

August 11, 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.

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

Preeti Gupta
Company secretary & Compliance Officer



Encl: A/a



CSL Finance
Limited

FY22 Q1 Investor Update June 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 363Cr as on 30th June 2021



Raised INR 51 Cr from Marquee investors in Sep 2017



Wholesale Loan book of INR 304 Cr & SME Retail book of INR 59 Cr



High CAGR of 73%



99% of the loan book is secured



BBB 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 is
and is pursuing executive MBA
from IIM Ahmedabad.
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



Our Team



Rachita Gupta

Wholetime Director

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



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.



Passion for Excellence

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



Integrity

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

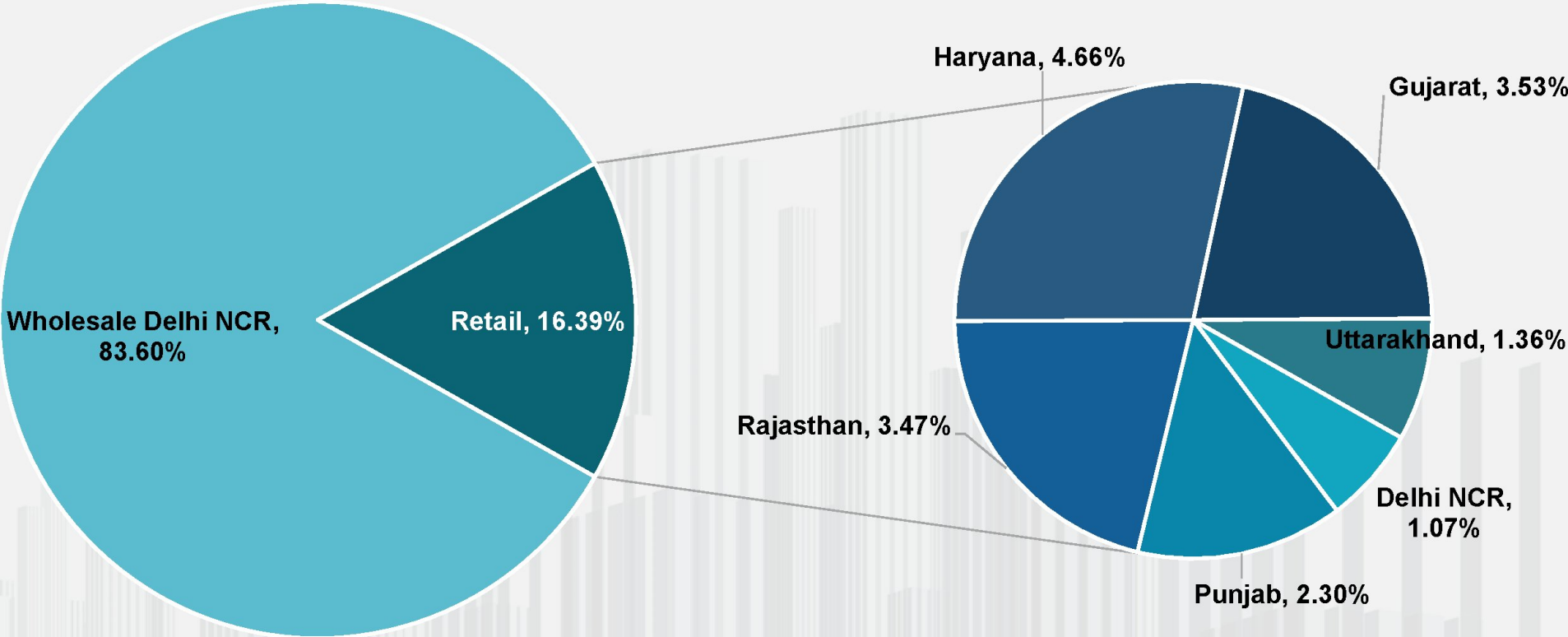
- 📍 Noida

Uttarakhand

- 📍 Dehradun



Loan Assets Distribution Across States



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



Product Portfolio Q1 FY22



Wholesale (WS) Lending

Retail Lending

Category	Book Value (INR Cr)	Product Description
WS Large	156	Structured loans to developers of Mid Income/Affordable Group Housing Projects
WS Small	121	House construction loans given to single plotted projects
WS LAP	16	Loan against SORP/SOCP properties
WS LAS	11	Loan against securities & deposits which are highly liquid
Total Wholesale Book	304	
SME Secured	56	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	59	



Key Business Highlights



Growth in Wholesale

Our Wholesale segment has risen from INR 268 Cr to 304 Cr Q-o-Q. We have been able to keep the NPAs to the minimum i.e. INR 0.93 Cr which is 0.31% of the total Wholesale AUM because of our strong domain knowledge and focus on the NCR region. There has been a surge in demand in affordable housing post Covid and that has given the opportunity to increase our AUM



Disbursements

Disbursements has been low at INR 79 Cr due to severe Covid conditions in April & May 2021. It has decreased by 47.52% Q-o-Q and there is an AUM growth of 20% Y-o-Y basis



Collections

Collection efficiency has been at 77% for SME and for wholesale, the collections has been over 99% as on Q1FY22. 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 de growth from INR 62 Cr to INR 59 Cr on a Q-o-Q basis. The School loan AUM stands at INR 21 Cr and we have provided for a total provisions of INR 4.50 Cr pertaining to SME Segment and collection efficiency in this segment has been 68 % for Q1FY22. Going forward we expect the SME AUM to start rising as the company is now focusing on disbursements



Increase in branches

Company has added 2 new branches in Chandigarh (Haryana) and Noida (Uttar Pradesh). We now have 19 operational branches. Total headcount as on Q1FY22 is 164 employees and RMs at each branch has been increased from 2-3 personnel to 5-6 personnel



Bonus share issue

Company has announced its first bonus issue of shares in the ratio 2:1



Hiring of KMP

Appointment of Mr. Amit Ranjan as the Chief Operating Officer to spearhead the Retail Lending Segment who has a diverse PAN India experience in heading the mortgage & MSME lending segment at Various financial institutions such as Karvy Financials, Save Financial Services etc.



Key Business Highlights



PAT

Consolidated Profit After Tax stands at INR 7.01 Cr which is almost stable as compared to Y-o-Y figure of INR 7.02 Cr. The PAT has declined by 20% on a Q-o-Q basis. The decrease in PAT is largely because of increased employee costs and reduced disbursements



GNPA

GNPA has risen to 2.86% in June-21 from 2.11% in Mar 21 of the overall portfolio due to NPA's observed in school loans segment, NNPA is 1.65% as on June-21.

