

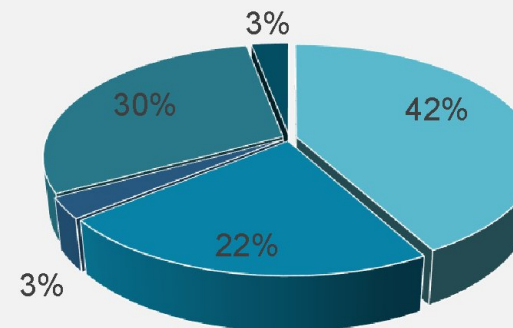


The Real Estate industry in NCR Region has seen strong trends in Sales & Collections since 3rd quarter of FY21, especially in the Affordable Housing Segment and that is also evident from our collections



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



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

Wholesale Loan Book	AUM(INR CR)*	% of WS AUM	No. of Loan ACs
Mid Income Group Housing	93.53	30%	10
Affordable Group Housing	69.65	22%	5
Small Builder Floor	130.99	42%	38
Loan Against Property	10.83	3%	6
Loan Against Shares	10.50	3%	1
Total	315.50	100%	60

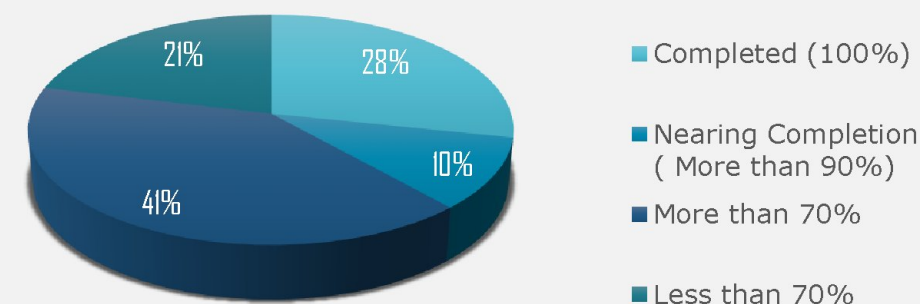


WHOLESALE LENDING BOOK: MID-INCOME GROUP HOUSING

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 30.09.21	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
Completed (100%)	1	35.00	26.32	28%	34.80	8.48	Satisfactory	Less than 60 lacs
Nearing completion (More than 90%)	2	37.00	9.56	10%	36.58	27.02	Satisfactory	Less than 50 lacs
More than 70%	5	55.63	37.74	40%	44.91	7.17	Satisfactory	Less than 50 lacs
Less than 70%	2	36.00	19.91	21%	19.80	0.00	Satisfactory	Less than 60 lacs
Total	10	163.63	93.53	100%	136.10	42.67		

- 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 30% of Wholesale loan book
- 38% of AUM under Mid-Income Group Housing belongs to 3 projects which are either 100% complete or are nearing completion (more than 90%)
- Average ticket Size of units is less than INR **60** Lacs
- Committed Receivables is 4x of existing POS

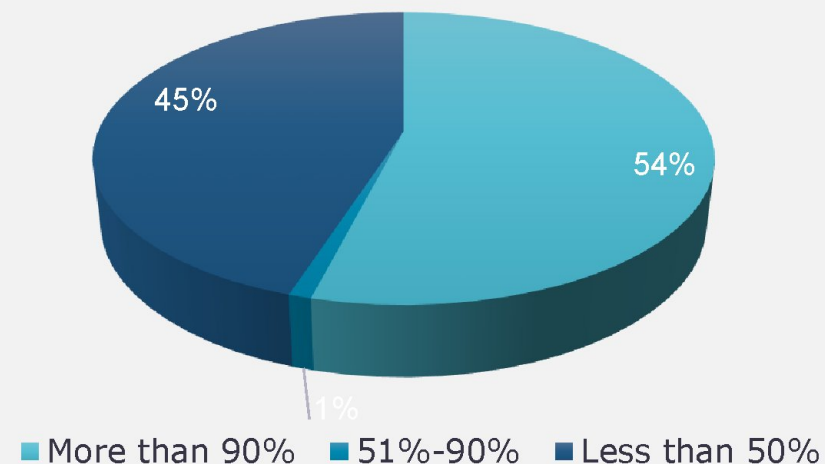


WHOLESALE LENDING BOOK: AFFORDABLE GROUP HOUSING

Figures in Cr

%age Sold	No. of Cases	Sanction	POS as on 30.09.2021	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
More than 90%	2	50.00	37.90	54%	50.00	12.10	Satisfactory	Less than 25 lacs
51% to 90%	1	3.50	0.71	1%	1.33	0.62	Satisfactory	Less than 25 lacs
Less than 50%	2	37.00	31.04	45%	31.04	0.00	Satisfactory	Less than 25 lacs
	5	90.50	69.65	100%	82.37	12.72		

- 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 22% of Wholesale loan book
- 54% of AUM under Affordable Group Housing belongs to 2 projects which are more than 90% Sold
- 2 Project which falls under less than 50% sold is one where allotment process has not started, and 100% allotment is expected in the first draw.
- Average ticket Size of units is less than INR 25 Lacs
- Committed Receivables are 3x of existing POS.

