



**CSL Finance
Limited**

CIN: L74899DL1992PLC051462

Date: 14.09.2020

To,
The Manager,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai-400001
Fax: 022-2272 3121/22721278

**Sub: Investor Update
Scrip Code: 530067**

Dear Sir,

Please find enclosed herewith the copy of the Investor Update of the Company highlighting the performance and recent developments of the company.

This is for your information and record.

For CSL Finance Limited



**Gunjan Khara
Company Secretary**

Encl: a/a

FY20 Q1 - INVESTOR UPDATE

JUNE 2020

BSE: 530067 | ISIN: INE718F01018 | CIN: L74899DL1992PLC051462 | WWW.CSLFINANCE.IN

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COMPANY SNAPSHOT



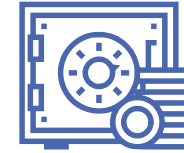
Listed on Bombay
Stock Exchange



Delhi based NBFC with AUM
of INR 303 Cr as on 30th
June-20



Wholesale housing book of
INR 232 Cr & SME Retail
book of INR 71 Cr.



98% of loan
book is secured



17 Branches spread
across North and West India



Raised Rs 51 Cr from
Marquee investors in Sep
2017



High CAR
of 79%



BBB rating
from CARE

LEADERSHIP TEAM



Rohit Gupta
*Managing Director –
Founder & Promoter*

Over 27 years of experience and a Chartered Accountant.



Naresh Varshney
Chief Financial Officer

Over 25 years of experience and a Chartered Accountant
Ex: RR Finance consultants, Centrum Capital & Unicorn.



Chandan Kumar
Wholesale Credit Head

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



Divya Sharma
Legal Head

Over 6 years of work experience in legal field and is an advocate and LL.M. Ex: ECL Finance Ltd, HMJ Mukta Gupta, Delhi high Court



Gunjan Khara
Company Secretary

Over 6 years of work experience at CSL Finance Ltd and is a Company Secretary & LLB.



Ankit Jain
SME Zonal Credit Head

Over 9 years of work experience and a CA & CS.
Ex: ICICI bank, HDFC bank, AU small Finance Bank and IMGC.



Anoop Saxena
ZBH North SME

Over 12 years of work experience and a Chartered Accountant
Ex: NCML Finance, Ujjivan Small Finance Bank, Shubham Housing Finance Bank & HDFC Bank.



Sachin Shah
State Head SME Gujarat

Over 16 years of work experience
Ex: Equitas Small Finance Bank, Fullerton India and Max life.

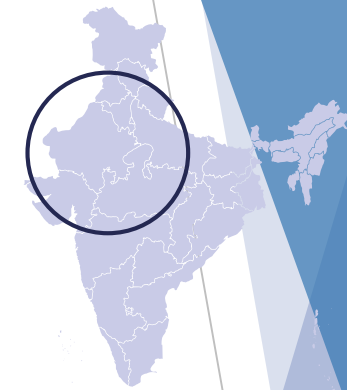


Ishwari Sharma
State Head SME Rajasthan

Over 15 years of experience and MBA Ex: Kotak Mahindra Bank, Ujjivan small finance bank, Tata Capital and Fullerton India.

OUR PRESENCE

States Present	
Delhi	
Haryana	
Punjab	
Uttrakhand	
Rajasthan	
Gujarat	



Map not to scale, for representation purposes only

PRODUCT PORTFOLIO

Product Category	Book Size (Rs Cr) Q1 FY21	Product Description
Wholesale Lending		
Wholesale Large	119	Structured loans to developers of Mid Income/Affordable Group housing project
Wholesale Small	94	House Construction loans given against single plotted projects.
Wholesale LAP	19	Loans against SORP/SOCP properties/financial securities
Total Wholesale Book	232	
Retail Lending		
SME - Secured	64	Micro/Small loan to Kirana stores, Traders, Schools and other boutique small shops and merchants backed by owned property as collateral
SME - Unsecured	7	Small ticket loans mainly to K-12 schools in Tier 2 and Tier 3 cities
Total SME Retail Book	71	
Total Gross AUM	303	

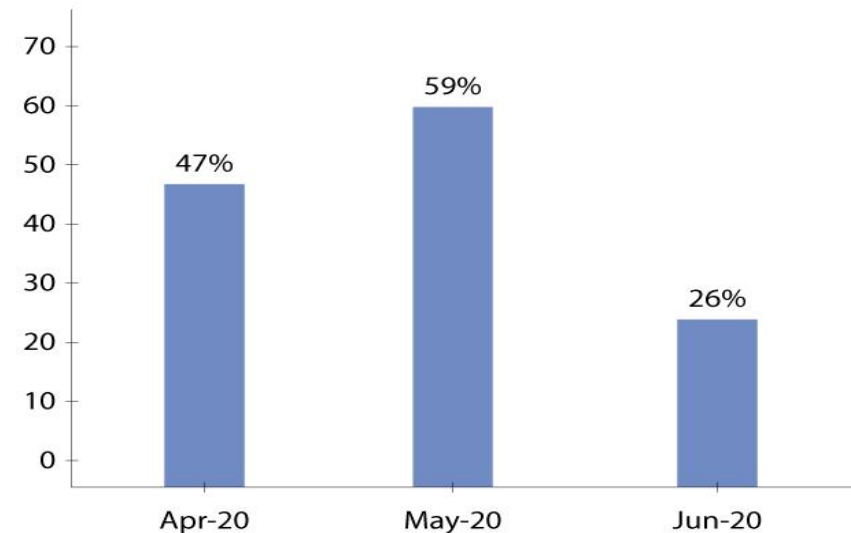
- Review of existing portfolio on parameters like documentation, legal and property check, business status has been done extensively. 100% of existing customer are touch based either physically or virtually through Zoom or Video Conference
- Disbursements have been limited to existing commitments. Even that was done after reviewing the individual case for viability and overall liquidity in both Wholesale & SME portfolio. For Q1FY21, it was only INR 8.22 crores in Wholesale and negligible in SME segment
- More focus was on maintaining customer relationship and improving collections. Onboarding new customers in such uncertain times were not a priority. Our collections were quite strong even in this uncertain scenario wherein we had managed to achieve the overall collection efficiency of 85%. We managed to recover few of the NPA accounts by continuous follow ups and efforts by our team
- Despite minimum stress in portfolio as a prudent measure we have maintained our ECL provision of 4.61 crores for COVID 19 built as of March 31, 2020 in order to provide sufficient cushioning and we consider the impairment provision to be adequate, given the overall behaviour of the portfolio as on 30th June 2020

