

January 29, 2024

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

Sub: Investor Presentation

Please find enclosed herewith the Copy of the Investor Presentation of the Company highlighting the performance and recent developments of the Company for the quarter and nine months ended December 31, 2023.

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

This is for your kind information and records.

Thanking you,

Yours Faithfully,

For **CSL Finance Limited**

Ashok Kumar
Kathuria

Digitally signed by
Ashok Kumar Kathuria
Date: 2024.01.29
16:07:21 +05'30'

Ashok Kumar Kathuria
(Director)
DIN: 01010305

Encl: a/a



Q3 FY24

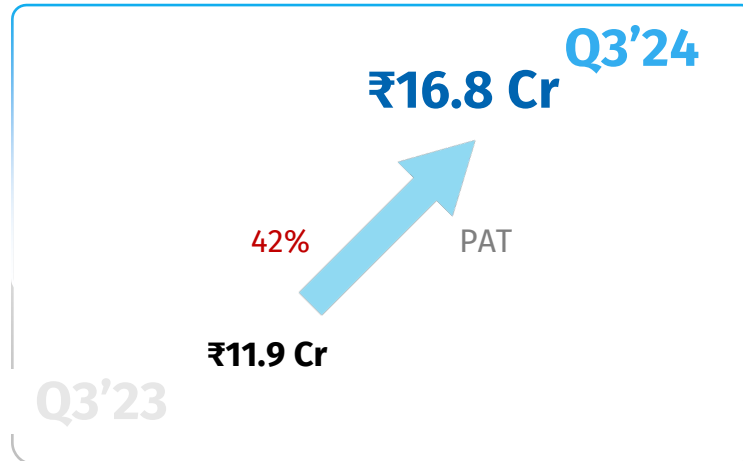
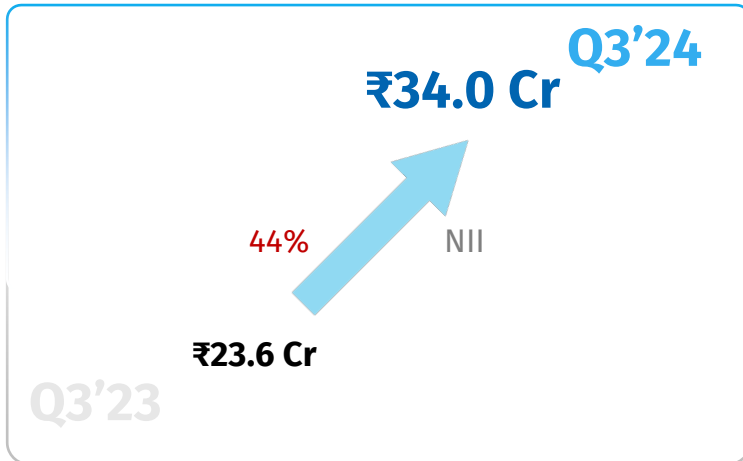
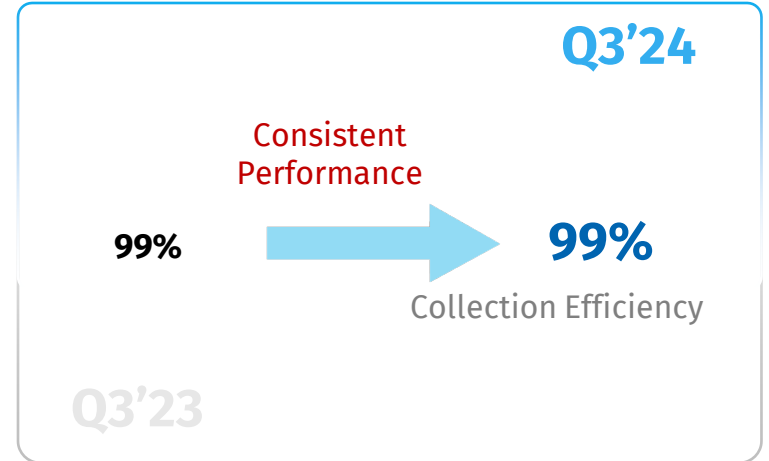
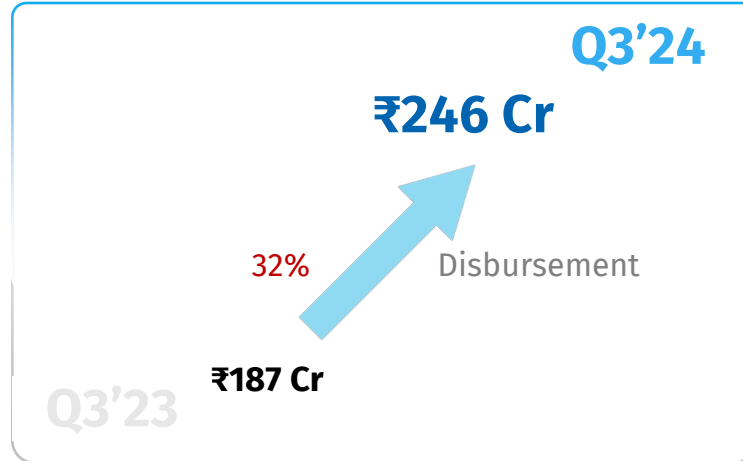
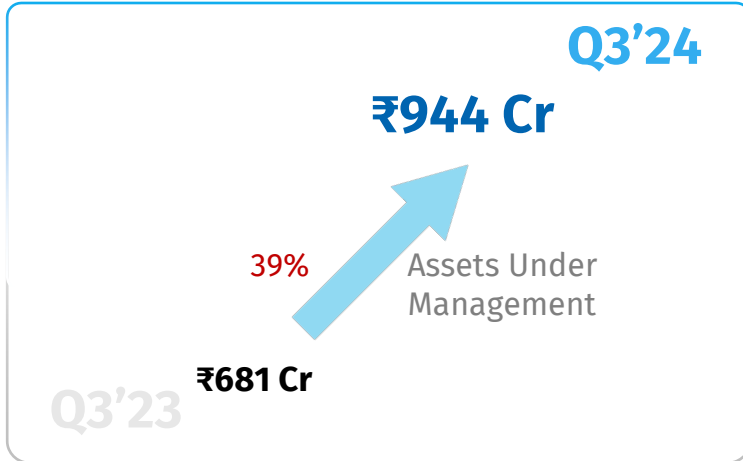
Investor Presentation

Quarterly Business Update

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



Business Growth YoY

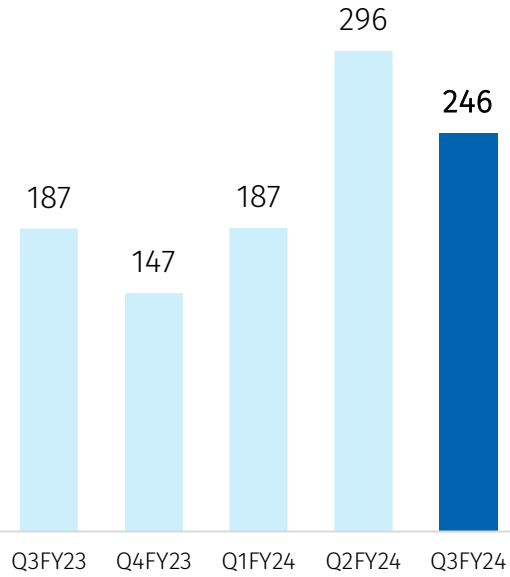


Note: AUM for Q3FY24 includes off-book AUM of ₹ 29 crore.

Loan Book Size

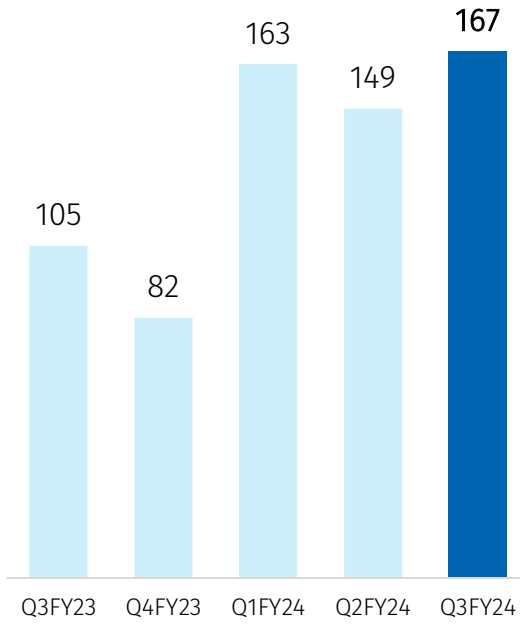
DISBURSEMENTS

(₹ crore) **32%** **-17%**
YOY Change QOQ Change



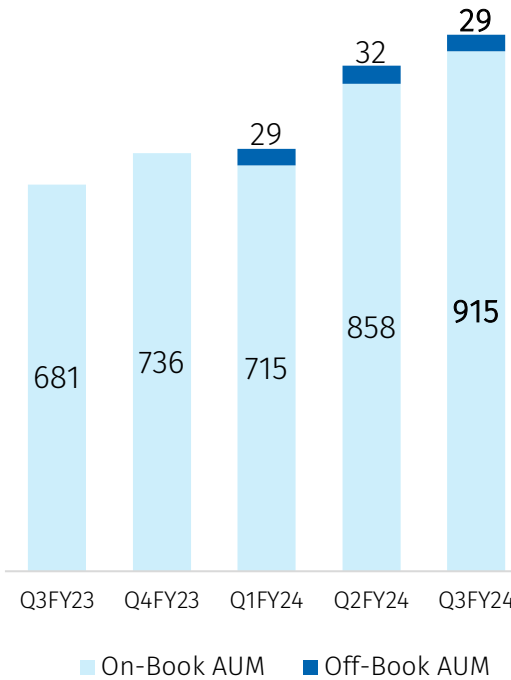
COLLECTIONS

(₹ crore) **12%** **59%**
YOY Change QOQ Change



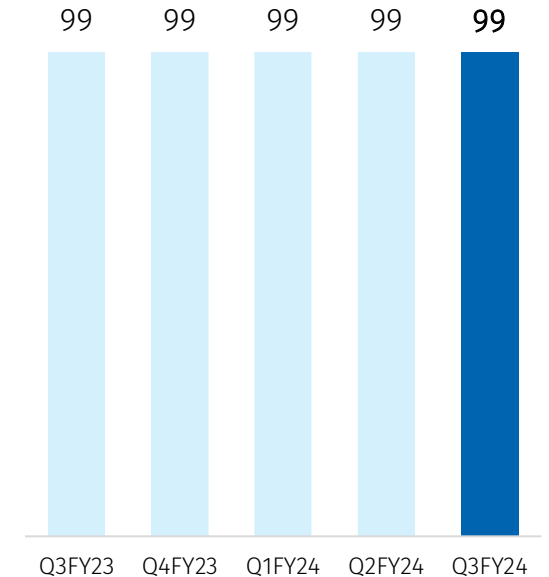
LOAN BOOK

(₹ crore) **34%** **7%**
YOY Change QOQ Change



COLLECTION EFFICIENCY

(%)



