

November 06, 2023

National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 NSE Symbol: CSLFINANCE	BSE Limited Corporate Relationship Department Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai-400001 BSE Scrip Code: 530067
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Dear Sir / Ma'am,

Sub: Investor Presentation

Please find enclosed herewith the Copy of the Investor Presentation of the Company highlighting the performance and recent developments of the Company for the quarter and half year ended September 30, 2023.

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

This is for your kind information and records.

Thanking you,

Yours Faithfully,

For **CSL Finance Limited**

Ashok Kumar Kathuria
(Director)
DIN: 01010305

Encl: a/a



Q2FY24

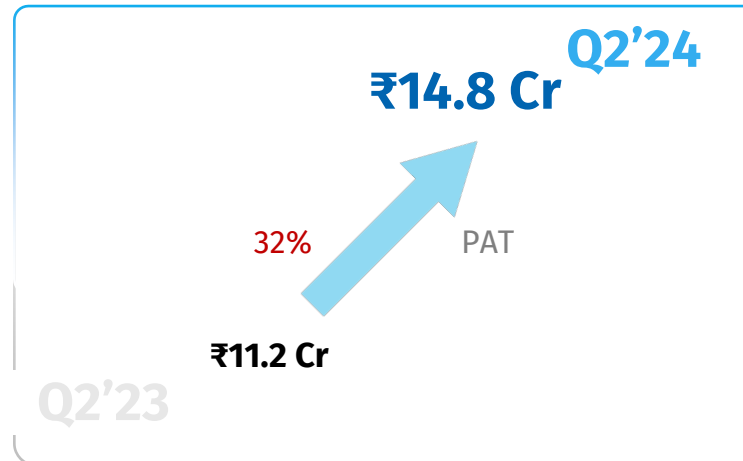
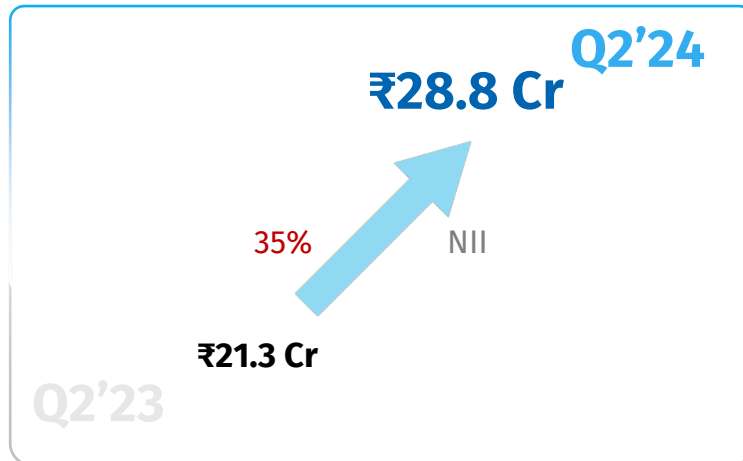
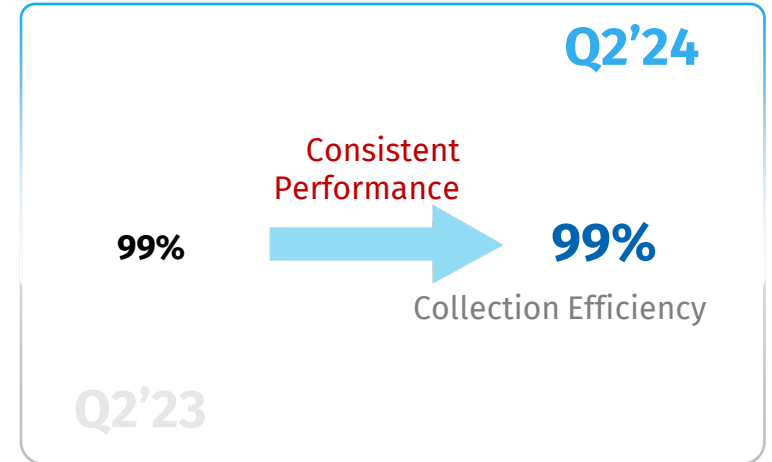
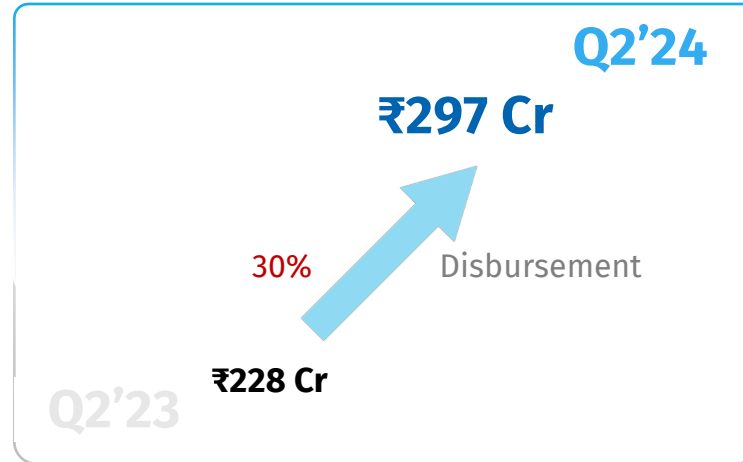
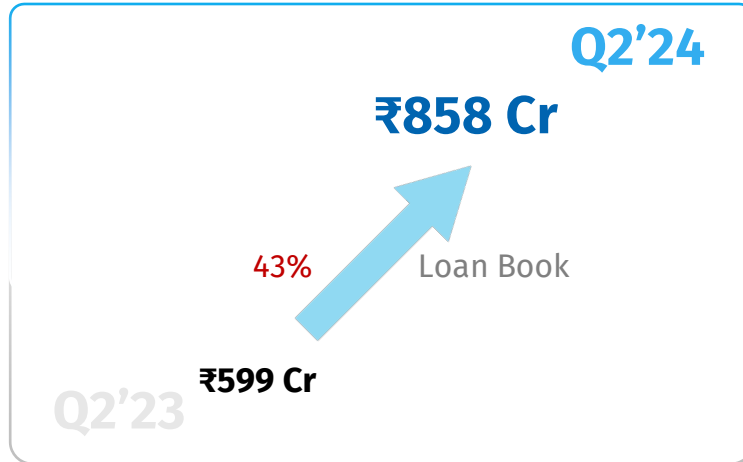
Investor Presentation

Quarterly Business Update

- ➔ Loan Book Size
- ➔ Asset Quality
- ➔ Asset Quality: Stage Analysis
- ➔ P&L Highlights
- ➔ Treasury Update
- ➔ Quarterly Financial Snapshot
- ➔ Operational Updates
- ➔ Lending Partners