- The company has maintained cash and cash equivalents (including undrawn credit limits) of INR 31.29 crores as on 30th June 2020
- Sufficient cash flow cushion to service existing debts with no mismatch in ALM in the next 12 months buckets
- The company has consolidated two of its underperforming branches in the SME segment and have managed to recover a few NPA accounts by continuous follow ups and efforts by our team
- Focus is to sustain in the current scenario rather than growth as situation is too fluid right now. The focus is to review & to re-structure the policies for future
- The employee strength has reduced to 158 due to consolidation of branches

MORATORIUM UPDATE - ON THE DOWNTREND

- Customers opting for moratorium have declined to 26% by the end of June'20. We have been able to do this by educating the customers about the impact of moratorium on their loan accounts
- In Wholesale segment the no of accounts taking moratorium is the same as on 31 Mar 2020, but it has sharply fallen in the case of SME portfolio from 642 to 242 customers by the end of June 2020
- In School Loan vertical, we have total 251 accounts with an AUM of INR 25.46 Cr as on 30 June'20. Despite complete shutdown for schools less than 34% of the school customers opted for moratorium which comprises of 9% of the SME portfolio

% Count - Moratorium Customers

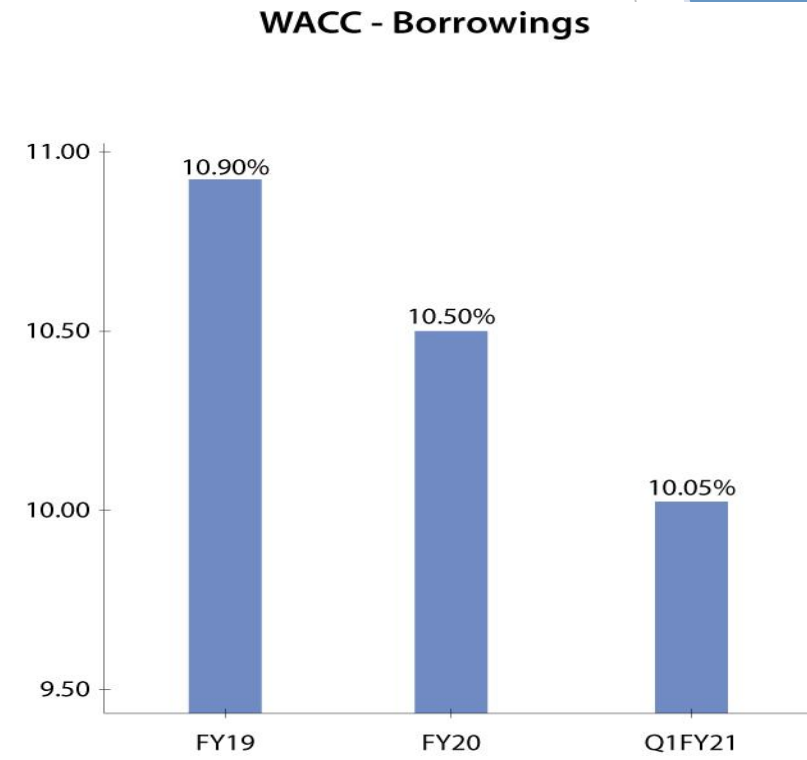


COLLECTION EFFICIENCY

- Collection efficiency of overall wholesale portfolio is maintained at more than 95%
- Despite moratorium in Wholesale accounts, collection efficiency is good being operated through ESCROW mechanism. Total collections in wholesale accounts for the first quarter is 33.93 crores which is 10% of the overall portfolio
- Similarly in SME portfolio the collection Efficiency except school loans is approx. 80% which is a little low due to lockdown restrictions on business operations. In the school portfolio we were able to collect from more than 66% of the customers despite the complete shutdown of the operations
- Collections have already starting improving and by the end of August we have already achieved collections of more than 80% for the overall SME portfolio
- Post moratorium, collections until Dec 2020 shall be monitored closely in order to analyse the overall impact of this pandemic on our portfolio

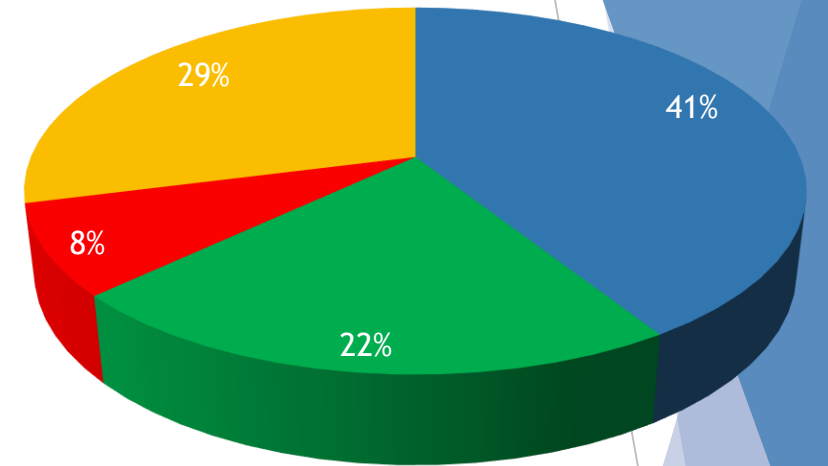
TREASURY UPDATE

- The company is diversifying its source of funds from Term loans to Nonconvertible Debentures (NCD's) and have recently raised NCD'S via private placement of INR 30 crores
- We are under discussions with several other financial institutions in order to diversify our borrowing base and manage our borrowing cost in an effective manner
- The weighted average cost of funds which is 10.05% as on 30th June 2020
- Additional credit lines available of INR 31.22 crores from banks
- At the back of strong liquidity on its balance sheet, the company has not sought moratorium from any of its lenders
- Total repayments in April -June of INR 23.14 Crore including prepayment of existing loans INR 3.5 Crore as on 30th June 2020



WHOLESALE LENDING BOOK

WHOLESALE LOAN BOOK	GROSS AUM (INR Cr)	% OF WS AUM	NO. OF LOAN ACCOUNTS
MID-INCOME GROUP HOUSING	67.12	29%	8
AFFORDABLE GROUP HOUSING	51.93	22%	8
SMALL BUILDERS	93.96	41%	32
LOAN AGAINST PROPERTY	18.89	8%	9
TOTAL	231.90	100%	57