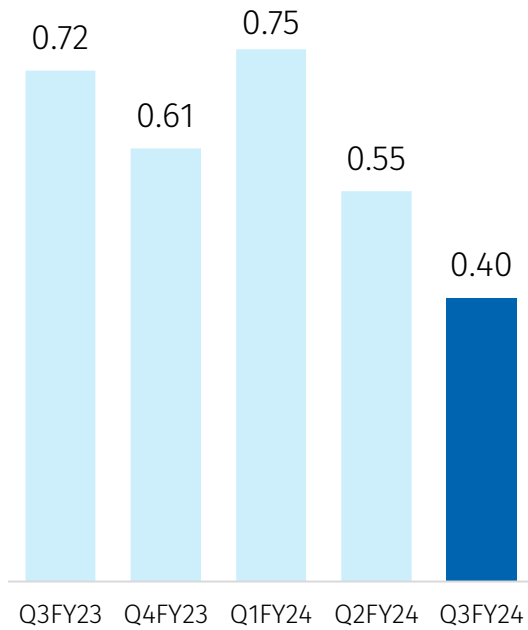
Note: Disbursement lower in Q3 due to lumpiness in Wholesale book. SME Retail disbursements remain robust.

Note: YOY & QOQ change for On-Book AUM

Asset Quality

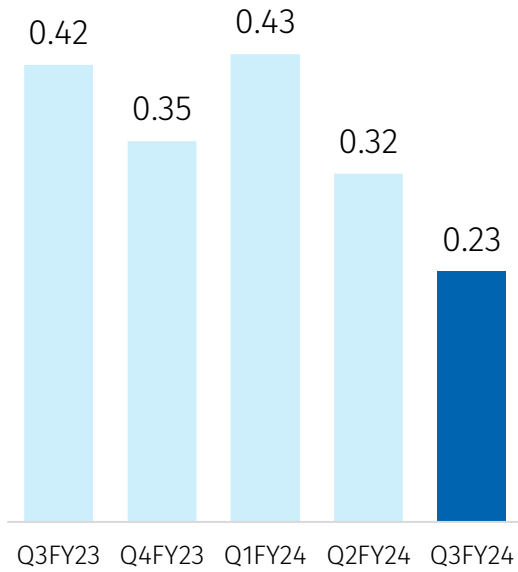
GROSS NPA

(%) **-32 BPS** **-15 BPS**
 YOY Change QOQ Change



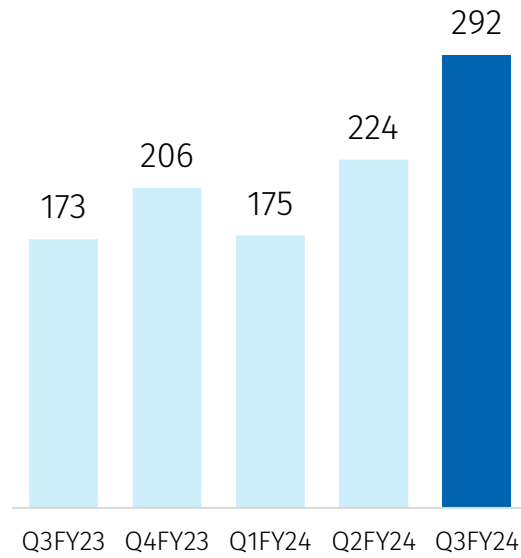
NET NPA

(%) **-19 BPS** **-9 BPS**
 YOY Change QOQ Change



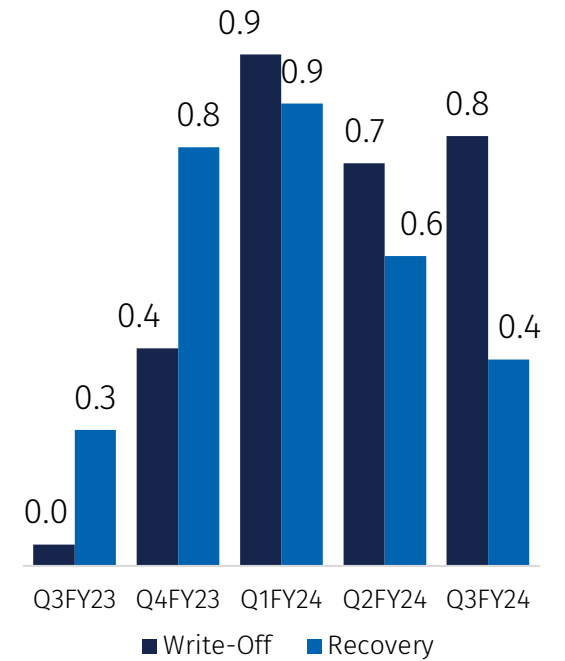
PROVISION COVERAGE RATIO

(%)



WRITE-OFFS & RECOVERIES

(₹ crore)



Asset Quality: Stage Analysis

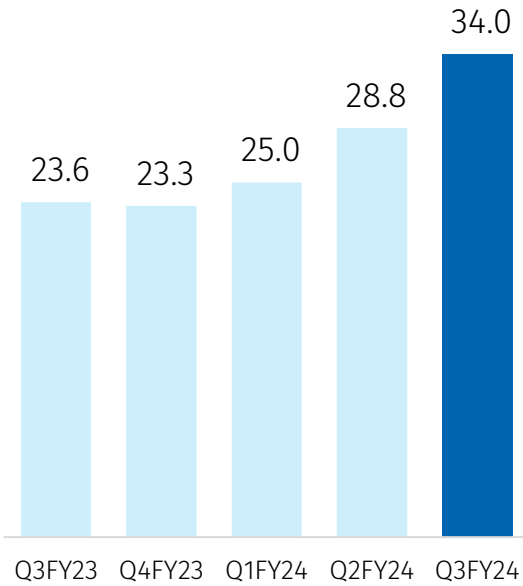
CLASSIFICATION OF ASSETS BASIS THE ECL COMPUTATION AS PER IND-AS:

PARTICULARS	Q3FY23	Q2FY24	Q3FY24
Gross Stage 3 (GNPA)	4.89	4.55	3.67
% portfolio in Stage 3	0.72%	0.55%	0.40%
ECL provision Stage 3	2.08	1.92	1.60
Net Stage 3	2.81	2.63	2.07
ECL Provision % Stage 3	42.47%	42.15%	43.59%
Gross Stage 1 & 2	672.66	829.90	906.77
% portfolio in Stage 1 & 2	99.28%	99.45%	99.60%
ECL provision Stage 1 & 2	6.38	8.29	9.10
Net Stage 1& 2	666.28	821.77	897.67
ECL provision % Stage 1 & 2	0.95%	1.00%	1.00%
Total Assets	677.55	834.46	910.44
% portfolio	100%	100%	100%
ECL Provision	8.46	10.21	10.71
Net Stage	669.10	824.46	899.74
TOTAL ECL Provision %	1.25%	1.22%	1.18%
Provision Coverage Ratio	172.86%	224.14%	291.55%
NET NPA (Only Stage 3 Provision)	0.42%	0.32%	0.23%