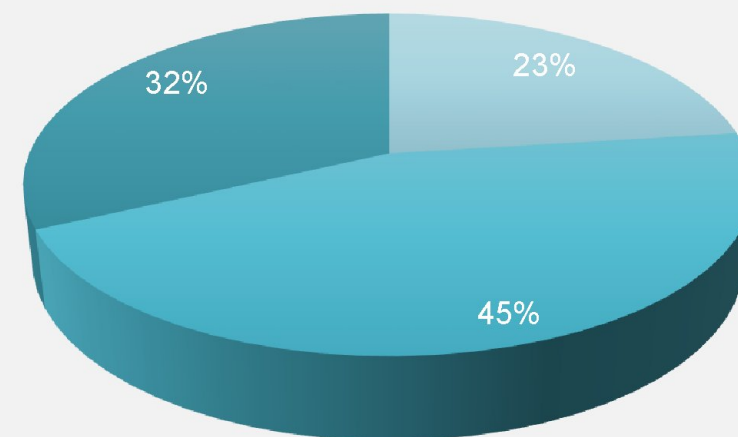


WHOLESALE LENDING BOOK: SMALL BUILDERS

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 30.09.21	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct
100%	14	56.68	30.67	23%	29.27	0.00	Satisfactory
More than 50%	9	73.85	58.92	45%	62.78	3.86	Satisfactory
Less than 50%	15	66.40	41.41	32%	42.94	1.53	Satisfactory
	38	196.93	130.99	100%	134.98	5.39	

- 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 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



- 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



- 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 LENDING



JYOTI

SAARTHAK

SHAKTI

SAMADHAN

- Catering to unbanked & underserved section of the society
- Using alternative data instead of conventional scorecards
- Access to swift loans and ease of application
- Small and flexible loan ticket sizes
- Digital Transformation & outreach

SME RETAIL LENDING

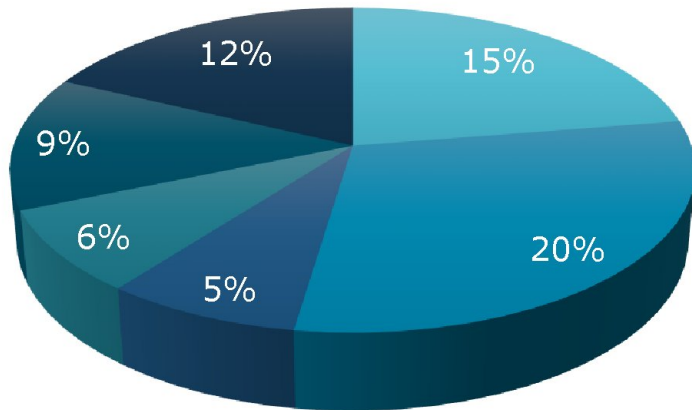


Product Type	JYOTI 	SHAKTI 	SAMADHAN 	SAARTHAK
Loan Amount	2-5 lakhs	5-19 Lakhs	20-25 Lakhs	5-10 Lakhs
Tenor	3-4 years	7 years	7-8 years	5-6 years
Target Customer	Small farmers, house-wives etc., to open small business	Small entrepreneur, traders, manufacturers etc., as a working capital loan to improve or multiply its business	Immediate working capital requirement to support client's urgent business needs at mid-level.	Salaried professionals who are unable to procure funds from banks because of non-availability in their area



