



**CSL Finance
Limited**

CIN: L74899DL1992PLC051462

August 09, 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: Investors Presentation for the quarter ended June, 2022

Please find enclosed herewith the Copy of the Investors Presentation of the Company highlighting the performance and recent developments of the company for the quarter ended June 30, 2022.

The Investor Update are also being disseminated on Company's website 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

Q1FY23

Investor Presentation

2022



Inside the document

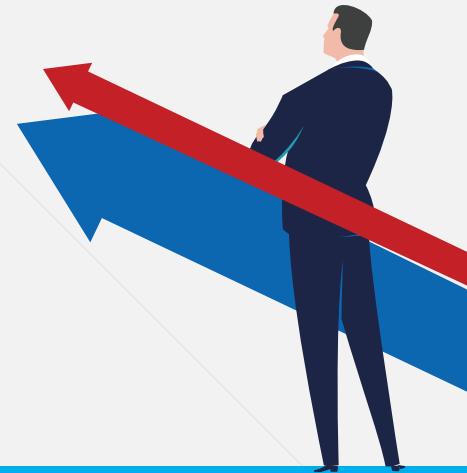
01 QUARTERLY
BUSINESS UPDATE

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03 PRUDENT
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04 LEADERSHIP

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CSL FINANCE LIMITED



01/

Quarterly Business Update

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



Loan Book Size

DISBURSEMENTS

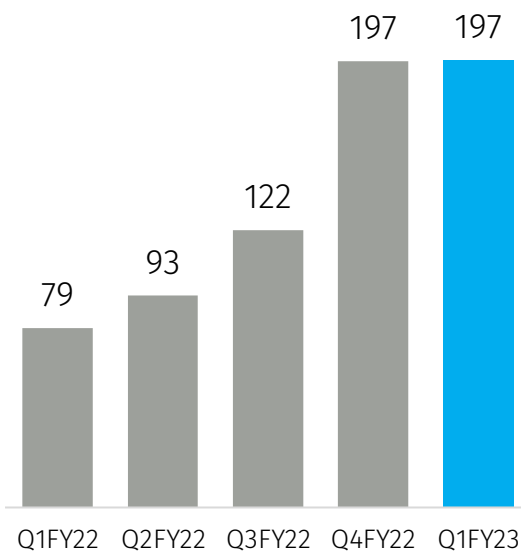
(₹ crore)

149%

YOY Change

00%

QOQ Change



COLLECTIONS

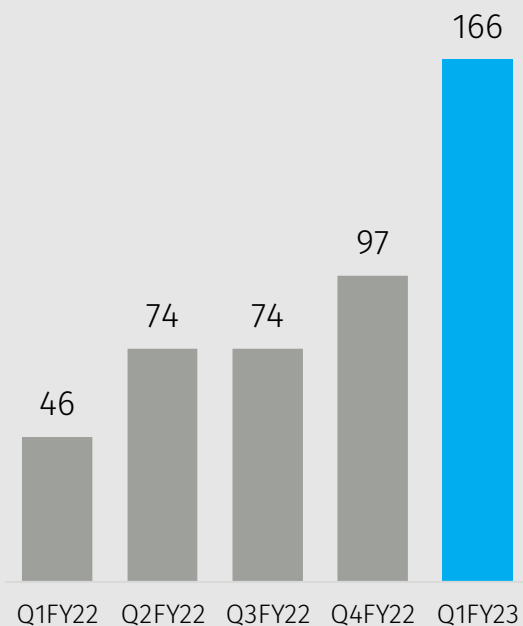
(₹ crore)

261%

YOY Change

71%

QOQ Change



LOAN BOOK

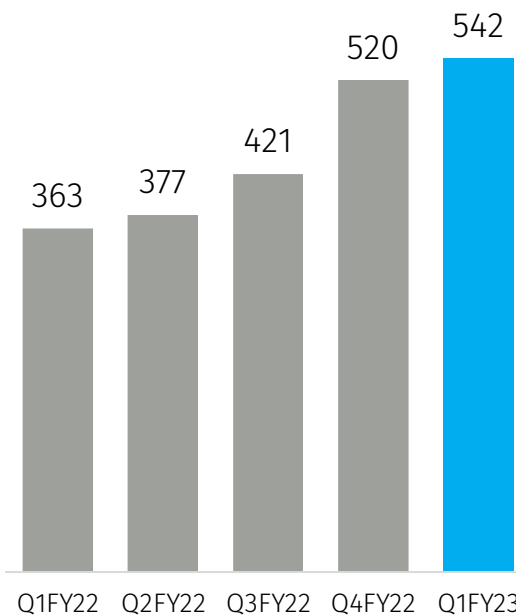
(₹ crore)

49%

YOY Change

4%

QOQ Change

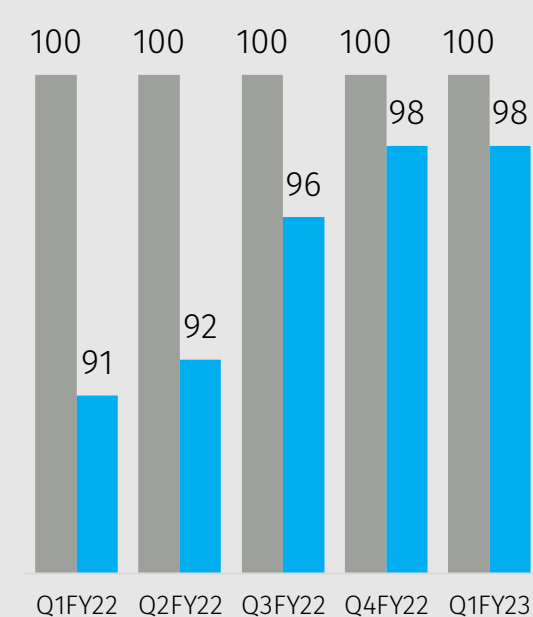


COLLECTION EFFICIENCY

(%)

■ Wholesale

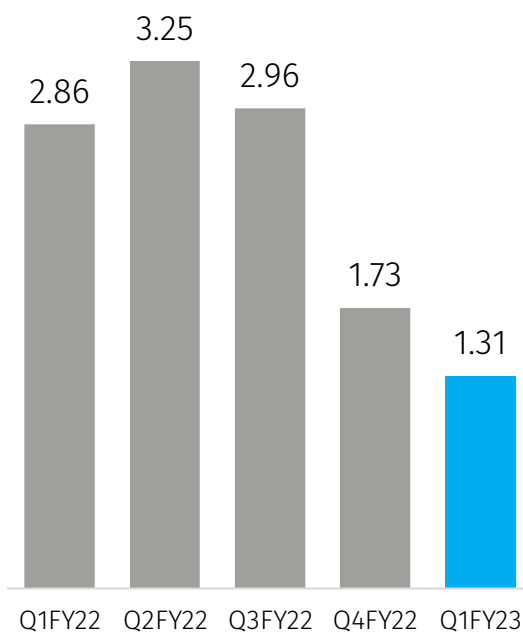
■ SME Retail



Asset Quality

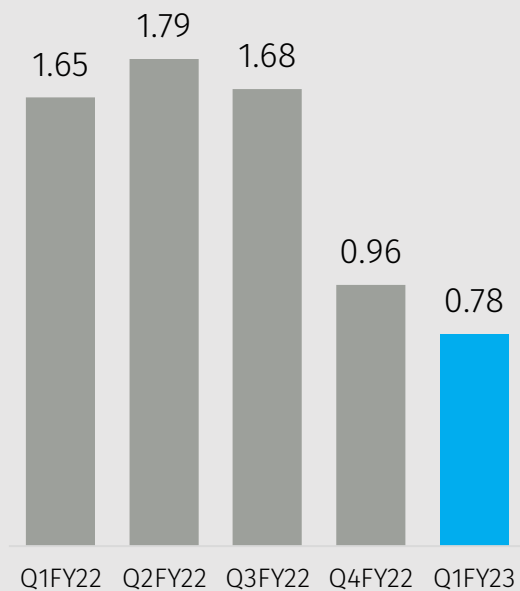
GROSS NPA (%)

