



**CSL Finance
Limited**

CIN: L74899DL1992PLC051462

September 02, 2022

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: Annual Report for the Financial Year 2021-22

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2021-22, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Annual Report is also uploaded on the website of the Company at www.csloffinance.in.

This is for your kind information and record.

Thanking you,

Yours Faithfully,

For **CSL Finance Limited**


Preeti Gupta
(Company Secretary & Compliance Officer)

Encl: A/a

Geared for Growth



ANNUAL REPORT
2021-22



Media

THE ANNUAL REPORT
IS ALSO AVAILABLE ONLINE



Online

Contents

01 /CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	28
Management Discussion and Analysis	30

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Safe Harbour Statement:

This document may contain certain forward-looking statements/ details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.

Read more about our SME Retail business vertical



P_10

Read more about
our Wholesale
business vertical

P_06



>>Our heightened
abilities combined with
the present industry
opportunities puts us in
a good place to deliver
a good performance in
coming years,<<

P_21



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

Geared for growth

The last couple of years proved to be a phase of consolidation for CSL Finance, as was the case for many in the industry, due to the convergence of multiple external and internal factors. It all started with the NBFCs funding crisis in late 2018, followed by a global pandemic in 2020 that significantly affected business & economic prospects for a while. During the same time, CSL's primary customer segment, the real estate sector, had also undergone a consolidation phase of its own, including changes in the regulatory landscape. It is pertinent to note that the Company worked to establish its new SME Retail business vertical in this dynamic external environment.

CSL's true north during this entire consolidation phase was its unwavering commitment and astute focus on risk management. Team CSL team put its best foot forward in the face of adversities to ensure the best possible results for the Company. Learnings from the last couple of years led to a steep learning curve for the Company, and its performance during this time is a testament to its sheer grit and resilience.

Our proactive attitude during this phase was undoubtedly game-changing. After carefully calibrating itself in light of the new learnings, the Company is now better prepared than ever, with a new and improved team, greater management bandwidth, strengthened infrastructure, and efficient processes & workflows.

Today, CSL Finance is ever so confident and excited about its journey ahead and is certain that the coming three years will look absolutely different from the last three.

The Company is finally ready to unleash its growth potential.



Contents
01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING
03 / FINANCIAL REPORTING
COMPANY AT A GLANCE

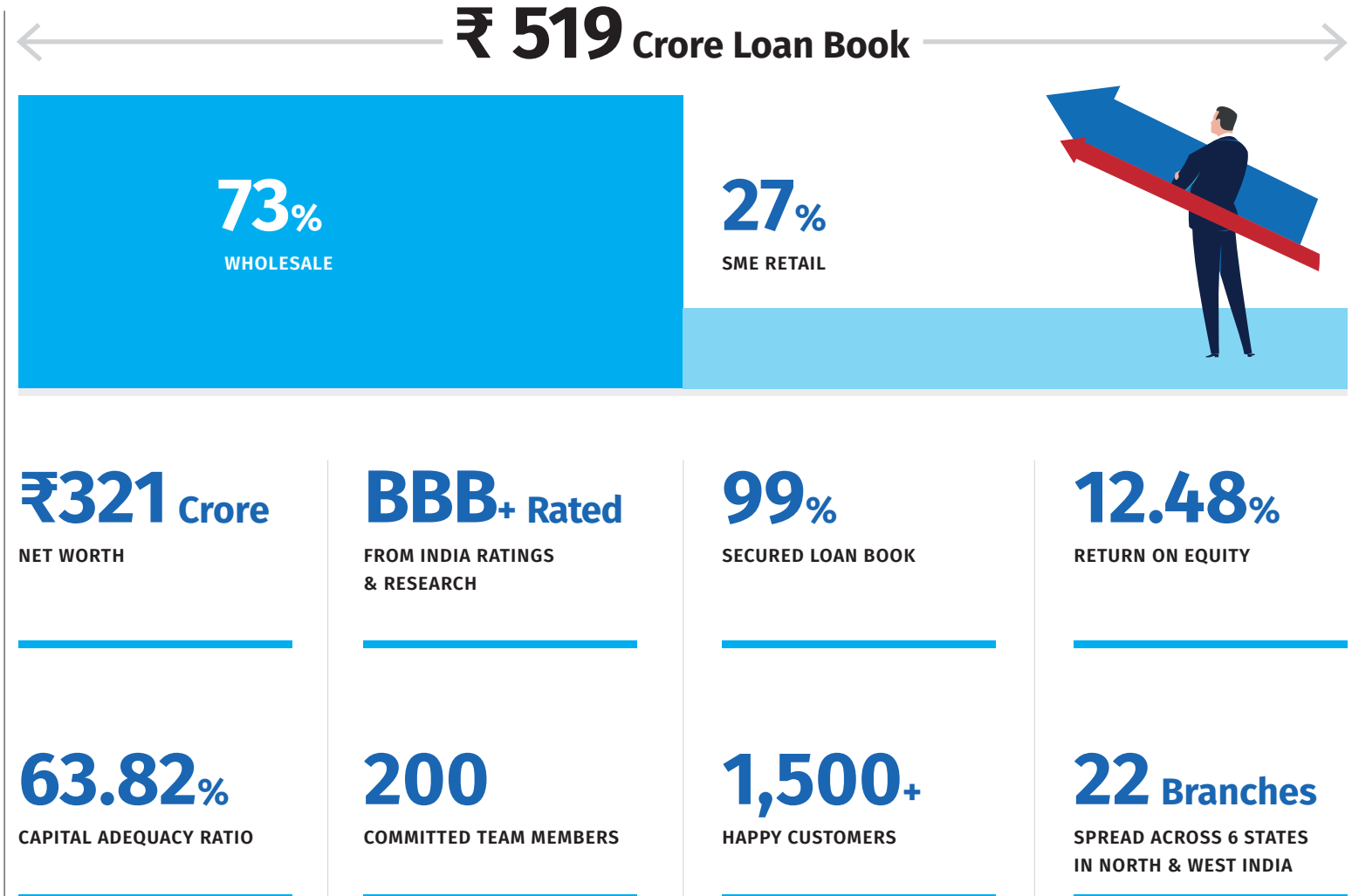
A synopsis of CSL Finance

CSL FINANCE LIMITED

2


OVERVIEW

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.



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

COMPANY AT A GLANCE (CONT.)

A synopsis of CSL Finance

DEFINING CSL'S ROADMAP TO SUCCESS

The defining characteristic of CSL Finance is its ability to recognise challenges, and create a roadmap that will catapult it to a higher orbit of success. In the last decade of its journey as a lender, the Company has worked relentlessly to strategise, execute and deliver performance in the short and long run.

Today, CSL Finance aims to become a trustworthy lender with a sustainable business model, and to achieve this objective, it has identified certain short and long-term goals for itself

1

Build a low-cost and profitable business model with an astute focus on superior asset quality

2

Adopt a customer-first approach, that genuinely values customer needs and aims for their satisfaction

3

Become a formidable player in niche target segments of the Company's choosing

6

Focus on a clustered approach, based on understanding and comfort in each micro-market, to expand geographically in the North and West India

5

Service unbanked and underserved small businesses & entrepreneurs, while focusing on cross-selling

4

Create a sustainable business that focuses on delivering a consistent Return on Equity, above the industry average

Contents

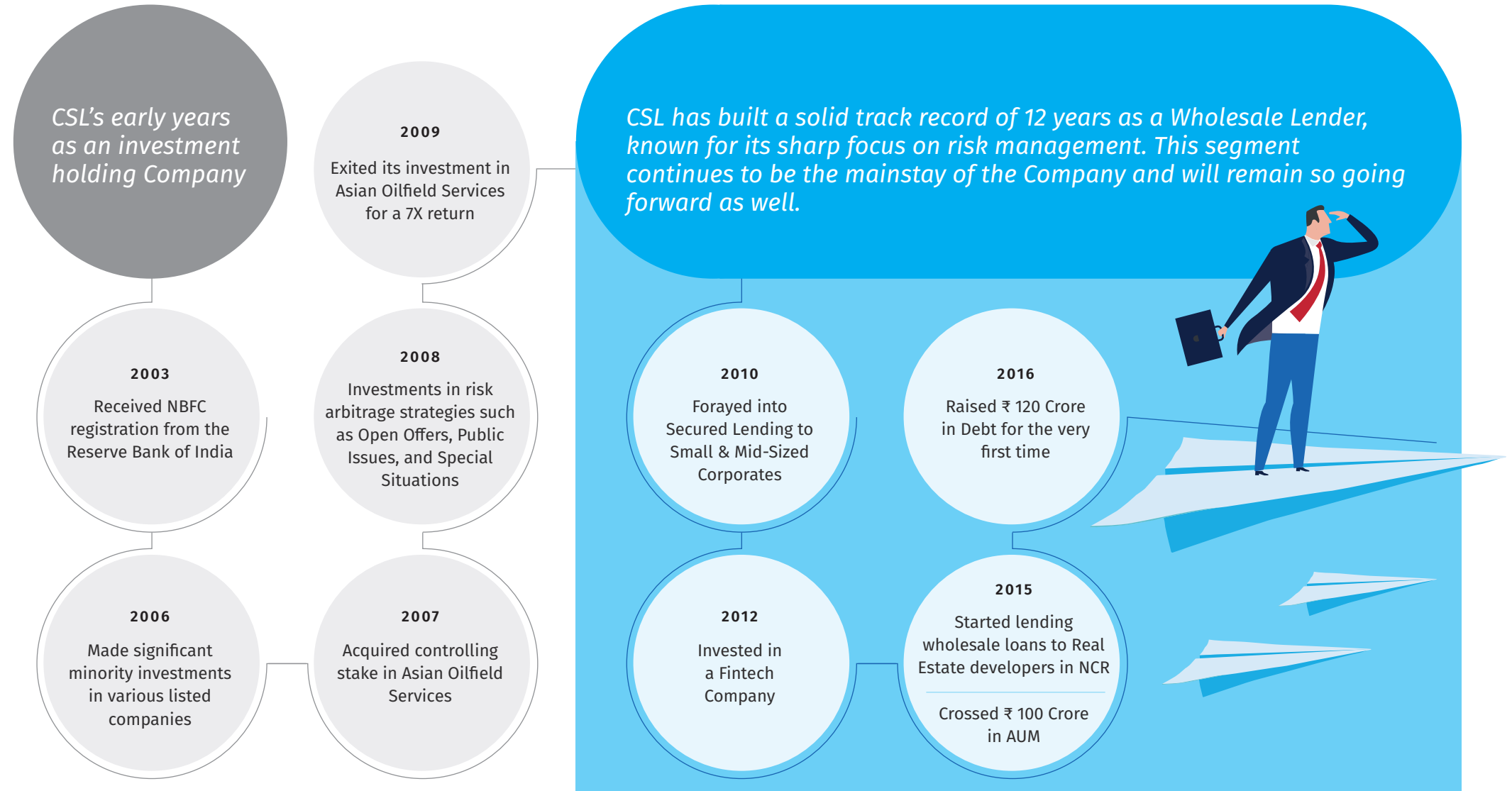
01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

A decade of turning the tide



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals:	06
Wholesale	
Business Verticals:	10
SME Retail	
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

A decade of turning the tide



2017

Forayed into SME Retail Vertical

Raised ₹ 54 Crore in Fresh Equity

2018

12 SME Retail Branches operational by the end of year

Forayed into a new region, Rajasthan

2019

Rejigged its operations in the SME Retail vertical, improved processes, management bandwidth, and infrastructure

2022

Crossed ₹ 500 Crore in AUM and ₹ 100 Crore in SME Retail AUM

Raised ₹ 30 Crore in Fresh Equity

Got listed on the National Stock Exchange of India Limited (NSE)

22 SME Retail branches operational

CSL experienced a steep learning curve in the last five years, since the launch of its SME Retail vertical. It has steadily strengthened its infrastructure, people and processes in these years and is now ready to showcase the true potential of this vertical in the coming few years.

Contents
01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING
03 / FINANCIAL REPORTING
BUSINESS VERTICALS: WHOLESALE

Wholesale Lending: CSL's Mainstay

OVERVIEW

CSL Finance's Wholesale Lending vertical provides uniquely designed loan products to real estate developers for group housing and single-plotted projects, which are collateralized against the projects developed or to be developed by them. These loan products of different categories are specially designed for projects like Affordable Group Housing, Mid-Income Group Housing and Small Builder Floors (G+4 buildings). Furthermore, in a bid to minimise project execution risk, the Company focuses on funding projects where promoters have committed decent capital of their own.

Currently, this vertical is leveraging its robust market know-how and catering to projects located in the NCR region and most of its micro-markets. Further, CSL Finance is also conducting market research and trying its hand on a few projects located in Chandigarh.



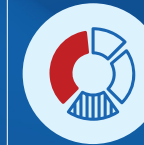
₹378 Crore

LOAN BOOK


17%

AVERAGE YIELD


50

ACTIVE ACCOUNTS


27% LTV

**FOCUSED ON SECURED LOANS WITH
2X ASSET COVER**

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

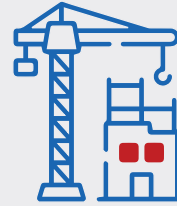
02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BUSINESS VERTICALS: WHOLESALE (CONT.)

Wholesale Lending: CSL's Mainstay

PRODUCTS



WHOLESALE LARGE

Structured loan products for Mid Income and Affordable Group Housing Projects

₹9 Crore

AVERAGE TICKET SIZE



WHOLESALE SMALL

Construction loan given against single plotted projects

₹6 Crore

AVERAGE TICKET SIZE



WHOLESALE OTHER TERM LOAN

Loan against Self-Occupied residential Property (SORP) or Self-Occupied Commercial and Industrial Property (SOCP), and Loan against highly liquid securities & deposits

₹5 Crore

AVERAGE TICKET SIZE

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

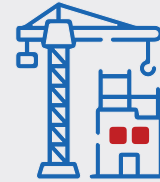
02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BUSINESS VERTICALS: WHOLESALE (CONT.)

Wholesale Lending: CSL's Mainstay

SUB SEGMENTS



WHOLESALE LARGE: AFFORDABLE GROUP HOUSING

- Lends to projects approved under the Affordable Housing Policy of the Government of Haryana
- The average ticket size of the unit is under ₹25 Lakh
- Time-linked payment schedule
- Committed receivables of the project amount to 3X of existing POS

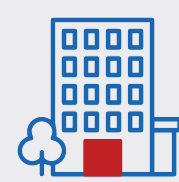
₹156 Crore **41%**
LOAN BOOK CONTRIBUTION TO
WHOLESALE LOAN BOOK



WHOLESALE SMALL: SMALL BUILDERS

- A bespoke product where CSL Finance lends to developers of Small Builder Floors (low-rise buildings up to G+4) in Gurugram and South Delhi
- Due to these projects not falling under the purview of RERA, regulatory compliances are minimal and the risk of non-completion is limited
- Typically in these projects, the feedback loop is fast, and demand-supply corrects fairly quick

₹112 Crore **30%**
LOAN BOOK CONTRIBUTION TO
WHOLESALE LOAN BOOK



WHOLESALE LARGE: MID-INCOME GROUP HOUSING

- Provides last-mile funding to Mid-Income Group Housing projects located in the NCR region
- The average ticket size of the unit is under ₹60 Lakh
- Committed receivables of the project amount to 3X of existing POS

₹96 Crore **25%**
LOAN BOOK CONTRIBUTION TO
WHOLESALE LOAN BOOK

Contents

01 / CORPORATE OVERVIEW

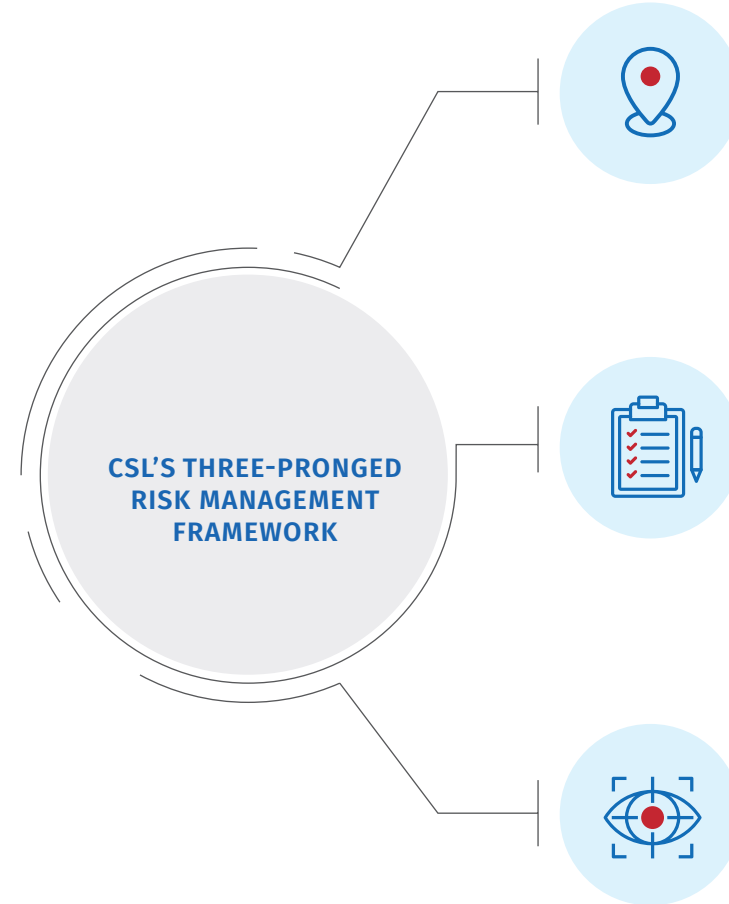
Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BUSINESS VERTICALS: WHOLESALE (CONT.)

Wholesale Lending: CSL's Mainstay



BETTER CUSTOMER SELECTION: STRONG SOURCING

- Presence in strategically selected micro-markets of NCR
- Excellent understanding of the dynamics of each micro-market
- Customer selection based on end-use demand
- Primarily focused on funding projects where decent capital is committed by the developer, thus reducing project execution risk
- Engages with only reputed and credible developers



CREDIT APPRAISAL & EXCELLENT SCREENING

- Robust due diligence
- Extensive background checks
- Project & market screening, and assessment of demand-supply trends
- Uniquely structured deals that are based on specific project requirements
- At least 2X security cover with a charge on multiple assets



CONSTANT MONITORING

- Dedicated on-ground resources for asset monitoring
- Fortnightly site visits to assess project progress
- Review of market price, costs, sales and inventories
- Mechanisms deployed for detection of early warning signals, initiation of required steps and for increasing engagement
- Wherever necessary, early legal actions are initiated for faster repayments



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BUSINESS VERTICALS: SME RETAIL

CSL FINANCE LIMITED

10

SME Retail Lending: CSL's burgeoning new segment

OVERVIEW

CSL Finance's SME Retail vertical caters to the under-served and unbanked SME & MSME customer segment with secured, collateralized loans. Instead of using conventional banking and lending scorecards, this vertical lends based on a unique approach of using alternative data and takes into account multiple factors such as the operations of the business, its cash flows and business vintage. After thorough due diligence, it disburses small and flexible ticket size loans in a swift manner to address the needs of these SMEs & entrepreneurs.



These loans are typically provided to SMEs engaged in the fields of Education, Medicine, Agriculture and FMCG trading industries and are also extended to Salaried professionals with limited access to core banking.



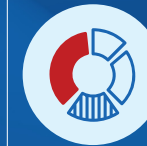
₹141 Crore

LOAN BOOK


18%

AVERAGE YIELD


1,482

ACTIVE ACCOUNTS


43% LTV

**FOCUSED ON SECURED LOANS WITH
2X ASSET COVER**

Contents

01 / CORPORATE OVERVIEW

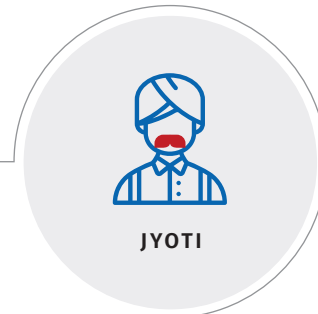
Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

SME Retail Lending: CSL's burgeoning new segment

PRODUCTS



₹2-7.5 Lakh
LOAN AMOUNT

3 to 4 Years
TENURE

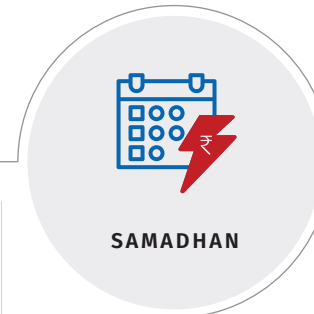
TARGET CUSTOMER
Small farmers and
house-wives etcetera, to
open small businesses



₹7.5-25 Lakh
LOAN AMOUNT

7 Years
TENURE

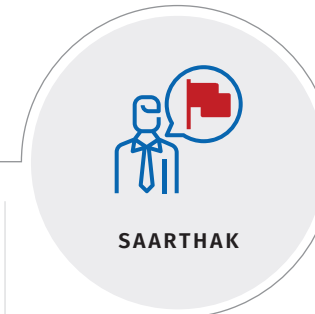
TARGET CUSTOMER
Small entrepreneur,
traders, manufacturers
etcetera, as a working
capital loan to improve or
expand their businesses



₹25-50 Lakh
LOAN AMOUNT

7 to 8 Years
TENURE

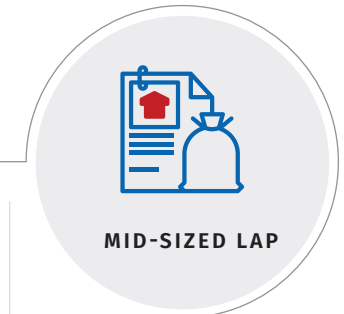
TARGET CUSTOMER
Immediate working capital
requirement to support
clients' urgent business
needs at mid-level



₹5-10 Lakh
LOAN AMOUNT

5 to 6 Years
TENURE

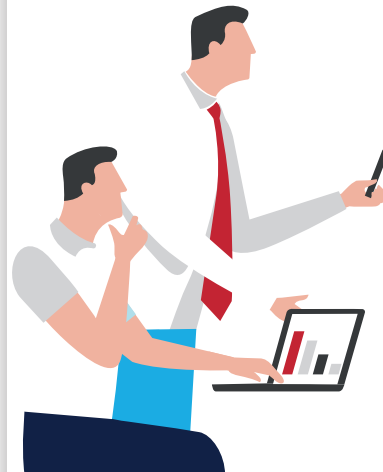
TARGET CUSTOMER
Salaried professionals
who are unable to
procure loans from banks,
due to limited access



₹1-5 Crore
LOAN AMOUNT

2 to 3 Years
TENURE

TARGET CUSTOMER
Loan against properties
for business expansion
or working capital loans



Contents
01 / CORPORATE OVERVIEW

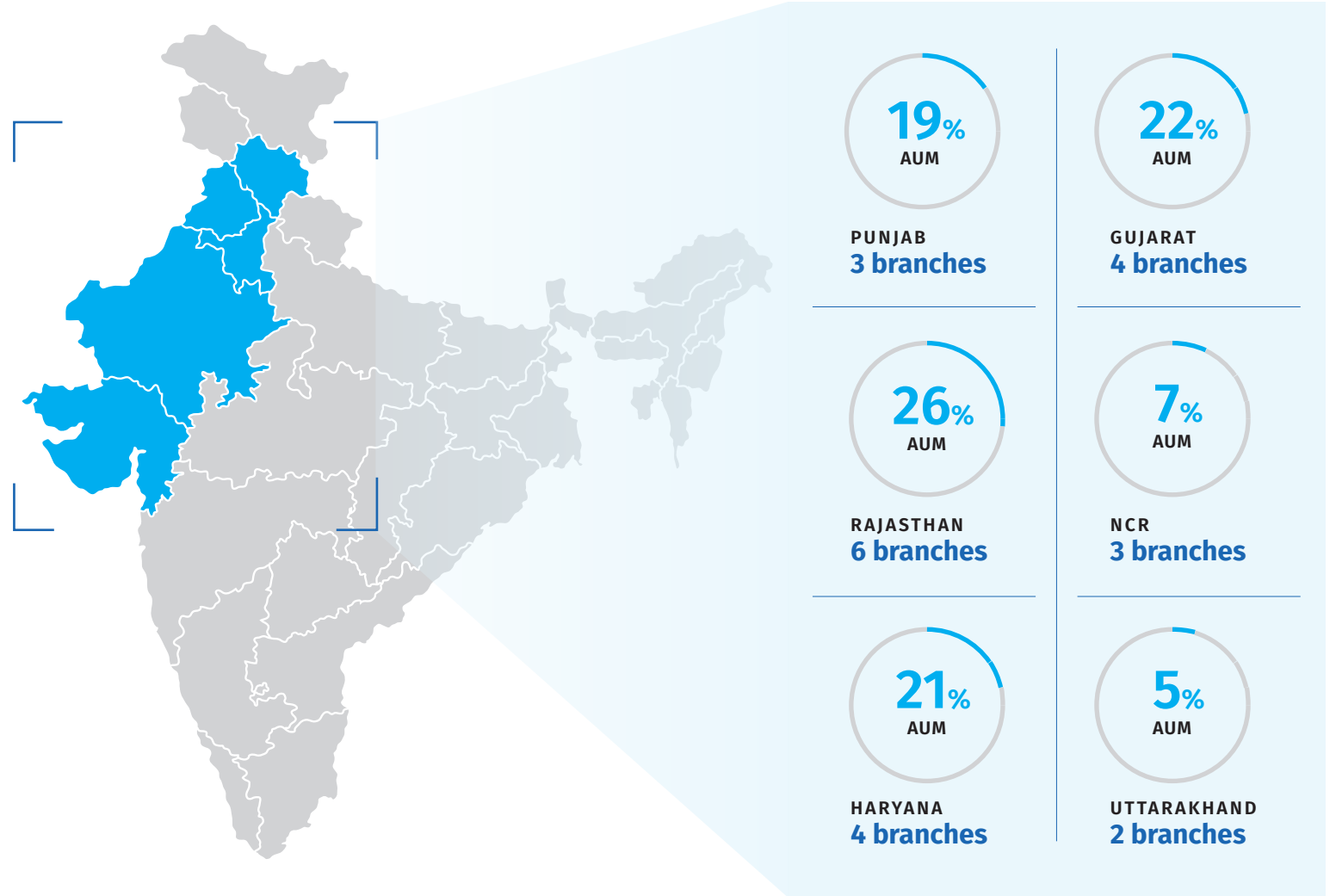
Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals:	06
Wholesale	
Business Verticals:	10
SME Retail	
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING
03 / FINANCIAL REPORTING
BUSINESS VERTICALS: SME RETAIL (CONT.)

SME Retail Lending: CSL's burgeoning new segment

ESTABLISHING PRESENCE IN NORTH & WEST INDIA

CSL Finance follows a clustered approach in its branch network, based on understanding and comfort in each particular micro-market. At present, the Company operates 22 branches in 6 states in North and West India.



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BUSINESS VERTICALS: SME RETAIL (CONT.)

LEVERAGING TECHNOLOGY TO STAY AHEAD OF THE CURVE

CSL Finance is increasingly leveraging technology and automating workflows in order to increase operational efficiency in the SME Retail vertical. Adoption of technology for automated underwriting, minimised physical onboarding, and reduced turn-around-time for loan disbursement will prove to be critical factors in the Company's growth and will also enhance its competitiveness in this segment. Moreover, the Company is also working extensively on training and developing its team for these new technology initiatives. These initiatives are bucketed under multiple functions such as Loan Origination, Loan Evaluation, and Loan Disbursement & Collection.

ENHANCING REPORTING SYSTEMS

Detailed MIS, numerous one-click report generation, and high-level data analytics dashboards are being implemented to track and manage operations more efficiently.

 **ACTIVITIES & FUNCTIONS DIGITISED OR BEING-DIGITISED**

 **ACTIVITIES & FUNCTIONS DONE PHYSICALLY**



- **Customer on-boarding and authentication**
- **Geotagging of business premise and residence**
- **Document verification & validation**
- **Preliminary eligibility check**
- **Mobile number verification through OTP**

Completely done via a Android Application

- **eKYC**
- **Credit and CIBIL score checks**
- **Automated technical valuation and field Investigation**
- **Automated bank statement analysis**
- **QR code scanning of Aadhaar card**
- **Automated system with human oversight for detecting deviations and mitigants.**
- **Automated eligibility calculator**

- **100% cashless e-disbursement of loan amount**
- **99% collection done by NACH and eNACH**
- **Penny-drop verification**
- **Automated outbound dialling and instalment reminder messages via SMS & WhatsApp**
- **Payment enabled through company and various third-party payment gateways and apps**

- **Door to door canvassing for lead generation**

- **Physical verification of business premise and residence**
- **Physical PD-personal discussion by various team members**

- **Physical docket signing & SPDC inspection**

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

KEY PERFORMANCE INDICATORS: FINANCIAL & OPERATIONAL

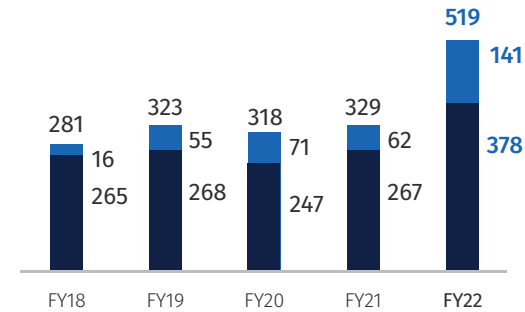
A five year view of CSL

Loan Book

LOAN BOOK: WHOLESALE & SME RETAIL

(in ₹ Crore)

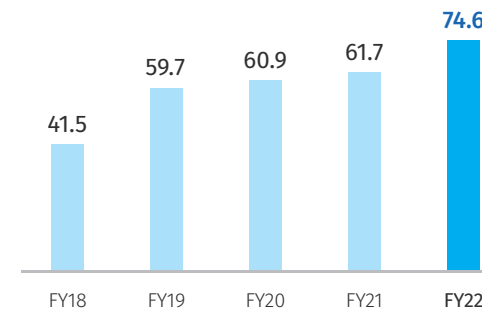
● WHOLESALE ● SME RETAIL



Profit & Loss

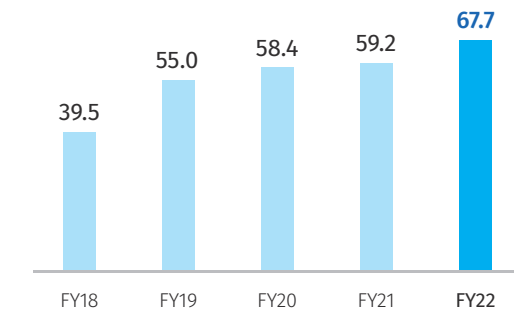
TOTAL INCOME

(in ₹ Crore)



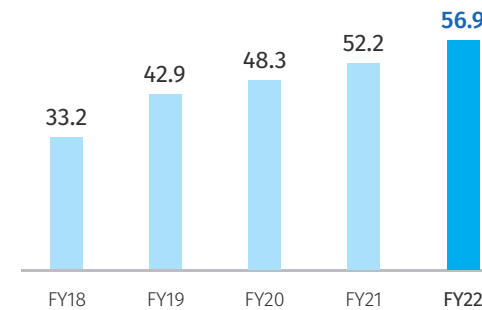
INTEREST INCOME

(in ₹ Crore)



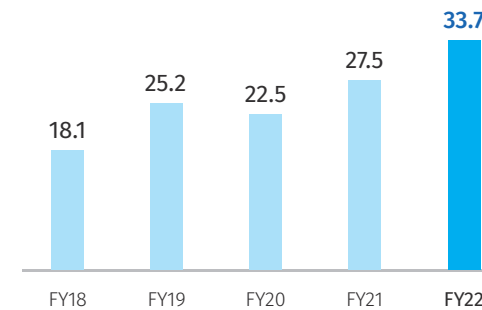
NET INTEREST INCOME (NII)

(in ₹ Crore)

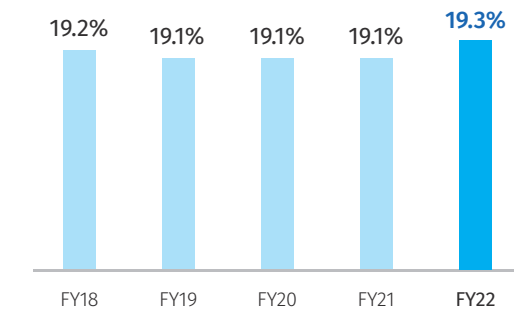


PROFIT AFTER TAX

(in ₹ Crore)



YIELDS



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

KEY PERFORMANCE INDICATORS: FINANCIAL & OPERATIONAL (CONT.)