P&L Highlights

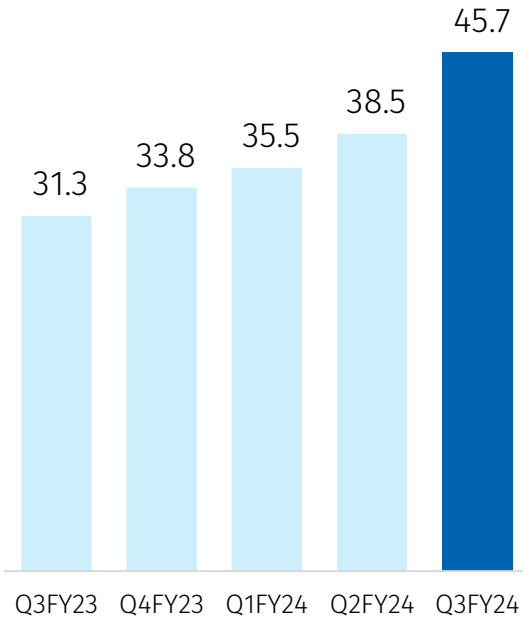
NET INTEREST INCOME

(₹ crore) **44%** **18%**
YOY Change QOQ Change



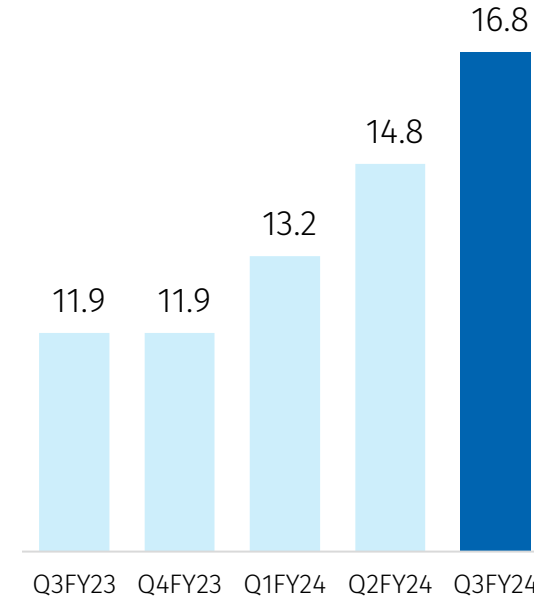
TOTAL INCOME

(₹ crore) **46%** **19%**
YOY Change QOQ Change



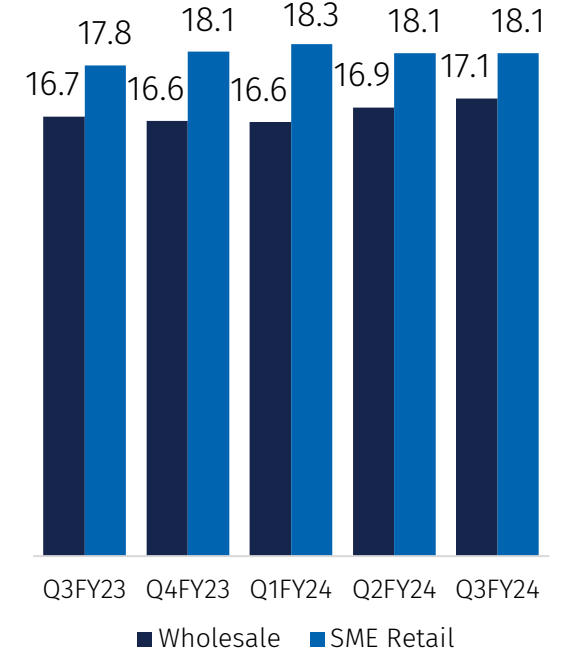
PROFIT AFTER TAX

(₹ crore) **42%** **13%**
YOY Change QOQ Change



YIELDS

(%)

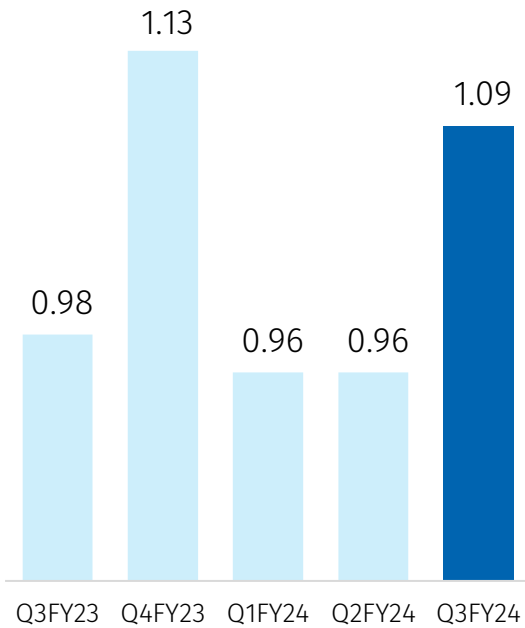


Note: Net Interest Income (NII) = Interest Income + Fees & Commission Income - Finance Costs

Treasury Update

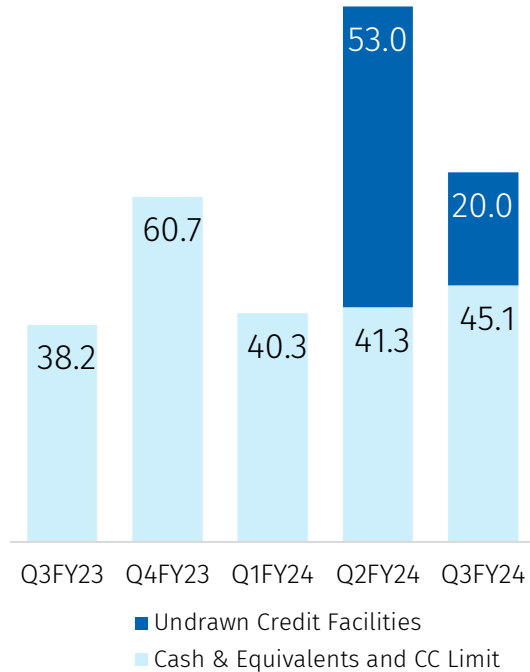
LEVERAGE

(Time)

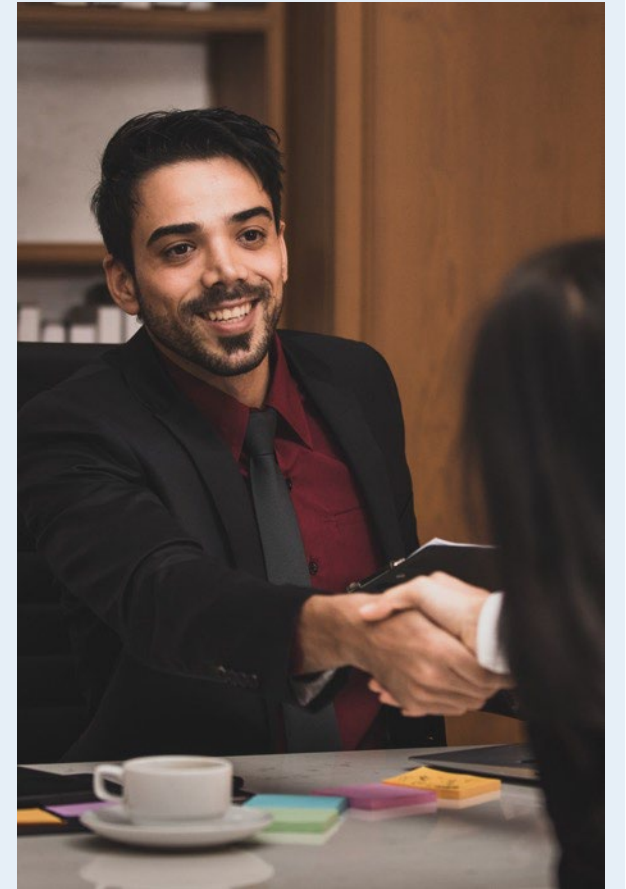


LIQUIDITY

(₹ crore)



- ① The Company has adequate liquidity of ₹ 45.11 crore & ₹ 20 crore as undrawn Credit facilities as on 31st December 2023
- ② The Company has positive ALM across the buckets
- ③ Credit Rating for the Company stands at BBB+ Stable from India Ratings & Research
- ④ The Leverage Ratio is at a comfortable 1.09x as on 31st December 2023 with total outstanding borrowings of ₹ 496.34 crore



Quarterly Financial Snapshot

(₹ crore)

PARTICULARS	Q3FY23	Q2FY24	Q3FY24
Disbursements	186.57	297.37	245.89
Revenue	31.29	38.53	45.65
Interest Income	28.64	33.94	39.46
PBT	15.86	20.25	23.76
PAT	11.85	14.82	16.77
Bad debts written off	0.04	0.74	0.79
Bad debts recovered	0.25	0.57	0.38
Loans and Advances (before ECL provision)	680.69	839.08	914.53
Net Worth	350.42	437.80	456.31
Total Liabilities	356.8	431.42	509.72
Borrowings	348.93	420.66	496.34
Gross NPA (%)	0.72%	0.55%	0.40%
Net NPA (%)	0.42%	0.32%	0.23%
Debt to Equity Ratio	1.00	0.96	1.09
CAR	51.72%	51.03%	48.42%
ROA	6.84%	7.76%	7.67%
ROE	12.83%	13.49%	14.66%
Book Value per share	172.58	195.94	203.39

Operational Updates

NET INTEREST INCOME & PROFITABILITY

- Both NII and PAT have registered a good growth of 18% and 13% QoQ respectively.
- Profitability improved during the quarter due to a higher AUM & fee-based income.
- Total Income growth for the quarter was 19% QoQ and 46% YOY.
- Yields have improved in Wholesale due to pass on of interest cost in new loans and remained flat in SME Retail portfolio.

LENDING PARTNERS

- CSL Finance onboarded a new lender during the quarter – Union Bank and also received additional sanctions from existing lending partners.
- The Company has received total sanctions of ₹94 Cr in Q3 from new & existing lenders
- This takes the total lender count to 21 as compared to 20 last quarter and 6 in the beginning of previous financial year.

TEAM STRENGTH

- Net headcount addition of 39 is on 2 fronts: a) Fleet-on-street in spoke-model virtual branches and b) more personnel in dedicated Suvidha Loans team



LOAN BOOK

- The Loan Book has shown robust growth of 7% QoQ and 34% YoY, reaching ₹915 Cr. AUM including off-book loans is ₹944 Cr. We remain on track to achieve our annual loan book target.
- Loan book growth was supported by healthy disbursements in SME Retail despite some quarterly lumpiness in Wholesale verticals. Overall for 9MFY24, both Wholesale & SME Retail disbursements remain robust.
- The SME Retail: Wholesale mix stands at 47:53 in Q3, compared to 45:55 in Q2. We remain on track to achieve our 50:50 AUM-mix target for FY24.
- Going forward, more thrust will be towards SME Retail & Suvidha Loans, and Wholesale vertical will make disbursements out of its own collections & profits. Focus on Wholesale segment going forward will be on off-book AUM generation via Co-lending, Direct Assignment and Down-sell model.
- Collection efficiency in both the verticals remains robust.
- Subject to market conditions, we are looking at a total branch count of 50-60 by the end of FY25.



- Improving employee and branch level efficiency remains an ongoing activity and a key area of focus, with extensive training and migration programs already undertaken and planned for the coming year as well.

DEVELOPING A FEE BASED INCOME

- The Company is working towards growing its off-book AUM, in both Wholesale & SME Retail, through Direct Assignment (DA) & Co-Lending structures to generate a sustainable fee-based income.
- So far, a total of ₹29 Cr off-book AUM has been accumulated by the Company.
- Off-book AUM and subsequently fee-based income are expected to increase in the coming year.
- The Company can generate an annual fee income of up to 2% of the AUM under Direct Assignment and Co-Lending, without any recourse.

