

August 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 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 BSE Script Code: 530067
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Sub: Annual Report for the Financial Year 2023-24

Dear Sir/Ma'am,

In compliance with the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith a Copy of the Annual Report for the proposed 32nd Annual General Meeting of the Company for the FY 2023-24 which has been circulated to the shareholders through electronic mode.

The Annual Report is also hosted on the website of the Company [at www.csloffice.in](http://www.csloffice.in).

This is for your kind information and record.

Thanking You.

Yours Faithfully,

For **CSL Finance Limited**

PREETI
GUPTA
Digitally signed
by PREETI GUPTA
Date: 2024.08.29
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Preeti Gupta
(Company Secretary & Compliance Officer)

Encl: A/a

Poised for Growth.



Poised for Growth.

In the ever-evolving landscape of finance, CSL Finance stands tall as a beacon of resilience, innovation, and unwavering growth. Our journey through FY24 has been nothing short of extraordinary, marked by significant milestones and a renewed focus on expansion.

Building on the momentum of FY23, we've not only embraced success but propelled ourselves into a new era of opportunity. Our steadfast commitment to risk management and strategic conservatism during uncertain times has laid a robust foundation for today's growth-oriented approach.

“ The convergence of our internal strengths - honed through years of focused efforts on team & talent, strengthening underwriting & process refinement, and most importantly technological & digitisation initiatives - with a favourable macro environment has created the perfect combination for CSL Finance's ascent.

Our recent credit rating upgrade serves as a testament to our financial prowess and opens new avenues for ambitious growth.

As we stand at this pivotal juncture, we're not just content with our current success. We are actively exploring new horizons - be it innovative products, untapped customer segments, or newer markets. At CSL Finance, we're not just adapting to change; we are driving it.

This annual report is a celebration of our journey - from building resilience to unleashing growth. It's a story of transformation, ambition, and the pursuit of excellence. As we turn the page to this exciting new chapter, we invite you to join us in our mission to redefine the future of finance.

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.

FY24 was an excellent year for CSL Finance

Financial Highlights

₹1,030 Crores

AUM

↑ 38%

₹926 Crores

Loan Book

↑ 26%

₹473 Crores

Net Worth

↑ 30%

₹167 Crores

Total Income

↑ 42%

₹120 Crores

Net Interest Income

↑ 36%

₹63 Crores

Net Profits

↑ 39%

13%

Return on Equity

Best in last 5 years

1.06x

Leverage Ratio

Conservative Leverage

0.44%

Gross NPA

Best-ever

Business Highlights

2,941*

Active Loan Accounts

↑ 34%

A- Stable

Highest-Ever Credit Rating

↑ 36%

421

Team Strength

↑ 64%

4%

Shift of AUM-Mix in Favour of SME Retail

Highest-Ever AUM-Mix of SME Retail

*Excluding Suidha Accounts

Inside

Corporate Overview

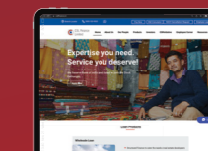
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For more information visit website - www.csloffinance.in



Empowering Financial Inclusion of Small Businesses

Established in 1992, CSL Finance Limited (CSL Finance) is a Non-banking Finance Company (NBFC). Over the years, the Company has evolved into a one-stop-shop for the financing needs of Small and Medium-sized Enterprises (SMEs) and real estate and non-real estate corporates. With a growing focus on serving the unbanked and underbanked small business community, CSL Finance has built a comprehensive product portfolio catering to the diverse capital needs of small businesses.

CSL's growing focus is towards serving the underbanked and unbanked small business community, offering a comprehensive range of products tailored to meet the unique capital requirements of small businesses. By leveraging alternative data and meticulously built underwriting methods, CSL Finance provides swift and accessible loans with a seamless application process.

Enabling financial inclusion:

63% AUM of SME Retail vertical is from non-Urban locations

Its products are designed to be flexible and adaptable, available in small ticket sizes, and delivered through a Phygital model that combines technology and a growing branch network across its target markets.

The Company operates through two primary business verticals: SME Retail Lending and Wholesale Lending. These verticals offer a wide array of secured loan products that bridge the gap between business aspirations and financial needs. The commitment of its experienced professionals and the vision of its leadership have enabled CSL Finance to continue growing and strengthening its position in the market.

The CSL Way is built on a foundation of extensive domain knowledge, a focused approach, and a commitment to customer comfort. Our business model is designed to provide swift and effortless financial assistance to our customers, leveraging technology and a growing branch network to ensure maximum accessibility.



Approach

Domain Expertise

We have developed a deep understanding of our markets, products, and customers, enabling us to create tailored financial solutions with robust risk management.

Focused Strategy

We operate within our circle of competence, concentrating on establishing a dominant presence in our target markets and staying true to our domain expertise.

Customer-Centric

We prioritise customer comfort, offering multiple channels of access and striving for swift disbursements through technology and our branch network.

Technology-Driven

We harness technology to enhance credit decisioning, reduce loan processing time, and continuously improve our lending models.

Healthy Businesses

We focus on supporting SMEs with good cash flows, profit margins, and business vintage, who lack access to traditional financing sources due to under documentation.



Strengths

Customer Satisfaction

Our swift and flexible loan disbursement process, with minimal physical documentation, ensures our customers receive the financial assistance they need to achieve their goals.

Employee Excellence

Our team comprises individuals with deep domain knowledge, who are upskilled and empowered to provide exceptional service. We foster an environment of empathy, capability, and responsibility.

Market Insight

With over two decades of experience, we have developed in-depth knowledge of the small business lending and real estate lending markets. This expertise enables us to design products that cater to every customer's needs.

Robust Risk Management

We conduct comprehensive market research, ensuring a thorough understanding of market dynamics and associated risks. Our team works together to mitigate project risks and build structured approaches for each deal.

Healthy Work Culture

We believe in continuous upskilling and staying updated with the latest technologies and trends. CSL ensures growth opportunities for all its employees.

Workplace Culture

CSL Finance has solidified its reputation as a preferred employer in the industry by placing the well-being and professional growth of its employees at the forefront. This commitment to fostering a collaborative and supportive work environment has allowed the Company to attract and retain good talent, who are crucial in driving its ongoing success. As a testament to its unwavering dedication, CSL Finance has been honoured with the esteemed 'Great Place to Work' recognition, further enhancing its brand reputation in the job market.



CSL's Scale

₹1,030 Crores
AUM

₹926 Crores
Loan Book

₹473 Crores
Net Worth

₹1,052 Crores
Disbursements

A- Stable
Recently Upgraded Credit Rating

99%
Secured Loan Book

7 states
Presence

13%
Return on Equity

421
Team Strength

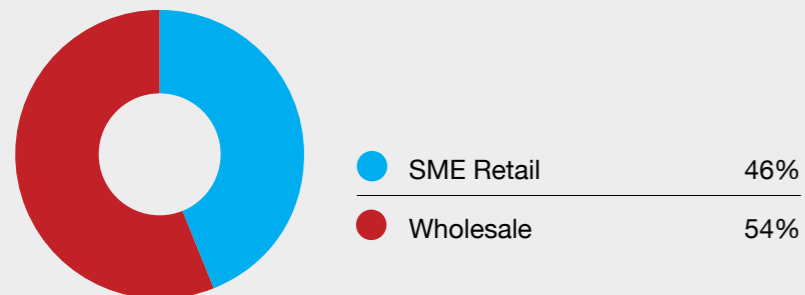
2,900+
Satisfied Borrowers*

52%
Superior CAR

29
Branches

*Excluding Suvridha Loan Customers

AUM Mix



100%
In-house sourcing & collections



Growing & Diversified Portfolio of Lending Partners

23

Lenders onboarded compared to 15 a year ago

Bank & SFB



NBFC

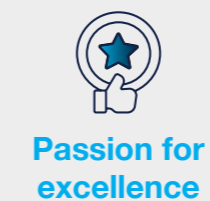


CSL's Ambition

To establish ourselves as a trusted lender with a sustainable business model, we have set the following ambitious goals for ourselves. Leveraging our tenacity, strategic planning, effective execution, and value-creation capabilities, we are confident of achieving these objectives in the coming years.

- 1 Adopting a customer-centric approach that genuinely values customer needs and strives for their satisfaction, particularly by bridging the financial inclusion gap for small businesses.
- 2 Establishing ourselves as a formidable player in select niche target segments, backed by robust domain knowledge.
- 3 Developing a cost-efficient and profitability-focused business model that prioritises superior asset quality.
- 4 Building a sustainable business that consistently delivers an improving Return on Equity (RoE) above the industry average.
- 5 Providing financial services to unbanked and underserved small businesses and entrepreneurs, while exploring cross-selling opportunities.
- 6 Expanding geographically through a clustered approach, focusing on in-depth understanding and comfort in each micro-market.
- 7 Strategically introducing new products to bridge demand-supply gaps in the markets, creating a defined niche for ourselves and a competitive edge in these markets.

Organisation Ethos





EVOLUTION OF CSL FINANCE

Transitioned to its Niche

CSL Finance Limited has undergone an evolution over the years to find its niche in the lending space. From its initial focus on secured lending to small and mid-sized corporates, to later expanding its offerings to include real estate developers, to ultimately the inception of its SME Retail lending business that marked a significant turning point for the Company. Through its journey, CSL Finance has demonstrated its ability to adapt and evolve, leveraging its expertise and experience to build a robust and sustainable business model.

CSL's Evolution Stages

Lending to small & mid-sized corporates

Expanding customers segments to include real estate developers

Foray into SME Retail vertical

Establishing SME Retail as the mainstay

Key Milestones

2003

Registered as an NBFC with the Reserve Bank of India

2010

Forayed into secured lending to small & mid-sized corporates

2015

Expanded customer segments to lend to real estate developers based in NCR and crossed ₹100 Crores in AUM

2016

Raised sizable debt of ₹120 Crores for the first time

2022

Crossed ₹500 Crores in AUM & ₹100 Crores in SME Retail AUM with 22 operational branches and raised ₹30 Crores in equity

2019

Rejigged operations within SME Retail vertical to improve processes, products, lending modules, augment management bandwidth and infrastructure

2018

Established 12 SME Retail branches, and marked presence in Rajasthan

2017

Forayed into SME Retail lending vertical and raised ₹54 Crores in equity

2022

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

2023

Crossed ₹700 Crores in AUM, raised ₹49 Crores in equity, and launched its first unsecured loan product i.e. Suvidha

2024

Crossed **₹1,000 Crores** in AUM with **29** operational branches





PHYGITAL OPERATIONS MODEL

CSL's Physical-Digital Synergy

CSL Finance's phygital model is an ingenious approach that seamlessly integrates the power of physical presence through its growing network of branches with a robust technology & digital model. This contemporary strategy leverages physical presence to generate business and technology to automate workflows, enhance efficiency, and provide unparalleled customer experiences.

Key Cornerstones of CSL's Phygital Model

1 Growing Branch Network

Our branch network is strategically expanded through a clustered approach, focusing on in-depth understanding, domain knowledge, and comfort in each micro-market. This approach enables us to strengthen underwriting, better serve our customers, and establish a strong presence in target markets.

2 Hub-and-Spoke Expansion

We are working towards a hub-and-spoke model to expand our geographical presence. This involves initially establishing a fleet on the street and a digital branch in the initial business development stage, followed by the opening of a standard physical branch once we are established in the market.

3 Custom-Built Digital Platform

Our custom-built platform is used for the entire lifecycle of the loan, from digital customer onboarding to loan origination, evaluation, disbursement, and collection. This platform ensures a seamless and efficient experience for our customers. Further it enables effective loan management and has crucial data & analytics applications.

4 Continuous Digital Transformation

We are constantly working towards improving efficiency through digital transformation and enhancements. This includes continuous API integration, perpetual enhancements in our credit decisioning module, and the implementation of Business Rule Engine (BRE) for automating deviations as per policies.



Growing Branch Network

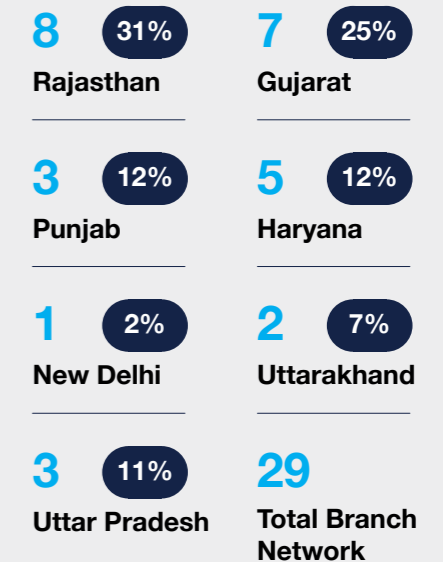
Our growing branch network currently comprises 29 branches across 7 states of India, **with a roadmap to double the branch count in the next two financial years.** Our branch reorganisation and new openings are happening in a clustered manner to achieve better results.



Clustered

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

Branches



■ AUM Distribution (in %)

3 branches

Net addition in FY24

2X branch count

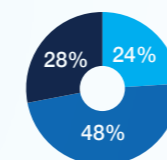
Double branch count in coming 2 financial years

2,814

SME Retail loan accounts

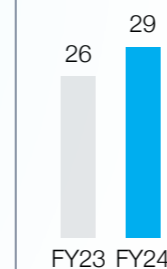
↑ 36% YOY

Branch Ageing

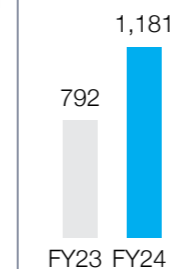


■ <1 year
■ 1-3 years
■ >3 years

Branch network (#)



AUM per branch: SME (in ₹ lakh)



Further, for our further branch addition, we are strategically placing emphasis on branches in locations expected to be bustling with economic activity, such as the Mumbai-Delhi Expressway, Delhi-Uttarakhand Belt, and Delhi-Punjab GT Road Belt. These Tier-2 and Tier-3 locations will be tapped through our branch expansion.