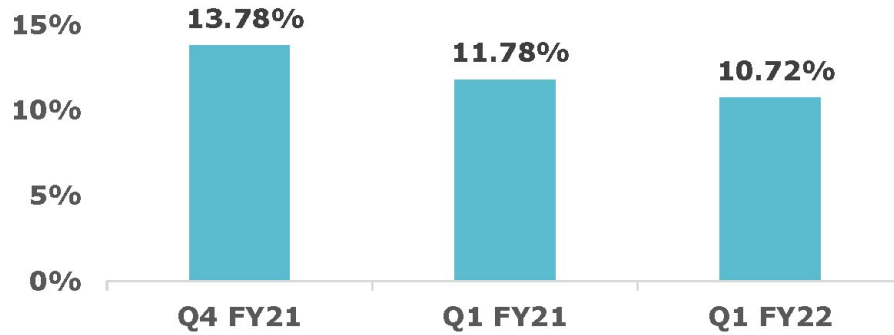


Risk Management

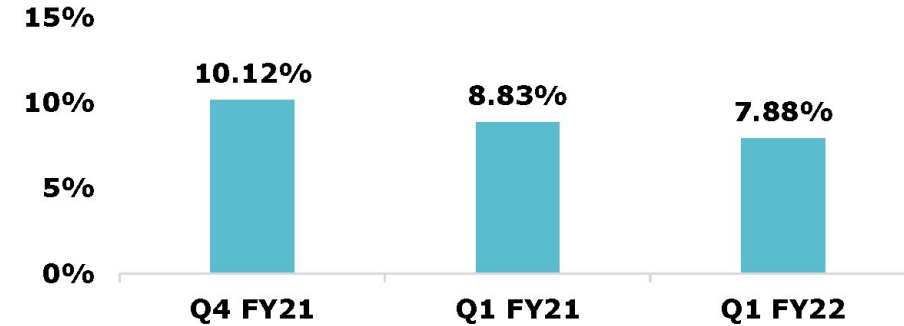
As a prudent Risk Management practice, we have already provided the ECL Provision under Stage-1 & Stage -2 of INR 4.32 Cr and Stage -3 of INR 4.38 Cr

Key Ratios

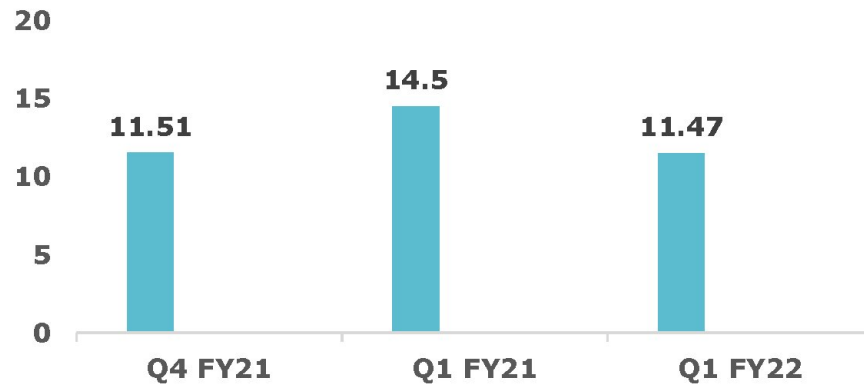
Annualized Return on Equity(%)



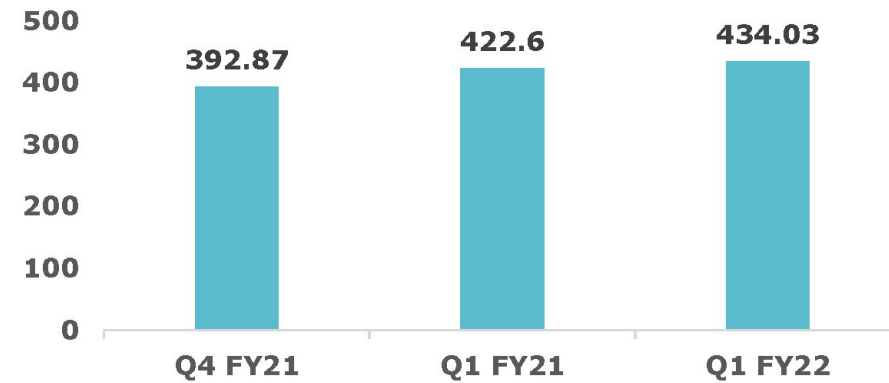
Annualized Return on Assets (%)



EPS (INR)

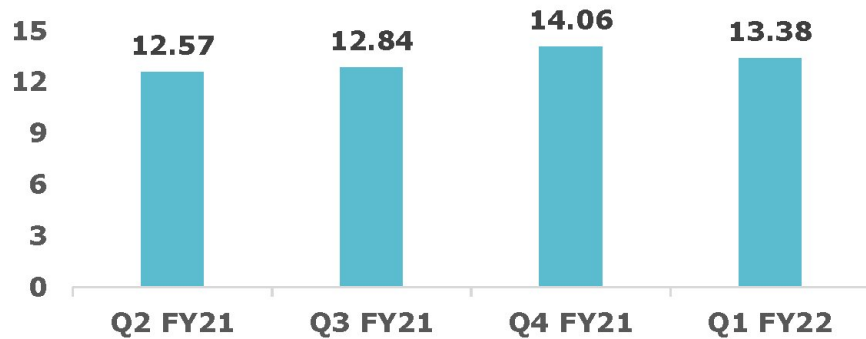


Book Value Per Share (INR)

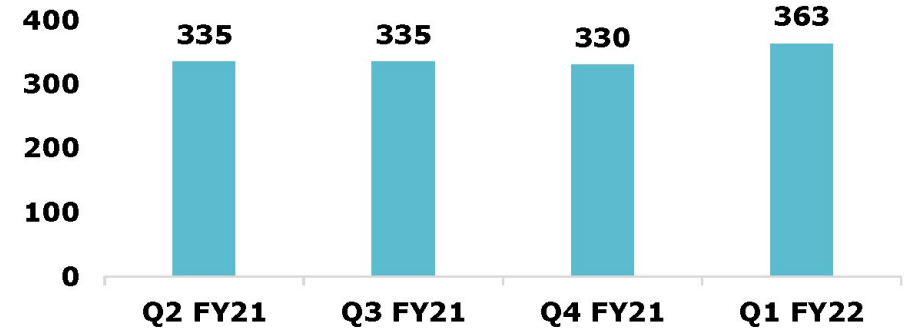


Performance Matrix

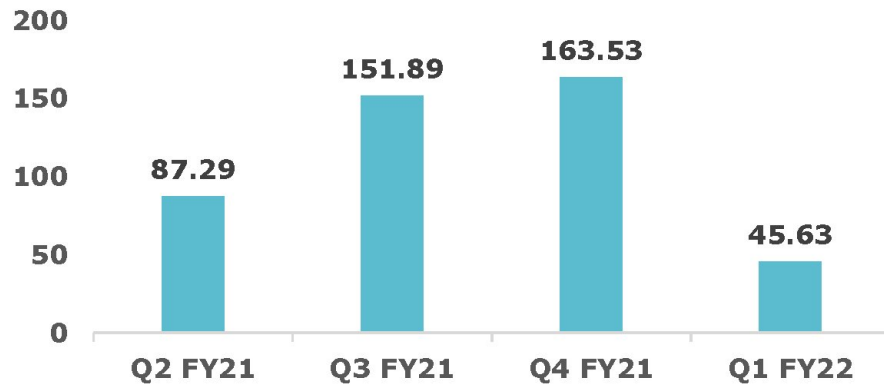
Net Interest Income (INR Cr.)