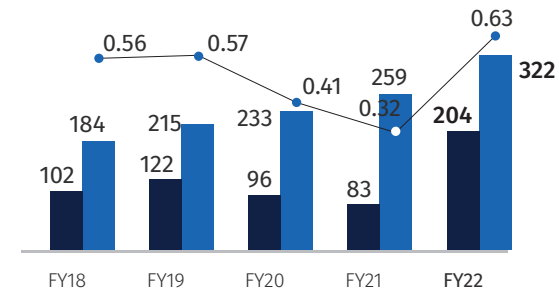
A five year view of CSL

Equity & Leverage

NET WORTH, BORROWINGS & DEBT TO EQUITY

(in ₹ Crore & times)

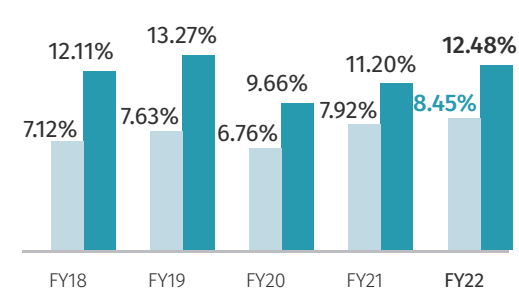
● **BORROWINGS** ● **DEBT TO EQUITY**
● **NET WORTH**



Capital Return Ratios

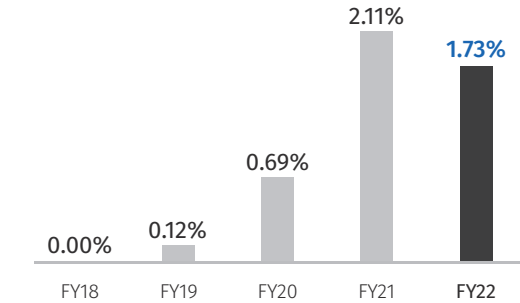
RETURN ON EQUITY & RETURN ON ASSET

● **RETURN ON EQUITY**
● **RETURN ON ASSET**

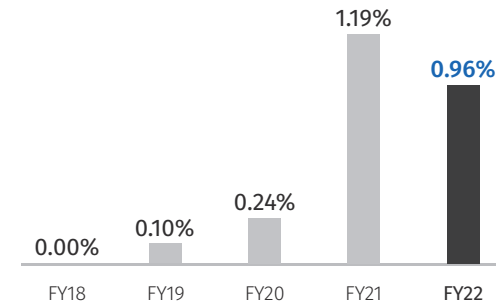


Asset Quality

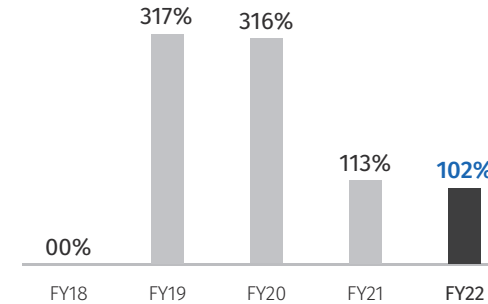
GROSS NPA



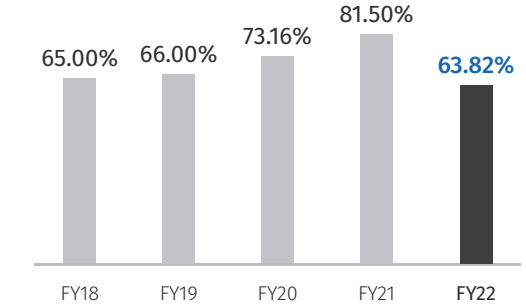
NET NPA



PROVISION COVERAGE RATIO



CAPITAL ADEQUACY RATIO



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

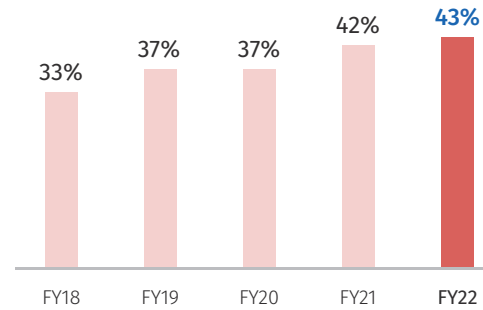
03 / FINANCIAL REPORTING

KEY PERFORMANCE INDICATORS: FINANCIAL & OPERATIONAL (CONT.)

A five year view of CSL

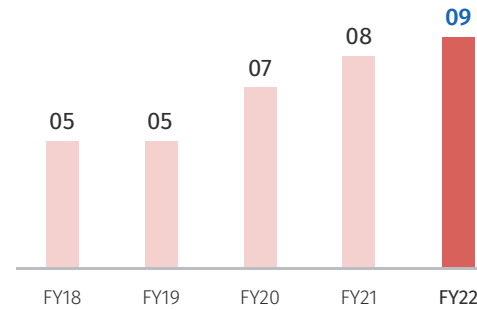
Operating Metrics - Wholesale

AVERAGE LOAN-TO-VALUE



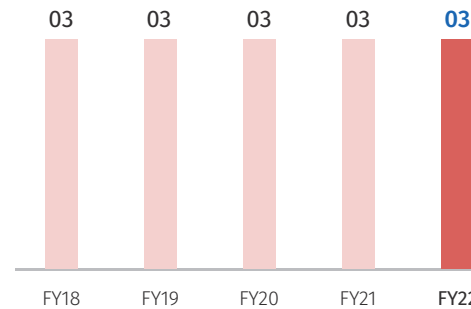
AVERAGE TICKET SIZE

(in ₹ Crore)



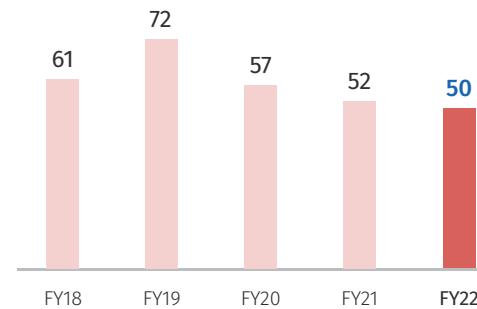
AVERAGE TENURE

(In Years)



ACTIVE ACCOUNTS

(In Numbers)



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals:	06
Wholesale	
Business Verticals:	10
SME Retail	
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

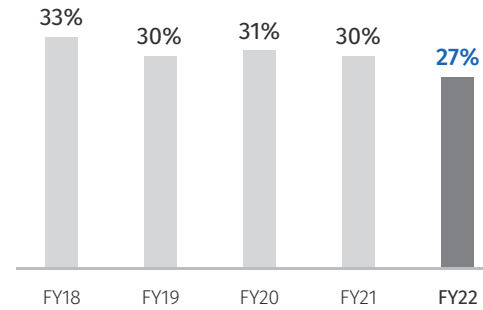
03 / FINANCIAL REPORTING

KEY PERFORMANCE INDICATORS: FINANCIAL & OPERATIONAL (CONT.)

A five year view of CSL

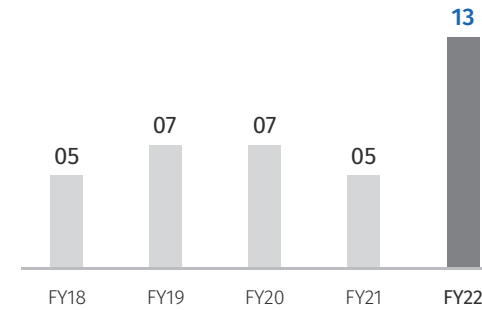
Operating Metrics - SME Retail

AVERAGE LOAN-TO-VALUE



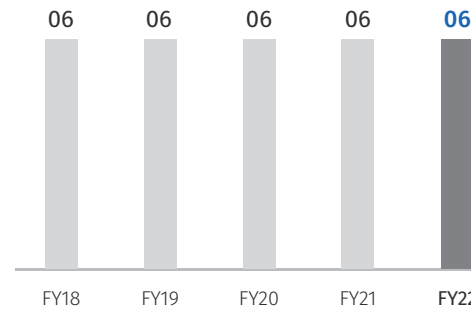
AVERAGE TICKET SIZE

(in ₹ Crore)



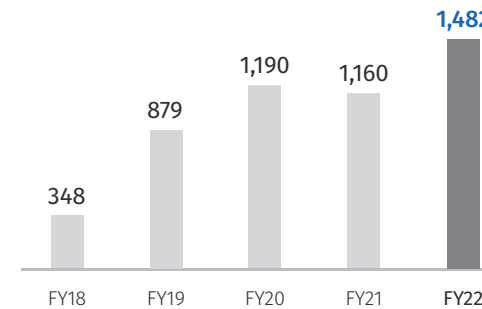
AVERAGE TENURE

(In Years)



ACTIVE ACCOUNTS

(In Numbers)



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

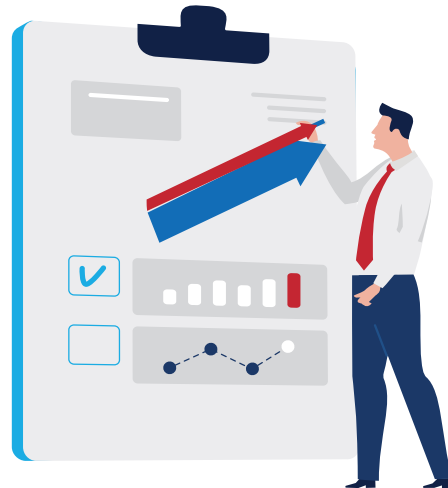
03 / FINANCIAL REPORTING

FY22 PERFORMANCE REVIEW

The beginning of growth

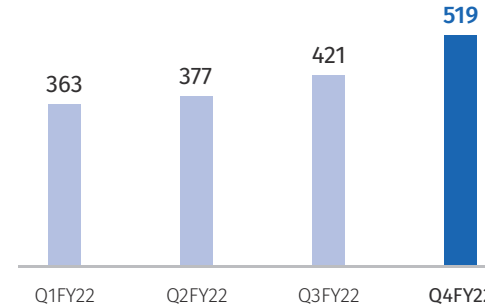
Loan Book

- The Company witnessed a significant increase in loan book from ₹ 330 Crore in FY21 to ₹519 Crore in FY22, registering a growth of 57%.
- Disbursements witnessed a consistent increase quarter-on-quarter, and stood at an all-time high in Q4FY22.
- Collection efficiency for the Wholesale portfolio remained at 100% throughout the year, and improved consistently for SME Retail portfolio as it stood at 98% in Q4FY22.



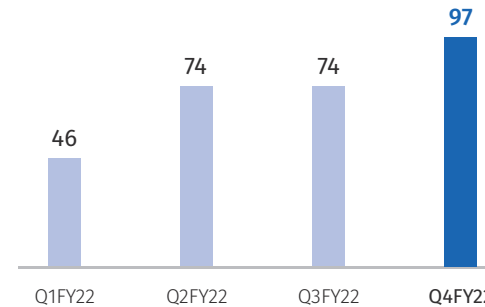
LOAN BOOK

(In ₹ Crore)



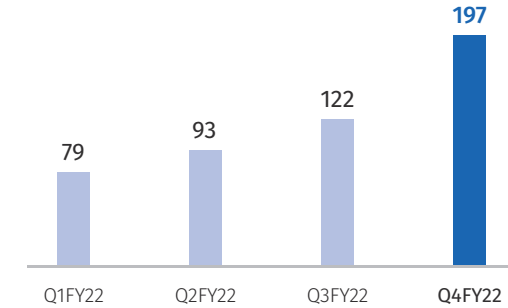
COLLECTION

(In ₹ Crore)



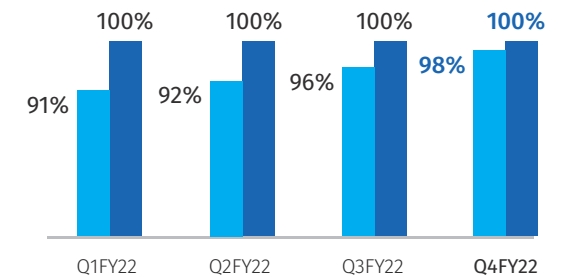
DISBURSEMENT

(In ₹ Crore)



COLLECTION EFFICIENCY

● SME RETAIL ● WHOLESALE



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

FY22 PERFORMANCE REVIEW (CONT.)

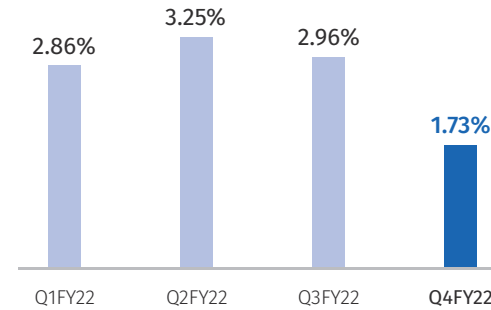
The beginning of growth

Asset Quality

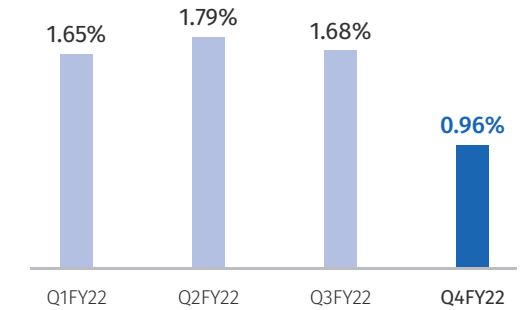
- Asset Quality improved significantly in FY22, as the Company reported a consistent decrease in both Gross NPA and Net NPA.
- The Company also witnessed reasonable recovery in written off accounts. Further, it found NPA resolution through the SARFAESI Act as more efficient compared to the execution of arbitration awards.



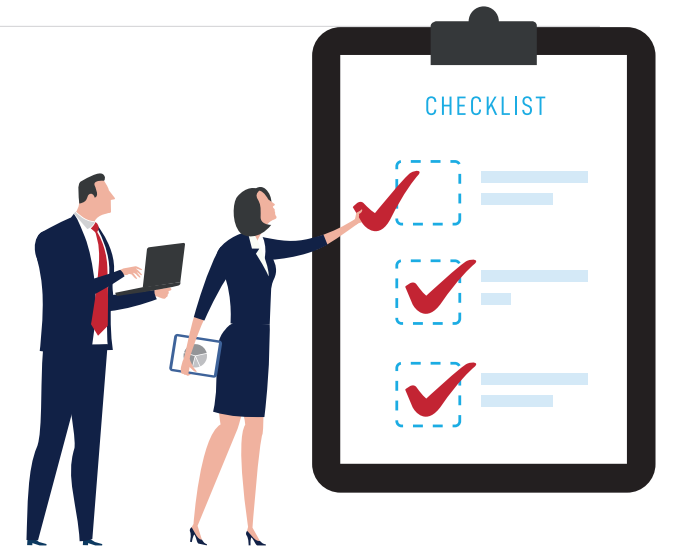
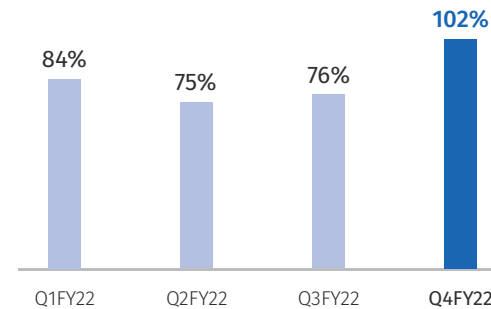
GROSS NPA



NET NPA



PROVISION COVERAGE RATIO



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

FY22 PERFORMANCE REVIEW (CONT.)

The beginning of growth

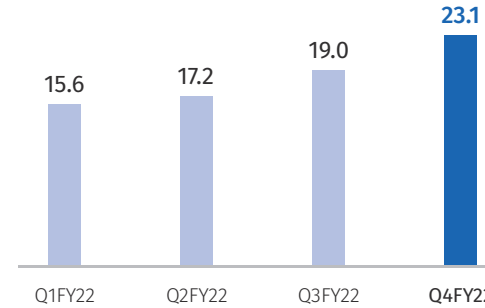
Profit & Loss Highlights

- The Company witnessed a consistent increase in Total Income throughout FY22, which stood at ₹ 74.6 Crore, compared to ₹ 61.7 Crore in FY21.
- Net Interest Income grew, but comparatively slowly, due to an increase in borrowing costs (higher repo rates) coupled with a significant portion of fixed-rate lending portfolio, and thus the inability to pass on higher rates to borrowers immediately.
- The Company has maintained reasonable yields on the overall portfolio.
- Profit after Taxes grew from ₹ 27.5 Crore in FY21 to ₹ 33.7 Crore in FY22.



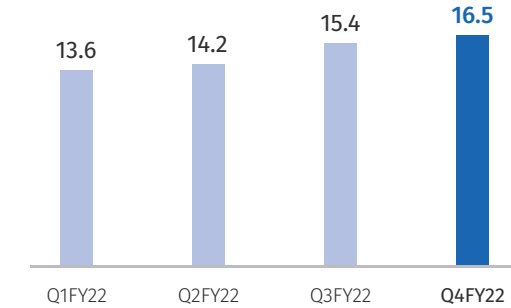
TOTAL INCOME

(In ₹ Crore)



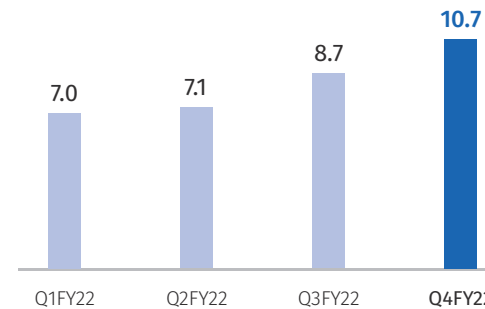
NET INTEREST INCOME

(In ₹ Crore)



PROFIT AFTER TAX

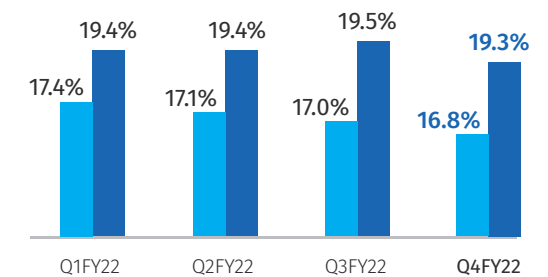
(In ₹ Crore)



YIELDS

(In %)

● SME RETAIL ● WHOLESALE



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

LETTER TO SHAREHOLDERS

On to our next milestone

DEAR SHAREHOLDERS,

It is with great pleasure that I once again present to you CSL Finance's 2021-22 performance review through this Annual Report. I want to start by expressing my gratitude to my colleagues, our customers, shareholders, and other stakeholders for their unwavering support and belief in CSL. We are truly grateful for your enthusiasm and interest in our Company.

CHANGING EXTERNAL ENVIRONMENT

Now, as I take you through the many highlights of our 2021-22 performance, it is imperative that I also briefly share the context under which we operated in the last couple of years. Since the IL & FS crisis began in 2018, the external environment has become increasingly difficult for NBFCs like us. The pandemic only made matters worse. The previous two years were especially difficult for CSL Finance because it is a lender with significant exposure to a wholesale loan book comprising the real estate sector. Our key priorities during this challenging era were to protect our loan book, to the best of our ability, and maintain superior asset quality.

THE REAL ESTATE SECTOR IS SLOWLY BEGINNING TO REVIVE, AND WITH IT, THE PROSPECTS OF LENDING TO THE SECTOR.

I am proud to say that with the efforts of our team, all of this was possible, and operating metrics such as collection efficiencies and NPAs showed positive trends throughout the past financial year.

Following a phase of consolidation and change in the regulatory landscape, the real estate sector is slowly beginning to revive, and with it, the prospects of lending to the sector. I firmly believe that to pull oneself out of such a challenging and non-conducive external environment, unscathed and resilient, requires a particular focus on risk management – something that CSL Finance has imbibed throughout its course. CSL's risk management framework entails three main elements:

- Better customer selection and strong sourcing through an excellent understanding of NCR and all its micro-markets, with a keen focus on well-funded projects, thus reducing execution risks.
- Robust credit appraisal and screening.
- Proactive monitoring with dedicated on-ground resources.

CSL's focus on prudence over growth in the last couple of years and focus on risk management enabled it to traverse through a significant phase of consolidation.

With all of this said, the macro-conditions and external environment are changing for the better as we speak. Businesses and economic activities have picked up significantly in FY22, and builders have become more resilient and prudent now. Industry practices have also improved, both on the part of builders and lenders, and there is a vast opportunity for efficient lenders to grow and scale their operations.

The current macro-economic environment is certainly not rid of challenges either. With rising and out-of-control inflation, many central banks across the world have been forced to hike interest rates, including the Reserve Bank of India, therefore adversely affecting credit growth. Rising interest rates will affect us as well in the near term, particularly our Net Interest Income growth, as a significant part of our portfolio is fixed-rate lending, especially since small borrowers prefer fixed EMIs (fixed borrowing costs) over floating rates. To counter the effects of rising interest rates, the Company is now acquiring new customers and refinancing old loans at revised interest rates. Strategically, we are also slowly shifting towards floating interest rates in our Wholesale portfolio to better pass on the rise in interest rates. Another near-term challenge for real estate developers at this juncture is the rising construction cost due to inflation in many commodities.

“CSL's focus on prudence over growth in the last couple of years and focus on risk management enabled it to traverse through a significant phase of consolidation.”



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

LETTER TO SHAREHOLDERS (CONT.)

On to our next milestone

FY22 PERFORMANCE DISCUSSION

Now, as we delve deeper into our financial performance for this year, it is noteworthy to mention that FY22 proved to be a good year in terms of loan book growth, after a couple of years of muted growth. Our loan book stood 57% higher at ₹519 Crore in FY22, compared to the previous year's ₹330 Crore. In fact, the last two quarters of FY22 witnessed incremental growth in both Wholesale and SME Retail portfolios, and disbursements in Q4FY22 were the highest ever in the Company's history.

Our SME Retail business vertical was reshaped in the second half of FY22, and some of our troubled portfolios, such as schools that have been under stress since the pandemic, have now started to respond well. As schools reopened physically and fee collection & cash flows of schools improved, almost 90% of the portfolio began paying their EMIs. CSL's overall collections in the SME Retail vertical have improved, from a low of 87% in April 2021 to 99% in March 2022. In addition, the Company's collections of NPA also advanced from a low of 18% to 58%, and even though many of these accounts have paid one or two EMIs, we have classified them as NPAs. On the Asset Quality front, CSL has reported a steady decline in both GNPA (from 2.86% in Q2FY22 to 1.73% in Q4FY22)

and NNPA (from 1.65% in Q2FY22 to 0.96% in Q4FY22) in all four quarters of FY22, while the provision coverage ratio stands above 100% at the end of FY22.

In FY22, we have witnessed reasonable recoveries to the tune of ₹2.33 Crore from the total written-off accounts of ₹6.37 Crore in 2018-19. Additionally, we are optimistic that we will be able to recover at least 50% of this amount within the coming 12 months. We had 35 cases amounting to ₹7.35 Crore, out of which we have regularised 19 cases amounting to ₹3.80 Crore. An important point to note here is that the SARFAESI Act. has helped us with a good resolution of our NPA cases. We have found legal recoveries through the SARFAESI mode quite speedy compared to the execution of the arbitration awards. Furthermore, the Company is increasingly leveraging technology and automating workflows in order to increase operational efficiency and be more competitive in this segment.

57%

Our loan book stood 57% higher at ₹519 Crore in FY22, compared to the previous year's ₹330 Crore.



These initiatives aim to automate underwriting, minimise physical onboarding and reduce turn-around-time for loan disbursement. By the start of the next financial year, the Company hopes to have a fully integrated platform with numerous third-party APIs, a collections module, a document management system, and the first draught of a credit rule engine.

With all of these factors at play, the Company is expecting a good year for the SME Retail vertical, wherein this vertical should become self-sustaining and profitable at an individual level.

OPTIMISING COST-TO-INCOME

Our SME Retail business, which is a relatively new vertical for us, has had a steep learning curve over the last two to three years. We took the last two difficult years as an opportunity to rejig our team, improve our business processes, shut down our unresponsive branches, and focus on good-potential branches. Additionally, we added some more branches and improved our branch-level infrastructure. At the end of FY22, the Company operates 22 branches spread in 6 states across north and west India.

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

LETTER TO SHAREHOLDERS (CONT.)

On to our next milestone

In order to position ourselves for growth, especially on the SME Retail front, we significantly strengthened our management bandwidth, including hiring senior management personnel such as Chief Operating Officer, Zonal Credit Head and VP Operations. With these key recruitments in place, we are confident about our team strength and feel that our understanding of the market has deepened for us to deliver on the true potential of this business. As a result, we are confident that we will achieve better AUM growth in our SME Retail business in the coming years. On a consolidated basis, our team and infrastructure are now capable of facilitating growth up to ₹1,000 Crore of AUM. We hope to deliver this milestone in the coming years, thereby significantly improving our Cost-to-Income ratio.

STRATEGIC PRIORITIES AND OUTLOOK FOR FY23

We have identified certain strategic priorities that will facilitate our growth and help us achieve our medium to long-term goals. As a well-capitalised lender with a moderate leverage ratio well within acceptable parameters, the first and most immediate objective for us is to raise debt at attractive terms and scale our loan book.

INFRASTRUCTURE & TEAM TO SUPPORT AUM UP TO



₹1,000 Crore



Additionally, while scaling our loan book, we would also like to rationalise our Wholesale: SME Retail book mix in favour of SME Retail vertical. Doing so will be critical to achieving a better Cost-to-Income ratio and diversifying our loan book from predominantly being present in one segment.

Our recent Credit Rating Upgrade to BBB+ is one achievement that will indeed help us in reaching our objectives. Moreover, given the Company's strong fundamentals, we anticipate another round of credit rating upgrade in the coming year that will help us achieve the A rating, further enhancing our ability to raise capital at competitive rates. Another significant achievement on the liability side has been onboarding two of India's most prestigious private-sector banks, namely Kotak Mahindra Bank and HDFC Bank.

Given the plethora of opportunities, there is ample headroom for us to grow in both our verticals, provided we raise debt at attractive rates.

Another strategic priority for us this year is to add some new domains & customer segments in our core competency, along with digging deeper into our existing geographies.

Initially we are evaluating two locations for these new products. New customer segments and loan products will help us in growing our AUM per branch, and help us achieve better branch-level profitability.

In closing, I must once again convey my heartfelt gratitude to all our stakeholders and thank you for placing your trust in us. Our heightened abilities combined with the present industry opportunities puts us in a good place to deliver a good performance in FY23, and we are confident that we will be able to leverage the same in our favour

Yours Sincerely,
Rohit Gupta

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

BOARD OF DIRECTORS

Guiding with prudence and integrity

Rohit Gupta
**MANAGING
DIRECTOR**



Rohit is a Chartered Accountant with over 25 years of diverse experience in the domains of merchant banking, corporate finance, financial restructuring, project finance, capital markets and structured lending. He has advised several small and mid-size organisations to develop and execute turnaround and growth strategies and helped them raise equity and debt through various instruments to fuel their growth.

**Ashok Kumar
Kathuria**
DIRECTOR



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

Parmod Bindal
**INDEPENDENT
DIRECTOR**



Parmod 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 served as the Independent Director of the Steel Authority of India between 2015 and 2019.

**Chander Subhash
Kwatra**
**INDEPENDENT
DIRECTOR**



Chander has done his MBA with a specialisation 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.

Rachita Gupta
**WHOLE-TIME
DIRECTOR**



Rachita has done her Masters of Business Finance from Warwick Business School and completed her Graduation from Hansraj College. She started her career with Ernst & Young and has experience in Analytics, Data Management, Industry Research, Digitization of softwares, Digital Marketing & Corporate Branding. She joined CSL Finance in 2017 and since then has played a crucial role in the rollout of the SME Retail lending vertical of the company. She has driven the implementation of the Loan Origination System and has been driving the various MIS reports that are key to running the retail lending business successfully.

Ayush Mittal
**INDEPENDENT
DIRECTOR**



Ayush is a qualified Chartered Accountant of 2016 Batch and holds a Bachelor's degree in Commerce from Delhi University. He has an impeccable professional and academic track record and manages the day-to-day operations of various professional advisory firms. He has a vast experience of more than five years in capital and forex markets and is actively involved in algorithmic software trading of forex in Singapore and other countries. He carries an experience of more than four years in the field of taxation, corporate litigation pertaining to taxation and corporate restructuring.

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

SENIOR MANAGEMENT PERSONNEL

The team that steers performance

Rohit Gupta
MANAGING DIRECTOR



27+ **16+**

Naresh Varshney
CHIEF FINANCIAL OFFICER



25+ **7+**

Ex – RR Finance Consultants, Centrum Capital & Unicorn

Amit Ranjan
CHIEF OPERATING OFFICER



17+ **1+**

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

Chandan Kumar
WHOLESALE CREDIT HEAD



10+ **4+**

Ex – PNB Housing, HDFC, SIB

Rachita Gupta
WHOLE-TIME DIRECTOR



6+ **5+**

Ex – Ernst & Young

Ranjan Banerjee
ZONAL CREDIT HEAD SME



17+ **1+**

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

Nikhil Singh
VP OPERATIONS



15+ **1+**

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

Shalini Aggarwal
VP FINANCE



6+ **2+**

Deepak Sharma
AVP INFORMATION TECHNOLOGY



12+ **1+**

Ex - Aye Finance and Shikhar Microfinance

Saurabh Priyadarshini
SR MANAGER LEGAL



8+ **1+**

S.B. Tiwari
CHIEF MANAGER ACCOUNTS



20+ **16+**

Hariom Kumar
SR MANAGER HR



13+ **3+**

Ex – Ujjivan Financial Services

Preeti Gupta
COMPANY SECRETARY



7+ **1+**

● WORK EXPERIENCE
● YEARS AT CSL
EX-RELEVANT INDUSTRY EXPERIENCE

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

Strategies to drive the next phase of growth

CREDIT RATING UPGRADE

The Company has received one round of credit rating upgrade to reach BBB+ in FY22. In FY23, the Company hopes to achieve another upgrade to reach A status, which will help raise debt at competitive terms.

FULL-FLEDGED LAUNCH OF CUSTOMER ONBOARDING & LOAN UNDERWRITING PLATFORM

The Company has recently migrated to a new customer onboarding & loan underwriting platform with multiple API integrations. In FY23, the Company is working towards achieving integrating functions such as Collections Module, Document Management System, and Customer Relationship Management.

LEVERAGING TECHNOLOGY TO STRENGTHEN OPERATIONS

The Company is working towards automating underwriting, reducing physical onboarding of an account, and reducing turn-around-time to achieve efficiency and competitiveness in the SME Retail segment.

RATIONALISATION OF PORTFOLIO

The Company aims to rationalise its portfolio in favour of the SME Retail vertical, to de-risk itself from being present only in one business vertical. From the current Wholesale: SME Retail mix of 67:33, the Company plans to achieve a portfolio mix of 40:60 till H1FY24.

OPTIMISING BRANCH PERFORMANCE

The Company is working towards growing its SME Retail loan book, and AUM per branch, to achieve better branch-level profitability.

FOCUSING ON ADDING CORE COMPETENCIES

The Company is focused on lending in domains where it has a strong domain expertise. Further, CSL is looking to add an unsecured loan product for MSMEs, in the coming year.



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

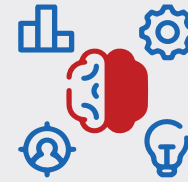
02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

KEY STRENGTHS & DIFFERENTIATORS

The CSL Finance mantra

KEY STRENGTHS & DIFFERENTIATORS



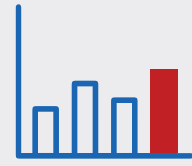
DOMAIN KNOWLEDGE

CSL Finance focuses on gaining a solid market understanding and deep domain knowledge while operating within its circle of competence. The Company's focused approach is geared towards understanding and establishing comfort first, whether it be geographically in the markets it is present in or in specific customer segments and products, and then proceeding to establish a formidable presence in that domain.



NICHE PRODUCTS & SEGMENTS

CSL Finance has identified niche product & customer segments, such as Small Builder Floor loans, Affordable & Mid-Income Housing projects in its Wholesale vertical, or Schools and certain other small businesses in its SME Retail portfolio. The Company's flexible & proactive approach allows it to remain competitive in these segments & products and helps it generate respectable capital return ratios in these categories.



WELL CAPITALISED

CSL Finance is a well-capitalised lender, with a superior Capital Adequacy Ratio and a conservative Leverage Ratio, well within its risk parameters. In the next few years, the Company will focus on increasing its Leverage Ratio on its enhanced Equity Base to deliver loan book growth. Nonetheless, the Company will always aim to remain under its leverage threshold.

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

Bringing equality through women empowerment and education

At CSL Finance, we firmly believe that our responsibility towards our communities triumphs our profit making goals. It is this belief that guides our actions and enables us to make prudent choices that work for the benefit of the communities we are surrounded by.