**PHYGITAL OPERATIONS MODEL****Integrating Technology and Digital Initiatives**

At CSL Finance, we recognize the importance of embracing technology and digital initiatives to drive operational efficiency. Our ongoing efforts focus on leveraging technology to automate underwriting processes, streamline onboarding, and expedite loan disbursement. To ensure a seamless integration of digital initiatives in our operations, we have been committed to investing in comprehensive team training and development across multiple functions.

Our customer-centric approach involves strengthening our onboarding and loan origination processes through strategic API integrations, a continuous process that enhances our overall customer experience. Furthermore, we are dedicated to deploying enhanced versions of our existing lending platforms, expanding our competencies, and introducing new loan products. This growth is made possible by our increasing technological capabilities, which have become an integral part of our organisational framework.

Tech roadmap for coming year includes:

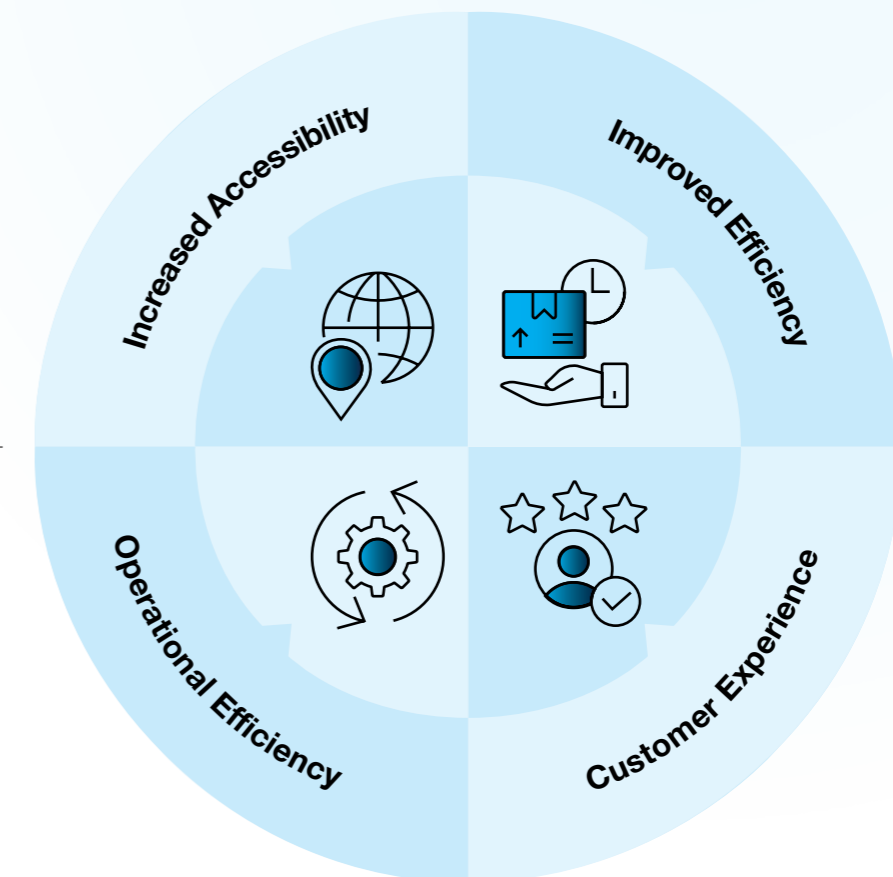
- 1 **Version 2 of the Suvidha Loan Platform**
- 2 **Implementing a new LMS for Wholesale Vertical**
- 3 **Airtel Payments Bank Integration**
- 4 **Data Analytics Initiatives**

“ Our ongoing efforts focus on leveraging technology to automate underwriting processes, streamline onboarding, and expedite loan disbursement.

**Benefits of CSL's Phygital Model**

The phygital model allows us to reach a wider customer base, and judiciously expand our geographical presence.

By leveraging technology, we have reduced loan processing time and enhanced the overall customer experience.



The phygital model helps us to automate workflow, optimise costs, reduce fraudulent activities, reduce turnaround time, and achieve greater efficiency in our operations.

Our phygital model interacts with customers through multiple touchpoints, including physical, virtual or a mix of both, ensuring a more intuitive and personalised financial solutions ecosystem.

**BUSINESS VERTICAL: SME RETAIL LENDING**

Bridging Credit Gap for Small Businesses

Our SME Retail vertical is committed to bridging the financial gap for underserved and unbanked small businesses i.e. **SMEs** and **MSMEs** by providing **secured, collateralised loan products**.

₹433 CroresSME Retail AUM
(including MSL)**33% LTV**Focused on secure loans with
nearly 3x asset cover**18%**

Average Yield

2,869

Active Accounts

We adopt an innovative approach that incorporates alternative data points, going beyond traditional credit scoring methods. This enables us to consider a broader range of factors, including business performance, cash flow management, and business tenure, when underwriting loans. Following a rigorous evaluation process that leverages alternative data and meticulous collateral assessment, we offer flexible, small-ticket loans tailored to the specific requirements of these businesses.

This vertical primarily serves SMEs operating in key sectors such as healthcare, agriculture, fast-moving consumer goods (FMCG) trading, small-scale industries, and steel fabrication. Additionally, we extend our lending services to salaried professionals who have limited access to core banking services, thereby promoting greater financial inclusion. Notably, 63% of our AUM in this vertical come from non-urban locations, underscoring our commitment to driving financial inclusivity.



Our focus on quality collateral has ensured that 91% of our collateral is self occupied residential property (SORP).





BUSINESS VERTICAL: SME RETAIL LENDING

Bespoke Products for Every Need

Products



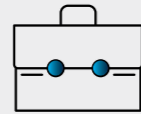
PRAGATI

Target Customer

Providing loans to primarily women who may be lacking access to traditional banking services, and this loan can help integrate them into the formal financial system and empowering them economically

**₹2-5
Lakhs**
Loan Amount

7
Years



UNNATI

Target Customer

Provides working capital to small business set up who operates to manage day-to-day expenses and has seasonal cash flow gaps. Our loans provide the necessary financial support for growth, stability, and operational efficiency, thereby fostering long-term success and contributing to broader economic development

**₹5-10
Lakhs**
Loan Amount

7
Years



SAARTHAK

Target Customer

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

**₹5-10
Lakhs**
Loan Amount

5-6
Years



SHAKTI

Target Customer

Small entrepreneurs, traders, manufacturers etc. as a working capital loan to improve or grow their business

**₹7.5-25
Lakhs**
Loan Amount

7
Years



NIRMAN

Target Customer

Balance transfer of loan against properties (LAP) along with top-up for semi-skilled or skilled self employed, proprietorship or partnership firms for working capital purposes

**₹35-50
Lakhs**
Loan Amount

7
Years



SAMADHAN

Target Customer

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

**₹25-50
Lakhs**
Loan Amount

7-8
Years



MID SIZE LAP

Target Customer

LAP for business expansion or working capital loans

**₹1-5
Crores**
Loan Amount

2-3
Years



FABRICATOR LOAN

Target Customer

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

**₹0.5-5
Lakhs**
Loan Amount

45-90
Days

Key Differentiators

- 1 Target market: serving the unbanked and underserved
- 2 Using alternative data instead of conventional scorecards to underwrite loans
- 3 Completely digital customer onboarding
- 4 Swift disbursement of loans and ease of application
- 5 Achieving efficiency through digital transformation
- 6 Small and flexible ticket sizes
- 7 Focused on secured lending book (99%)
- 8 Quality collateral (91% is SORP)
- 9 Promoting financial inclusion (63% AUM from non-Urban locations)

5-year Performance Trend

Average LTV (%)



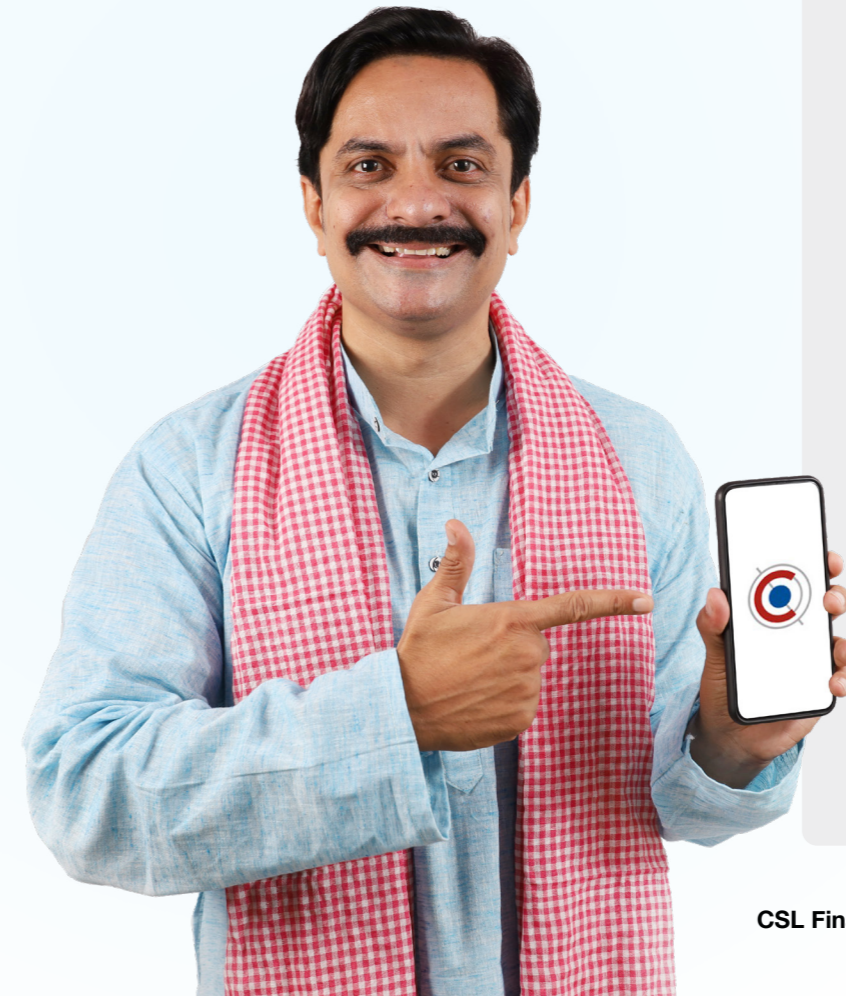
Average ticket size (₹ lakh)



Average tenure (years)



Active accounts (numbers)





BUSINESS VERTICAL: WHOLESAL LENDING

Bespoke Financing Solutions

Our Wholesale Lending division specialises in providing bespoke loan solutions to real estate developers in the NCR region.

Our Wholesale Lending division specialises in providing bespoke loan solutions to real estate developers involved in both group housing and single-plotted projects in the NCR region. These loans are secured by collateral tied to the projects under development or to be undertaken by the developers, leveraging our in-depth domain expertise of NCR and all its micro-markets.

Our loan offerings are categorised into Affordable Group Housing, Mid-Income Group Housing, and Small Builder Floors (G+4 buildings), each designed to address the specific needs of these diverse projects. To minimise project execution risk, we prioritise funding

projects where promoters have made significant capital commitments, often providing last-mile funding to mitigate project execution risks. Additionally, we have a robust collection framework in place, supported by escrow account mechanisms. Each deal in the Wholesale lending portfolio is structured uniquely based on project-specific requirements.

Following loan disbursement, we implement a rigorous and continuous monitoring mechanism, supplemented by dedicated on-ground resources for asset monitoring. This further reduces project execution-related risks, and supports our risk management framework.