OUTLOOK

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



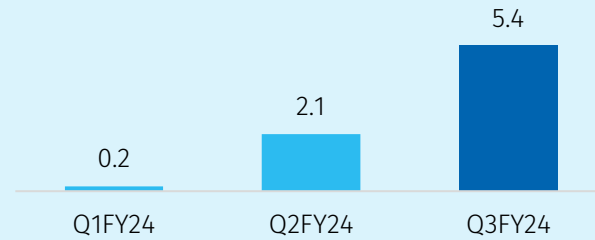
New Product Updates: Suvidha Loans (1/2)

Overview

Company has undertaken the pilot launch of a new product i.e. Suvidha Loans: an inventory funding loan to the steel fabricators of APL Apollo - India's largest structural steel tube company under an exclusive agreement.

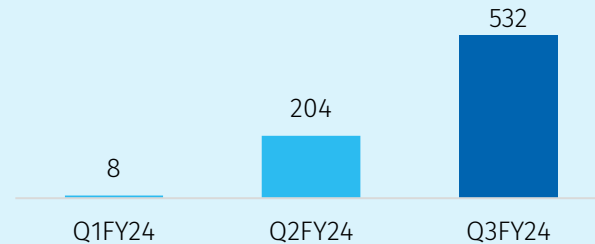
LOAN BOOK

(₹ Crore)



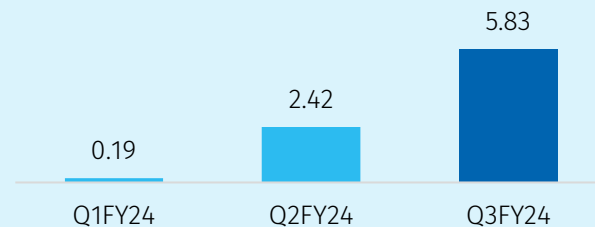
NO. OF DISBURSEMENT

(#)



DISBURSEMENT

(₹ Crore)



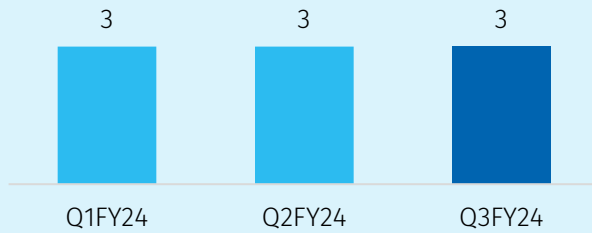
Challenges Encountered So Far

- Given the unique nature of this product, being a combination of personal & supply-chain loan product with a subvention clause, there is no readily available loan platform for Suvidha Loans.
- Initial platform used by CSL Finance was more oriented towards term-loans and thus needed to be improvised.
- Based on its learnings from phase-1, the Company is developing a 2nd version of its existing loan underwriting & origination platform. This new version of this platform is expected to be rolled out within current FY.
- Turn-Around-Time: Given the nature of this product, quicker TAT is a necessity. The Company is working towards optimizing TAT from current <48 hours to <24 hours and <6 hours ultimately. New platform will accelerate this process.
- Dedicated Team: Initially the SME Retail vertical's team was executing this project, however, realizing the different mindset required for this product, the Company had decided to build a dedicated team for this vertical. Current dedicated team strength for Suvidha Loans is 36.
- Due to all of the aforementioned reasons, the full-blown roll-out for this product is lagging by 6-9 months, which is expected to pick up pace from next FY.

New Product Updates: Suvidha Loans (2/2)

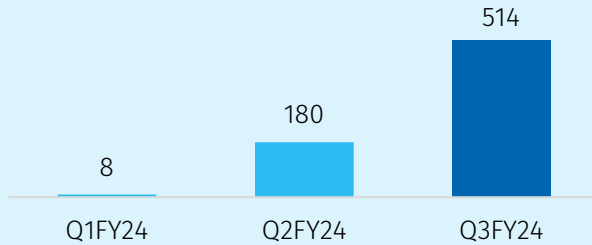
AVERAGE TENURE

(Month)



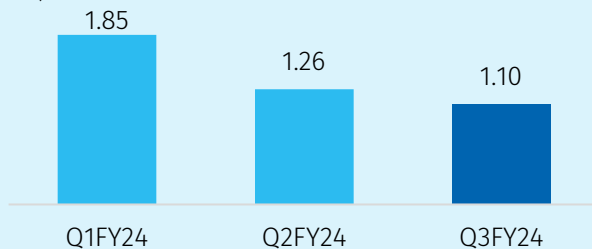
ACTIVE ACCOUNTS

(#)



AVERAGE TICKET SIZE

(₹ Lakh)



Outlook

- Given the short tenure & quick feedback loop of this product, the Company is making necessary improvisations to the product and the platform. With the launch of a new platform scale-up should happen faster.
- Operations can be streamlined further, and usage of initial data generated out of existing accounts can be used for better underwriting in the future.
- By Q3, this product has been launched at all existing CSL branches. From the new FY the Company will be launching dedicated branches & fleet-on-street for Suvidha Loans in the Southern & Western markets – a new territory for the Company & a big market for this product.
- Average ticket size of this product is expected to settle down to ~1 Lakh. Initially it was higher due to a few large accounts.
- Although currently a small fraction of our loan book, this product category has good potential and will be a meaningful part of our total AUM.



Lending Partners

Banks & SFBs



NBFC



5Y Financial Snapshot

(₹ crore)

PARTICULARS	FY20	FY21	FY22	FY23	9MFY24
Disbursements	270.10	433.32	491.10	758.72	730.33
Revenue	60.85	61.67	74.62	117.54	119.65
Interest Income	58.42	59.18	67.66	108.54	104.66
PBT	31.74	39.36	44.98	61.47	62.27
PAT	22.47	27.53	33.68	45.52	44.78
Bad debts written off	0.26	3.88	1.45	0.94	2.47
Bad debts recovered	0.15	0.10	2.33	2.42	1.80
Loans and Advances	310.96	329.55	516.95	735.61	914.53
Net Worth	232.55	259.20	321.68	362.40	456.26
Total Liabilities	99.92	88.33	210.68	416.25	509.72
Borrowings	95.92	82.60	204.16	408.06	496.34
Gross NPA	0.69%	2.11%	1.73%	0.61%	0.40%
Net NPA	0.24%	1.19%	0.96%	0.35%	0.23%
Debt to Equity Ratio	0.41	0.32	0.63	1.13	1.09
CAR	73.16%	81.50%	63.82%	49.88%	48.42%
ROA	6.76%	7.92%	8.45%	6.94%	6.85%
ROE	9.66%	11.20%	12.48%	12.56%	13.09%
Book Value per share	125.65	140.05	155.06	174.79	203.39

