



CSL Finance
Limited

FY22 Q4 Investor Update March 2022

CSL FINANCE LIMITED



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Table of Contents



FY22 Q4 Investor Update

- Business Update, Financial
- Snapshot and Step forward
- Performance Highlights
- Treasury Update & Asset Quality
- Gross Non-Performing Assets
- Asset Liability Split- ALM
- Product Portfolio
- Wholesale lending
- SME Retail Book
- Shareholding Pattern



Business Update, Financial Snapshot & Step Forward

QUARTERLY BUSINESS UPDATE

- Loan Portfolio increased by 57% to INR 519 Cr as on 31 Mar 2022 as compared to INR 330 Cr as 31 Mar 2021
- Total disbursements for Q4 FY22 are INR 196.60 Cr, a growth of 30% over Q4 FY21
 - The SME disbursements for Q4 FY22 stood at INR 35.57 Cr
 - The Wholesale disbursements for Q4 FY22 stood at INR 161.03 Cr
- Total Collections for Q4 FY22 is INR 96.94. Collection Efficiency has been over 99% for the overall portfolio
- PAT grew by 21.53% at Rs.10.67 Cr in Q4FY22 as compared to Rs.8.78 Cr in Q4FY21
- Decline in GNPA to 1.73% as at Q4FY22 as compared to 2.11% as at Q4 FY21

QUARTERLY BUSINESS UPDATE

- In Q4 FY22 The Gross NPA is INR 8.95 Cr and Net NPA is INR 4.95 Cr
- Raised INR 30 Cr through preferential allotment to strategic investors (Sanjay Gupta – Chairman and Managing Director of APL Apollo Group and Lalit Dua- Promoter of Rajasthan Global Securities Limited)
- On boarded new lenders namely HDFC Bank and Kotak Mahindra Bank
- Successful migration on a fully customised and digitized platform of our SME retail portfolio with multiple API integrations to strengthen our on-boarding and underwriting platform
- Employee strength crossed 200 as on 31 Mar 2022 with major thrust on expanding SME team to improve our coverage and improve branch productivity

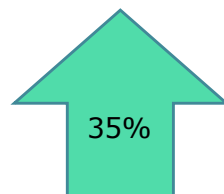
PERFORMANCE HIGHLIGHTS

(Values in ₹ Cr)

Q4 FY22

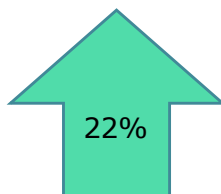
Revenue

23.09



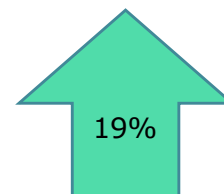
Profit After Tax

10.67



EPS

5.69



Q4 FY21

17.07

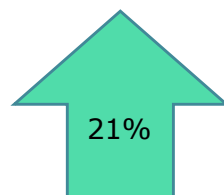
8.78

4.79

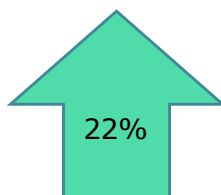
(Values in ₹ Cr)

YTD Mar 22

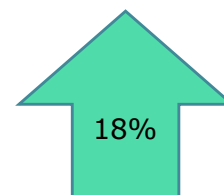
74.63



33.45



17.86



YTD Mar 21

61.67

27.53

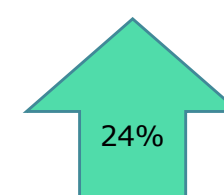
15.07

(Values in ₹ Cr)