₹518 Crores

Wholesale AUM

33% LTV

Focused on secure loans with nearly 3x asset cover

17%

Average Yield

72

Active Accounts



**BUSINESS VERTICAL: WHOLESALE LENDING****Tailored to Different Real Estate Projects****1****WS LARGE**

Structured loans for mid-income and affordable group housing projects

**Mid-income group housing projects**

- Last-mile funding of mid-income group housing projects
- Located in the NCR region
- Committed receivables are 3x of existing PoS
- Average ticket size of units is under ₹60 lakh

Affordable group housing projects

- Projects approved under the Affordable Housing Policy of the Haryana Government
- Time-linked payment
- Committed receivables are 3x of existing PoS
- Average ticket size of units is under ₹25 lakh

₹17 Crores

Average ticket size

₹333 Crores

AUM

31

Active Loan Accounts

64%

Contribution to the Wholesale AUM

2**WS SMALL**

Structured loans for small builder floors

**Small builder projects**

- Tenure of these loans is under 36 months
- Small builder floors are G+4 floor structure buildings
- Located in South Delhi & Gurugram micro-markets of NCR region
- Regulatory compliances are minimal as these projects don't fall under RERA compliances

- Risk of non-completion of projects is minimal
- Construction cost is a small part of these projects
- Feedback loop is fast and demand-supply corrects quickly

₹7 Crores

Average ticket size

₹151 Crores

AUM

36

Active Loan Accounts

29%

Contribution to the Wholesale AUM

3**WS OTHER TERM LOAN**

Loan against SORP or SOCP properties and loan against securities and deposits which are highly liquid

**₹10 Crores**

Average ticket size

5

Active Loan Accounts

₹34 Crores

AUM

7%

Contribution to the Wholesale AUM

Key Differentiators

- 1 Niche and focused real estate wholesale book
- 2 Focus on projects with decent capital contribution by promoters or last-mile funding
- 3 Focused on secured lending book (100% of the book)
- 4 Built on in-depth expertise of NCR and all its micro-markets
- 5 Strength in the affordable housing segment
- 6 Proactive project monitoring post funding
- 7 Robust collection mechanism in place via escrows

CSL's Risk Management Framework**1 Better customer selection**

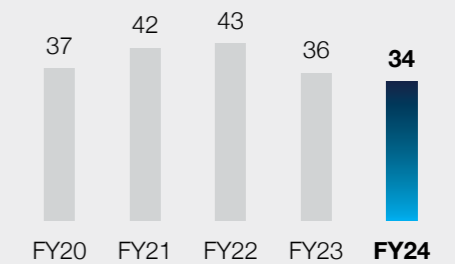
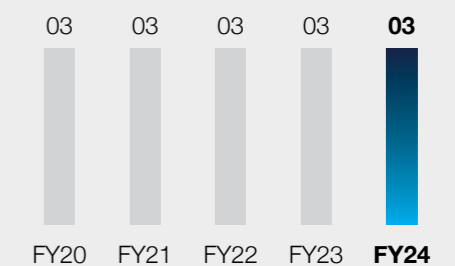
- Presence in strategically selected micro-markets of NCR
- Excellent understanding of dynamics & demand-supply situation of each micro-market
- Customer selection based on end-use demand
- Primarily involved in last-mile funding, thus reducing project execution risk
- Engaging only with reputed developers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

2 Credit appraisal and excellent screening

- Robust due diligence
- Extensive credibility checks
- Project and market screening, assessment of demand-supply trends
- Each deal structured uniquely based on specific project requirements
- At least 2x-3x security cover with charges on multiple assets

3 Constant monitoring

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

5-year Performance Trend**Average LTV** (%)**Average ticket size** (₹ Crores)**Average tenure** (years)**Active accounts** (numbers)



BOARD OF DIRECTORS

Strategic
Stewardship**Rohit Gupta****Managing Director**

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 organisations in developing and executing 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 its foray into SME lending. He is a qualified Chartered Accountant.

Board Committee Keys

C Chairman **M** Member**A** Audit Committee**N** Nomination & Remuneration Committee**S** Stakeholders' Relationship Committee**C** Corporate Social Responsibility Committee**M** Management Committee**Subhash Chand Kwatra****Independent Director**

Subhash Chand Kwatra 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.

**Ashok Kumar Kathuria****Director**

Ashok Kumar Kathuria has been associated with the Company since its inception. He has served the Company as a Director since 2005 and has experience managing backend 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.

**Rachita Gupta****Whole-time Director**

Rachita Gupta 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 and corporate branding. She played a vital role in the rollout of the Technology platform for the retail

lending segment as well as other departments of the Company. In addition, she has been a critical person in driving the various MIS reports, setting up the Marketing and CSR departments of the Company and playing a key role in HR, Strategic Decisioning and Investor Communication.

**Parmod Bindal****Independent Director**

Parmod Bindal has been a practising Chartered Accountant 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 the Steel Authority of India from 2015 to 2019.

**Ayushh Mittaal****Independent Director**

Ayushh Mittaal 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.



CORPORATE GOVERNANCE FRAMEWORK

Our Governance Architecture

Overview

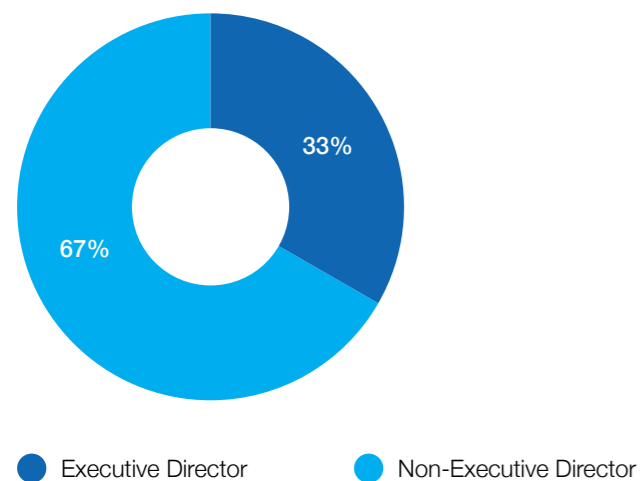
CSL Finance is committed to maintaining high standards of corporate governance to create and enhance long-term sustainable value for its stakeholders. The Company's governance framework is designed to ensure transparency, accountability, and ethical business practices.

Key contours of CSL Finance's corporate governance framework are:

Composition and Independence of BOD

CSL Finance's Board of Directors comprises a balanced mix of Executive and Non-Executive Directors, including Independent Directors. As of FY24, the Board consists of six directors: 2 Executive Directors (1 Managing Director and 1 Whole-Time Director) and 4 Non-Executive Directors (3 of whom are Independent Directors). This composition ensures a diversity of skills, experience, and perspectives, which is crucial for effective governance and strategic decision-making.

BOD Composition



Board Committees

CSL Finance has constituted several committees to focus on specific areas of governance and ensure efficient resolution of diverse matters, and focused attention on critical governance areas, such as risk management, audit, and stakeholder relations. These committees include:

- 1 Audit Committee**
Oversees financial reporting, internal controls, and audit processes.
- 2 Nomination & Remuneration Committee**
Manages board composition, director appointments, and remuneration policies.
- 3 Stakeholders' Relationship Committee**
Addresses shareholder grievances and ensures effective communication with stakeholders.
- 4 Corporate Social Responsibility (CSR) Committee**
Monitors CSR activities, effective deployment of CSR funds and ensures compliance with statutory requirements.
- 5 Management Committee**
Handles day-to-day operational decisions and certain strategic initiatives.
- 6 Information Technology Strategy Committee**
Focuses on IT governance and cybersecurity.
- 7 Asset Liability Management Committee**
Assists in Balance Sheet planning, avoiding asset-liability mismatch, and strategic management of interest & liquidity risks.
- 8 Risk Management Committee**
Develops and monitors risk management policies and frameworks.

Transparent & Proactive Investor Communication

CSL Finance places priority on maintaining transparency and fostering trust with its investors. The Company engages in proactive investor communication to keep stakeholders well-informed about its business operations & updates, strategic initiatives, and overall business outlook. This commitment to transparency is reflected in the various communication channels and practices employed by CSL Finance.

- | | |
|--|---|
| 1 Quarterly Investor Presentations | 2 Proactive Communication and Meetings |
| 3 Bi-Annual Earnings Conference Calls | 4 Detailed Business Updates through Annual Reports |

Judicious Distribution of Profits

CSL Finance is committed to creating collective value for all its shareholders. A key aspect of this commitment is the judicious distribution of profits, which ensures that the benefits of the Company's financial success are shared equitably among its shareholders.

To that extent, CSL Finance has a strong track record of regular dividend distribution, reflecting its commitment to rewarding shareholders.

Uninterrupted dividends

announced for the 8 financial years

The Company has maintained uninterrupted dividend payments for the last eight financial years, demonstrating resilience and consistency regardless of external economic conditions. The Company believes in striking a balance between reinvesting profits for business growth while judiciously distributing dividends to shareholders. This strategy supports sustainable long-term value creation for all stakeholders.

Performance Evaluation

CSL Finance conducts an annual performance evaluation of the Board, its committees, and individual directors. This evaluation covers various aspects such as board composition, effectiveness, and the quality of information flow between management and the Board. The results of these evaluations are used to identify areas for improvement and enhance overall governance practices.

Compliance and Disclosures

CSL Finance is committed to complying with all applicable regulations and disclosing accurate and timely information to its stakeholders. The Company adheres to the requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant laws. Regular compliance reports are reviewed by the Board to ensure adherence to statutory obligations.

CSL Finance's corporate governance framework is robust and aligns well with the best practices followed by leading Indian corporates, including large private sector financial institutions. The Company's commitment to **ethical business practices, transparency, and accountability ensures sustainable value creation** for all its stakeholders.

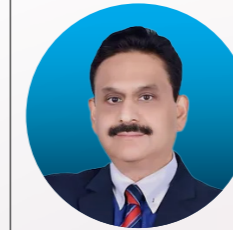
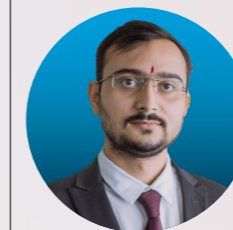




LEADERSHIP TEAM

CSL's Catalysts
of Growth**Rohit Gupta**
Managing Director**29+**
Work Experience | **13+**
Years at CSL**Rachita Gupta**
Whole-time Director

Ex - Ernst & Young

7+
Work Experience | **6+**
Years at CSL**Amit Ranjan**
Chief Operating OfficerEx - Karvy Financials,
Save Financial Services,
HSBC Bank, ICICI Bank,
Deutsche Bank**24+**
Work Experience | **3+**
Years at CSL**Naresh Varshney**
Chief Financial OfficerEx - RR Finance
Consultants, Centrum
Capital & Unicorn**36+**
Work Experience | **9+**
Years at CSL**Atul Agarwal**
President - Finance &
TreasuryEx - Paisalo Digital,
SMC Finance**21+**
Work Experience | **<1**
Year at CSL**Amit Kaul**
President - ITEx - SBI Global Factors,
IFCI Factors, Bibby
Financial Services**33+**
Work Experience | **<1**
Year at CSL**Chandan Kumar**
Wholesale Credit HeadEx - PNB Housing,
HDFC, SIB**22+**
Work Experience | **5+**
Years at CSL**Deepak Sood**
President SME (North)Ex - Regional Head
of Delhi, AU Small
Finance Bank**27+**
Work Experience | **<1**
Year at CSL**Prashant Kumar**
ZCM SMEEx - ICICI Bank, Axis Bank,
DHFL**17+**
Work Experience | **<1**
Year at CSL**Neeraj Bhati**
ZCM SMEEx - Edelweiss Housing
Finance, Indusland
Bank, RBL Finserve and
Muthoot Finance**14+**
Work Experience | **<1**
Year at CSL**Nikhil Singh**
VP Business Operations &
Business AnalyticsEx - ICICI Bank, HDFC Bank,
Ziploan, Eduvanz and Save
Financial Services**18+**
Work Experience | **3+**
Years at CSL**S. B. Tiwari**
Chief Manager Accounts**29+**
Work Experience | **13+**
Years at CSL**Shalini Aggarwal**
VP Finance**9+**
Work Experience | **4+**
Years at CSL**Saurabh Priyadarshini**
Head Legal**12+**
Work Experience | **3+**
Years at CSL**Hariom Kumar**
AVP HREx - Ujjivan
Financial Services**17+**
Work Experience | **5+**
Years at CSL**Preeti Gupta**
Company Secretary**9+**
Work Experience | **3+**
Years at CSL



LETTER TO SHAREHOLDERS

Growing from Strength to Strength

Dear Shareholders,

This year has been transformative for your Company as we stand at the cusp of a potential inflexion point in our business. Over the past few years, we have focused intently on building a robust SME Retail lending franchise, leveraging our success and experience in Wholesale lending. I am proud to say that our learning curve in this domain has been nothing short of extraordinary. We have built and rebuilt this business through major external shocks and events such as the Covid pandemic, emerging stronger and more resilient each time.

Today, CSL Finance finds itself in a position of strength, very comfortable with the way our business is shaping up. We have a strengthened team, better-designed products, meticulously created underwriting modules, a laser focus on technology and digitization efforts, and a growing physical presence. All these elements have come together to create a much more resilient lending franchise than ever before.



A Banner Year

FY24 has proved to be a remarkable year for CSL Finance. We have scored well on all important metrics, achieving significant milestones while maintaining robust asset quality.

I am delighted to report that our Assets Under Management (AUM) has crossed the significant ₹1,000 Crores milestone. What makes this achievement even more noteworthy is that we have done so while maintaining our best-ever levels of asset quality. Our Gross and Net Non-Performing Assets (NPAs) stand at their lowest levels, reflecting the strength of our underwriting processes and risk management practices.

Our profitability has seen substantial improvement this year. As the majority of our loan book has been repriced in line with prevailing interest rates, our Net Interest Income has grown handsomely, benefiting from both a larger book size and healthy Net Interest Margins (NIMs). While the previous financial year saw some compression in our NIMs due to increasing borrowing costs, this trend has normalised in FY24. New business has been done in line with prevalent interest rates, and some of the older book, especially in the Wholesale vertical, has been run down.

Furthermore, we have begun to witness the benefits of scale and operating leverage in our profitability, which has aided Net Profit growth. All this while, our capital structure has been conservatively leveraged at 1.06x, a ratio that is set to increase in a controlled manner over the next few years given the decent leverage headroom 1.5-2X in Wholesale & <4X in SME Retail verticals, which will further aid our Return on Equity (ROE).

We have seen a commendable ramp-up in our SME Retail vertical, leading to a further rationalisation of our AUM mix. As of now, the AUM mix stands at 44% SME Retail to 56% Wholesale, reflecting our strategic shift towards a more balanced portfolio.

Operationally, CSL Finance has grown significantly over the last year. Our CSL family has expanded to 421 members now, and we have widened our branch network, enhancing our reach and ability to serve our customers better.