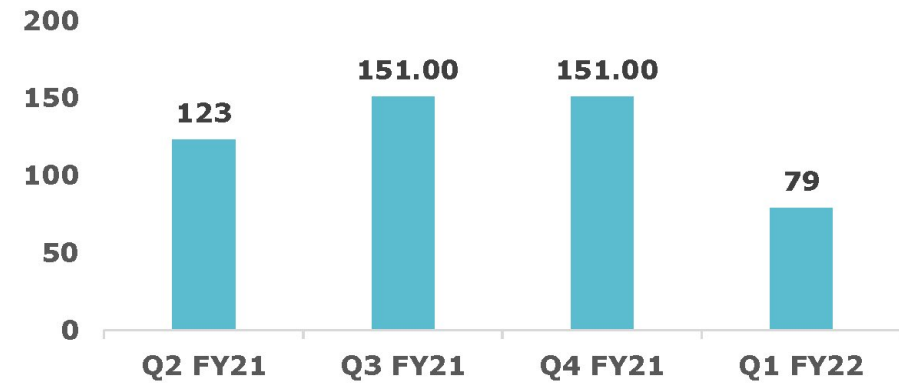
AUM End of Quarter (INR Cr.)



Collections (INR Cr.)



Disbursements (INR Cr.)



Treasury Updates



Liquidity Position

The company has adequate liquidity of INR 24.10 Cr including Cash & Cash Equivalents and undrawn Credit facilities as on Jun'21



Borrowing Rate

Our weighted average cost of borrowings is at about 9.74% as compared to 9.40% in FY21 . The company is actively looking for raise more debt to drives its expansion at a reasonable cost of borrowings



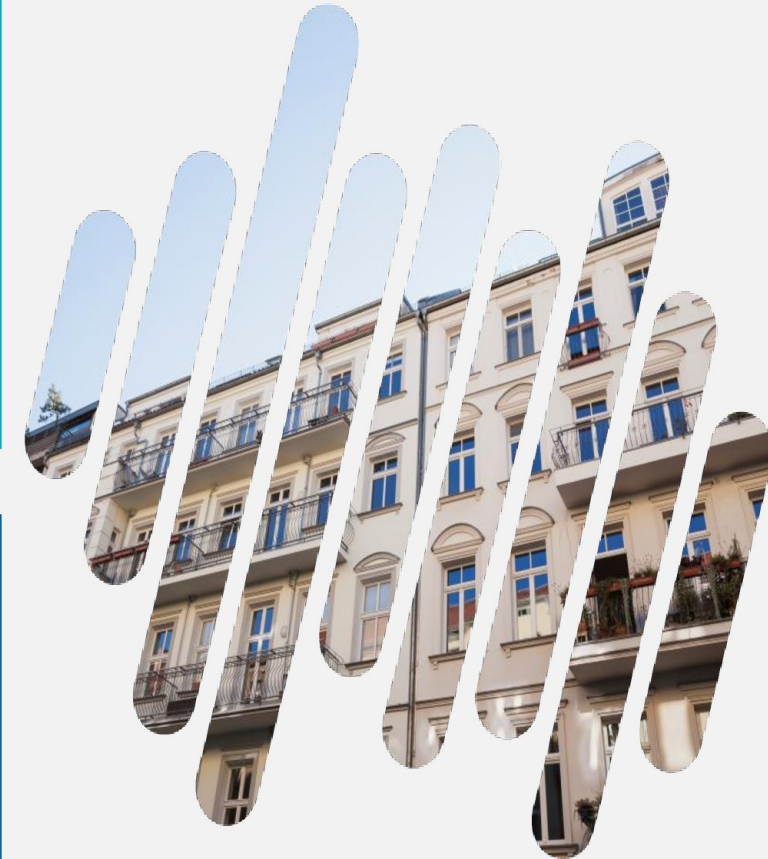
Leverage

The Leverage Ratio is 0.35x as on 30th Jun'21 with total outstanding borrowings of 92.74 cr.



ALM Position

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



WHOLESALE LENDING BOOK

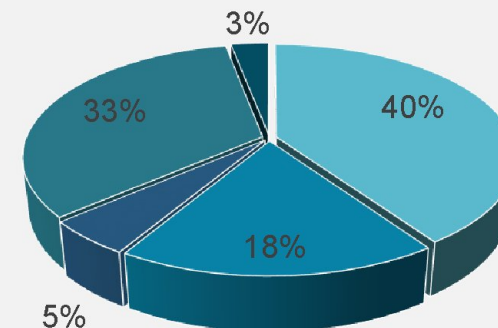


The Real Estate industry in NCR Region has seen strong trends in Sales & Collections since 3rd quarter of FY21, especially in the Affordable Housing Segment and that is also evident from our collections



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	101.56	35%	12
Affordable Group Housing	54.92	18%	4
Small Builder Floor	121.11	40%	29
Loan Against Property	15.56	5%	1
Loan Against Shares	10.50	3%	1
Total	303.54	100%	56

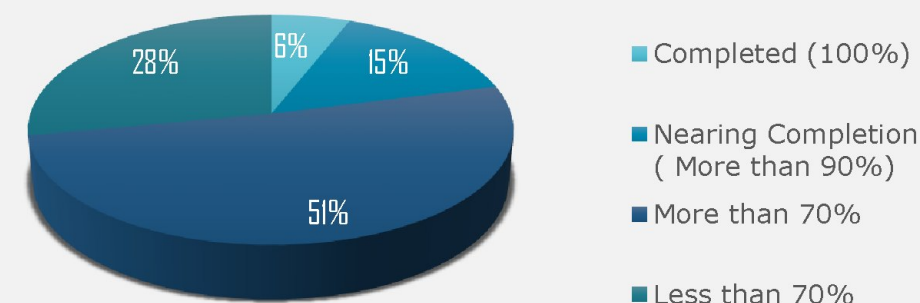


WHOLESALE LENDING BOOK: MID-INCOME GROUP HOUSING

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 30.06.21	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
Completed (100%)	1	15.00	13.29	6%	14.51	8.30	Satisfactory	Less than 50 lacs
Nearing completion (More than 90%)	4	46.00	14.76	15%	37.81	23.06	Satisfactory	Less than 50 lacs
More than 70%	4	75.13	52.08	51%	60.52	8.44	Satisfactory	Less than 50 lacs
Less than 70%	3	56.00	28.41	28%	38.77	10.36	Satisfactory	Less than 60 lacs
Total	11	192.13	101.46	100%	151.63	45.98		