SME RETAIL BOOK

Industry-wise AUM Composition



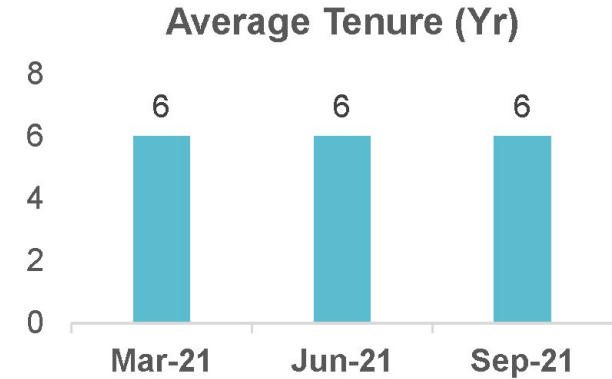
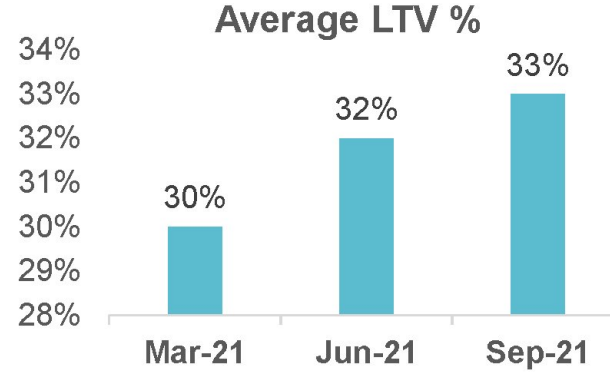
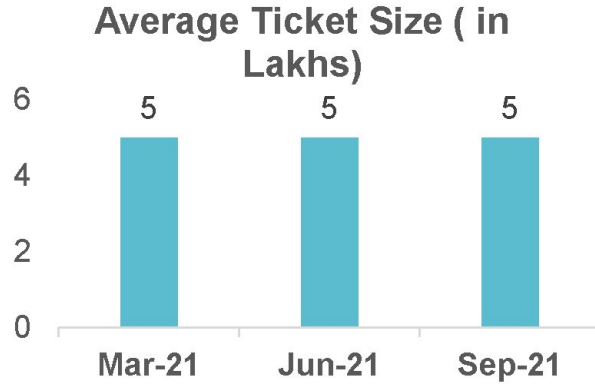
- General Merchant & Trading
- Schools
- Salaried individual
- Dairy
- Services
- Others

- SME retail book includes both secured and unsecured loans with an AUM of INR 61 Cr as on 30th Sept'21
- Disbursements in this segment has been of INR 5.97 Cr in Q2 FY22 as compared to INR 1.51 CR for Q1 FY21
- School AUM in the retail book comprises of INR 20 Cr as on Sept'21
- 97% of the SME book is secured with an AUM of INR 58.90 Cr
- Focus on increasing market presence and sustainability in current geographies of north and west India
- Collection efficiency for the Retail segment for Sept'21 is at 96%
- We have made 100% provisions for accounts in 90+DPD for unsecured loans
- Collection Efficiency in schools was 57% as on 30 June has risen to 70% as on 30th Oct'21. As the schools reopen, most of the schools will start paying their EMI but it may take another 6-12 months for the NPA accounts to become regular
- We have strengthened our SME legal department in last quarter and have started aggressively taking legal steps for recovery of NPA accounts along with the efforts of our collection team and the results of which have started showing in the month of Oct'21. We are hopeful the recovery from the NPA accounts will increase in the next two quarters

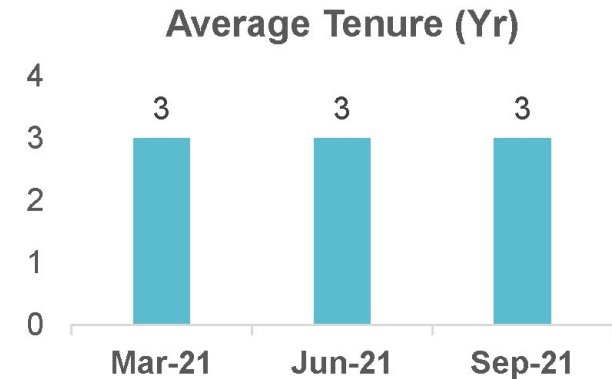
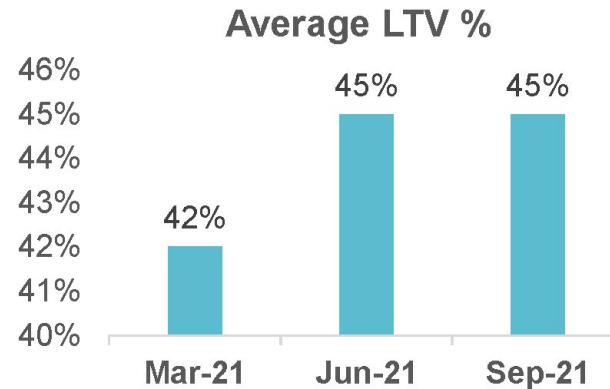
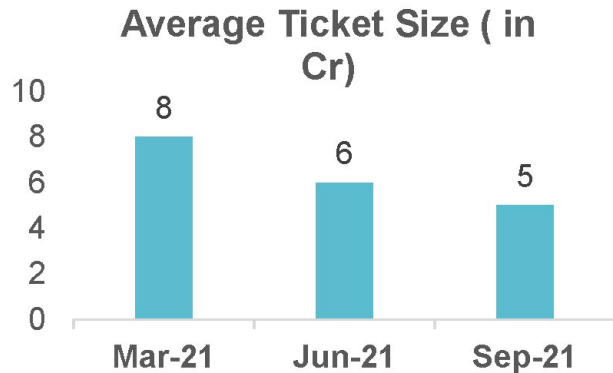