Credit Rating Upgrade

One of the most significant developments of FY24 has been the credit rating upgrade received by the Company towards the end of the financial year. I am proud to announce that CSL Finance has been upgraded to A- | Stable by Acuite Ratings Research, up from our previous rating of BBB+ | Stable from India Ratings & Research.

1.06X
Conservative
Leverage Ratio

Decent headroom
to increase leverage
to deliver growth for
coming few years

One of the most significant developments of FY24 has been the credit rating upgrade received by the Company towards the end of the financial year.

This upgrade is the culmination of our efforts over the past couple of years and represents a significant milestone in our journey. It will not only help us optimise our borrowing costs but, more importantly, allow us to access larger pools of capital at competitive terms, especially from public sector banks. The upgrade has already started to open doors to a new set of lenders, building on the progress we've been making in recent years. Over the last financial year, CSL has added 8 new lenders, taking our total count to 23, and all of this was done before we received the credit rating upgrade.

This credit rating upgrade strengthens our confidence in our ability to access capital to deliver on our growth ambitions. It's a testament to the financial strength and operational excellence that CSL Finance has consistently demonstrated.

Macroeconomic Environment

The Indian economy has shown remarkable resilience in the face of global economic challenges. Our GDP growth has remained robust, outpacing many major economies. The real estate sector, particularly in the NCR region where we have a significant presence, has shown strong performance. The financial sector, especially NBFCs like ours, has played a crucial role in supporting this growth, demonstrating adaptability and innovation in meeting the evolving needs of borrowers. The outlook for domestic economic activity remains resilient on the back of strong domestic demand and improved macroeconomic fundamentals. Geopolitical hostilities, volatile global financial markets and climate shocks are the key risks to the outlook. However, RBI's monetary policy remains focused on aligning inflation with the target to pave the path for sustained growth in the medium-term.

**LETTER TO SHAREHOLDERS****Performance of New Product Launch**

Last year, we launched our first unsecured loan product, Suvidha Loans - an inventory financing product for the steel fabricators of APL Apollo, India's largest structural steel tube Company. This product was launched under an exclusive agreement with a subvention clause.

While we had determined plans to scale up this product in FY24, we encountered certain challenges in execution. The unique nature of Suvidha Loans, being a combination of personal loan and supply-chain product, meant that no readily available loan platform could meet our specific needs. Consequently, we have invested significant time and resources, both through our internal team and external vendor, to build a new dedicated loan origination and disbursement platform for Suvidha Loans.

The development and implementation of this one-of-a-kind platform have been complex, leading to some delays. Given the micro ticket sizes and the need for fast turnaround times, scaling this product without a complete end-to-end digital loan management platform is almost impossible. However, I'm pleased to report that we are making progress. We expect to resolve these challenges with the launch of the new platform, optimising our turnaround time from the current <48 hours to <24 hours, and ultimately to <6 hours.

Furthermore, we are implementing learnings from the initial pilot run of this product into our systems and processes, focusing on improving the quality of underwriting and protocols to ensure intended usage of disbursed funds. We expect the scale-up to happen exponentially once these systems are in place. The current financial year will be crucial for the Suvidha product, and we remain positive about its potential.

In addition to Suvidha Loans, we are also planning to expand our mainstay secured loan product portfolio in the SME Retail vertical. CSL is working on adding another secured loan product in the under 5 lakh category with higher IRR potential. We expect to launch this product in the current financial year, further diversifying our offerings and enhancing our revenue potential.

Strengthening Fee-Based Income Stream

Since the last financial year, CSL has been working towards growing its off-book AUM, both in Wholesale and SME Retail, through Direct Assignment (DA) and Co-Lending structures. This strategic move aims to generate a sustainable fee-based income stream while leveraging the Company's domain expertise in both lending verticals.

We have announced an ambitious roadmap to double our branch footprint in the coming two years.

I am pleased to report that as of FY24, we have accumulated a total off-book AUM of ₹104 Cr. We expect this figure, and subsequently our fee-based income, to increase significantly in the coming years. The Company has the potential to generate an annual fee income of up to 2% of the AUM under Direct Assignment and Co-Lending, without any legal recourse. This fee-based income will not only aid in improving our profitability metrics such as ROE but also strengthen and diversify our profit streams.

Poised for AUM Growth

Given our strong positioning in both verticals and our growing focus on scaling the SME Retail vertical, CSL is poised for healthy AUM growth in the coming years. We are aspiring to double our AUM in the next two financial years, subject to a conducive macroeconomic environment on both fund-raise and overall business front.

To further accelerate our SME Retail division, which will be the primary growth driver going forward, we have announced an ambitious roadmap to double our branch footprint in the coming two years. We aim to expand from our current 29 branches to ~60 branches by the end of FY26, significantly enhancing our reach and market penetration.

Improving employee and branch-level efficiency remains an ongoing focus area. We have already undertaken extensive training and migration programs and have more planned for the coming year. We believe that investing in our people and processes is crucial for sustainable growth.

Creating opportunities for growth remains paramount, and we see ample headroom in both our verticals. For our Wholesale vertical, our incremental focus will be more towards generating a sustainable off-book AUM with a growing emphasis on fee-based income. We are also constantly exploring opportunities to build off-book AUM in the SME Retail vertical.

In line with our strategic goals, we aim to expand into new domains and customer segments through the judicious expansion of our competencies and product portfolio. Currently, new products in the pilot stage include Suvidha Loans and the new small-ticket secured loan product in the SME Retail division.

Working Towards Value Creation

At CSL Finance, we are committed to delivering sustainable long-term value to all our stakeholders. Each action we take is guided by this purpose. We believe in taking controlled risk-weighted bets, gradually building and expanding our core competencies, empowering our team, and striking a harmonious blend of profitability and growth.

As we look to the future, we see tremendous opportunities for growth and value creation. The Indian financial services sector is evolving rapidly, and we are well-positioned to capitalise on these changes. Our strong foundation, coupled with our agility and focus on execution, will enable us to navigate challenges and seize opportunities.

I would like to express my heartfelt gratitude to our employees, whose dedication and hard work have been instrumental in our success. Their resilience and adaptability, especially during recent times, have been truly commendable. I also want to thank our customers for their trust and loyalty, our partners for their support, and our Board of Directors for their guidance and oversight.

“ Creating opportunities for growth remains paramount, and we see ample headroom in both our verticals.

As we look to the future, we see tremendous opportunities for growth and value creation. Our strong foundation, coupled with our agility and focus on execution, will enable us to seize these opportunities.

Finally, I thank you, our esteemed shareholders, for your continued belief in CSL Finance. Your support has been crucial in our journey, and we remain committed to creating long-term value for you. As we embark on the next phase of our growth story, we are excited about the possibilities that lie ahead and are confident in our ability to achieve new heights.

Sincerely,

Rohit Gupta
Managing Director





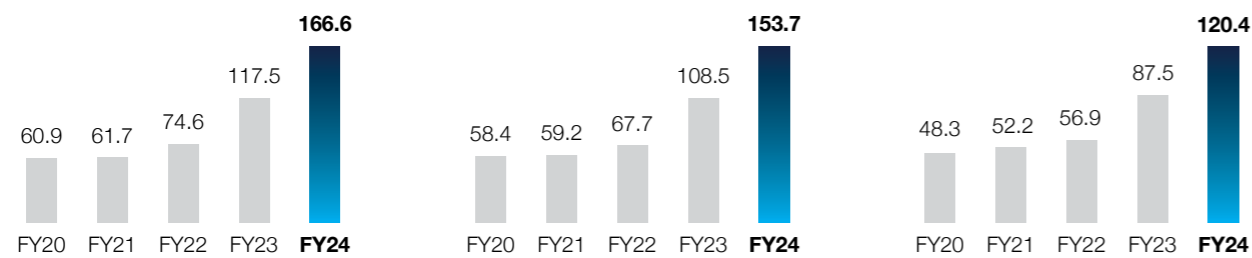
KEY PERFORMANCE INDICATORS

Measuring Our Progress

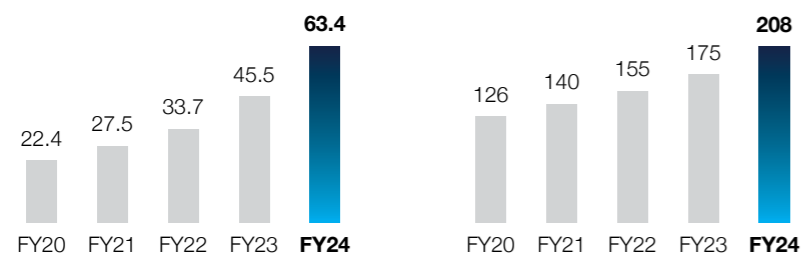
Since our inception, we have relentlessly pursued our vision of becoming a trusted and well-capitalised lender that is working to solve the product gaps for the needs of small businesses and entrepreneurs. Over the past five years, we have made extraordinary strides towards this goal as reflected in our financial performance. Our recent credit rating upgrade serves as a testament to our financial strength and positions us for accelerated growth in the coming years. As we embark on the next phase of our journey, we are not just poised for expansion – but to further the access of finance for our customers while delivering sustainable value to our stakeholders.

Loan Book Size

Total Income (₹ Crores) **Interest Income** (₹ Crores) **Net Interest Income** (₹ Crores)

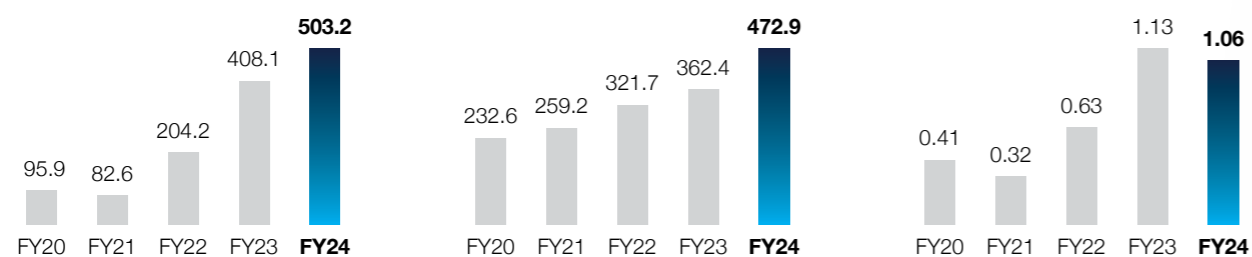


PAT (₹ Crores) **Book Value Per Share** (₹)



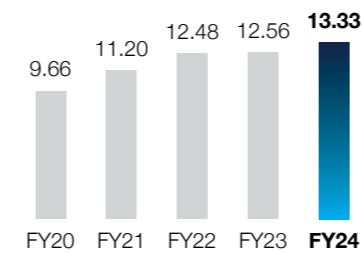
Equity and Leverage

Borrowings (₹ Crores) **Net Worth** (₹ Crores) **Debt-to-Equity Ratio** (times)



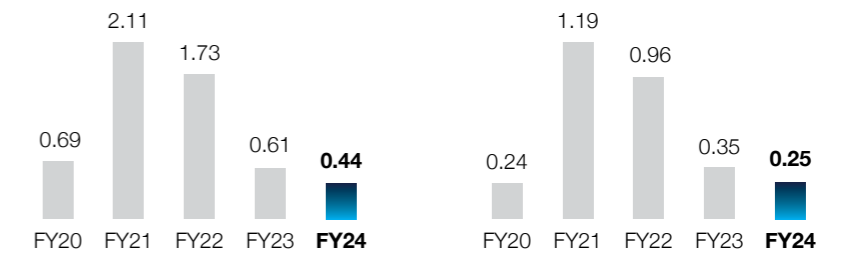
Capital Return Ratios

Return on Equity (%)

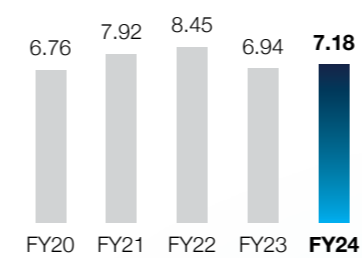


Asset Quality

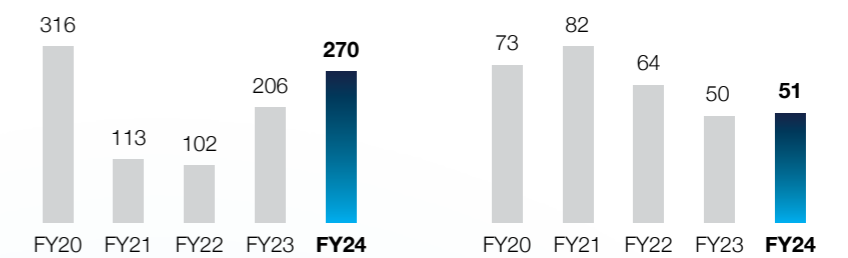
Gross NPA (%) **Net NPA** (%)



Return on Asset (%)



Provision Coverage Ratio (%) **Capital Adequacy Ratio** (%)





COMPETITIVE ADVANTAGE & STRATEGIC PRIORITIES

Creating Our Right to Win

We take immense pride in retaining the trust of our customers, which serves as the cornerstone of our success. We are constantly learning and innovating to scale our operations and enhance efficiency. Our goal is to deliver unparalleled value to all our stakeholders. To this end, we have set clear and ambitious strategic priorities that enable us to seize emerging opportunities while effectively mitigating risks. Our commitment to continuous improvement and proactive adaptation ensures that we remain at the forefront of best industry practices, driving sustainable growth and creating lasting value.