-155 BPS **-42 BPS**
YOY Change QOQ Change

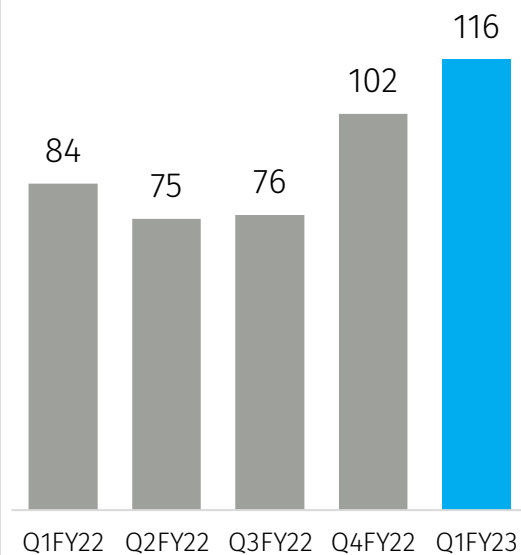


NET NPA (%)

-87 BPS **-18 BPS**
YOY Change QOQ Change



PROVISIONAL COVERAGE RATIO (%)



Asset Quality: Stage Analysis

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

PARTICULARS	Q1FY22	Q4FY22	Q1FY23
Gross Stage 3 (GNPA)	10.36	8.96	7.06
% portfolio in Stage 3	2.86%	1.73%	1.31%
ECL provision Stage 3	4.38	4.00	2.83
Net Stage 3	5.98	4.95	4.23
ECL Provision % Stage 3	42.26%	44.70%	40.12%
Gross Stage 1 & 2	352.58	508	532.60
% portfolio in Stage 1 & 2	97.14%	98.27%	98.69%
ECL provision Stage 1 & 2	4.32	5.1	5.34
Net Stage 1& 2	348.26	502.89	527.26
ECL provision % Stage 1 & 2	1.23%	1.00%	1.00%
Total Assets	362.95	516.95	539.67
% portfolio	100%	100%	100%
ECL Provision	8.7	9.11	8.17
Net Stage	354.25	507.85	531.49
TOTAL ECL Provision %	2.40%	1.76%	1.51%
Provision Coverage Ratio	83.95%	101.67%	115.72%
NET NPA (Only Stage 3 Provision)	1.65%	0.96%	0.78%

P&L Highlights

NET INTEREST INCOME

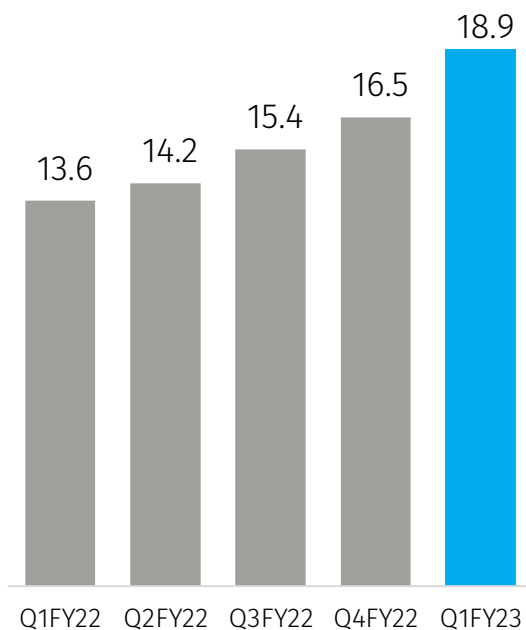
(₹ crore)

34%

YOY Change

14%

QOQ Change



TOTAL INCOME

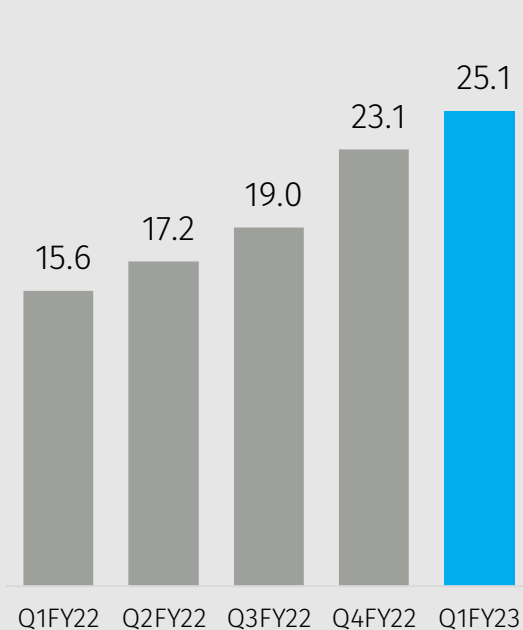
(₹ crore)

61%

YOY Change

9%

QOQ Change



PROFIT AFTER TAX

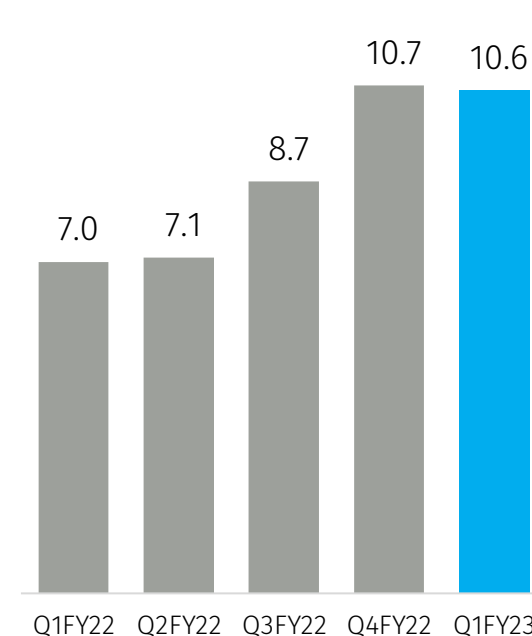
(₹ crore)