Loan Matrix

SME Loan Matrix



Wholesale Loan Matrix



Step Forward

- We plan to grow both our SME and wholesale books with an estimated growth of 20% on an Y-o-Y basis
- We have re-categorised our existing product lines for the ease and efficiency of business & productivity. Keeping in view of the SARFESI Act, we have introduced Samadhan product i.e. INR 20 Lac + loans that will help us in increasing our disbursements as highlighted in previous quarter
- We are initiating work on the beautification of our branches with an idea of standardised infrastructure. This will be a step towards building our brand recall and uniformity across different branches of the company
- We are setting up new branches from Q4FY22 in order to increase our disbursements and AUM in the retail lending segment
- The company is investing both into technology and human resources in order to build processes for efficient functioning of the SME segment
- Our focus has constantly been on digitalisation to improve TAT, productivity, better controls and effective reporting system. For this, we are building a fully customised platform and hope to have it seamlessly functioning by end of FY22 making 90% of our disbursements fully digitalized



Asset Quality: Stage Analysis

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

INR CR

Particulars	Q2 FY22	Q1FY22	Q2FY21
Gross Stage 3 (GNPA)	12.27	10.36	0.25
% portfolio in Stage 3	3.25%	2.86%	0.08%
ECL provision Stage 3	5.53	4.38	0.24
Net Stage 3	6.74	5.98	0.01
Total Provision Coverage Ratio	45.06%	42.26%	97.73%
Gross Stage 1 & 2	364.93	352.58	334.98
% portfolio in Stage 1 & 2	96.75%	97.14%	99.92%
ECL provision Stage 1 & 2	367.70	4.32	6.33
Net Stage 1& 2	361.25	348.26	328.66
Total Provision Coverage Ratio	1.01%	1.23%	1.89%
Total Assets	377.20	362.95	335.24
% portfolio	100%	100%	100%
ECL Provision	9.21	8.70	6.57
Net Stage	367.99	354.25	293.20
TOTAL ECL Provision %	2.44%	2.40%	1.96%
Provision Coverage Ratio	75.00%	83.95%	2611.48%
NET NPA	1.79%	1.65%	0.00%



NPA Analysis

INR CR

Particulars	Q2 FY22	Q1 FY22	Q2 FY21
GNPA	12.27	10.36	0.25
NNPA	6.75	5.98	0.05
Provisions	9.21	8.70	6.57
Gross NPA %	3.25%	2.86%	0.08%
Net NPA %	1.79%	1.65%	0.00%
Coverage Ratio	75.00%	83.95%	2611.48%



Income Statement

Particulars	INR Lac		
	Q2 FY22	Q1 FY22	Q1 FY21
Interest earned	1651.64	1,498.81	1,462.57
Other operating Income	61.26	53.78	12.60
Other Income	2.99	7.58	1.00
Total Income	1715.89	1,560.17	1,476.17
Interest Expense	191.20	160.61	192.76
Employee Expenses	222.31	193.61	195.58
Depreciation & Amortisation	15.76	14.02	18.12
Other Expenses	226.72	83.21	52.18
Operating Profit	1059.90	1,108.72	1,017.54
Impairment/Provisions	96.77	184.05	84.23
Profit Before Tax	963.13	924.67	933.31
Tax	253.14	224.00	231.09
Profit After Tax	710.00	700.67	702.23