- 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 35% of Wholesale loan book
- 28 % of AUM under Mid-Income Group Housing belongs to 5 projects which are either 100% complete or are nearing completion (more than 90%)
- Average ticket Size of units is less than INR **50** Lacs
- Committed Receivables is 4x of existing POS

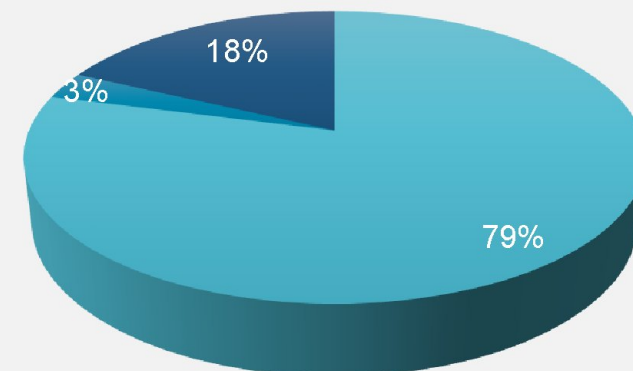


WHOLESALE LENDING BOOK: AFFORDABLE GROUP HOUSING

Figures in Cr

%age Sold	No. of Cases	Sanction	POS as on 30.06.2021	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
More than 90%	2	50.00	43.34	79%	50.00	6.66	Satisfactory	Less than 25 lacs
51% to 90%	1	3.50	1.58	3%	1.77	0.19	Satisfactory	Less than 25 lacs
Less than 50%	1	14.00	10.00	18%	10.00	0.00	Satisfactory	Less than 25 lacs
	4	67.50	54.92	100%	61.77	6.85		

- 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 18% of Wholesale loan book
- 79% of AUM under Affordable Group Housing belongs to 2 projects which are more than 90% Sold
- 1 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.



■ More than 90% ■ 51%-90% ■ Less than 50%

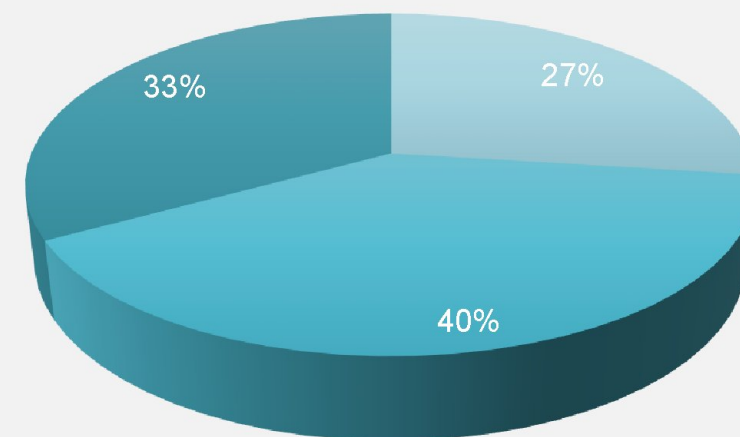


WHOLESALE LENDING BOOK: SMALL BUILDERS

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 30.06.21	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct
100%	9	43.18	32.40	27%	26.27	3.87	Satisfactory
More than 50%	13	68.90	48.54	40%	57.02	8.47	Satisfactory
Less than 50%	7	54.70	40.16	33%	41.73	1.57	Satisfactory
	29	166.78	105.90	100%	135.02	13.91	

- 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

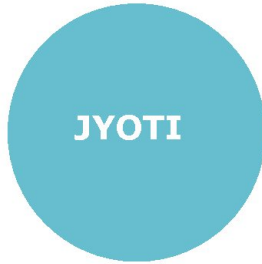


- Robust due diligence
- Extensive credibility check includes profile. Project and market screening and assessment of market supply demand trends.
- Each deal is structured uniquely based on project requirements
- Charge on multiple assets with minimum security cover of 2X



- 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



- 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

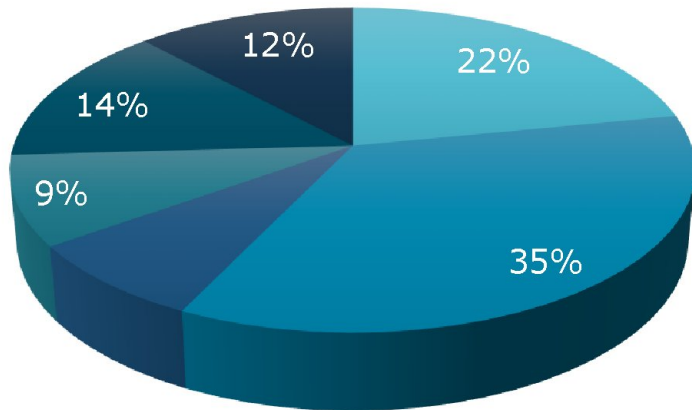


Product Type	JYOTI 	SHAKTI 	SAMADHAN 	SAARTHAK 
Loan Amount	2-5 lakhs	5-19 Lakhs	20-25 Lakhs	5-10 Lakhs
Tenor	3-4 years	7 years	7-8 years	5-6 years
Target Customer	Small farmers, female house-wives etc., to open small business	Small entrepreneur, traders, manufacturers etc., as a working capital loan 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



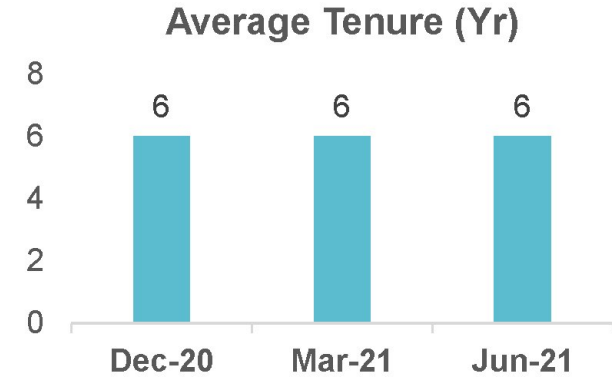
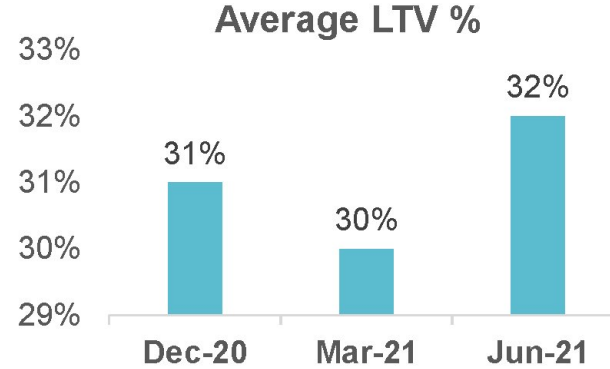
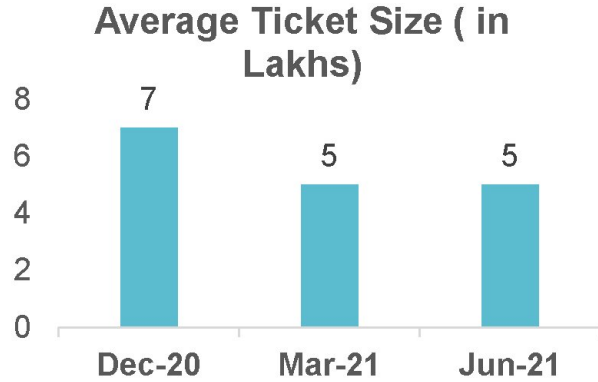
- General Merchant & Trading
- Schools
- Salaried individual
- Dairy
- Services
- Others