Competitive Advantages



Domain Knowledge

Our strategic approach is founded on comprehensive market understanding and domain expertise within our established competencies. We have implemented a strategy of operating within our circle of competence while systematically expanding into new domains. By prioritising select markets, products, and customer segments that we thoroughly understand, we ensure robust risk management and work towards establishing a significant presence within our target segments.



Niche Products & Segments

We strive to address traditional credit gaps by serving underserved and underbanked small businesses, as well as developing tailored products for real estate developers. Our focus on niche products and customer segments, coupled with a flexible and proactive approach, enables us to maintain competitiveness while achieving respectable capital return ratios in these specialised areas.



Fortress Balance Sheet

Maintaining a fortress balance sheet is a fundamental principle upon which our organisation has been built. As a well-capitalised lender with sophisticated asset-liability and cash flow management practices, we consistently maintain superior capital adequacy and well-managed leverage ratios within our defined risk parameters. Our primary focus remains on implementing robust risk management strategies and cultivating a high-quality lending franchise.

Strategic Priorities



Branch Expansion & Performance Optimisation

CSL Finance has embarked on an ambitious plan to double its number of branches over the next two years, from FY24 to FY26. This expansion involves opening new branches in both existing areas and new regions. Strategically chosen locations include the Mumbai-Delhi Expressway, the Delhi-Uttaranchal Belt, and the Delhi-Punjab GT Road Belt, all of which are anticipated to experience significant economic growth in the coming years. The Company is also focusing on enhancing employee and branch-level efficiency through comprehensive training and migration programs that are already underway.



Expanding Core Competencies

The Company is considering a gradual expansion of its product portfolio, with a particular focus on the SME Retail sector. It has planned to add a small ticket-size product in the SME Retail vertical, which is expected to yield a higher internal rate of return (IRR). Additionally, the Company is conducting a second pilot test for its first unsecured loan product, Suvidha Loans. The product is still in the pilot phase, and its broader rollout will depend on the pilot's outcomes. In the Wholesale sector, the Company is exploring expansion into new markets, including Goa, Dehradun, and Rishikesh. There is an increased emphasis on growing off-book AUM in the Wholesale vertical through Direct Assignment, Co-lending, and Business Correspondent models, which will also enhance the company's fee-based income.



Rationalization of Portfolio

The Company aims to diversify its portfolio by focusing more on the SME Retail sector. This strategy is intended to reduce the risk of relying on a single business vertical, increase the granularity of its loan book, and improve access to funding. The emphasis on the SME Retail sector continues, with growth in this area outpacing that of the Wholesale sector, resulting in an asset under management (AUM) shift favouring SME Retail. For the upcoming year, the Company has set a target AUM mix of 55:45 SME Retail:Wholesale. Looking ahead, the SME Retail sector will remain the primary growth driver for the Company.



EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Fostering a Great Workplace

At CSL Finance, we firmly believe that our people are the cornerstone of our success. We are dedicated to fostering a supportive, inclusive, and empowering environment for every team member. Our commitment to our employees goes beyond providing competitive benefits; we aim to cultivate a culture of growth, collaboration, and continuous learning.

Employee Engagement Initiatives

We prioritise employee engagement through a variety of initiatives designed to create a positive and vibrant workplace:

Monthly Birthday Celebrations

We celebrate team birthdays at the workplace with cake cutting and fun games, bringing together team members from all departments to enhance engagement and foster a sense of community.

Festival Celebrations

Our offices come alive during festivals like Holi, Diwali, Independence Day, Christmas, and Republic Day with themed decorations and exciting activities. These celebrations, accompanied by team lunches and snacks, foster unity and enjoyment among employees.

Quarterly Team Lunches

We organise quarterly team lunches at both the corporate headquarters and branches to strengthen team bonds and provide opportunities for employees to connect and collaborate.

R&R Awards

Our recognition program acknowledges deserving employees for their invaluable contributions across various categories, including Best Branch Manager, Best Credit Manager, and Employee of the Month.

Surprise Treats

Management often surprises employees with delightful treats and activities, encouraging a change of pace and refreshing the team.



Learning and Development

We place equal emphasis on training and development initiatives to upskill our employees and stay ahead of industry trends:

Product and Policy Training

Regular training sessions on our loan origination system, collection processes, legal & credit policies ensure our teams are equipped with the latest knowledge and skills.

Monthly HR Inductions

These sessions improve awareness of Company policies and culture, promoting an open-door policy with HR.

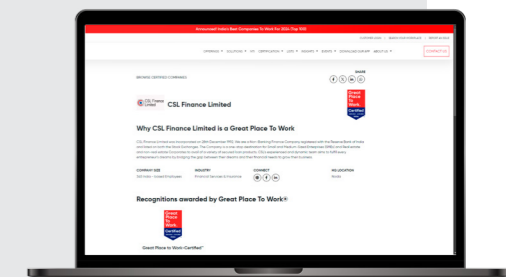
Specialised Training

We conduct targeted training for new product launches, market expansions, and customer segment additions.



Great Place to Work Recognition

CSL Finance's commitment to employee well-being and professional growth has earned us the prestigious 'Great Place to Work' certification. This recognition solidifies our reputation as a preferred employer in the industry and enhances our ability to attract and retain good talent.



Why CSL Finance Limited is a Great Place To Work

Branch Infrastructure and Branding

We continually invest in improving our branch infrastructure and maintaining robust IT systems & hardware. Emphasis is also on a cohesive corporate branding across all locations and ensuring a consistent visual identity.

Looking Ahead

We remain committed to fostering an engaging and supportive workplace culture. By continuing to invest in our people, we aim to further strengthen our employer brand and drive long-term success for CSL Finance.

Creating Shared Value

For CSL Finance, Corporate Social Responsibility (CSR) is not merely viewed as a moral imperative but as a strategic cornerstone of our sustainable success. Our commitment to empowering the communities we serve creates a symbiotic relationship where their growth directly contributes to our own progress.



Established in 2021, the CSL Foundation serves as the primary channel for our CSR initiatives. The Foundation is driven by a clear vision to strengthen communities by empowering and enlightening the lives of underprivileged children and women. Our year-round initiatives prioritise child education, skill development, women empowerment, and health awareness.

Focus Areas and Key Initiatives

- 1 **Education:** Project Sakshar
- 2 **Women Empowerment:** Project Naritva
- 3 **Healthcare:** Project Arogya

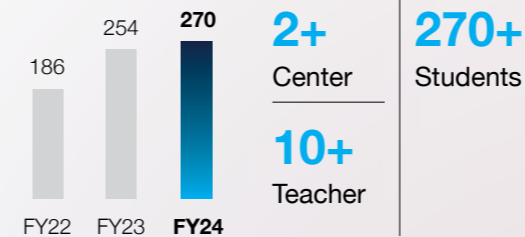


1 Education: Project Sakshar

Project Sakshar operates 2 schools providing free education from nursery to 8th grade, complete with uniforms and meals. Our holistic approach includes:

- Engaging, hands-on education programs preparing students for a global, tech-driven world
- Workshops, educational trips, and infrastructure support to enhance the learning experience
- Celebration of special days to foster a vibrant learning environment

Students Enrolled



Project Sakshar's Impact

5+ Classroom Expansions	270+ Student Enrollment	520+ Uniform Distribution
270+ School Bag Distribution	270+ Sweater Distribution	10+ Teachers Salary Contributed
2,000+ Food Packets Distribution	530+ Books and Stationary Distribution	





CORPORATE SOCIAL RESPONSIBILITY

2 Women Empowerment:
Project Naritva

Project Naritva focuses on empowering women through skill enhancement, education, and fostering economic independence. Key initiatives include:

- Vocational training and financial literacy workshops
- Health awareness programs, including menstrual health education using engaging resources like *Menstrupedia* and *Gullu* comic books
- Collaboration with healthcare centres to provide free sanitary napkins
- Facilitating mass weddings for socially victimised women

Project Naritva's Impact**350+**

Awareness & Medical Camps

10+

Teachers Training Vedic Math & Abacus

3,350+

Sanitary Napkin Distribution

350+

Women Beneficiaries Under NARITVA

**3** Healthcare:
Project Arogya

Project Arogya aims to bridge healthcare gaps in underserved communities through:

- Medical camps providing essential medications for various health issues
- Mental health support, offering counselling and psychological services
- Targeted initiatives such as "Empower Women, Save Lives: Join us in the fight against Cervical Cancer"

Project Arogya's Impact**2+**

Medical Help for Cancer Patients

5+

Preventive & Medical care

5+

Medical Camps

320+

Beneficiaries Under AROGYA

**Our Commitment to Sustainable Development**

Through these focused initiatives, CSL Finance reaffirms its dedication to creating a more equitable and thriving society. We believe that by investing in education, women empowerment, and healthcare, we are not only uplifting underprivileged communities but also contributing to the broader goals of sustainable development and social progress.

As we move forward, CSL Finance remains committed to expanding our CSR efforts, continuously seeking innovative ways to make a lasting positive impact on the communities we serve. Our genuine willingness to contribute to society and our heartfelt commitment to creating a brighter future for those often left behind drive us to push the boundaries of our social responsibility initiatives.

Management Discussion and Analysis

Indian Economy

The Indian economy in 2023-24 has shown remarkable resilience and growth, driven by strategic initiatives from both the Reserve Bank of India (RBI) and the Ministry of Finance. This period has been marked by significant developments in economic policy, fiscal management, and structural reforms aimed at sustaining growth momentum and enhancing macroeconomic stability.

The Indian economy is projected to grow at 7.6% in 2023-24, an increase from 7.0% in the previous fiscal year. This growth is largely attributed to robust investment demand, supported by improved

corporate balance sheets and a strong banking sector. The government's emphasis on capital expenditure has further bolstered economic activity, particularly in infrastructure development. The RBI's monetary policy has been accommodative, maintaining a balance between supporting growth and controlling inflation.

The Ministry of Finance has focused on fiscal consolidation while ensuring adequate public investment to drive growth. The Union Budget for FY25 outlines a clear path for reducing the fiscal deficit, leveraging strong revenue collections and disciplined expenditure management. The fiscal deficit target is set at 5.9% of GDP, with a roadmap to bring it down to 4.5% by 2025-26. This fiscal prudence is supported by buoyant tax revenues and strategic disinvestment plans.



Inflation management has been a critical area of focus. The RBI has successfully moderated headline inflation, which is expected to spur consumption demand, particularly in rural areas. Retail inflation fell to 3.5% in July 2024, the lowest since September 2019, primarily due to a decline in food inflation. The central bank has maintained a cautious approach to interest rates, ensuring that monetary policy supports growth without stoking inflationary pressures.

India's external sector remains robust, with foreign exchange reserves providing a buffer against global economic uncertainties. The RBI's interventions have helped stabilize the rupee, maintaining favorable interest rate differentials that attract foreign investment. The current account deficit is expected to remain manageable, supported by strong export performance and remittances.

The government has continued its focus on structural reforms to enhance economic efficiency and competitiveness. Key areas include labor market reforms, ease of doing business initiatives, and digital transformation. The Digital India program has gained momentum, with increased adoption of digital payments and e-governance services. These reforms are aimed at fostering a more inclusive and sustainable growth model.

Despite the positive outlook, the Indian economy faces several challenges. Geopolitical tensions, global financial market volatility, and erratic weather patterns pose risks to growth and inflation. The rapid adoption of artificial intelligence and machine learning technologies presents both opportunities and challenges, requiring careful management to harness their potential while mitigating risks. Additionally, recurrent climate shocks necessitate a focus on sustainable development and climate resilience.

Looking ahead, the Indian economy is well-positioned to sustain its growth trajectory, supported by strong domestic demand, strategic policy measures, and a resilient external sector. The focus on infrastructure development, fiscal discipline, and structural reforms provides a solid foundation for long-term economic prosperity. However, continued vigilance and adaptive policy responses will be essential to navigate the evolving global and domestic landscape. The government's commitment to inclusive growth, digital transformation, and environmental sustainability will be key drivers of India's economic success in the coming years.

Source: RBI, Ministry of Finance, Deloitte

NBFC Sector

The Indian Non-Banking Financial Company (NBFC) sector has seen significant evolution and regulatory changes in the fiscal year 2023-24. The Reserve Bank of India (RBI) has been instrumental in shaping the regulatory landscape for NBFCs,

emphasizing the need for a robust framework to ensure financial stability and resilience. The RBI's initiatives have been pivotal in addressing the challenges faced by the sector and in promoting sustainable growth.

In the fiscal year 2023-24, the Indian Non-Banking Financial Company (NBFC) sector has experienced significant regulatory changes and operational shifts. The RBI introduced the Scale Based Regulation (SBR) Directions in October 2023, which marked a pivotal shift in the regulatory framework for NBFCs. This new framework consolidates various existing regulations into a more streamlined structure, eliminating the previous classification of 'systemically important' NBFCs based on an asset threshold of INR 500 Crores. Instead, the new regulations categorize NBFCs into different layers based on their asset size, scale of activity, and risk profile. This approach aims to ensure that regulatory requirements are proportionate to the size and complexity of the NBFC's operations, with the top 15 NBFCs required to list on stock exchanges to enhance transparency and governance.

The operating environment for NBFCs in 2023-24 has been characterized by a focus on digital transformation and financial inclusion. The RBI has encouraged NBFCs to adopt technology-driven solutions to improve operational efficiency and customer service. This includes the introduction of a "Public Tech Platform for Frictionless Credit," which aims to enhance digital infrastructure and facilitate easier access to credit. Such initiatives are part of a broader strategy to promote financial inclusion by reaching underserved segments, including micro, small, and medium enterprises.