■ small builder floors ■ affordable group housing
 ■ Loan against property ■ Mid income group housing

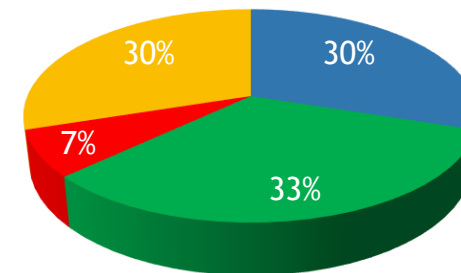
- Mid-Income Group Housing & Affordable Group Housing is part of Wholesale Large which is 54% of Total Wholesale Book.
 - ❖ Mid-Income Group Housing includes projects which are completed or nearing completion and are last-mile funded. These projects are located in Delhi-NCR.
 - ❖ Affordable Group Housing includes project which are approved under the Affordable Group Housing Policy of Haryana Government.
- Small Builder Floors consists of real estate developers engaged in Construction & Development of G+4 Floor structure buildings in South Delhi & Gurugram Location.

WHOLESALE LENDING BOOK: MID-INCOME GROUP HOUSING

Figures in Cr
Average Ticket Size

Project Completion	No. of Cases	Sanction	POS as on 30.06.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Figures in Cr Average Ticket Size
Completed (100%)	4	67.95	19.99	30%	38.76	18.77	Satisfactory	Less than 50 lacs
Nearing Completion (90% to 100%)	1	26.00	21.95	33%	25.46	3.50	Satisfactory	Less than 50 lacs
More than 70%	2	9.00	5.07	7%	5.30	0.23	Satisfactory	Less than 50 lacs
Less than 50%	1	22.50	22.50	30%	23.21	3.09	Satisfactory	Less than 50 lacs
Total	8	125.45	67.12	100%	92.72	25.60		

- 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 28% of Wholesale loan book.
- 64% of AUM under Mid-Income Group Housing belongs to 6 projects which are either 100% complete or are nearing completion.
- Average ticket Size of units is less than INR 50 Lacs.
- Projects which fall under less than 50% complete are boarded in Nov-2019 and are partially complete & due to various reasons including NGT Ban & Covid-19 outbreak the pace of construction has been relatively slow.
- Committed Receivables is 4x of existing POS



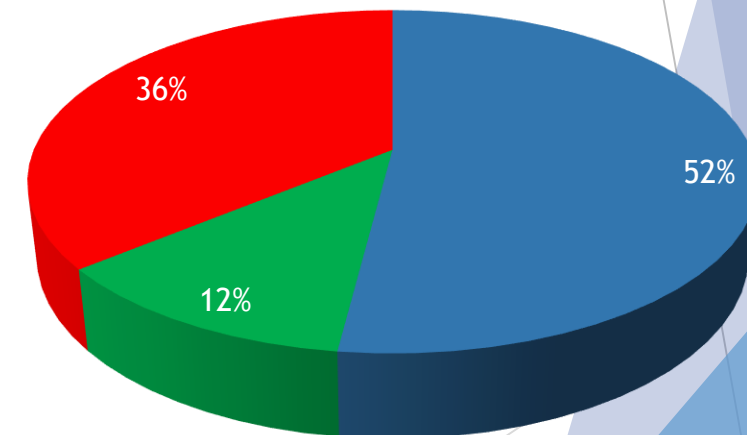
- Completed (100%)
- Nearing Completion (90%-100%)
- More than 70%
- Less than 50%

WHOLESALE LENDING BOOK: AFFORDABLE GROUP HOUSING

Figures in Cr

%age Sold	No. of Cases	Sanction	POS as on 30.06.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
More than 90%	5	71.00	26.92	52%	50.77	23.85	Satisfactory	Less than 25 lacs
61% to 90%	2	23.25	6.41	12%	14.02	7.61	Satisfactory	Less than 25 lacs
50% to 60%	1	20.00	18.59	36%	19.04	0.45	Satisfactory	Less than 25 lacs
	8	114.50	51.93	100%	83.83	31.90		

- 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
- 61% of AUM under Affordable Group Housing belongs to 6 projects which are more than 90% Sold
- Average ticket Size of units is less than INR 25 Lacs
- Committed Receivables is 3.1x of existing POS



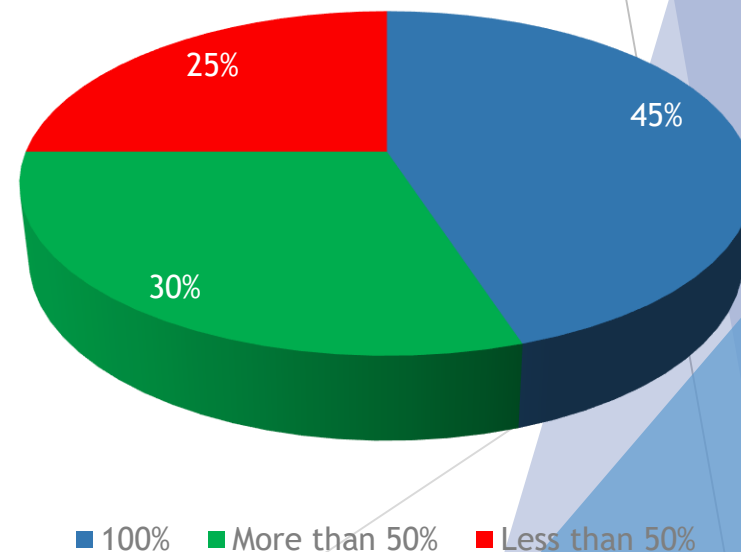
■ More than 90% ■ 61%-90% ■ 50%-60%

WHOLESALE LENDING BOOK: SMALL BUILDERS

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 31.03.20	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct
100%	15	54.26	42.71	45%	50.39	7.68	Satisfactory
More than 50%	10	39.89	28.08	30%	32.24	4.16	Satisfactory
Less than 50%	7	50.95	23.17	25%	31.12	7.96	Satisfactory
	32	145.10	93.96	100%	113.75	19.79	