- SME retail book includes both secured and unsecured loans with an AUM of INR 59 Cr as on 30th June'21
- Disbursements in this segment has been of INR 3.33 cr in Q1 FY22 as compared to INR 6.27 CR for FY21. Despite the second wave of COVID was at its peak in the month of May and view of the segment, focus on collections were there as compared to disbursements but going forward, focus is on disbursements
- School AUM in the retail book comprises of INR 21.09 Cr as on Jun'21
- 95% of the SME book is secured with an AUM of INR 55.96 Cr
- These unsecured loans are capped to a ticket size of INR 6 Lacs
- Focus on increasing market presence and sustainability in current geographies of north and west India
- Overall collection efficiency for the Retail segment during Q1 FY22 has been at 77%
- We have made 100% provisions for accounts in 90+DPD for unsecured loans

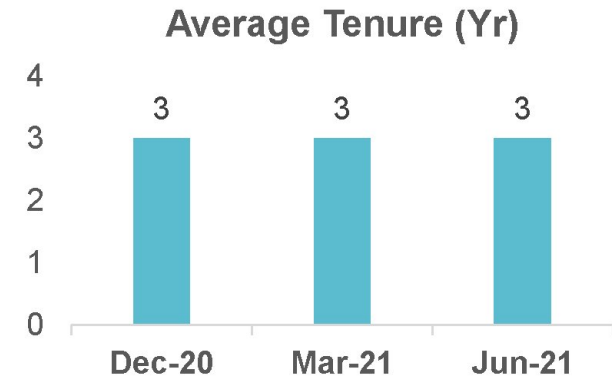
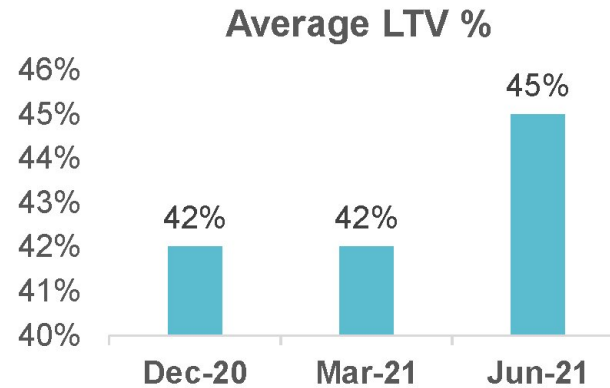
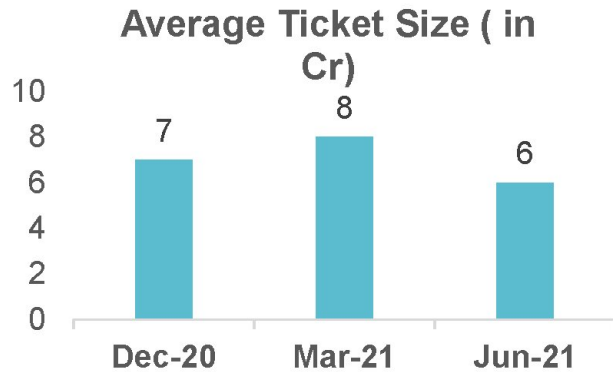


Loan Matrix

SME Loan Matrix



Wholesale Loan Matrix



Step forward

01

Company's focus has been on consolidating and maintaining its asset quality and collections for the last 15 months which has been remarkably good. The company also saw high collections in the wholesale segment. Going forward, we expect a full year AUM growth in with a total increase of 20% Y-o-Y

02

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

03

Our credit costs from the Retail segment should trend lower as we have made adequate provisions in the last six quarter

04

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



Step Forward

05

Our employee expenses will increase this year as we have invested in building the sales team for the retail segment

07

We are taking a lot of initiatives towards recruitment, technology, policies, product side and we aim to grow our SME portfolio substantially by end of FY22 as earlier a cautious approach was being followed due to frequent lockdowns and acute covid conditions

06

We expect our provisions for SME segment will taper down from Q3 of this financial year and we hope to see a write backs from school segment from Q4 onwards provided the school remains open in the next 8 months of FY22



Asset Quality: Stage Analysis

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

INR CR

Particulars	Q1FY22	Q4FY21	Q1FY21
Gross Stage 3 (GNPA)	10.36	6.94	1.21
% portfolio in Stage 3	2.86%	2.11%	0.40%
ECL provision Stage 3	4.38	3.00	1.19
Net Stage 3	5.98	3.94	0.02
Total Provision Coverage Ratio	42.26%	43.27%	98.47%
Gross Stage 1 & 2	352.58	322.61	298.56
% portfolio in Stage 1 & 2	97.14%	97.89%	99.60%
ECL provision Stage 1 & 2	4.32	4.84	5.38
Net Stage 1& 2	348.26	317.77	293.18
Total Provision Coverage Ratio	1.23%	1.50%	1.80%
Total Assets	362.95	329.55	299.77
% portfolio	100%	100%	100%
ECL Provision	8.70	7.84	6.57
Net Stage	354.25	321.71	293.20
TOTAL ECL Provision %	2.40%	2.38%	2.19%
Provision Coverage Ratio	83.95%	113.07%	542.99%
NET NPA	1.65%	1.19%	0.01%



NPA Analysis

INR CR

Particulars	Q1 FY22	Q4 FY21	Q1 FY21
GNPA	10.36	6.94	1.21
NNPA	5.98	3.93	0.018
Provisions	8.70	7.84	6.57
Gross NPA %	2.86%	2.11%	0.40%
Net NPA %	1.65%	1.19%	0.01%
Coverage Ratio	83.95%	113.07%	542.99%