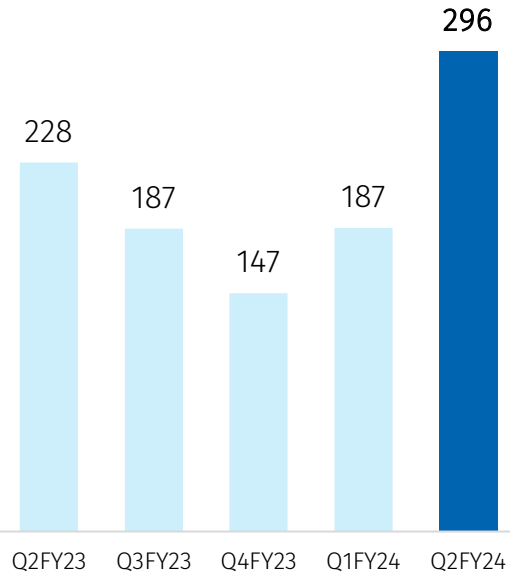
Business Growth YoY



Loan Book Size

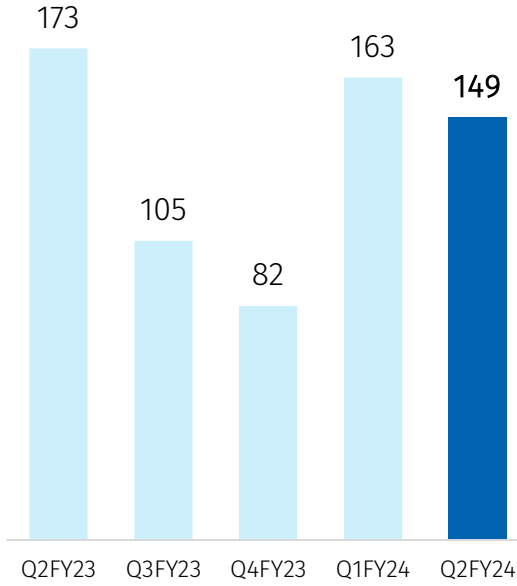
DISBURSEMENTS

(₹ crore) **30%** **58%**
YOY Change QOQ Change



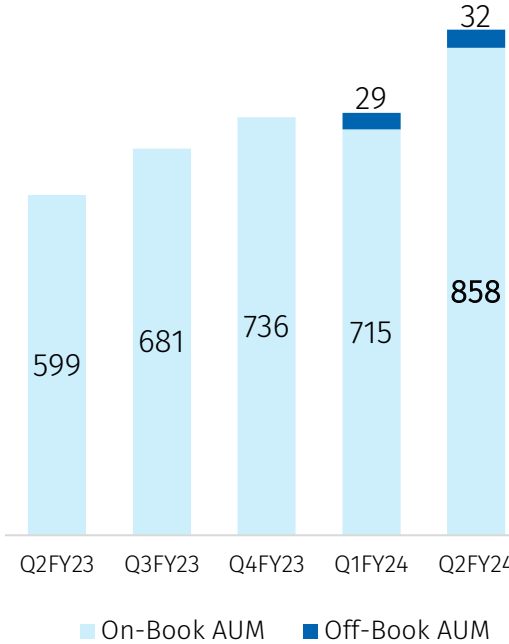
COLLECTIONS

(₹ crore) **-9%** **-14%**
YOY Change QOQ Change

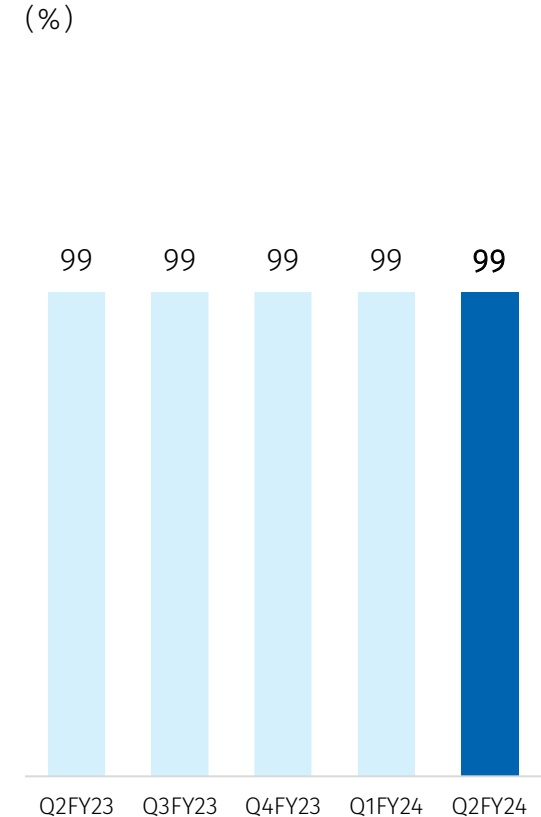


LOAN BOOK

(₹ crore) **43%** **20%**
YOY Change QOQ Change



COLLECTION EFFICIENCY



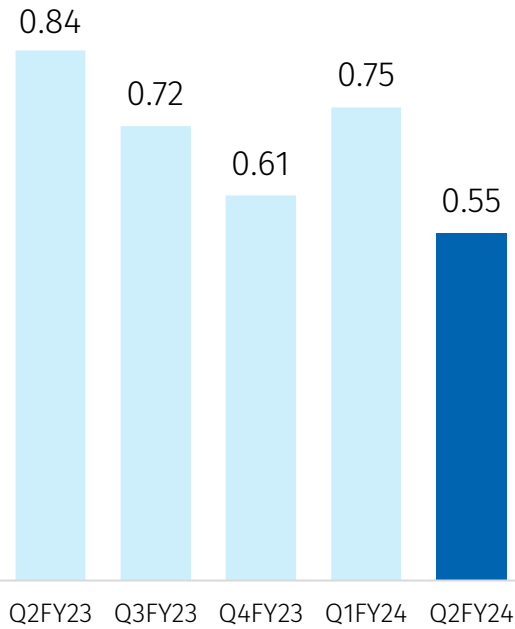
Note: Disbursement & Collections were lower in Q4FY23 particularly due to lumpiness in Wholesale

Asset Quality

GROSS NPA

(%)

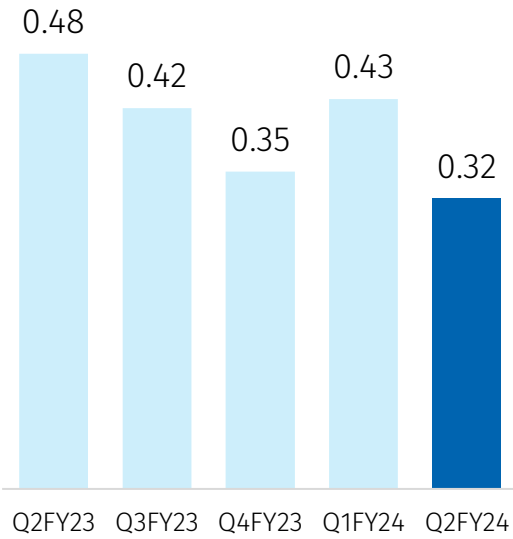
-29 BPS **-20 BPS**
 YOY Change QOQ Change



NET NPA

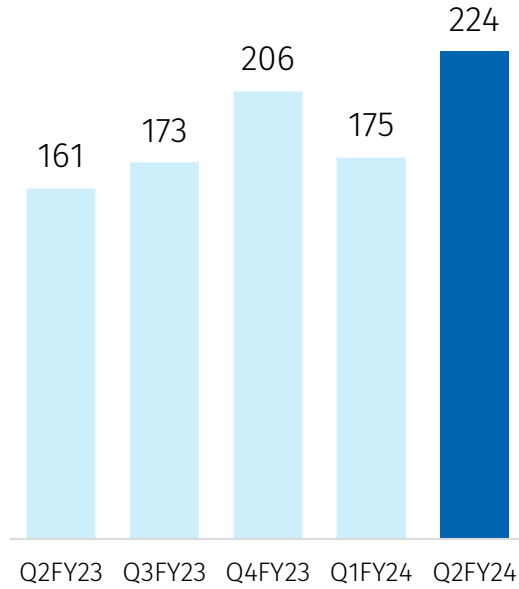
(%)

-16 BPS **-11 BPS**
 YOY Change QOQ Change



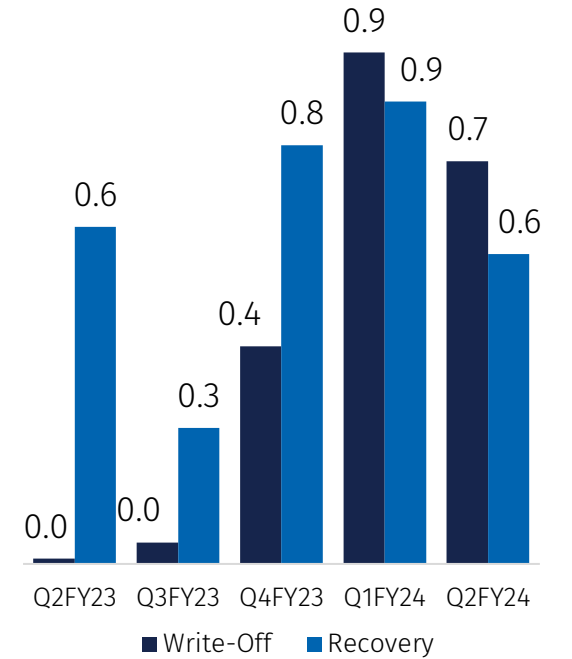
PROVISIONAL COVERAGE RATIO

(%)



WRITE-OFFS & RECOVERIES

(₹ crore)



Asset Quality: Stage Analysis

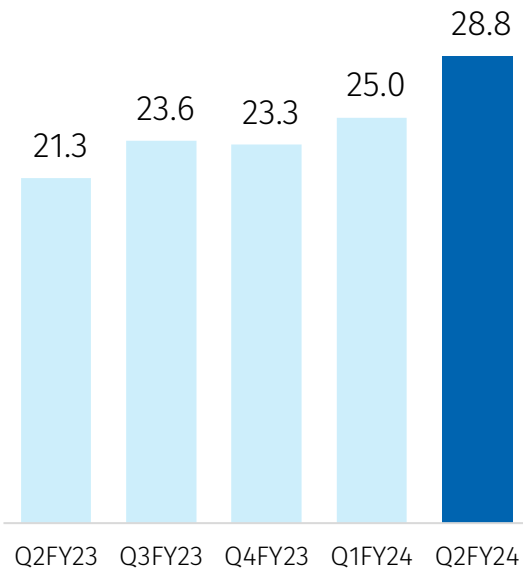
CLASSIFICATION OF ASSETS BASIS THE ECL COMPUTATION AS PER IND-AS:

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
Gross Stage 3 (GNPA)	4.97	5.34	4.55
% portfolio in Stage 3	0.84%	0.75%	0.55%
ECL provision Stage 3	2.09	2.26	1.92
Net Stage 3	2.88	3.07	2.63
ECL Provision % Stage 3	42.00%	42.44%	42.15%
Gross Stage 1 & 2	589.97	707.47	829.90
% portfolio in Stage 1 & 2	99.16%	99.25%	99.45%
ECL provision Stage 1 & 2	5.92	7.09	8.29
Net Stage 1& 2	584.05	700.38	821.77
ECL provision % Stage 1 & 2	1.00%	1.00%	1.00%
Total Assets	594.95	712.81	834.46
% portfolio	100%	100%	100%
ECL Provision	8.01	9.36	10.21
Net Stage	586.94	703.45	824.46
TOTAL ECL Provision %	1.35%	1.31%	1.22%
Provision Coverage Ratio	161.11%	175.32%	224.14%
NET NPA (Only Stage 3 Provision)	0.48%	0.43%	0.32%