- Small Builder Floors consists of real estate developers engaged in Construction & Development of G+4 Floor structure buildings in South Delhi & Gurugram Location.
- 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 36 months or lesser tenor.
- The feedback loop is fast and demand supply corrects quickly, adjusting to the dynamics of the market
- The short-term demand slump may delay sales of Units, but given that the projects are located at bespoke locations of NCR, they ultimately do get sold
- Risk of non-completion of project is minimal. Also, there are minimal regulatory compliances as these projects do not fall under RERA
- Given the current scenario, sales could be slow leading to some slippages but as the loan is backed by strong assets, there is no probability of any loss



WHOLESALE LENDING BOOK- RISK MANAGEMENT FRAMEWORK

1 Presence in select markets

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

2 Excellent screening, credit appraisal

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

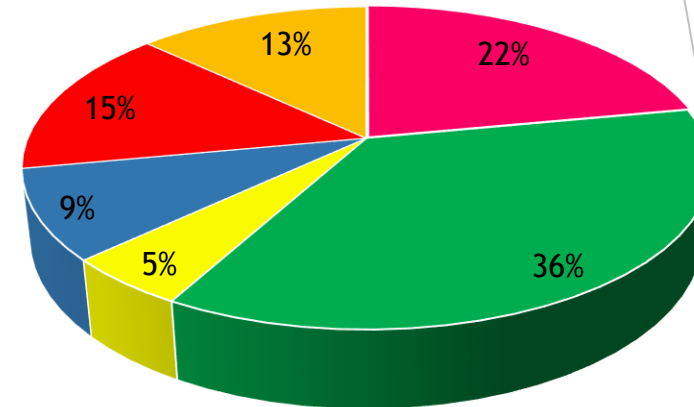
3 Constant monitoring/review

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

SME RETAIL BOOK

- ✓ SME retail book is comprised of both secured and unsecured loans with an AUM of INR 70.43 Cr as on 30th June 2020
- ✓ Net SME NPA is maintained at 0.07 % during Q1 FY21
- ✓ Focus on increasing market presence and sustainability in current geographies of north and west India
- ✓ Continuous focus on minimalizing operational costs along with consolidation of two branches
- ✓ Tailored product offerings to target customers in less penetrated and profitable geographies.
- ✓ 90% of the SME book is secured.
- ✓ Exposure in unsecured loans are largely in K-12 schools in Tier 2 and Tier 3 cities.
- ✓ These unsecured loans are capped to a ticket size of INR 5 Lacs

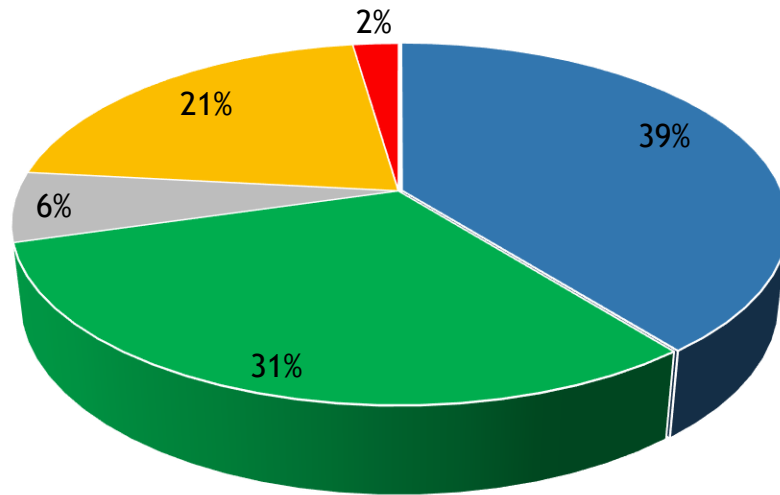
Industry-wise AUM Composition



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

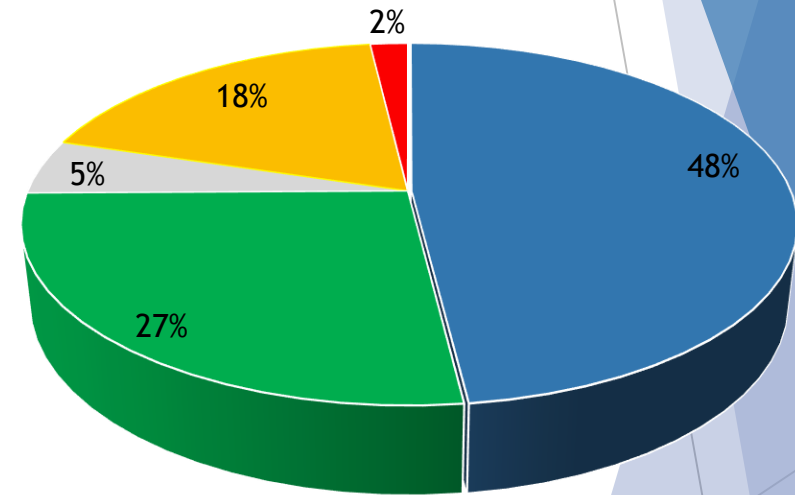
AUM COMPOSITION

Q1 FY21



- Wholesale Large
- Wholesale Small
- Wholesale LAP
- SME Secured
- SME unsecured

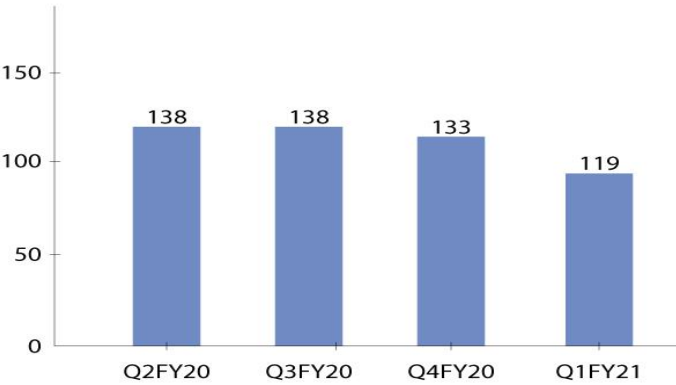
Q1 FY20



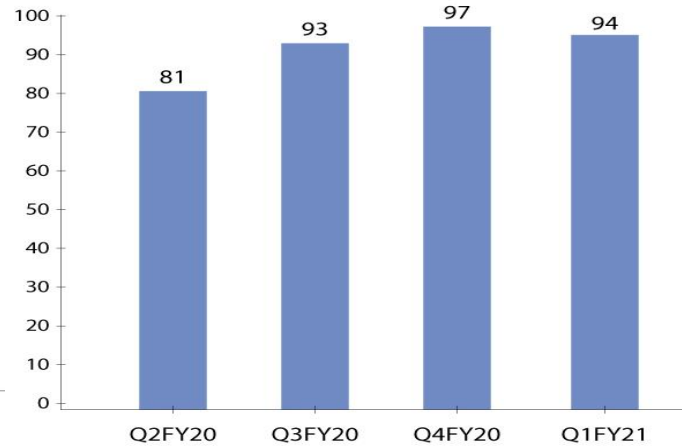
- WS Large
- WS Small
- WS LAP
- SME Secured
- SME unsecured