Income Statement

Particulars	INR Lac		
	Q1 FY22	Q4 FY21	Q1 FY21
Interest earned	1,498.81	1,587.04	1,462.57
Other operating Income	53.78	109.18	12.60
Other Income	7.58	11.06	1.00
Total Income	1,560.17	1,707.28	1,476.17
Interest Expense	160.61	194.17	192.76
Employee Expenses	193.61	126.94	195.58
Depreciation & Amortisation	14.02	14.89	18.12
Other Expenses	83.21	94.23	52.18
Operating Profit	1,108.72	1,277.05	1,017.54
Impairment/Provisions	184.05	101.36	84.23
Profit Before Tax	924.67	1,175.69	933.31
Tax	224.00	297.53	231.09
Profit After Tax	700.67	878.16	702.23

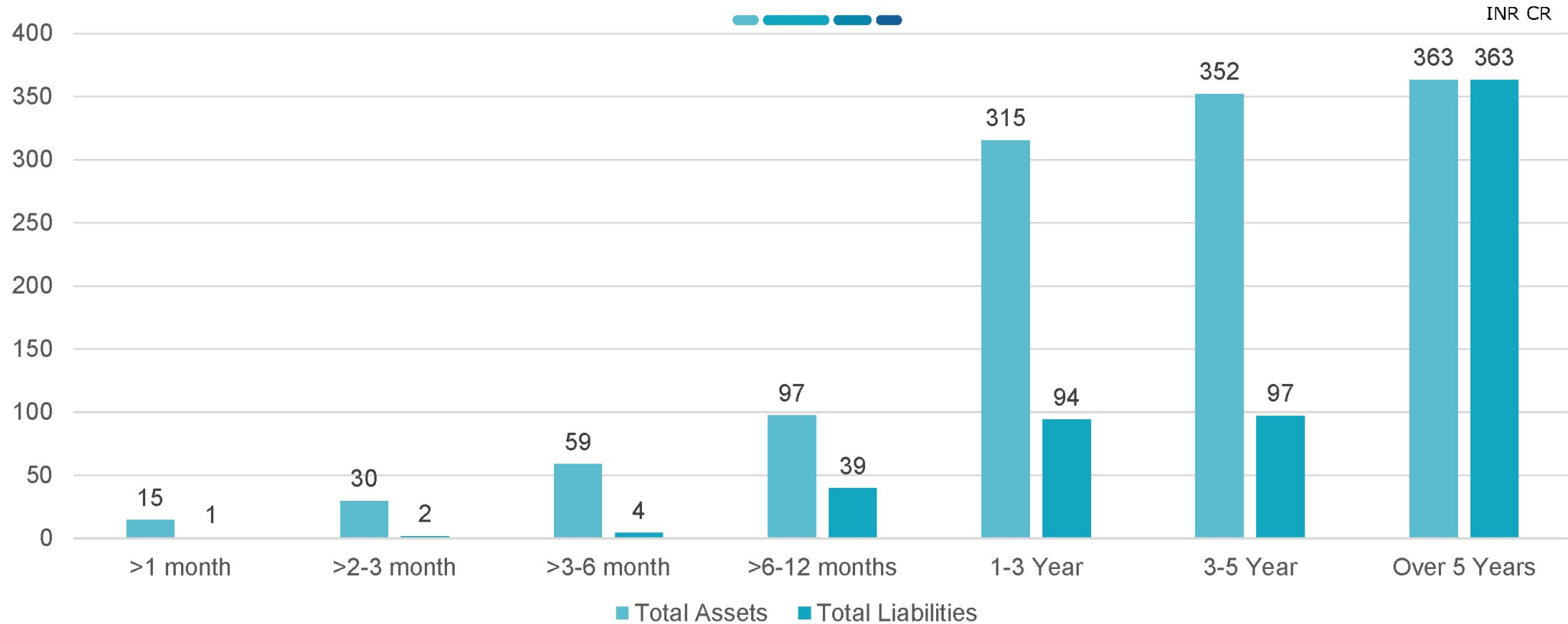
Balance Sheet

INR Lac

Particulars	Q1 FY22	Q4 FY21	Q1 FY21
Assets			
Cash and bank balances	434.79	2,090.08	333.99
Loans	35,424.80	32,170.14	29,318.97
Deferred tax Assets	82.55	82.76	100.77
Net block of Assets	281.69	288.09	307.71
Investment Property	13.93	14.00	14.22
Other Assets	103.33	107.86	186.52
Total Assets	36,341.08	34,752.93	30,262.17
Stockholder's Equity			
Equity Share Capital	613.34	613.34	609.84
Other Equity	26,007.34	25,306.28	23,349.42
Liabilities			
Borrowings	9,274.79	8,260.41	5,689.91
Current tax liabilities	117.69	201.70	195.65
Provisions	-	-	5.84
Other Liabilities	327.92	371.20	411.50
Total Equity & Liabilities	36,341.08	34,752.93	30,262.17



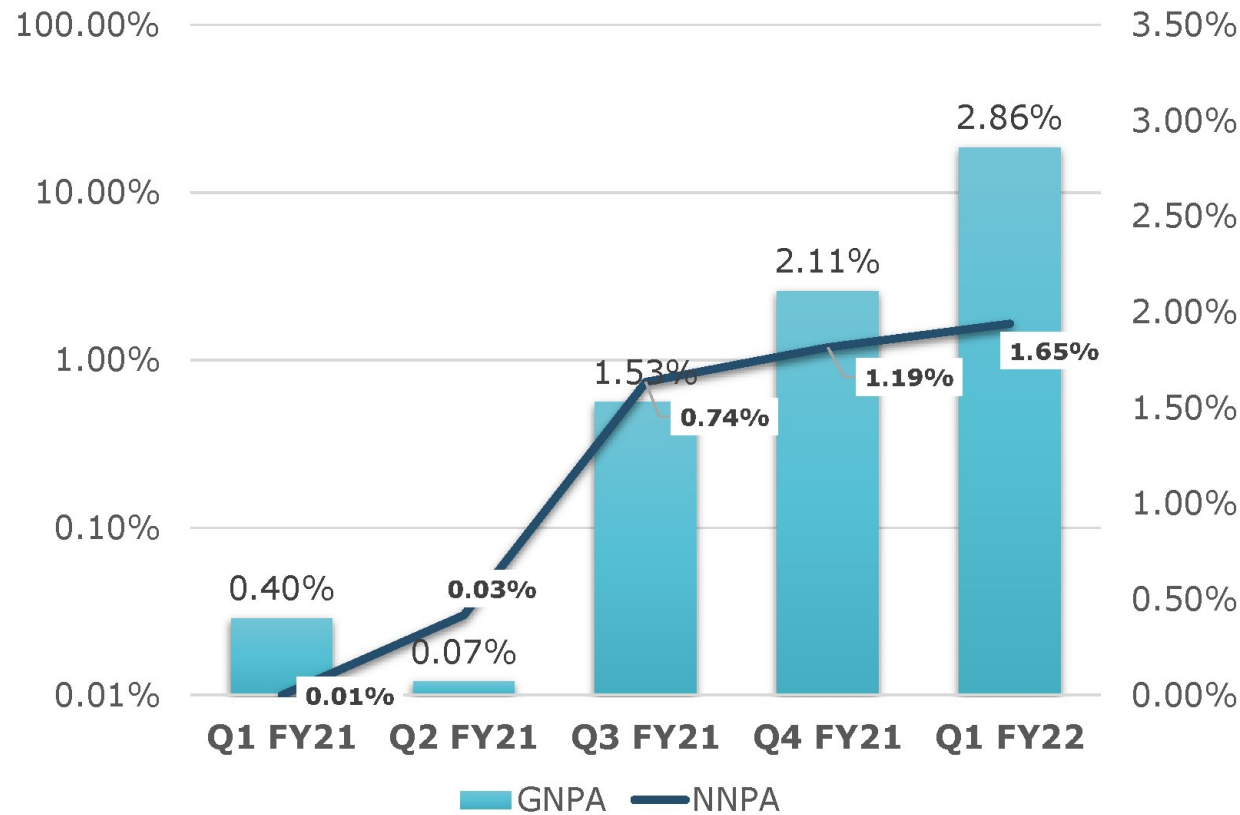
Asset Liability Split: Well balanced ALM