Despite these advancements, the NBFC sector faces challenges related to liquidity and funding. The RBI has imposed stricter norms on unsecured lending portfolios due to the rapid growth in personal loans and credit cards, increasing the risk weights by 25 basis points to 125 percent on retail loans. This regulatory change necessitates higher capital allocation for underwriting unsecured loans, thereby pressuring capital levels. Additionally, the RBI has restricted banks' lending to NBFCs by increasing risk weights, aiming to safeguard banks' balance sheets against aggressive lending practices.

Performance-wise, as of March 2024, NBFCs reported a Capital to Risk (Weighted) Assets Ratio (CRAR) of 26.6%, a Gross Non-Performing Assets (GNPA) ratio of 4.0%, and a Return on Assets (RoA) of 3.3%. These indicators suggest a stable financial position, although the sector continues to navigate challenges related to consolidation, capital raising, and profitability pressures. The RBI's regulatory focus in the coming year will likely include a closer examination of licensing requirements and supervisory actions against non-compliant NBFCs, ensuring that the sector remains resilient and capable of supporting India's economic growth.

Source: RBI, PWC, BCG, KPMG





NCR Real Estate

The real estate sector in Delhi-NCR has experienced significant growth and transformation in 2024, driven by substantial investments and a shift in market dynamics. After an elongated phase of tepid residential demand that was marred by demonetisation, the introduction of RERA/GST, and the bankruptcy of several debt ridden developers, residential sales strongly bounced back post Covid-19, as the need for spacious homes to enable WFH spurred residential demand among millennial homebuyers. According to Cushman & Wakefield, Delhi-NCR emerged as the leading destination for real estate investment in India during the first half of 2024, attracting \$633.3 Million. This investment was predominantly directed towards office assets, which received \$483.6 Million, while the residential sector, particularly the luxury segment, garnered \$149.6 Million.

On the back of this strong demand, the inventory overhang, as measured by QTS levels (Quarters to Sell), has consistently declined from a high of 13.7 to just 7.1 as of H1CY24, thus allaying concerns of oversupply and giving higher growth visibility in the NCR market.

Residential real estate is increasingly becoming a proxy to the growing premiumisation trend, as evidenced by the preference of homebuyers increasingly shifting to the higher ticket size segments. The demand for luxury real estate has been a defining trend in the Delhi-NCR market. In the first half of 2024, luxury housing sales accounted for 45% of the total housing sales in the region, a significant increase from just 3% in 2019. Gurugram, in particular, has been at the forefront of this trend, with approximately 10,365 luxury units sold, representing 59% of the total luxury sales in the region. The surge in demand for high-end properties is attributed to improved connectivity, infrastructure development, and a growing preference for spacious and amenity-rich living environments.

The overall housing market in Delhi-NCR has also seen a notable shift in its composition. While luxury housing has gained prominence, the share of affordable housing sales has decreased to 24% in the first half of 2024, down from 49% in 2019. This shift reflects changing consumer preferences and the rising affluence of homebuyers in the region. The average housing prices in Delhi-NCR have appreciated significantly post-Covid, driven by increased demand and higher construction costs.

The office real estate segment in Delhi-NCR has also seen robust activity, with a significant portion of investments directed towards prime office spaces. The region's strategic location, strong infrastructure, and cosmopolitan culture make it an attractive hub for businesses and professionals, further boosting investor confidence. The rise of flexible workspace occupiers has also contributed to the dynamic office market, replacing the IT-BPM sector as the leading contributor to leasing activity.

Overall, the Delhi-NCR real estate market in 2024 is characterized by a strong demand for luxury properties, significant investment inflows, and a dynamic office market. The region's strategic advantages, including its connectivity and infrastructure, continue to attract both domestic and international investors, positioning it as a key player in India's real estate landscape. As the market evolves, ongoing infrastructure projects and regulatory reforms are expected to further enhance the region's appeal, paving the way for sustained growth and development in the coming years.

Source: Cushman & Wakefield, HT, Deccan Herald, Investec Securities

Company Overview

Founded in 1992, CSL Finance Limited is a Non-banking Finance Company (NBFC) that has progressively expanded its services to become a comprehensive provider for the financing needs of Small and Medium-sized Enterprises (SMEs), as well as both real estate and non-real estate corporations. The Company places a strong emphasis on addressing the financial requirements of small businesses that are underserved or lack access to traditional banking services. CSL Finance has developed an extensive range of products to meet the varied capital needs of these enterprises.

CSL Finance is particularly focused on supporting the underbanked and unbanked segments of the small business community, offering a diverse array of financial products tailored to their specific capital needs. By utilizing alternative data and carefully crafted underwriting techniques, CSL Finance ensures that loans are both quick and easy to obtain, with a streamlined application process.

Recognized as a Non-banking Finance Company (NBFC) by the Reserve Bank of India, CSL Finance Limited is publicly traded on the NSE and BSE stock exchanges.

Business Overview

SME Retail Lending

CSL Finance's SME Retail division is dedicated to meeting the financial requirements of underserved and unbanked SMEs and MSMEs by offering secured and collateral-backed loans. This division employs an innovative approach that utilizes alternative data, moving away from traditional banking and lending scorecards. The underwriting process takes into account various factors, including the business's operational activities, cash flow, and the business vintage. Following comprehensive due diligence, the division swiftly provides small, flexible loans tailored to the specific needs of SMEs and entrepreneurs. These loans are typically offered to SMEs across a range of sectors, such as education, healthcare, agriculture, and FMCG trading. Furthermore, this financing solution is available to salaried professionals who have limited access to conventional banking services.

Wholesale Lending

CSL Finance's Wholesale Lending division provides uniquely customized loan solutions to real estate developers in the NCR region, focusing on group housing and single-plotted developments. These loans are secured by the projects that developers have completed or plan to undertake. The Company has created various loan categories to address specific project needs, including Affordable Group Housing, Mid-Income Group Housing, and Small Builder Floors (G+4 buildings). CSL Finance prioritizes funding projects where developers make significant capital investments, a strategy designed to reduce execution risks and create a more secure financing environment for all parties involved.

FY24 Performance Overview

CSL Finance achieved impressive performance over the year, bolstered by enhanced infrastructure, streamlined processes, and a more robust team. The Company's Assets Under Management (AUM) increased from ₹749 Crores in FY23 to ₹1,030 Crores in FY24, reflecting a 38% growth. The On-Book Loan Book also saw a year-on-year growth of 26% in FY24, reaching ₹926 Crores. This expansion in AUM and the loan book was driven by strong disbursements, which rose from ₹759 Crores to ₹1,052 Crores in FY24, marking a 39% year-on-year increase.

The rise in AUM contributed to significant growth in both interest and fee-based income in FY24. Consequently, Total Income surged by 42% to ₹167 Crores, while Net Interest Income climbed by 36% to ₹120 Crores. As a result, the Company's Profit After Tax (PAT) reached ₹63 Crores, showing a 39% increase. The Company notably expanded its SME Retail division, leading to a favorable shift in the AUM mix towards this vertical. Operational capabilities were strengthened with a 64% increase in workforce to 421 by FY24 and the opening of 3 new branches during the year. The number of loan accounts in the SME Retail segment (excluding MSL) also grew by 36% year-on-year, from 2,076 in FY23 to 2,814 in FY24. The Company continued to emphasize extensive training and transition programs, and it onboarded eight new lenders over the past financial year, bringing the total to 23 as of 31st March, 2024.

CSL Finance also improved its asset quality, reducing its Gross Non-Performing Assets (GNPA) from 0.61% in FY23 to 0.44% in FY24, while Net Non-Performing Assets (NNPA) decreased from 0.35% to 0.25% over the same period.

Enhanced profitability and efficient operations management led to improved capital return ratios, with Return on Assets (ROA) rising from 6.94% in FY23 to 7.18% in FY24, and Return on Equity (ROE) increasing from 12.56% to 13.33% during the same timeframe.





Outlook

CSL Finance anticipates a positive outlook for the coming financial years, with significant opportunities available in both its business segments. The SME Retail segment is expected to be a key growth driver for the Company. With well-established systems, teams, products, and processes, CSL Finance is now focusing on expanding its branch network and increasing its AUM in the SME Retail vertical. To achieve its growth targets, the Company plans to double its branch network over the next two financial years. Enhancing employee and branch efficiency

remains a priority, with extensive training and transition programs already in place and planned for the future. Consequently, the Company expects further AUM rationalization favoring the SME Retail segment in the years ahead.

In addition to the SME Retail focus, CSL Finance is also aiming to expand its Wholesale vertical by increasing off-book AUM through co-lending, direct assignment, and down-sell models. The Company expects off-book AUM and fee-based income to grow in the coming years. The pipeline for off-book AUM deals is strong, with ongoing discussions with several large financial institutions across various models.

Risks and Concerns

CSL Finance diligently monitors both external environments and internal risks to ensure it is well-equipped with effective strategies for mitigating potential threats. This proactive stance enables the Company to seize opportunities that arise from various circumstances and adeptly handle challenges posed by potential risks. Some of the key risks and concerns identified include:

- 1 A potential slowdown in both the global and Indian economies, possibly due to escalating geopolitical tensions
- 2 Sudden increase in interest rates
- 3 A possible downturn in the real estate sector, which could affect collections and the growth of the loan book within the Wholesale lending division
- 4 Challenges in securing funds at competitive borrowing rates, which could impact the Company's overall profitability and growth.
- 5 Execution risks related to the Company's emerging business segment, particularly the SME Retail and its newly introduced unsecured loan product, the Fabricator Loan

By keeping a close watch on these factors, CSL Finance aims to proactively manage and mitigate potential risks while capitalizing on opportunities for sustainable growth and maintaining a strong financial position.

Human Resources

CSL Finance views its employees as the core engine propelling the organization forward. The well-being of its workforce has a direct effect on productivity, efficiency, and overall performance. By cultivating a positive work environment that emphasizes employee needs, the Company fosters a sense of belonging and instills a deep sense of commitment. To empower and motivate its staff, CSL Finance implements a range of initiatives:

- Monthly Birthday Celebrations
- Festival Celebrations
- Quarterly Team Lunches
- R&R Awards
- Surprise Treats

As on 31st March, 2024, CSL Finance had 421 skilled and committed employees on the team.

Information Technology

In today's fast-paced technological environment, utilizing its extensive potential to improve organizational efficiency is essential for all companies. At CSL Finance, we understand this necessity and have concentrated our efforts on capitalizing on technology's significant advantages across different operational areas. Our priorities include optimizing the time it takes to disburse funds, enhancing the credit underwriting process, speeding up customer onboarding, and improving the post-disbursement service experience.

Technology roadmap for the coming year:

- 1 Version 2 of the Suvidha Loan Platform
- 2 Version 2 of LOS LAP
- 3 Implementing a New LMS for Wholesale Vertical
- 4 Airtel Payments Bank Integration
- 5 Data Analytics Initiatives

Cautionary Statement

Statements in the Management Discussion and Analysis describing our objectives, 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.



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. Subhash Chand Kwatra
(Independent Director)

Mr. Parmod Bindal
(Independent Director)

Mr. Ayussh Mittaal
(Independent Director)

Chief Financial Officer

Mr. Naresh Chandra Varshney

Company Secretary & Compliance Officer

Ms. Preeti Gupta

Listed at

National Stock Exchange of India Limited
BSE Limited

Statutory Auditors

M/s S.P. Chopra & Co.,
Chartered Accountants

Internal Auditors

M/s R. Mahajan & Associates,
Chartered Accountants

Secretarial Auditors

M/s Jasvinder Kaur & Co.,
Company Secretaries

Registrar & Share Transfer Agents

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial,
Area Phase-2, New Delhi-110020S.
Phone: 011-26387281-82-83
E-mail 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
E-mail ID: Investor@cslfinance.in
Website: www.cslfinance.in

List of Banks

State Bank of India
HDFC Bank Limited
AU Small Finance Bank
Kotak Mahindra Bank
ICICI Bank
Indian Bank
Utkarsh Small Finance Bank
Federal Bank
Indusland Bank
Indian Overseas Bank
Fincare Small Finance Bank
Bandhan Bank Limited
Small Industries Development Bank of India
Union Bank of India
South Indian Bank
Canara Bank
Bank of Maharashtra

List of Institutions

Muthoot Capital Services Limited
Cholamandalam Investment and Finance Company
Tata Capital Financial Services Limited
Tourism Finance Corporation of India
Kotak Mahindra Investments Limited
STCI Finance Limited
ORIX Leasing & Financing Services India Limited
Poonawalla Fincorp Limited



Notice of 32nd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting (“AGM”) of the Members of CSL Finance Limited (“the Company”) will be held on Saturday, 21st September, 2024 at 12:30 p.m. (IST) through Video Conferencing and Other Audio-Visual Means (“VC/OAVM”), in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Government of India to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Directors’ Report and Auditors’ Report thereon.

2. Declaration of dividend for the financial year 2023-24

To declare a dividend of ₹ 2.5/- per equity share of ₹ 10 each (25%) for the financial year ended 31st March, 2024.