AUM - PRODUCT BREAKUP

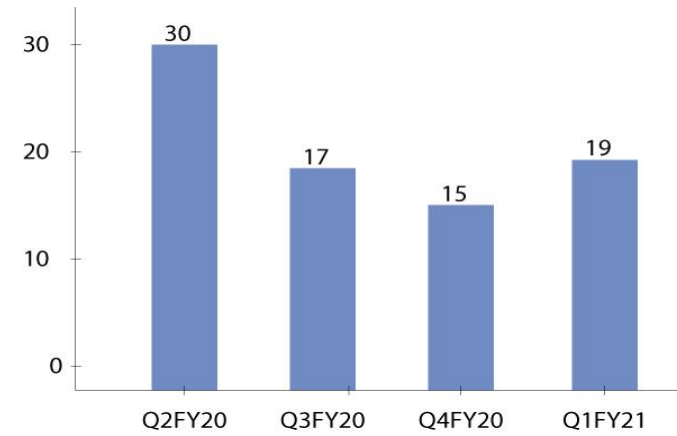
Wholesale Large (INR Cr)



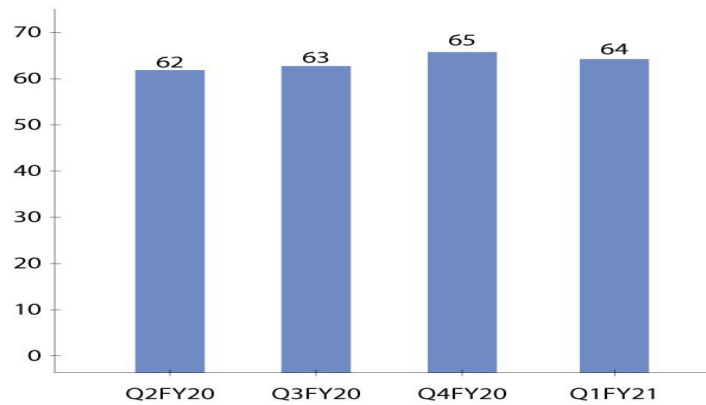
Wholesale Small (INR Cr)



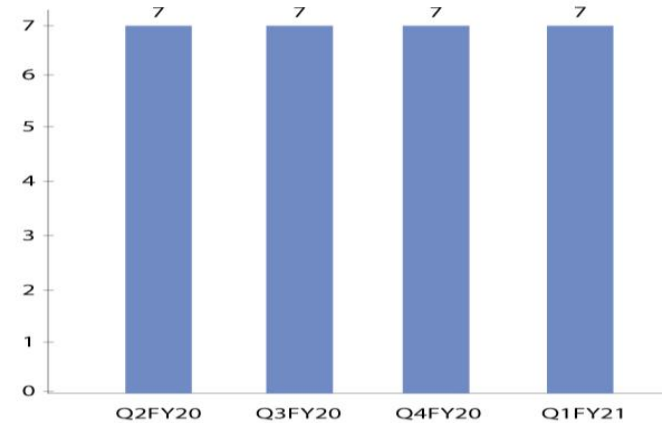
Wholesale LAP (INR Cr)



SME Secured (INR Cr)



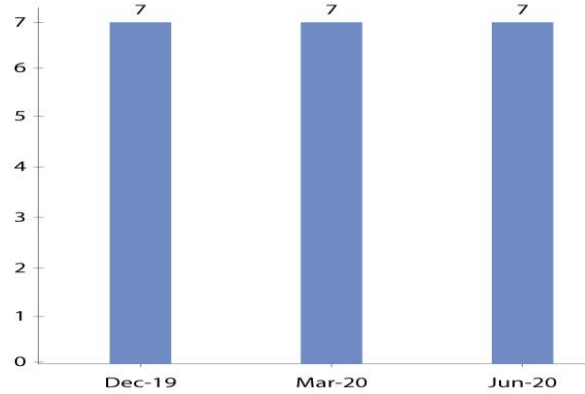
SME Unsecured (INR Cr)



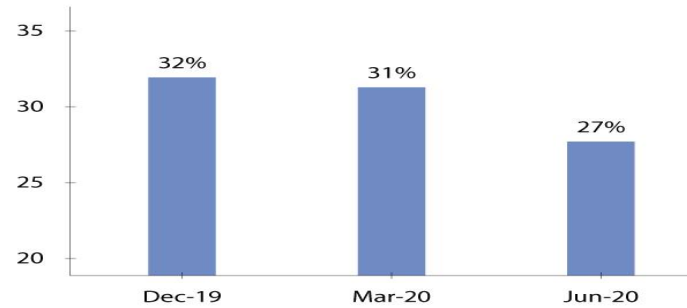
LOAN MATRIX

SME Loan Matrix

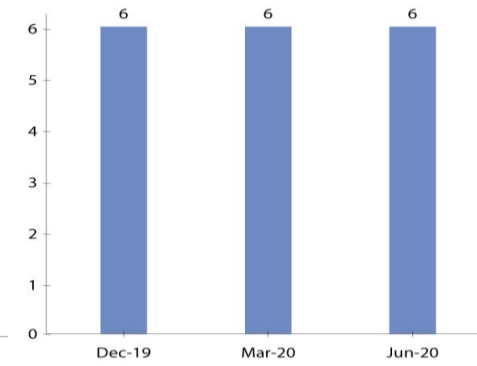
Average Ticket Size (INR Lacs)



Average LTV (%)