In FY22, we established our own foundation, 'CSL Finance Foundation' to add impetus to our CSR goals. The foundation's purpose is entrenched in empowering children from India's lowest socio-economic classes to break the cycle of generational poverty through education, leadership, compassion and women empowerment.



Our Mission

- Empower and provide equal opportunities to girls and boys for education.
- Provide a safe and healthy environment that encourages learning and respecting others.
- Provide teaching materials, uniforms, books, stationery, meals and transportation free of cost.
- Improve the status quo of Women Empowerment, Health & Sanitation.



Our Focus Areas

- Education
- Women Empowerment



Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

CORPORATE SOCIAL RESPONSIBILITY (CONT.)

Bringing equality through women empowerment and education



EMPOWERING OUR COMMUNITIES THROUGH EDUCATION AND HEALTH CARE ACCESS

In the future, CSL endeavours to make education more accessible to underprivileged children and enable them to excel in academics as well as personal development.



With this project, CSL Finance Foundation aims to enhance the abilities of underprivileged children through mentorship and access to knowledge beyond classrooms. It designs, develops and implements exciting, accessible, mentor-based, hands-on learning education programs for school students to prepare them for success in a global and technological world. To this effect, the foundation conducts educational workshops and trips that enrich the lives of the students and helps them develop a curious bent of mind. Furthermore, it provides educational materials such as uniforms, books, notebooks, stationery, food and extra coaching to assist students in their learning journey. In addition, CSL Finance Foundation is also engaged in developing infrastructure for school students. To date, the foundation has benefited approximately 200 children with the help of 10 teachers and assisting members of the school



This project empowers women and young girls through health and social initiatives. The foundation works on preparing young girls above the age of 9 years for their menstruation journey through fun and interactive comic books called MENSTRUPEDIA and GULLU. These books discuss the physical changes of a woman's body through their menstrual cycle and create awareness about common challenges faced during this phase. These projects are run in partnership with primary healthcare centres. The foundation also provides free sanitary napkins to underprivileged women every month. Further to this, CSL Finance Foundation also engages in facilitating mass weddings for socially victimised women.

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

INDIAN ECONOMY

The Indian economy gained momentum after a deadly second wave of COVID-19, but the third wave's appearance in January 2022 resulted in a decline in performance, according to various high-frequency indicators. Even if they were localised, the ensuing restrictions slowed the recovery rate during the first quarter of the fiscal year under consideration. According to the National Statistical Office's second advance estimates, the Indian economy expanded by 8.7% in 2021-2022 but only 4.1% in Q4 of the same year.

The easing of COVID-related restrictions, accelerated vaccination campaign, and a strong policy response from the Government of India and the Reserve Bank of India were all critical in ensuring this recovery. Increased consumer demand, investment, and exports were the main drivers of growth in the fiscal year 2022, which was also helped by monetary and fiscal policies. The economy was also stimulated by improved capacity utilisation in the agriculture sector, a resurgence of manufacturing, stronger consumer confidence due to an increase in vaccination rates, and more mobility.

In addition, increased capital expenditure on infrastructure and the rise of the real estate industry contributed to the construction sector's comeback, boosting the economy. COVID-19's second wave heavily damaged the rural economy, but as the year progressed, favourable monsoons, a healthy crop yield, rising acreage, and increased support prices helped the rural economy's cash flow.

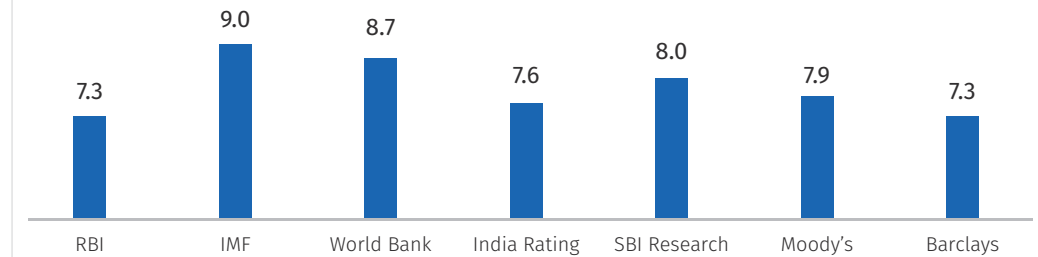
Inflation measured by the Consumer Price Index (CPI) in India was 6.95% in March 2022 and has since increased to a record-breaking 7.79% in April 2022, an 8-year high. Due to ongoing geopolitical tensions and sanctions, which have driven up the price of crude oil and other commodities and caused supply chain bottlenecks and labour market disruptions due to COVID, inflation is on the rise and its outlook uncertain.

India will continue to be impacted by the unfavourable factors of the global economy as long as the financial system is unstable because of the European humanitarian crisis. Furthermore, given the numerous sanctions imposed on Russia by European and Western nations, the macroeconomic policies continue to be unstable.

The growth forecast of Indian economy from various agencies for the coming financial year range between 7.3% to 9.0%, as mentioned below:

FY23 FORECAST BY VARIOUS AGENCIES

(In %)



Source: Various Agencies

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals: Wholesale	06
Business Verticals: SME Retail	10
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)

NBFC SECTOR

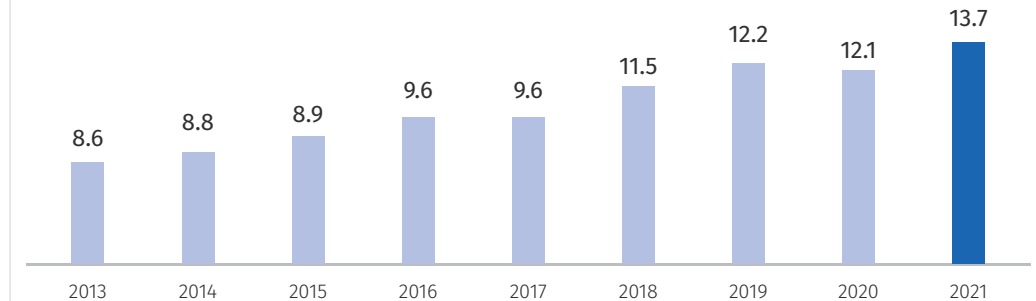
The ongoing COVID-19 pandemic has profoundly impacted the NBFC sector. They had significant disruptions during and after the nationwide lockdown in Q1 of 2020-21, which caused an economic standstill and a 24.4% decline in Gross Domestic Product (GDP). NBFCs saw a severe decline in collections and disbursements as the real sector's effects spread to the financial markets and a significant increase in the cost of their borrowings, even as access to market funding was increasingly hampered. The provision of a moratorium also had an impact on their cash inflows, resulting in a reduction in collections. The Reserve Bank and the government took timely action on the monetary, fiscal, and regulatory fronts, which helped them recover, eased financial conditions, and improved market sentiment. The situation began to improve in Q2 of 2020-21, helped by policy support. Numerous NBFCs have adjusted their business strategy, relying heavily on digital technology and data analytics. But when the second wave hit the nation in March 2021, the NBFC industry once more encountered challenges. With the passing of the second wave, the outlook is brightening again; however, some downside risks remain.

It goes without saying that NBFCs have a certain competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society. As a result NBFCs' credit intensity measured by the credit/GDP ratio has been rising consistently over the last decade.

The pandemic tested the resilience of the NBFC sector. Their balance sheet expanded in 2020-21 on the back of credit growth of NBFCs aided by proactive policy support and revival of the economy. Asset quality and capital buffers improved during the year, while profitability decreased marginally.

NBFCs CREDIT TO GDP RATIO

(In %)



OUTLOOK

Because of the difficulties in gaining access to funds, the wholesale finance industry, which used to be a primary growth driver for the sector, has been seeing a decline as of late. Over the course of time, several players have reduced their presence in this segment and switched their attention to the granularization of their portfolios. Other players are also attempting to fill the void and expand their book in this segment; however, it is anticipated that the majority of the incremental funding towards this space will be led by alternative investment funds (AIFs). As a result, the challenges that are associated with asset-liability maturity management will be significantly reduced, and access to patient capital will be increased. The performance of the unsecured loan portfolio will also be an important metric for NBFCs to keep an eye on. This is generally a short-tenure portfolio and, therefore, has a higher run down in the book. In light of the state of the economy and the uncertainties surrounding asset quality, this division likewise encountered headwinds in the prior year.

Going forward, non-banking financial companies (NBFCs) will be extremely important to the functioning of the Indian financial ecosystem. Larger businesses and more established asset areas will continue to dominate expansion, but collaborations will be of assistance to both mid-sized and growing players. In addition, the rise of digitalization, tech-enabled business processes, and the application of data analytics are all trends that are gathering steam and are expected to contribute to improvements in asset quality as well as growth. And the emphasis on maintaining greater capital and liquidity levels will continue for some time in order to restore confidence of stakeholders and make progress toward normalising access to funding.

Source: Reserve Bank of India, CRISIL

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals:	06
Wholesale	
Business Verticals:	10
SME Retail	
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)

COMPANY OVERVIEW

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.

BUSINESS VERTICAL OVERVIEW WHOLESALE

CSL Finance's Wholesale Lending vertical provides uniquely designed loan products to real estate developers for group housing and single-plotted projects, which are collateralised against the projects developed or to be developed by them. These loan products of different categories are specially designed for projects like Affordable Group Housing, Mid-Income Group Housing and Small Builder Floors (G+4 buildings). Furthermore, in a bid to minimise project execution risk, the Company focuses on funding projects with a decent capital contribution from the developers.

Currently, this vertical is leveraging its robust market know-how and catering to projects located in the NCR region and most of its micro-markets. Further, CSL Finance is also conducting market research and trying its hand on a few projects located in Chandigarh.

SME RETAIL

CSL Finance's SME Retail vertical caters to the under-served and unbanked SME & MSME customer segment with secured, collateralised loans. Instead of using conventional banking and lending scorecards, this vertical lends based on a unique approach of using alternative data and takes into account multiple factors such as the operations of the business, its cash flows and its business vintage. After thorough due diligence, it disburses small and flexible ticket size loans in a swift manner to address the needs of these SMEs & entrepreneurs. These loans are typically provided to SMEs engaged in the fields of Education, Medicine, Agriculture and FMCG trading industries and are also extended to Salaried professionals with limited access to core banking.



FY22 PERFORMANCE DISCUSSION

The Company had a robust performance during the year, despite recovering from challenging external circumstances. Firstly, CSL Finance recorded impressive growth in the loan book from ₹330 Crore in FY21 to ₹519 Crore in FY22, an increase of 57%. This was supported by a steady rise in disbursements throughout the year. Subsequently, the Company reported a decent increase in Total Income, which stood at ₹74.6 Crore, compared to ₹61.7 Crore in FY21, an increase of 22%. Net Interest Income also grew, although relatively slowly, due to an increase in borrowing costs subsequent to a rise in repo rates. As a result, NII stood at ₹56.9 Crore in FY22, compared to ₹52.2 in the previous year. Profit After Tax (PAT) increased by 22 %, i.e. ₹33.45 Cr in FY22 vs ₹27.53 Cr in FY21.

On the operational front, the Company has also launched four new products in its SME Business Loan Segment- Jyoti, Shakti, Saarthak and Samadhan to support unbanked and underserved SMEs engaged in Education, Medical, Agriculture, FMCG trading industries, and Salaried professionals in their expansion plans and working capital needs. On the liability side, the Company has onboarded some of the country's most respected private financial institutions, i.e. Kotak Mahindra Bank, HDFC Bank, Federal Bank, along with Indian Bank.

OUTLOOK

The Company has a promising outlook for the coming financial years, given the plethora of opportunities in both of its business verticals. The Company believes there is ample headroom to grow in both its verticals, provided it can raise debt at attractive rates. Although the recent credit rating upgrade to BBB+ is an important milestone on this front, the Company expects another round of credit rating upgrade to A status in the coming financial year.

The Company aims to expand its SME Retail vertical faster and optimise the overall AUM mix in favour of this segment. This will also allow the Company to optimise the overall Cost-to-Income ratio and improve profitability metrics.

Contents

01 / CORPORATE OVERVIEW

Geared for Growth	01
Company at a glance	02
Journey	04
Business Verticals:	06
Wholesale	
Business Verticals:	10
SME Retail	
Key Performance Indicators	14
FY22 Performance Review	18
Letter to Shareholders	21
Board of Directors	24
Senior Management Personnel	25
Strategic Priorities	26
Corporate Social Responsibility	27
Management Discussion and Analysis	29

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

MANAGEMENT DISCUSSION AND ANALYSIS (CONT.)

RISKS & CONCERNS

CSL Finance constantly monitors the external environments and internal risks so that it is better prepared with risk mitigation measures and the threats emerging from the same. It enables the Company to leverage opportunities arising out of said events as well as overcome the challenge of said threats. Some of the possible risks and concerns are as follows:

- A slowdown in the global and Indian economy in the wake of rising geopolitical tensions.
- A persistent rise in interest rates, given the central banks are trying to counter inflationary pressures the economy is currently facing.
- A slowdown in the real estate sector could adversely affect collections and loan book growth in our Wholesale lending vertical.
- Inability to raise funds at competitive borrowing cost, which might impact the Company's profitability.
- Execution risks in the Company's emerging business vertical i.e. SME Retail.

HUMAN RESOURCES

CSL finance considers its human resource as its family and the most integral part of the organisation's success. After the foray into the SME Retail vertical, the Company created a formal HR department which has been actively working on aspects such as employee satisfaction and employee-related processes such as orientation and onboarding. The Company has rolled out a comprehensive &

welcoming employee orientation program to make new recruitments feel more connected with the organisation. CSL Finance has also organised offsite team visits for its senior leadership team to brainstorm strategies and share & implement best practices. Apart from that, the Company has also been actively working on training & developing its team strength, including certain motivational programs for its team, especially when the entire country was under a complete lockdown, to keep up their morale. Through its regular training & development programs, CSL aims to promote a culture of constant learning aimed at an individual's professional and personal growth. To reward the efforts & contributions of its team to organisational goals, the Company has created bespoke incentive structures & reward programs for its team in various functions and departments. Apart from the sales & marketing team, the Company has put in place reward structures

for collections and other vital functions of the organisation. As on 31 March 2022, the employee strength at CSL was 200.

INFORMATION TECHNOLOGY

Given how quickly technology is evolving and its vast potential to improve efficiencies in an organisation, it is pertinent that every Company leverages the immense benefits of technology in their operations. At CSL Finance, our primary areas of focus include reducing the disbursement turnaround times, enhancing the credit underwriting of the cases, reducing time for customer onboarding and enhancing the post-disbursement service experience for customers. CSL has been working continuously to strengthen and expand its technology capabilities. Recently, the Company has migrated to a new customer onboarding & loan underwriting platform with multiple API integrations. The Company has also set

a thorough roadmap to improve operational efficiency and make the entire workflow for lending, accounting, HR, and DMS seamless. In order to weed out any fraudulent activity at each stage and validate the data using the market-available credit databases, the Company started using on-cloud analytical engines. In addition, the Company successfully launched an integrated HR ERP system to manage the activities related to attendance, payroll, and expense reimbursement on the cloud system. Further, we are integrating all of these systems with a new accounting ERP system in FY23..

Future digital initiatives will focus on streamlining the client onboarding and servicing processes.

The launch of a programme to produce detailed MIS and dashboards to track and manage the business more effectively is being worked on by a MIS team. In order to aid management in making data-driven decisions, the organisation is also deploying business intelligence dashboards for high-level analytics.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing our objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which we operate, changes in government regulations, tax laws and other statutes and incidental factors.



Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

COMPANY INFORMATION

CORPORATE IDENTITY NUMBER (CIN)

L74899DL1992PLC051462

BOARD OF DIRECTORS**Mr. Rohit Gupta**

MANAGING DIRECTOR

Mr. Ashok Kumar Kathuria

(Non-Executive Director)

Ms. Rachita Gupta

(Whole Time Director)

Mr. Ayush Mittal

(Independent Director)

Mr. Parmod Bindal

(Independent Director)

Mr. Chander Subhash Kwatra

(Independent Director)

CHIEF FINANCIAL OFFICER**Mr. Naresh Chandra Varshney****COMPANY SECRETARY & COMPLIANCE OFFICER****Ms. Preeti Gupta****LISTED AT**

BSE Limited & National Stock Exchange of India Limited

BANKERS

State Bank of India
HDFC Bank Limited
AU Small Finance Bank
Kotak Mahindra Bank
Punjab National Bank
Tata Capital
Indian Bank
Federal Bank

STATUTORY AUDITORS**Aggarwal & Rampal,**

Chartered Accountants

INTERNAL AUDITOR**R. Mahajan & Associates,**

Chartered Accountants

SECRETARIAL AUDITOR**Ganesh Sharma & Associates**

Company Secretaries

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
(Formerly known as GDA
Trusteeship Limited)
Office No. 604, 6th Floor, Windsor,
C.S.T. Road, Kalina, Santacruz (East),
Mumbai-400098, Maharashtra.

REGISTRAR & SHARE TRANSFER AGENTS

MAS SERVICES LIMITED

T-34, 2nd Floor, Okhla Industrial Area,
Phase-2, New Delhi-110020

Phone: 011-26387281-82-83

Email Id: investor@masserv.com**REGISTERED OFFICE**

410-412, 18/12, 4th Floor,
W.E.A., Arya Samaj Road, Karol Bagh,
New Delhi-110005

CORPORATE OFFICE

716-717, 7th Floor, Tower – B,
World Trade Tower, Sector - 16
Noida, Uttar Pradesh-201301
Phone: 0120-4290650-52-53-54
Email Id: Investor@Cslfinance.In
Website: www.cslfinance.in

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

CSL FINANCE LIMITED

35

Notice of 30th Annual General Meeting

NOTICE is hereby given that the 30th (Thirtieth) Annual General Meeting of the Members of CSL Finance Limited ('the Company') will be held on Monday, September 26, 2022 at 11.00 a.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") (hereinafter referred to as 'e-AGM') to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements for the financial year ended March 31, 2022

To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors of the Company and the Statutory Auditors thereon, including Annexures thereto.

2. Declaration of a dividend on equity shares for the financial year ended March 31, 2022

To declare a dividend on equity shares at the rate of 25% (Twenty-Five percent) [i.e. ₹2.5/- per equity share of ₹10/- (Rupees Ten Only)] for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company.

3. Appointment of Ms. Rachita Gupta (DIN: 09014942) as a Director, liable to retire by rotation, who has offered herself for re-appointment

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Rachita Gupta (DIN: 09014942), who retires by rotation at this meeting, and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

4. Approval for appointment of Statutory Auditors of the Company and to fix their remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 and in accordance with the circulars, directions and guidelines issued by the Reserve Bank of India ('RBI'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations" as amended from time to time including any statutory modification(s)

or amendment(s) thereto or re-enactment(s) thereof for the time being in force and pursuant to recommendation and approval of the Audit Committee and the Board of Directors of the Company, M/s. S.P. Chopra & Co., Chartered Accountants (Firm Registration No. 000346N), Delhi, be and is hereby appointed as the Statutory Auditors of the Company in place of M/s. Aggarwal & Rampal, Chartered Accountants (FRN: 003072N), to hold office for a term of 5 (five) consecutive years from the conclusion of 30th Annual General Meeting ("AGM") till the conclusion of the 35th AGM to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS:

5. Appointment of Mr. Chander Subhash Kwatra (DIN: 08635939) as an "Independent Director" of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the 'Act'), including the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and other applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Chander Subhash Kwatra (DIN: 08635939) who was appointed by the Board of Directors (hereinafter referred to as 'Board'), based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and Articles of Association of the Company, be and is hereby appointed as a Director in the category of "Non-Executive Independent Director" of the Company for a term of three (3) consecutive years, effective from June 27, 2022 up to June 26, 2025 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provision of sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, Mr. Chander Subhash Kwatra be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits prescribed from time to time.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

RESOLVED FURTHER THAT any member of the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

6. Appointment of Mr. Parmod Bindal (DIN: 06389570) as an "Independent Director" of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the 'Act'), including the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and other applicable provisions of the SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Parmod Bindal (DIN: 06389570) who was appointed by the Board of Directors (hereinafter referred to as 'Board'), based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company for a term of three (3) consecutive years, effective from June 27, 2022, up to June 26, 2025 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provision of sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, Mr. Parmod Bindal be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits prescribed from time to time.

RESOLVED FURTHER THAT any member of the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

By order of the Board of Directors
of **CSL Finance Limited**

Date: August 26, 2022

Place: Noida

Registered Office:
410-412, 18/12, 4th Floor, W.E.A,
Arya Samaj Road, Karol Bagh, New Delhi -110005
CIN: L74899DL1992PLC051462
Tel: 0120 4290650/52
Website: www.csloffinance.in
Email: investor@csloffinance.in

Preeti Gupta
(Company Secretary & Compliance Officer)
M. No.: A43593

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

Notes:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021, and May 05, 2022, respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HODDHS/P/CIR/2022/0063 dated May 12, 2020, January 15, 2021, and May 13, 2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require the physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Mr. Ganesh Dutt Sharma, Practicing Company Secretary (ACS No. 43348, CP No. 16085) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

3. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy of its Board or governing body resolution/authorization, etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to csganeshdutt@gmail.com with a copy marked to investor@csfinance.in

4. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at investor@csfinance.in. The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their

views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. The Members can log in and join the AGM in the VC/OAVM mode 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first-come-first-served basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first-come-first-served basis.

7. In the case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. In accordance with SEBI vide its circular no. SEBI/HO/ MIRSD/RTAMB/CIR/P/2020/166 dated September 07, 2020 all share transfers shall be carried out compulsorily in the dematerialised form with effect from April 01, 2021. Hence no transfer of shares in physical form are allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only: -

- I. Issue of duplicate share certificate
- II. Claim from unclaimed suspense account
- III. Renewal/Exchange of securities certificate
- IV. Endorsement
- V. Sub-division / splitting of securities certificate
- VI. Consolidation of securities certificates/folios
- VII. Transmission
- VIII. Transposition

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA). The aforementioned form shall be furnished in hard copy form.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

9. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021, read with circular dated December 14, 2021, has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA on or after April 01, 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- PAN;
- Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- Bank Account details including Bank name and branch, Bank account number, IFS code;
- Specimen signature.

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details shall be provided to Company/RTA at investor@cslfinance.in / investor@masserv.com and send the documents at the address of registered office of the company or RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company at www.cslfinance.in as well as RTA website i.e., <https://www.masserv.com/>

A separate communication has already been sent to the respective shareholders.

10. In line with the relevant MCA circular, the Notice calling the AGM has been uploaded on the website of the Company at www.cslfinance.in. The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-voting facility) i.e. www.evoting.nsdl.com.

11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

12. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), setting out the material facts relating to special business to be transacted at the thirtieth (30th) Annual General Meeting ("AGM"), as set out in this Notice is annexed hereto. Further additional information, pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM as mentioned in Item Nos. 3, 5 & 6 of this Notice of AGM is also annexed hereto.

13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their requests to the Company at investor@cslfinance.in.

14. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 20, 2022 to Monday, September 26, 2022 (both days inclusive) for the purpose of the Thirtieth (30th) AGM of the Company and determining the entitlement of the Shareholders to dividend for the financial year 2021-22. All the documents in connection with the accompanying Notice and Explanatory Statement are available for inspection through electronic mode on the basis the request being sent on investor@cslfinance.in.

15. The Board of Directors, at its meeting held on May 24, 2022, has recommended a dividend @ 25% i.e., ₹ 2.50/- (Rupees Two and Fifty Paise only) per equity share of ₹10/- each (which is 75% per equity share pre bonus issue) for the financial year ended March 31, 2022.

Dividend, if approved at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members on the close of business hours of Monday, September 19, 2022 in the following manner: -

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

- To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) collectively "Depositories", as of the close of business hours on September 19, 2022;
- To all Members in respect of shares held in physical form after giving effect to valid transfer/transmission in respect of transfer/ transmission requests properly lodged with the Company on or before the close of business hours on September 19, 2022.

1. Payment of Dividend through electronic means-

- The Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), along with their Folio Number, to RTA. Members holding shares in dematerialized form are requested to provide the said details to their respective Depository Participants.
- In line with the MCA Circulars issued by the MCA, in case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFSC Code), the Company shall dispatch the dividend warrant/ cheque to such shareholder by post.
- Members holding shares in dematerialized form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company/ RTA cannot act on any request received directly from the Members holding shares in dematerialized form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Shareholders.
- Pursuant to Finance Act, 2020, dividend income will be taxable at the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 21-22 does not exceed ₹ 5,000/-.

A resident individual shareholder with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at investor@masserv.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

- Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be: -
 - the change in the residential status on return to India for permanent settlement, and
 - the particulars of the NRE account with a Bank in India, if not furnished.
- Members holding shares in physical form are advised to furnish, on or before September 19, 2022 particulars of their bank account, if not done or if it has changed, to the Company to incorporate the same in the dividend warrants/ payment instruments
- In respect of cases, where the payments to the shareholders holding shares in dematerialized form are made by dividend warrants / payment instruments, particulars of bank account registered with their Depository Participants would be considered by the Company for printing the same on the dividend warrants/ payment instruments.

16. Members are requested to:

(i) Register their correct email ID and correct Bank Account details:

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

a) In the case of Shares held in physical mode:

The shareholder may please email to RTA at investor@masserv.com or the Company at investor@cslfinance.in

b) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

- (ii) Intimate the Registrar and Share Transfer Agent, M/s, MAS Services Limited for consolidation into a single folio Members, if they have shares in physical form in multiple folios in identical names or joint holding in the same order of names.
- (iii) Convert their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company's registrar and share transfer agent in this regard.

17. In terms of Sections 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended from time to time, dividends which remain unpaid/unclaimed over a period of seven (7) years will have to be transferred by the Company to Investor Education and Protection Fund of the Central Government. Accordingly, all unpaid/ unclaimed amounts in respect of dividends paid by the Company have to be transferred to the said fund by the dates mentioned herein below. Shareholders are requested to encash the dividend before the due date of transfer. No claim will be entertained thereafter by the Company. The details of the dates on which dividend should be transferred to the aforesaid fund is given below-

Financial Year	Date of Declaration	Due for transfer
2016-2017	September 05, 2017	October 12, 2024
2017-2018	September 29, 2018	November 05, 2025
2018-2019	September 30, 2019	November 07, 2026
2019-2020	September 28, 2020	November 04, 2027
2020-2021	September 30, 2021	November 06, 2028

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-2, New Delhi-110020.

19. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Audited Financial Statements of the Company for the financial year ended March 31, 2022, including Report of Board of Directors, Statutory Auditors' Report and other documents required to be attached therewith and the Notice of AGM are being sent through electronic mode to the Members whose e-mail address is registered with the Company or the Depository Participant(s).

20. Pursuant to Sections 101 and 136 of the Act read with relevant rules framed thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). To support this Green Initiative, Members holding shares in dematerialised form are requested to register their e-mail address with their Depository Participant(s).

Members may also note that the Notice of 30th e-AGM and the Annual Report for the financial year 2021-22 will be available on the Company's website <https://www.csfinance.in>, on the websites of the Stock Exchanges where the equity shares of the Company are listed, i.e., BSE Limited (at www.bseindia.com), NSE Limited (at www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at investor@masserv.com along with the copy of the signed request letter mentioning the name and address of the Member, scanned copy of the share certificate (front and back), self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their e-mail addresses with the relevant Depository Participant(s). In case of any queries / difficulties in registering the e-mail address, Members may write to investor@csfinance.in.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. In view of the same and to avail various benefits of dematerialization and to eliminate all risks associated with physical shares and for ease of portfolio management, Members are advised to dematerialize shares held by them in physical form. Shareholders can contact the Company or MAS Services Limited for assistance in this regard.

Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

22. Shareholders are requested to send in their queries at least a week in advance to the Company Secretary at investor@csfinance.in to facilitate clarifications during the AGM.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

23. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/ them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.

24. In terms of SEBI Circular dated December 09, 2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders at least 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.

25. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice of 30th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Monday, September 19, 2022** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Friday, September 23, 2022 at 9:00 A.M. and ends on Sunday, September 25, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/ Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 19, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 19, 2022.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote

through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.:

Login method for Individual shareholders holding securities in demat mode is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-voting service provider i.e. NSDL . Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on options available against company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csganeshdutt@gmail.com with a copy marked to investor@csfinance.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@masserv.com or investor@csfinance.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@masserv.com or investor@csfinance.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. **In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote**

through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@cslfinance.in. The same will be replied by the company suitably.

General Instructions

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. Mr. Ganesh Dutt Sharma, Practicing Company Secretary (Membership No. ACS-43348 & CP No. 16085), has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- iii. The Chairman of the meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Managing Director or the Company Secretary, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.cslfinance.in and on the website of NSDL immediately after the declaration of result by the Managing Director or the Company Secretary and communicated to the BSE Limited and NSE Limited.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.

1) The following Explanatory Statement sets out all the material facts relating to the business mentioned under Item Nos. 4 to 6 in the Notice:

ITEM NO. 4

Members of the Company at the 25th Annual General Meeting held on September 05, 2017, approved the appointment of M/s. Aggarwal & Rampal, Chartered Accountants (FRN: 003072N) as the Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual General Meeting till the conclusion of the 30th Annual General Meeting and will complete their present term on the conclusion of this Annual General Meeting.

The Board of Directors of the Company ("the Board"), at its meeting held on August 26, 2022 has, considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company appointment of M/s. S.P. Chopra & Co., Chartered Accountants (FRN: 000346N) Delhi, as Statutory Auditors of the Company in place of the Retiring Auditors, for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

S.P. Chopra & Co., Chartered Accountants, founded in 1949, has its head office New Delhi and has diversified client base of large and mid-size corporates in different sectors.

S.P. Chopra & Co., have consented to their appointment as Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013 and pursuant to RBI Master Circular- RBI/2014-15/632 DNBR (PD) CC No.040/03.01.001/2014-15 dated June 03, 2015 and RBI Guidelines- RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO. 5

Appointment of Mr. Chander Subhash Kwatra (DIN: 08635939) as an "Independent Director" of the Company for a term of three (3) consecutive years with effect from June 27, 2022.

The Board with a view to strengthen the Board with professionals from diversified background, at its meeting held on June 27, 2022 based on the recommendation of the Nomination and Remuneration Committee ('NRC') and subject to approval of shareholders, appointed Mr. Chander Subhash Kwatra (DIN: 08635939) as an Additional Director in the category of Non-Executive Independent Director with effect from June 27, 2022, for a term of three (3) consecutive years.

NRC, inter alia, have identified experience in Banking Industry, Financial Services, Leadership capabilities, Expertise in Governance and Business Transformation & Strategy as the skills and capabilities required for the role. Considering the profile and experience of Mr. Chander Subhash Kwatra, the NRC and the Board is of the view that he meets the above skills and capabilities.

Mr. Chander Subhash Kwatra is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act'). He has confirmed that he is not debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given his consent to act as Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In the opinion of the Board, Mr. Chander Subhash Kwatra fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the Management.

Brief Profile:

Mr. Chander Subhash Kwatra has done his MBA with specialization in Finance from IGNOU, New Delhi. He is a post Graduate in Mathematical Statistics from Delhi University and is a certified Associate of 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 probationary officer in 1983 and retired as the Chief Financial Officer of the Bank in 2018.

Save and except Mr. Chander Subhash Kwatra and his relatives (to the extent of their shareholding, if any), none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6:

Appointment of Mr. Parmod Bindal (DIN: 06389570) as an "Independent Director" of the Company for a term of three (3) consecutive years with effect from June 27, 2022.

The Board with a view to strengthen the Board with professionals from diversified background, at its meeting held on June 27, 2022 based on the recommendation of the Nomination and Remuneration Committee ('NRC') and subject to approval of shareholders, appointed Mr. Parmod Bindal (DIN: 06389570) as an Additional Director in the category of Non-Executive Independent Director with effect from June 27, 2022, for a term of three (3) consecutive years.

NRC, inter alia, have identified experience in Financial Services, Leadership capabilities, Expertise in Governance, Strategic Investments, and Business Transformation & Strategy as the skills and capabilities required for the role. Considering the profile and experience of Mr. Parmod Bindal, the NRC and the Board is of the view that he meets the above skills and capabilities.

Mr. Parmod Bindal is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act'). He has confirmed that he is not debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given his consent to act as Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In the opinion of the Board, Mr. Parmod Bindal fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and is independent of the Management.

Brief Profile:

Mr. Parmod Bindal is 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 etc. He has also served as the Independent Director of Steel Authority of India from 2015 to 2019.

Save and except Mr. Parmod Bindal and his relatives (to the extent of their shareholding, if any), none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

Annexure-A to items 3, 5 and 6 of the Notice

Details of Directors seeking appointment/re-appointment at the 30th Annual General Meeting of the Company pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2 on General Meetings.