P&L Highlights

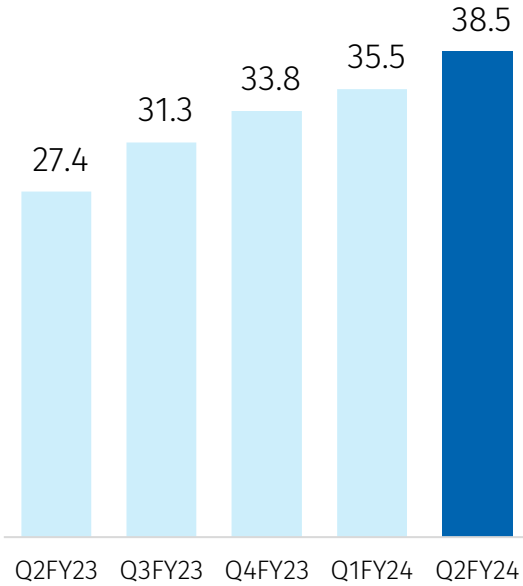
NET INTEREST INCOME

(₹ crore) **35%** **15%**
YOY Change QOQ Change



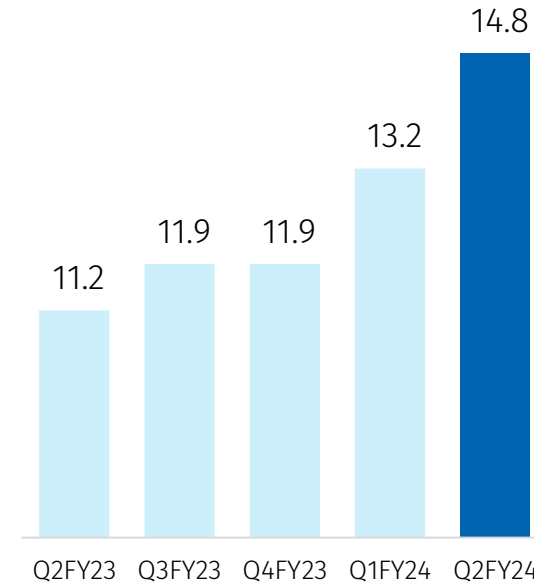
TOTAL INCOME

(₹ crore) **41%** **23%**
YOY Change QOQ Change



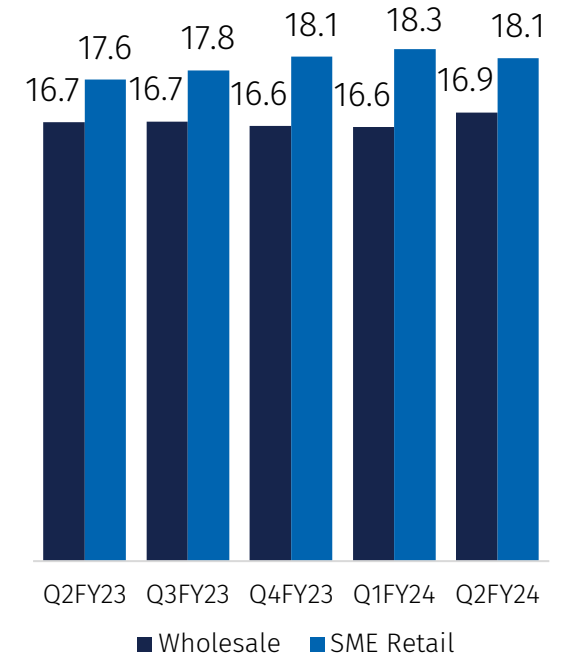
PROFIT AFTER TAX

(₹ crore) **32%** **12%**
YOY Change QOQ Change



YIELDS

(%)

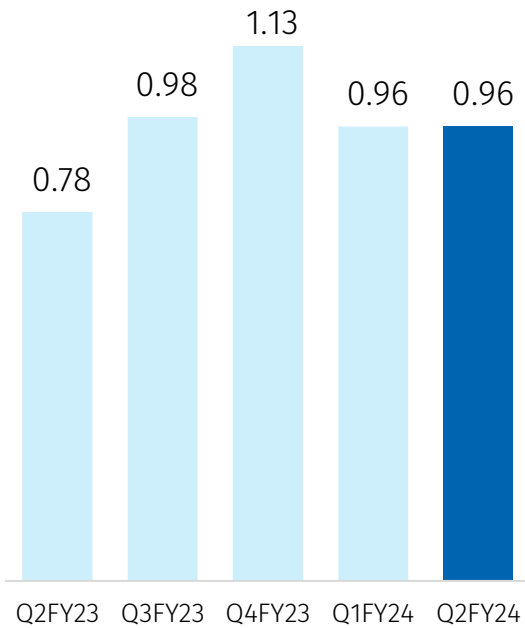


Note: Net Interest Income (NII) = Interest Income + Fees & Commission Income - Finance Costs

Treasury Update

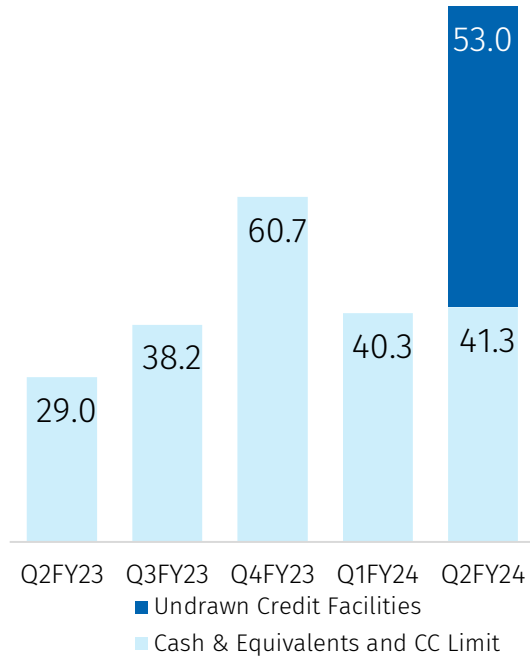
LEVERAGE

(Time)



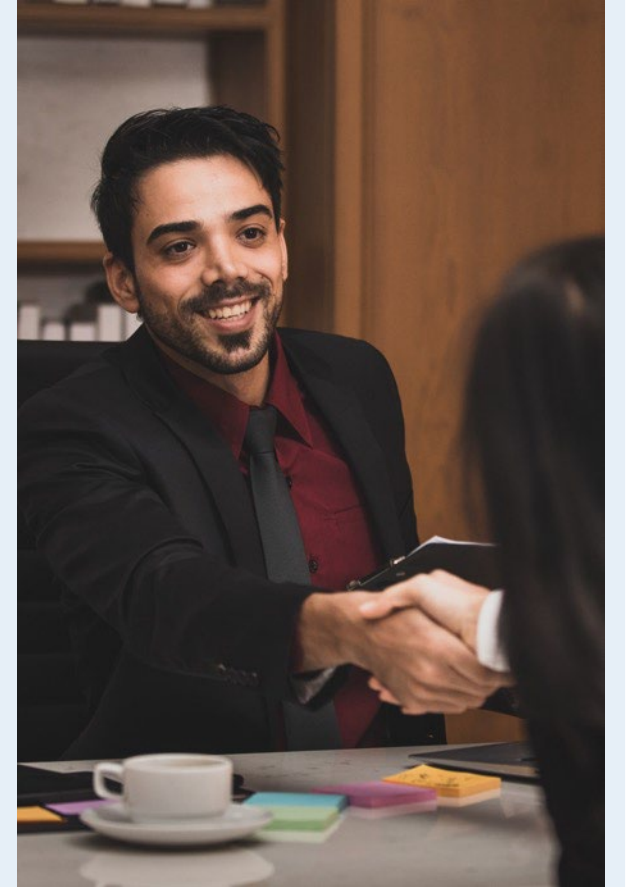
LIQUIDITY

(₹ crore)



Note: Higher liquidity reserved in Q4FY23 due to some NCD repayments scheduled Q1FY24

- ① The Company has adequate liquidity of ₹ 41.30 crore & ₹ 53 crore as undrawn Credit facilities as on 30th September 2023
- ② The Company has positive ALM across the buckets
- ③ Credit Rating for the Company stands at BBB+ Stable from India Ratings & Research
- ④ The Leverage Ratio is at a comfortable 0.96x as on 30th September 2023 with total outstanding borrowings of ₹ 420.66 crore



Quarterly Financial Snapshot

(₹ crore)

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
Disbursements	227.60	187.07	297.37
Revenue	27.40	35.49	38.53
Interest Income	25.39	31.26	33.94
PBT	15.05	18.18	20.25
PAT	11.20	13.24	14.82
Bad debts written off	0.01	0.94	0.74
Bad debts recovered	0.62	0.85	0.57
Loans and Advances	598.73	714.70	857.98
Net Worth	338.37	377.06	437.80
Total Liabilities	269.93	371.53	431.42
Borrowings	262.78	361.15	420.66
Gross NPA (%)	0.83%	0.75%	0.55%
Net NPA (%)	0.48%	0.43%	0.32%
Debt to Equity Ratio	0.78	0.96	0.96
CAR	57.65%	52.76%	51.03%
ROA	7.66%	6.94%	7.76%
ROE	12.91%	14.05%	13.49%
Book Value per share	166.65	185.24	216.32

Operational Updates

NET INTEREST INCOME & PROFITABILITY

- Both NII and PAT have registered a growth of 15% and 12% QoQ respectively.
- Profitability improved during the quarter due to a higher AUM.
- Total Income growth for the quarter was 23% QoQ and 41% YOY.
- Lending on floating interest rates is ramping up in the Wholesale segment to insulate from fluctuations in interest rates to an extent.

LENDING PARTNERS

- CSL Finance onboarded a few new lender during the quarter – both Banks & NBFCs – such as Bandhan Bank, Poonawalla Fincorp, SIDBI, and Orix Leasing & Financial Services.
- The Company has also received additional sanctions of ₹174 Cr from new & existing lenders.
- This takes the total lender count to 20 as compared to 16 last quarter and 6 in the beginning of previous financial year.

TEAM STRENGTH

- Headcount addition is on 3 fronts: a) Team of 4 new branches, b) Fleet on street in new markets c) Dedicated team of 30 for Suvidha Loans



LOAN BOOK

- The Loan Book has shown robust growth of 20% QoQ and 43% YoY, reaching ₹858 Cr. We remain on track to achieve our annual loan book target.
- Loan book growth was supported by healthy disbursement growth in both SME Retail and Wholesale verticals. The Company reported its highest ever quarterly disbursement of 297 Cr, up 30% YoY and 58% QoQ.
- The SME Retail: Wholesale mix stands at 45:55 in Q2, compared to 44:56 in Q1.
- Going forward, more thrust will be towards SME Retail & Fabricator Loans, and Wholesale vertical will make disbursements out of its own collections.
- Collection efficiency in both verticals remains strong.
- As communicated in our last few updates, we have begun reshuffling some of the existing branches and have also launching new ones during this quarter.
- During the quarter we witnessed a net-addition of 4 branches across Rajasthan, Haryana and UP. We continue to follow our clustered branch network approach. Accordingly there has also been some team addition at the branch level.
- Improving employee and branch level efficiency remains an ongoing activity and a key area of focus, with extensive training and migration programs already undertaken and planned for FY24.



SUVIDHA LOANS

- The pilot launch of Suvidha Loans - an unsecured loan based on purchase invoices to APL Apollo steel fabricators – is progressing well.
- The Company is quickly learning & adapting to the market dynamics of this segment.
- So far, more than 200 cases have been disbursed with an average ticket size of 1.26 lakhs and cumulative 2.5 Cr of disbursement.
- Although currently a small portfolio of our loan book, this product category has good potential, and the Company will ramp up operations with its quick learning curve in this industry.