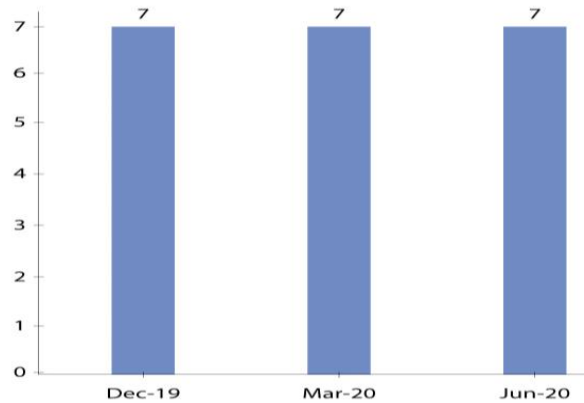


Average Tenure (Years)

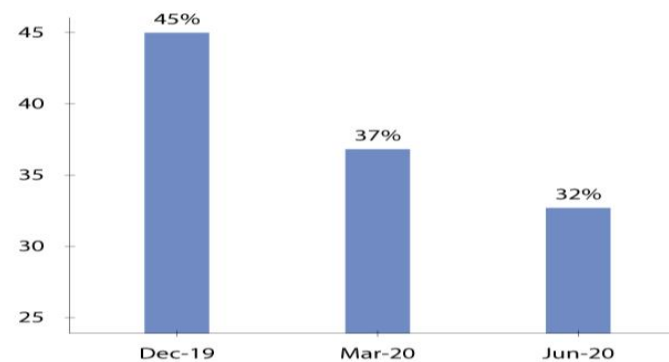


Wholesale Loan Matrix

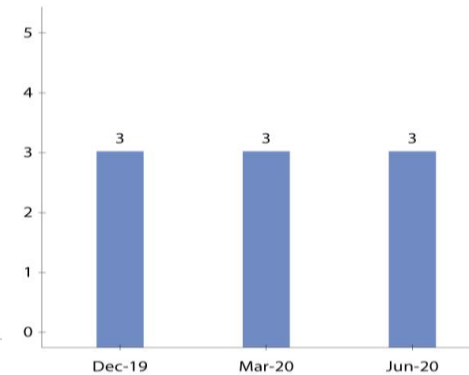
Average Ticket Size (INR Cr)



Average LTV (%)



Average Tenure (Years)



FINANCIAL SNAPSHOT- Q1 FY21 vs Q1 FY20

Net Interest Income 5.16%



Q1 FY21
Q1 FY20

Rs 12.69 Cr

Rs 12.07 Cr

Total Income 4.09%



Q1 FY21
Q1 FY20

Rs 14.76 Cr

Rs 15.39 Cr

Profit After Tax 7.33%*



Q1 FY21
Q1 FY20

Rs 7.02 Cr

Rs 6.54 Cr

FINANCIAL SNAPSHOT- Q1 FY21 vs Q1 FY20

Net Worth 8.22%



Q1 FY21 Rs 239.59 Cr
Q1 FY20 Rs 221.38 Cr

AUM 4.59%



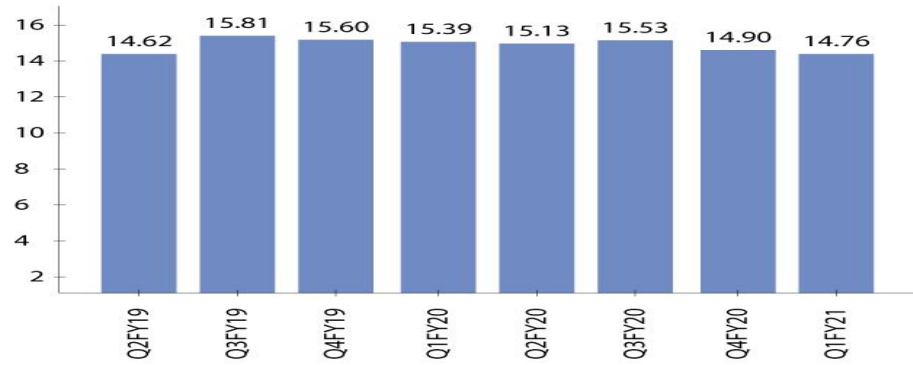
Q1 FY21 Rs 302.33 Cr
Q1 FY20 Rs 316.88 Cr

Capital Adequacy Ratio 9.00%

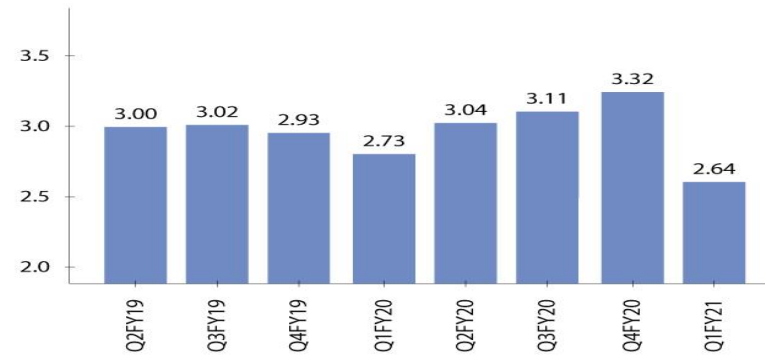


Q1 FY21 79%
Q1 FY20 70%

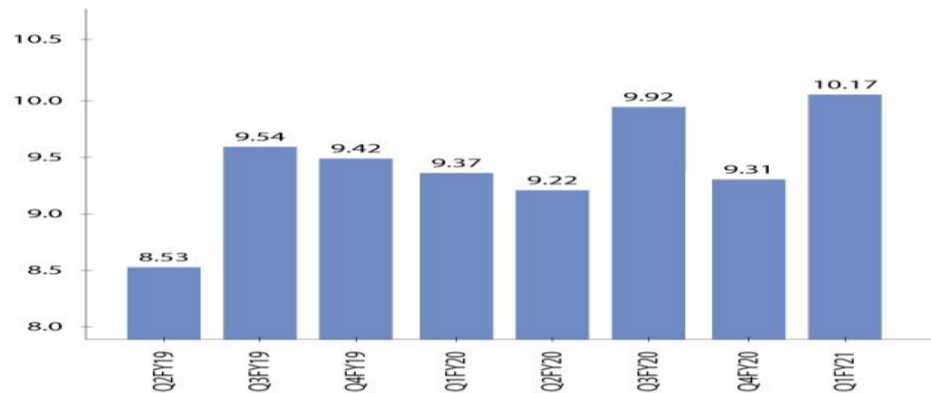
Total Income (Rs. Cr)