About CSL Finance

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



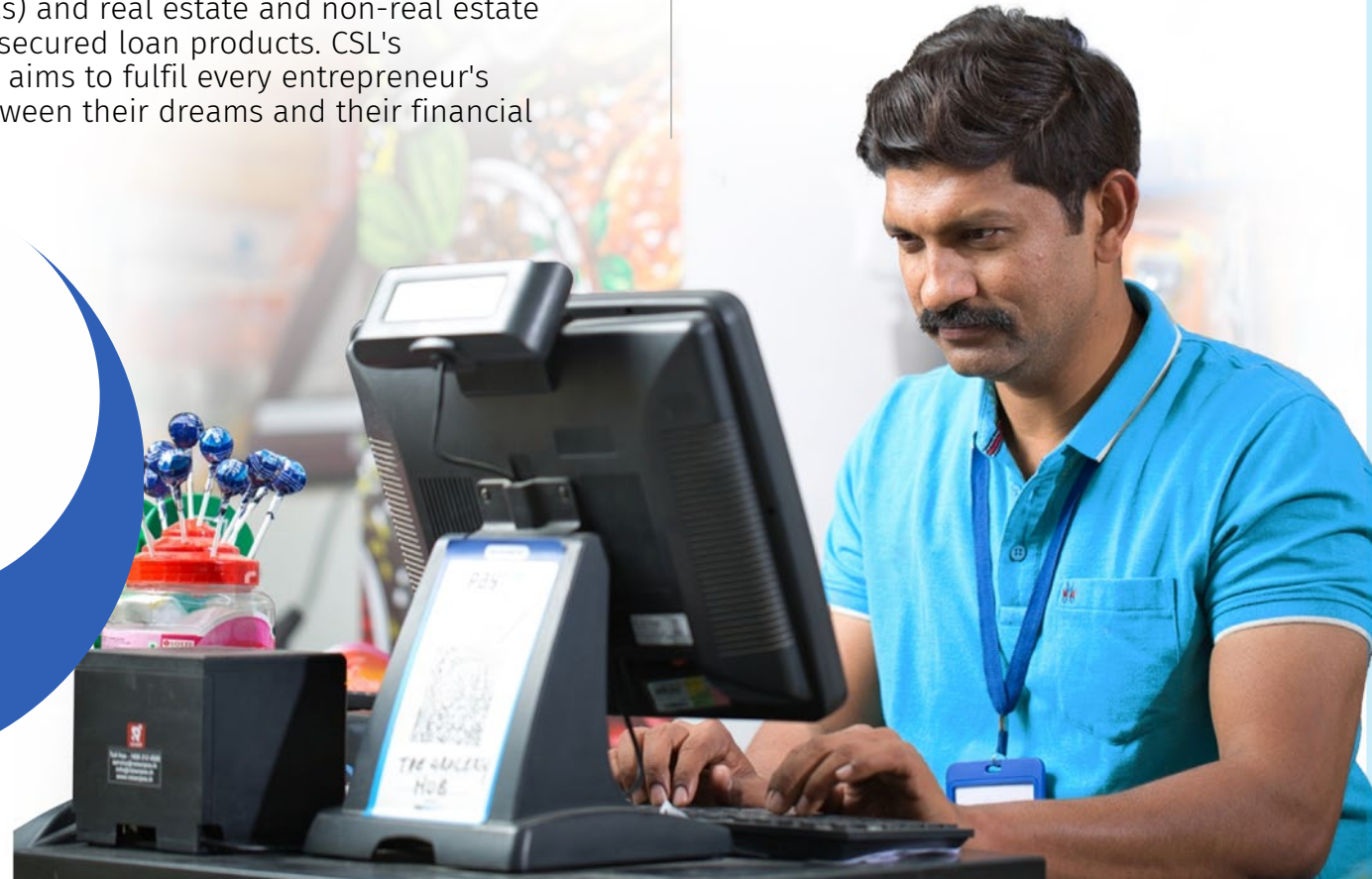
Introduction

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

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



₹944 Crore
AUM



BBB+
Rated

99%
Secured loan book

48%
Superior CAR

15%
ROE

₹456 Cr
Net Worth

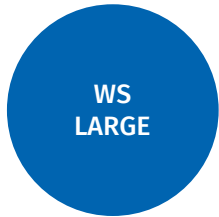
410
Team Strength

As of Q3FY24

Business Verticals & Products



Wholesale



WS
LARGE

Structured loans for Mid Income/ Affordable Group Housing Projects

₹330 crore
AUM

29
Active Accounts

₹17 crore
Average Ticket Size



WS
SMALL

Construction loan given against single plotted projects

₹138 crore
AUM

36
Active Accounts

₹6 crore
Average Ticket Size



WS
OTHER
TERM
LOAN

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

₹30 crore
AUM

7
Active Accounts

₹8 crore
Average Ticket Size



SME Retail



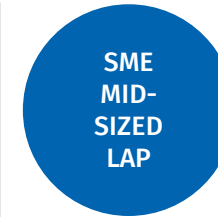
SME
RETAIL

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

₹301 crore
AUM

2,587
Active Accounts

₹13 lakh
Average Ticket Size



SME
MID-SIZED
LAP

Loan against properties for business expansion or working capital finance

₹111 crore
AUM

65
Active Accounts

₹2.8 crore
Average Ticket Size



SME Fabricator Loan



SME
FABRICATOR
LOAN

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

₹5.4 crore
AUM

514
Active Accounts

₹1.1 lakh
Average Ticket Size

WHOLE-SALE

Niche, focused, real estate wholesale book

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

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

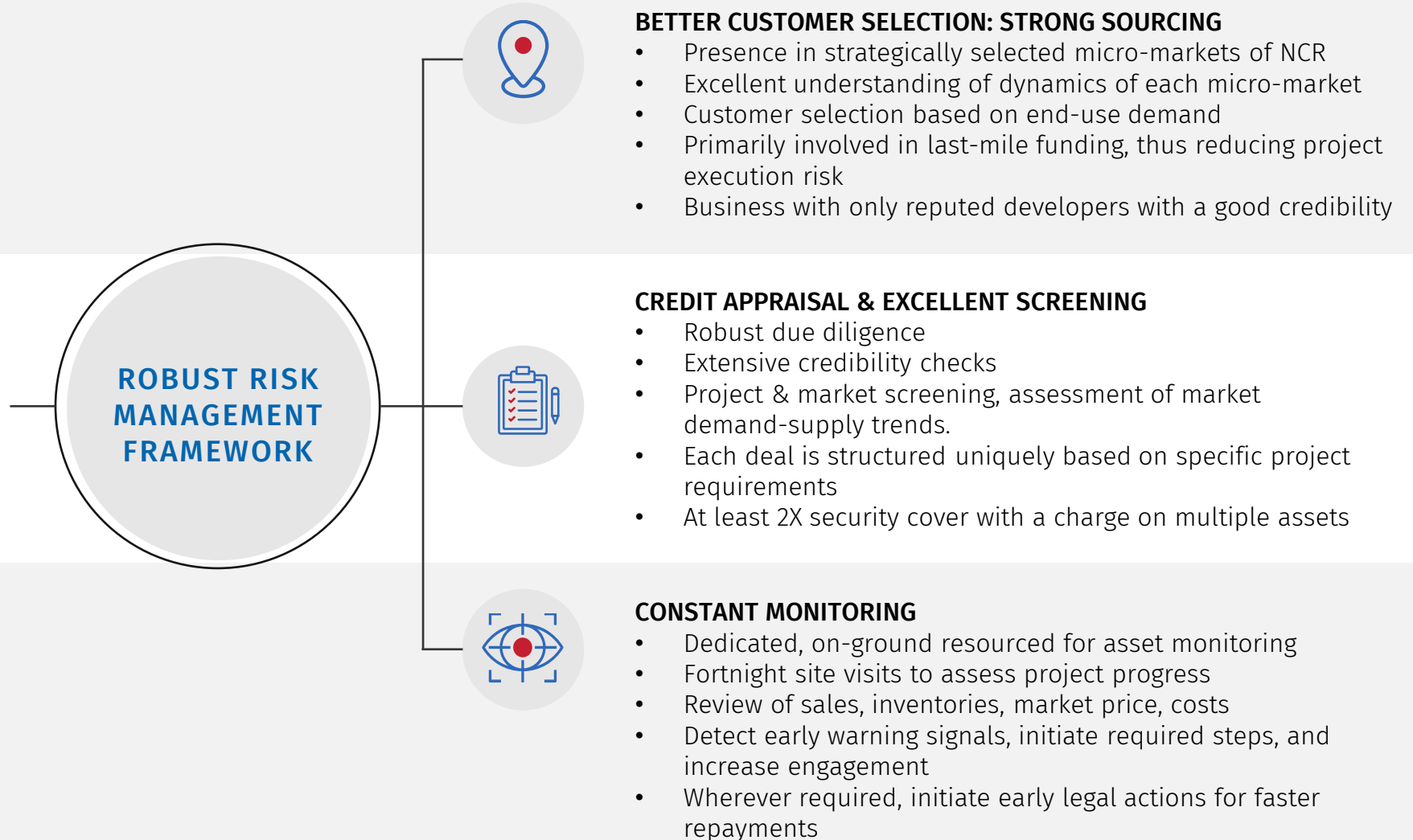
Strength in affordable housing segment

Robust collection framework via escrow accounts

BUSINESS VERTICAL



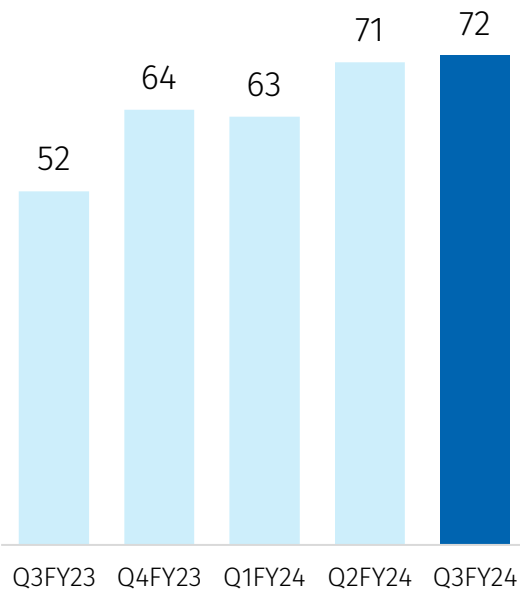
Wholesale (1/2)



Wholesale (2/2)

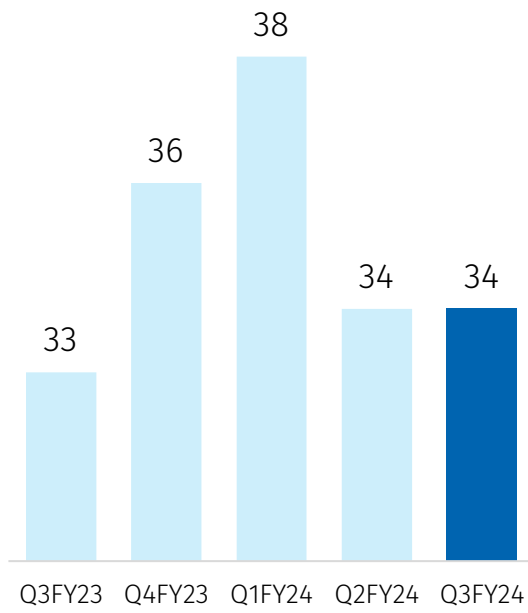
ACTIVE ACCOUNTS

(#)



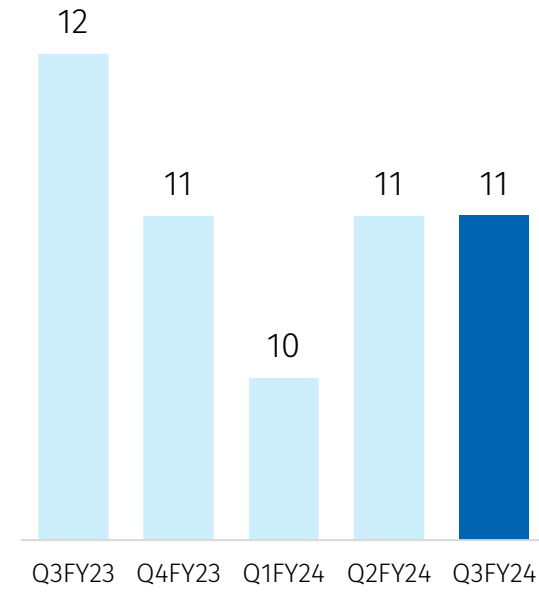
AVERAGE LOAN-TO-VALUE

(%)



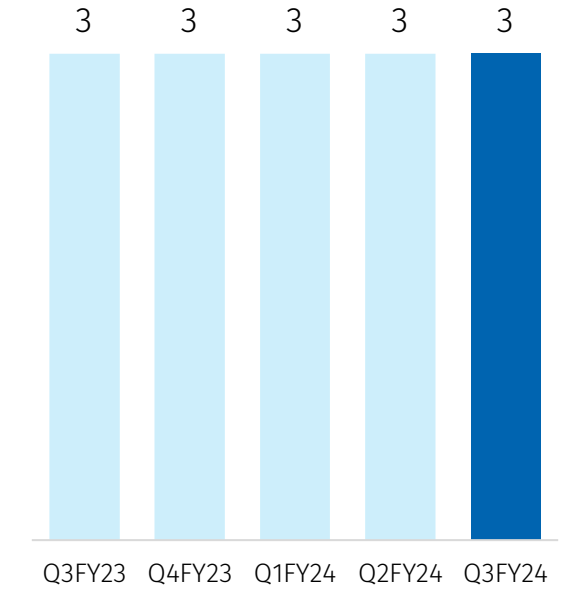
AVERAGE TICKET SIZE

(₹ crore)



AVERAGE TENURE

(Year)