52%

YOY Change

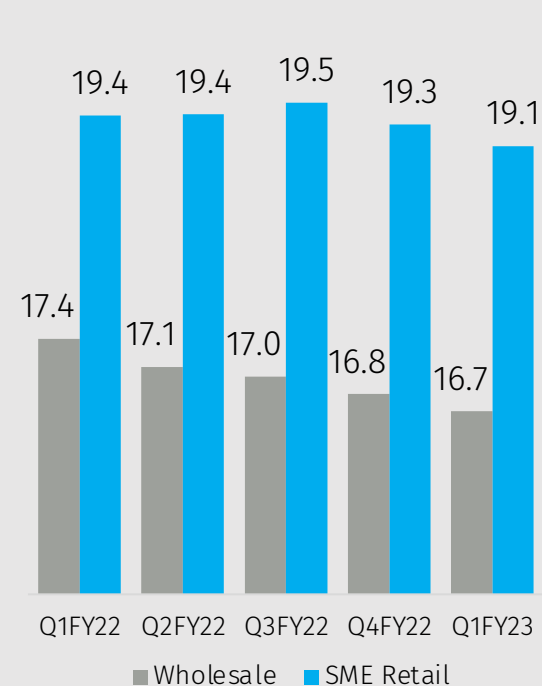
-1%

QOQ Change



YIELDS

(%)

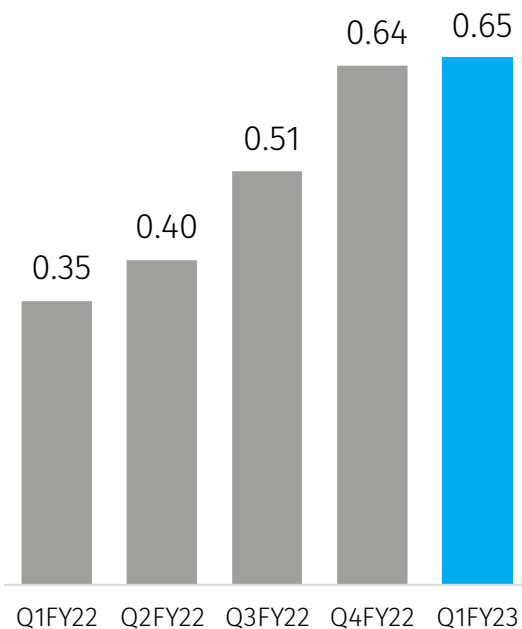


Note: Net Interest Income = Interest Income + Commission & Fees – Interest Income

Treasury Update

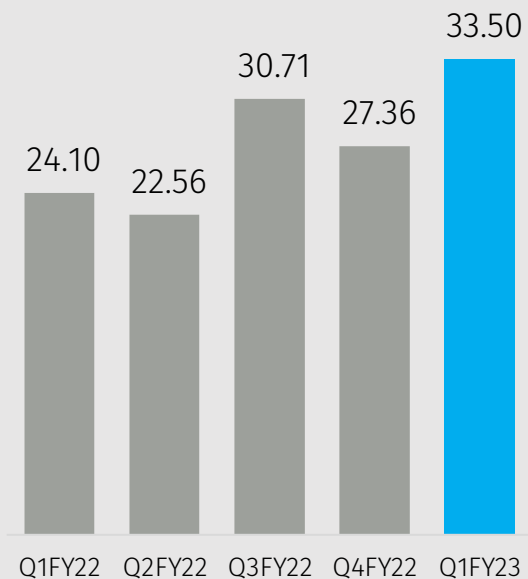
LEVERAGE

(times)



LIQUIDITY

(₹ crore)



The Company has adequate liquidity of ₹ 33.5 crore and undrawn Credit facilities as on June 2022

Credit Rating for the Company stands at BBB+ Stable from India Ratings & Research

The Company has no ALM mismatch in the coming 24 months

The Leverage Ratio is at a comfortable 0.65x as on 30th June 2022 with total outstanding borrowings of ₹ 215.24 crore

Quarterly Financial Snapshot

(₹ crore)

PARTICULARS	Q1FY22	Q4FY22	Q1FY23
Disbursements	79.06	196.60	196.61
Revenue	15.60	23.09	25.10
Interest Income	14.99	19.35	23.62
PBT	9.24	14.26	14.20
PAT	7.01	10.87	10.63
Bad debts written off	0.99	-	0.50
Bad debts recovered	0.07	1.82	0.79
Loans and Advances	363.16	519.56	542.00
Net Worth	266.21	320.28	332.14
Total Liabilities	97.20	210.68	221.09
Borrowings	89.60	204.16	215.24
Gross NPA	2.86%	1.73%	1.31%
Net NPA	1.65%	0.96%	0.78%
Debt to Equity Ratio	0.34	0.44	0.65
CAR	73.35%	63.82%	63.50%
ROA	7.88%	8.45%	7.84%
ROE	10.72%	12.48%	12.81%
Book Value per share	133.99	155.06	160.20

Note – ROE & ROA for Q4FY22 have been calculated on a weighted-average basis, since there was a dilution in Equity in that quarter

Operational Updates



NET INTEREST INCOME

Net Interest Income has grown slowly due to:

1. Increase in cost of borrowings due to higher repo rates
2. Coupled with a significant fixed-rate lending portfolio in both the SME Retail and Wholesale portfolio. Small borrowers largely prefer borrowing on fixed EMIs (fixed-costs) over floating rates. The Company also acquired some Wholesale customers in Q3FY22 at competitive terms; nonetheless, the Company has maintained reasonable yields on the overall portfolio.

Going forward, the Company is acquiring new customers both in SME & wholesale at revised lending rates and existing portfolio will run down in the next 24 months. In addition, as a strategic move, the Company will slowly shift towards floating interest rates in its Wholesale portfolio.



PROFITABILITY

- Despite of AUM growth during the quarter, profitability was flattish due to significant hiring in the last two quarters coupled with an annual employee appraisals in April 2022
- In addition, the Company paid a one-time termination fees of INR 25 Lacs to the old technology vendor as it migrated to a new customer onboarding and new loan origination platform. This platform is more cost-effective and annual operational costs for the same will be optimised.
- Going forward, the base of operational costs will remain similar, as the Company possess required team strength to scale up to a loan book up to ₹ 1,000 crore



NEW LENDERS

- CSL Finance onboarded two new lenders during the quarter, namely, Federal Bank and Indian Bank

Lending Partners



5Y Financial Snapshot

(₹ crore)

PARTICULARS	FY18	FY19	FY20	FY21	FY22
Disbursements	387.46	346.19	270.10	433.32	491.10
Revenue	41.46	59.70	60.85	61.67	74.62
Interest Income	39.51	54.97	58.42	59.18	67.66
PBT	25.78	34.06	31.74	39.36	44.98
PAT	18.07	25.15	22.47	27.53	33.68
Bad debts written off	0.41	0.10	0.26	3.88	1.45
Bad debts recovered	-	0.20	0.15	0.10	2.33
Loans and Advances	281.94	323.51	310.96	329.55	516.95
Net Worth	183.83	214.76	232.55	259.20	321.68
Total Liabilities	102.20	121.99	99.92	88.33	210.68
Borrowings	102.20	121.99	95.92	82.60	204.16
Gross NPA	-	0.12%	0.69%	2.11%	1.73%
Net NPA	-	0.10%	0.24%	1.19%	0.96%
Debt to Equity Ratio	0.56	0.57	0.41	0.32	0.63
CAR	65.00%	66.00%	73.16%	81.50%	63.82%
ROA	7.12%	7.63%	6.76%	7.92%	8.45%
ROE	12.11%	13.27%	9.66%	11.20%	12.48%
Book Value per share	308.88	381.33	125.65	140.05	155.06

Note – ROE & ROA for Q4FY22 have been calculated on a weighted-average basis, since there was a substantial change in Equity during the quarter.