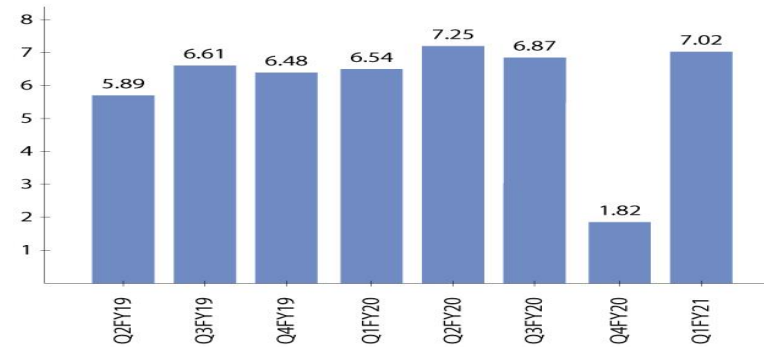
Operating Expenses without ESOP (Rs. Cr)



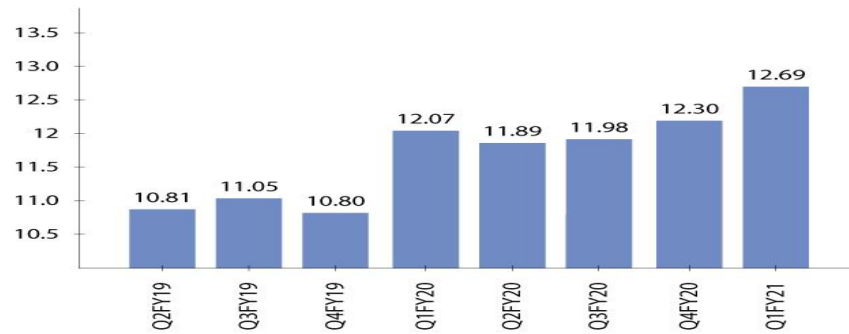
Pre Provisioning Profit Before Tax (Rs. Cr)



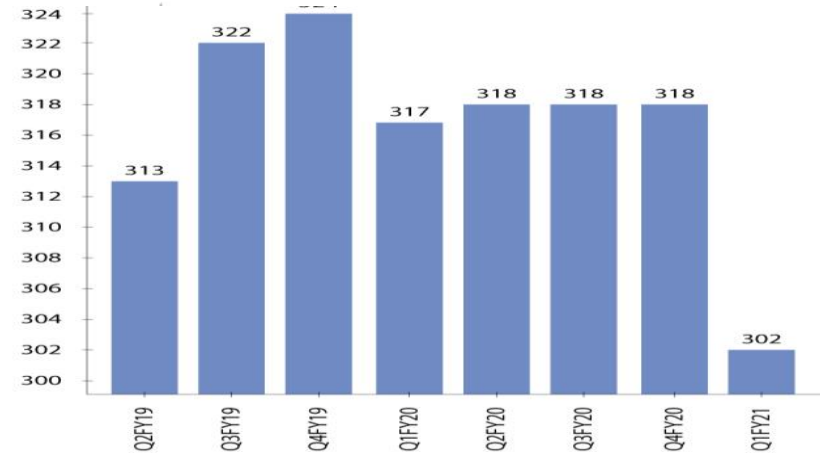
Net Profit (Rs. Cr)



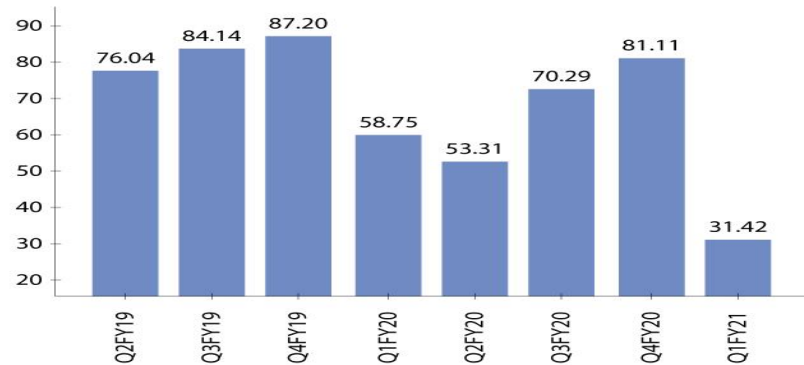
Net Interest Income (Rs. Cr)



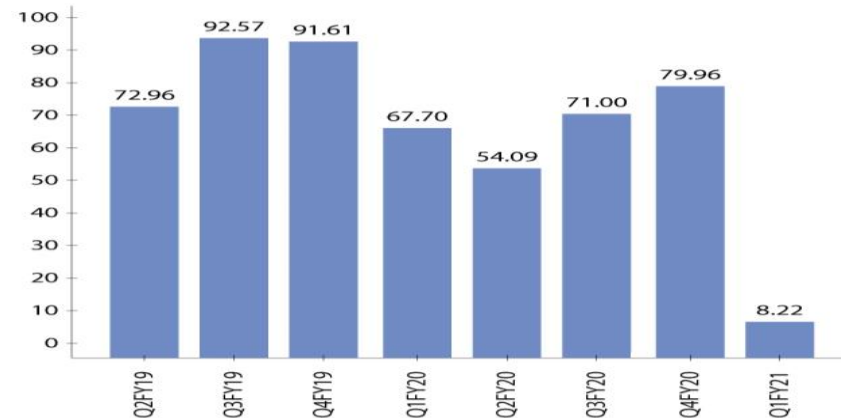
AUM - End of Quarter (Rs. Cr)



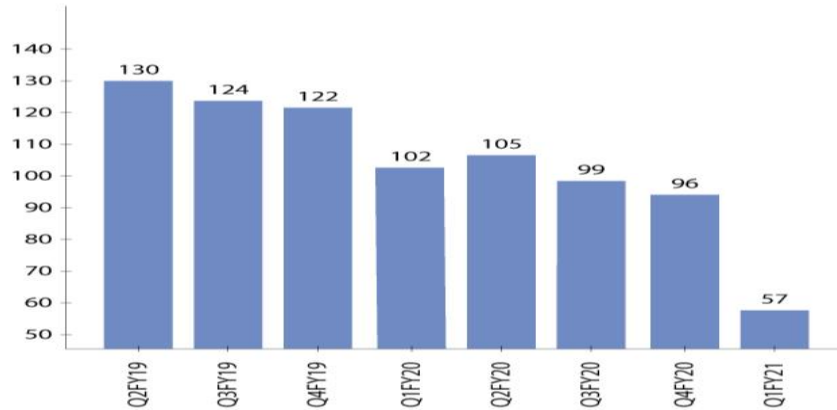
Collection (Rs. Cr)