Wholesale Large: Affordable Group Housing

44%

Contribution to
Wholesale
loan book

Salient Features

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

SOLD (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 31.12.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100%	4	62.59	42.53	19%	53.93	11.40	Satisfactory	< 25 Lakhs
80% to 100%	7	117.12	66.72	30%	112.00	45.28	Satisfactory	< 25 Lakhs
< 50%	7	116.00	110.82	50%	110.83	0.01	Satisfactory	< 25 Lakhs
	18	295.71	220.07	100%	276.76	56.69		

Wholesale Large: Mid-Income Group Housing

21%

Contribution to
Wholesale
loan book

Salient Features

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

COMPLETION (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 31.12.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT	AVERAGE TICKET SIZE
100% (Completed)	2	25.50	7.42	7%	7.42	0.00	Satisfactory	< 60 Lakhs
90% to 100% (Nearing Completion)	2	13.00	3.01	3%	10.33	7.32	Satisfactory	< 60 Lakhs
> 70%	4	95.80	55.50	50%	80.82	25.32	Satisfactory	< 60 Lakhs
< 50%	3	55.00	44.22	40%	49.18	4.96	Satisfactory	< 60 Lakhs
	11	189.30	110.14	100%	147.75	37.61		

Wholesale Small: Small Builders

28%

Contribution to
Wholesale
loan book



Salient Features

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

COMPLETION (%)	CASES (#)	SANCTION (₹ CR)	POS AS ON 31.12.23	AUM (%)	POS AS PER REPAYMENT SCHEDULE	PRE-PAYMENT RECEIVED	ACCOUNT CONDUCT
Completed (100%)	1	7.85	4.27	3%	7.15	2.88	Satisfactory
More than 70%	16	95.31	42.90	31%	72.85	29.96	Satisfactory
50% to 70%	6	27.95	20.12	15%	24.02	3.90	Satisfactory
Less than 50%	13	89.90	70.66	51%	71.87	1.21	Satisfactory
	36	221.01	137.94	100%	175.89	37.95	

SME RETAIL

BUSINESS VERTICAL

Target market:
Unbanked & underserved

Using alternative data instead of
conventional scorecards

Swift loans and ease of application

Small & flexible ticket sizes

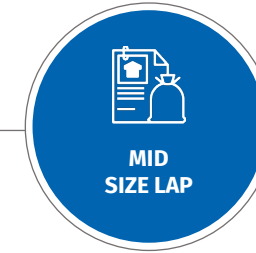
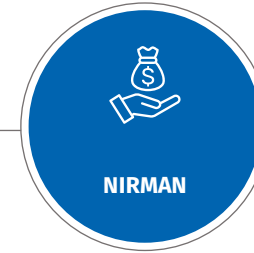
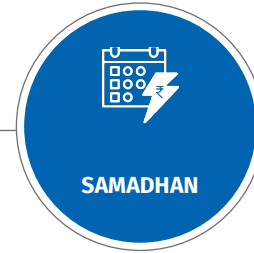
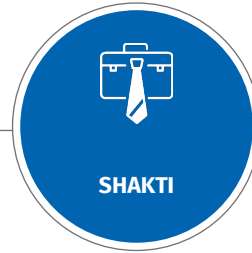
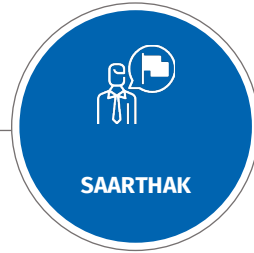
Achieving efficiency through
digital transformation

Focused on secured lending book
(99%)



SME Retail (1/5)

PRODUCTS



Loan Amount

**₹2-7.5
Lakhs**

**₹5-10
Lakhs**

**₹7.5- 25
Lakhs**

**₹25-50
Lakhs**

**₹35-50
Lakhs**

**₹1-5
Crores**

**₹0.5-5
Lakhs**

TENOR (In Years)

3-4

5-6

7

7-8

7

2-3

45-90 Days

Target Customer

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

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

Small entrepreneur, traders, manufacturers etc, as a working capital loan to improve or multiply its business

Immediate working capital requirement to support client's urgent business needs at mid-level

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

Loan against properties for business expansion or working capital loans

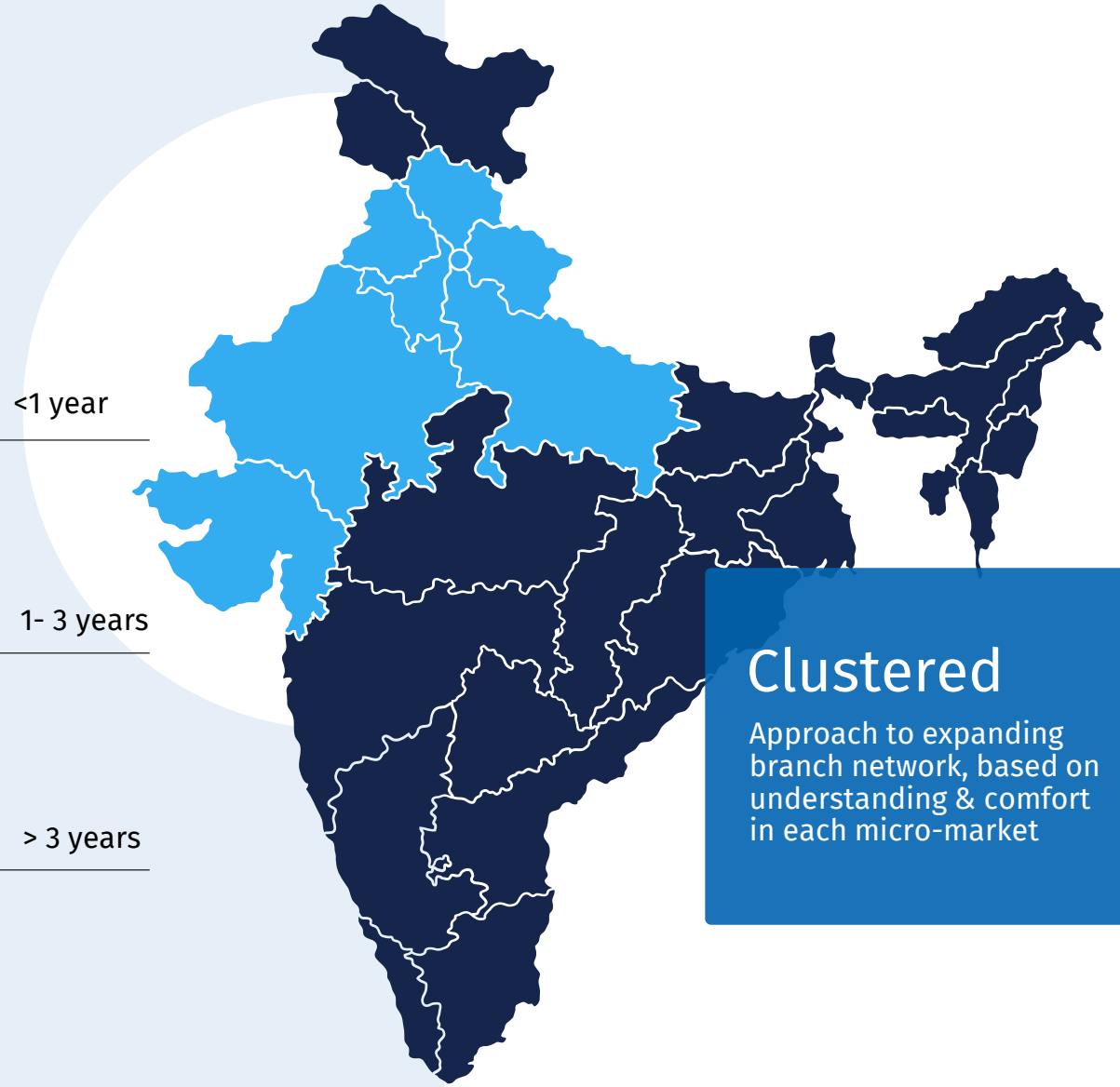
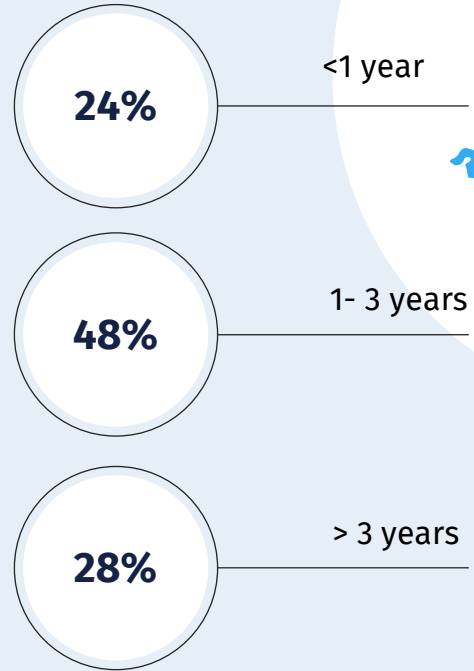
Purchase invoice based unsecured loan product, with quick disbursement within 24-48 hours and varied repayment types

SME Retail (2/5)