02/

About CSL Finance



Introduction & Snapshot



Wholesale



Business
Verticals & Products



SME Retail



CSL FINANCE LIMITED



Introduction

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

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

SNAPSHOT

BBB+
Rated

99%
Secured
loan
book

63%
Superior
CAR

13%
ROE

₹ 332 Cr
Net
Worth

237
Team
Strength

← **₹ 542 Crore Loan Book** →



Business Verticals & Products



Wholesale

WS LARGE

Structured loans for Mid Income/ Affordable Group Housing Projects

WS SMALL

Construction loan given against single plotted projects

WS OTHER TERM LOAN

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

₹ 14 crore

₹ 9 crore

₹ 6 crore



SME Retail

SME RETAIL

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

₹ 9 lakh

SME MID- SIZED LAP

Loan against properties for business expansion or working capital finance

₹ 2 crore

WHOLE SALE

Niche, focused, real estate
wholesale book

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

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

Strength in affordable
housing segment

Wholesale (1/3)

(As at 30th June'22)

PRODUCTS



AUM (₹ crore)

₹ 226 Crore

₹ 119 Crore

₹ 18 Crore

CONTRIBUTION TO
WHOLESALE AUM

62%

33%

5%

LOAN ACCOUNTS

27

20

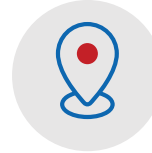
3

Wholesale

(2/3)



ROBUST RISK MANAGEMENT FRAMEWORK



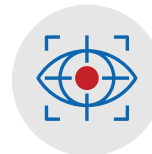
BETTER CUSTOMER SELECTION: STRONG SOURCING

- Presence in strategically selected micro-markets of NCR
- Excellent understanding of dynamics of each micro-market
- Customer selection based on end-use demand
- Primarily involved in last-mile funding, thus reducing project execution risk
- Business with only reputed developers with a good credibility



CREDIT APPRAISAL & EXCELLENT SCREENING

- Robust due diligence
- Extensive credibility checks
- Project & market screening, assessment of market demand-supply trends.
- Each deal is structured uniquely based on specific project requirements
- At least 2X security cover with a charge on multiple assets

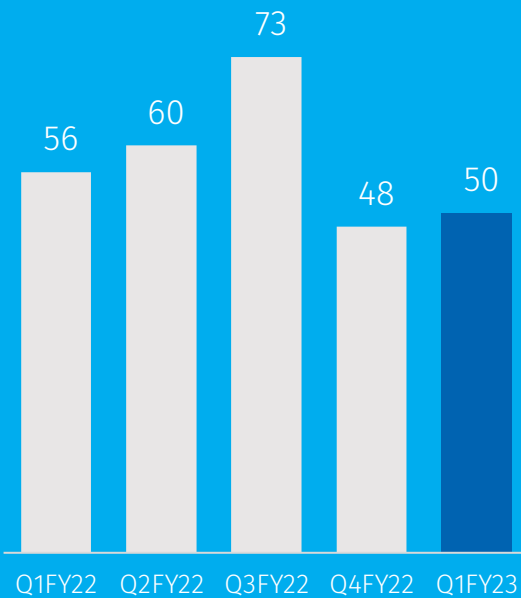


CONSTANT MONITORING

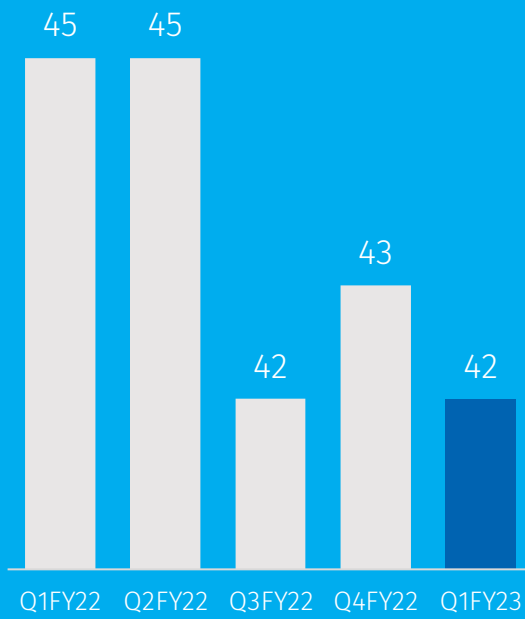
- Dedicated, on-ground resourced for asset monitoring
- Fortnight site visits to assess project progress
- Review of sales, inventories, market price, costs
- Detect early warning signals, initiate required steps, and increase engagement
- Wherever required, initiate early legal actions for faster repayments

Wholesale (1/3)

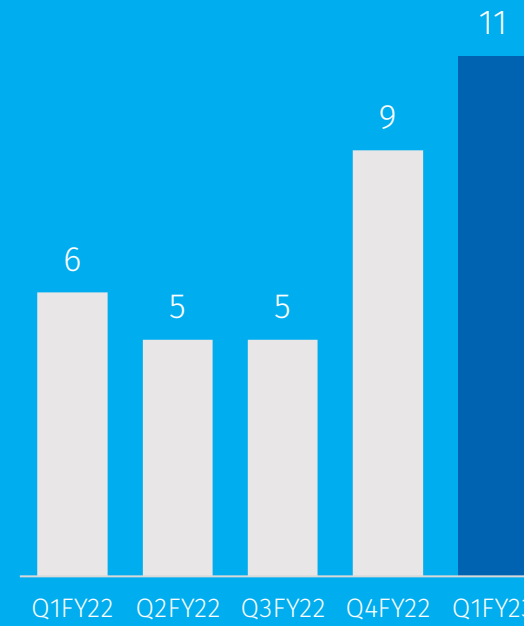
ACTIVE ACCOUNTS
(#)



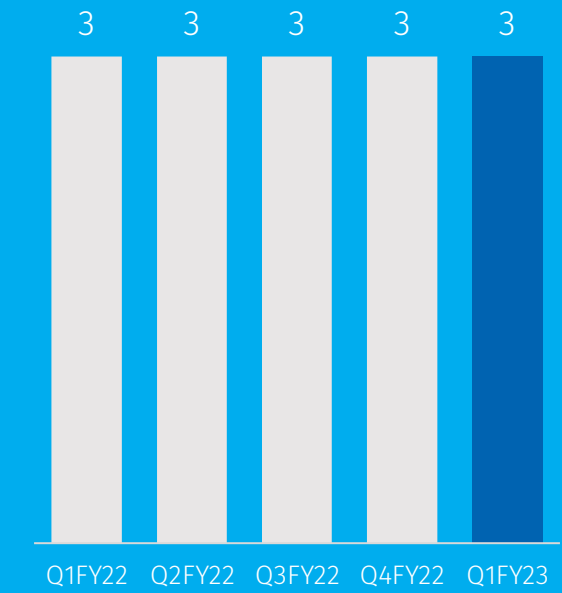
AVERAGE LOAN-TO-VALUE
(%)