Particulars As on Jun-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	13.72	27.94	54.44	57.79	221.10	254.88	0



Gross Non-performing Assets & Provisions



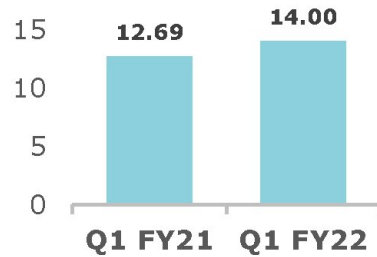
Gross NPA 10.36 Cr

Total ECL Provision 8.70 Cr

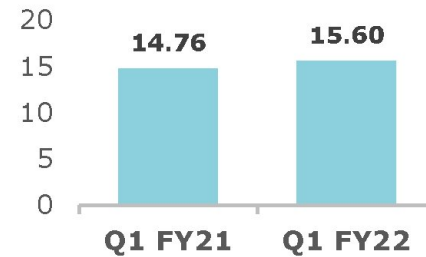
Note: Our GNPA % has risen primarily due to low repayment in school loans which is due to the restrictions on the operating of schools during the current on going COVID situation

Financial Snapshot- Q1 FY22 vs Q1 FY21

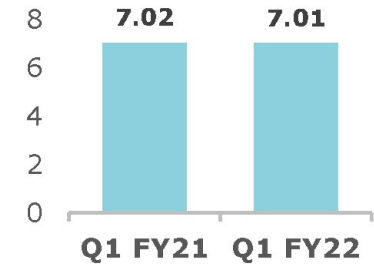
Net Interest Income (INR Cr)



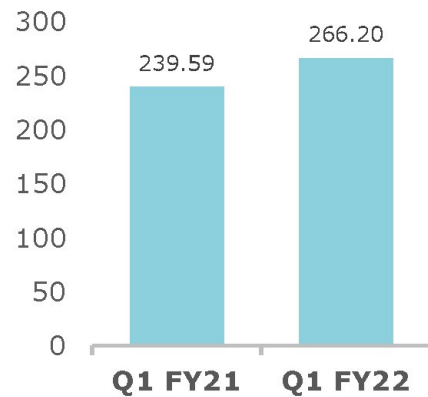
Total Income (INR Cr)



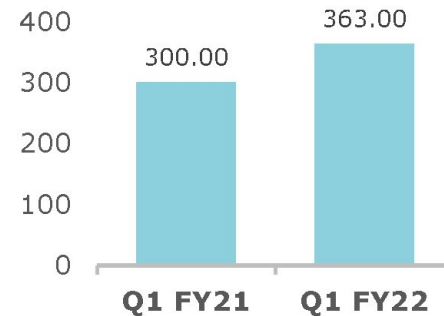
Profit After Tax (INR Cr)



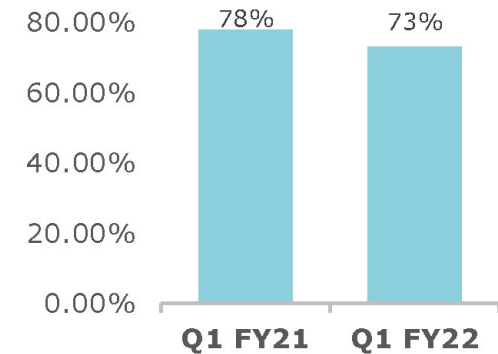
Net Worth (INR Cr)



AUM (INR Cr)

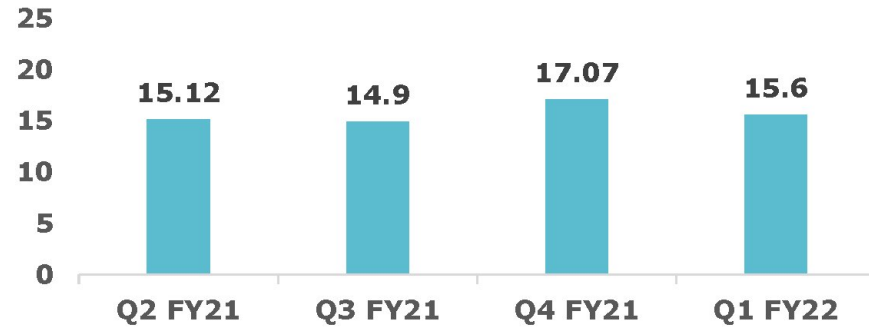


Capital Adequacy Ratio(%)

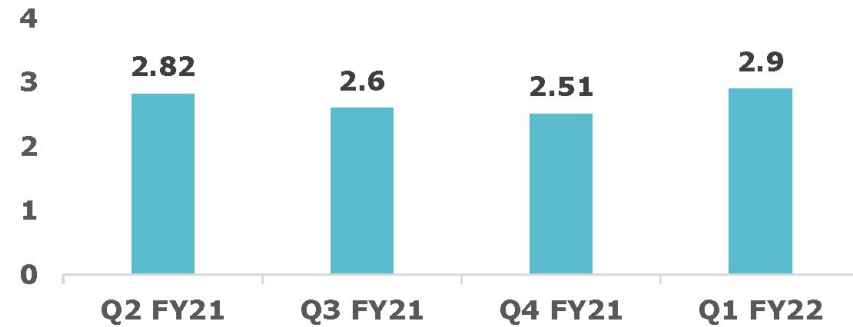


Financial Metrics

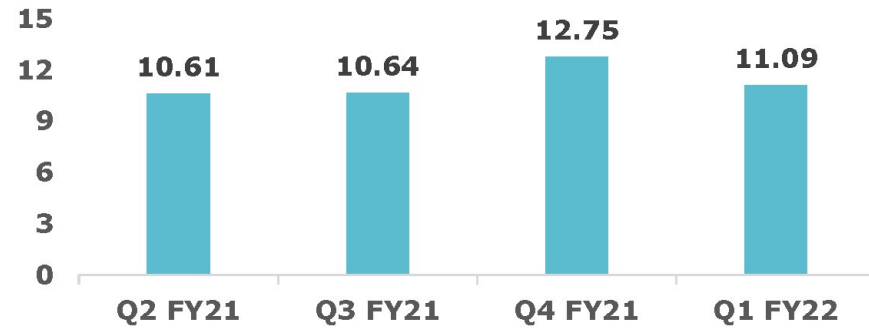
Total Income (INR Cr.)