DEVELOPING A FEE BASED INCOME

- As communicated earlier, the Company has been actively working towards growing its off-book AUM, in both Wholesale & SME Retail, through Direct Assignment (DA) & Co-Lending structures to generate a sustainable fee-based income.
- So far, a total of ₹33 Cr off-book AUM has been accumulated by the Company. The prospects of this vertical are good as well.
- Both, off-book AUM as well as the fee-based income, is expected to ramp in this and coming year.
- The Company can generate an annual fee income of up to 2% of the AUM under Direct Assignment and Co-Lending, without any recourse.

OUTLOOK

- Outlook for the Company remains robust, with a loan book target of 1,000 Cr for FY24, with an AUM mix of 50:50 in Wholesale & SME Retail.



Lending Partners

Banks & SFBs



NBFC



5Y Financial Snapshot

(₹ crore)

PARTICULARS	FY20	FY21	FY22	FY23	H1FY24
Disbursements	270.10	433.32	491.10	758.72	484.44
Revenue	60.85	61.67	74.62	117.54	74.02
Interest Income	58.42	59.18	67.66	108.54	65.20
PBT	31.74	39.36	44.98	61.47	38.43
PAT	22.47	27.53	33.68	45.52	28.06
Bad debts written off	0.26	3.88	1.45	0.94	1.68
Bad debts recovered	0.15	0.10	2.33	2.42	1.42
Loans and Advances	310.96	329.55	516.95	735.61	857.98
Net Worth	232.55	259.20	321.68	362.40	437.80
Total Liabilities	99.92	88.33	210.68	416.25	431.42
Borrowings	95.92	82.60	204.16	408.06	420.66
Gross NPA	0.69%	2.11%	1.73%	0.61%	0.55%
Net NPA	0.24%	1.19%	0.96%	0.35%	0.32%
Debt to Equity Ratio	0.41	0.32	0.63	1.13	0.96
CAR	73.16%	81.50%	63.82%	49.88%	51.03%
ROA	6.76%	7.92%	8.45%	6.94%	7.76%
ROE	9.66%	11.20%	12.48%	12.56%	13.49%
Book Value per share	125.65	140.05	155.06	174.79	216.32

About CSL Finance

- ➔ Introduction & Snapshot
- ➔ Wholesale
- ➔ Business Verticals & Products
- ➔ SME Retail



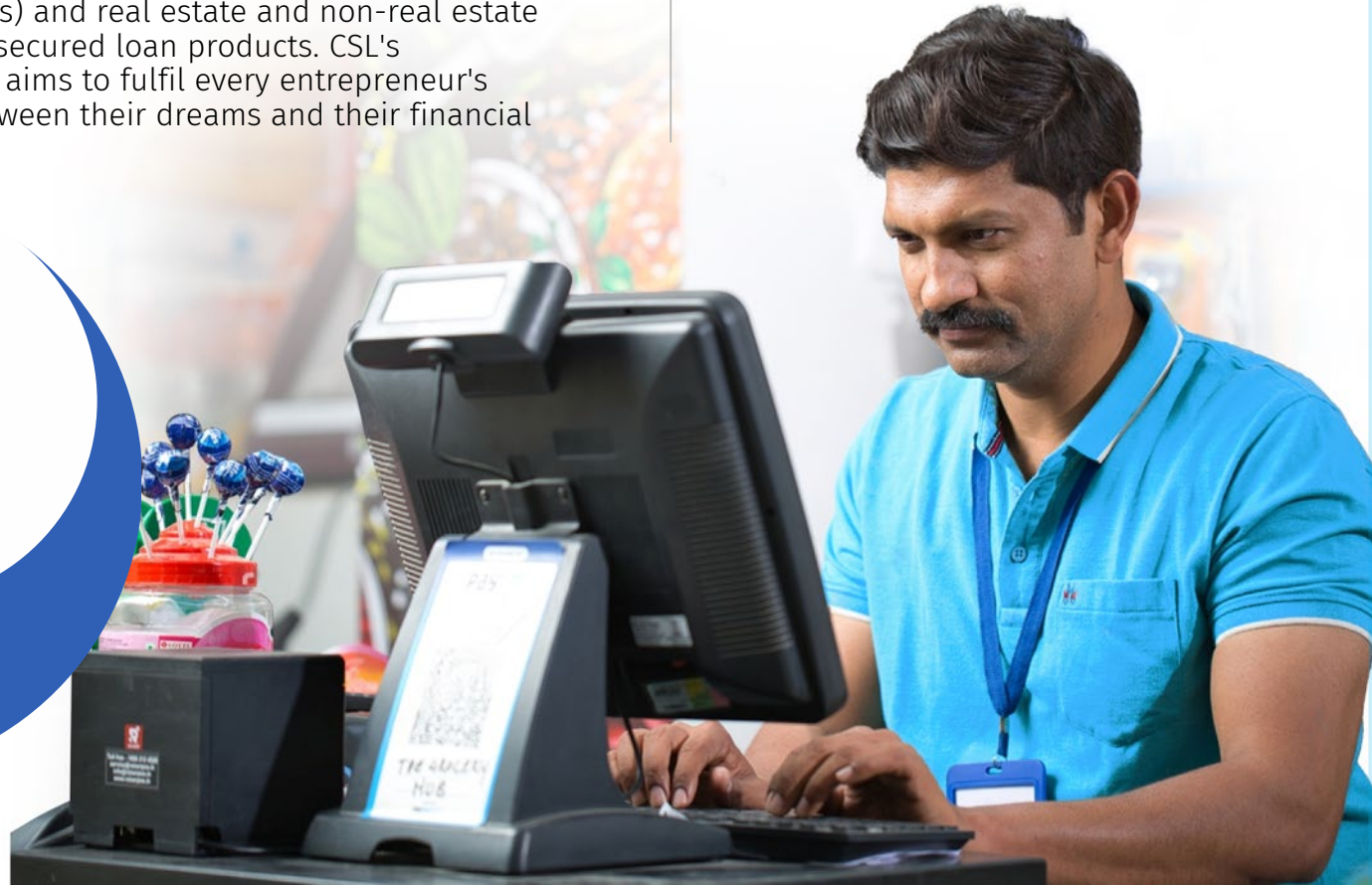
Introduction

CSL Finance Limited is a Non-Banking Finance Company registered with the Reserve Bank of India and listed on the NSE and BSE.

The Company is a one-stop destination for Small and Medium-Sized Enterprises (SMEs) and real estate and non-real estate corporates to avail a variety of secured loan products. CSL's experienced and dynamic team aims to fulfil every entrepreneur's dreams by bridging the gap between their dreams and their financial needs to grow their business.



₹858 Crore
Loan Book



BBB+
Rated

99%
Secured loan book

51%
Superior CAR

13%
ROE

₹438 Cr
Net Worth

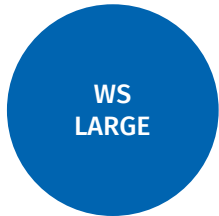
364
Team Strength

As of Q2FY24

Business Verticals & Products



Wholesale



WS
LARGE

Structured loans for Mid Income/ Affordable Group Housing Projects

₹322 crore
AUM

30
Active Accounts

₹16 crore
Average Ticket Size



WS
SMALL

Construction loan given against single plotted projects

₹129 crore
AUM

36
Active Accounts

₹6 crore
Average Ticket Size



WS
OTHER
TERM
LOAN

Loan against SORP/SOCP properties and Loan against securities & deposits which are highly liquid

₹14 crore
AUM

5 crore
Active Accounts

₹8 crore
Average Ticket Size



SME Retail



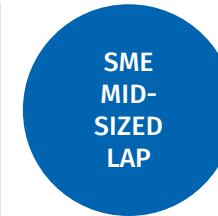
SME
RETAIL

Micro/Small Loans to Kirana Stores, Traders, Schools, and other boutique shops and merchants backed by owned properties as collateral, small ticket loans

₹272 crore
AUM

2,396
Active Accounts

₹13 lakh
Average Ticket Size



SME
MID-SIZED
LAP

Loan against properties for business expansion or working capital finance

₹119 crore
AUM

74
Active Accounts

₹2.6 crore
Average Ticket Size



SME Fabricator Loan



SME
FABRICATOR
LOAN

Purchase invoice based unsecured loan product, with quick disbursement within 24-48 hours and varied repayment types

₹1.8 crore
AUM

180
Active Accounts

₹1.3 lakh
Average Ticket Size

WHOLE-SALE

Niche, focused, real estate wholesale book

Focused on secured lending book (100% of the book)