3. Appointment of Ms. Rachita Gupta (DIN: 09014942) as Director, Liable to retire by rotation

To appoint a Director in place of Ms. Rachita Gupta (DIN: 09014942), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To approve increase in the borrowing limits of the Company from the existing limit of ₹ 750 Crores to ₹ 1,500 Crores:

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

“**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company and in supersession of all the earlier resolutions, the consent of the members of the Company be and is hereby accorded to the Board of Director(s) (hereinafter referred to as the “Board” which term shall be deemed to include any Committee constituted or to be constituted by the Board in this regard), to borrow any sum or sums of monies, from time to time, in any form including but not limited to by way of loans, financial facility, through the issuance of debentures or such other form, upon such terms and conditions as to interest, repayment, or otherwise and with or without security, as the Board may think fit for the purposes of the Company’s business notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed at any point in time a sum

equivalent to ₹ 1,500 Crores (Rupees Fifteen Hundred Crores Only) over and above the aggregate, of the paid-up share capital and free reserves of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any committee and the Board or the Committee be and is hereby authorised to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to all other acts, deeds, matters and things as may be deemed necessary and incidental for giving effect to this resolution, including execution of all such documents, instruments and writings, as may be required.”

5. To approve increase in the limits under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/security on the Company’s assets with respect to borrowings:

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

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and in supersession of all the earlier resolutions, the consent of the members of the Company be and is hereby accorded for creation by the Board of Directors (hereinafter referred to as “Board”, which term shall be deemed to include any Committee constituted or to be constituted by the Board in this regard) from time to time, of such mortgages, charges, liens, hypothecation and/or other securities, in addition to the mortgages, charges, liens, hypothecation and/or other securities created by the Company, on such terms and conditions as the Board at its sole discretion may deem fit, on the Company’s assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company’s undertaking or undertakings, in favour of the bank(s), financial institution(s), and/or other lender(s), fixed deposit trustee, debenture trustee, security trustee as may be agreed to by the Board, for the purpose of securing repayment of any loans/financial assistance or debentures or bonds or other instruments issued to the public and/or on private placement basis and/or in any other manner), subject to a maximum amount of ₹ 1,500 Crores (Rupees Fifteen Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any committee and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

6. To consider approval of the alteration of the Articles of Association:

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

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the rules made thereunder, the consent of the members of the Company be and is hereby accorded to alter the Article of Association (AOA) of the Company in the manner provided below:

In Clause 1,

the phrase “Seal means the Common Seal for the time being of the Company” shall be omitted;

In Clause 87,

the word “its common seal or” shall be omitted;

In Clause 128,

the para “the Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Director or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the Seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.” Shall be omitted.

In Clause 151,

the phrase “and need not be under the Seal of the Company” shall be omitted

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto.”

By Order of the Board
For **CSL Finance Limited**

Place: Noida

Date: 31st July, 2024

Preeti Gupta
(Company Secretary & Compliance Officer)



Notes

1. Ministry of Corporate Affairs ("MCA") vide its General Circulars Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated 25th September, 2023, ('MCA Circulars') has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The deemed venue for holding the AGM will be the Registered Office of the Company. Since, the AGM will be held through VC, the route map, and attendance slip are also not annexed to this Notice.
 2. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is furnished as **Annexure** to this Notice.
 3. 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. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
 4. Pursuant to Section 113 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 Company by email through its registered email address to investor@csfinance.in with a copy marked to e-Voting@nsdl.co.in.
 5. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
 6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cutoff date, will be entitled to vote at the Meeting.
 7. Notice of the AGM including instructions for e-Voting along with the Annual Report for the FY 2023-24 are being sent through electronic mode only to those Members whose email addresses are registered with the Company/DP. Members may note that the Notice and Annual Report for the FY 2023-24 will also be available on the Company's website, <https://www.csfinance.in/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.e-Voting.nsdl.com.
- In case any Member is desirous of obtaining hard copy of the Annual Report for the FY 2023-24 may send request to the email address at investor@csfinance.in mentioning Folio No./DP ID and Client ID.
8. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated 4th August, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated 31st July, 2023 (updated as on 11th August, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://www.csfinance.in/contact-us>.
 9. The Company has appointed National Securities Depository Limited ('NSDL') as the authorised agency, to provide VC/OAVM facility for the AGM of the Company.
 10. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the Meeting and 15 minutes after the commencement of the Meeting by following the procedure mentioned in the Notice. 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 (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.
 11. The Board of Directors recommended a final dividend of 25% i.e. ₹ 2.5 per Equity share of face value of ₹ 10 per share for the financial year ended 31st March, 2024 which will be subject to the approval of shareholders at AGM. This final dividend, if approved by the shareholders at AGM, will be payable within 30 days from the date of declaration of dividend i.e. on or before 20th October, 2024 to the Members whose names appear in the Register of Members/List of Beneficial Owners of the Company as on the Record Date i.e., Saturday, 14th September, 2024.
 12. Dividend income is taxable in the hands of the shareholders and the Company is required to deduct the tax at source from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (IT Act).

In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/15H on annual basis and update details about their residential status, PAN and Category as per the IT Act with their Depository Participants or in case of shares held in physical form, with the Company/Registrar and Transfer Agent, so that tax at source, if any, as per applicable rates may be deducted in respect of dividend payments made by the Company in future.

Shareholders are requested to note that if the PAN is not correct/invalid/inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under Sections 206AA or 206AB of the Income-tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

13. SEBI vide its circular dated 3rd November, 2021 (subsequently amended by circulars dated 14th December, 2021, 16th March, 2023 and 17th November, 2023) has mandated that with effect from 1st April, 2024 dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC complaint i.e. the details of PAN, choice of nomination, contact details, mobile no. complete bank details and specimen signatures are registered. In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc. shall be paid upon furnishing all the aforesaid details in entirety.
14. To receive the dividend on time, Members holding shares in physical form should be KYC complaint and receive the dividends directly in their bank accounts through Electronic Clearing Service or any other means. Members are requested to send the following documents to our RTA –MAS Services Limited, so as to reach the RTA before the record date i.e. 14th September, 2024.
 - a) Form No. ISR-1 duly filled and signed by the holders stating their name, folio number, complete address with pin code, and the following details relating to the bank account in which the dividend is to be received:
 - i. Name of Bank and Bank Branch;
 - ii. Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions;
 - iii. 11 digit IFSC Code; and
 - iv. 9-digit MICR Code.
 - b) Original copy of cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - c) Self-attested copy of the PAN Card of all holders; and

- d) Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company;
- e) Form ISR2 duly filled signed. The signature of holders should be attested by the Bank Manager;
- f) Form SH 13 – Nomination form or ISR3 – to opt out from Nomination.

The above Investor Service Request Forms (ISR) are available at RTA's website at <https://www.masserv.com>

15. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividends as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.
16. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form except in case of request received for transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.
17. The requests for effecting transmission/transposition of securities shall be processed in the dematerialized form. In order to eliminate all risks associated with physical shares and avail various benefits of dematerialization. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, MAS Services Limited at investor@masserv.com for assistance in this regard.
18. Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc. to their Depository Participant ("DP") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
19. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested



- to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for Nomination or would want to opt-out, are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at <https://www.masserv.com>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the share are held in physical form, quoting their folio no.
20. The format of the Register of Members prescribed by the MCA under the Act requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address bank details for payment of dividends, etc. Form No. ISR-1 for capturing additional details is available on the Company's website. Members holding shares in physical form are requested to submit the filled-in Form No. ISR-1 to the RTA in physical mode. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.
 21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates and self attested copies of the PAN card of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes. The consolidation will be processed in demat form.
 22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time-to-time.
 23. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
 24. The Company has fixed Monday, 14th September, 2024 as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-Voting/e-Voting during the AGM. Any person who is not a Member on the Cut-off date should treat this Notice for information purposes only.
 25. The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, and the Certificate from the Secretarial Auditors in respect of the Company's Employee Stock Option Scheme will remain available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to the Company Secretary at investor@cslfinance.in
 26. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2024 to 21st September, 2024 (both days inclusive). Transfers received during book closure will be considered only after reopening of the Register of Members.
 27. Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/unclaimed for a period of 7 years, are required to be transferred to the Investor Education and Protection Fund constituted by the Central Government. Accordingly, the final dividend for the financial year 2016-17 which remains unclaimed, are proposed to be transferred to the said account on 12th October, 2024.
 28. Members who have not claimed/encashed their dividend so far for the financial year ended 31.03.2016 or any subsequent financial year(s) may approach the RTA or the Company for obtaining payments thereof before expiry of the stipulated 7 years period. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company and the same can be accessed through the link https://www.cslfinance.in/files/ugd/eb7a97_c9fd7a9f57dc4799898b8e7fc5318907.pdf
 29. A brief profile of the Directors, who are appointed/re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided as annexure to this notice.
 30. 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 MCA Circulars, the Company is providing 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 e-Voting's agency. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by NSDL.
 31. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investor@cslfinance.in on or before Tuesday, 10th September, 2024. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company

reserves the right to restrict the number of questions and number of speakers, subject to availability of sufficient time for smooth conduct of the AGM.

32. The procedures for joining the AGM through VC, remote e-Voting and voting at the AGM along with the contact details for addressing the grievances in this regard are provided in the instructions annexed to the Notice.

PROCEDURES FOR JOINING THE AGM THROUGH VC, REMOTE E-VOTING AND VOTING AT THE AGM

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-Voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting facility provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below:

The remote e-Voting period will be as under:

Commencement of remote e-Voting	9:00 a.m. on 17 th September, 2024
End of remote e-Voting	5:00 p.m. on 20 th September, 2024

Members holding shares either in physical form or in dematerialized form, as on 14th September, 2024 i.e., Cutoff date, may cast their vote electronically during the above period. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing from 17th September, 2024 and ending on 20th September, 2024 or e-Voting during the AGM. Members who have cast their vote by remote e-Voting prior to the AGM may attend/participate in the AGM through VC but shall not be entitled to cast their vote on such resolution again.

The Board of Directors of the Company have appointed Ms. Jasvinder Kaur (COP: 7700), Proprietor of M/s. Jasvinder

Kaur & Co., Company Secretaries, Ghaziabad, as Scrutinizer to scrutinize the process of remote e-Voting and electronic voting at the AGM in a fair and transparent manner.

The-Voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date. The Scrutinizer will, after the conclusion of e-Voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-Voting, make a consolidated Scrutinizer's Report and submit the same to the Management. The result of e-Voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company (<https://www.csfinance.in/>) and on the website of the e-Voting agency (www.evoting.nsdl.com).

The result will simultaneously be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., on 21st September, 2024.

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

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 No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies; e-Voting process has been enabled for all individual demat account holders, through their demat account maintained with DPs. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for e-Voting and joining the AGM for Individual Members 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"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are 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 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 hold 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 Company name or e-Voting service provider i.e. 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
<p>NSDL Mobile App is available on</p>   	
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Login method for e-Voting and joining the AGM for Individual Members holding securities in demat mode is given below: (Contd.)

Type of shareholders	Login Method
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. upon logging in, you will be able to see e-Voting option. 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 Company name or e-Voting service provider i.e. 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 e-Voting@nsdl.co.in or call at 022-4886-7000
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.e-Voting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting 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.e-Voting.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.

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:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) 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.
 - c) How to retrieve your 'initial password'?
 - i) 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'.
 - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com
 - (b) "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at e-Voting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. 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 electronically and join General Meeting on NSDL e-Voting system?

1. 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.
2. 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".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 infocompliance20@gmail.com or to Company by email to investor@csfinance.in with a copy marked to e-Voting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
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.e-Voting.nsd.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.e-Voting.nsd.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager - NSDL or Mr. Amit Vishal, Assistant Vice President - NSDL at e-Voting@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), AADHAAR (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), AADHAAR (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 e-Voting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

4. In terms of SEBI circular dated 9th December, 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 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.

By Order of the Board
For **CSL Finance Limited**

Place: Noida
Date: 31st July, 2024

Preeti Gupta
(Company Secretary & Compliance Officer)



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

Item No. 4 To approve increase in the borrowing limits of the Company from the existing limit of ₹ 750 Crores to ₹ 1,500 Crores

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising further finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits from ₹ 750 Crores to ₹ 1,500 Crores.

The Board recommends this resolution for the approval of the members as Special Resolution. None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolution.

Item No. 5 Approval for increase in the limits under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/security on the Company's assets with respect to borrowings

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees. Further, the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013. Hence it shall be necessary to obtain approval for the same from the Shareholders.

The Board of Directors recommend for Shareholders approval through Special resolution. None of the Directors of the Company is, in any way, concerned or interest in the said resolution.

Item No. 6 Alteration in Article of Association

It is apprised that as per the terms of the Companies (Amendment) Act, 2015, use of Common seal has now become optional for all companies. Hence, in order to facilitate operational convenience, it is proposed to alter the AOA by deleting and amending the clauses related to Common Seal from AOA of the Company.

The Board recommends this resolution for the approval of the members as Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolution.