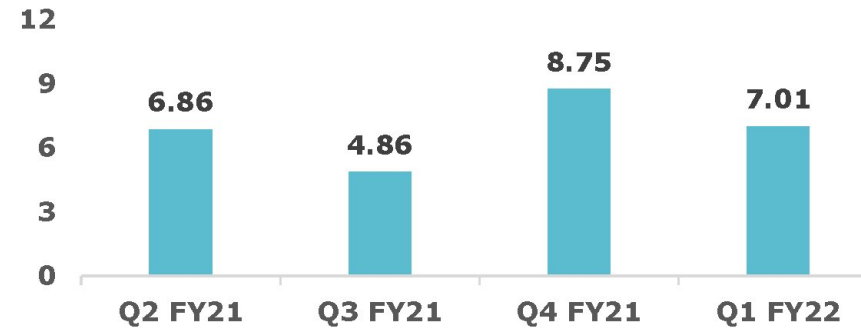
Operating Expenses without ESOP (INR Cr.)



Pre Provisioning Profit Before Tax (INR Cr.)

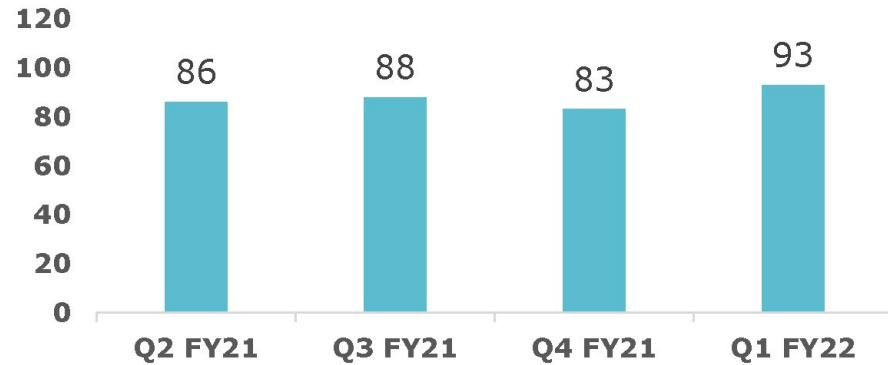


Net Profit (INR Cr.)

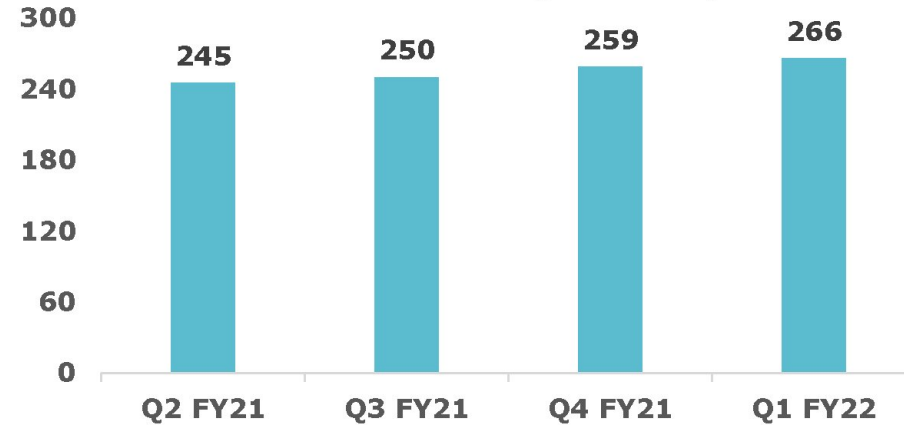


Financial Metrics

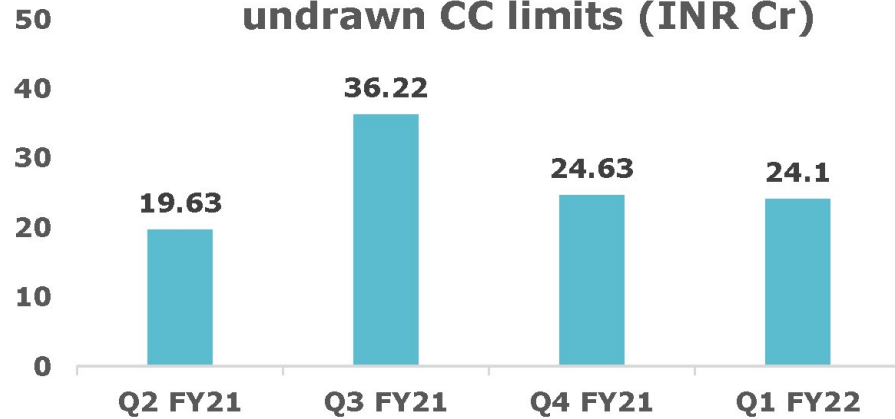
Borrowings (INR Cr.)



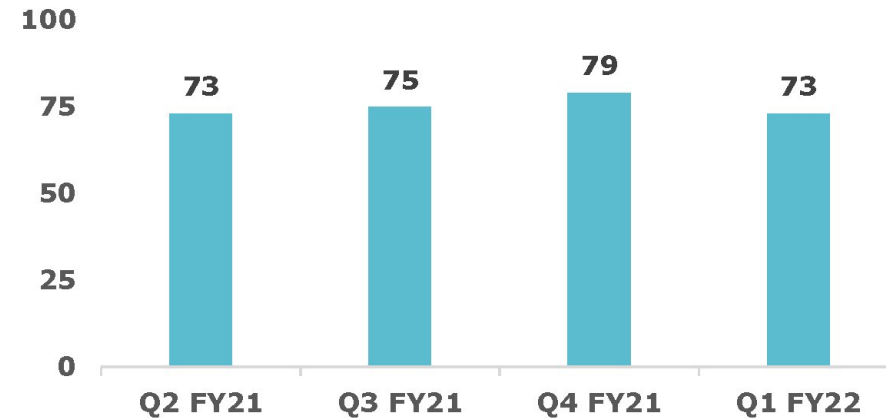
Net Worth (INR Cr)



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



Capital Adequacy Ratio (%)



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