Built on in-depth expertise of NCR and all its micro-markets

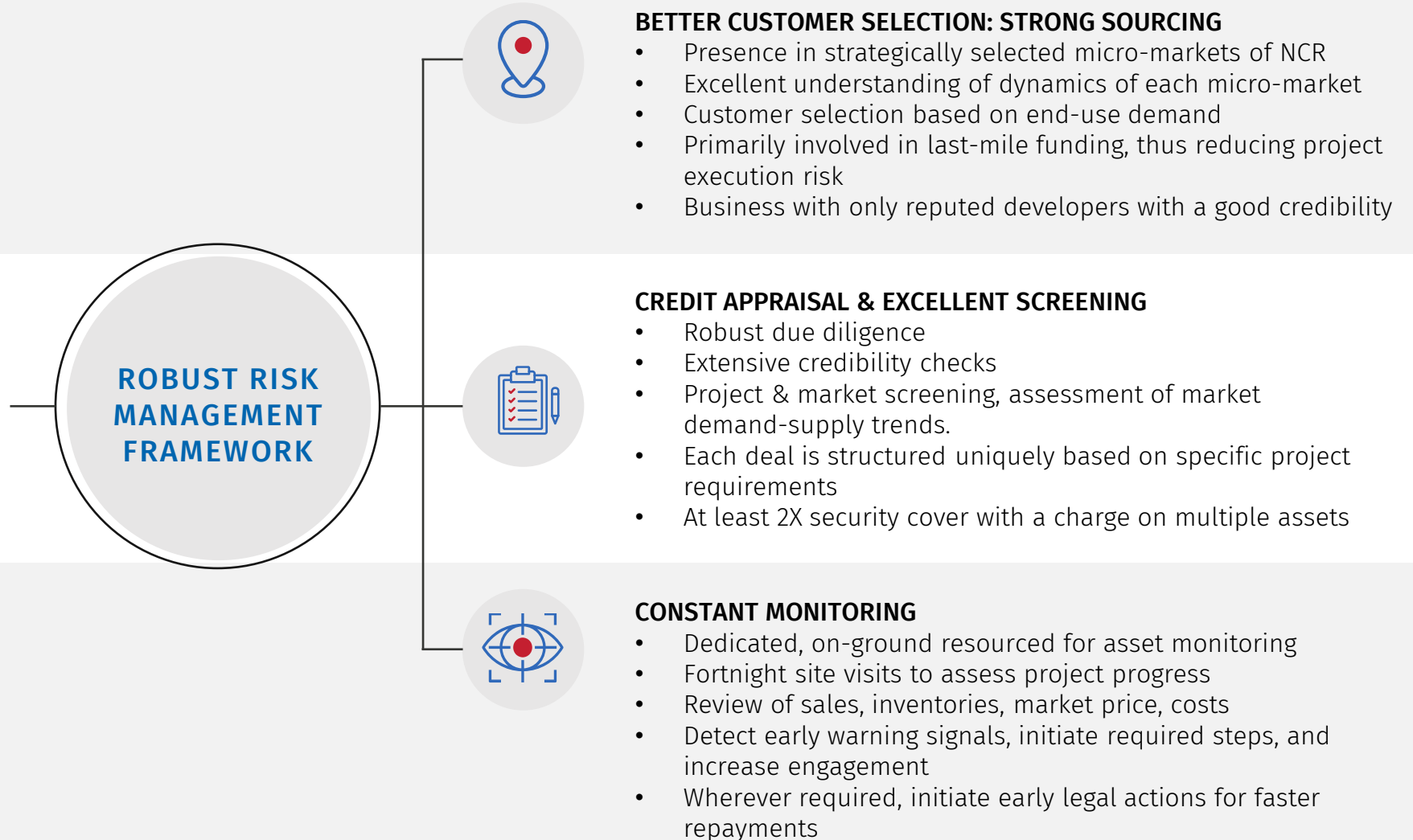
Strength in affordable housing segment

Robust collection framework via escrow accounts

BUSINESS VERTICAL



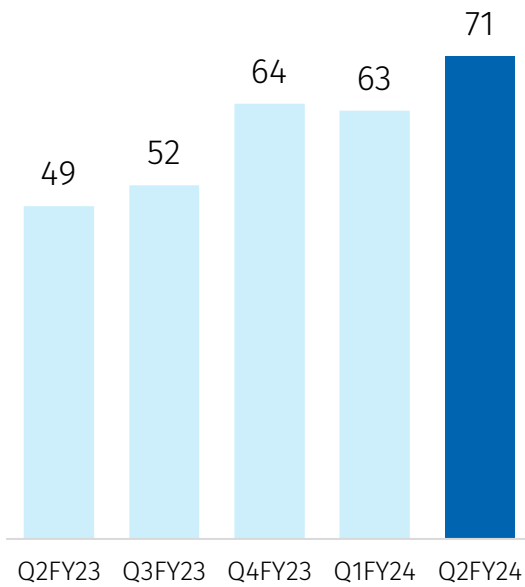
Wholesale (1/2)



Wholesale (2/2)

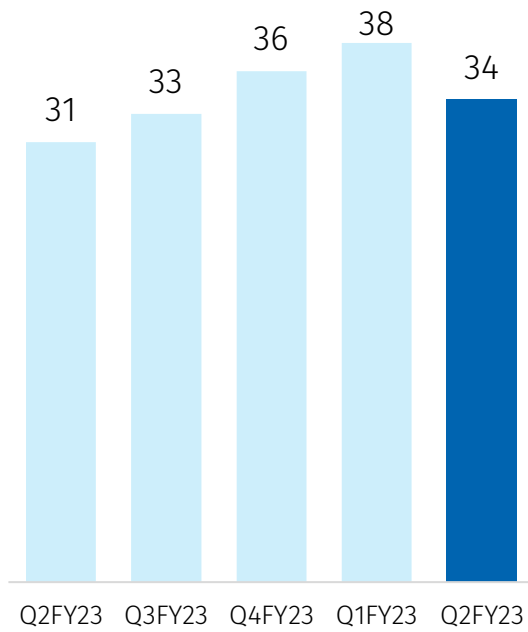
ACTIVE ACCOUNTS

(#)



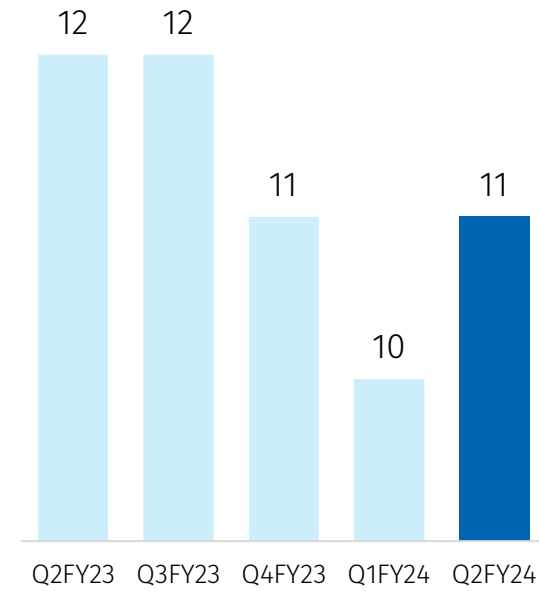
AVERAGE LOAN-TO-VALUE

(%)



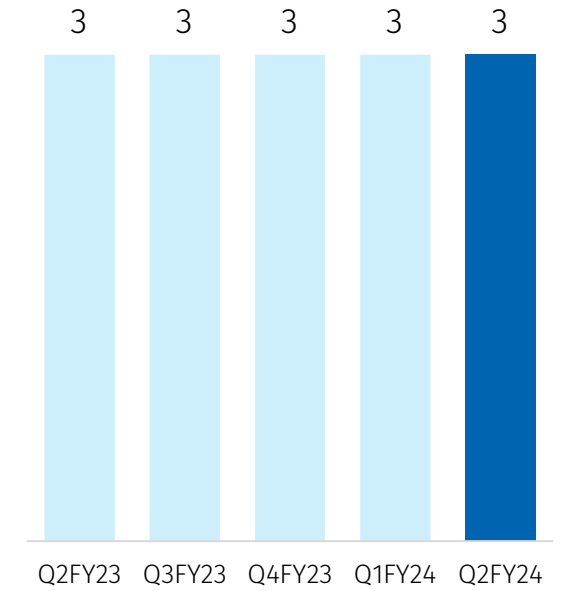
AVERAGE TICKET SIZE

(₹ crore)



AVERAGE TENURE

(Year)



Wholesale Large: Affordable Group Housing

48%

Contribution to
Wholesale
loan book

Salient Features

- ① Approved projects under the Affordable Housing Policy of Haryana Government
- ② Time-linked payment
- ③ Committed Receivables are 3x of existing POS
- ④ Average ticket size of units is under ₹25 Lakhs

SOLD (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 30.09.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100%	3	42.59	37.79	17%	39.59	1.80	Satisfactory	< 25 Lakhs
80% to 100%	9	156.52	94.45	42%	127.65	33.20	Satisfactory	< 25 Lakhs
< 50%	6	106.00	90.83	41%	90.83	0.00	Satisfactory	< 25 Lakhs
	18	305.11	223.07	100%	258.07	35.00		

Wholesale Large: Mid-Income Group Housing

19%

Contribution to
Wholesale
loan book

Salient Features

- ① Last-mile funded Mid-Income Group Housing projects
- ② Located in NCR region
- ③ Committed Receivables are 3x of existing POS
- ④ Average ticket size of units is under ₹60 Lakhs

COMPLETION (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 30.09.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100% (Completed)	6	73.00	32.35	33%	55.06	22.71	Satisfactory	< 60 Lakhs
90% to 100% (Nearing Completion)	2	13.00	5.02	5%	12.58	7.56	Satisfactory	< 60 Lakhs
> 70%	3	77.80	40.30	41%	63.00	23.16	Satisfactory	< 60 Lakhs
< 50%	1	22.00	20.72	21%	20.72	0.00	Satisfactory	< 60 Lakhs
	12	185.80	98.38	100%	151.35	53.44		

Wholesale Small: Small Builders

28%

Contribution to
Wholesale
loan book



Salient Features

- ① Tenure of these loans is under 36 months
- ② Small Builder Floors are G+4 floor structure buildings
- ③ Located in South Delhi & Gurugram micro-markets of NCR region
- ④ Risk of non-completion of projects is minimal
- ⑤ Construction cost is a small part of these projects
- ⑥ Feedback loop is fast and demand-supply corrects quickly
- ⑦ Regulatory compliances are minimal as these projects don't fall under RERA compliances

COMPLETION (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 30.09.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT
Completed (100%)	4	29.59	11.02	9%	22.83	11.81	Satisfactory
More than 70%	15	111.51	51.68	40%	96.22	45.68	Satisfactory
50% to 70%	6	21.45	15.08	12%	18.94	3.87	Satisfactory
Less than 50%	11	63.25	51.45	40%	53.67	2.21	Satisfactory
	36	225.80	129.23	100%	191.65	63.57	

SME RETAIL

BUSINESS VERTICAL

Target market:
Unbanked & underserved

Using alternative data instead of
conventional scorecards

Swift loans and ease of application

Small & flexible ticket sizes

Achieving efficiency through
digital transformation

Focused on secured lending book
(99%)

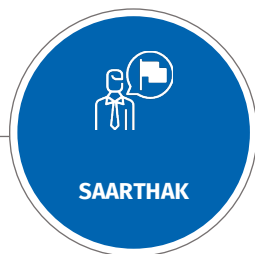


SME Retail (1/5)