Mar 22

Net Worth

321.49



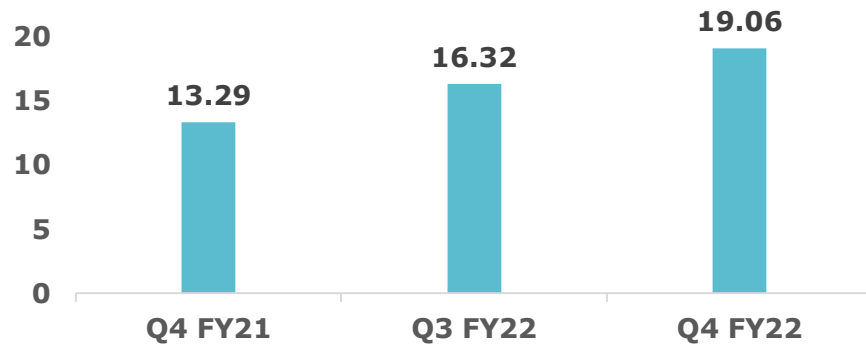
Mar 21

259.20

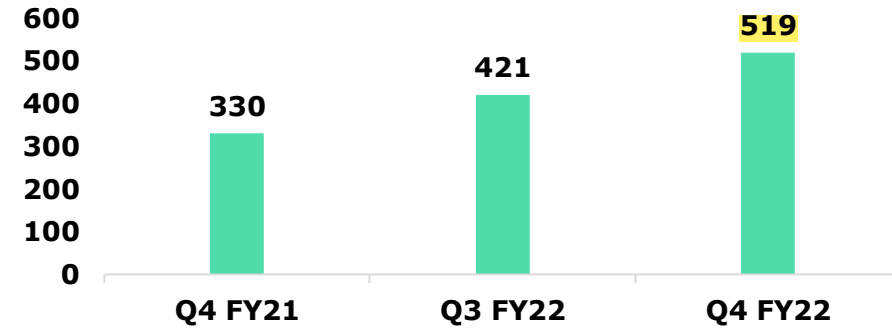


PERFORMANCE MATRIX

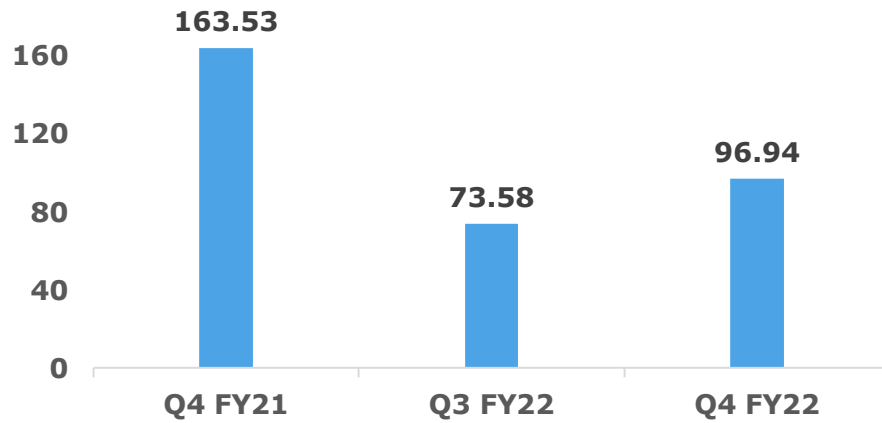
Net Interest Income (INR Cr.)



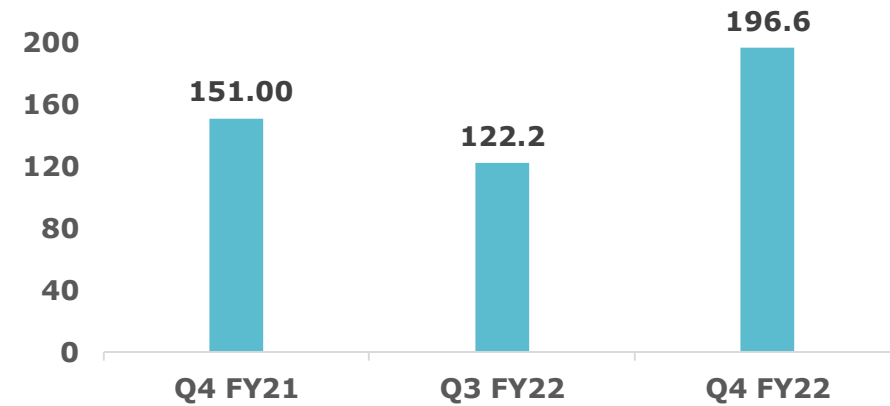
AUM End of Quarter (INR Cr.)



Collections (INR Cr.)



Disbursements (INR Cr.)



FINANCIAL SNAPSHOT

in INR CR

Particulars	FY22	FY21
Disbursements	491.10	433.32
Revenue	74.62	61.67
Interest Income	67.66	59.18
PBT	44.98	39.36
PAT	33.68	27.53
Bad debts written off	1.45	3.88
Bad debts recovered	2.33	0.10
Loans and Advances*	516.95	329.55
Net Worth	321.68	259.20
Total Outside Liabilities	210.68	88.33
Borrowings	204.16	82.60
Gross NPA	8.95	6.94
Net NPA	4.95	3.93
Debt to Equity Ratio	0.63	0.31
CRAR	63.82%	81.50%
ROA	8.45%	7.92%
ROE	12.48%	11.20%
Book Value per share	155.06	140.05

* Post IND AS adjustments



UPDATE ON COLLECTIONS

- Collections remains a priority for the business with activities like strengthening collections team and digitizing the collections channels
- Our collections have improved as detailed below in SME from a low of 87% in April'21 to 99% in Mar'22. Even our collections in NPA has improved from a low of 18% to 58% where customers are paying one or two EMIs but the accounts are still in NPA
- We have seen reasonable recoveries of INR 2.33 Cr in FY22 from the total written off accounts of INR 6.37Cr in FY2018-19. We are quite hopeful that we will be able to recover at least 50% in next 12 months
- SARFAESI – We had 35 cases amounting to INR 7.35 Cr out of which we have recovered/regularised 19 cases amounting to INR 3.80 Cr. Through SARFAESI Act, we have seen good resolution of NPA cases. We have also found legal recoveries through SARFAESI mode is speedy as compared to execution of the arbitration awards
- We have moved to a totally digitized platform for tracking and monitoring our legal cases in a more efficient manner

Collection Efficiency % (Apr'21-Mar'22)

Business Segment	April'21	May'21	June'21	July'21	Aug'21	Sept'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22
Wholesale Lending	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
SME Retail Lending	87%	87%	87%	88%	90%	89%	88%	91%	93%	92%	99%	99%



STEP FORWARD



UPGRADATION OF RATING

- Rating upgrade from BBB- to BBB+
- Company is confident for next rating upgrade in coming quarters basis strong FY22 performance and with the future outlook of growing our loan book



RATIONALIZATION OF PORTFOLIO

- Current product mix is 27:73 (Retail : Wholesale)
- Target to achieve portfolio mix of 40:60 in the coming 12-18 months
- We will explore co-lending opportunities both in wholesale and retail



Strong public and private sector lenders

- In the last quarter of FY2021-22 we added Kotak Bank and HDFC Bank as our lenders
- We will add more lenders in FY23 and also aim to raise funds through securitization of our portfolio



COST OPTIMISATION

- Our Cost to Income ratio has gone up in the last year. This is largely on account of new hiring in the SME Retail sales team
- We are now fully geared up in terms of team size and infrastructure and expect our cost to income ratio to improve in the next 2 years



AUTOMATION OF WORK PROCESSES

- We have migrated to a fully digitized Loan origination & management platform. Going forward the focus is to add more modules to improve collections and data analysis



Treasury Update & Asset Quality

TREASURY UPDATE



Liquidity Position

The company has adequate liquidity of INR 27.36 Cr including Cash & Cash Equivalents and undrawn Credit facilities as on Mar'22



BBB+

The rating for the company has been upgraded from BBB stable from CARE ratings to BBB+ Stable from India Ratings



Leverage

The Leverage Ratio is 0.64x as on 31st Mar'22 with total outstanding borrowings of INR 204.16 cr.