PRESENCE



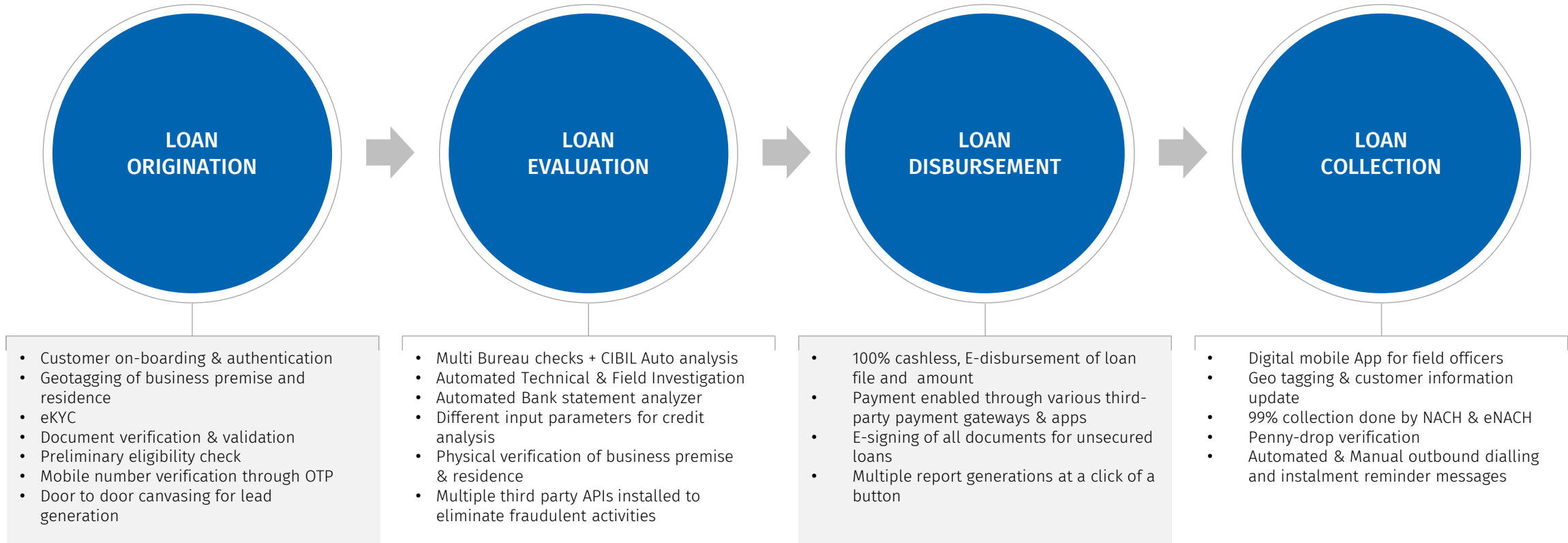
BRANCH AGEING



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

SME Retail (3/5)

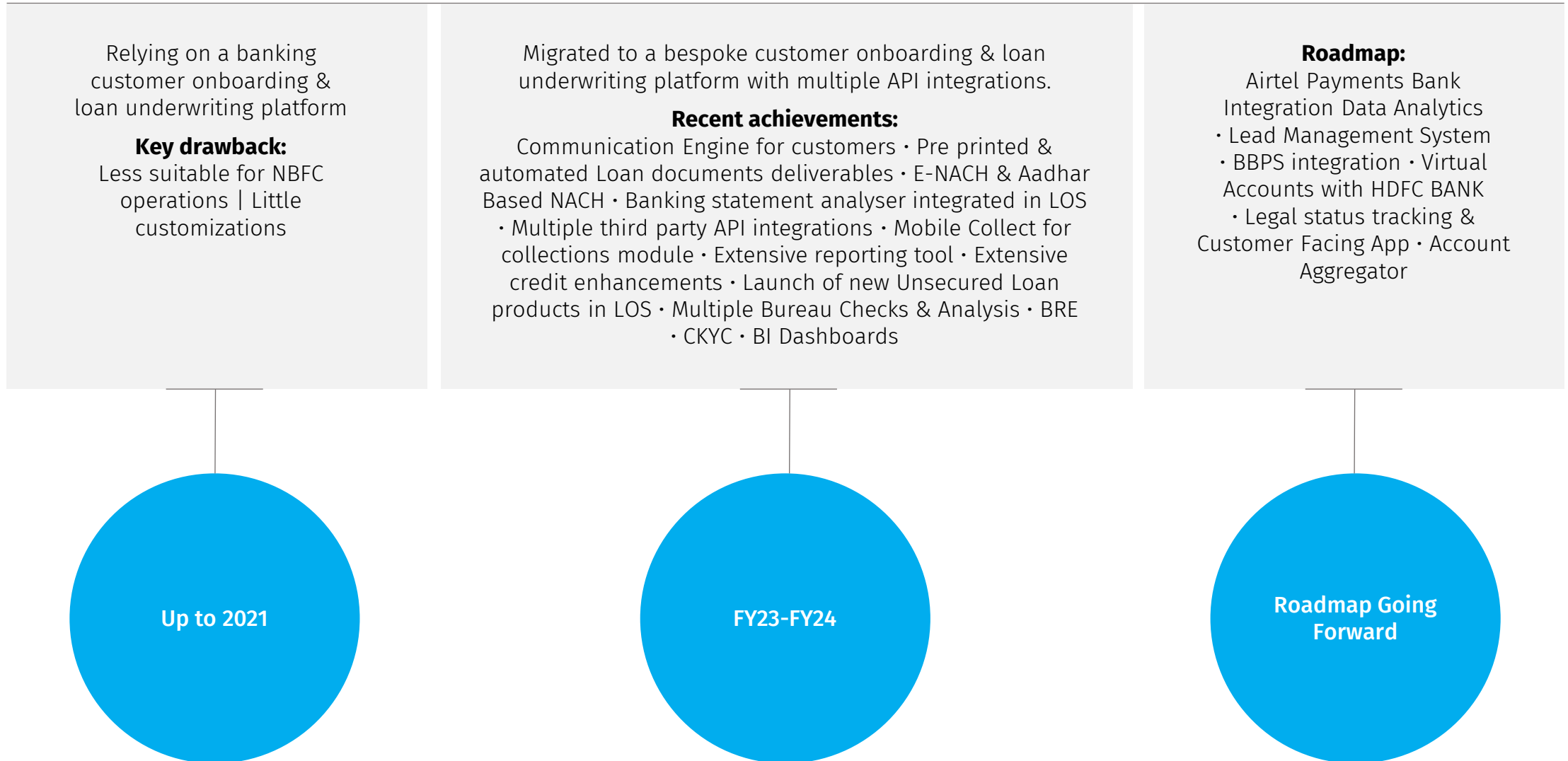
AUTOMATING WORKFLOW TO IMPROVE EFFICIENCY



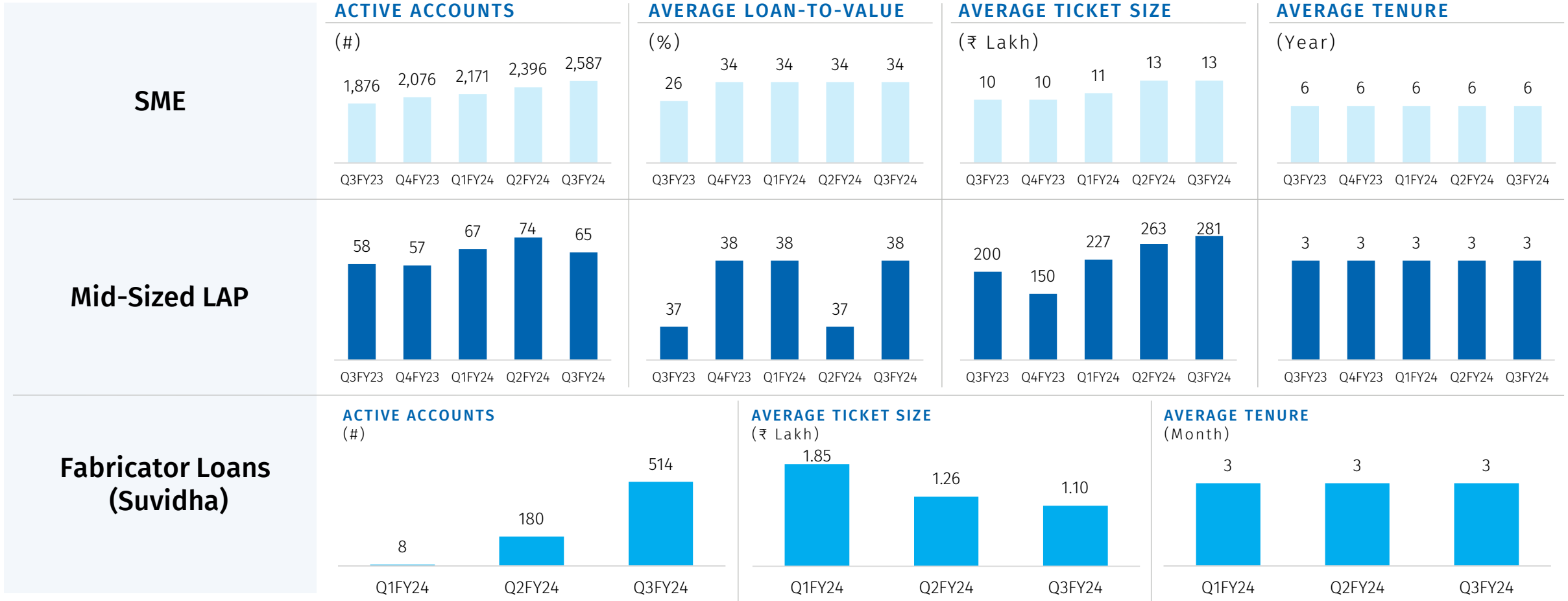
OTHER INITIATIVES

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

SME Retail (4/5)



SME Retail (5/5)