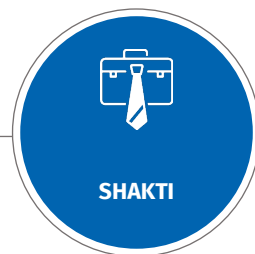
PRODUCTS



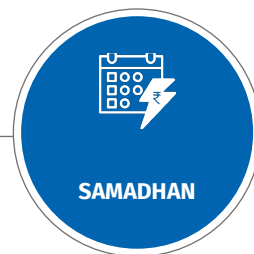
JYOTI



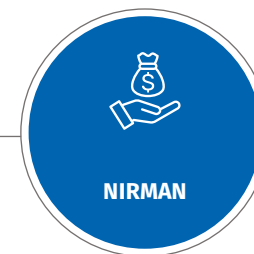
SAARTHAK



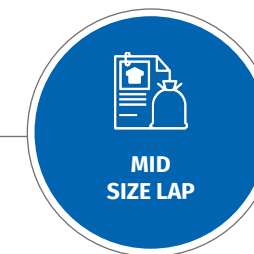
SHAKTI



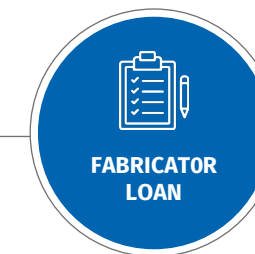
SAMADHAN



NIRMAN



MID
SIZE LAP



FABRICATOR
LOAN

Loan Amount

₹2-7.5
Lakhs

₹5-10
Lakhs

₹7.5- 25
Lakhs

₹25-50
Lakhs

₹35-50
Lakhs

₹1-5
Crores

₹0.5-5
Lakhs

TENOR (In Years)

3-4

5-6

7

7-8

7

2-3

45-90 Days

Target Customer

Small farmers,
house-wives etc,
to open small
business

Salaried
professionals who
are unable to
procure funds from
banks because of
non-availability in
their area

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

Balance Transfer of
LAP along with top-
up for semi-skilled or
skilled self-
employed,
proprietorship or
partnership firms for
working capital
purposes

Loan against
properties for
business expansion
or working capital
loans

Purchase invoice
based unsecured
loan product, with
quick disbursement
within 24-48 hours
and varied
repayment types

SME Retail (2/5)

PRESENCE

● 32% **8 Branches** Rajasthan

● 20% **6 Branches** Gujarat

● 14% **3 Branches** Punjab

● 15% **6 Branches** Haryana

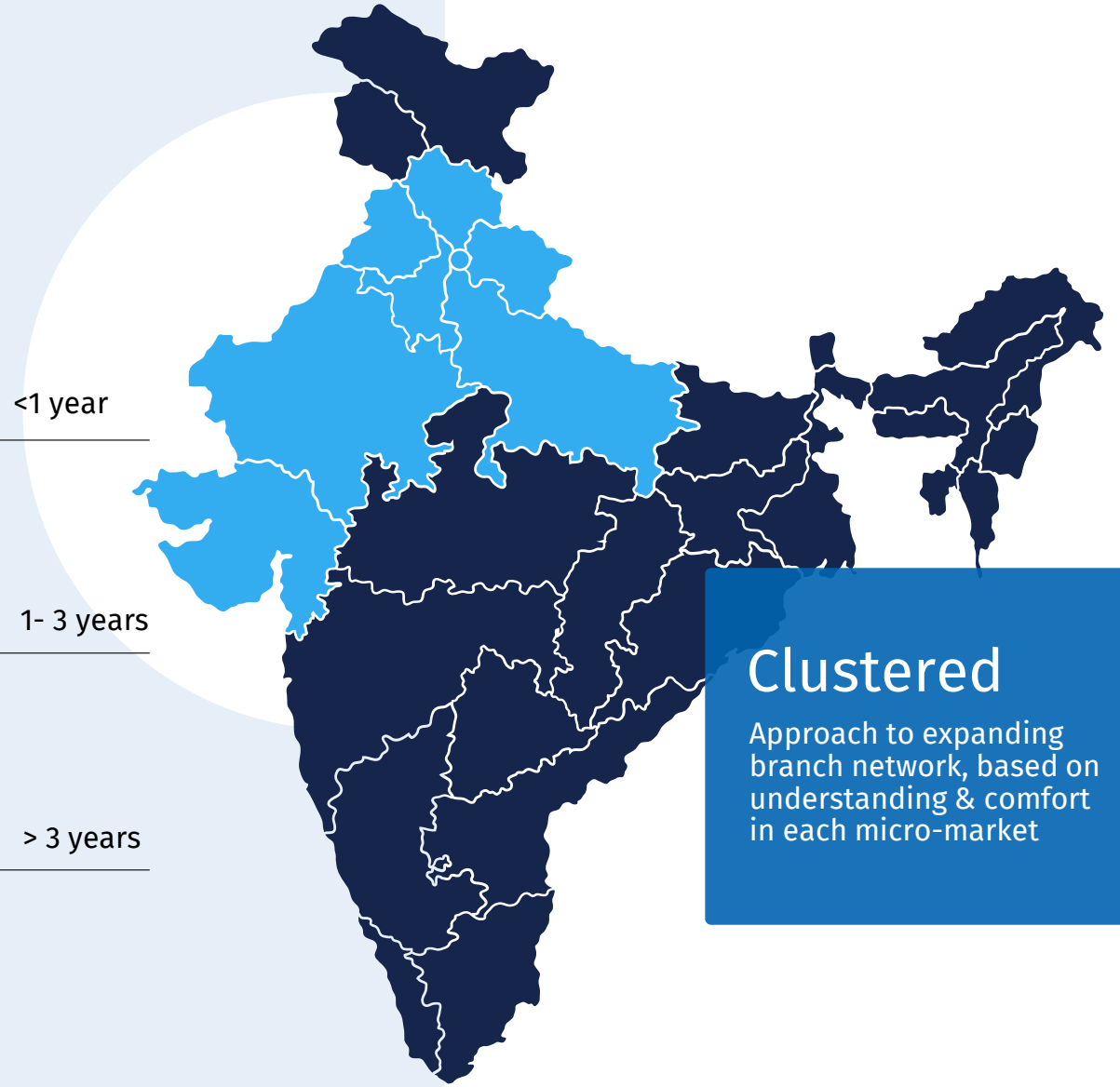
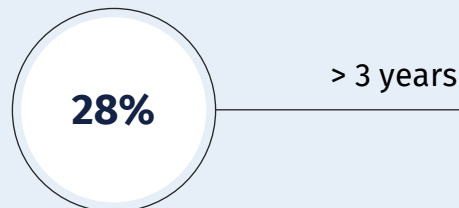
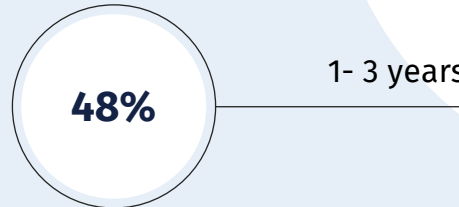
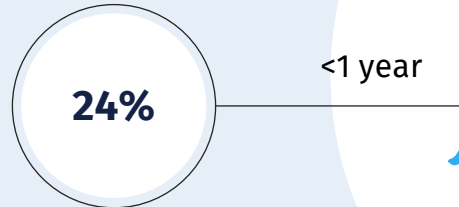
● 2% **1 Branch** New Delhi

● 7% **2 Branches** Uttarakhand

● 10% **3 Branches** Uttar Pradesh

29 Branches Branch Network

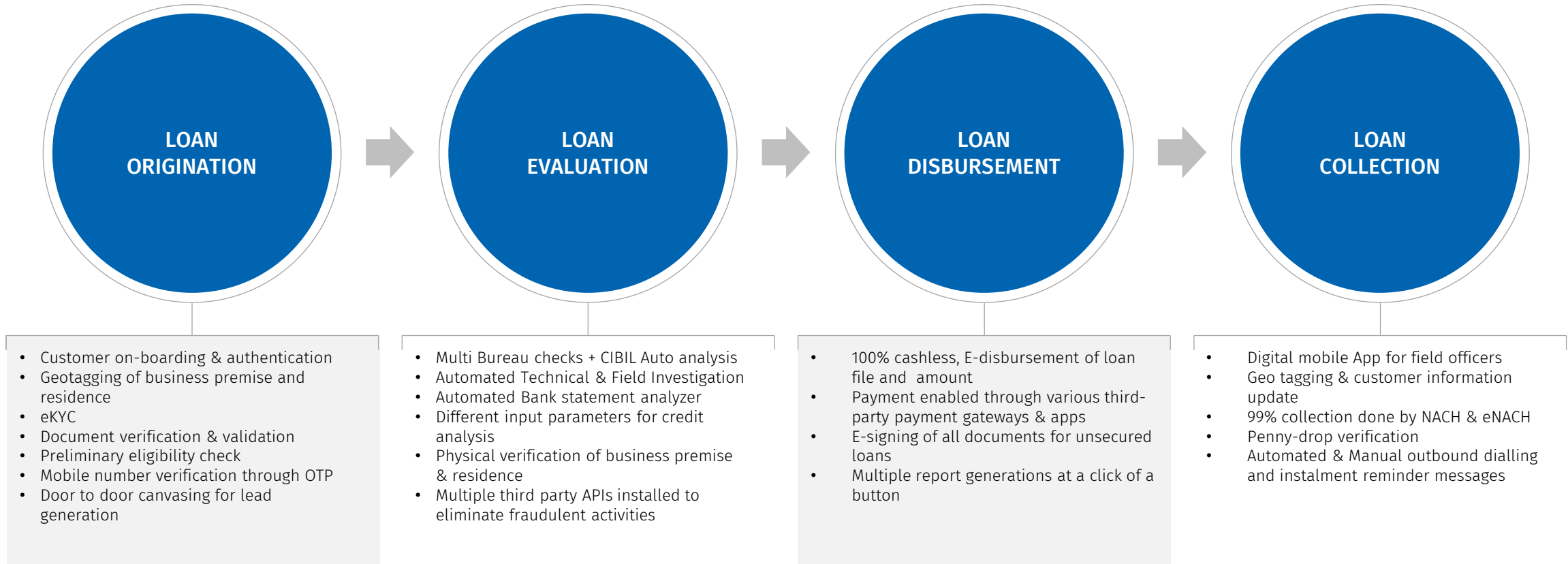
BRANCH AGEING



Clustered
 Approach to expanding branch network, based on understanding & comfort in each micro-market