ALM Position

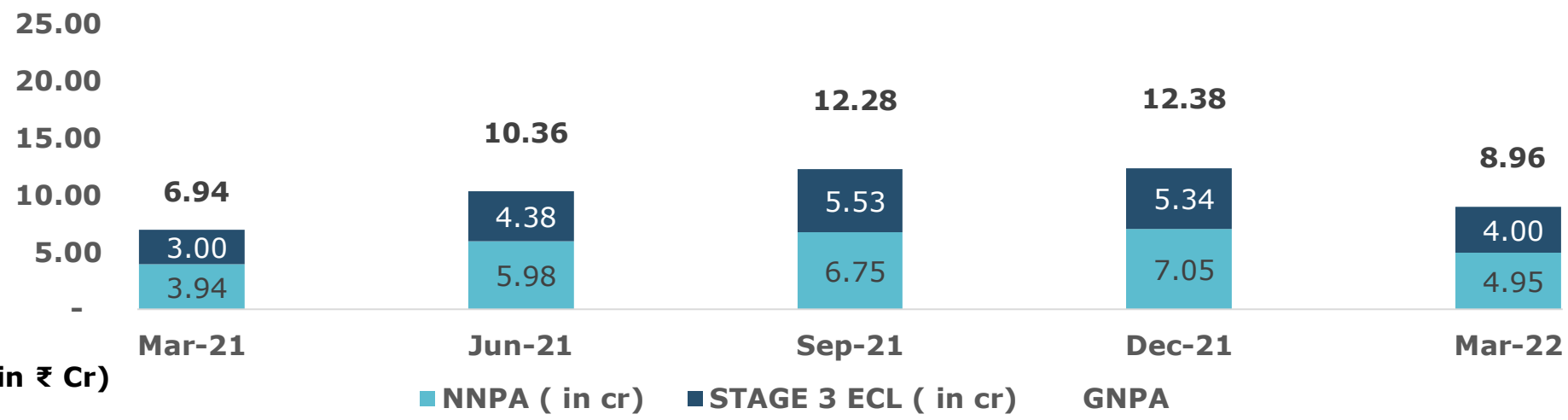
Comfortable Liquidity Position with no ALM Mismatches in the next 24 months



GROSS NON-PERFORMING ASSETS

Gross NPA	2.11%	2.86%	3.25%	2.96%	1.73%
Net NPA	1.19%	1.65%	1.79%	1.68%	0.96%

As on Mar'22	INR Cr
GNPA	8.96
ECL Provision	9.10
PCR	101.67%



(Values in ₹ Cr)



Asset Quality: Stage Analysis

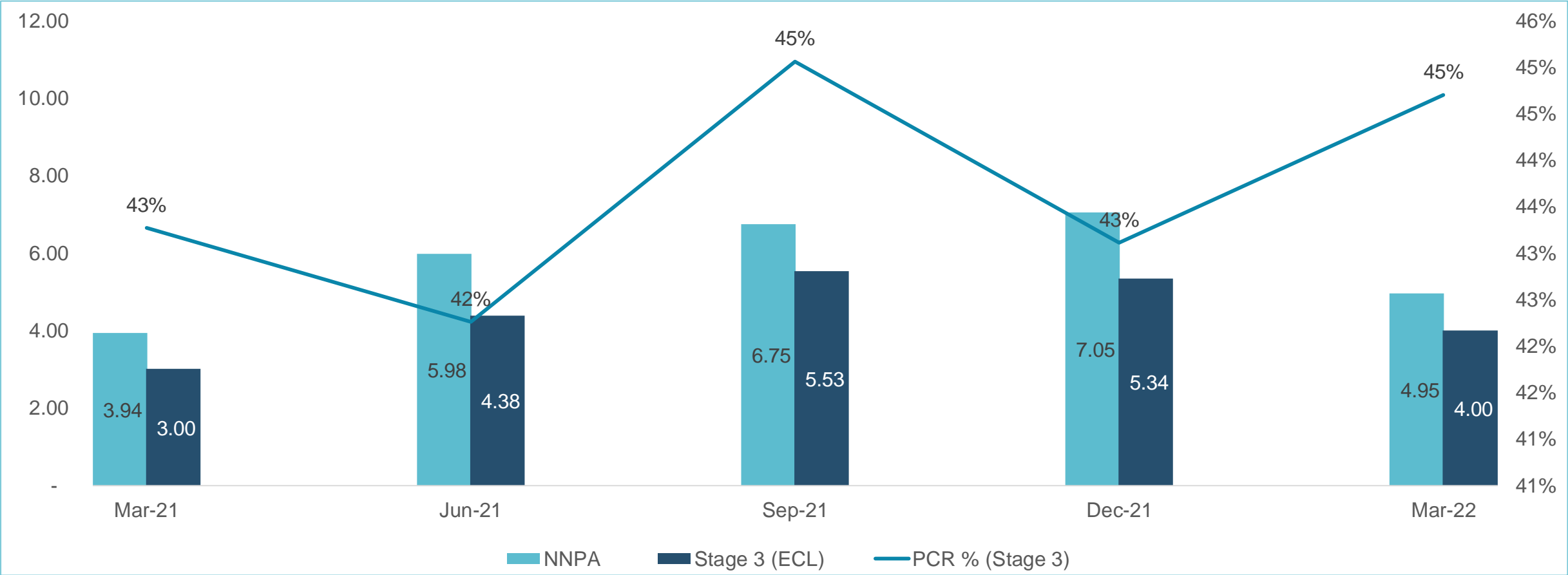
Classification of Assets basis the ECL computation as per Ind-AS:

INR CR

Particulars	Q4 FY22	Q3FY22	Q4 FY21
Gross Stage 3 (GNPA)	8.95	12.38	6.94
% portfolio in Stage 3	1.73%	2.96%	2.11%
ECL provision Stage 3	4.00	5.34	3.00
Net Stage 3	4.95	7.04	3.94
ECL provision % Stage 3	44.70%	43.11%	43.27%
Gross Stage 1 & 2	507.99	406.50	322.60
% portfolio in Stage 1 & 2	98.27%	97.04%	97.89%
ECL provision Stage 1 & 2	5.10	4.07	4.84
Net Stage 1& 2	502.89	402.43	317.76
ECL provision % Stage 1 & 2	1.00%	1.00%	1.50%
Total Assets	516.95	418.89	329.55
% portfolio	100.00%	100.00%	100.00%
ECL Provision	9.10	9.41	7.84
Net Stage	507.84	409.47	321.70
TOTAL ECL Provision %	1.76%	2.25%	2.38%
Provision Coverage Ratio	101.67%	76.04%	113.07%
NET NPA	0.96%	1.68%	1.19%
NET NPA (Total ECL provision)	0.00%	0.71%	0.00%



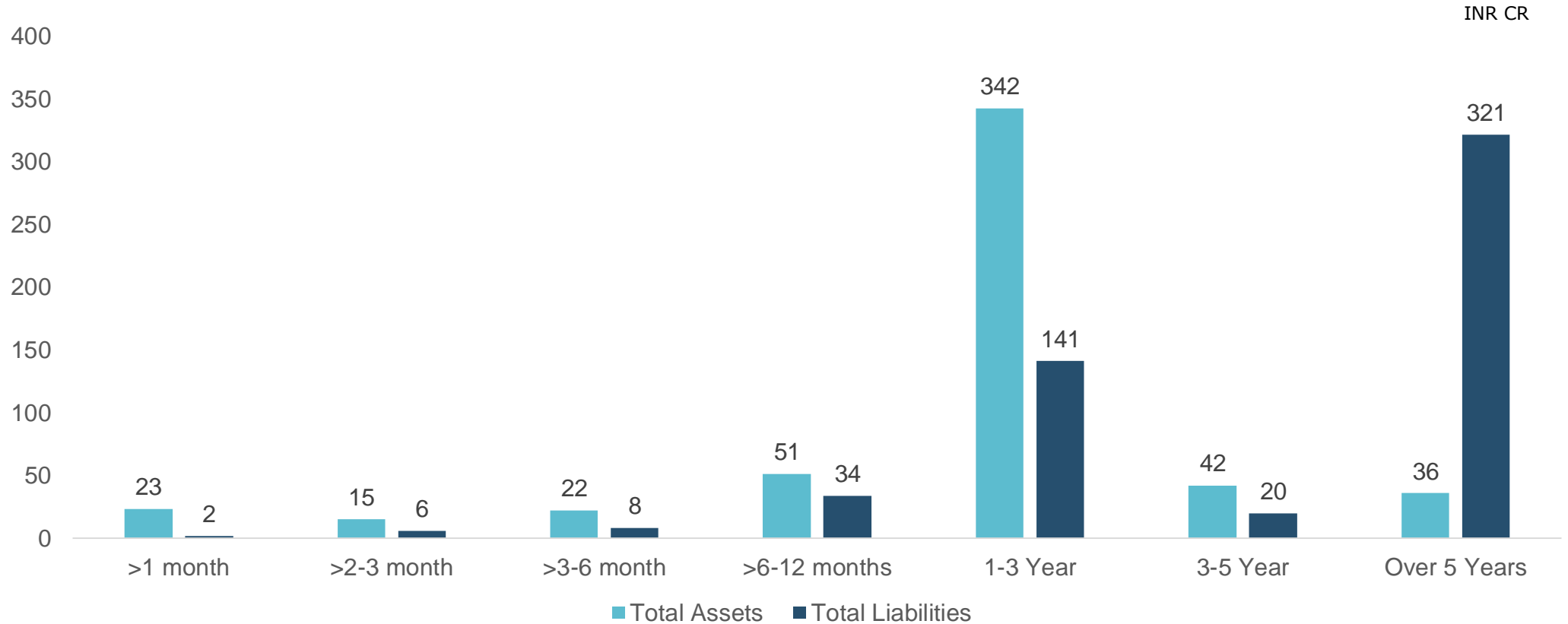
STAGE 3 ASSET TRENDS



The GNPA and NNPA as of Mar'22 stands at 1.73% and 0.96% respectively



ASSET LIABILITY SPLIT: WELL BALANCED ALM



Particulars As on Dec-21	Up to 1 Month	> 2-3 month	> 3-6 month	> 6-12 months	1-3 year	3-5 year	> 5 years
Cumulative Inflow-Outflow	21.34	30.44	44.13	61.95	263.37	285.67	0



Product Portfolio

Product Portfolio Q4 FY22



Wholesale (WS) Lending

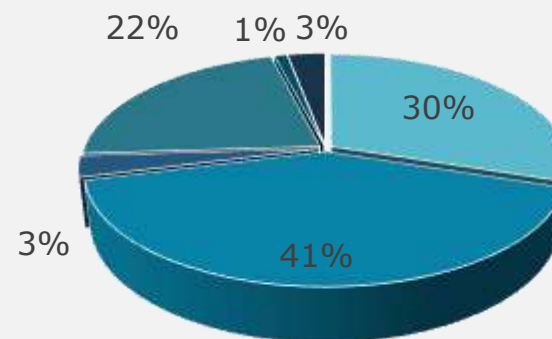
Category	Book Value (INR Cr)	Product Description
WS Large	252	Structured loans for Mid Income/Affordable Group Housing Projects
WS Small	112	Construction loan given against single plotted projects
WS Other Term Loan	14	Loan against SORP/SOCP properties and Loan against securities & deposits which are highly liquid
Total	378	