Name of Director	Ms. Rachita Gupta	Mr. Chander Subhash Kwatra	Mr. Parmod Bindal
DIN	09014942	08635939	06389570
Date of Birth	September 12, 1994	March 24, 1958	October 01, 1962
Nationality	Indian	Indian	Indian
Original date of appointment on Board	December 30, 2020	June 27, 2022	June 27, 2022
Qualifications	Master of Business Administration (Finance)	Master of Business Administration (Finance)	Chartered Accountant
Experience and expertise in specific functional area	<p>Ms. Rachita has done her Masters of Business Finance from Warwick Business School and completed her Graduation from Hansraj College. She started her career with Ernst & Young and has experience in Analytics, Data Management, Industry Research, Digital Marketing & Corporate Branding.</p> <p>She joined CSL Finance in 2017 and since then has played a key role in the rollout of the Retail lending segment of the company. She has driven the implementation of the Loan Origination System within the company, and has been driving the various MIS reports that are key to running the retail lending business successful.</p>	<p>Mr. Chander Subhash Kwatra has done his MBA with specialization in Finance from IGNOU, New Delhi. He is a post Graduate in Mathematical Statistics from Delhi University and is a certified Associate of 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 probationary officer in 1983 and retired as the Chief Financial Officer of the Bank in 2018.</p>	<p>Mr. Parmod Bindal is 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 etc. He has also served as the Independent Director of Steel Authority of India from 2015 to 2019.</p>
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Ms. Rachita Gupta and Mr. Rohit Gupta (Managing Director of the Company) are related being father and daughter	NIL	NIL
Shareholding in the Company (as on March 31, 2022)	58,503 equity shares (0.28 %)	NIL	NIL

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

CSL FINANCE LIMITED

49

Directorships held in other companies in India (as on March 31, 2022)	NA	<ul style="list-style-type: none"> • PRO CLB Global Limited • Grow Bucks Capital Private Limited 	NA
Chairperson/membership of Committees	CSL Finance Limited: <ul style="list-style-type: none"> • Corporate Social Responsibility Committee – Member • Management Committee- Member • Internal Complaints Committee- Member 	NA	NA
Number of meetings of the Board attended during the last Financial Year 2021-2022	7/7	NA	NA
In case of Independent Directors –the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	His qualification, skills and expertise in the field of Banking industry & Financial Services and General Management etc., will benefit the Company	His qualification, skills and expertise in the field of Finance, understanding of accounting and financial statements, Bank Audits, Income Tax, Tax Audit, Companies Act and General Management etc., will benefit the Company

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

DIRECTORS' REPORT

Dear Shareholders,

Your Company's Directors are pleased to present the Thirtieth (30th) Annual Report along with the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), this report covers the Financial Results and other developments in respect of CSL Finance Limited during the financial year ended March 31, 2022 and upto the date of the Board Meeting held on August 26, 2022 to approve this report.

1. FINANCIAL HIGHLIGHTS

(₹ in Lacs)		
Particulars	Current Year 31-03-2022	Previous Year 31-03-2021
Revenue from operations	7,462.54	6,167.31
Other Income	17.37	18.65
Total Income	7,479.91	6,185.96
Expenses		
Operating Expenses	2,401.16	1,856.32
Depreciation, amortization and impairment	65.56	61.16
Other Expenses	537.76	332.47
Total Expenses	3,004.48	2,249.95
Profit /loss before Tax	4,475.43	3,936.02
Less: Tax Expenses	(1,130.49)	(1,183.22)
Profit for the year	3,344.94	2,752.80
Other Comprehensive Income	5.01	8.21
Total Comprehensive Income for the year	3,349.95	2,761.00

2. OPERATIONAL PERFORMANCE/ THE STATE OF THE COMPANY'S AFFAIRS

CSL Finance has built a sustainable foundation to accelerate its growth. Its customer-centric products, transparency in operations, relentless focus on customer convenience, and investment in technology has helped accelerate its operations. CSL Finance is in the business of fostering the financial inclusion of unbanked and underserved SMEs and small entrepreneurs through small & flexible ticket size loans. The Indian economy has witnessed a V-shaped recovery in FY 2021-22 after contracting in FY 2020-21 on account of the pandemic. While different segments of the financial service sector were impacted in different ways, overall, the industry was pushed to innovate and adopt technology in products and services, processes and operations for customer connect. This resulted in a wave of digital transformations and customers gained access digitally to a range of products and services. Your Company, being proactive on digital transformation, leveraged this phase to successfully migrate on a fully customised and digitized platform of its SME retail portfolio with multiple API integrations to strengthen the Company's on-boarding and underwriting platform.

Your Company's Retail participation is expected to increase in the coming years, on the back of increasing competitiveness and operational efficiency of CSL Finance in this vertical. Furthermore, factors such as favourable demographics, rising financial literacy and increasing smart phone and internet penetration will further fuel this growth. With the ever-increasing demand for financial transactions, the digital payments ecosystem has also been evolving continuously. These factors will enable us in fueling your Company's growth journey.

During the year, the Company had an excellent performance given the challenging industry dynamics. Its income during the year grew by 21.00 % to ₹74.63 Cr in FY22 from ₹61.67 Cr in FY21. Profit After Tax (PAT) increased by 22 % i.e. ₹33.45 Cr in FY22 vs ₹27.53 Cr in FY21, an increase of AUM by 56.67% to ₹517 Cr in FY22 from ₹330 Cr in FY21. The Net Worth increased by 24% from ₹259.20 Cr in FY21 to ₹321.49 Cr in FY22. As a prudent risk management practice. GNPA has declined to 1.73% in FY22 as compared to 2.11% in FY21.

Your Company has also launched four new products in its SME Business Loan Segment- Jyoti, Shakti, Saarthak and Samadhan to support unbanked and underserved SMEs engaged in Education, Medical, Agriculture, FMCG trading industries, and Salaried professionals in their expansion plans or working capital needs. Your Company has on boarded new lenders during FY22 namely HDFC Bank and Kotak Mahindra Bank and in FY23 namely, Federal Bank, ICICI Bank and Indian Bank. A detailed analysis of the operational performance and state of affairs of the Company has been discussed in detail in the Management Discussion and Analysis Report and Strategic Review section of this Annual Report.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Depreciation and Finance Costs

During the year under review, Depreciation was ₹65.56 lacs as compared to ₹61.16 lacs for the previous year. Finance costs for FY 2021-22 was ₹1074.96 lacs as compared to ₹706.80 lacs for the previous year.

Borrowings

The Total borrowings stood at ₹20416.58 lacs (including debt securities) as on March 31, 2022 as against ₹8260.41 lacs as on March 31, 2021.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the period under review, there is no change in the nature of business of the Company.

4. DIVIDEND

RBI vide its circular dated June 24, 2021, has laid down a framework for the declaration of dividend by NBFCs. Accordingly, the Board of Directors after taking into account various aspects and in compliance with the said circular, recommend for consideration of the members at the ensuing Annual General Meeting ('AGM'), payment of a dividend of 25% i.e., ₹2.50 /- per equity share of ₹10/- each fully paid up for financial year 2021-22 on equity share capital of ₹20,73,26,210/-.

Total dividend proposed for the year does not exceed the ceilings specified in said circular/RBI Master Directions.

The dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

5. THE COVID-19 PANDEMIC

The beginning of the financial year 2021-22 (FY2022) was once again dominated by the COVID-19 pandemic as new waves of infection swept across the world. In India, the second wave (called 'Delta') proved far more lethal than the first that struck in 2020. After a shaky start in some places, the vaccine immunisation programme by the Indian Government and Governments across the world has been exemplary. It saved lives and livelihood.

The highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread rapidly across the world. During this wave, India's daily number of reported cases peaked to nearly 3,50,000 on 20 January 2022. Faced with the prospect of yet more lockdowns, there was fear that the world would face yet another year of slow economic growth. Fortunately, while highly transmissible, Omicron was not as lethal as Delta. So, while many got infected, fatality rate was fortunately low.

The world did not see a re-run of massive drop in GDP as witnessed in the financial year 2020-21 (FY2021). Thanks to a huge vaccination drive and the preparedness to deal with COVID-19 as a way of life, people, firms and both the Central and State Governments sensibly dealt with the virus. Consequently, the strong link between COVID-19 waves and fall in GDP growth seem to have considerably reduced. As long as the new variants are like Omicron, we should have less to worry about mass hospitalisations, high mortality, multiple lockdowns and lower growth.

This pandemic has inflicted enormous pain and suffering to individuals and corporates alike across the world. However, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. COVID-19 was a real test of resilience and agility for every business. Corporations that have successfully adapted the challenges thrown by COVID-19 have become more resilient and prepared to weather future disruptions. It was not just the corporate sector that has been forced to rapidly adapt. Public services organisations, regulators, governments, and local administrations have demonstrated their potential to adapt and overcome.

6. INDUSTRY OVERVIEW

The Indian financial services industry is vast and diverse consisting of banks, NBFCs, capital markets, insurance sector and the new payment banks with increasing finance penetration. The opportunity in India is very high especially in the rural areas for moving from physical savings to financial savings. With increasing internet penetration and financial literacy, the future growth prospects of the financial service industry in India is very bright.

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are leveraging their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in a large country like India. Systemically Important NBFCs have demonstrated agility, innovation, and frugality to provide formal financial services to millions of Indians.

Your Company achieved an Asset Size of ₹532.23 crores as on March 31, 2022 and is now categorized as a Systematically Important NBFC by Reserve Bank of India.

7. TRANSFER TO RESERVES

The company proposes to transfer ₹668.99 lacs to Statutory Reserves in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

8. SHARE CAPITAL

As on March 31, 2022, the Share Capital of the Company stood at-

Authorised Capital	₹23,00,00,000 (Rupees Twenty Three Crores) divided into 2,30,00,000 (Two Crore Thirty Lacs) equity shares of ₹10 each.
Issued, Subscribed and Paid-Up Capital	₹20,73,26,210 (Rupees Twenty Crores Seventy Three Lacs Twenty Six Thousand Two Hundred Ten) divided into 2,07,32,621 (Two Crores Seven Lacs Thirty Two Thousand Six hundred and Twenty One) equity shares of ₹10 each.

The Increase in the equity share capital was on account of issuance of 18,25,000 equity shares on preferential basis to investors as mentioned below in point no. 9 of this Report; issue of Bonus shares in the ratio of 2 (two) equity shares of ₹10/- each fully paid up for every 1 (one) equity share of ₹10/- and pursuance to allotment of 4,00,000 equity shares of ₹10/- each to CSL Employee Welfare Trust under (Employee Stock Options Scheme), 2016.

9. KEY INITIATIVES / DEVELOPMENTS

The Board of Directors in their meeting held on January 12, 2022 proposed to raise funds through issue of equity shares and warrants on preferential basis to certain investors. The said proposal was duly approved by the Members in Extra-Ordinary General Meeting of the Company held on February 05, 2022 through Video Conferencing/ Other Audio-Visual Means.

- The funds were raised through issue of 18,25,000 equity shares on preferential basis, fully paid up, at the price of ₹160/- aggregating to ₹29,20,00,000 (Rupees Twenty Nine Crores Twenty Lacs) to non-promoters investors.
- Issue of 3,50,000 convertible warrants at a price of ₹160/- aggregating to ₹1,40,00,000 i.e., 25% of the total consideration (Rupees One Crore Forty Lacs) to promoters and non-promoters exercisable and the balance 75% of the Issue price shall be payable on or before the conversion of said Warrants into equity shares, within 18 months from the date of allotment.
- Earlier Company offered Bonus Shares to the holders of equity shares of the Company in the ratio of 2 (two) equity shares of ₹10/- each fully paid up for every 1 (one) equity share of ₹10/- each fully paid up held as on the record date by capitalizing part of the sum standing in the securities premium account of the Company as at March 31, 2022. The said proposal was duly approved by the Members through Postal Ballot via Remote E-voting on July 28, 2021.

10. EMPLOYEE STOCK OPTION SCHEME ('ESOS')

The Company has CSL (Employee Stock Option Scheme), 2016 which is prepared as per the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations').

CSL (Employee Stock Option Scheme), 2016 was approved by shareholders vide a special Resolution dated September 30, 2016. 7,00,000 options are covered under the CSL ESOS, 2016 which is administered through CSL Employees Welfare Trust ('ESOP Trust').

During the year under review, there was amendment in the CSL (Employee Stock Option Scheme), 2016 of the Company as approved by the Members of the Company through Postal Ballot via Remote E-voting on March 26, 2022, to increase the Exercise period from existing 3 years to 5 years and the amended CSL Employee Stock Option Scheme, 2016-II was adopted by your Company.

The Company has received a certificate from M/s Ganesh Sharma & Associates, Company Secretaries in Practice, that CSL ESOS, 2016-II has been implemented in accordance with SBEB Regulations and as per the Resolution passed by the shareholders of the Company in the 24th Annual General Meeting dated September 30, 2016. The certificate would be made available to the Members during the Annual General Meeting for inspection.

The details of the scheme alongwith grant wise details of options vested, exercised and cancelled have also been disclosed in Note 35 to the Financial Statements forming an integral part of the Annual Report.

The Company has not issued any sweat equity shares or equity shares with differential rights during FY22.

11. CAPITAL ADEQUACY

Capital Adequacy as on March 31, 2022 stood at a healthy 63.82%, which is well above the minimum regulatory norms for Non-Deposit Accepting NBFCs as compared to 81.50% in the previous year.

12. CREDIT RATING

During F.Y. 2021-22, India Ratings and Research (Ind-Ra) has affirmed & assigned us the upgraded credit rating from BBB (issued by CARE) to BBB+ Stable as per detail given below:

Instrument Type	Rating	Rating Action
Long Term Issuer Rating	IND BBB+/Stable	Affirmed
Long-term bank loan	IND BBB+/Stable	Assigned
Non-convertible debentures (NCDs)	IND BBB+/Stable	Assigned

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

13. CORPORATE GOVERNANCE

Your Company continues to lay a strong emphasis on transparency, accountability and integrity. The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance. As provided under Section 134 of the Companies Act, 2013 and Rules framed thereunder and pursuant to Regulation 34(2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance along with necessary certificates is set out in Annexure-E and forms part of this Report.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with Regulation 34 of LODR Regulations, the Management Discussion and Analysis Report is presented in a separate section, forming part of this Annual Report.

15. DEPOSITS

Being a non-deposit taking Company, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and provisions of Companies Act, 2013.

16. RBI GUIDELINES

The Company continues to comply with all the regulations prescribed by the Reserve Bank of India, from time to time.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary Company or Associate Company. The Company has not entered into any joint venture during the year under review.

18. NUMBER OF MEETINGS OF THE BOARD

Seven (7) meetings of the Board were held during FY 2021-2022. Details of the meetings and attendance thereat forms part of the Corporate Governance Report.

19. COMMITTEES OF THE BOARD

The Board has constituted necessary Committees pursuant to the provisions of the Companies Act, 2013, rules framed there under and SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015. The Committees of the Board are Audit Committee, Stakeholders' Relationship Committee, Investor Relations & Share Transfer Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Management Committee and Internal Complaints Committee.

The Board constituted Information Technology Strategy Committee in the meeting held on August 09, 2022 pursuant to RBI Master RBI/DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17.

The Board has accepted all the recommendations of the above committees.

The details about Composition of Committees and their Meetings are incorporated in the Board of Directors in the Corporate Governance section forming part of this Report.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Board of your Company consists of six Directors as follows and two Key Managerial Personnel:

Directors	DIN/PAN	Category
Mr. Rohit Gupta	00045077	Managing Director (Executive Promoter Director)
Mr. Ashok Kumar Kathuria	01010305	Non-executive Director
Mr. Manoj Gupta	01160953	Non-executive Independent Director
Ms. Anjna Mittal	07143461	Non-executive Independent Director (Woman Director)
Mr. Ayush Mittal	07667437	Non-executive Independent Director
Ms. Rachita Gupta	09014942	Whole Time Director (Executive Promoter Director)
Mr. Naresh Chandra Varshney	ACNPV7047F	Chief Financial Officer
Ms. Preeti Gupta	APYPG6833L	Company Secretary & Compliance Officer

The composition of the Board is as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2022, there was no disqualification of any Director pursuant to Section 164 (2) of the Companies Act, 2013. The certificate has been received from Mr. Ganesh Dutt Sharma (COP: 16085), Proprietor of M/s. Ganesh Sharma & Associates, Company Secretaries, Delhi, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this Report as Annexure-A.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

The other details with respect to the Board of Directors are given in the Corporate Governance section forming part of this Report.

a) Change in Directorate

i. Appointment/ Re-appointment

The Board, at its meeting held on June 27, 2022, based on the recommendation of Nomination and Remuneration Committee, appointed Mr. Parmod Bindal (DIN: 06389570) and Mr. Chander Subhash Kwatra (DIN: 08635939) as additional director(s) in the capacity of independent director(s) for a period of three (3) years with effect from June 27, 2022 subject to shareholder's approval in the ensuing AGM.

The Board is of the opinion that Mr. Parmod Bindal and Mr. Chander Subhash Kwatra are person(s) of integrity, expertise, and have relevant experience to serve the Company as independent director(s).

ii. Resignation

During the financial year, Mr. Manoj Gupta (DIN: 01160953), Independent Director resigned from the directorship of the company w.e.f. June 27, 2022 and Ms. Anjna Mittal (DIN: 07143461), Independent Director resigned from the directorship of the Company w.e.f., August 09, 2022.

b) Directors liable to retire by rotation

Ms. Rachita Gupta retires by rotation at the ensuing AGM, being eligible, offers herself for re-appointment. Brief details of Ms. Rachita Gupta, who is seeking re-appointment, are given in the Notice of AGM.

c) KMPs

During the year under review, Ms. Preeti Gupta, has been appointed as Company Secretary & Compliance Officer w.e.f. June 26, 2021 in place of Ms. Anju Biyani who tendered her resignation from the post of Company Secretary & Compliance Officer w.e.f. June 25, 2021.

21. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149(6) of the Act read with Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and

are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedule and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company; and
- They have registered themselves with the Independent Director's Database maintained by the IICA.

Women Directors

In terms of the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 (1) (a) of the SEBI (LODR) Regulations, 2015, the Company shall have at least one Woman Director on the Board. Your Company has Ms. Rachita Gupta (DIN: 09014942) as the Woman Director on the Board of the Company.

22. BOARD EVALUATION

Pursuant to the provisions of the Act, and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non - Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

23. TRANSACTIONS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during FY2022 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations.

All related party transactions entered during FY2022 were on arm's length basis and not material under the Act and SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations. Details of transactions with related parties during FY2022 are provided in the note 46 to the financial statements.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

The policy on materiality of related party transactions and on dealing with related party transactions was amended in line with SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. The policy is available on the website of the Company at https://www.csloffinance.in/files/ugd/eb7a97_a00a2c5b28404563b51ce1a3915a6b33.pdf and also forms a part of the Corporate Governance Report.

24. FRAUD REPORTING

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed there under.

25. FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirement of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations), the Company has put in place a familiarization programme for the Independent & Non-Executive Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the such familiarisation programme are available on the website of the Company i.e. <https://www.csloffinance.in/> and may be accessed through the web link https://eb7a975a-b2fb-4466-9a984f348df9e6fa.usrfiles.com/ugd/eb7a97_11e13b7382e446289e0baf7603778663.pdf

26. DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on an accrual basis pursuant to the provisions of the Act and guidelines issued by SEBI/RBI.

In accordance with the provisions of section 134(3)(c) and Section 134 (5) of the Act and based on the information provided by the Management, the directors state that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2022;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

27. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant material orders passed by the Regulators / Courts during the previous year which would impact the going concern status of the Company and its future operations.

28. NOMINATION AND REMUNERATION COMMITTEE

The Board has framed a policy on the recommendation of the Nomination and Remuneration Committee relating to remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees, along with the criteria for appointment and removal of the Directors, Key Managerial Personnel and Senior Management of the Company.

The Nomination and Remuneration Committee is fully empowered to determine /approve and revise, subject to necessary approvals, the remuneration of managerial personnel, after taking into account the financial position of the Company, trends in the industry, qualifications, experience, past performance and past remuneration, etc.

The policy is available at Company's website at <https://www.csloffinance.in/> and may be accessed through the web link https://eb7a975a-b2fb-4466-9a98-4f348df9e6fa.usrfiles.com/ugd/eb7a97_1b53d88922694b78ad4bef8e4e88885e.pdf

The other details with respect to committee composition and meetings are given in the Board of Directors Section of Corporate Governance Report annexed to this Report.

29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company have been disclosed in the notes to the Financial Statements.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

The same is posted on the website of the Company <https://www.cslfinance.in/> and may be accessed through the web link <https://www.cslfinance.in/files/ugd/eb7a97e885046bb30947299b9e2cc4b8ca2fd2.pdf>

As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace. During the year under review, there were no cases filed or reported pursuant to the provisions of the said Act. The same has also been disclosed in the Corporate Governance Report forming an integral part of the Board's Report.

31. FAIR PRACTICE CODE (FPC)

The Company has in place, a Fair Practice Code approved by the Board in compliance with the guidelines issued by the RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is posted on the website of the Company <https://www.cslfinance.in/> and may be accessed through the web link https://eb7a975a-b2fb-4466-9a98-4f348df9e6fa.usrfiles.com/ugd/eb7a97_33b79b8721bd4cb683a154c09ade375e.pdf

The FPC is also reviewed by the Board at frequent intervals to ensure its level of adequacy and appropriateness.

32. AUDITORS & THEIR REPORT

Statutory Auditors:

Members of the Company at the 25th Annual General Meeting held on September 05, 2017, approved the appointment of M/s. Aggarwal & Rampal, Chartered Accountants (FRN: 003072N), Delhi as the Statutory Auditors of the Company, to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual General Meeting till the conclusion of the 30th Annual General Meeting. The term of office of M/s. Aggarwal & Rampal, as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company ("the Board"), at its meeting held on August 26, 2022 has, considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company, appointment of M/s. S.P. Chopra & Co., Chartered Accountants (FRN: 000346N), Delhi as Statutory Auditors of the Company in place of the Retiring Auditors, for a term of 5 (five) consecutive years from the conclusion of this 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time. The Statutory Auditors have confirmed their independent status and eligibility for the said appointment.

The Shareholders' attention is drawn to a Resolution proposing the appointment of M/s S.P. Chopra & Co., as Statutory Auditors of the Company which is included at Item No. 4 of the Notice convening the 30th AGM.

Auditors Report:

The notes on the financial statement referred in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer for the Financial Year 2021-22.

Secretarial Auditors:

In compliance with the provisions of Section 204 and other applicable provisions of Companies Act 2013, the Board of Directors in their Board Meeting held on May 24, 2022 has appointed Mr. Ganesh Dutt Sharma (COP: 16085), Proprietor of M/s. Ganesh Sharma & Associates, Company Secretaries, Delhi as Secretarial Auditor to undertake secretarial audit of the Company for the financial year ended March 31, 2022.

The Secretarial Audit Report is attached herewith marked as Annexure – B and forms an integral part of this report. Following mentioned below Observations were given by the Secretarial Auditor in the Secretarial Audit Report.

- With respect to the non-compliance u/r 17(1) (composition of Board) of Listing Regulations 2015 for quarter ended June 2020, September 2020 & December 2020 as applicable on the basis of Market Cap of top 2000 Listed Companies, BSE Limited (Exchange) has levied penalty of ₹ 16,10,700/- for the aforesaid non-compliance and in this regard, the Company has filed its Representation Letter to the Exchange and also complied with the aforesaid non-compliance. No strictures/penalties were imposed on your Company by Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matter related to the Securities markets during the financial year 2021-22

Company's explanation on the aforesaid observations-

The Company had filed its Representation Letter to the Stock Exchange and had also Complied with aforesaid non- compliance immediately.

The company's request to waive off the fines for quarter ended June 2020 and Sep-2020 has been approved by Exchange vide e-mail dated May 23, 2022 and for quarter ended Dec-2020 Exchange has rejected the request vide e-mail dated August 06, 2021 for which the fine was paid by the Company. As on date there is no outstanding penalty amount to be paid by the Company.

Internal Auditors:

The Board has re-appointed M/s. R, Mahajan & Associates (FRN: 011348N), Chartered Accountants, Delhi as the Internal Auditors of the Company for the Financial Year 2021-22. The Internal Audit report is submitted every quarter before the Audit Committee by the Internal Auditors

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

33. ANNUAL RETURN

A copy of the Annual Return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed through the web link: https://eb7a975a-b2fb-4466-9a98-4f348df9e6fa.usrfiles.com/ugd/eb7a97_992d78480ec346bcbb9db32f57aa930f.pdf

34. COMPLIANCE ON SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India.

35. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance report, forming part of this Report. The policy is available on the website of the Company at <https://www.csfinance.in/> may be accessed through the web link: https://eb7a975a-b2fb-4466-9a98-4f348df9e6fa.usrfiles.com/ugd/eb7a97_7efd7e6685bf472abe38fd5da0a78da7.pdf

Annual Report on CSR activities, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules") is provided as Annexure C to this report.

36. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the meeting of Independent directors was held on February 18, 2022, to review the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the company; and also to assess the quality, quantity and timelines of flow of information between the company management and the Board in line with the requirement of Listing Regulations, 2015 read with applicable provisions of Schedule IV of the Companies Act, 2013.

37. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Vigil Mechanism Policy aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of Directors and Employees and ensures that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. A copy of the Policy is available on the website of the Company and may be accessed through the web link: https://www.csfinance.in/files/ugd/eb7a97_4a120755f8e0427da870775189a10654.pdf

38. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year and the date of this report.

39. MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

A Certificate from Mr. Rohit Gupta, Managing Director and Mr. Naresh Chandra Varshney, Chief Financial Officer, pursuant to provisions of SEBI (LODR) Regulations, 2015, for the year under review was placed before the Board of Directors of the Company at its meeting held on May 24, 2022 and the same does not contain any adverse remark or disclaimer.

40. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

41. INTERNAL FINANCIAL CONTROLS

The Company has an adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets commensurate with its size, scale and complexities of its operations. The internal auditor of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

42. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year 2021-22, no amount was transferred to the Investor Education and Protection Fund (IEPF).

43. DISCLOSURE PURSUANT TO RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure-D and forms part of this Report.

Other details in terms of Section 197(12) of the Companies Act, 2013 read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure-D and forms part of this Report.

44. CODE OF CONDUCT FOR DIRECTORS AND EMPLOYEES

The Company has adopted a Code of Conduct for its Directors and employees including a code of conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The said Codes can be accessed on the Company's website at <https://www.csfinance.in/> may be accessed through the web link:

In terms of the Listing Regulations, all Directors and Senior Management Personnel have affirmed compliance with their respective codes. The Managing Director has also confirmed and certified the same, which certification is provided at the end of the Report on Corporate Governance.

45. LISTING OF SHARES

The shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited* ('NSE'). The applicable listing fees for the year up to F.Y. 2022-23 have been duly paid to BSE Limited and NSE Limited.

* The Company got its Approval letter for Listing of the equity shares on NSE on July 21, 2022 and the equity shares of the Company was admitted for trading on the NSE w.e.f., July 22, 2022.

46. OTHER DISCLOSURES

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable to the Company. The requirement to disclose the details of difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is also not applicable.

47. APPRECIATION

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Government, Regulators, Stock Exchanges, Depositories, other statutory bodies and Company's Bankers for the assistance, cooperation and encouragement extended to the Company.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. Our employees are instrumental in the Company to scale new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as members is also greatly valued. Your Directors look forward to your continuing support.

48. CAUTIONARY STATEMENT

Statements in the Board's Report and Management Discussion and Analysis, describing the Company's objectives, outlook, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations or projections, among others. Several factors make a significant difference to the Company's operations including the government regulations, taxation and economic scenario affecting demand and supply, natural calamity and other such factors over which the Company does not have any direct control.

For and on behalf of
CSL Finance Limited

Date: August 26, 2022
Place: Noida

Rohit Gupta
(Managing Director)
DIN: 00045077

Ashok Kumar Kathuria
(Director)
DIN: 01010305

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

ANNEXURE-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To,
The Members of CSL Finance Limited

As required by item 10(i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I certify that none of the directors (mentioned below) on the board of CSL Finance Limited as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority:

S. No.	Name of Director	DIN	Designation
1	Mr. Rohit Gupta	00045077	Managing Director
2	Mr. Ashok Kumar Kathuria	01010305	Non-Executive Director
3	Mr. Manoj Gupta*	01160953	Independent Director
4	Ms. Anjna Mittal*	07143461	Independent Director
5	Ms. Rachita Gupta	09014942	Whole-Time Director
6	Mr. Ayush Mittal	07667437	Independent Director

Note:

- * Mr. Manoj Gupta (DIN: 01160953), Independent Director resigned from the directorship of the company w.e.f. June 27, 2022 and Ms. Anjna Mittal (DIN: 07143461), Independent Director resigned from the directorship of the Company w.e.f. August 09, 2022.
- Mr. Parmod Bindal (DIN: 06389570) and Mr. Chander Subhash Kwatra (DIN: 08635939) were appointed as additional director(s) in the capacity of independent director(s) for a period of three (3) years with effect from June 27, 2022.

Date: August 22, 2022
Place: New Delhi

For Ganesh Sharma & Associates
(Company Secretaries)

CS Ganesh Dutt Sharma
Practicing Company Secretary
M. No. 43348
C.P. No. 16085
UDIN:A043348D000828211
Peer Review Certificate No. 2047/2022

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure-B

Form No. MR- 3

Secretarial Audit Report

For the financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of **CSL Finance Limited**

I, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CSL Finance Limited** (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me & maintained by the company for the financial year ended on March 31, 2022 according to the provisions (whichever applicable) of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The Securities & Exchange Board of India ((Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the Client;
- The other regulations of Securities and Exchange Board of India as may be applicable to the company.
- NBFC – The Reserve Bank of India Act, 1934 and all applicable laws, Rules, Regulations, Guidelines, Circulars, Notifications etc.

I have also examined compliance with the applicable clauses of the following: -

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- The Listing Agreement entered into by the company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

I further report that:

1. The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' view are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following observation-

1. With respect to the non-compliance u/r 17(1) (composition of Board) of Listing Regulations 2015 for quarter ended June 2020, September 2020 & December 2020 as applicable on the basis of Market Cap of top 2000 Listed Companies, BSE Limited (Exchange) has levied penalty of ₹ 16,10,700/- for the aforesaid non-compliance and in this regard, the Company has filed its Representation Letter to the Exchange and also complied with the aforesaid non-compliance. The company's request to waive off the fines for quarter ended June 2020 and September-2020 has been approved by Exchange vide e-mail dated May 23, 2022 and for quarter ended December-2020 Exchange has rejected the request vide e-mail dated August 06, 2021 for which the fine was paid by the Company. As on date there is no outstanding penalty amount to be paid by the Company.

I further report that during the audit period the company has following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc referred to above:

1. The Company has issued 1,23,38,414 bonus shares to its equity shareholders in the ratio of 2:1 in the Board Meeting held on August 11, 2021.

2. The Shareholders at their 29th Annual General Meeting held on September 30, 2021 approved the final dividend of ₹ 1/- per equity share to the equity shareholders of the Company.
3. The Company has issued 4,00,000 Equity Shares to CSL Employee Welfare Trust under CSL Employee Stock Option Scheme 2016 in the Board Meeting held on January 12, 2022.
4. The Company has issued 18,25,000 Equity Shares & 3,50,000 Convertible Warrants on Preferential Basis aggregating to an amount of ₹ 34.80 Cr. in the Board Meeting held on February 18, 2022.

Date: August 22, 2022
Place: New Delhi

For Ganesh Sharma & Associates
(Company Secretaries)

CS Ganesh Dutt Sharma
Practicing Company Secretary
M. No. 43348
C.P. No. 16085
UDIN:A043348D000828211
Peer Review Certificate No. 2047/2022

Note: This Report is to be read along with attached Letter provided as "Annexure - I".

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure - I

To,
The Members of **CSL Finance Limited**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: August 22, 2022
Place: New Delhi

For Ganesh Sharma & Associates
(Company Secretaries)

CS Ganesh Dutt Sharma
Practicing Company Secretary
M. No. 43348
C.P. No. 16085
UDIN:A043348D000828211
Peer Review Certificate No. 2047/2022

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure – 'C'

Annual Report on CSR Activities of the Company

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy has been framed within the objectives prescribed under Schedule VII of the Companies Act, 2013 as per the following Vision and Objective:

1. Vision:

Through CSL's long standing commitment to service to the society, we strive to attain leadership in our business through a socially and environmentally responsible way, while taking care of the interests of our stakeholders. CSL strongly believes that Corporate Social Responsibility is connected with the principles of sustainable growth and hence recognizes the immense opportunity it has to bring about a positive change in the lives of the communities through its business operations and CSR activities. CSL Finance Limited through its own registered public trust- CSL Foundation which is acting as the implementing agency for CSL Finance is dedicated towards corporate social responsibility by giving back to the community through implementing sustainable and innovative CSR activities. CSL Foundation's Vision & Mission is to develop the capacity of the community through empowering & enlightening the life of underprivileged Children and Women by promoting Education, Skill Development, Health & Sanitation.