AVERAGE TICKET SIZE
(₹ crore)



AVERAGE TENURE
(Year)



Wholesale Large: Affordable Group Housing



SOLD (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 30.06.22	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100% (Completed)	7	167.40	98.55	61%	143.21	44.66	Satisfactory	< 25 Lakhs
80% to 100%	0	-	-	0%	-	0.00	Satisfactory	< 25 Lakhs
< 50%	5	71.80	62.07	39%	63.42	1.35	Satisfactory	< 25 Lakhs
	12	239.20	160.62	100%	206.62	46.01		

Wholesale Large: Mid-Income Group Housing

Last-mile funded
Mid-Income Group
Housing projects

Located in
NCR region

18%
Contribution to
Wholesale
loan book

Committed Receivables
are 3x of existing POS

Average ticket size
of units is under
₹60 Lakhs

Salient Features

SOLD (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 31.03.22	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100% (Completed)	8	91.63	30.16	46%	70.02	39.86	Satisfactory	< 60 Lakhs
90% to 100% (Nearing Completion)	0	-	-	0%	-	-	Satisfactory	< 60 Lakhs
> 70%	5	28.50	6.59	10%	6.99	0.40	Satisfactory	< 60 Lakhs
< 50%	2	35.00	28.19	43%	29.11	0.92	Satisfactory	< 60 Lakhs
	15	155.13	64.95	100%	106.12	41.18		

Wholesale Small: Small Builders



SOLD (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 31.03.22	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100%	10	61.60	34.03	29%	46.32	12.30	Satisfactory	
50% to 100%	5	58.20	43.58	37%	46.50	3.28	Satisfactory	
< 50%	5	57.60	41.75	35%	42.42	0.67	Satisfactory	
	20	177.40	119.36	100%	135.24	16.24		

SME RETAIL

Target market:
Unbanked & underserved

Using alternative data instead
of conventional scorecards

Swift loans and ease of
application

Small & flexible ticket sizes

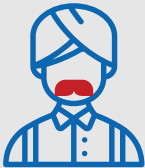
Achieving efficiency through
digital transformation

Focused on secured lending
book (97%)

SME Retail (1/5)

PRODUCTS



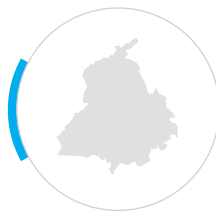
	 JYOTI	 SHAKTI	 SAMADHAN	 SAARTHAK	 MID SIZE LAP
LOAN AMOUNT	₹2-7.5 Lakhs	₹7.5- 25 Lakhs	₹25-50 Lakhs	₹5-10 Lakhs	₹1-5 Crores
TENOR (in years)	3-4	7	7-8	5-6	2-3
TARGET CUSTOMER	Small farmers, house-wives etc, to open small business	Small entrepreneur, traders, manufacturers etc, as a working capital loan to improve or multiply its business	Immediate working capital requirement to support client's urgent business needs at mid-level	Salaried professionals who are unable to procure funds from banks because of non-availability in their area	Loan against properties for business expansion or working capital loans

SME Retail (2/5)