Retail Lending

SME Retail	101	Micro/Small Loans to Kirana Stores, Traders, Schools, and other boutique shops and merchants backed by owned properties as collateral, small ticket loans
SME Mid-Sized LAP	40	Loan against properties for business expansion or Working Capital finance
Total	141	



WHOLESALE LENDING BOOK



- Small builder floors
- Loan against property
- Loan Against Shares
- Affordable group housing
- Mid income group housing
- Commercial

● Strength in Real Estate industry in Delhi NCR Region especially in the Affordable Housing Segment

● Mid-Income Group Housing & Affordable Group Housing is part of Wholesale Large which is 50% of Total Wholesale Book

- ❖ **Mid-Income Group Housing** – Last Mile funding to projects nearing completion in Delhi NCR
- ❖ **Affordable Group Housing** - Projects which are approved under the Affordable Group Housing Policy of Haryana Government
- ❖ **Small Builder Floors** – Borrowers engaged in Construction & Development of G+4 Floor structure in South Delhi & Gurugram

Wholesale Loan Book	AUM(INR CR)*	% of WS AUM	No. of Loan ACs
Mid Income Group Housing	95.90	25%	17
Affordable Group Housing	156.47	41%	11
Small Builder Floor	111.73	30%	19
Other Term Loan	13.65	4%	3
Total	377.75	100%	50

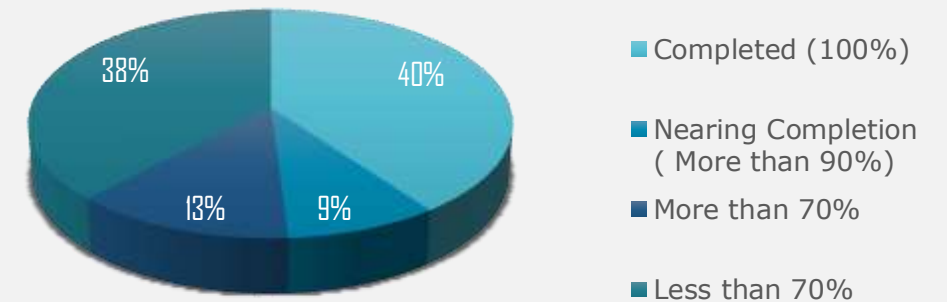


WHOLESALE LENDING BOOK: MID-INCOME GROUP HOUSING & COMMERCIAL

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 31.03.22	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
Completed (100%)	6	74.50	38.65	40%	74.32	35.67	Satisfactory	Less than 60 lacs
Nearing completion (More than 90%)	2	18.13	8.22	9%	21.81	13.59	Satisfactory	Less than 60 lacs
More than 70%	4	30.50	12.18	13%	13.86	1.68	Satisfactory	Less than 60 lacs
Less than 50%	5	66.00	36.85	38%	36.89	0.31	Satisfactory	Less than 60 lacs
Total	17	189.13	95.90	100%	146.88	51.25		

- AUM - 22% of Wholesale loan book
- Average ticket Size - < INR **60** Lacs
- Committed Receivables - 3x of existing POS

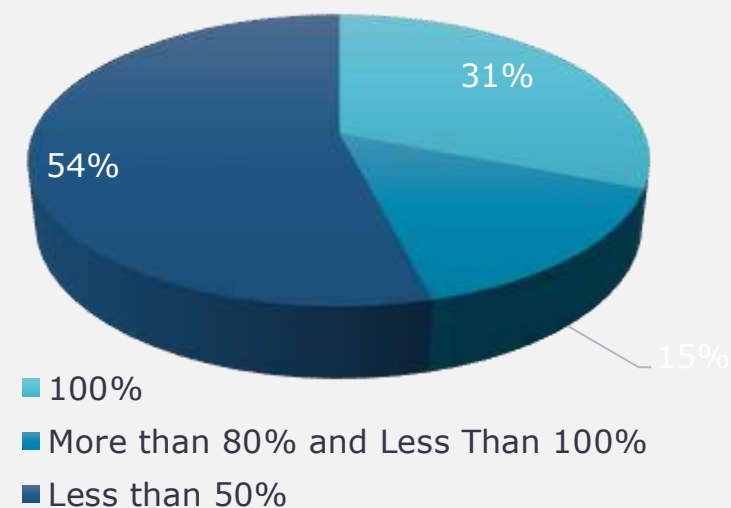


WHOLESALE LENDING BOOK: AFFORDABLE GROUP HOUSING

Figures in Cr

%age Sold	No. of Cases	Sanction	POS as on 31.03.22	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct	Average Ticket Size
100%	4	105.00	48.59	31%	78.07	29.48	Satisfactory	Less than 25 lacs
More than 80% & Less than 100%	1	24.40	23.50	15%	23.50	0.00	Satisfactory	Less than 25 lacs
Less than 50%	6	100.80	84.38	54%	85.42	1.03	Satisfactory	Less than 25 lacs
	11	230.20	156.47	100%	186.98	30.51		

- Time-linked payment plan
- AUM - 41% of Wholesale loan book
- 46% Exposure is more than 90% Sold
- Average ticket Size - < INR 25 Lacs
- Committed Receivables are 3x of existing POS.