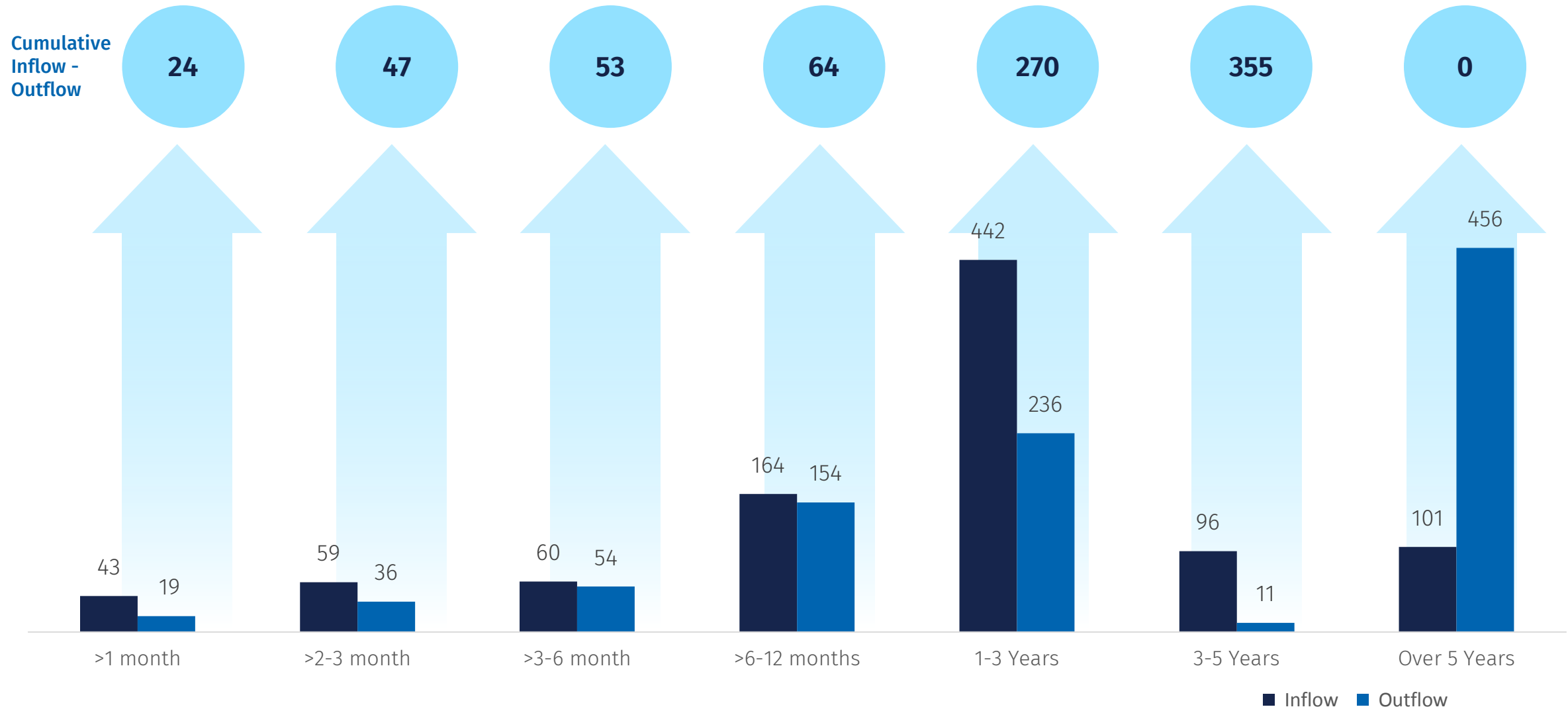
Note – From Q4FY22 onwards, the Company has reclassified Mid Sized LAP in SME Retail, from earlier Wholesale.

Prudent Risk Management

- ➔ Well Managed ALM
- ➔ Conservative Leverage Standards

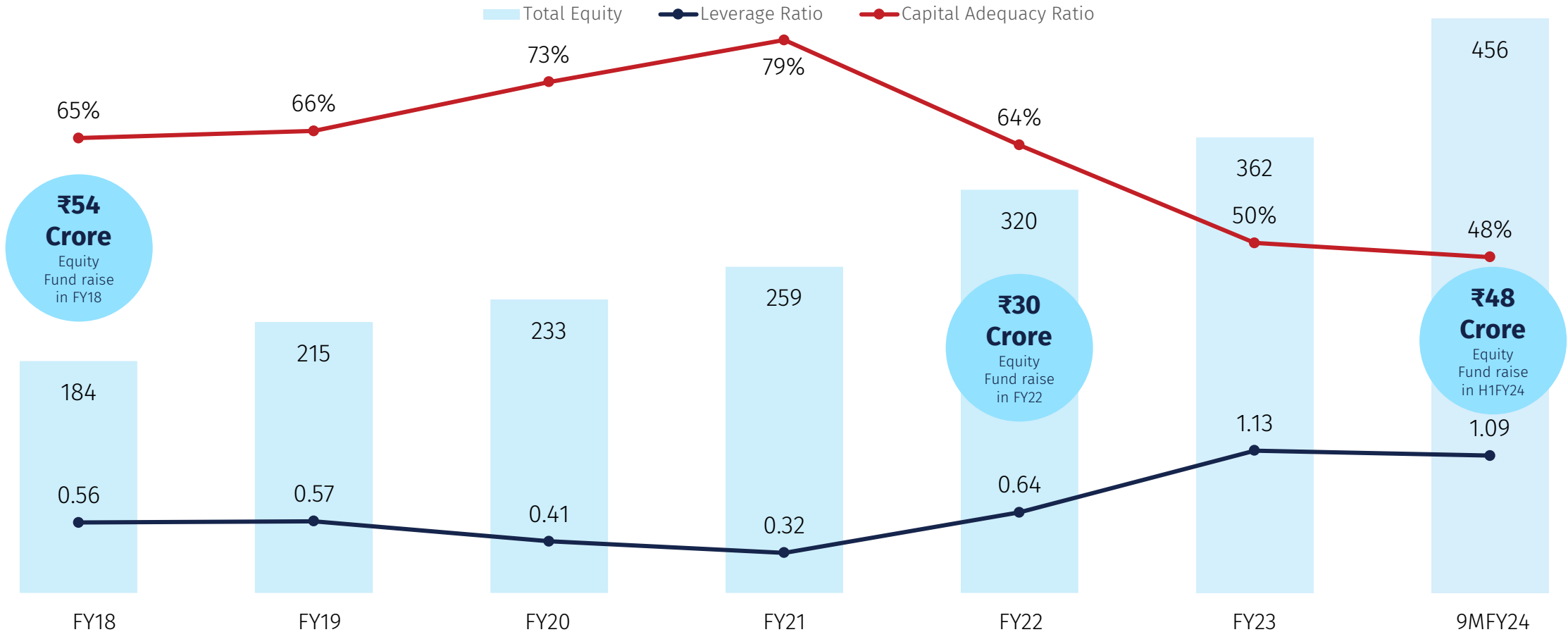


Well Managed ALM



Conservative Leverage Standards

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



Leadership

- ➔ Board of Directors
- ➔ Leadership Team



Board of Directors

Rohit Gupta
Managing
Director



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

Rachita Gupta
Whole-time
Director



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

Ashok Kathuria
Director



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

Parmod Bindal
Independent
Director



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

Subhash Chand 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.






Ayussh 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

<p>Rohit Gupta Managing Director</p>  <p>28+ 18+</p>	<p>Rachita Gupta Whole-time Director</p>  <p>8+ 7+</p> <p><i>Ex – Ernst & Young</i></p>	<p>Amit Ranjan Chief Operating Officer</p>  <p>19+ 3+</p> <p><i>Ex – Karvy Financials, Save Financial Services, HSBC Bank, ICICI Bank, Deutsche Bank</i></p>	<p>Naresh Varshney Chief Financial Officer</p>  <p>35+ 12+</p> <p><i>Ex – RR Finance Consultants, Centrum Capital & Unicorn</i></p>	<p>Atul Agrawal President – Finance & Treasury</p>  <p>20+</p> <p><i>Ex - Paisalo Digital, SMC Finance</i></p>	<p>Chandan Kumar Wholesale Credit Head</p>  <p>16+ 5+</p> <p><i>Ex – PNB Housing, HDFC, SIB</i></p>	<p>Ranjan Banerjee Zonal Credit Head SME</p>  <p>20+ 2+</p> <p><i>Ex - TATA Capital, Hinduja Leyland Finance, Shriram City Union Finance</i></p>
<p>Nikhil Singh VP Business Operations & Business Analytics</p>  <p>18+ 2+</p> <p><i>Ex - ICICI Bank, HDFC Bank, Ziploan, Eduvanz and Save Financial Services</i></p>	<p>S.B. Tiwari Chief Manager Accounts</p>  <p>25+ 20+</p>	<p>Shalini Aggarwal VP Finance</p>  <p>8+ 4+</p>	<p>Saurabh Priyadarshini Head Legal</p>  <p>10+ 2+</p>	<p>Hariom Kumar AVP HR</p>  <p>17+ 5+</p> <p><i>Ex – Ujjivan Financial Services</i></p>	<p>Preeti Gupta Company Secretary</p>  <p>8+ 2+</p>	<p>Neeraj Bhati ZCM</p>  <p>14+</p> <p><i>Ex - Edelweiss Housing Finance, Indusind Bank, RBL Finserve and Muthoot Finance</i></p>

Strategy

- ➔ Strategic Priorities
- ➔ Key Takeaways



Strategic Priorities

Credit rating upgrade

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

Rationalisation of portfolio

- The Company aims to rationalise its portfolio in favour of SME Retail vertical, to de-risk itself from being present in only one business vertical, achieve more granularity in the loan book, and have better access to funds.
- It is on track to rationalise the portfolio from Wholesale: SME Retail mix of 53:47 in Q3, to 50:50 by end of FY24.
- Going forward SME Retail vertical will remain the key growth driver for the Company.

Optimising branch performance

- The Company is working towards growing its SME Retail loan book, and AUM per branch, AUM per employee, to achieve better branch-level profitability.
- Branch reorganisation & new openings are happening in a clustered manner to achieve better results.
- Company is planning new branch on strategic geographies within its existing clusters.
- Locations strategically placed on Mumbai-Delhi Expressway, Delhi-Uttaranchal Belt, Delhi-Punjab GT Road Belt are expected to be bustling with economic activity. CSL plans to tapping these Tier-2 & Tier-3 locations with its branch expansion.
- Subject to market conditions, the Company aims to take total count to 50-60 branches by end of FY25.

Leveraging technology to strengthen operations

- The Company is working towards strengthening its customer onboarding & loan origination through multiple API integrations
- Integration of various modules & functions is a continuous process

Focusing on adding competencies

- CSL has recently added its first unsecured loan product for steel fabricators in association with APL Apollo Group.
- The Company is working towards deploying a 2nd version for its Suvridha Loan product by the end of current FY - a dedicated platform for its unsecured fabricator loans
- Once platform is stabilised, the Company will be rolling out dedicated branches & fleet-on-street for this product in Western & Southern markets

Key Takeaways

01**Well Capitalised**

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

02**BBB+ Rated**

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

03**Delivering AUM growth after consolidation**

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

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

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

05**Strong Risk Management DNA**

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

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