2. Objective:

CSL's CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.
- Focus Area of Company's CSR Activities are- (a) Hunger, Poverty, Malnutrition and Health, (b) Education, (c) Rural Development Projects, (d) Gender Equality and Empowerment of Women, (e) Environmental Sustainability, (f) National Heritage, Art and Culture and (g) other allied activities.

CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII, as amended from time to time, of the Companies Act, 2013.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Manoj Gupta*	Chairperson	3	3
2.	Mr. Rohit Gupta	Member	3	3
3.	Mr. Ashok Kumar Kathuria	Member	3	3
4.	Ms. Rachita Gupta	Member	2	2

* During the year, the CSR Committee has been reconstituted w.e.f., June 27, 2022:- where Ms. Rachita Gupta has been appointed as the Chairperson of the CSR Committee in place of Mr. Manoj Gupta on account of his resignation from the Directorship of the Company and Mr. Chander Subhash Kwatra was appointed as the member of the committee.

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

https://eb7a975a-b2fb-4466-9a98-4f348df9e6fa.usrfiles.com/ugd/eb7a97_e1e517e504c147afb4b6769a90de9311.pdf

https://www.csfinance.in/files/ugd/eb7a97_ab71eb94834346c28a0e58fa22cf313c.pdf

https://www.csfinance.in/files/ugd/eb7a97_9d4efab218d94ebe8b7143c8b438417f.pdf

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

4. Details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

In pursuance to Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Impact assessment is not applicable to the Company since the average CSR obligation in pursuance of Sub-Section (5) of Section 135 of the Act, for immediately previous 3 years is less than ₹ 10 Crore.

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any:

No amount was available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 during the period under review.

8. (a). CSR amount spent or unspent for the Financial Year 2021-22:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21 Lacs	50.37 Lacs	30.04.2022	N.A.	N.A.	N.A.

(b). Details of CSR amount spent/allocated against ongoing projects for the Financial Year 2021-22:

(1)	(2)	(3)	(4)	(5)		(6)	(7)			(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency
				State	District						Name CSR Registration Number
1.	Sakshar	(i)	Yes	Noida	Uttar Pradesh	3 years	52.37 lacs	2 lacs	50.37 lacs	Yes	CSL Foundation CSR00025548
2.	Naritva	(ii) & (iii)	Yes	Noida	Uttar Pradesh	3 years				Yes	

6. Average Net Profit of the Company as per Section 135(5): ₹35.69 Crores

7. (a). Two percent of average Net Profit of the Company as per Section 135(5): ₹71.37 Lacs

(b). Surplus arising out of the CSR Projects or Programs or activities of the previous Financial Years: NIL

(c). Amount required to be set off for the Financial Year, if any: NIL

(d). Total CSR obligation for the Financial Year (7a+7b-7c): ₹71.37 Lacs

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

(c). Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of Implementation – Direct (Yes/No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promotion of Education	(ii)	Yes	Delhi	North West Delhi	15 Lacs	No	Rohini Educational Society	
2.	Promotion of Education	(ii)	Yes	Delhi	North West Delhi	4 lacs	No	Shirdi Sai Baba Temple Society	CSR00000344
Total						19.00 Lacs			

(d). Amount spent in Administrative Overheads: ₹1.12 lacs

(e). Amount spent on Impact Assessment, if applicable: As per Point 4 of this Report, Impact Assessment is not applicable. Hence, no amount was spent under this head.

(f). Total amount spent for the Financial Year (8b+8c+8d+8e): ₹22.12 Lacs

(g). Excess amount for set off, if any:

S. No.	Particulars	Amount (in ₹ Lacs)
(i).	Two percent of average Net Profit of the Company as per Section 135(5)	₹71.37
(ii).	Total amount spent for the Financial Year	₹22.12
(iii).	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv).	Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years, if any	NIL
(iv).	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL
(v).	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

9. (a). Details of Unspent CSR amount for the preceding three Financial Years (F.Y. 2019-20):

₹2.32 lacs

(b). Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year (2019-20): ₹2.32 lacs

10. In case of creation or acquisition of Capital Asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details).

a) Date of creation or acquisition of the Capital Asset(s): No Capital Asset during the period under review was created or acquired by the Company.

b) Amount of CSR spent for creation or acquisition of Capital Asset: No amount was spent for creation or acquisition of Capital Asset by the Company.

c) Details of the Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered, their address etc: Not Applicable

d) Provide details of the Capital Asset(s) created or acquired (including complete address and location of the Capital Asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5):

Not applicable

Date: August 26, 2022
Place: Noida

Rachita Gupta
(Chairman- CSR Committee)
DIN: 09014942

Rohit Gupta
(Managing Director)
DIN: 00045077

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure-D

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. The ratio of remuneration of the Directors to the median remuneration of employees of the Company and percentage increase in the remuneration of Directors and KMPs:

Name	Designation	% increase in remuneration in F.Y. 2021-22 as compared to F.Y. 2020-21	Ratio of Remuneration to Median Remuneration
Mr. Rohit Gupta	Managing Director	NIL	22.15:1
Ms. Rachita Gupta	Whole-time Director	43%	2.85:1
Mr. Ashok Kumar Kathuria	Non-Executive Director	NA	NA
Mr. Manoj Gupta#	Independent Director	NA	NA
Ms. Anjna Mittal##	Independent Director	NA	NA
Mr. Ayush Mittal	Independent Director	NA	NA
Mr. Naresh Varshney	Chief Financial Officer	8%	3.23:1
Ms. Anju Biyani*	Company Secretary & Compliance Officer	NA	NA
Ms. Preeti Gupta*	Company Secretary & Compliance Officer	NA	1.52:1

Mr. Manoj Gupta ceased to act as Independent Director on the Board of the Company w.e.f. June 27, 2022 and Mr. Parmod Bindal and Mr. Chander Subhash Kwatra have been appointed as Independent Director(s) on the Board of the Company w.e.f. June 27, 2022.

Ms. Anjna Mittal ceased to act as an Independent Director on the Board of the Company w.e.f. August 09, 2022.

* Ms. Anju Biyani ceased to hold the office as Company Secretary & Compliance Officer w.e.f. June 25, 2021.

** Ms. Preeti Gupta had been appointed as Company Secretary & Compliance Officer w.e.f. June 26, 2021.

B. Disclosure on other matters:

The percentage increase/decrease in the median 5% remuneration of the employees during the financial year.

No. of permanent employees on the rolls of the Company (as on March 31, 2022) 197 employees

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average increase in salary of eligible employees other than managerial personnel is NIL.

Remuneration of the Managing Director was not increased during FY 2021-22.

Affirmation that the remuneration is as per the remuneration policy of the Company

Affirmation that the remuneration is as per the remuneration policy of the Company

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

Corporate Governance Report

[As per regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations, 2015") read with the Amendment(s)], a Report on Corporate Governance of CSL Finance Limited for the year ended March 31, 2022, is presented below:

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practice. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmarks inherited from its culture and ethos. At CSL, it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate, and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

The highlights of the Company's Corporate Governance regime are:-

- The Company believes that an active, well-informed, and Independent Board is necessary to ensure high standards of Corporate Governance. The Company has an optimum combination of Executive and Non-Executive Directors including Women Directors.
- Constitution of several Committees for focused attention and proactive flow of information, enables the Company to ensure expedient resolution of diversified matters.
- Code of Conduct for Prevention of Insider Trading & Code of Conduct for Directors and Senior Management of the Company.

Robust Whistle Blower Mechanism which act as a neutral and unbiased forum for Directors, Employees and Business Partners of the Company.

- Employees Stock Option Scheme – to attract, reward and retain key executive employees.

Your Company is among top 2000 Companies on the BSE Limited on the basis of market capitalization. Accordingly, the Company is in compliance with the compliances applicable pursuant to its position on BSE Limited.

Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

2. BOARD OF DIRECTORS

The Board of Directors and its Committees, provide leadership and guidance to the Company's Management while discharging its fiduciary responsibilities, directs as well as reviews business objectives, management strategic plans and monitors the performance of the Company.

A. Composition of Board

The Company has a professional Board with the right mix of knowledge, skills and expertise in diverse areas with an optimum combination of Executive, Non-Executive including Independent Directors and Woman Director on its Board. Besides having financial literacy, vast experience, leadership qualities and the ability to think strategically, the Directors are committed to ensure highest standards of corporate governance

As on March 31, 2022, there are total six (6) Directors on the Board of the Company, out of which two (2) are Executive Directors, one is Managing Director and another Whole Time Director, four (4) directors are Non-Executive out of which three (3) are Independent Directors. Mr. Rohit Gupta and Ms. Rachita Gupta are related to each other as father and daughter.

During the year under review, there was no change in the composition of the Board of Directors. However, as on the date of this report from the end of the financial year, there had been a significant change in the management of the Company.

Mr. Manoj Gupta and Ms. Anjna Mittal ceased to act as an Independent Directors on the Board of the Company w.e.f. June 27, 2022 and August 09, 2022 and Mr. Parmod Bindal and Mr. Chander

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Subhash Kwatra have been appointed as Additional Non-Executive Independent Directors of the Company for a term of three (03) years w.e.f., June 27 2022 to June 26, 2025 subject to shareholder's approval at the ensuing Annual General Meeting of the Company.

The Company has obtained a certificate from Mr. Ganesh Sharma (COP: 16085), M/s. Ganesh Sharma & Associates, Practising Company Secretaries, Delhi, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

As on the date of this report, none of the Directors serve as a Director or as an Independent Director in more than 7 listed entities. Further, none of them is a member of more than 10 (Ten) committees (committees being Audit Committee and Stakeholders Relationship Committee) or chairman in more than 5 (Five) committees across all listed entities in which he/she is a Director.

B. Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. It meets at least once in a quarter to review the Company's quarterly performance and financial results. Board meetings are governed with a structured agenda. The Agenda for the Board and Committee meetings covers items set out as per the guidelines in SEBI Listing Regulations to the extent it is relevant and applicable.

The Board Meetings are conveyed after giving sufficient days of Notice to the Board Members along with the Agenda for the meeting with necessary documents with all the required information pursuant to provisions of Companies Act, 2013 and SEBI Listing Regulations. The Board periodically reviews the compliance reports with respect to laws and regulations applicable to the Company.

The Board met 7 (seven) times during the financial year 2021-22 viz., April 05, 2021; June 25, 2021; August 11, 2021; November 12, 2021; January 12, 2022; January 27, 2022 and February 18, 2022.

All the Board Meetings were held at the Corporate Office of the Company at Noida and the gap between the two Board Meetings was not more than 120 (One Hundred and Twenty) days. The required quorum was present at all the above Board Meetings and all Resolutions are approved unanimously/ with requisite majority and recorded in the minutes. There was no instance of Adjournment of any of the said Meetings. The Board periodically reviews and discusses the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The minutes of proceedings of each board meeting are maintained in terms of statutory provisions. Meetings of various committees are held properly. The minutes of the Committee Meetings were periodically placed before the Board.

Board Composition and categories of Directors, their number of Directorships, Committee Membership(s)/ Chairmanship(s) as on March 31, 2022, attendance of each Director at the Board Meetings of the Company held during F.Y. 2021 - 2022 and at the last Annual General Meeting ('AGM') of the Company alongwith equity shareholding of each Director as at March 31, 2022 is given below:

Name of the Director (DIN)	Category of Director	No. of Board Meetings		Attendance at Last AGM	Directorships in Indian Public Limited companies (Including CSL Finance Limited)	Committee Position (including CSL Finance Limited)*		No. of Equity shares held
		Held during the tenure	Attended			Chairman	Member	
Mr. Rohit Gupta (DIN: 00045077)	Promoter-Executive Managing Director	7	7	Yes	4	0	2	37,74,608
Ms. Rachita Gupta (DIN: 09014942)	Promoter-Executive Managing Director	7	7	Yes	1	0	0	58,503
Mr. Ashok Kumar Kathuria (DIN: 01010305)	Promoter-Executive Managing Director	7	7	Yes	2	1	0	0

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

CSL FINANCE LIMITED

69

Mr. Manoj Gupta# (DIN: 01160953)	Non-Executive Independent Director	7	6	Yes	6	0	0	0
Ms. Anjna Mittal## (DIN: 07143461)	Non-Executive Independent Director	7	6	Yes	1	0	0	0
Mr. Ayush Mittal (DIN: 07667437)	Non-Executive Independent Director	7	7	Yes	2	0	2	0

Note-

*The committees considered for the above purpose are those prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended viz. Audit Committee and Stakeholders Relationship Committee.

#Mr. Manoj Gupta tendered his resignation from the post of Independent Director with effect from June 27, 2022. Pursuant to his resignation, the Board in its Meeting held on June 27, 2022, appointed Mr. Parmod Bindal (DIN: 06389570) and Mr. Chander Subhash Kwatra (DIN:08635939) as Additional Directors in the capacity of Independent Directors to hold office for a tenure of 3 years subject to shareholders' confirmation in the ensuing General Meeting.

Ms. Anjna Mittal tendered her resignation from the post of Independent Director w.e.f., August 09, 2022.

C. Key Skills, Expertise and Competencies of Board of Directors

	Leadership	Strategy	Operations	Finance	Governance	Technology
Mr. Rohit Gupta	✓	✓	✓	✓	✓	✓
Ms. Rachita Gupta	✓	✓	✓	✓	✓	✓
Mr. Ashok Kumar Kathuria	✓	✓	✓	✓	✓	✓
Mr. Manoj Gupta	✓	✓	✓	✓	✓	✓
Ms. Anjna Mittal	✓	✓	✓	✓	✓	✓
Mr. Ayush Mittal	✓	✓	✓	✓	✓	✓

D. Familiarization Programme for Independent Directors

The Company conducts Familiarisation Programme for its Independent Directors to familiarise them with regard to their roles, rights, responsibilities in the Company, nature of industry, Company's strategy, Organisation Structure, business model, performance updates of the Company, risk management, code of conduct and policies of the Company etc. The Policy for Familiarisation Programme of Independent Directors has been disclosed on the website of the Company.

E. Independent Directors

The Independent Directors of the Company have been appointed in compliance with the requirements of the Act and Listing Regulations. The Company has issued a letter of appointment to all the Independent Directors and terms and conditions thereof have been disclosed on the website of the Company.

At the time of appointment and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with eligibility criteria mentioned under the Act and Listing Regulations. Based on

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

the disclosures received from all the Independent Directors, the Board is of the opinion that all the Independent Directors fulfill the conditions specified in the Act and Listing Regulations and are independent of the management.

F. Separate Meeting of Independent Directors:

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, a separate meeting of Independent Directors was held on Friday, February 18, 2022, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole;
- Taking into account the views of the Executive and Non - Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Manoj Gupta, Ms. Anjna Mittal and Mr. Ayush Mittal, all Independent Directors were present at the meeting.

There is no such case of resignation of an Independent Director during the F.Y. 2021-22 who resigns before the expiry of his/her tenure

However, Mr. Manoj Gupta tendered his resignation from the post of Independent Director with effect from June 27, 2022. Pursuant to his resignation, the Board in its Meeting held on June 27, 2022, appointed Mr. Parmod Bindal and Mr. Chander Subhash Kwatra as Additional Directors in the capacity of Independent Directors to hold office for a tenure of 3 years subject to shareholders' confirmation in the ensuing General Meeting.

Ms. Anjna Mittal tendered her resignation from the post of Independent Director w.e.f., August 09, 2022.

Committees Of The Board

The Board has constituted several Committees with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters. Each Committee has specific terms of reference setting forth the purpose, role and responsibilities of the Committee. Further, the Company Secretary of the Company acts as the Secretary to all the Committees. All recommendations of the Committees are placed before the Board for approval or information, if required. During the financial year ended March 31, 2022, all the recommendations of/submissions by the Committees which were mandatorily required, were

accepted by the Board. The Minutes of meetings of all the Committees are placed before the Board for review and noting. CSL has currently established the following Committees: -

Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Internal Complaints Committee and Management Committee.

The Board has constituted Information Technology Strategy Committee in the meeting held on August 09, 2022 pursuant to RBI Master RBI/DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17.

The terms of reference of the aforesaid Committees is decided by the Board. The role and composition including the number of meetings and related attendance are given below.

Board Committees and their Composition has been disclosed on the website of the Company_ <https://eb7a975a-b2fb-4466-9a984f348df9e6fa.usrfiles.com/ugd/eb7a97e1e517e504c147afb4b6769a90de9311.pdf>

3. AUDIT COMMITTEE:

Your Company has an Audit Committee in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee is primarily responsible for accurate financial reporting and strong internal controls.

Terms of Reference/role of the Audit Committee, inter-alia, includes-

- Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the Board for approval,
- Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit.
- To review Company's financial performance.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Compliance with Accounting Standards.
- To review Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

- Scrutiny of inter-corporate loans and investments.
- Review with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control Systems.
- To review the functioning of Whistle Blower Mechanism.
- Discussion with Internal Auditors, any significant findings and follow up thereon.
- Evaluation of internal financial controls and risk management systems.
- To review compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the aforesaid, the Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the SEBI Listing Regulations as amended from time to time and that of the Act.

The members of the Audit Committee are financially literate and the Chairperson of the Audit Committee has accounting and financial management expertise. During F.Y. 2021-22, the Audit Committee was reconstituted on August 11, 2021 where Mr. Ayush Mittal was appointed as the member of the Committee in place of Ms. Anjna Mittal and subsequently it was reconstituted on June 27, 2022 on account of resignation of Mr. Manoj Gupta from the Independent Directorship, where Mr. Parmod Bindal was appointed as the chairperson of the Committee.

Composition of Audit Committee and Attendance during the year are given below:

During the year under review, the Audit Committee met 6 (six) times viz., on April 05, 2021, June 25, 2021, August 11, 2021, October 18, 2021, November 12, 2021, and January 27, 2022, to deliberate on various matters.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer shareholders' query.

During F.Y. 2021-22, the Audit Committee was reconstituted on August 11, 2021 where Mr. Ayush Mittal was appointed as the member of the Committee in place of Ms. Anjna Mittal and subsequently it was reconstituted on June 27, 2022 on account of resignation of Mr. Manoj Gupta from the Independent Directorship, where Mr. Parmod Bindal was appointed as the chairperson of the Committee.

Composition of the Audit Committee alongwith number of meetings & attendance details are mentioned below: -

Name	Category	Designation	No of meetings held during tenure	No of meetings attended
Mr. Manoj Gupta	Independent Director	Chairman	6	6
Ms. Anjna Mittal	Independent Director	Member	3	3
Mr. Rohit Gupta	Managing Director	Member	6	6
Mr. Ayush Mittal	Independent Director	Member	3	3

All the above meetings were held at the Corporate Office of the Company at Noida. The gap between none of the two meetings was more than 120 days. The necessary quorum was present at all the meetings. There was no instance of Adjournment of any of the said Meetings.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ('NRC') is constituted in accordance with provisions of sub-section (1) of Section 178 of the Companies Act, 2013 and Regulation 19 (4) read with Part-D of Schedule II of SEBI Listing Regulations.

The Terms of Reference/Role of Nomination and Remuneration Committee, inter-alia, includes-

- To recommend to the Board, the set up and composition of the Board and its committees.
- Setting criteria for appointment, re-appointment/removal of Directors/Senior Management including Key Managerial Personnel ('KMP') and other employees of the Company.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- To review the process for performance evaluation of Board, its Committees and Individual Directors, Board Diversity.
- To administer the working of Employees Stock Option Scheme of the Company.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The Committee has formulated a Remuneration Policy for Directors, KMPs and all other employees of the Company and the same is available on Company's website at <https://www.csfinance.in/>

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

The criteria for making payments to Non-Executive Directors is available on the website of the Company at <https://www.csfinance.in/>

Mr. Manoj Gupta, Chairperson of the NRC was present at the AGM of the Company held on September 30, 2021.

During F.Y. 2021-22, the Nomination & Remuneration Committee was reconstituted on August 11, 2021 where Mr. Ayush Mittal was appointed as the member of the Committee in place of Ms. Anjna Mittal and subsequently it was reconstituted on June 27, 2022 on account of resignation of Mr. Manoj Gupta from the Independent Directorship, where Mr. Chander Subhash Kwatra was appointed as the chairperson of the Committee.

The Composition of the Nomination and Remuneration Committee and Attendance during the year are given below:

The Committee met 6 (six) times during the year under review viz. June 25, 2021, July 09, 2021, August 11, 2021, August 19, 2021, January 12, 2022, and March 30, 2022.

Composition of the NRC Committee alongwith number of meetings & attendance details are mentioned below:

Name	Category	Designation	No of meetings held during tenure	No of meetings attended
Mr. Manoj Gupta	Independent Director	Chairman	6	6
Ms. Anjna Mittal	Independent Director	Member	3	3
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	6	6
Mr. Ayush Mittal	Independent Director	Member	3	3

All the above meetings were held at the Corporate Office of the Company at Noida. The minutes of the meetings of the Committee were periodically placed before the Board.

Performance Evaluation criteria for Independent Directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2021 - 22 by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees. A structured questionnaire

covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no. CMD/CIR/P/2017/004 dated 05.01.2017.

The criteria for performance evaluation of Independent Directors covers the area relevant to the functioning of the Independent Director such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and during the evaluation the Director(s) who is subject to evaluation did not participate.

A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The Directors expressed their satisfaction with the evaluation process.

5. INVESTOR RELATIONS & SHARE TRANSFER COMMITTEE:

The Committee consists of 2 (two) members i.e. Mr. Ashok Kumar Kathuria and Mr. Rohit Gupta. Mr. Ashok Kumar Kathuria, a Non-Executive Director, is acting as the Chairman of the Committee. No meeting of this committee was held during the year under review. The Board dissolved the Investor relations & Share Transfer Committee in the Board Meeting held on August 08, 2021 due to duplicacy in the working of Investor relations & Share Transfer Committee and Stakeholder Relationship Committee and to synchronize in the working of Committees.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The Terms of Reference of Stakeholders Relationship Committee ('SRC Committee'), inter-alia, includes

- To consider and resolve stakeholders and investors grievances;
- It shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- Review the mechanism of handling investor's complaints and the status of any pending complaints which remain unresolved or unattended.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

- To review or address the complaints received by the Company from investors, SEBI, the Stock Exchanges, Ministry of Corporate Affairs, etc., and the action taken for redressal of the same and to suggest resolution of long pending complaints;
- handling transfer/ transmission of shares, split/consolidation/sub-division of share certificates, issue of duplicate share certificates & dematerialisation/rematerialisation requests.
- To monitor the progress of release of unpaid dividend and process of dissemination of these records in accordance with the prescribed guidelines, rules and regulations;
- Review of corporate actions, if any.
- Review of documents processed by Registrar and Transfer Agents.
- To review the status of unpaid dividend, interest and undelivered share certificates and measures taken by the Company to resolve or reduce them;
- Any other matters assigned to it with relation to the Companies Act, 2013 and SEBI Listing Regulations or affecting the interest of the Company.

During F.Y. 2021-22, two (02) SRC Committee meetings were held on August 11, 2021, and November 12, 2022. All the members of the Committee were present in all the meetings.

During F.Y. 2021-22, the Stakeholder Relationship Committee was reconstituted on August 11, 2021 where Mr. Ayush Mittal was appointed as the member of the Committee in place of Ms. Anjna Mitta.

Composition of the SRC Committee alongwith number of meetings & attendance details are mentioned below:

Name	Category	Designation	No. of meetings held during tenure	No. of meetings attended
Mr. Ashok Kumar Kathuria	Non- Executive Director	Chairman	2	2
Ms. Anjna Mittal	Independent Director	Member	1	1
Mr. Rohit Gupta	Managing Director	Member	2	2
Mr. Ayush Mittal	Independent Director	Member	1	1

All the above meetings were held at the Corporate Office of the Company at Noida. The necessary quorum was present for all the meetings. The minutes of the meetings of the Committee were periodically placed before the Board.

Compliance Officer

Ms. Preeti Gupta is the Company Secretary & Compliance Officer of the Company as per Regulation 6(1) of the SEBI Listing Regulations w.e.f. June 26, 2021. She can be reached out at the Corporate Office of the Company at:

CSL Finance Limited

716-717, 7th Floor, Tower-B

Word Trade Tower, Sector-16

Noida-201301 (U.P.)

Phone No. 0120-4290650/52

Email: Investor@cslfinance.in

The Company has appointed M/s. MAS Services Limited as the Registrar and Share Transfer Agents to handle the investor grievances in coordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

Details of Complaints [including SEBI Complaints Redress System (SCORES) complaints] received by the Company and Resolved during the year 2021-22

No. of Complaints pending at the beginning of the year	Nil
No. of Complaints received during the year	Nil
No. of Complaints resolved	Nil
No. of Complaints pending at the end of the year	Nil

Number of Complaints not solved to the satisfaction of shareholders

During the year, no complaints were received, hence this is not applicable

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee's primary role is to assist the Company in discharging its corporate social responsibilities. It monitors the implementation of the Corporate Social Responsibility as per the CSR Policy which mainly includes Health and Education, Women Empowerment and other

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

areas covered under Schedule – VII to the Companies Act, 2013. It periodically reviews and recommends to the Board about CSR Budget and Expenditures.

The Terms of Reference of Corporate Social Responsibility (“CSR”) Committee inter-alia, includes

- formulation and monitoring the implementation of corporate social responsibility (“CSR”) policy.
- to look into matters related to sustainability, review CSR/Sustainability reports.
- Recommend to the Board CSR activities to be undertaken by the Company.
- and all other matters specified under the Act or any other role as may be prescribed by law from time to time.

During FY 2021-22, Three (03) CSR Committee Meetings were held on June 25, 2021, November 12, 2021, and March 31, 2022. All the members of the Committee were present in all the said meetings.

During FY. 2021-22, the Corporate Social & Responsibility Committee was reconstituted on, June 25, 2021 where Ms. Rachita Gupta was appointed as the member of the Committee in place of Ms. Anjna Mittal and subsequently it was reconstituted on June 27, 2022 on account of resignation of Mr. Manoj Gupta from the Independent Directorship, where Ms. Rachita Gupta was appointed as the chairperson of the Committee and Mr. Chander Subhash Kwatra was appointed as the member of the Committee.

Composition of the CSR Committee alongwith number of meetings & attendance details are mentioned below:

Name	Category	Designation	No. of meetings held during tenure	No. of meetings attended
Mr. Manoj Gupta	Non-Executive Independent Director	Chairman	3	3
Mr. Rohit Gupta	Managing Director	Member	3	3
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	3	3

Ms. Anjna Mittal	Non-Executive Independent Director	Member	1	1
Ms. Rachita Gupta	Executive Director	Member	2	2

All the above meetings were held at the Corporate Office of the Company at Noida.

The necessary quorum was present for all the meetings. The minutes of the meetings of the Committee were periodically placed before the Board.

8. MANAGEMENT COMMITTEE (NON MANDATORY COMMITTEE):

Management committee was constituted by the Board of directors on February 12, 2021.

The Terms of Reference of Management Committee, inter-alia, includes

- Investing temporary surplus funds, availing cash management services or financial assistance from Banks and other Institutions.
- Opening and closing of bank accounts and other banking related operations.
- Authorizing persons for obtaining various licenses, registered mortgage and registrations under any statute & regulations.
- Appearances before concerned authorities, execution & registration of agreements as and when required.
- Matters related to corporate actions such as fixing of record date, book closure/cut-off date.
- Nomination under any statute and other statutory enactments as may be applicable to the Company.
- To deal with the matters for day to day running and in the ordinary and regular course of business and;
- Any other matter (incidental or expedient) as the case may be in compliance with the requirements of Stock Exchanges, Registrar of Companies, RBI, NCLT, IBC and all other concerned authorities.

During FY 2021-22, Ten (10) Management Committee Meetings were held on June 07, 2021; July 21, 2021; August 19, 2021; October 18, 2021; December 03, 2021; December 30, 2021; January 10, 2022; February 08, 2022; March 11, 2022, and March 25, 2022.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

During F.Y. 2022-23, the Board of Directors in its meeting held on July 07, 2022 delegated additional powers to the Management Committee in addition to the powers already delegated to the Management Committee in the Board Meeting held on February 12, 2020.w.r.t., to power to borrow money.

Composition of the Management Committee alongwith number of meetings & attendance details are mentioned below:

Name	Category	Designation	No. of meetings held during tenure	No. of meetings attended
Mr. Rohit Gupta	Executive Director	Chairman	10	10
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	10	10
Ms. Rachita Gupta	Whole time Director	Member	10	10

All the above meetings were held at the Corporate Office of the Company at Noida.

The necessary quorum was present for all the meetings. The minutes of the meetings of the Committee were periodically placed before the Board.

9. REMUNERATION OF DIRECTORS:

a. Criteria of Making Payments to Non-Executive Directors:

Non-Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company. The criteria for making payments to non-executive directors have been put on the Company's website at www.csfinance.in

b. Sitting Fee:

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013. For F.Y. 2021-22 no sitting fee was paid to any director of the Company.

c. Details of Remuneration Paid to Directors during the year 2021-22

The Key Managerial Personnel of the Company comprises of the Managing Director, Whole-Time Director, Chief Financial Officer and Company Secretary of the Company.

As on March 31 2022, the Company has two Executive Directors i.e. the Managing Director and Whole-Time Director of the Company and apart from this, all the other Directors are Non-Executive Directors.

The details of remuneration paid to Managing Director and Whole-Time Director is tabled below: (in ₹)

Name	Category	Remuneration
Mr. Rohit Gupta	Managing Director	84,00,000
Ms. Rachita Gupta	Whole-Time Director	10,81,800

10. GENERAL BODY MEETINGS:

a) Details of previous 3 Annual General Meetings ('AGM') are as under:

AGM No.	Financial Year	Day & Date of AGM	Venue	Time	Special resolution(s) passed
29 th	2020-21	Thursday, 30.09.2021	410-412, 18/12, 4 th Floor, WEA, Arya Samaj Road, Karol Bagh, New Delhi-110005 through VC/ OAVM	2.00 p.m.	Nil
28 th	2019-20	Monday, 28.09.2020	410-412, 18/12, 4 th Floor, WEA, Arya Samaj Road, Karol Bagh, New Delhi-110005 through VC/ OAVM	2.00 p.m.	1 [To re-appoint Ms. Anjna Mittal (DIN: 07143461) as an Independent director]
27 th	2018-19	Monday, 30.09.2019	Radiance Motel, 23, Tania Farm Complex, Kh. No.268/2-272/2, Chatarpur Mandir Road, Chattarpur, Asola, Sat Bari, New Delhi-110074	10:30 a.m.	Nil

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

b). Special Resolutions passed through Postal Ballot

During the year, the Company conducted postal ballot twice. Details of the resolutions passed through Postal Ballot are enumerated below:

- 1). Pursuant to Section 110 of the Companies Act, 2013 ("The Act"), approval of the Members has been sought vide Postal Ballot Notice via Remote- E-voting dated June 25, 2021 for passing of the following Ordinary Resolution(s)-
 - i. Increase in the Authorized Share Capital of the Company from ₹9,40,00,000 (Rupees Nine Crore Forty Lakhs only) divided into 94,00,000 (Ninety Four Lakh) equity shares of ₹10 each to ₹20,00,00,000 (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) equity shares of ₹10 each and consequential alteration to Clause 5 of the Memorandum of Association of the Company.
 - ii. Issue of Bonus Shares to the holders of equity shares of the Company in the proportion of 2 (two) equity share of ₹10/-each fully paid up for every 1 (One) equity share of ₹10/- each fully paid up held as on the record date by capitalizing part of the sum standing in the Securities Premium Account of the Company as at March 31, 2021
 - iii. Regularisation of appointment of Ms. Rachita Gupta (DIN 09014942) as a Director and as a Whole-time Director of the Company.
 - iv. Regularisation of appointment of Mr. Ayush Mittal (DIN 07667437) as an Independent Director of the Company.
- 2). Pursuant to Section 110 of the Companies Act, 2013 ("The Act"), approval of the Members has been sought vide Postal Ballot Notice via Remote- E-voting dated February 18, 2022 for passing of the following Special Resolution(s)-
 - i. Creation of charge/security on the Company's assets with respect to borrowings.
 - ii. Re-appointment of Mr. Manoj Gupta (DIN 01160953) as an Independent Director of the Company.
 - iii. Adoption of Amended CSL Employee Stock Option Scheme, 2016-II.

c). Extra-Ordinary General Meeting (EGM):

During the year under review, One (1) Extra-Ordinary General meeting was held by the Company on February 05, 2022 through Video Conference ('VC')/ Other Audio Visual Means ('OAVM') for passing of following Resolutions-

- i. Increase in the Authorized Share Capital of the Company and consequential alteration to Clause 5 of the Memorandum of Association of the Company.