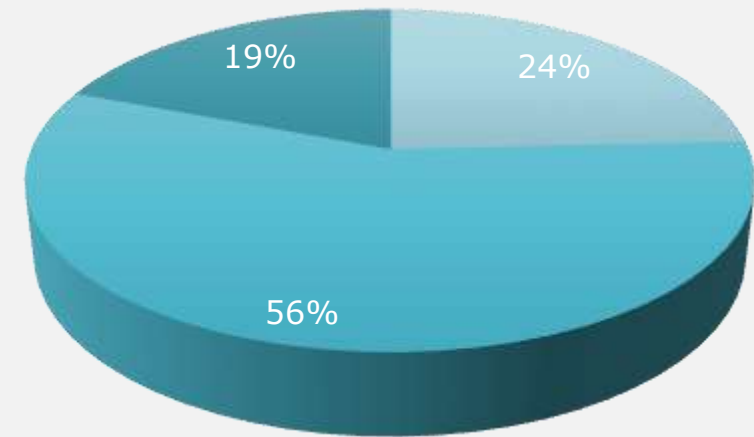


WHOLESALE LENDING BOOK: SMALL BUILDERS

Figures in Cr

Project Completion	No. of Cases	Sanction	POS as on 31.03.22	% to AUM	POS as per Repayment Schedule	Pre-payment Received	Account Conduct
100%	4	42.50	27.36	25%	38.22	10.85	Satisfactory
More than 50%	11	84.10	63.02	56%	66.60	3.94	Satisfactory
Less than 50%	4	40.20	21.34	19%	21.35	0.02	Satisfactory
	19	166.80	111.73	100%	126.17	14.81	

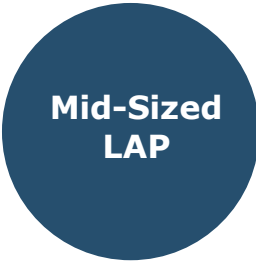
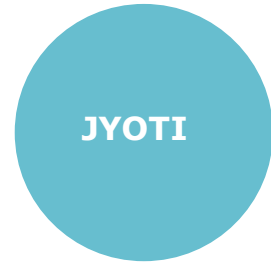
- Average project tenure - 15-18 months
- Loan Tenor - < 36 months
- The feedback loop is fast and demand supply corrects quickly
- Minimal risk of regulatory/ project non completion
- Segment displays strong potential



■ 100% ■ More than 50% ■ Less than 50%








SME Retail Lending Book



- Catering to unbanked & underserved section of the society
- Using alternative data instead of conventional scorecards
- Access to swift loans and ease of application
- Small and flexible loan ticket sizes
- Digital Transformation & outreach

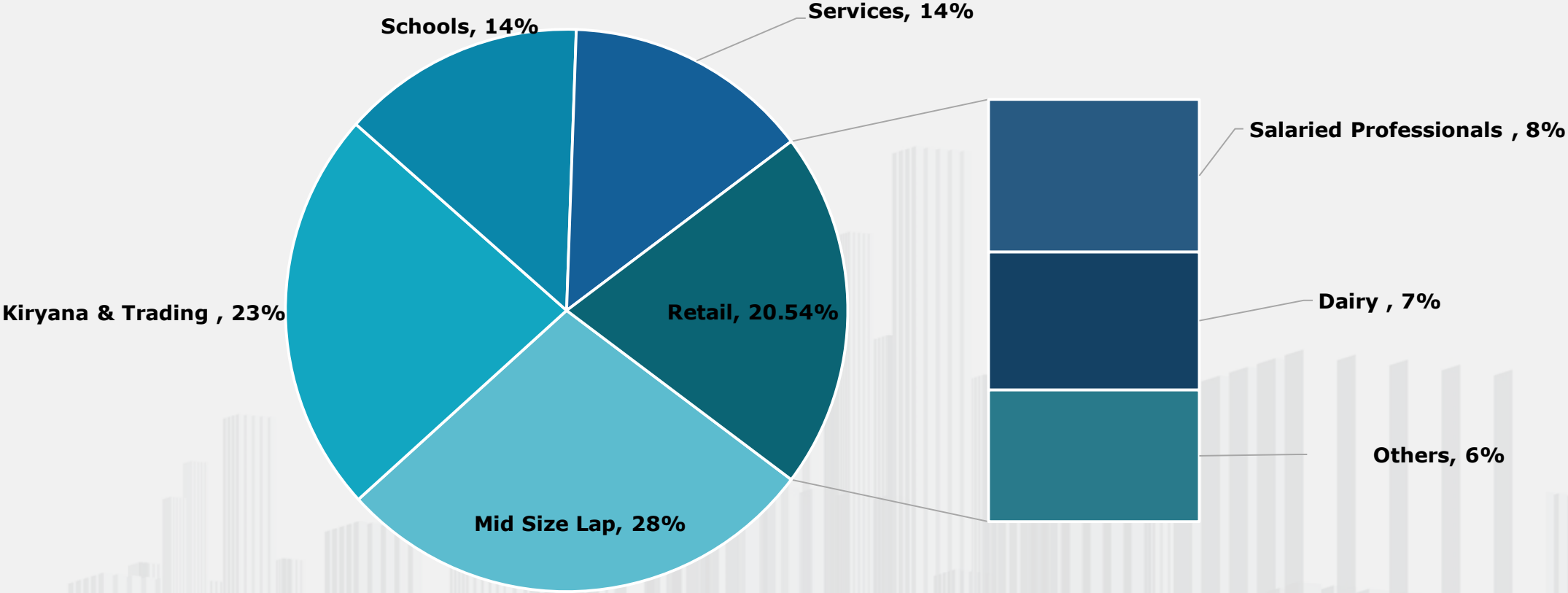
SME RETAIL LENDING



Product Type	JYOTI 	SHAKTI 	SAMADHAN 	SAARTHAK 	Mid Sized LAP 
Loan Amount	2-7.5 lakhs	7.5-25 Lakhs	25-50 Lakhs	5-10 Lakhs	1-5 CR
Tenor	3-4 years	7 years	7-8 years	5-6 years	2-3 years
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 Book – Mid size and Industry wise