SME Retail (3/5)

AUTOMATING WORKFLOW TO IMPROVE EFFICIENCY



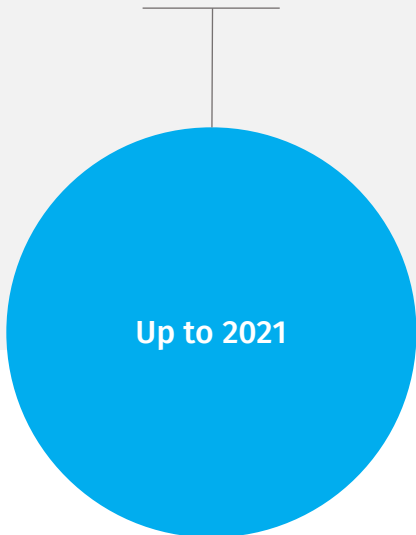
OTHER INITIATIVES

- Continuous enhancements in credit decisioning module
- Extensive efforts on Training & Development for the adaptability of this new technology
- Implementing BRE for automating deviations as per policies

SME Retail (4/5)

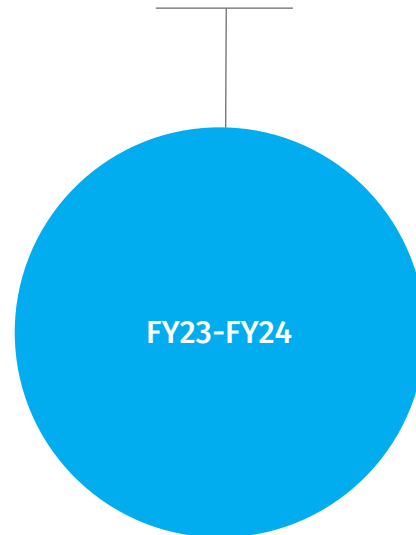
Relying on a banking customer onboarding & loan underwriting platform

Key drawback:
Less suitable for NBFC operations | Little customizations



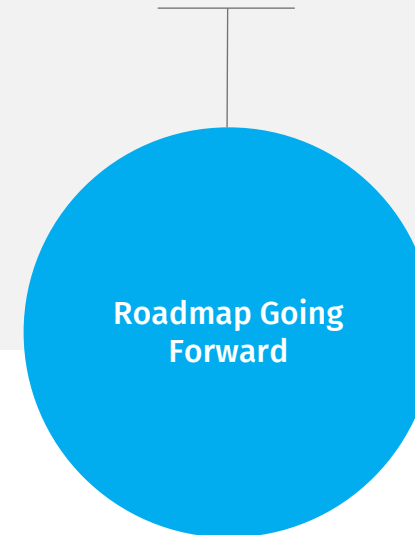
Migrated to a bespoke customer onboarding & loan underwriting platform with multiple API integrations.

Recent achievements:
Communication Engine for customers • Pre printed & automated Loan documents deliverables • E-NACH & Aadhar Based NACH • Banking statement analyser integrated in LOS • Multiple third party API integrations • Mobile Collect for collections module • Extensive reporting tool • Extensive credit enhancements • Launch of new Unsecured Loan products in LOS • Multiple Bureau Checks & Analysis •BRE •CKYC

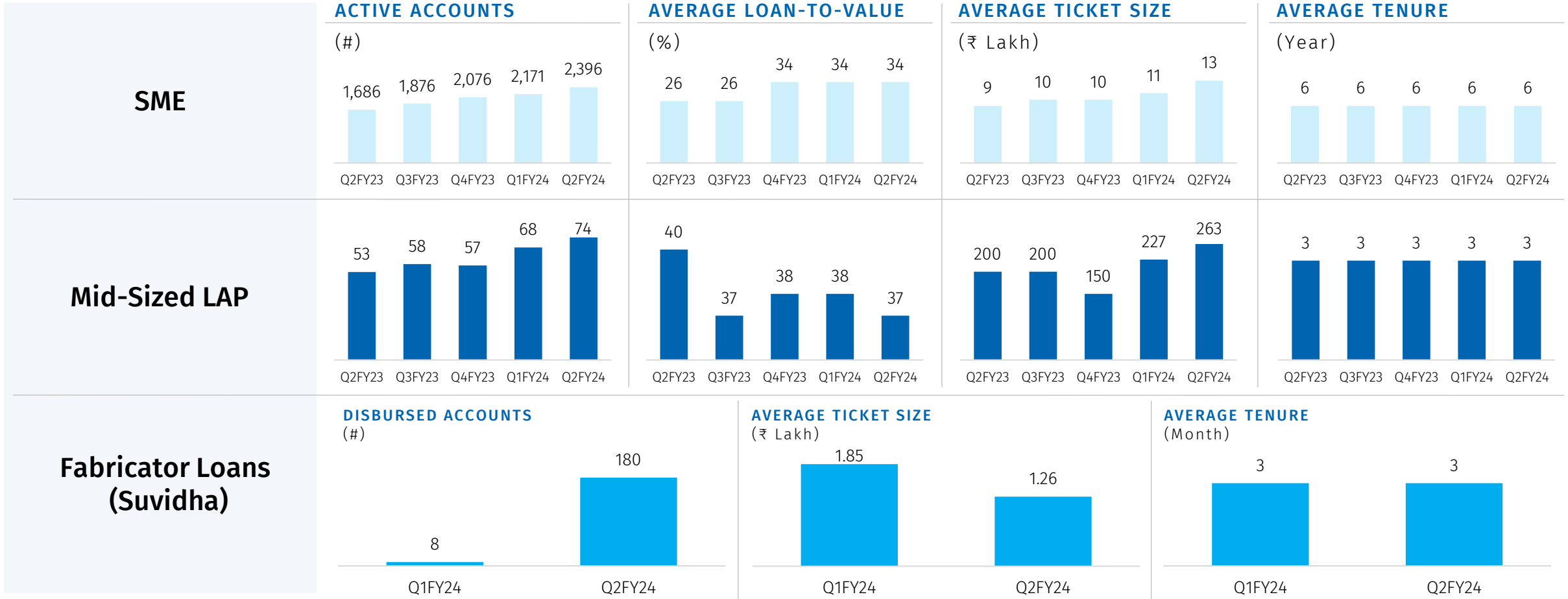


Roadmap:

Airtel Payments Bank Integration Data Analytics • BI Dashboards • Lead Management System • BBPS integration • Virtual Accounts with HDFC BANK • Legal status tracking & Customer Facing App •Account Aggregator



SME Retail (5/5)



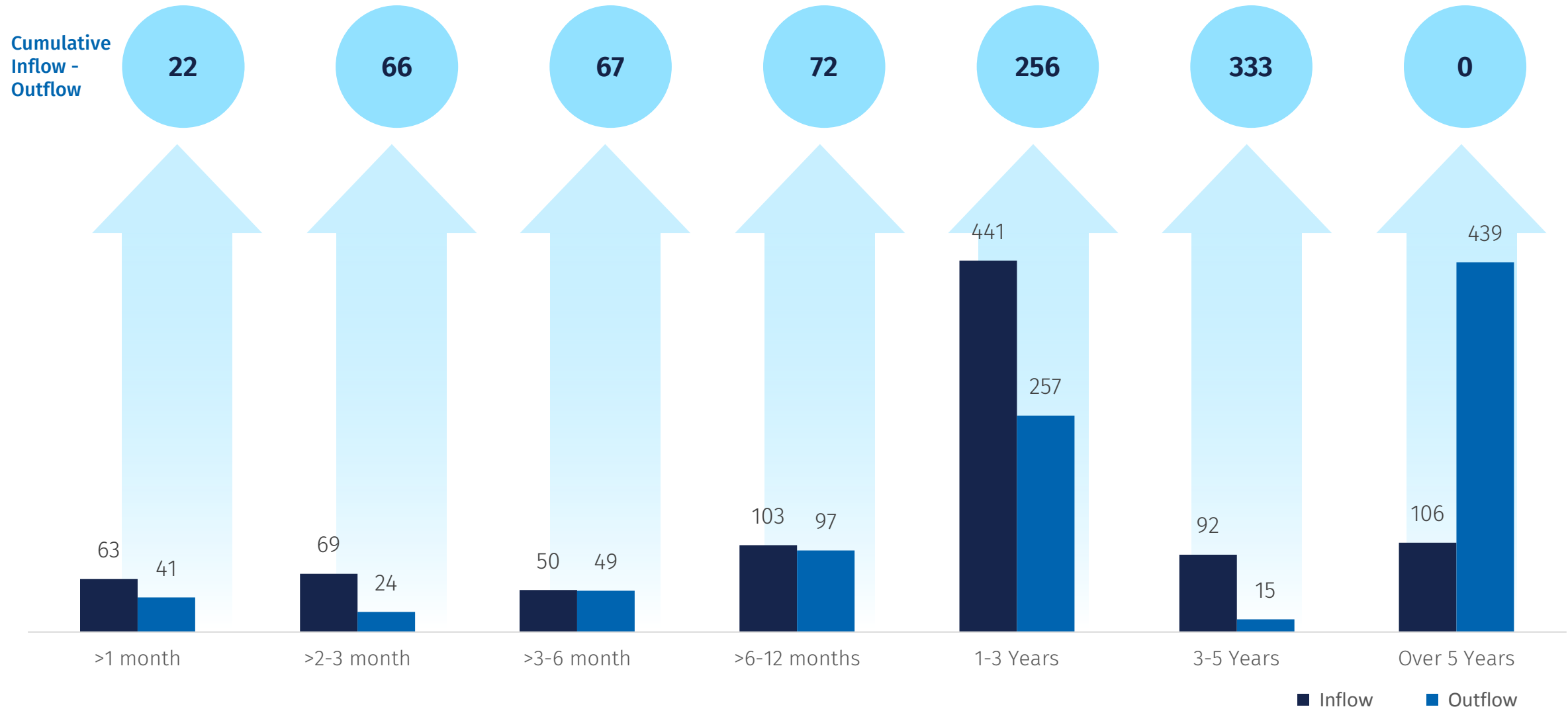
Note – From Q4FY22 onwards, the Company has reclassified Mid Sized LAP in SME Retail, from earlier Wholesale.