Balance Sheet

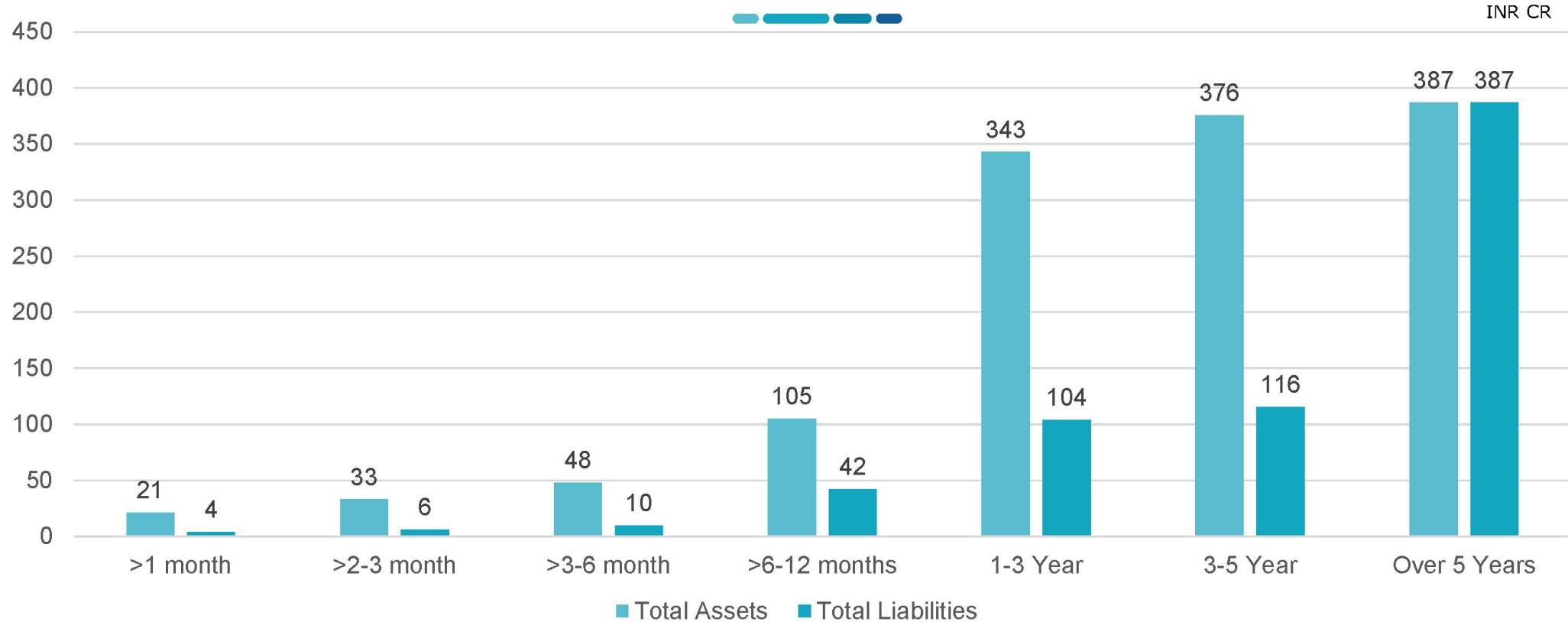
INR Lac

Particulars	Q2 FY22	Q1 FY22	Q1 FY21
Assets			
Cash and bank balances	1419.70	434.79	333.99
Loans	36799.75	35,424.80	29,318.97
Deferred tax Assets	87.05	82.55	100.77
Net block of Assets	308.92	281.69	307.71
Investment Property	13.86	13.93	14.22
Other Assets	68.72	103.33	186.52
Total Assets	38698.01	36,341.08	30,262.17
Stockholder's Equity			
Equity Share Capital*	1840.01	613.34	609.84
Other Equity	25307.86	26,007.34	23,349.42
Liabilities			
Borrowings	10945.00	9,274.79	5,689.91
Current tax liabilities	46.98	117.69	195.65
Provisions	-	-	5.84
Other Liabilities	558.15	327.92	411.50
Total Equity & Liabilities	38698.01	36,341.08	30,262.17

*During the Quarter ended 30th September 2021 the company has issued bonus shares in the ratio of 2:1(i.e. 1,23,38,414 equity shares of Rs 10/- each fully paid up).



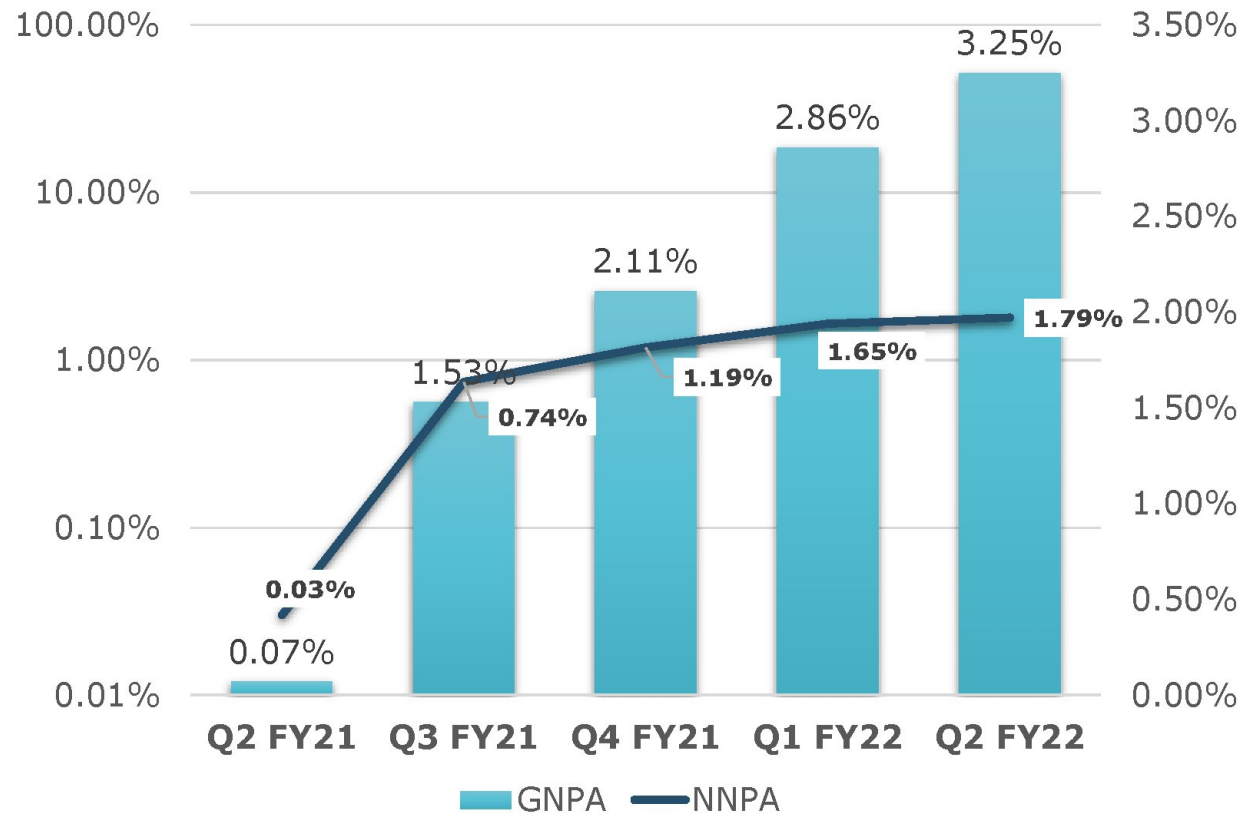
Asset Liability Split: Well balanced ALM