- ii. To approve the issuance of equity shares on preferential basis to Non-Promoter Group.
- iii. Issuance of warrants convertible into equity shares to promoters of the company /specified persons (non- promoters) on preferential basis.

11. OTHER DISCLOSURES

a) Related Party Transactions: - The Company has not entered into any materially significant transactions with the related parties that may have potential conflict with the interests of the Company at large. Related Party disclosures have been disclosed in Note 46 -to the Financial Statement forming an integral part of the Annual Report.

b) Details of Non-Compliances/Penalties etc.: - During the year under review, the Company has duly complied with the requirements, regulations & provisions of stock exchange, SEBI & any other regulatory authorities.

With respect to the non-compliance u/r 17(1) (composition of Board) of Listing Regulations 2015 for quarter ended June 2020, September 2020 & December 2020 as applicable on the basis of Market Cap of top 2000 Listed Companies, BSE Limited (Exchange) has levied penalty of ₹ 16,10,700/- for the aforesaid non-compliance.

In this regard, the Company has filed its Representation Letter to the Exchange and also complied with the aforesaid non-compliance.

The company's request to waive off the fines for quarter ended June 2020 and Sep-2020 has been approved by Exchange vide e-mail dated May 23, 2022 and for quarter ended Dec-2020 Exchange has rejected the request vide e-mail dated August 06, 2021 for which the fine was paid by the Company. As on date there is no outstanding penalty amount to be paid by the Company.

c) Disclosures of commodity price risks and commodity hedging- The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given.

d) (i) During the year, the Company has allotted 1,23,38,414 (One Crore Twenty-Three Lakhs Thirty-Eight Thousand Four Hundred and Fourteen Only) Bonus Shares in the proportion of two equity shares of ₹10 each fully paid up for every one equity share of ₹10 (2:1) in terms of Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the eligible

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

equity shareholders of the Company as on the record date fixed for this purpose. Consequent to the said allotment, the paid up capital of the Company has increased as follows:

Particulars	No. of shares	Amount (₹)
Pre-issue Paid-up capital	1,69,207	6,16,92,070
Post-Allotment Paid-up Share Capital	1,83,07,621	18,50,76,210

(ii) During the year, the Company has allotted 4,00,000 equity shares of ₹10/- each to CSL Employee Welfare Trust under (Employee Stock Options Scheme), 2016 and subsequently granted total 4,00,000/- (Four Lakh only) stock options to its Employees under the CSL Employees Stock Option Scheme 2016.

(iii) During the year, the Company has raised ₹29,20,00,000/- (Rupees Twenty-Nine Crore Twenty Lakhs only) through preferential allotment by issue of 18,25,000 equity shares of ₹10/- each at an issue price of ₹160/- per shares as specified under Regulation 32(7A) of Listing Regulations and through Issue of 3,50,000 convertible warrants at a price of ₹160/- aggregating to ₹1,40,00,000 i.e., 25% of the total consideration (Rupees One Crores Forty Lacs) to promoters and non-promoters exercisable and the balance 75% of the Issue price shall be payable on or before the conversion of said Warrants into Equity Shares, within 18 months from the date of allotment.

The said funds have been duly utilized for the purpose it was raised and there are no material deviations in the use of the proceeds from the issue of equity shares/ warrants on preferential basis.

e) Compliance with Mandatory requirements of Listing Regulations- The Company is in compliance with applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

f) Disclosure in relation to Sexual Harassment of Women at Workplace- During the year under review Company has not received any complaints.

Number of Complaints filed during the financial year:	NIL
Number of Complaints disposed- off during the financial year:	NIL
Number of Complaints pending as on end of the financial year:	NIL

The policy has been disclosed on the website of the Company.

g) Company has constituted an Internal complaints committee.

The members of the Internal Complaint Committee consists of Ms. Rachita Gupta-Chairman, Mr. Rohit Gupta, Mr. Naresh Chandra Varshney and Ms. Neha Malkani as member. This committee is responsible for reporting and conducting enquiries pertaining to complaints of sexual harassment. No such complaints were received during the year under review.

h) Details of compliance with discretionary requirements of Part E of Schedule II of Listing Regulations –

i. Audit Report: For FY 2021-22, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company. The Company continues to adopt best practices to ensure a regime of unmodified Financial Statements.

ii. Reporting of Internal Auditor: The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure the independence of the Internal Audit function.

iii. Disclosure of accounting treatment in preparation of financial statements: The Company follows Indian Accounting Standards (IND AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements to the extent applicable and the significant accounting policies have been set out in the Notes to the Accounts.

i) CERTIFICATIONS-

Continuation Certificate on NBFC Business: The said certificate is annexed to this Report as Annexure-II.

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the CFO, have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this Report as Annexure III.

Following certificate has been received from Mr. Ganesh Sharma (COP: 16085), M/s. Ganesh Sharma & Associates, Company Secretaries, Delhi-

-That none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to the Director's Report.

-A Compliance Certificate on the requirements of Corporate Governance which is annexed to this Report as Annexure IV

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

j) The Company promotes a favorable environment for employees and employees can report to the management their concerns about any unethical behavior, actual or suspected fraud, or violation of the company's code of conduct. No Personnel has been denied access to the audit committee, so as to ensure ethical and fair conduct of the business of the company.

12. MEANS OF COMMUNICATION

a. Financial Results - In accordance with the Listing Regulations, the quarterly/half-yearly/annual results are uploaded on BSE Listing Centre. The Financial Results are generally published in leading business newspaper namely, 'The Financial Express'/ 'Business Standard' (English) and in 'Jansatta (Hindi)' and 'Business Standard' (Hindi) and simultaneously posted on the Company's website and can be accessed at <https://www.cslfinance.in/stock-exchange-updates/>.

b. Company's Website - Various sections of the Company's website (www.cslfinance.in) keep the investors updated on the key and material developments of the Company by providing timely information like Board profile, financial results, annual reports, shareholding pattern, Investor Presentation, Debenture Trustee Information, Intimations related to NCD, stock exchange filings etc.

13. GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting:

(i)	AGM (Date, Time and Venue)	The 30 th AGM of the Company will be held on Monday, September, 26, 2022 at 11.00 am through Video Conferencing/ Other Audio-visual means (OAVM)
(ii)	Financial Year	April 01, 2021 to March 31, 2022
(iii)	Dividend Recommended	Directors recommended a final dividend @25% i.e., ₹2.50/-per equity share of face value of ₹10/- each (which is 75% per equity share pre bonus issue) for the financial year ended March 31, 2022, in its meeting held on May 24, 2022, subject to approval of Members at the ensuing AGM of the Company.
(iv)	Dividend Payment Date	Within Statutory Timeline
(v)	Date of Book Closure	From: 20-09-2022 To: 26-09-2022 (Both days inclusive)
(vi)	CIN:	L74899DL1992PLC051462
(vii)	Website	www.cslfinance.in
(viii)	E-mail Id	investor@cslfinance.in
(ix)	Corporate Office	716-717, 7 th Floor, Tower - B World Trade Tower, Sector - 16, Noida- 201301 (U.P.)
(x)	Registered Office	410-412, 18/12, 4 th Floor, W.E.A, Arya Samaj Road, Karol Bagh, New Delhi- 110005

Stock Exchange- Your Company makes timely disclosures and filing to BSE Limited in terms of the SEBI Listing Regulations and other rules and regulations issued by the SEBI and the same are hosted on the website of the said Stock Exchange. Now the Company is also listed on National Stock Exchange of India Limited ('NSE'). The Company got its Approval letter for Listing of the equity shares on NSE on July 21, 2022 and the equity shares of the Company was admitted for trading on the NSE w.e.f., July 22, 2022.

c. Corporate Compliance & the Listing Centre-The Company files its financial results and other submissions on the Electronic filing system, i.e., Listing Centre of BSE. The same is also available on the website of BSE- www.bseindia.com.

d. Presentations made to Institutional Investors or to the analysts - The Company organises Earnings Calls after announcement of financial results, which were well attended by the analysts, fund managers and investors. The transcripts were uploaded on the Company's website. No Unpublished Price Sensitive information is discussed in the meeting/ presentation with institutional investors and analysts.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

CSL FINANCE LIMITED

79

(xii)	Listing Details	<p>BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001.</p> <p>NSE Limited, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051.</p> <p>The Company got its Approval letter for Listing of the equity shares on NSE on July 21, 2022 and the equity shares of the Company was admitted for trading on the NSE w.e.f., July 22, 2022.</p> <p>Annual Listing Fees for the year 2021-22 has been paid to the BSE Limited within the stipulated time.</p>
(xiii)	Stock Code	<p>NSE Limited- CSLFINANCE</p> <p>BSE Limited- 530067</p>
(xiv)	ISIN	INE718F01018

Compliance Officer

Ms. Preeti Gupta
(Company Secretary & Compliance Officer)
CSL Finance Limited

716-717, 7th Floor, Tower-B
Word Trade Tower, Sector-16
Noida-201301, U.P.
Phone No. 0120-4290650/52
E-mail: investor@cslfinance.in

Description of Voting Rights

All shares issued by the Company carry equal voting rights.

Calendar of Financial Year ended March 31, 2022.

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended March 31, 2022, were held on the following dates:

First Quarter Results ending June 30, 2021/ First Quarter results	August 11, 2021
Second Quarter/ Half Yearly results ending September 30, 2021/ Second Quarter and Half Yearly results	November 12, 2021

Third Quarter Results /Nine Month results ending December 31, 2021/ Third Quarter results	January 27, 2022
Fourth Quarter /Audited Annual Results ending March 31, 2022/ Fourth Quarter and Annual results	May 24, 2022

Tentative Calendar of Financial Year ending March 31, 2023.

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2023 are as follows:

Financial Reporting for the quarter ending June 30, 2022/ First Quarter results	On or before August 14, 2022
Financial Reporting for the quarter ending September 30, 2022/ Second Quarter and Half Yearly results	On or before November 14, 2022
Financial Reporting for the quarter ending December 31, 2022/ Third Quarter results	On or before February 14, 2023
Financial Reporting for the quarter and year ending March 31, 2023/ Fourth Quarter and Annual results	On or before May 30, 2023
AGM for the year ending March 31, 2023	On or before September 30, 2023

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Market Price Data & Share Price Performance:

Monthly High & Low during each month for the period April 2021 to March 2022 on BSE is mentioned below:

Month	Share Prices (in ₹)	
	High	Low
April-21	282.00	218.05
May-21	259.80	207.00
June-21	379.00	231.20
July-21	399.70	331.50
August-21	426.00	103.00
September-21	120.85	107.55
October-21	172.65	108.05
November-21	148.00	119.00
December-21	143.95	123.00
January-22	228.90	130.30
February-22	197.40	159.20
March-22	192.00	160.50

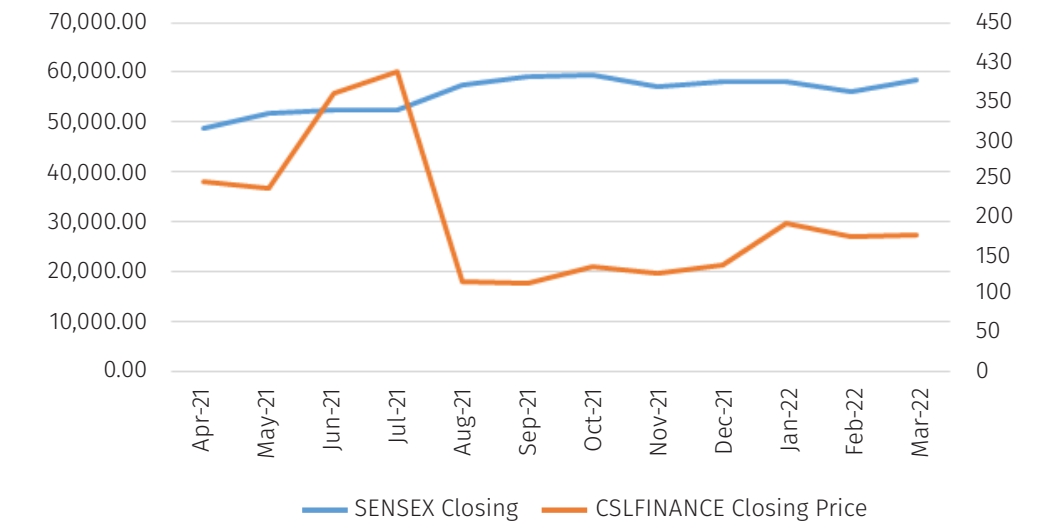
(Source: This information is compiled from the data available on the website of BSE)

Performance of the share price of the Company in comparison to BSE Sensex are given below:

Month	Sensex Closing	CSL Close Price
April-21	48,782.36	244.95
May-21	51,937.44	236.10
June-21	52,482.71	359.45
July-21	52,586.84	387.60
August-21	57,552.39	115.60
September-21	59,126.36	112.85
October-21	59,306.93	134.70
November-21	57,064.87	126.45

December-21	58,253.82	137.35
January-22	58,014.17	190.30
February-22	56,247.28	172.95
March-22	58,568.51	175.65

Stock Performance Relative to SENSEX Index



Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 /FINANCIAL REPORTING

STATUTORY REPORTING

In case the securities are suspended from trading, the directors report shall explain the reason thereof: N.A.

SEBI Complaints Redress System (SCORES)

Securities and Exchange Board of India (SEBI) administers a centralized web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES. During the year under review, no complaints were received thereon.

Registrar and Share Transfer Agents

M/s MAS Services Limited

T-34, 2nd Floor,

Okhla Industrial Area Phase-2,

New Delhi-110 020

Tel: 011-26387281, 82, 83

Fax: 011-26787384

Email: info@masserv.com

Share Transfer System

In terms of requirements to amendments in Regulation 40 of SEBI Listing Regulations w.e.f., March 31, 2022, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a depository.

A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of SEBI Listing Regulations and the same is filed with BSE Limited and is available on the website of the Company.

Distribution of shareholding

Distribution of shareholding as on March 31, 2022 is as under: -

Shareholding of Nominal Value of ₹	No. of shareholders		Number of Shares	Amount	
	Number	%		₹	%
Upto – 5,000	3047	78.21	2,30,679	23,06,790	1.11
5001-10,000	359	9.21	2,70,243	27,02,430	1.30
10,001-20,000	201	5.16	2,87,659	28,76,590	1.39
20,001-30,000	94	2.41	2,41,754	24,17,540	1.17
30,001-40,000	38	0.98	1,37,244	13,72,440	0.67
40,001-50,000	28	0.72	1,27,890	12,78,900	0.62
50,001-1,00,000	46	1.18	3,30,172	33,01,720	1.59
1,00,001 & above	83	2.13	1,91,06,980	19,10,69,800	92.15
Total	3,896	100.00	2,07,32,621	20,73,26,210	100.00

Shareholding pattern of the Company as on March 31, 2022 was as under:

Category	No. of shares held	% of Equity Capital
Promoter & Promoter Group	1,06,42,429	51.33
Public	95,89,303	46.25
Shares held by CSL Employee Welfare Trust	500,889	2.42
Total	2,07,32,621	100.00

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Bifurcation of Shares held in physical and demat form as on March 31, 2022

As at March 31, 2022, 97.31% of the Company's paid up capital is held in the dematerialised form and balance of 2.69% equity shares were held in physical mode, the details of which are as under:

Particulars	No. of Shares	% of Total Capital
Held in Demat form with NSDL	1,87,29,672	90.34
Held in Demat form with CDSL	14,45,284	6.97
Holdings in Physical Mode	5,57,665	2.69
Total	2,07,32,621	100

Shares in Demat mode have more liquidity as compared to shares held in physical mode. Therefore, the Company recommends shareholders holding shares in physical form to convert their shareholdings to demat mode. The Company's shares are traded at BSE. The promoters' hold their entire shareholding in dematerialized form.

Date: August 26, 2022

Place: New Delhi

Address for investor's correspondence

For share transfer/transmission/
Dematerialization or other queries

M/s MAS Services Limited
T-34, 2nd Floor
to the securities of the Company:
Okhla Industrial Area Phase-2,
New Delhi-110 020
Tel: 011-26387281, 82, 83
Fax: 011-26787384
Email: investor@masserv.com

For General Correspondence:

Secretarial Department
CSL Finance Limited
716-717, 7th Floor, Tower - B World Trade Tower,
Sector - 16 Noida 201301
Tel: 011-4290650/52

Email id for investor grievance:

investor@cslfinance.in

Credit Ratings

The company has received credit rating from INDIA RATINGS AND RESEARCH (IND-RA) as detailed in the Board's Report.

For and on behalf of the Board of Directors
of **CSL Finance Limited**

Rohit Gupta
(Managing Director)
DIN: 00045077

Ashok Kumar Kathuria
(Director)
DIN: 01010305

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure-I

Code of conduct for Directors & Senior Management under Regulation 26(3) of SEBI (LODR) Regulations, 2015

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2022.

Date: April 05, 2022**Place:** Noida

Rohit Gupta
(Managing Director)
DIN: 00045077

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure- II

CONTINUATION CERTIFICATE ON NBFC BUSINESS

Certificate no. 01/August/2022

CERTIFICATE TO WHOMSOEVER IT MAY CONCERN

On the basis of books of accounts and other relevant records produce to us by the management of M/s **CSL Finance Limited (CIN: L74899DL1992PLC051462)** for the year ended March 31, 2022, we certify that:

1. The Company had applied for registration as provided in section 45-IA of the Reserve Bank of India Act, 1934, and has been granted a certificate of registration by the Reserve Bank of India on March 03, 2003, having Registration No. B-14.00652;
2. We certify that the Asset/ Income Pattern of the company makes it entitled to continue to hold the certificate of registration. The company continue to undertake the business of NBFC during the year ended March 31, 2022, requiring holding of certificate of registration issued to it by Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934
3. The Company has passed a resolution for non –acceptance of public deposits as on April 05, 2021;
4. The Company has not accepted any public deposit and does not hold any public deposits during the year 2021-22.
5. The Company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and for provisioning of bad and doubtful assets as applicable to it in terms of Non- Banking Financial Company Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions 2016.

This certificate is being issued on the specific request of the Company for onward submission.

Date: August 08, 2022

Place: New Delhi

For Aggarwal & Rampal

Chartered Accountants

FRN No. 003072N

Aditya Aggarwal

(Partner)

M.No.: 515644

UDIN: 22515644AONVUT7826

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure-III

MD AND CFO CERTIFICATE

To,

The Board of Directors

Corporate office Address: 716-717, 7th Floor,
Tower-B, World Trade Tower, Sector-16
Noida, U.P 201301

Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2021-2022

We, the undersigned, hereby certify, to the best of our knowledge and belief, that:

- (a) We have reviewed financial statements and the cash flow statement for FY 2021-2022 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year, if any;
 - ii. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 24, 2022

Place: Noida

Naresh Chandra Varshney

Chief Financial officer

PAN: ACNPV7047F

Rohit Gupta

Managing Director

DIN: 00045077

Contents

01 / CORPORATE OVERVIEW

02 / **STATUTORY REPORTING**

Company Information	34
Notice	35
Directors' Report	50
Corporate Governance Report	67

03 / FINANCIAL REPORTING

STATUTORY REPORTING

Annexure- IV

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **CSL Finance Limited**

I, have examined the compliance of the conditions of Corporate Governance by CSL Finance Limited for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations, 2015").

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Listing Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion, to the best of my knowledge and according to the explanation given to me, and the representations made by Directors & the Management, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Listing Regulations, 2015 for the year ended March 31, 2022.

With respect to the non-compliance u/r 17(1) (composition of Board) of Listing Regulations 2015 for quarter ended June 2020, September 2020 & December 2020 as applicable on the basis of Market Cap of top 2000 Listed Companies, BSE Limited (Exchange) has levied penalty of ₹ 16,10,700/- for the aforesaid non-compliance and in this regard, the Company has filed its Representation Letter to the Exchange and also complied with the aforesaid non-compliance.

The company's request to waive off the fines for quarter ended June 2020 and Sep-2020 has been approved by Exchange vide e-mail dated May 23, 2022 and for quarter ended December-2020 Exchange has rejected the request vide e-mail dated August 06, 2021 for which the fine was paid by the Company. As on date there is no outstanding penalty amount to be paid by the Company.

Date: August 22, 2022
Place: New Delhi

For Ganesh Sharma & Associates
(Company Secretaries)

Ganesh Dutt Sharma
Practicing Company Secretary
M. No.: 43348
C.P. No.: 16085
UDIN: A043348D000828220
Peer Review Certificate No. 2047/2022

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Independent Auditor's Report

To the Members of **CSL FINANCE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CSL FINANCE LIMITED ("the Company"), which comprises of the Balance Sheet as at 31st March 2022, the statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2022, and profit and other comprehensive income, changes in equity and its cash flows and for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Description of Key Audit Matters:

Key Audit Matter	How the Matter was Addressed in our Audit
<p>Impairment of loans to customers- refer notes 3.6 and 29 to the financial statements</p> <p>Recognition and measurement of impairment of loans involve significant management judgement.</p> <p>Under Ind AS 109 Financial instruments, allowances of loan losses are determined using expected credit loss (ECL) model. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date including time value of money where appropriate.</p> <p>The determination of impairment loss allowance is inherently judgement and relies on the management's best estimate due to the following:</p> <ul style="list-style-type: none"> Segmentation of loans given to the customers Criteria selected to identify significant increase in credit risk, given to eligible borrowers as per the Company's board approved policy, read with the RBI Covid 19 Regulatory Package. Increased level of data inputs for capturing the historical data to calculate the Probability of Default (PDs), Loss Given Default (LGD) and Exposure of Default (EAD). Use of management of overlay for considering the forward looking macro-economic factors, economic environment and timing of cash flows. <p>The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often used outside the control of the Company.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> Evaluation of the appropriateness of the impairment principles used by the management based on the requirements of Ind AS 109. Assessed the design and implementation and operating effectiveness in respect of computation of impairment loss allowance process. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. We have engaged our modelling specialist to test the model methodology and reasonableness of assumptions used in the computation. Performed test of details, on a sample basis, on underlying data relating to segmentation, staging and other key inputs for computation of ECL.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- Further to our comments in **Annexure A**, as required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

For **Aggarwal &Rampal**
Chartered Accountants
FR No. 003072N

Place: New Delhi
Date : May 24, 2022

- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- We have also audited the internal financial controls over financial reporting for the Company as on 31 March 2022 with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
 - There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 22082045AJMPFY5811

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

“ANNEXURE-A” TO THE INDEPENDENT AUDITORS’ REPORT

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of the **CSL FINANCE LIMITED** on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible assets:
 - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The title deeds of the immovable property, held as investment property and Property plant and equipment, by the company are in the name of the company.
 - (d) The Company has not revalued its Property, Plant and Equipment during the year.
 - (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The company does not have any inventory hence reporting under clause 3(ii)(a) of the Order is not applicable.
- b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate during the year, from banks and financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising book debts statement

filed by the Company with such banks are in agreement with the books of accounts of the Company of the respective quarters and no material discrepancies have been observed.

- (iii) (a) The company is a NBFC whose principal business is lending hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The company has not made any investments or guarantee or any security to any company, firm, LLP or any other parties. The terms & conditions of grant of all the loans provided are not pre judicial to the company’s interest.
- (c) The repayment of principal and interest has been stipulated and the repayment are regular except as reported in clause (iii) (d) below.
- (d) The total amount of Rs 8.95 crores is overdue for more than ninety days and the company is taking steps for recovery of principal and interest.
- (e) The company is a NBFC whose principal business is lending hence reporting under clause 3(iii)(e) of the Order is not applicable
- (f) The company has not granted any loans repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act 2013, with respect to the loans and investments made.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits from public. Hence reporting under clause 3(v) of the Order is not applicable.
- (vi) The company is not required to maintain cost records specified by the Centl Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence reporting under clause 3(vi) of the Order is not applicable.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities as applicable.

There are no undisputed amount payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues outstanding as on March 31, 2022 for the period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub clause (a) above which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The company has not defaulted in repayment of loans or borrowing or in the payments of interest on thereon to any lenders.

(b) The company has not been declared wilful defaulter by any bank or financial institutions or Government or any Government Authorities.

(c) The company has applied the terms loans taken for the purpose for which the loans were obtained.

(d) The company has not used funds raised on short term basis for any long term purpose.

(e) The company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The company has made preferential allotment of shares during the year. Section 42 & section 62 of the Companies Act 2013 has been complied with and funds raised have been used for the purpose for which the funds were raised.

(xi) (a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the companies Act has been filed in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) There are no whistle blower complaint received by the company during the year.

(xii) The company is not a Nidhi Company. Hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details of related party transactions have been disclosed in the standalone financial statement as required by applicable accounting standards.

(xiv)(a) The company has an adequate internal audit systems commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him, provisions of section 192 of Companies Act, 2013 are not applicable to the company.

(xvi)(a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company is already registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence reporting under clause 3(xvi)(c) of the Order is not applicable.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(d) The group does not have any Core Investment Company (CIC).

(xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Hence reporting under clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability

For **Aggarwal & Rampal**
Chartered Accountants
FR No. 003072N

Place: New Delhi

Date : May 24, 2022

of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 22082045AJMPFY5811

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act “)

We have audited the internal financial controls over financial reporting of **CSL FINANCE LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended as at that date.

Responsibility of Management and Those Charged With Governance for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility for the Audit of the Internal Financial Controls

Our responsibility is to express an opinion on the Company’s internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Aggarwal & Rampal**
Chartered Accountants
FR No. 003072N

Place: New Delhi
Date : May 24, 2022

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 22082045AJMPFY5811

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Balance Sheet as at 31st March 2022

(Amount in INR Lacs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial Assets			
Cash and cash equivalents	4	1,302.54	1,762.24
Bank Balance other than cash and cash equivalents	5	330.35	327.84
Loans	6	50,784.57	32,170.14
Other Financial assets	7	78.04	51.79
Non-financial Assets			
Deferred tax Assets (Net)	8	116.69	82.76
Investment property	9	13.71	14.00
Property, plant and equipment	10	437.75	141.89
Intangible assets under development	11	17.44	-
Other Intangible assets	12	0.09	0.26
Right-of-use assets	13	129.90	145.94
Other non-financial assets	14	12.05	56.08
Total Assets		53,223.14	34,752.93
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

CSL FINANCE LIMITED

97

(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt Securities	15	4,196.48	4,211.17
Borrowings	16	16,220.10	4,049.24
Lease liabilities	13	164.79	175.16
Other financial liabilities	17	229.59	175.99
Non-Financial Liabilities			
Current tax liabilities (Net)	18	144.60	201.70
Provisions	19	50.37	2.32
Other non-financial liabilities	20	67.71	17.73
EQUITY			
Equity Share Capital	21	2,030.34	613.34
Other Equity	22	30,119.15	25,306.28
Total Liabilities and Equity		53,223.14	34,752.93
Summary of significant accounting policies	3		
See accompanying notes to the financial statements.			

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Statement of Profit and Loss

for the year ended 31st March 2022

(Amount in INR Lacs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 Mar 2022	For the Year ended 31 March 2021
Revenue from operations			
Interest Income	23	6,766.48	5,918.04
Fees and commission Income	24	462.23	238.94
Recoveries of financial assets written off	25	233.83	10.33
Total Revenue from operations (I)		7,462.54	6,167.31
Other Income			
Other Income	26	17.37	18.65
Other Income (II)		17.37	18.65
Total Income (III)=(I+II)		7,479.91	6,185.96
Expenses			
Finance costs	27	1,074.96	706.80
Fees and commission expense	28	23.58	20.53
Impairment of financial instruments	29	371.64	482.99
Employee benefits expenses	30	930.98	646.00
Depreciation & Amortization	31	65.56	61.16
Other expenses	32	537.76	332.47
Total Expenses (IV)		3,004.48	2,249.94
Profit / (loss) before tax (V)=(III-IV)		4,475.43	3,936.02
Tax Expense: (VI)	8		
(1) Current tax		1,166.11	1,156.65
(2) Deferred tax		(35.62)	26.57
Profit for the year (VII)=(V-VI)		3,344.94	2,752.79

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

CSL FINANCE LIMITED

99

Other Comprehensive Income		
(i) Items that will not be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans	6.70	10.97
Income tax impact thereon	(1.69)	(2.76)
Other Comprehensive Income (VIII)	5.01	8.21
Total Comprehensive Income for the year (VII+VIII)	3,349.95	2,761.00
Earnings per equity share (face value of Rs. 10/- per share)		
Basic (Rs.)	17.86	15.07
Diluted (Rs.)	17.75	15.04
Summary of significant accounting policies	3	
See accompanying notes to the financial statements		

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

03 / FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Statement of Cash Flows

for the year ended 31 March 2022

(Amount in INR Lacs, unless otherwise stated)

Particulars	For the year ended 31 Mar 2022	For the Year ended 31 March 2021
Cash Flow From Operating Activities:		
Profit / (Loss) before Tax	4,475	3,936
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization on Property, Plant & equipment	36.67	30.18
Depreciation on Right-of-use Asset	28.89	30.98
Interest accretion on lease liabilities	17.09	18.43
Unamortised Cost on Borrowings	58.35	211.17
(Profit)/Loss on Investments (mutual funds)	-	(0.39)
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	0.43	(1.57)
Share based payment expenses	-	(21.11)
(Profit)/Loss on termination of lease	(0.22)	(0.77)
Interest income on unwinding of security deposits	(0.47)	(0.49)
Operating Profit/Loss before Working Capital changes	4,616.17	4,202.45
Adjustments for changes in Working Capital :		
Loans	(19,390.5)	(1,073.8)
Other Financial assets	(26.1)	9.1
Bank Balance other than cash and cash equivalents	(0.6)	(17.7)
Other non-financial assets	44.0	51.8
Other financial liabilities	50.5	57.6
Other non-financial liabilities	50.0	(1.3)
Provisions	48.1	5.1
Cash Generated From / (Used in) from Operations	(14,608.56)	3,233.32
- Taxes (Paid) / Refunds (Net)	(1,223.21)	(1,008.87)
Net Cash Generated From / (Used) in Operating Activities	(15,831.76)	2,224.45

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

CSL FINANCE LIMITED

101

Cash Flow From Investing Activities:		
Purchase of Property, plant and equipment and intangible assets	(356.25)	(27.07)
Sale of Property, Plant and Equipment and Intangible assets	6.31	3.73
Purchase of investments (Mutual funds)	-	(850.00)
Sale of investments	-	850.39
Net Cash Generated From/ (Used in) Investing Activities	(349.94)	(22.95)
Cash Flow From Financing Activities:		
Borrowings other than debt securities issued	12,243.90	(1,543.21)
Equity share capital issued (Including premium)	3,700.00	78.92
Repayment of lease liabilities	(22.86)	(23.00)
Payment of interest on lease liabilities	(17.09)	(18.43)
Dividend paid (Including DDT)	(181.94)	(148.87)
Net Cash Generated from / (Used in) Financing Activities	15,722.01	(1,654.58)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(459.70)	546.92
Cash and Cash Equivalents at the Beginning of the Year	1,762.24	1,215.32
Cash and Cash Equivalents at the end of the Year	1,302.54	1,762.24
Cash and Cash Equivalents at the end of the Year comprises of	31 March 2022	31 March 2021
Cash in hand	3.31	3.85
Balances with Banks in Current Accounts	1,299.24	1,758.39
TOTAL	1,302.54	1,762.24
See accompanying notes to the financial statements		

As Per Our Report of even date attached
For: Aggarwal & Rampal
Chartered Accountants
F.R. No 003072N

Sd/-
Vinay Aggarwal
(Partner)
Membership No: 082045
UDIN: 22082045AJMPFY5811

Place: New Delhi
Date : May 24, 2022

Sd/-
Rohit Gupta
Managing Director
DIN 00045077

Sd/-
Preeti Gupta
Company Secretary
ACS:43593

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Sd/-
Ashok K. Kathuria
Director
DIN 01010305

Sd/-
Naresh C. Varshney
Chief Financial Officer

Contents

01 / CORPORATE OVERVIEW

02 / STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Statement of Changes in Equity

for the year ended 31st March 2022

(Amount in INR Lacs, unless otherwise stated)

A. Equity Share Capital

(1) Current Reporting period

Balance at the beginning of the reporting year*	Changes in the share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Treasury shares (held with ESOS Trust)	Balance at the end of the reporting period
6,16,92,070	-	-	14,56,34,140	(42,92,130)	20,30,34,080

* Shares held at the beginning of the reporting period includes shares held by trust.