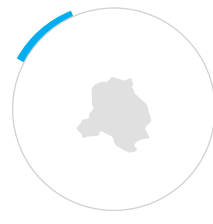
PRESENCE



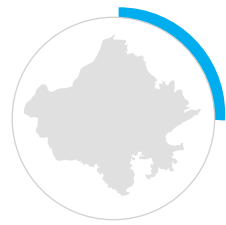
PUNJAB
03 | 19%



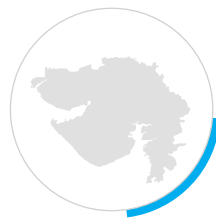
HARYANA
04 | 16%



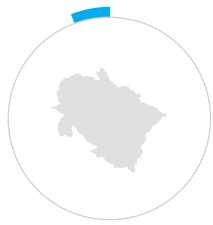
NCR
03 | 11%



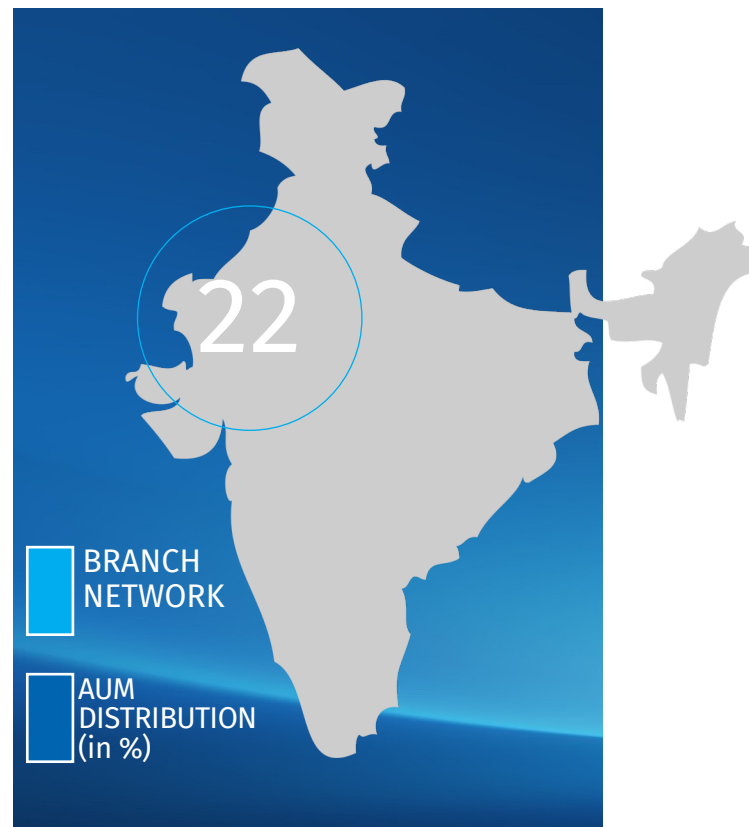
RAJASTHAN
06 | 26%



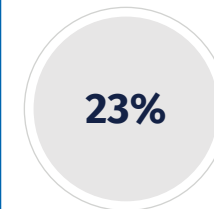
GUJARAT
04 | 22%



UTTARAKHAND
02 | 06%



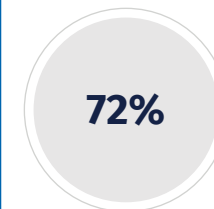
BRANCH AGEING



< 1 year



1- 3 years



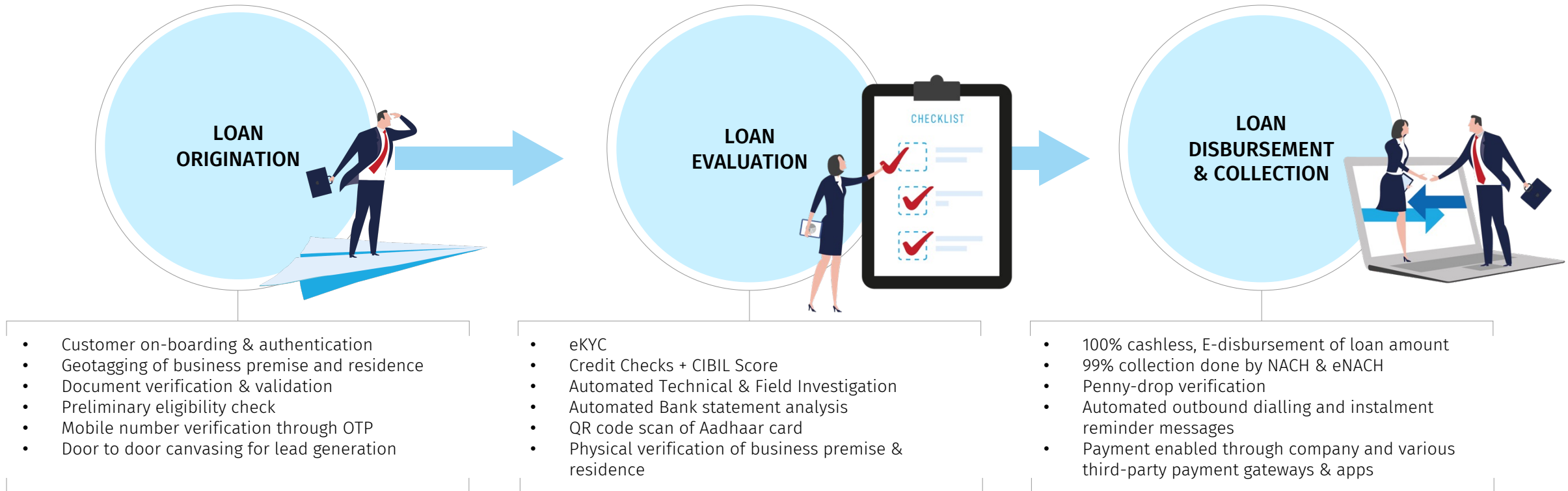
> 3 years

Clustered

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

SME Retail (3/5)

AUTOMATING WORKFLOW TO IMPROVE EFFICIENCY

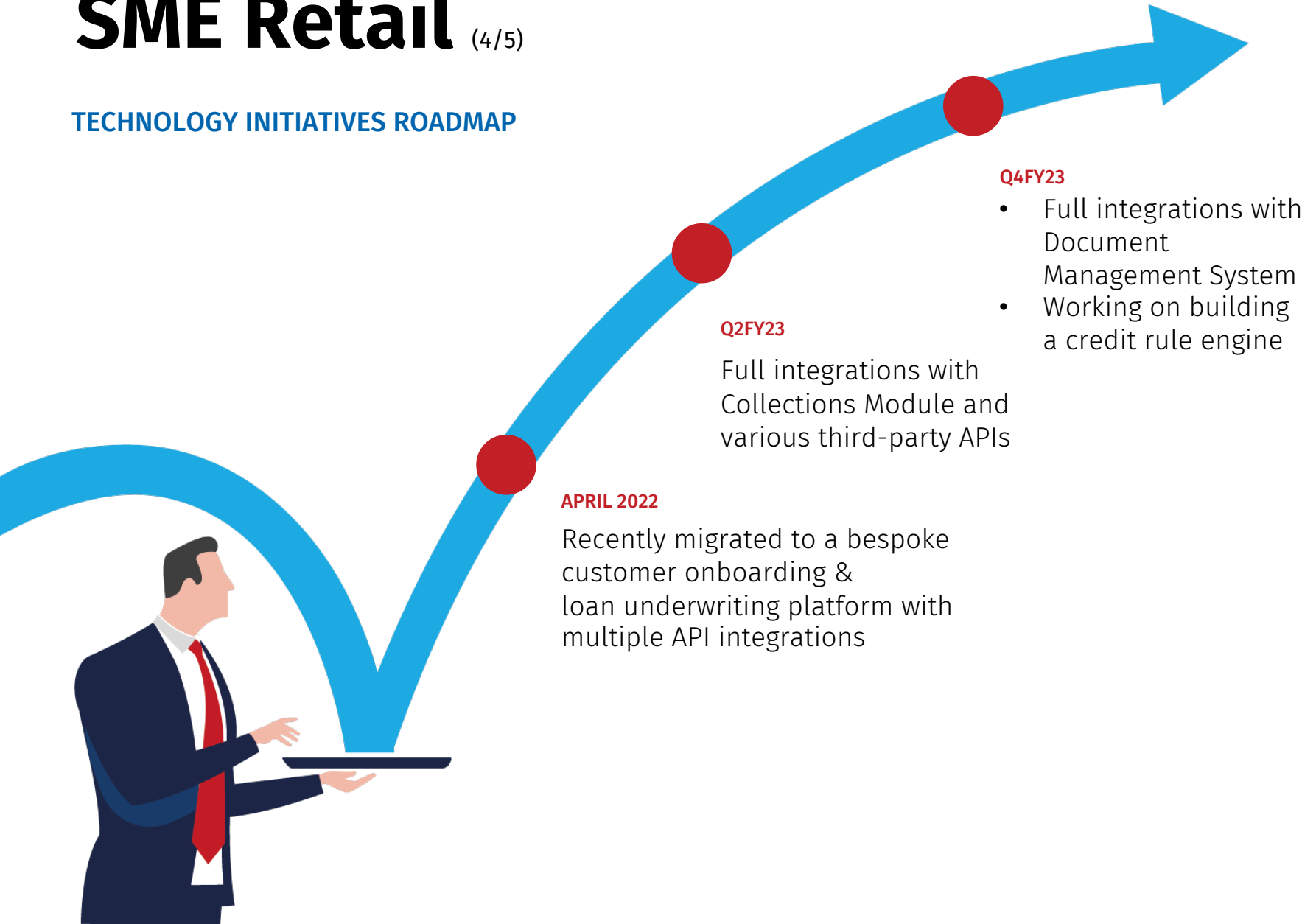


OTHER INITIATIVES

- Multiple report generations at a click of a button
- Extensive efforts on Training & Development for the adaptability of this new technology

SME Retail (4/5)