Particulars As on Sep-21	Up to 1 Month	> 2-3 month	> 3-6 month	> 6-12 months	1-3 year	3-5 year	> 5 years
Cumulative Inflow-Outflow	17.50	26.85	37.89	62.28	238.87	260.08	0



Gross Non-performing Assets & Provisions



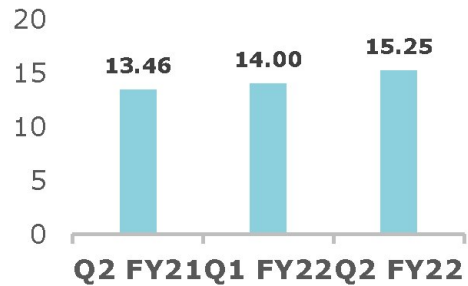
Gross NPA 12.27 Cr

Total ECL Provision 9.21 Cr

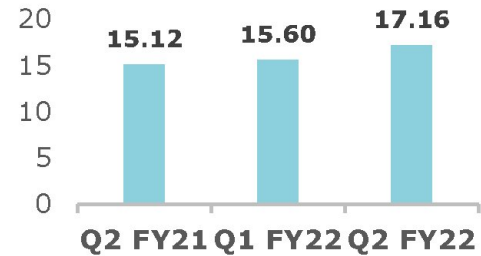


Financial Snapshot

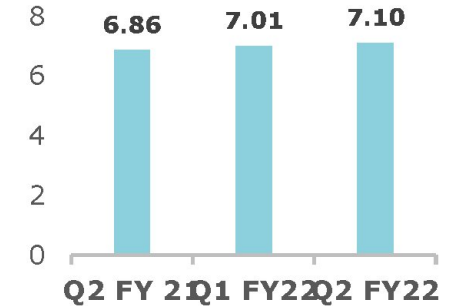
Net Interest Income (INR Cr)



Total Income (INR Cr)



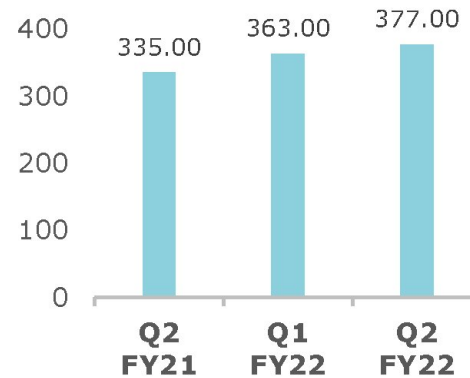
Profit After Tax (INR Cr)



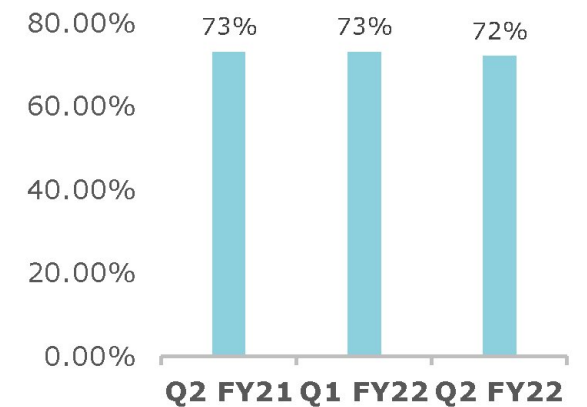
Net Worth (INR Cr)