(2) Previous Reporting period

Balance at the beginning of the reporting year	Changes in the share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Treasury shares (held with ESOS Trust)	Balance at the end of the reporting period
6,16,92,070	-	-	-	(3,58,380)	6,13,33,690

B. Other Equity

(1) Current Reporting period

Particulars	Reserves & Surplus							Money Received against Share warrants	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debenture Redemption Reserve	Share option outstanding account	Statutory reserve fund under Section 45 IC of the Reserve Bank of India Act, 1934	
Balance at the beginning of the reporting period	206.49	5,794.20	62.16	4.00	15,178.45	400.00	63.71	3,597.27	25,306.28
Changes in the accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current year	-	-	-	-	5.01	-	-	-	5.01

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

CSL FINANCE LIMITED

103

Dividends	-	-	-	-	-185.08	-	-	-	-	-185.08
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	3,344.94	-	-	-	-	3,344.94
Transfer to statutory reserve	-	-	-	-	-668.99	-	-	668.99	-	-
Share option outstanding expense	-	-	-	-	-	-	-	-	-	-
Issue of share under ESOS	-	4.33	-	-	-	-	-	-	-	4.33
Transfer to Debenture Redemption Reserve	-	-	-	-	-800.00	800.00	-	-	-	-
Issue of shares under Preferential allotment	-	2,737.50	-	-	-	-	-	-	-	2,737.50
Issue of shares under Bonus Issue	-	-1,233.84	-	-	-	-	-	-	-	-1,233.84
Amount received against issue of share warrants	-	-	-	-	-	-	-	-	140.00	140.00
Balance at the end of the reporting period	206.49	7,302.18	62.16	4.00	16,874.34	1,200.00	63.71	4,266.26	140.00	30,119.15

(2) Previous Reporting period

Particulars	Reserves & Surplus								Money Received against Share warrants	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debenture Redemption Reserve	Share option outstanding account	Statutory reserve fund under Section 45 IC of the Reserve Bank of India Act, 1934		
Balance at the beginning of the reporting period	206.49	5,718.77	62.16	4.00	13,522.24	-	84.82	3,046.71	-	22,645.20
Profit for the year	-	-	-	-	2,752.79	-	-	-	-	2,752.79
Other Comprehensive income for the year	-	-	-	-	8.21	-	-	-	-	8.21
Dividends	-	-	-	-	-154.23	-	-	-	-	-154.23

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

CSL FINANCE LIMITED

104

Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-550.56	-	-	550.56	-	-
Share option outstanding expense	-	-	-	-	-	-	-21.11	-	-	-21.11
Issue of share under ESOS	-	75.43	-	-	-	-	-	-	-	75.43
Transfer to Debenture Redemption Reserve	-	-	-	-	-400.00	400.00	-	-	-	-
Balance at the end of the reporting period	206.49	5,794.20	62.16	4.00	15,178.45	400.00	63.71	3,597.27	-	25,306.28

See accompanying notes to the financial statements.

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

Notes to the Financial Statements

for the year ended 31st March, 2022

1 Corporate information

- CSL Finance Limited was incorporated on 28 December 1992 under the provisions of Companies Act 2013. The company is a Non deposit taking Non-Banking Finance Company ("NBFC-ND") and is registered under section 45-1A of the Reserve Bank of India Act, 1934 to carry on the business of Non-Banking Financial Company. The company is listed on the Bombay Stock Exchange.
- The company is into business of secured & unsecured lending to small and medium size business unit to fulfil their financial needs. The complete business of CSL can be classified into two broader segments of SME business & Wholesale business. SME business is mainly focused on micro and small business loans to various business entities, which is secured mostly against self-occupied Residential or Commercial properties. Wholesale business is focused on big ticket size loans for working capital requirement of businesses. This segment also covers construction finance facilities to builders & developers for redevelopment of sites for meeting their short-term funding requirements. These loans are majorly last mile funding or mainly lent to affordable segment where demand and sale is easily predictable.
- The Financial statements for the year ended 31 March 2022 were authorised vide resolution of directors dated 24-05-2022."

2 Basis of Preparation and Presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

The Company complies with the Master Direction relating to income recognition, asset classification and the minimum provisioning norms for standard, sub-standard, doubtful and loss assets, specified in the Master Direction issued by the Reserve Bank of India ('RBI') in terms of Non-Banking Financial Company.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, unless otherwise stated.

"The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note no. 41.2

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event."

3 Significant accounting policies

3.1 The effective interest rate method

"Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss."

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

3.2 Interest Income

"The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset and are recognised only when it is reasonable certain that the ultimate collection will be made."

3.3 Financial instruments-initial recognition

3.3.1 Date of recognition

Loans are recognised when funds are transferred to the customers' account. The company recognises debt securities/borrowings when funds reach to the company.

3.3.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

3.4 Subsequent measurement of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair Value through Other Comprehensive Income
- Fair Value through Profit and Loss"

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

3.5 Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

3.6 Impairment of financial assets

"The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

The Company recognises lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets."

The calculation of ECLs

"Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:"

"Probability of Default (PD)

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD)

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD)

EAD is based on the amounts the Company expects to be owed at the time of default. Forward-looking economic information (including management overlay) is included in determining the

12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis."

Other Financial Assets

In respect of other financial assets, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

3.7 Write-offs

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

3.9 Determination of fair value

"A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)."

3.10 Foreign currency translation

The financial statements are presented in INR which is also functional currency of the company.

3.11 Leases

"The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to control the use the asset.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Company as a lessee

"The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The company uses the exemption to exclude low value leases or the leases which are short term in nature i.e. 12 months or less.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. "

"The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

3.12 Recognition of income and expenses

"Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

3.12.1 Fees & Commission Income

Income from advisory services is recognised as and when the services are rendered as per agreed terms and conditions of the contract.

3.12.2 Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

3.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.14 Property, plant and equipment

"Property plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value. Useful lives is taken as specified in Part 'C' of Schedule II to the act. Depreciation is calculated on straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are, as follows:

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Asset Description	Useful life estimated by the management (in years)	Rate of Depreciation
Computers	3	31.67%
Office Equipments	5	19.00%
Motor Vehicles	8	11.88%
Leasehold Improvements	9	10.56%
Electrical Installation & Equipments	10	9.50%

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.15 Intangible assets

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Intangible assets comprise Software & trademark. This has been recognised at cost and amortised over estimated useful life, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

The residual values, useful lives and method of depreciation of assets are reviewed at each financial year and adjusted prospectively, wherever required."

3.16 Impairment of Non-financial assets

"The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of

disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the statement of profit and loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.17 Retirement and other employee benefits

"Short-term employee benefits:

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Defined benefit plans

The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under scheme administered by Kotak Mahindra Life Insurance Company Limited and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Leave Encashment

Leave encashment entitlements are recognised as a liability, in the year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability using the projected unit credit method is recognised at the actuarially determined value by an appointed actuary."

Employee Stock Option Plan

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

3.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company

determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability.

3.19 Investment Property

Properties, held to earn rentals and/or capital appreciation are classified as investment property and measured at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the statement of profit and loss in the same period."

3.2 Taxes

3.20.1 Current tax

"Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.20.2 Deferred tax

"Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

3.21 Earning per share

"Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after tax. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

For the purpose of calculating basic EPS, shares allotted to ESOP trust pursuant to the employee share based payment plan are not included in the shares outstanding as on the reporting date till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions. Till such time, the shares so allotted are considered as dilutive potential equity shares for the purpose of calculating diluted EPS."

3.21 Treasury shares (Shares held by the ESOP Trust)

"The Company has created an Employee Stock Option Plan Trust (ESOP Trust) for providing share-based payment to its employees. The Company uses the trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Company allots shares to the ESOP Trust. The Company treats the ESOP trust as its extension and shares held by ESOP Trust are treated as treasury shares. Share options exercised during the reporting period are satisfied with treasury shares.

The consideration paid for treasury shares including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an

increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from retained earnings.

3.22 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Effective Interest Rate (EIR) method

The Company recognizes interest income /expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of financial asset

"The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model"

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

Provisions and other contingent liabilities

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3.23 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

4 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash in hand	3.31	3.85
Balances with banks on current accounts	1,299.24	1,758.39
Total cash and cash equivalents	1,302.54	1,762.24

5 Bank Balance other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposits with original maturity of more than 3 months	312.51	314.14
Unpaid Dividend	16.84	13.70
Unpaid CSR	1.00	-
Total Bank Balance other than cash and cash equivalents	330.35	327.84

6 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Loans measured at amortised cost		
Term Loans:		
Loans to customers		
SME	9,997.84	6,217.12
Wholesale	41,697.32	26,737.89
Retail	-	-
Total - Gross	51,695.16	32,955.01
Less: Impairment loss allowance	910.59	784.87
Total - Net	50,784.57	32,170.14
(a) Secured by tangible assets	(342.79)	5,726.94

(b) Secured by intangible assets	-	-
(c) Covered by Bank/Government Guarantees	-	-
(d) Unsecured	343.31	490.44
Total - Gross	0.52	6,217.38
Less: Impairment loss allowance	910.59	784.87
Total - Net	(910.07)	5,432.52
(I) Loans in India		
(i) Public Sector	-	-
(ii) Others	51,695.16	32,955.01
Total (I) - Gross	51,695.16	32,955.01
Less: Impairment loss allowance	910.59	784.87
Total (I) - Net	50,784.57	32,170.14
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (II) - Net	-	-
Total (I) and (II)	50,784.57	32,170.14

Note- There is no loan asset measured at FVOCI or designated at FVTPL.

7 Other Financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits	60.93	7.20
Staff Advances	5.96	12.15
Other Receivables	7.55	10.18
Advances recoverable	3.60	2.26
Earnest Money	-	20.00
Total	78.04	51.79

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

8 Deferred tax

8.1 Deferred tax assets (net)

Particulars	As at 1 April 2021	Charge to profit & loss	Charge to OCI	As at 31 March 2022
Tax Effect of items constituting deferred tax liabilities : Application of EIR on Financial Liabilities	1.76	14.68	-	16.44
	1.76	14.68	-	16.44
Tax Effect of items constituting deferred tax assets :				
Application of EIR on financial assets	73.20	64.00	-	137.20
Application of leases (Ind AS 116)	8.38	(1.44)	-	6.93
Tax bases of Property, Plant & Equipment	4.31	(6.41)	-	(2.10)
Provision for gratuity	(1.37)	(5.84)	(1.69)	(8.90)
	84.52	50.31	-1.69	133.14
Net deferred tax	82.76	35.62	-1.69	116.69

8.2 Income tax recognised in Statement of profit and loss

Particulars	As at 31 March 2022	As at 31 March 2021
Current Tax:		
In respect of the current year	1,165.50	995.32
In respect of the prior year	0.61	161.33
	1,166.11	1,156.65

Deferred tax:		
Current year origination and reversals	(35.62)	26.57
Total Income tax recognised in Profit and Loss	1,130.49	1,183.22

8.3 Income tax recognised in Other Comprehensive Income

Particulars	As at 31 March 2022	As at 31 March 2021
Remeasurement of defined benefits	(1.69)	(2.76)
Total Income tax recognised in Other Comprehensive Income	(1.69)	(2.76)

8.4 Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Profit before tax	4,475.43	3,936.02
Applicable Income tax rate	0.25	0.25
Expected Income tax expenses	1,126.38	990.62
In respect of the prior year	0.61	161.33
Adjustments:		
Effect of ind-as adjustments	8.97	(33.45)
Effect of expenses not deductible	30.15	38.16
Others	-	-
Reported Income tax expenses	1,166.11	1,156.65
Effective tax rate	26.06%	29.39%

* Company opted for reduced corporate tax rate of 25.17% as per recently inserted section 115BAA of the Income Tax Act, 1961 during the year ended 31 March 2022.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

9 Investment property

Particulars	Amount
Cost	
As at 01 April 2021	14.86
Additions	-
Disposals/adjustments	-
Closing as at 31 March 2022	14.86

Accumulated amortization and impairment, if any	
As at 01 April 2021	0.86
For the period	0.29
Disposals/adjustments	-
Closing as at 31 March 2022	1.15
Net block	
As at 31 March 2022	13.71
As at 31 March 2021	14.00

The Company's investment properties consist of residential property in India and is not given on lease. Fair value of Investment property is approximately equivalent to the carrying amount disclosed above.

10 Property, plant and equipment

Particulars	Gross carrying amount			Accumulated Depreciation				Net carrying amount		
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 March 2021
Airconditioner	3.86	-	0.33	3.53	1.92	0.75	0.24	2.44	1.09	1.93
Computer	31.00	54.93	27.74	58.18	20.46	13.26	26.80	6.92	51.27	10.53
Electrical Installation	24.55	3.84	-	28.39	5.38	2.33	-	7.71	20.68	19.17
Furniture and Fixtures	49.62	33.79	0.44	82.97	11.57	5.00	0.16	16.41	66.57	38.06
Leasehold Improvement	30.84	204.25	-	235.09	7.33	3.73	-	11.05	224.04	23.51
Mobile	5.06	0.41	-	5.47	1.30	0.94	-	2.24	3.24	3.76
Vehicles	54.68	31.62	9.16	77.14	15.71	7.89	3.73	19.88	57.27	38.97
Office Equipment	8.62	9.56	-	18.18	3.89	1.78	-	5.67	12.50	4.73
Printer	2.13	0.32	-	2.46	0.92	0.44	-	1.36	1.10	2.02
Total	210.36	338.72	37.67	511.42	68.48	36.12	30.93	73.66	437.75	142.69

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

11 Intangible assets under development

Particulars	Gross carrying amount				Accumulated Depreciation			Net carrying amount		
	As at 1	Additions/	Deductions/	As at 31	As at 1	Additions/	Deductions/	As at 31	As at 31 Mar	As at 31 March
	April	Adjustments	Adjustments	Mar	April	Adjustments	Adjustments	Mar	2022	2021
	2021			2022	2021			2022		
Software Under Development	-	17.44	-	17.44	-	-	-	-	17.44	-
Total	-	17.44	-	17.44	-	-	-	-	17.44	-

Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.44	-	-	-	17.44
Projects temporarily suspended	-	-	-	-	-

12 Other Intangible assets

Particulars	Gross carrying amount				Accumulated Depreciation			Net carrying amount		
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2022	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2022	As at 31 Mar 2022	As at 31 March 2021
Computer Software	6.35	-	-	6.35	6.12	0.23	-	6.35	0.00	0.23
Company Logo	0.09	0.09	-	0.18	0.06	0.03	-	0.09	0.09	0.03
Total	6.44	0.09	-	6.53	6.18	0.26	-	6.44	0.09	0.26

13 Leases

13.1 Nature of leased assets

The Company's leasing arrangements are in respect of leases of premises for commercial use of the company. The Company mainly enters into these lease arrangements with various parties for operating its branches across the country.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

13.2 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	31 March 2022	31 March 2021
Opening Balance	145.94	182.62
Additions during the year	16.33	-
Deductions during the year	(3.48)	(5.69)
Depreciation charge for the year	(28.89)	(30.98)
Closing Balance	129.90	145.94

13.3 Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

Particulars	31 March 2022	31 March 2021
Opening balance	175.16	204.54
Additions during the year	16.16	-
Deductions during the year	(3.66)	(6.38)
Accretion of Interest	17.09	18.43
Payments during the year	(39.96)	(41.43)
Closing balance	164.79	175.16
Current	24.40	20.16
Non Current	140.40	154.99

13.4 Maturity Analysis:

Particulars	31 March 2022	31 March 2021
Less than 1 Year	39.35	36.41
1-3 Years	79.62	70.24
3-5 Years	80.42	78.06
5 Years and above	12.64	52.71
Total	212.04	237.43
Discounting Charge	-	62.27
Lease Liabilities	212.04	175.16

13.5 Amounts recognised in profit or loss

Particulars	31 March 2022	31 March 2021
Interest on lease liabilities	17.09	18.43
Depreciation expense for right-of-use assets	28.89	30.98
Expenses relating to short-term leases	59.35	49.63
Derecognition of Lease Liability	(0.18)	(0.69)
Total Amount recognised in profit & Loss	105.16	98.36

13.6 Amounts recognised in the statement of cash flows

Particulars	31 March 2022	31 March 2021
Payments during the year for long-term leases	(39.96)	(41.43)
Expenses relating to short-term leases	(59.35)	(49.63)
Total cash outflow for leases	(99.31)	(91.06)

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

14 Other non financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with government authorities	1.22	1.16
Prepaid expenses	7.31	49.16
Advances recoverable	3.52	0.32
Gratuity fund - plan assets	-	5.44
Total non financial assets	12.05	56.08

15 Debt Securities (Reedemable, Non-Convertible Debentures)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised Cost		
Secured		
Privately Placed, Reedemable Non Convertible Debentures	4,000.00	4,000.00
Add: Accrued Interest Payable	198.90	216.59
Less: Amortisation of cost of borrowings	(2.41)	(5.42)
Debt Securities net of unamortised cost (A)	4,196.48	4,211.17
Borrowings in India	4,196.48	4,211.17
Borrowings outside India	-	-
Total (B)	4,196.48	4,211.17

16 Borrowings (Other than Debt Securities)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings measured at Amortised Cost		
(a) Term loans		
(i) from banks		
Secured	8,567.61	90.15
(ii) from other parties		
Secured	609.73	226.18
Unsecured	5,260.00	-
(b) Loans repayable on demand (secured)		
(i) from banks	-	-
Secured	1,782.75	3,717.91
(c) Loans repayable on demand (Unsecured)		
(i) from related parties	-	15.00
(ii) from others	-	-
Total (A)	16,220.10	4,049.24
Borrowings in India	16,220.10	4,049.24
Borrowings outside India	-	-
Total (B) to tally with (A)	16,220.10	4,049.24

Note: There is no borrowing measured at FVTPL or designated at FVTPL.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

15.1 Security and terms of repayment for Non Convertible Debentures

Particulars	Amount outstanding as on 31 March 2022	Amount outstanding as on 31 March 2021	Repayment terms				Nature of security
			No of Installments	Periodicity	Start date	End date	
1 State Bank of India	3,177.92	2,994.58	1	Bullet Repayment	10-Aug-20	21-Apr-23	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
2 Punjab National Bank	1,018.57	1,000.00	1	Bullet Repayment	20-Oct-20	21-Apr-23	125% receivables and also personal guarantee of Managing Director.
Total	4,196.48	3,994.58	-	-	-	-	-

16.1 Security and terms of repayment for term loans from banks

Particulars	Amount outstanding as on 31 March 2022	Amount outstanding as on 31 March 2021	Repayment terms				Nature of security
			No of Installments	Periodicity	Start date	End date	
1 State Bank Of India	5,250.00	-	66	Monthly	28-Jun-21	25-Dec-26	125% receivables and also personal guarantee of Managing Director & Smt Ridhima Gupta (limited to the value of property mortgaged) and corporate guarantee of the group company.
2 Au Small Finance Bank Ltd	837.30	-	36	Monthly	31-Aug-21	3-Aug-24	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
3 Au Small Finance Bank Ltd	959.15	-	36	Monthly	17-Mar-22	3-Apr-25	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
4 Hdfc Bank Term Loan	1,490.96	-	24	Monthly	1-Apr-22	30-Mar-24	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

5	Hdfc Bank Car Loan	18.13	-	58	Monthly	7-May-21	7-Feb-26	Hypothecation of Car
6	Small Industries Developmet Bank Of India (SIDBI)	-	75.31	4	Monthly	14-Dec-20	10-Apr-21	110% receivables on loan outstanding
7	ICICI Bank Ltd (Car Loan)	-	0.00	60	Monthly	1-May-16	1-Apr-21	Hypothecation of Car
8	Hdfc Bank Car Loan	12.08	14.70	60	Monthly	4-Oct-21	4-Sep-26	Hypothecation of Car
Total		8,567.61	90.01					

16.2 Security and terms of repayment for term loans from other parties (secured)

Particulars	Amount outstanding as on 31 March 2022	Amount outstanding as on 31 March 2021	Repayment terms				Nature of security
			No of Installments	Periodicity	Start date	End date	
1 Tata Capital Financial Services	124.91	224.18	60	Monthly	19-Jul-18	20-Jun-23	140% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
2 Tata Capital Financial Services	484.82	-	36	Monthly	05-Mar-22	05-Feb-25	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
3 Toyota Finance Services (I) Ltd (Car Loan)	-	2.00	60	Monthly	10-Nov-16	09-Oct-21	(Car Loan) (Ag. Hypothecation of Car)
Total	609.73	226.18					

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

16.3 Loans repayable on demand (secured)

Particulars	Amount outstanding as on 31 March 2022	Amount outstanding as on 31 March 2021	Nature of security
1 Cash Credit From Au Small Finance Bank	894.58	4.72	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
2 Overdraft From Kotak Mahindra Bank Ltd	-	6.52	Overdraft Facility against Fixed Deposit
3 Working Capital Demand Loan from State Bank of India	-	3,706.66	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
4 Cash Credit From HDFC bank Ltd	600.26	-	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
5 Drop line Overdraft Facility from Kotak Mahindra Bank Ltd	287.91	-	125% receivables and also personal guarantee of Managing Director and corporate guarantee of the group company.
Total	1,782.75	3,717.91	

17 Other Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid Dividend	16.84	13.70
Salary Payable	1.94	40.25
Expenses Payable	103.71	59.19
TDS Payable	107.10	34.00
EX-GRATIA Credit	-	28.84
Total Other Financial Liabilities	229.59	175.99

18 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax payable	144.60	201.70
Total Current tax liabilities (net)	144.60	201.70

19 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for CSR- Opening balance	2.32	57.10
Provision made during the year	71.37	62.32
Utilised during the year	(23.32)	(117.10)
Provision for CSR- Closing balance	50.37	2.32
Total Provisions	50.37	2.32

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

20 Other Non-Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory due payable	55.62	17.47
Other Liabilities	12.09	0.26
Total other Non-Financial liabilities	67.71	17.73

21 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorized Share Capital		
At the beginning of the year	940.00	940.00
Add: Increase in authorised share Capital	1,360.00	-
Closing at the end of the year	2,300.00	940.00
2,30,00,000 (Previous year 31 March 2021: 94,00,000) Equity Shares of Rs 10/- each		
Issued, subscribed and paid up		
At the beginning of the year	616.92	616.92
Add : Shares issued during the year	1,416.34	-
Add: Share issued to ESOS Trust	40.00	-
Total	2,073.26	616.92
Less : Treasury shares (held with trust)	-42.92	-3.58
Closing at the end of the year	2,030.34	613.34
2,07,32,621 (Previous Year 61,69,207) Equity Shares of Rs 10/- each fully paid up		

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	61,69,207	6,16,92,070	61,69,207	6,16,92,070
Add: Issued during the year	-	-	-	-
- On conversion of warrants into 1,00,000 equity shares	-	-	-	-
- Share issued under ESOP scheme	4,00,000	40,00,000	-	-
- Share issued under Bonus Issue	1,23,38,414	12,33,84,140	-	-
- Share issued under Preferential Allotment	18,25,000	1,82,50,000	-	-
	2,07,32,621	20,73,26,210	61,69,207	6,16,92,070
Less : Treasury shares (held with trust)	-4,29,213	-42,92,130	-35,838	-3,58,380
Outstanding at the end of the year	2,03,03,408	20,30,34,080	61,33,369	6,13,33,690

During the year the company has issued 1,23,38,414 (of Rs 10/-each fully paid up) bonus shares in the ratio of 1:2. Further the company has allotted 18,25,000 equity shares of face value Rs 10/- each fully paid up on preferential basis.

During the year the company has allotted 4,00,000 equity shares of Face value of Rs 10/- each fully paid under the ESOP scheme.

(b) Terms/ rights attached to equity shares

The Company has issued its equity shares having face value of Rs 10 per share. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
CSL Capital Private Limited	66,37,490	32.01%	22,11,425	35.85%
Rohit Gupta	37,74,608	18.21%	12,58,114	20.39%
Sanjay Gupta HUF	12,00,000	5.79%	-	0.00%

(d) Details of shares held by promoter and promoter group

Shares held by the promoter at the end of the year			% of change during the year
Promoter Name	No of shares	% of total shares	
CSL Capital Private Limited	66,37,490	32.01%	(3.84%)
Rohit Gupta	37,74,608	18.21%	(2.18%)
Rohit Gupta HUF	36,192	0.17%	0.10%
Ridhima Gupta	73,131	0.35%	(0.05%)
Sat Paul Gupta	62,505	0.30%	(0.04%)
Rachita Gupta	58,503	0.28%	(0.04%)

(e)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Equity shares					
Fully paid up pursuant to contract	-	-	-	-	-
Without payment being rec. in cash	-	-	-	-	-
Fully paid up by the way of bonus shares	1,23,38,414	-	-	-	-
Shares bought back	-	-	-	-	-
Total	1,23,38,414	-	-	-	-

22 Other equity

(a) Reserves And Surplus

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Reserve		
Opening balance	206.49	206.49
Add : Transferred from Share Warrants	-	-
Closing balance	206.49	206.49
Securities Premium		
Opening balance	5,794.20	5,718.77
Add : Issue of Share (Preferential Allotment)	2,737.50	-
Add : Transfer from Share Option Outstanding account	4.33	75.43
Less : Issue of Bonus Share 1,23,38,414 equity shares	1,233.84	-
Closing balance	7,302.18	5,794.20

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares and debenture issue expenses in accordance with the provisions of the Companies Act, 2013.

(b) Other Reserves

Capital Redemption Reserve	As at 31 March 2022	As at 31 March 2021
Opening balance	62.16	62.16
Add: Capital Redemption Reserve created during the year	-	-
Closing balance	62.16	62.16

Capital redemption reserve is the requirement under the section 69 of the Companies Act 2013 which has been created in the event of buy back of shares. This reserve is exclusively used for issuing fully paid bonus shares to the members of the company.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Debenture Redemption Reserve	As at 31 March 2022	As at 31 March 2021
Opening balance	400.00	-
Add : Additions/Deductions	800.00	400.00
Closing balance	1,200.00	400.00

The company has made preferential allotment of the Secured non-convertible debentures (NCD) of INR 40 crores in the Financial year 2020-21. The company has created the Debenture Redemption Reserve INR 8 crores during the Financial year and the same shall be utilised to repay the privately placed non-convertible debentures.

Share Options Outstanding Account	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	63.71	84.82
Add: Employee share option expense	-	-
Less: Reversal of ESOP Expenses	-	(21.11)
Less: Transferred to securities premium on exercise of share options	-	-
Less: Transferred to general reserve on forfeiture of share options	-	-
Closing balance	63.71	63.71

*Share options outstanding account recognizes the fair value of options as at the grant date spread over the vesting period. (Refer Note no.35)

Statutory reserve fund under Section 45 IC of the Reserve Bank of India Act, 1934^	As at 31 March 2022	As at 31 March 2021
Opening balance	3,597.27	3,046.71
Add : Additions/Deductions	668.99	550.56
Closing balance	4,266.26	3,597.27

Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer a sum not less than twenty percent of its net profit every year. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

General reserve	As at 31 March 2022	As at 31 March 2021
Opening balance	4.00	4.00
Add: Transfer during the year	-	-
Closing balance	4.00	4.00

It is the reserve which is created by accumulation of profit of the company. It is a free reserve and is created without any specific or particular purpose.

Total Other Reserves	5,596.13	4,127.14
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(c) Retained Earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	15,178.45	13,522.24
Add: Net profit/(loss) for the current year	3,344.94	2,752.79
Add: Other Comprehensive Income/(loss) for the year	5.01	8.21
Less: Transfer to statutory reserve	(668.99)	(550.56)
Less: Dividend	(185.08)	(154.23)
Less: Transfer to Debenture Redemption Reserve	(800.00)	(400.00)
Closing balance	16,874.34	15,178.45
Total Reserves & Surplus	29,979.15	25,306.28

(d) Money Received Against Share Warrants

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-	-
Add: Amount received during the year	140.00	-
Less: Allotment made during the year	-	-
Closing balance	140.00	-

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

During the current Financial year the company has allotted 3,50,000 warrants at a price of Rs 160/-per warrant with a right to warrant holders to apply for and be allotted one equity share of the face value of Rs 10/- each within a period of 18 months from the date of the issue of the warrants after paying the balance amount. The share warrant holders have already paid 25% (i.e. Rs 40/- per warrant) against the share warrants to be issued.

Total Other Equity	30,119.15	25,306.28
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23 Interest Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On Financial Assets measured at Amortised Cost		
Interest on loans	6,755.45	5,902.80
Interest on Deposits with banks	10.56	14.76
Other Interest Income	0.47	0.49
Total	6,766.48	5,918.04

24 Fees and Commission income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advisory fees	270.98	116.09
Legal & Technical Charges	151.05	65.18
Foreclosure Charges	24.60	50.65
Other Charges	15.60	7.02
Total	462.23	238.94

25 Recoveries of financial assets written off

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Bad Debt Recovered	233.83	10.33
Total	233.83	10.33

26 Other Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on derecognition of investments	-	0.39
Derecognition of Lease Liability	0.18	0.69
Derecognition of Security Deposits	0.04	0.08
Decrease in provision on compensated expenses	-	5.84
Miscellaneous Income	17.15	11.65
Total	17.37	18.65

27 Finance Costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On Financial liabilities measured at Amortised Cost		
Interest on borrowings		
on debt securities	407.50	241.79
on bank borrowings	478.12	336.13
on borrowings from others	172.25	110.45
Interest on lease liability	17.09	18.43
Total	1,074.96	706.80

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

28 Fees and Commission Expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fees and commission expenses	23.58	20.53
Total	23.58	20.53

29 Impairment on financial instruments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial Instruments measured at Amortised cost		
Impairment provision on loans	226.45	95.27
Loans & Advances written off	145.19	387.72
Total	371.64	482.99

30 Employee Benefits Expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	851.34	613.66
Contribution to provident and other funds	37.20	30.05
Share based payment expenses	-	-21.11
Staff welfare expenses	19.22	13.88
Gratuity	23.22	9.52
Total	930.98	646.00

31 Depreciation & Amortization

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on Property, Plant and Equipment	36	28
Depreciation on Investment Property	0	0
Depreciation on Right to use Assets	29	31
Amortization on Intangible Assets	0	2
Total	66	61

32 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement Expenses	9.43	3.56
Annual Listing Fees	3.41	3.27
Audit Fees *	3.59	2.01
Books & Periodicals	0.13	-
Bank Charges	2.86	6.37
Business Promotion	3.06	1.89
Corporate Social Responsibility Expenses	71.37	62.32
Donation	-	0.21
EDP Expenses	5.28	2.70
Electricity Expenses	8.40	6.29
Festival Expenses	4.74	1.65
Generator Repair & Maintenance	0.97	0.91
Insurance Expenses	1.75	0.90
Internal Audit Fees	12.73	7.87
Legal & Professional Charges	224.40	124.87

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Loss on sale of Assets	0.43	0.44
Meeting & Conference Expenses	3.52	0.07
Miscellaneous Expenses	0.36	0.73
Office Expenses	16.28	11.66
Postage & Courier Expenses	4.88	1.66
Printing & Stationery	5.95	2.40
Rent (Short term leases)	19.39	8.20
Repair & Maintenance	18.93	18.55
SEBI Fees	4.91	-
Software & Technical Services	57.86	37.54
Telephone Expenses	6.47	4.93
Travelling & Conveyance	44.15	19.38
Vehicle Running Expenses	2.49	2.07
Total	537.76	332.47

* Payment to auditors

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor		
Statutory audit of Company	2.45	1.47
-for tax audit	0.82	0.44
-for reimbursement of expenses	0.32	0.10
Total	3.59	2.01

33 “Reconciliation of movement in borrowings to cash flows from financing activities”

Particulars	31 March 2021	Cash Flows	Amortisation of loan origination costs	Impact of Ind AS 116	31 March 2022
Borrowings	8,260.41	12,214.52	(58.35)	-	20,416.58
Lease liabilities	175.16	(39.96)	-	29.60	164.79
	8,435.57	12,174.56	(58.35)	29.60	20,581.38

34 Segment information

In the opinion of the management, there is only business segment i.e. lending, which have similar risks and return for the purpose of Ind AS 108 ‘Operating segments’, prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with the relevant rules issued thereunder. Accordingly, no separate disclosure for segmental reporting is required to be made in the financial statements or the Company.

Secondary segmentation based on geography has not been presented as the Company operates primarily in India and the Company perceives that there is no significant difference in its risk and returns in operating from different geographic areas within India.

All the operating revenue of the company is from the external customers with in India only. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company’s total revenue in year ended 31 March 2022 or 31 March 2021.

35 Employee Stock Option Scheme (ESOS)

The ESOS Scheme titled “CSL Employee Stock options Scheme 2016” (CSL ESOS 2016) was approved by the shareholders on 30.09.2016. 7,00,000 options are covered under the CSL ESOS, 2016.