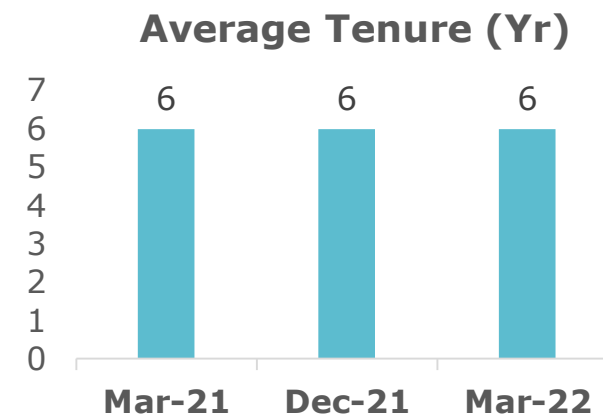
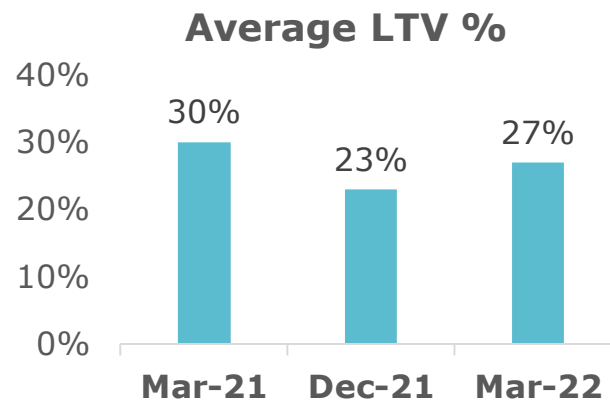
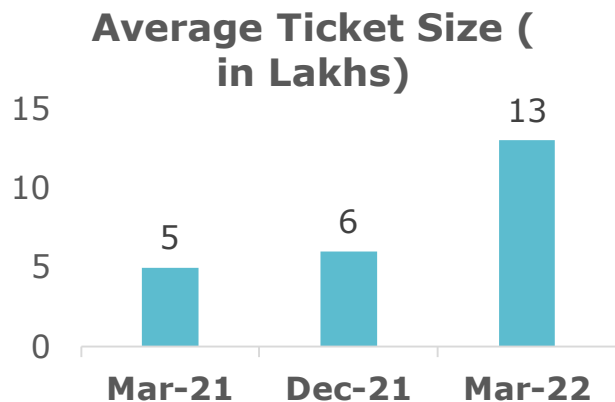


■ Mid Size Lap ■ Kiryana & Trading ■ Schools ■ Services ■ Salaried Professionals ■ Dairy ■ Others

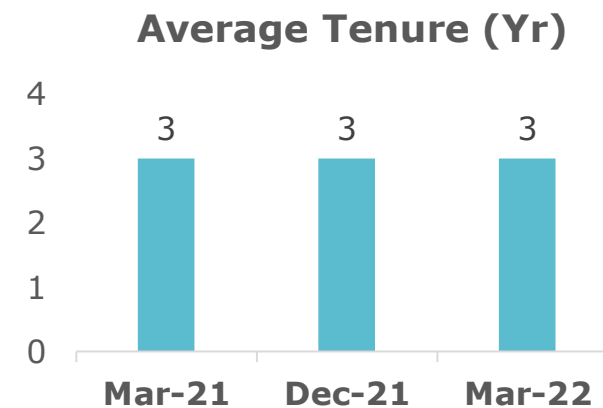
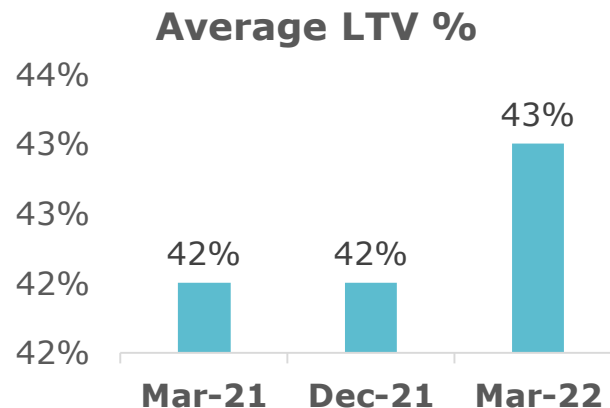
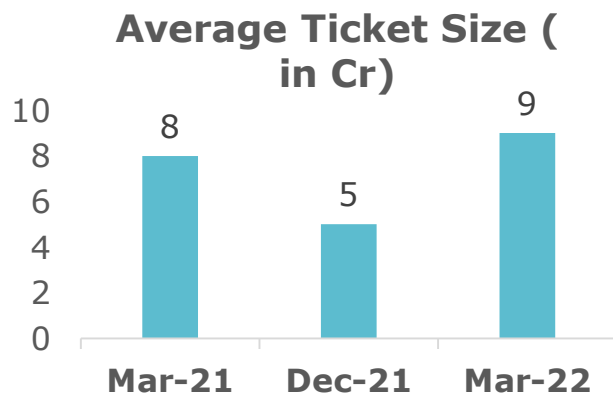