AUM (INR Cr)

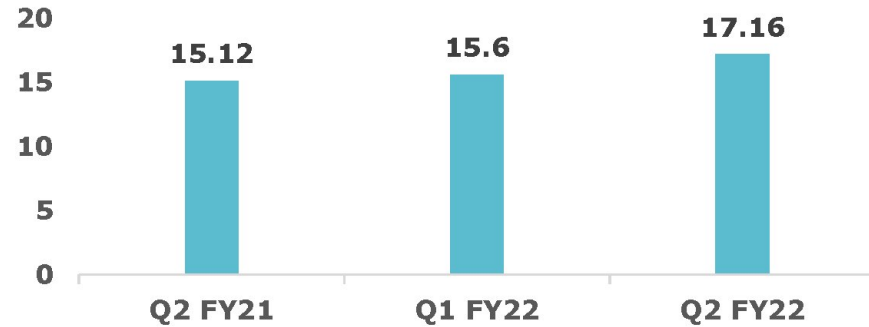


Capital Adequacy Ratio

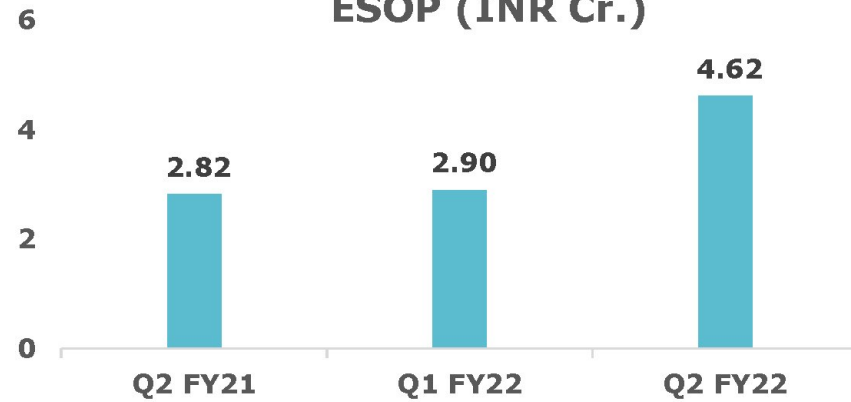


Financial Metrics

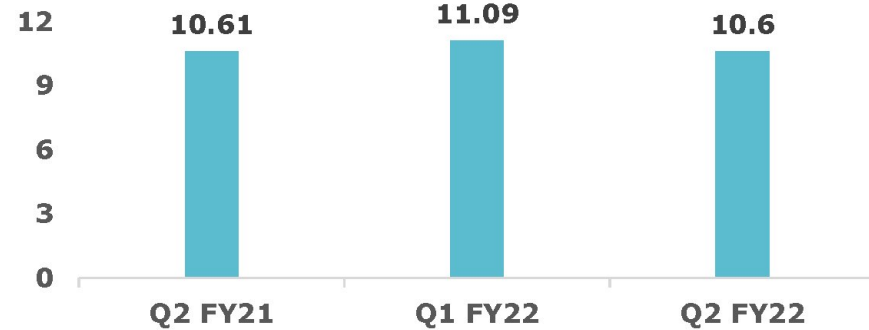
Total Income (INR Cr.)



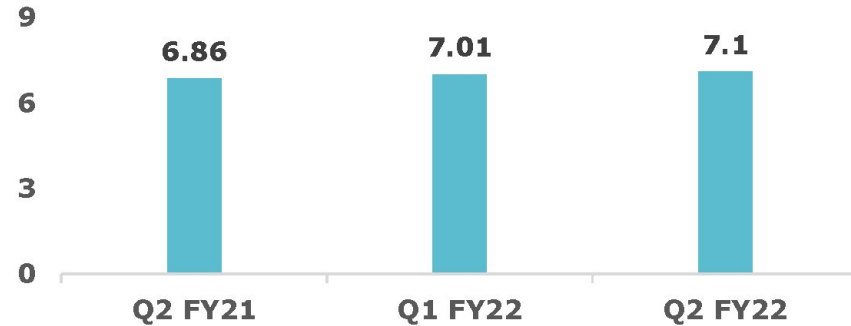
Operating Expenses without ESOP (INR Cr.)



Pre Provisioning Profit Before Tax (INR Cr.)