Prudent Risk Management

- ➔ Well Managed ALM
- ➔ Conservative Leverage Standards

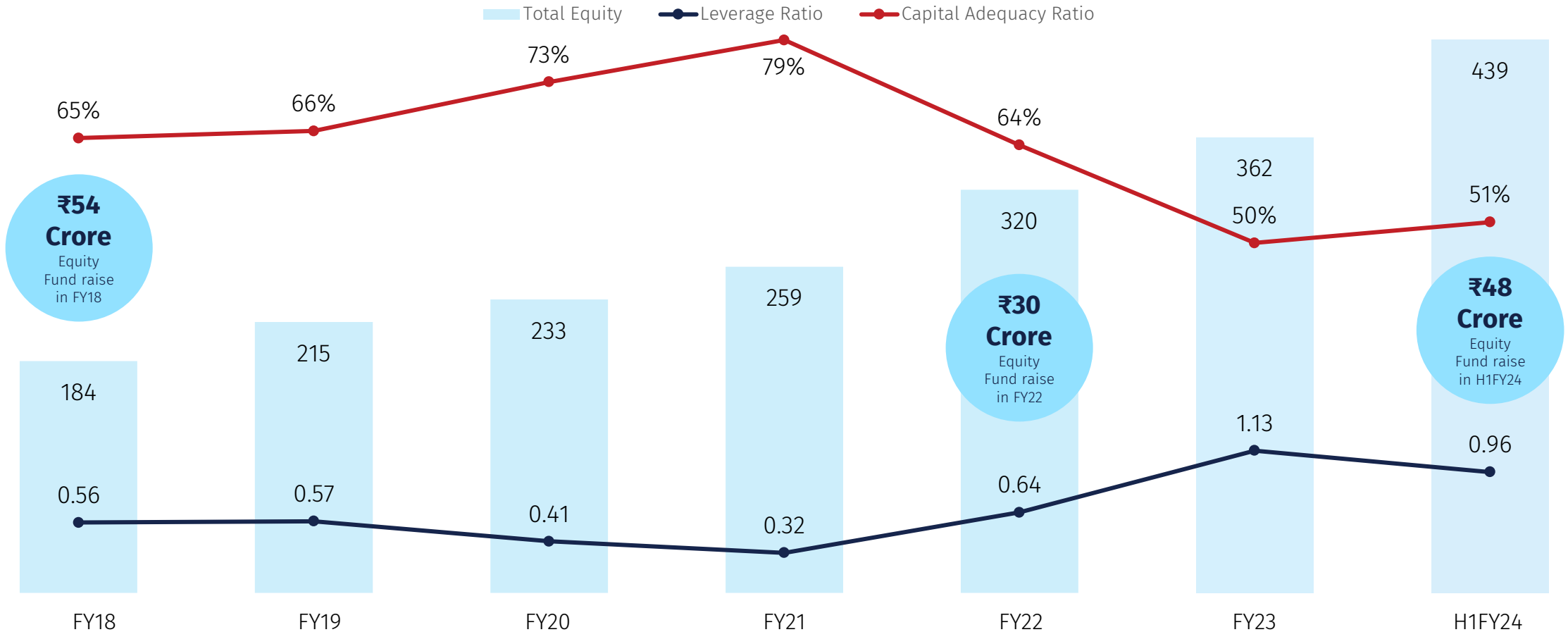


Well Managed ALM



Conservative Leverage Standards

CONSERVATIVE LEVERAGE THRESHOLD
1.5-2X in Wholesale & <4X in SME



Leadership

- ➔ Board of Directors
- ➔ Leadership Team



Board of Directors

Rohit Gupta
Managing
Director



Mr Rohit Gupta has over two decades of experience in merchant banking, corporate finance, financial restructuring, project finance, capital markets and structured lending. He has advised several small/mid-size organizations to develop and execute turnaround and growth strategies and helped them raise equity and debt through various instruments to fuel their growth. He is passionate about innovative and structured lending models and is the prime driving force behind the structured lending model of the Company. In addition, he has steered the Company to certain niche market segments and has envisioned Company's foray into SME lending. He is a qualified Chartered Accountant.

Rachita Gupta
Whole-time
Director



Ms Rachita is a commerce graduate and has done her Masters of Business Finance from Warwick Business School, UK. She started her career with EY and has experience in Analytics, Data Management, Digital Marketing & Corporate Branding. She played a vital role in the rollout of the Retail lending segment of the company. In addition, she has been a critical person in driving the various MIS reports and setting up the Marketing and CSR dept of CSL.

**Ashok Kumar
Kathuria**
Director



Mr Kathuria has been associated with the Company since its inception. He has served the Company as a Director since 2005 and has experience managing back-end operations, documents processing, liasoning and administration across various projects and assignments. He has handled various assignments single-handedly and led his work in a way that is highly appreciable.

Parmod Bindal
Independent
Director



Mr Parmod Bindal has been a Chartered Accountant in practice for the last 32 years. He has vast experience in the fields of Bank Audits, Income Tax and Indirect Taxes, including GST, Statutory Audit, Internal Audit, Tax Audit, Companies Act, Stock Audit, etcetera. He has also served as the Independent Director of the Steel Authority of India from 2015 to 2019.

**Chander Subhash
Kwatra**
Independent Director



Mr Chander Subhash Kwatra has done his MBA with specialization in Finance from IGNOU, New Delhi. He is a Post Graduate of Mathematical Statistics from Delhi University and is a certified Associate of the Indian Institute of Bankers (CAIIB). He has a rich and vast experience of over 35 years in the banking industry. He joined Punjab and Sind Bank as a probationary officer in 1983 and retired as the Bank's Chief Financial Officer in 2018.

Ayush Mittal
Independent
Director



Mr Mittal manages the day-to-day operations of various professional advisory firms. Having spent more than five years in capital and forex markets, he is actively involved in algorithmic software trading of forex in Singapore and other countries. He also has experience in taxation, corporate litigation and corporate restructuring. He is a qualified Chartered Accountant.

Management Team

● Work Experience ● Years at CSL

Rohit Gupta
Managing Director



28+ 17+

Rachita Gupta
Whole-time Director



7+ 6+

Ex – Ernst & Young

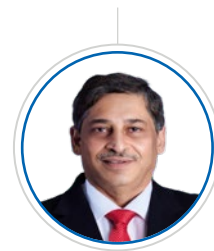
Amit Ranjan
Chief Operating Officer



18+ 2+

Ex – Karvy Financials, Save Financial Services, HSBC Bank, ICICI Bank, Deutsche Bank

Naresh Varshney
Chief Financial Officer



26+ 8+

Ex – RR Finance Consultants, Centrum Capital & Unicorn

Atul Agrawal
President –
Finance & Treasury



20+

Ex - Paisalo Digital, SMC Finance

Chandan Kumar
Wholesale Credit Head



11+ 5+

Ex – PNB Housing, HDFC, SIB

Ranjan Banerjee
Zonal Credit Head SME



18+ 2+

Ex - TATA Capital, Hinduja Leyland Finance, Shriram City Union Finance

Nikhil Singh
Vp Operations



16+ 2+

Ex - ICICI Bank, HDFC Bank, Ziploan, Eduvanz and Save Financial Services

S.B. Tiwari
Chief Manager Accounts



21+ 17+

Shalini Aggarwal
Vp Finance



7+ 3+

Saurabh Priyadarshini
Sr Manager Legal



9+ 2+

Hariom Kumar
Sr Manager HR



14+ 4+

Ex – Ujjivan Financial Services

Preeti Gupta
Company Secretary



6+ 2+

Strategy

- ➔ Strategic Priorities
- ➔ Key Takeaways



Strategic Priorities

Credit rating upgrade

- In the recent credit rating review in December'22, the Company was reassigned BBB+ rating.
- The Company plans to re-approach credit rating agency in this current FY, as its AUM mix transitions further in favour of SME Retail.

Rationalisation of portfolio

- The Company aims to rationalise its portfolio in favour of SME Retail vertical, to de-risk itself from being present only in one business vertical.
- It is on track to rationalise the portfolio from Wholesale: SME Retail mix of 55:45, to 50:50 by end of FY24.

Optimising branch performance

- The Company is working towards growing its SME Retail loan book, and AUM per branch, AUM per employee, to achieve better branch-level profitability.
- Branch reorganisation & new openings are happening in a clustered manner to achieve better results
- Company is planning new branch addition on strategic geographies within its existing clusters. Locations strategically placed on Mumbai-Delhi Expressway, Delhi-Uttaranchal Belt, Delhi-Punjab GT Belt are expected to be bustling with economic activity. CSL plans to tapping these Tier-2 & Tier-3 locations with its branch expansion.

Leveraging technology to strengthen operations

- The Company is working towards automating underwriting, reducing physical onboarding of accounts, and reducing turn-around-time to achieve efficiency and competitiveness in the SME Retail segment.
- The Company is working towards creating a full fledged system for driving its fabricator loans
- Integration of various modules & technologies is a continuous function

Focusing on adding competencies

- CSL has recently added its first unsecured loan product for steel fabricators in association with APL Apollo Group.
- Suvidha Loans currently running in pilot phase through a dedicated tech platform
- The Company is learning & adapting to the market dynamics on ground and rapidly rolling out product in existing branches before opening dedicated branches

Key Takeaways

01**Well Capitalised**

CSL is a well-capitalised lender with a superior Capital Adequacy Ratio.

02**BBB+ Rated**

CSL has recently upgraded to BBB+, achieving the crucial AA credit rating will help in raising debt at competitive terms, and open doors to a new set of lenders.

03**Delivering AUM growth after consolidation**

With a significant headroom to grow leverage, and a conducive external environment after a wave of consolidation, the Company is delivering and is geared for further AUM growth in both of its lending verticals.

04**Growing mix of SME Retail: Wholesale**

Growing mix of SME Retail, will help optimise the overall cost-to-income ratio of the Company and optimise profitability.

05**Strong Risk Management DNA**

The Company puts risk management at the foremost. It also follows conservative provisioning standards i.e. 1% of AUM against regulatory requirement of 0.4%.

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