TECHNOLOGY INITIATIVES ROADMAP

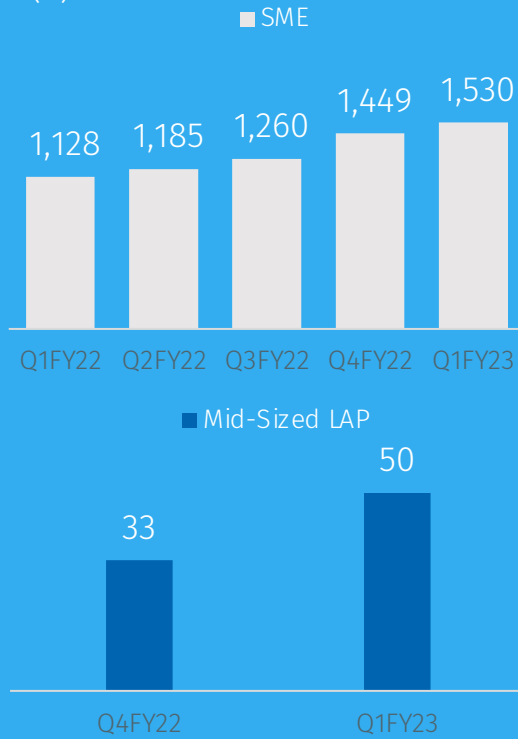


FOCUS AREAS

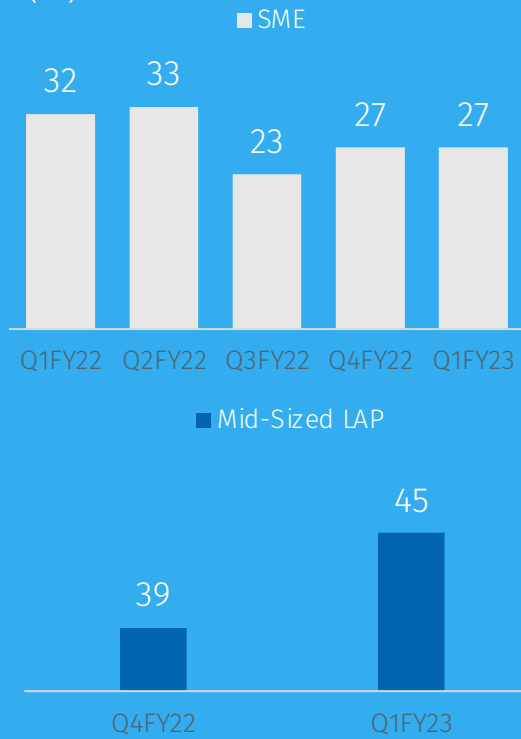
- Automating underwriting – enhancing underwriting with more credit validations & checks so deviations can be captured at an early stage
- Reducing physical onboarding of an account. It will still involve human intervention, but the process will become more efficient with technologies – a lot of things come upon one platform.
- Reducing turn-around-time

SME Retail (5/5)

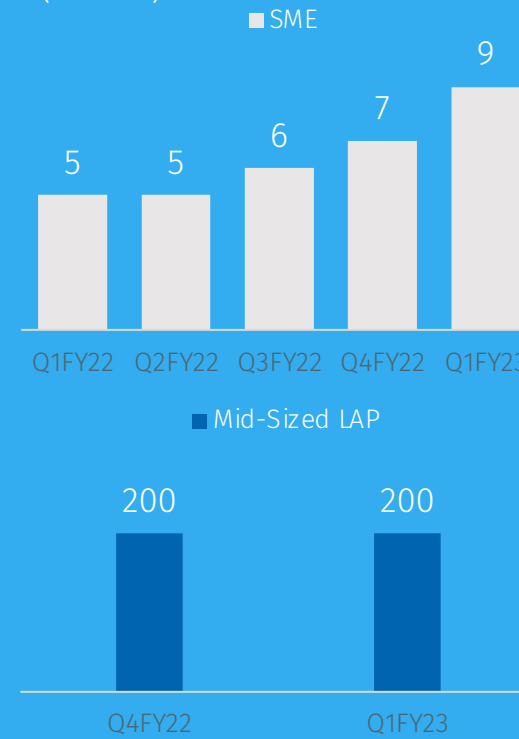
ACTIVE ACCOUNTS (#)



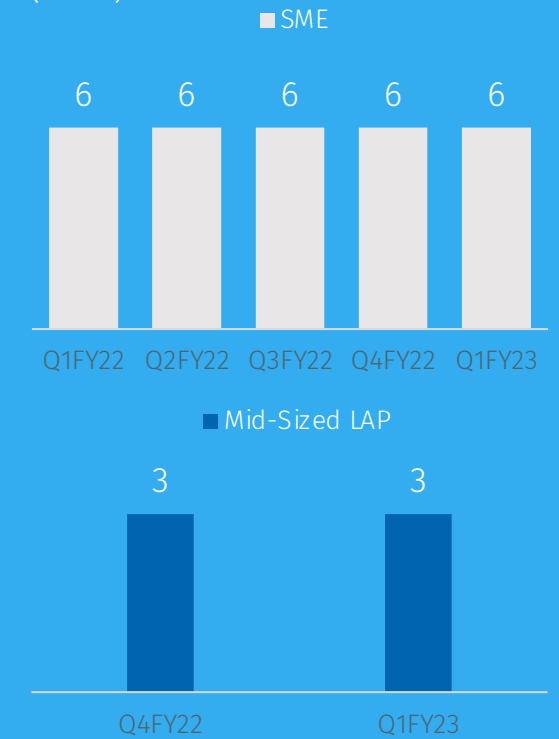
AVERAGE LOAN-TO-VALUE (%)



AVERAGE TICKET SIZE (₹ lakh)



AVERAGE TENURE (Year)