During the financial year 2016-17, the Compensation Committee in its meeting held on 03.02.2016 and 11.02.2016 has granted 4,50,000 options (aggregate) under ESOS to eligible employees of the company. Each option comprises one underlying equity share. The terms regarding vesting and exercise of options are governed by the grant letters issued to the eligible employees to whom options are granted. The Exercise price has been determined at `226/- per share for the grant of aforesaid 450000 options.

During the financial year 2017-18, the Compensation Committee in its meeting held on 12.05.2017 and 07.07.2017 has granted 1,15,000 options (aggregate) under ESOS to eligible employees of the

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

company. Each option comprises one underlying equity share. The terms regarding vesting and exercise of options are governed by the grant letters issued to the eligible employees to whom options are granted. The Exercise price has been determined at ₹240/- per share for the grant of aforesaid 1,15,000 options.

During the financial year 2018-19, 69,350 options were exercised and 1,65,000 equity shares were allotted. However, 90,000 options were lapsed during the financial year 2018-19 and no fresh options were granted during the year.

During the financial year 2019-20, 24,891 options were exercised and 90,000 equity shares were allotted. However, 12,500 options were lapsed during the financial year 2019-20 and no fresh options were granted during the year.

During the financial year 2020-21, 34,921 options were exercised. and 120,838 options were lapsed during the financial year 2020-21 and no fresh options were granted during the year.

During the financial year 2021-22, 6,625 options were exercised. During the current financial year 400,000 equity shares were allotted along with the 71,676 bonus shares

Employee Stock options details as on the Balance sheet date are as follows:

a) Terms and conditions

Particulars	Terms
Type of arrangement	CSL EMPLOYEE STOCK OPTIONS SCHEME 2016-II During the financial year 2021-22, the shareholders of the company on March 26, 2022, through postal ballot by Remote E-voting have approved the revision in the Exercise Period from exiting 3 years to 5 years and have adopted the amended CSL Stock Option Scheme, 2016-II.
Contractual life	The scheme shall continue in effect unless terminated by the Company or the Committee or until all options available to be granted under the scheme are fully exercised
Number of vested options exercisable	The vested options are exercisable within the exercise period i.e. 5 (Five) years from the date of vesting

Method of settlement	<p>1. Share route- the Grantee shall make the payment of the exercise price & tax amount due, by way of cheque/demand draft/ transfer as under:</p> <p>i) For the Exercise Price to the Trust</p> <p>ii) For applicable income tax to the Company</p> <p>On receipt of the payment as above, the Trust will transfer the relevant number of Shares in the de-mat account of the Grantee.</p> <p>2. Cashless route-After the receipt of request letter from transfer by grantee, the Trust will sell the relevant number of the Shares and disburse the sale proceeds (after deducting the Exercise Price and the applicable income tax) to the bank account of the Grantee. The company will inform the Trust of the amount of the applicable income tax to be withheld from the sale proceeds of the Shares. The Trust will pay the exercise price and tax amount so collected upon sale, to the company.</p>
Vesting conditions	<p>1. Vesting period shall commence after 1 (One) Year from the date of grant of Options and may extend upto 5 (Five) years from the date of grant.</p> <p>2. The Committee at its discretion, may link the actual vesting of the Options with the performance of the Grantee.</p> <p>3 The Committee shall have the power to modify the vesting schedule on a case to-case basis subject to the minimum gap of 1 (One) year between the grant and first vesting.</p> <p>4 The options which get lapsed due to Performance Appraisal (if applicable) in any of the vesting, will get lapsed from the hands of the Grantee and will be add-back to the pool of ungranted options of this Scheme, and will be available for further grants under the scheme.</p> <p>5.The options will lapse if the employment is terminated prior to vesting. Further, The Nomination & Remuneration Committee (NRC)/ Compensation Committee has the sole discretion to lapse/cancel the ESOP of the employees in case of misconduct by the employees.</p>

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

b) The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	85,000	232	2,40,759	232
Options granted during the year	-	-	-	-
Options vested during the year	-	-	40,000	235
Bonus shares issued during the year	1,70,000	-	-	-
Less:				
Options exercised during the year	6,625	226	34,921	226
Options forfeited during the year*	-	-	1,20,838	226
Options outstanding at the end of year	2,48,375	232	85,000	232

36 Earnings per share

Particulars	As at 31 March 2022	As at 31 March 2021
Net profit from operations attributable to equity holders	33,49,95,462	27,60,99,790
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	-	-
Effect of conversion of share warrants	-	-
Net profit attributable to ordinary equity holders adjusted for the effect of dilution	33,49,95,462	27,60,99,790

Weighted average number of ordinary shares for basic earnings per share	1,87,61,024	1,83,20,129
Effect of dilution:		
- Employee share options (In Nos.)	1,13,352	37,865
- Share warrants (In Nos.)		
Weighted average number of ordinary shares adjusted for the effect of dilution	1,88,74,376	1,83,57,994

Particulars	INR	INR
Earnings per share		
Equity shareholders for the year:		
Basic earnings per share	17.86	15.07
Diluted earnings per share	17.75	15.04

37 Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
- Claims against the company not acknowledged as debts	-	-
- Guarantees excluding financial guarantees	-	-
- Other money for which the company is contingently liable	-	-

38 There are no commitments at the end of the reporting periods 2021-22 & 2020-21.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

39 Fair value measurement

39.1 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

As at 31 March 2022	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Cash and Cash equivalent	1,302.54	1,302.54	1,302.54	-	-
Bank balances other than cash and cash equivalent	330.35	330.35	330.35	-	-
Loans and advances to customers	50,784.57	50,789.74	-	-	50,789.74
Financial assets – at amortised cost	78.04	78.04	-	-	78.04
Total financial assets	52,495.50	52,500.67	1,632.89	-	50,867.78
Financial Liabilities					
Borrowings Debt Securities	4,196.48	4,196.48	-	-	4,196.48
Borrowing (other than debt securities)	16,220.10	16,220.10	-	-	16,220.10
Lease Liabilities	164.79	164.79	-	-	164.79
Other financial liabilities	229.59	229.59	-	-	229.59
Total Financial liabilities	20,810.97	20,810.97	-	-	20,810.97

As at 31 March 2021	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Cash and Cash equivalent	1,762.24	1,762.24	1,762.24	-	-
Bank balances other than cash and cash equivalent	327.84	327.84	327.84	-	-
Loans and advances to customers	32,170.14	32,193.54	-	-	32,193.54
Financial assets – at amortised cost	51.79	51.79	-	-	51.79
Total financial assets	34,312.01	34,335.40	2,090.08	-	32,245.32

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Financial Liabilities					
Borrowings Debt Securities	4,211.17	4,211.17	-	-	4,211.17
Borrowing (other than debt securities)	4,049.24	4,055.04	-	-	4,055.04
Lease Liabilities	175.16	175.16	-	-	175.16
Other financial liabilities	175.99	175.99	-	-	175.99
Total Financial liabilities	8,611.56	8,617.36	-	-	8,617.36

39.2 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents. Such amounts have been classified as Level 2/Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

For loans and advances, the fair value is calculated for SME and Wholesale portfolios separately. The weighted average rate of lending is computed for each segment on reporting date and the portfolio is then adjusted for changes in these rates.

Borrowings

The fair values of financial liability held-to-maturity are estimated using effective interest rate model based on contractual cash flows using weighted average rate of borrowing of the company

40 Credit Risk Management

40.1 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers fail to discharge their contractual obligations. The Company has a comprehensive framework for monitoring credit quality of its loans primarily based on days past due monitoring at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

40.2 Credit Quality of Loans

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

Wholesale Loans	31 March 2022	31 March 2021
Not due	41,659.82	26,644.04
0-30 days past due	-	-
31-90 days past due	-	93.85
Impaired (more than 90 days)	37.50	-
Total Gross carrying value as at reporting date	41,697.32	26,737.89

SME Loans	31 March 2022	31 March 2021
Not due	8,307.51	4,624.20
0-30 days past due	318.13	364.84
31-90 days past due	514.10	533.93
Impaired (more than 90 days)	858.10	694.15
Total Gross carrying value as at reporting date	9,997.84	6,217.12

Note : The company is into Wholesale & SME lending business, there is no significant credit risk of any individual customer that may impact company adversely. The Company has calculated its Expected Credit Loss allowances collectively for SME segment and customer wise for WSL segment.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

40.3 ECL Methodology

In assessing the impairment of financial loans under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Stage 1 : 0-30 days past due

Stage 2 : 31-90 days past due

Stage 3 : More than 90 days past due

In assessing the impairment of other financial assets Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109.

(i) Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

(ii) Exposure at default

"Exposure at Default" (EAD) represents the gross carrying amount of the assets subject to impairment calculations. "Loss given default" (LGD) is estimated and applied on stage III assets.

(iii) Estimations and assumptions considered in the ECL model

"Probability of Default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD at 20% for period of default from 4 to 12 months, at 30% for default from 13 to 21 months and at 50% for period exceeding 21 months. This is calculated based on the management's best estimate, movement of default rates and future adjustment for macro-economic factor.

(iv) Forward looking information

PDs has been converted into forward looking PD which incorporates the forward looking economic outlook. For SME and Wholesale portfolio, Real GDP (% change p.a.) is used as the macroeconomic variable.

(v) Assessment of significant increase in credit risk

When determining whether the credit risk has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the Company's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

(vi) Write Offs/ Recoveries

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the writeoff. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(vii) Undrawn commitments

These commitments pertain to the loans sanctioned but amount remaining undrawn. The Company can opt not to disburse the undrawn amount at its discretion. Therefore, no provision has been created on these commitments.

40.4 Impairment Loss

a). Wholesale Loans	Stage I	Stage II	Stage III	Total
31 March 2022				
Gross Balance	41,659.82	-	37.50	41,697.32
Expected Credit loss rate	0.57%	0.90%	20%	
Expected Credit loss	235.59	-	7.50	243.09
Carrying Amount	41,424.23	-	30.00	41,454.23
31 March 2021				
Gross Balance	26,644.04	93.85	-	26,737.89
Expected Credit loss rate	0.57%	0.90%	20%	
Expected Credit loss	150.67	0.85	-	151.52
Carrying Amount	26,493.36	93.00	-	26,586.37
b). SME Loans	Stage I	Stage II	Stage III	Total
31 March 2022				
Gross Balance	8,625.64	514.10	858.10	9,997.84
Expected Credit loss rate	0.57%	0.90%	20.00%	-
Expected Credit loss	48.78	4.65	171.62	225.05
Carrying Amount	8,576.86	509.45	686.48	9,772.79

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

31 March 2021

Gross Balance	4,989.04	533.93	694.15	6,217.12
Expected Credit loss rate	0.57%	0.90%	20.00%	
Expected Credit loss	28.21	4.83	138.83	171.87
Carrying Amount	4,960.83	529.10	555.32	6,045.24

40.5 Gross Exposure and ECL Balance reconciliation

a). Wholesale Loans

i). Reconciliation of gross exposure is given below:

Particulars	Financial Year 2021-22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	26,644.04	93.85	-	26,737.89
New assets originated or purchased	31,788.05	-	-	31,788.05
Assets derecognised or repaid	(16,772.27)	(56.35)	-	(16,828.62)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(37.50)	37.50	-
Gross carrying amount - Closing balance	41,659.82	-	37.50	41,697.32

Particulars	Financial Year 2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	24,610.35	90.96	-	24,701.31
New assets originated or purchased	15,906.22	-	-	15,906.22
Assets derecognised or repaid	(13,778.68)	(90.96)	-	(13,869.63)

Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(93.85)	93.85	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount - Closing balance	26,644.04	93.85	-	26,737.89

ii). Reconciliation of ECL balance is given below:

Particulars	Financial Year 2021-22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	150.67	0.85	-	151.52
New assets originated or purchased	179.76	-	-	179.76
Assets derecognised or repaid	(94.85)	(0.51)	-	(95.36)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	(0.29)	7.50	7.21
ECL allowance - Closing balance	235.59	-	7.50	243.09

Particulars	Financial Year 2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	139.17	0.82	-	140.00
New assets originated or purchased	90.67	-	-	90.67
Assets derecognised or repaid	(78.54)	(0.82)	-	(79.36)

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Changes in ECL due to Gross exposure changes	(0.09)	(0.00)	-	(0.10)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(0.53)	0.85	-	0.31
Transfers to Stage 3	-	-	-	-
ECL allowance - Closing balance	150.67	0.85	-	151.52

b). SME Loans

i). Reconciliation of gross exposure is given below:

Particulars	Financial Year 2021-22			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	4,989.04	533.93	694.15	6,217.12
New assets originated or purchased	5,367.37	-	-	5,367.37
Assets derecognised or repaid	-1,320.91	-19.82	-245.91	-1,586.64
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-230.40	230.40	-	-
Transfers to Stage 3	-179.46	-230.40	409.87	-
Gross carrying amount - Closing balance	8,625.64	514.10	858.10	9,997.84

Particulars	Financial Year 2020-21			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	6,745.86	120.30	218.44	7,084.60
New assets originated or purchased	581.31	-	-	581.31
Assets derecognised or repaid	(1,110.06)	(58.00)	(156.13)	(1,324.19)

Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(533.93)	533.93	-	(0.00)
Transfers to Stage 3	(694.15)	(62.30)	631.85	(124.60)
Gross carrying amount - Closing balance	4,989.04	533.93	694.15	6,217.12

ii) Reconciliation of ECL balance is given below:

Particulars	Financial Year 2021-22			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	28.21	4.83	138.83	171.87
New assets originated or purchased	30.35	-	-	30.35
Assets derecognised or repaid	(7.47)	(0.18)	(49.18)	(56.83)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1.30)	2.08	-	0.78
Transfers to Stage 3	(1.01)	(2.08)	81.97	78.87
ECL allowance - Closing balance	48.78	4.65	171.62	225.05

Particulars	Financial Year 2020-21			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	38.15	1.09	48.89	88.13
New assets originated or purchased	3.31	-	-	3.31
Assets derecognised or repaid	(6.33)	(0.52)	(31.23)	(38.08)

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Changes in ECL due to Gross exposure changes	0.08	0.02	(5.21)	(5.11)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(3.04)	4.81	-	1.76
Transfers to Stage 3	(3.96)	(0.56)	126.37	121.85
ECL allowance - Closing balance	28.21	4.83	138.83	171.87

40.6 Concentration of Credit Risk

The Company manages concentration of risk primarily by geographical region in India. The following tables show the geographical concentrations of loans:

Region	31 March 2022	31 March 2021
SME Loans		
-North	5,226.61	3,553.07
-West	4,771.23	2,664.05
Wholesale Loans		
-North	41,697.32	0.27
Total Gross carrying value as at reporting date	51,695.16	6,217.38

iii) Fair value of collateral held against credit impaired assets

Particulars	Maximum exposure	Plant & Machinery	Land & Building	Other	Total Collateral	Net Exposure	Associated ECL
31 March 2022							
Wholesale Loans*	37.50	-	170.00	-	170.00	-132.50	7.50
SME Loans	858.10	-	4,428.68	-	4,428.68	-3,570.58	171.62
Total	895.60	-	4,598.68	-	4,598.68	-3,703.08	179.12

40.7 Collateral

i) Narrative description of collateral

"The company has business interests in Wholesale and SME Retail Lending. The company risk is mitigated by considering the collateral from the borrowers. Thereby the company employs a range of policies and practices to manage the credit risk in the business. The most common is to by accepting the collateal from the borrowers. The company deploys internal policies on the acceptabiltiy of the specific class of collateral or credit risk mitigation. The principal collateral types for the loans and advances includes:

- Mortgage of Immovable Property
- Pledge of the Shareholding of Promoters
- Hypothetication of Immovable Property
- Pledge of instruments through which promoters contribution is infused in the project"

ii) Gross value of total secured loans to value of collateral

Loan to value	Gross value of secured Wholesale loans		Gross value of secured SME loans	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
0% to 25%	7,855.82	5,251.99	3,591.42	2,673.37
26% to 50%	16,336.35	12,440.06	5,006.50	3,408.50
51% to 75%	17,505.15	9,045.84	1,399.92	135.24
76% to 100%	-	-	-	-
More than 100%	-	-	-	-
	41,697.32	26,737.89	9,997.84	6,217.12

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

31 March 2021

Wholesale Loans*	-	-	-	-	-	-
SME Loans	694.15	-	2,958.77	-	2,958.77	(2,264.62)
Total	694.15	-	2,958.77	-	2,958.77	(2,264.62)

41 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances.

The Company manages liquidity risk by measuring and managing net funding requirements by calculating the cumulative surplus or deficit of funds at a selected maturity dates. The company also maintains adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

41.1 Maturity profile of Financial Liabilities

The disclosure is based upon the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows. The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March 2020.

Particulars	Less than 1 Year	1-3 Years	3-5 Years	5 Years and Above	Total
As at 31 March 2022					
Borrowings					
-Term Loans	2,719.86	9,745.43	1,972.06	-	14,437.35
-Loans repayable on demand	1,782.75	-	-	-	1,782.75
-Debt Securities	-	4,196.48	-	-	4,196.48
Total	4,502.61	13,941.92	1,972.06	-	20,416.58
As at 31 March 2021					
Borrowings					
-Term Loans	180.29	136.04	-	-	316.34
-Loans repayable on demand	3,717.91	-	-	-	3,717.91
-Debt Securities	-	4,211.17	-	-	4,211.17
-Related Party	15.00	-	-	-	15.00
Total	3,913.20	4,347.21	-	-	8,260.41

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

41.2 Maturity profile of assets and liabilities

Particulars	31 March 2022			31 March 2021		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Assets						
Financial Assets						
Cash and cash equivalents	1,302.54	-	1,302.54	1,762.24	-	1,762.24
Bank Balance other than cash and cash equivalents	312.51	17.84	330.35	13.70	314.14	327.84
Receivables						
(I) Trade Receivables	-	-	-	-	-	-
(II) Other Receivables	-	-	-	-	-	-
Loans	-	-	-	-	-	-
- Wholesale	9,047.18	32,650.14	41,697.32	11,356.96	15,391.25	26,748.21
- SME	1,331.20	8,666.64	9,997.84	990.12	5,227.02	6,217.14
- Retail Loans	-	-	-	-	-	-
Impairment Loss Allowance	(910.59)		(910.59)	(784.87)		(784.87)
Investments	-	-	-	-	-	-
Other Financial assets	17.11	60.93	78.04	44.58	7.20	51.79
Non-financial Assets						
Deferred tax Assets (Net)	-	116.69	116.69	-	82.76	82.76
Property, Plant and Equipment	-	437.75	437.75	-	141.89	141.89
Investment Property	-	13.71	13.71	-	14.00	14.00
Right-of-use assets	-	129.90	129.90	-	145.94	145.94
Intangible Assets under development	-	17.44	17.44	-	-	-
Intangible assets	-	0.09	0.09	-	0.26	0.26
Other non-financial assets	12.05		12.05	56.08	-	56.08
Total Assets	11,111.99	42,111.15	53,223.14	13,438.81	21,324.46	34,763.28

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Financial Liabilities						
Payables	-	-	-	-	-	-
(I) Trade Payables	-	-	-	-	-	-
(II) Other Payables	-	-	-	-	-	-
Debt Securities (Reedemable, Non-Convertible Debentures)	-	4,196.48	4,196.48	-	4,211.17	4,211.17
Borrowings (Other than Debt Securities)	4,502.61	11,717.49	16,220.10	3,913.20	136.04	4,049.24
Lease Liabilities	24.40	140.40	164.79	36.41	138.75	175.16
Other financial liabilities	229.59	-	229.59	178.31	-	178.31
Non-Financial Liabilities	-	-	-	-	-	-
Current tax liabilities (Net)	144.60	-	144.60	201.70	-	201.70
Provisions	50.37	-	50.37	-	-	-
Other non-financial liabilities	67.71	-	67.71	17.73	-	17.73
	5,019.28	16,054.37	21,073.65	4,347.35	4,485.96	8,833.31
Net amount	6,092.71	26,056.78	32,149.49	9,091.46	16,838.50	25,929.97

42 Market risk

"Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, Foreign Currency.

The Company's financial statements are not exposed to currency and price risk."

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss:

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2022.

Year Ended	Increase (decrease) in basis points	Increase (decrease) of profit
31 March 2022	100	(29.25)
31 March 2021	100	(1.92)

43 Transfer of financial assets

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

44 Capital Management

"The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/long term debt as may be appropriate.

The company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio."

In order to mitigate the risk the provisioning norms followed by the company for non performing assets is quite aggressive to certain extent wherein the provisions are recorded at rates which are higher than the rates specified by the Reserve Bank of India. The rates used by the company are as follows:

Asset Classification	Rates as per Company (% of portfolio)	Rates as per RBI (% of Portfolio)
Standard Assets	0.40	0.25
Sub-Standard Assets	20	0
SME Loans -Retail Loans	20	10
Secured (As a prudent matter we provided extra provisioning over and above RBI guidelines in our SME portfolio in order to mitigate risk contingencies)*	30	10
	50	20
	50	30
	100	50
Loss Assets	100	0

* Wholesale -Secured Loans, as per existing provisions as specified by the Reserve Bank of India in their guidelines for provisioning.

45 Dividend

During the year ended 31 March 2022, the Board of Directors have recommended a dividend @ 25% per equity share of Rs 10/- (which is 75% per equity share pre bonus issue) subject to approval of members at the ensuing Annual General Meeting.

46 Related Party Disclosures

(A) Names of related parties and description of relationship as identified and certified by the Company:

Key Management Personnel (KMP) and their relatives

Mr. Rohit Gupta, Managing Director
Ms. Rachita Gupta, Whole Time Director
Ms. Preeti Gupta, Company Secretary
Mr. Naresh C. Varshney, Chief Financial Officer

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:

CSL Capital Pvt. Ltd
CSL Apollo ARC Private Limited

Post employee benefit plans

CSL FINANCE LIMITED- Employees Group Gratuity Trust

Relatives of Key Management Personnel

Ms. Ridhima Gupta

(B) Details of transactions with related party in the ordinary course of business for the year ended:

(i) Key Management Personnel (KMP)

Particulars	31 March 2022	31 March 2021
Compensation of key management personnel		
Short term employee benefit	112.81	110.13
Long term employee benefit	-	-
Post-employment benefits*	-	-
Termination benefits	-	-
Share Based payments	-	-

*Excludes provision for encashable leave and gratuity for certain key management personnel as these are determined for the Company as a whole.

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

(ii)	Relatives of Key Management Personnel		
	Purchase of shares	5.61	-
(iii)	Post employee benefit plans		
	Contributions made during the year	-	-

(iv) Enterprises over which key management personnel and relatives of such personnel exercise significant influence

Particulars	31 March 2022	31 March 2021
Loan Given	27.00	335.00
Loan Received Back	27.00	717.37
Interest Received	0.03	10.06
Loan Received	138.00	90.00
Loan Repaid	153.00	75.00
Interest Paid	1.74	0.81
Sale of shares	5.61	-

(C) Amount due to/from related party as on:

Particulars	31 March 2022	31 March 2021
(i) Key Management Personnel (KMP)	-	-
Employee related payables	-	-
Other payables		
(ii) Relatives of Key Management Personnel	-	-
Other payables		
(iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:		

Balance outstanding at the end of the year		
CSL Capital Pvt. Ltd	-	-
CSL Apollo ARC Private Limited	-	15.00

47 CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Pursuant to the requirement of Section 135 of the Companies Act, 2013, CSR committee has been formed by the Company. The primary function of the CSR Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amount required to be spent by the company during the year	71.37	57.10
Amount of expenditure incurred	23.32	54.78
Shortfall at the end of the year	48.05	2.32
Total of previous years shortfall	50.37	2.32
Reasons for shortfall	It's an ongoing project where the expenses shall be incurred by the next financial year	It's an ongoing project where the expenses shall be incurred by the next financial year
Nature of CSR activities	Promoting Gender Equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; eradicating hunger, poverty, malnutrition, promoting health care and sanitation	

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

48 Additional Regulatory Information

(a) Analytical Ratios

Ratios	As at March 2022	As at March 2021
1 Capital to Risk Weighted Assets Ratio (CRAR)	63.82%	81.50%
TIER- I CRAR	62.06%	79.10%
TIER- II CRAR	1.76%	2.40%
2 Liquidity Coverage Ratio	3.43	8.85

(b) Others

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Relationship with Struck off companies

Name of the Struck off Company	Nature of Transaction	Balance Outstanding	Relationship
VAM Holdings Limited	Shares held by struck off company	21900 (no. of shares)	Shareholder

49 Retirement Benefits Plan

49.1 Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under The Payment of Gratuity Act, 1972.

49.2 Details of defined benefit plans as per actuarial valuation:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
I. Amounts recognised in the Statement of Profit & Loss		
Current service cost	7,79,335	9,79,454
Net Interest cost	(36,987)	(27,282)
Past Service Cost	15,79,268	-
Adjustment due to change in opening balance of Plan assets	23,21,616	9,52,172
II. Amount recognised in Other Comprehensive income		
Remeasurement (gains)/losses:		
a) Actuarial (gains)/losses arising from changes in -	(6,26,702)	(8,03,273)
- financial assumptions	(43,315)	(2,93,390)
- experience adjustments		
b) Return on plan assets, excluding amount included in net interest expense/ (income)		
Total amount recognised in other comprehensive income	(6,70,017)	(10,96,663)
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	16,51,081	16,94,907
Current service cost	8,91,669	10,95,216

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Past service cost	15,79,268	-
Interest expense		
Remeasurement (gains)/losses arising from changes in -		
- demographic assumptions	(1,796)	10,936
- financial assumptions	(1,08,355)	5,403
- experience adjustments	(5,16,551)	(8,19,612)
Benefits paid	(15,771)	(3,35,769)
Closing defined benefit obligation	34,79,545	16,51,081
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	21,95,016	20,94,351
Interest income	1,49,261	1,43,044
Expected return on plan assets	-	-
Contributions by employer	-	-
Adjustment due to change in opening balance of Plan assets	-	-
Actual Benefits paid	(15,771)	(3,35,769)
Return on plan assets, excluding interest income	43,315	2,93,390
Closing Fair value of plan assets	23,71,821	21,95,016
V. Net defined benefit obligation		
Defined benefit obligation	34,79,525	16,51,081
Fair value of plan assets	(23,71,821)	(21,95,016)
Surplus/(Deficit)	11,07,704	(5,43,935)

49.3 Actuarial assumptions and Sensitivity

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
I. Actuarial assumptions		
Discount Rate (p.a.)	7.23%	6.80%
Attrition rate	5.34%	5.34%
Expected rate of return on plan assets (p.a.)	7.23%	6.80%
Rate of Salary increase (p.a.)	5.72%	5.72%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2006-2008) Ult
Mortality rate after employment	N.A.	N.A.
II. Sensitivity Analysis on benefit obligations	Year ended 31 March 2022	Year ended 31 March 2021
Delta effect of +1% change in rate of discounting	(2,28,147)	(1,65,928)
Delta effect of -1% change in rate of discounting	2,62,793	1,97,399
Delta effect of +1% change in rate of salary increase	2,13,747	1,97,560
Delta effect of -1% change in rate of salary increase	(1,84,174)	(1,68,948)
Delta effect of +1% change in rate of employee turnover	2,043	(15,507)
Delta effect of -1% change in rate of employee turnover	(5,471)	13,325
III. Maturity profile of defined benefit obligation	Year ended 31 March 2022	Year ended 31 March 2021
1st Following year	2,94,125	1,44,912
2nd Following year	1,77,444	31,356
3rd Following year	1,93,866	69,136

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

4th Following year	1,97,335	94,711
5th Following year	16,87,800	1,07,502
Sum of 6 to 10	6,43,105	5,41,187
Sum of years 11 and above	36,43,908	31,78,696

49.4 Risks associated with Defined benefit obligation

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting

period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Para 139 ©Characteristics of defined benefit plans

Company has introduced the benefit scheme for Mr. Rohit Gupta during the year. The impact of the introduction of the scheme is recognised as past service cost.

Para 147 (a)

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

50 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 :

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP	Difference between Ind AS 109 provisions
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	50,285.45	471.94	49,813.51	125.71	346.23
	Stage 2	514.10	38.30	475.80	1.29	37.02
Subtotal		50,799.56	510.25	50,289.31	127.00	383.25
Non-Performing Assets (NPA)						
Substandard	Stage 3	895.60	400.35	495.26	197.51	202.83
Doubtful - up to 1 year	Stage 3	634.10	191.14	442.95	128.98	62.16

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

1 to 3 years	Stage 3	261.50	209.20	52.30	68.53	140.67
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		895.60	400.35	495.26	197.51	202.83
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		895.60	400.35	495.26	197.51	202.83
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	50,285.45	471.94	49,813.51	125.71	346.23
	Stage 2	514.10	38.30	475.80	1.29	37.02
	Stage 3	895.60	400.35	495.26	197.51	202.83
	Total	51,695.16	910.59	50,784.57	324.51	586.08

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer

FOR & ON BEHALF OF THE BOARD of DIRECTORS:

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

Particulars	31-Mar-22	31-Mar-21
Liabilites side	Amount outstanding	Amount overdue
1 Loan and advances availed by the non -banking financial company inclusive of intrest accrued thereon but not paid:	Nil	Nil
(a) Debentures		
: Secured	4,196.48	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	Nil	Nil
(c) Terms Loans	14,437.35	Nil
(d) Inter-corporate loans and borrowing	Nil	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits *	Nil	Nil
(g) Others (Cash Credit & Working Capital demand loan)	1,782.75	Nil
* Please see Note 1 below		
2 Break up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of Unsecured Debentures	Nil	Nil
(b) In the form of partly secured debentures i.e (a) Debentures value of security	Nil	Nil
(c) Other Public Deposits	Nil	Nil

Assets side	Amount outstanding	Amount overdue
3 Break-up of Loans and advances including bills receivables [other than those including in (4) below] :		
(a) Secured	51,351.85	
(b) unsecured	343.31	
4 Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :	Nil	
(a) Financial lease		
(b) Operating lease		
(ii) Stock on hire including hire charges under sundry debtors	Nil	
(a) Assets on hire		
(b) Repossessed Assets		
(iii) Others loans counting towards AFC activities	Nil	
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above		

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 /FINANCIAL REPORTING

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

Particulars	31-Mar-22
5 Break-up of investments:	
Current Investments:	
1. Quoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others	Nil
Long Term investments :	
1. Quoted:	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of Mutual Funds	Nil
(iv) Government Securities	Nil
(v) Others	Nil

2. Unquoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others	
Property	13.71

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see note 2 below

Category	Amount net of provisions*		
	Secured	unsecured	Total
1. Related Parties **			
(a) Subsidiaries	Nil	Nil	Nil
(b) companies in the same group	Nil	Nil	Nil
(c) other related parties	Nil	Nil	Nil
2. Other than related parties	50,479.41	305.16	50784.57
Total	50,479.41	305.16	50,784.57

Contents

01 /CORPORATE OVERVIEW

02 /STATUTORY REPORTING

03 / **FINANCIAL REPORTING**

Independent Auditor's Report	87
Balance Sheet	96
Statement of Profit and Loss	98
Statement of Cash Flow	100
Statement of Changes in Equity	102
Notes to the Financial Statement	105

FINANCIAL REPORTING

(Amount in INR Lacs, unless otherwise stated)

7 Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the Same Group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	Nil	Nil
Total	Nil	Nil

** As per Accounting Standard of ICAI (Please see Note 3)

As Per Our Report of even date attached

For: Aggarwal & Rampal

Chartered Accountants

F.R. No 003072N

Sd/-

Vinay Aggarwal

(Partner)

Membership No: 082045

UDIN: 22082045AJMPFY5811

Place: New Delhi

Date : May 24, 2022

8 Other information

Particulars	31-Mar-22
(i) Gross Non-Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	895.60
(ii) Net Non-Performing Assets	
(a) related Parties	Nil
(b) Other than related parties	495.26
(iii) Assets acquired in satisfaction of debt	Nil

Note

- As defined in paragraph 3 of chapter 2 of these directions
- Provisioning norms shall be applicable as prescribed in these directions
- All Accounting Standards and guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets required in satisfaction of debt. However, market value in respect of quoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS:

Sd/-

Rohit Gupta

Managing Director

DIN 00045077

Sd/-

Preeti Gupta

Company Secretary

ACS:43593

Sd/-

Ashok K. Kathuria

Director

DIN 01010305

Sd/-

Naresh C. Varshney

Chief Financial Officer



REGISTERED OFFICE:

410-412,18/12, 4th Floor, W.E.A, Arya Samaj Road,
Karol Bagh, New Delhi - 110005

CORPORATE OFFICE:

716-717, 7th Floor, Tower B, World Trade Tower,
Sector 16, Noida, Uttar Pradesh-201301
Phone: 0120 - 4290650-52-53-54
Email id: investor@cslfinance.in

Email id: info@cslfinance.in
Website: www.cslfinance.in