Loan Matrix

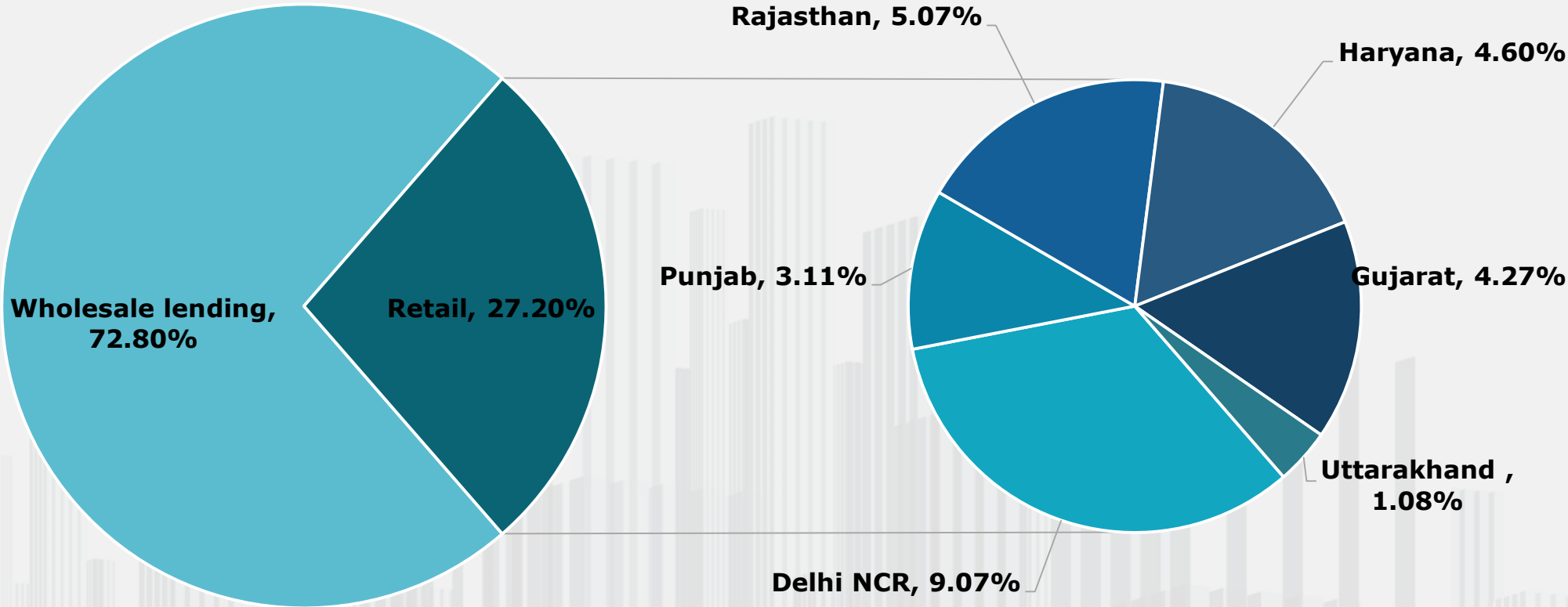
SME Loan Matrix



Wholesale Loan Matrix



Loan Assets Distribution Across States



■ Wholesale lending ■ Delhi NCR ■ Punjab ■ Rajasthan ■ Haryana ■ Gujarat ■ Uttarakhand



Our Presence



Gujarat

- 📍 Mehsana
- 📍 Ahmedabad
- 📍 Baroda
- 📍 Surat

Haryana

- 📍 Chandigarh
- 📍 Ambala
- 📍 Panipat
- 📍 Hissar

Punjab

- 📍 Jalandhar
- 📍 Patiala
- 📍 Ludhiana

Rajasthan

- 📍 Jaipur
- 📍 Ajmer
- 📍 Bhilwara
- 📍 Jodhpur
- 📍 Sikar
- 📍 Udaipur

Delhi NCR

- 📍 Gurgaon
- 📍 New Delhi
- 📍 Noida

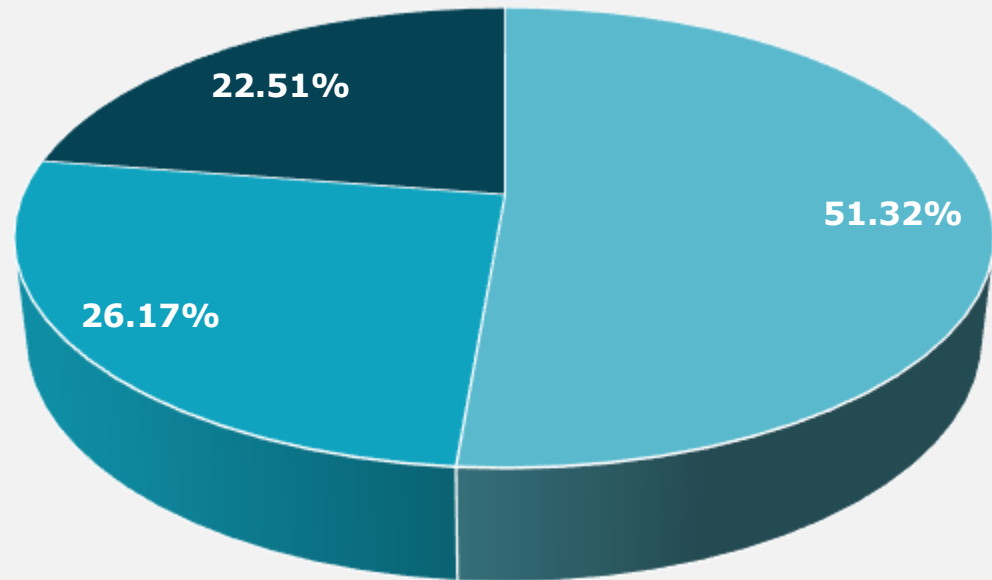
Uttarakhand

- 📍 Haridwar
- 📍 Dehradun



SHAREHOLDING PATTERN

Shareholding Pattern as at 31 Mar'22



■ Promoter ■ Marquee Investor (More than 1%) ■ Public

Marquee Investors (More than 1%)

Aadi Financials Advisors LLP – Enam Group

Geecee Holdings – Kothari Ventures LLP group

Sanjay Gupta – Chairman & Managing Director of APL Apollo Group

Madhuri Madhusudhan Kela

Lalit Dua - Promoter of Rajasthan Global Securities Limited

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