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

03 /

Prudent Risk Management

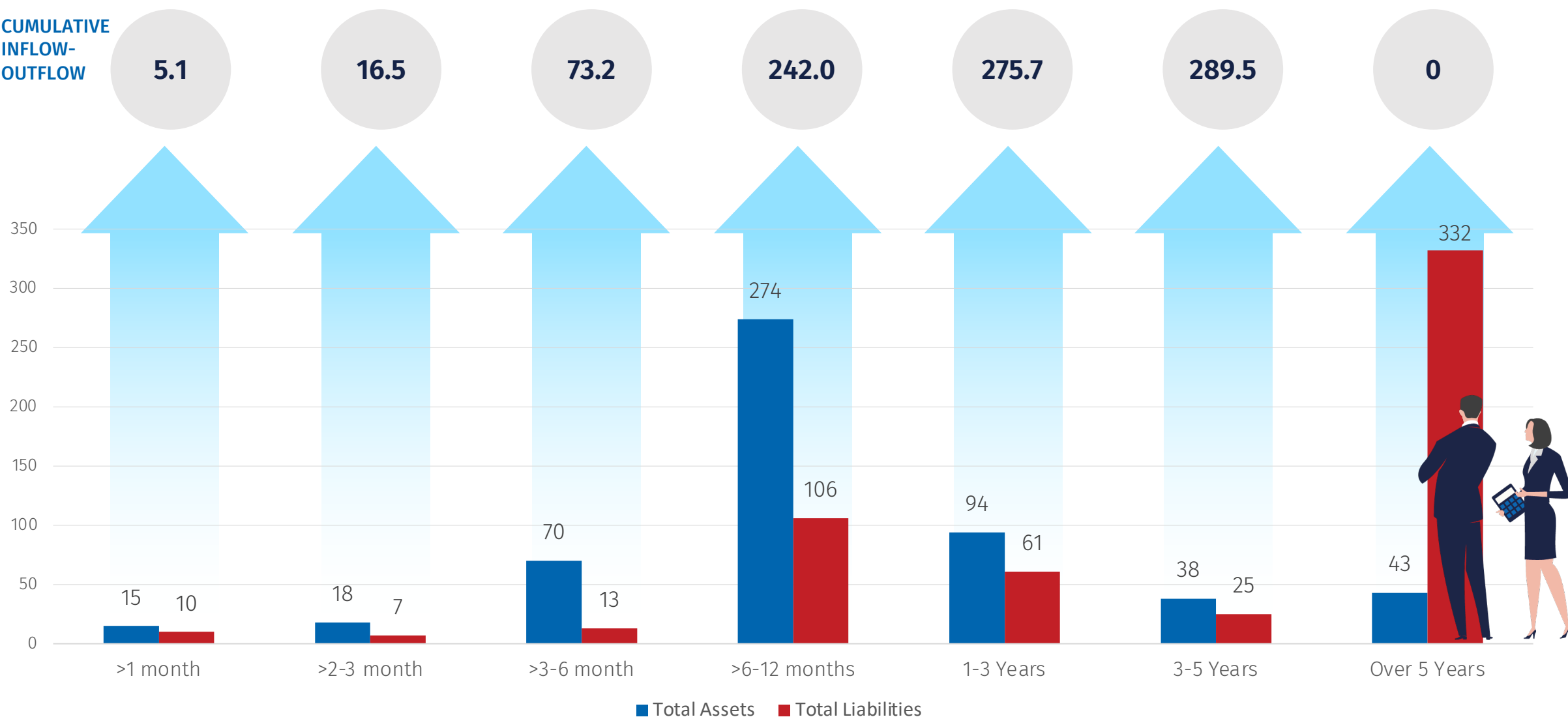
Well Managed ALM

Conservative Leverage
Standards



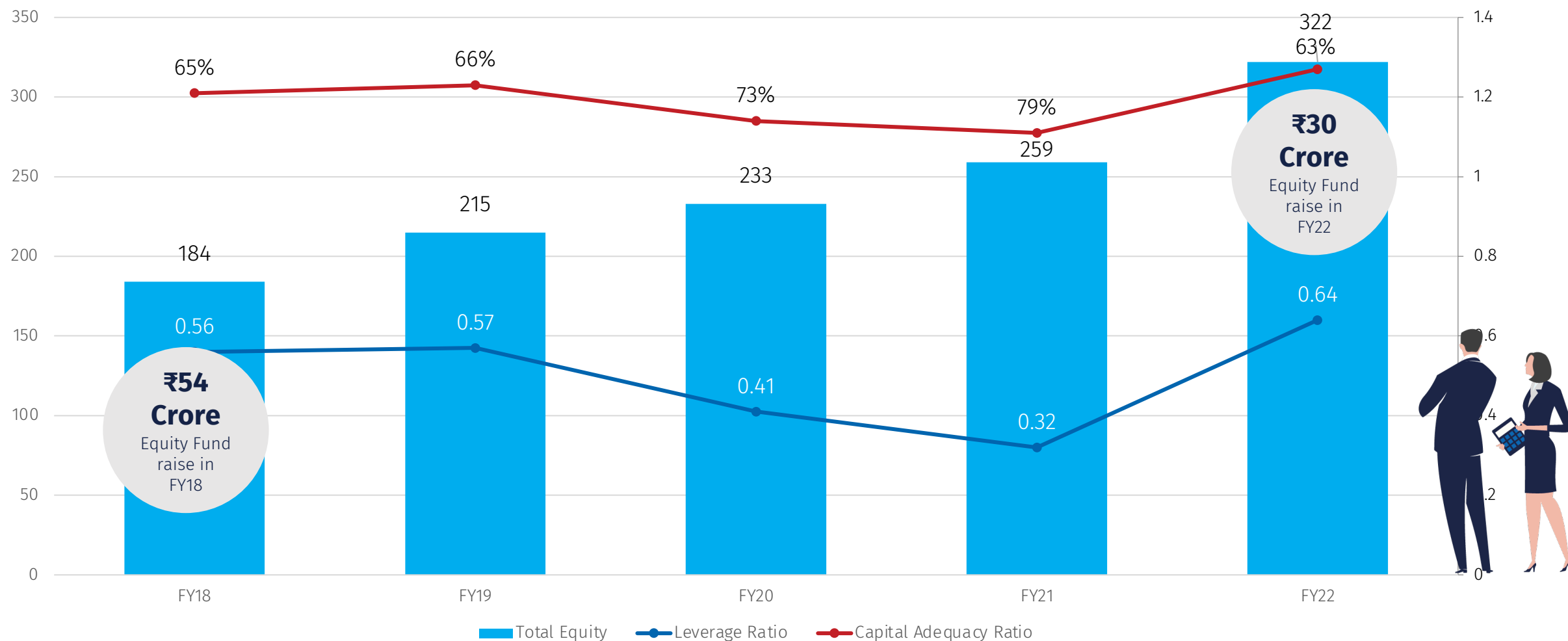
Well Managed ALM

CUMULATIVE
INFLOW-
OUTFLOW



Conservative Leverage Standards

CONSERVATIVE LEVERAGE THRESHOLD OF 1.5X



04/

Leadership

● Board of Directors

● Leadership Team



Board of Directors



ROHIT GUPTA
MANAGING DIRECTOR

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



ASHOK KUMAR KATHURIA
DIRECTOR

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



CHANDER SUBHASH KWATRA
INDEPENDENT DIRECTOR

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



PARMOD BINDAL
INDEPENDENT DIRECTOR

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



RACHITA GUPTA
WHOLE-TIME DIRECTOR

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



ANJNA MITTAL
INDEPENDENT DIRECTOR

Ms Anjna is a commerce graduate and a Member of the Institute of Chartered Accountants of India. She has diverse experience in the field of corporate finance, accounting and taxation.



AYUSH MITTAL
INDEPENDENT DIRECTOR

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

Management Team

Work Experience Years at CSL



ROHIT GUPTA
MANAGING
DIRECTOR

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+



**SAURABH
PRIYADARSHINI**
SR MANAGER LEGAL

8+

1+



PREETI GUPTA
COMPANY SECRETARY

5+

1+



HARIOM KUMAR
SR MANAGER HR

13+

3+

Ex – Ujjivan Financial Services



S.B. TIWARI
CHIEF MANAGER
ACCOUNTS

20+

16+

05 /

Strategy

● Strategic Priorities

● Key Takeaways



Strategic Priorities



Key Takeaways

**01****WELL CAPITALISED**

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

02**BBB+ RATED, ON PATH TO A**

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

03**GEARED FOR AUM GROWTH AFTER 3 YEARS OF CONSOLIDATION**

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

04**GROWING MIX OF SME RETAIL: WHOLESALE**

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

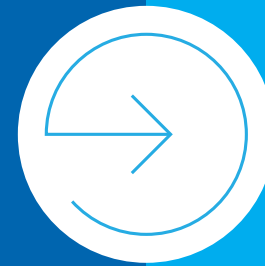
05**PRUDENCE OVER GROWTH DNA**

The Company favours risk management over growth.

Safe Harbour

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GET IN TOUCH

PREETI GUPTA

Company Secretary

CSL Finance Limited
investor@cslfinance.in



SAYAM POKHARNA

Investor Relations Advisor
TIL Advisors Private Limited
sayam@theinvestmentlab.in