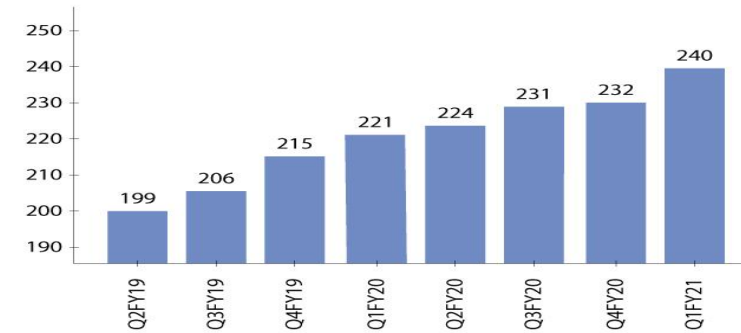
Disbursements (Rs. Cr)



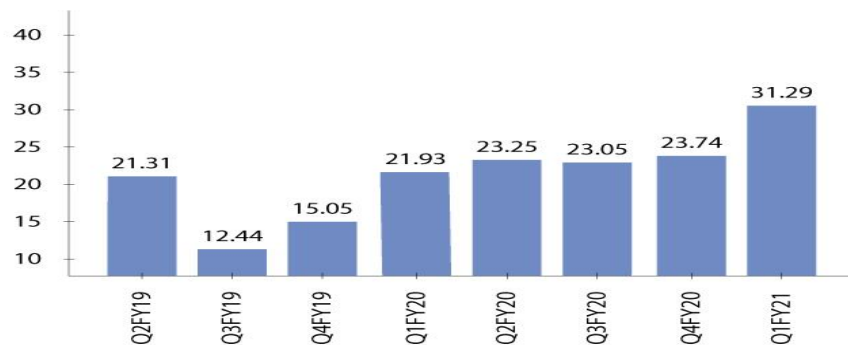
Borrowings (Rs. Cr)



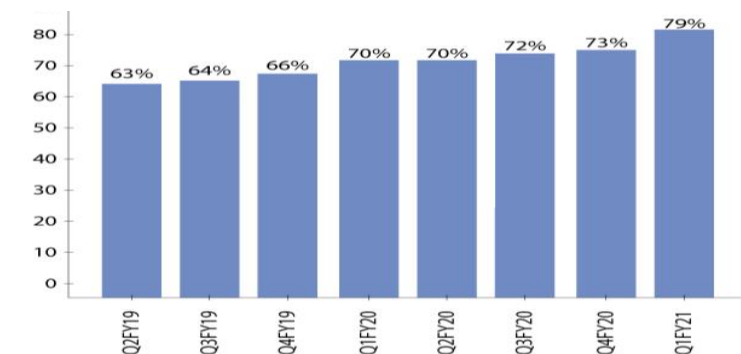
Net Worth (Rs. Cr)



Cash & Cash Equivalents (Including undrawn CC limits) (Rs. Cr)

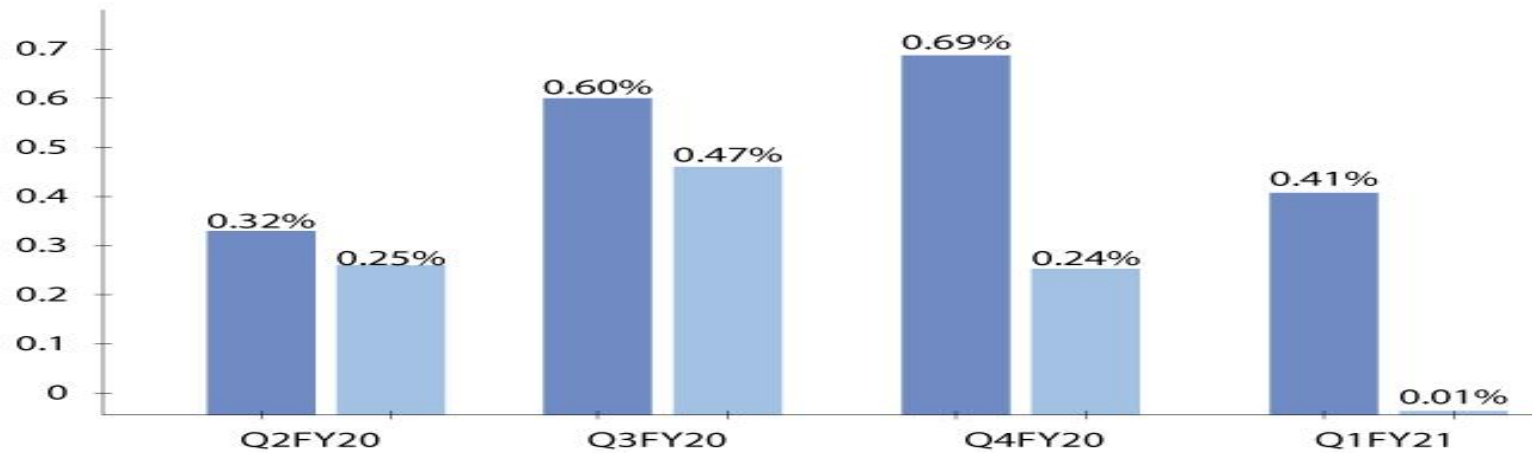


Capital Adequacy Ratio (%)



GROSS NON-PERFORMING ASSETS

Gross Non Performing Assets



As on 30-Jun-2020

INR Crore

Gross NPA

1.21

Total ECL Provision

6.57

Regulatory provision including Standard Asset & NPA

1.21

Thank You



Corporate Office:
716-717, 7th floor, Tower B,
World Trade Tower, Sector16,
Noida- 201301

Investor Contact:
Gunjan Khera
Phone: 0120 4290650-52-53-54-55
Email: investor@cslfinance.in
Email: gunjan.khera@cslfinance.in

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