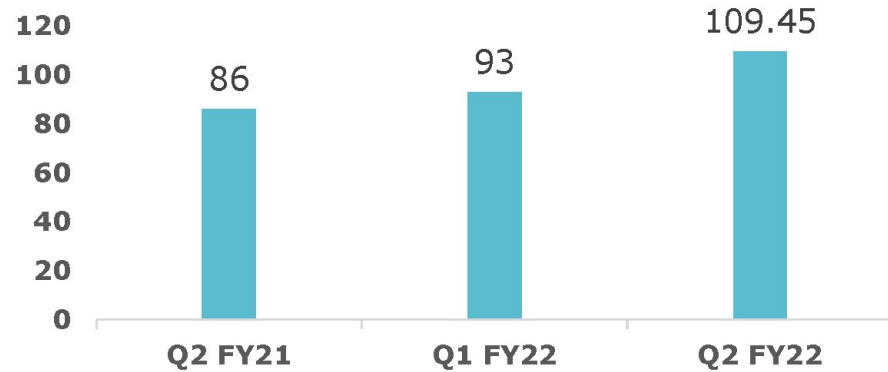


Net Profit (INR Cr.)

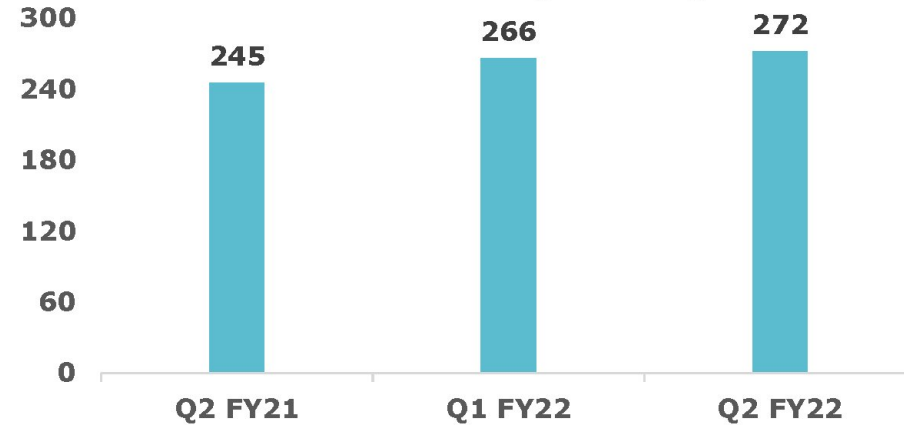


Financial Metrics

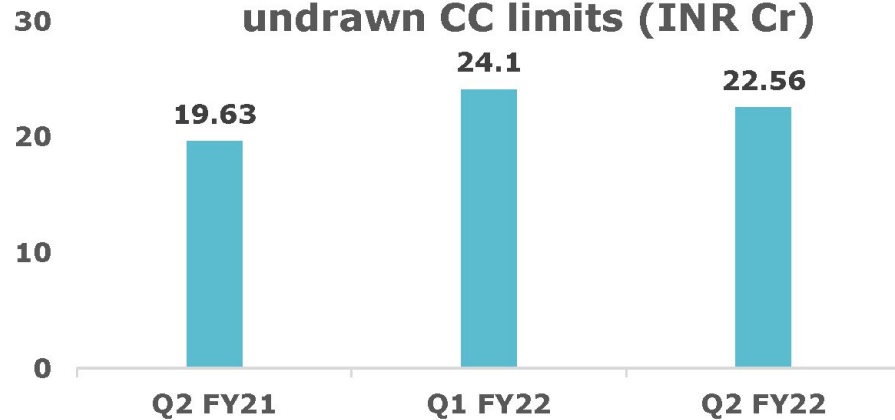
Borrowings (INR Cr.)



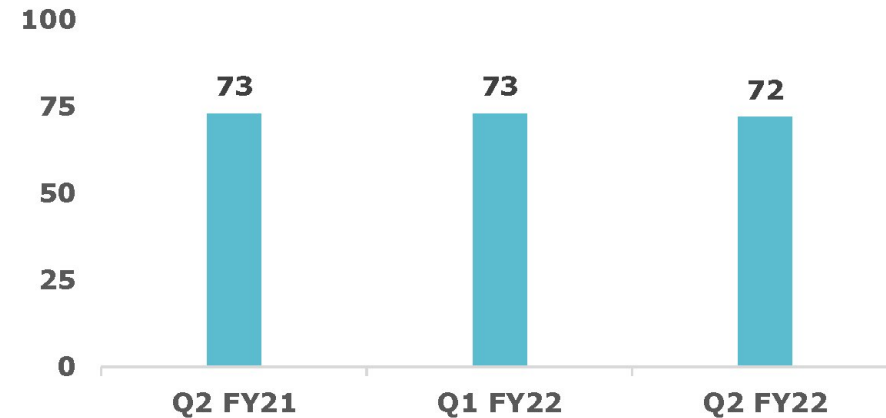
Net Worth (INR Cr)



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



Capital Adequacy Ratio (%)



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