Annexure-A to Item 3 of the Notice

Details of Directors seeking re-appointment at the 32nd 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
DIN	09014942
Date of Birth	12 th September, 1994
Designation/category of the Director	Whole-Time Director
Nationality	Indian
Original date of appointment on Board	30 th December, 2020
Qualifications	Master of Business Administration (Finance)
Experience and expertise in specific functional area	<p>Ms. Rachita is a commerce graduate and has done her Masters of Business Finance from Warwick Business School, UK. She has also completed various courses in management, digital marketing and Fintech & financial blockchain from reputed institutions like London School of Economics & Political Science, UK, Indian Institute of Management, Bangalore (IIMB) & Indian Institute of Management, Calcutta (IIMC).</p> <p>She started her career with Ernst & Young and has experience in Analytics, Data Management, Industry Research, Digital Marketing & Corporate Branding.</p> <p>She has over 7 years of experience at CSL Finance and since then has played a key role in the rollout of the Retail lending segment of the Company. She has been driving the entire implementation of LOS LMS and other tech initiatives within the Company in addition to overseeing retail lending business segment, Investor Communications and Human Resources.</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
Shareholding in the Company (as on 31 st March, 2024)	58,503 equity shares (0.28%)
Directorships held in other companies in India (as on 31 st March, 2024)	Nil
Chairperson/membership of Committees	<p>CSL Finance Limited:</p> <ul style="list-style-type: none"> Corporate Social Responsibility Committee – Chairperson Management Committee - Member Internal Complaints Committee - Member
Number of meetings of the Board attended during the last Financial Year 2023-24	8/8
Details of remuneration paid in FY 23-24	<ul style="list-style-type: none"> ₹ 21.28 Lakhs p.a.
Terms and conditions of re-appointment along with details of remuneration sought to be paid	<ul style="list-style-type: none"> To retire by rotation Remuneration: ₹ 28.56 Lakhs p.a.
Resignation from Listed Entities in past three years	Nil



Directors' Report

Dear Members,

Your Directors take pleasure in presenting the 32nd Annual Report on the business and operations of the Company together with the Audited Financial Statements and the Auditors' Reports thereon for the financial year ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Lakhs)

Particulars	Current Year 31 st March, 2024	Previous Year 31 st March, 2023
Revenue from operations	16,564.87	11,723.69
Other Income	93.62	29.25
Total Income	16,658.49	11,752.94
Expenses		
Operating Expenses	6,991.85	4,690.28
Depreciation, amortization and impairment	137.75	103.26
Other Expenses	969.29	806.27
Total Expenses	8,098.89	5,599.81
Profit/loss before Tax	8,559.60	6,153.13
Less: Tax Expenses	(2,223.4)	(1,590.29)
Profit for the year	6,336.20	4,562.84
Other Comprehensive Income	(6.93)	2.03
Total Comprehensive Income for the year	6,329.27	4,564.86

2. PERFORMANCE REVIEW

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, Real estate and non-real estate Corporates through flexible ticket size loans.

Its income during the year grew by 42% to ₹ 167 Crores in FY24 from ₹ 118 Crores in FY23. Profit After Tax (PAT) increased by 37% to ₹ 63 Crores in FY24 from ₹46 Crores in FY23, an increase of AUM by 38% to ₹ 1030 Crores in FY24 from ₹ 749 Crores in FY23. The Net Worth increased by 30% from ₹362.40 Crores in FY23 to ₹ 472.92 Crores in FY24. As a prudent risk management practice. GNPA has declined to 0.44% in FY24 as compared to 0.61% in FY23.

The Company had 29 branches across India as on 31st March, 2024. 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 Corporate Overview section of this Annual Report.

Depreciation and Finance Costs

During the year under review, Depreciation was ₹ 1.37 Crores as compared to ₹ 1.03 Crores for the previous year. Finance costs for FY 24 was ₹ 42.93 Crores as compared to ₹ 27.15 Crores for the previous year.

Borrowings

The Total borrowings stood at ₹503.22 Crores as on 31st March, 2024 as against ₹ 408.05 Crores as on 31st March, 2023.

Capital Adequacy Ratio

Your Company's total Capital Adequacy Ratio (CAR) as on 31st March, 2024 stood at 51.30% as compared to 49.88% as on 31st March, 2023.

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 24th June, 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 the year ended 31st March, 2024 on equity share capital of ₹ 22,78,26,210/-.

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.

5. TRANSFER TO RESERVES

The Company proposes to transfer ₹12.65 Crores to Statutory Reserves in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.

6. SHARE CAPITAL

As on 31st March, 2024, the Share Capital of the Company stood at:

Authorised Capital	₹ 23,00,00,000/- (2,30,00,000 equity shares of ₹10 each fully paid-up)
Issued, Subscribed and Paid-Up Capital	₹ 22,78,26,210 (2,27,82,621 equity shares of ₹10 each fully paid-up)

The Board of Directors in their meeting held on 27th June, 2023 proposed to raise funds through preferential issue of 17,00,000 equity shares to persons belonging to non-promoter category. The said proposal was duly approved by the Members in Extra-Ordinary General Meeting of the Company held on 21st July, 2023. Consequent to the said allotment of new equity shares on 27th July, 2023, the paid up capital of the Company stood increased to ₹22,43,26,210/- (2,24,32,621 equity shares of ₹ 10 each fully paid-up).

Further the Management Committee of the Board of Directors in its meeting held on 11th August, 2023, allotted 3,50,000 equity shares of face value of ₹ 10/- pursuant to exercise of options attached to the convertible warrants held by Rohit Gupta (HUF), Promoter of the Company and Mr. Amit Ranjan, Mr. Chandan Kumar and Mr. Chirag Gupta, Non Promoters of the Company, consequent to the receipt of notice for exercise, along with the balance 75% of the application money due on the said warrants, i.e. ₹ 4,20,00,000 (Rupees Four Crores Twenty Lakhs).

The paid up capital of the Company stood increased to ₹ 22,78,26,210 (2,27,82,621 equity shares of ₹ 10 each fully paid-up)

7. 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'). The said scheme was approved by shareholders vide Special Resolution dated 30th September, 2016.

7,00,000 options are covered under the CSL ESOS, 2016 which is administered through CSL Employees Welfare Trust ('ESOP Trust').

During the financial year 2021-22, the shareholders of the Company on 26th March, 2022 through Postal ballot have approved the revision in the Exercise Period from exiting 3 years to 5 years and have adopted the amended CSL Stock Option Scheme, 2016-11.

During the year under review, there was no material change in ESOS of our Company. As per Regulation 14 of "SBEB Regulations", read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015, the details of the "ESOS" are uploaded on our corporate website at <https://www.csfinance.in/>

A certificate from Secretarial Auditor of the Company confirming that the Scheme has been implemented in accordance with the applicable Regulations would be made available for inspection by Members through electronic means.

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

8. CREDIT RATING

During FY 2023-24, Credit Rating for the Company has been upgraded to A- | Stable from Acuite Ratings Research from erstwhile BBB+ | Stable from India Ratings & Research.

9. 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 annexed and forms part of this Report.

10. 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.

11. 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.

12. RBI GUIDELINES

As on 30th June, 2024, the Company falls in the middle layer from the base layer as per the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**. The Company continues to comply with all the applicable directions, regulations, guidelines, etc. prescribed by RBI from time to time.

13. SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary, Joint Ventures or Associate Companies during the year under review.



14. NUMBER OF MEETINGS OF THE BOARD

Eight (8) meetings of the Board were held during FY 2023-24. Details of the meetings and attendance thereat forms part of the Corporate Governance Report.

15. COMMITTEES OF THE BOARD

The Board of the Directors of the Company has constituted various Committees including the following:

- I. Audit Committee

- II. Nomination and Remuneration Committee
- III. Corporate Social Responsibility Committee
- IV. Stakeholders' Relationship Committee

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

The details about Composition of Committees and their Meetings are stated in brief in the Corporate Governance Report forming part of this Report.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2024, the Board of the Company consists of six Directors and two Key Managerial Personnel:

Directors	DIN/PAN	Category
Mr. Rohit Gupta	00045077	Managing Director
Mr. Ashok Kumar Kathuria	01010305	Non-Executive Director
Mr. Parmod Bindal	06389570	Non-Executive Independent Director
Mr. Subhash Chand Kwatra	08635939	Non-Executive Independent Director
Mr. Ayussh Mittal	07667437	Non-Executive Independent Director
Ms. Rachita Gupta	09014942	Whole-Time 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 31st March, 2024, there was no disqualification of any Director pursuant to Section 164 (2) of the Companies Act, 2013. The certificate has been received from Ms. Jasvinder Kaur (COP: 7700), Proprietor of M/s. Jasvinder Kaur & Co., Company Secretaries, Ghaziabad, 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**.

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

During the year under review, there was no change in the Directors.

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, there was no change in the KMPs.

17. 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:

- i. 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
- ii. 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.

18. 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.

19. TRANSACTIONS WITH RELATED PARTIES

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and SEBI Listing Regulations. The same is displayed on the website of the Company at <https://www.csfinance.in/codes-and-policies>. This policy deals with the review and approval of related party transactions. During the year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note - 47 of Financial Statements.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act in the prescribed Form AOC-2.

20. FRAUD REPORTING

There was no instance of fraud in the Company by its officers or employees 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.

21. 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 at <https://www.csfinance.in/codes-and-policies>.

22. 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:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. 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 FY2024;
- iii. 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;
- iv. they have prepared the annual accounts on a going concern basis;
- v. 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
- vi. 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.

23. 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.

24. 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 policy is available at Company's website at <https://www.csfinance.in/codes-and-policies>. 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.

25. 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.

26. 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. The same is posted on the website of the Company at <https://www.csfinance.in/codes-and-policies>.

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 Boards' Report.

27. 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 at <https://www.csfinance.in/codes-and-policies>. The FPC is also reviewed by the Board at frequent intervals to ensure its level of adequacy and appropriateness.

28. AUDITORS & THEIR REPORT

Statutory Auditors

As per Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the members of our Company in its 30th AGM of the Company approved the 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 the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting.

Auditors' Report

The notes on the financial statement referred in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report to the Members for the year under review is unmodified, i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

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 15th May, 2024 has appointed Ms. Jasvinder Kaur (COP: 7700), Proprietor of M/s. Jasvinder Kaur & Co., Company Secretaries, Ghaziabad as Secretarial Auditor to undertake secretarial audit of the Company for the financial year ended 31st March, 2024.

The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non compliances. The Secretarial Audit Report is provided in **Annexure-B** to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers.

Internal Auditors

The Board has re-appointed M/s. R, Mahajan & Associates (FRN: 011348N), Chartered Accountants, Delhi as the Internal Auditors of the Company in its Board Meeting held on 15th May, 2024 for the Financial Year 2024-25. The Internal Audit report is submitted every quarter before the Audit Committee by the Internal Auditors

29. 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 at <https://www.csfinance.in/annual-general-meeting>

30. 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.

31. 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/csffoundation-csr>

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.

32. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the meeting of Independent directors was held on 29th March, 2024, 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.

33. 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 behaviour, 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 behaviours. A copy of the Policy is available on the website of the Company at <https://www.csfinance.in/codes-and-policies>

34. 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.

35. 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 15th May, 2024 and the same does not contain any adverse remark or disclaimer.

36. 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.

37. 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 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.

38. UNCLAIMED DIVIDEND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ('IEPF') pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for the Financial Year 2016-17 lying in the unclaimed dividend account of the Company as on 16th September, 2024 will be transferred to IEPF on the due date i.e. 12th October, 2024. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the unpaid dividend account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government. Accordingly, the Company will transfer the unclaimed dividend and eligible Shares to IEPF Demat Account within statutory timelines.



39. 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 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.

40. 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/codes-and-policies>. 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.

41. 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. 2024-25 have been duly paid to BSE Limited and NSE Limited.

Place: Noida
Date: 31st July, 2024

42. 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.

43. 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.

44. CAUTIONARY STATEMENT

Statements in the Boards' 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 behalf of the Board
of **CSL Finance Limited**

Rohit Gupta
(Managing Director)
DIN: 00045077

Ashok Kumar Kathuria
(Director)
DIN: 01010305

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 31st March, 2024 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:

Sr. No.	Name of Director	DIN	Designation
1	Mr. Rohit Gupta	00045077	Managing Director
2	Mr. Ashok Kumar Kathuria	01010305	Non-Executive Director
3	Mr. Parmod Bindal	06389570	Independent Director
4	Mr. Subhash Chand Kwatra	07143461	Independent Director
5	Ms. Rachita Gupta	09014942	Whole-Time Director
6	Mr. Ayussh Mittaal	07667437	Independent Director

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate 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.

For Jasvinder Kaur & Co.
(Company Secretaries)

Jasvinder Kaur
(Practicing Company Secretary)
M. No.: F7244
COP No.: 7700
Unique Identification No.: 12007UPS95700
Peer Review Certificate No.: 984/2020
UDIN: F007244F000792721

Place: Ghaziabad
Date: 22nd July, 2024



Annexure-B

FORM NO. MR-3

Secretarial Audit Report

For the financial year ended 31st March, 2024

[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 31st March, 2024 ("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 31st March, 2024 according to the provisions (whichever applicable) of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) 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;
- (f) The other regulations of Securities and Exchange Board of India as may be applicable to the Company;
- (g) 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:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings;
- (ii) 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.

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.

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.

The Shareholders at their 31st Annual General Meeting held on 23rd September, 2023 approved the final dividend of ₹ 2.5/- per equity share to the equity shareholders of the Company.

For Jasvinder Kaur & Co.
(Company Secretaries)

Jasvinder Kaur
(Practicing Company Secretary)
M. No.: F7244
COP No.: 7700
Unique Identification No.: 12007UPS95700
Peer Review Certificate No.: 984/2020
UDIN: F007244F000792677

Place: Ghaziabad
Date: 22nd July, 2024

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



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.

For Jasvinder Kaur & Co.
(Company Secretaries)

Jasvinder Kaur
(Practicing Company Secretary)

M. No.: F7244

COP No.: 7700

Unique Identification No.: 12007UPS95700

Peer Review Certificate No.: 984/2020

UDIN: F007244F000792677

Place: Ghaziabad

Date: 22nd July, 2024

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, Women and indigents by promoting Education, Women Empowerment and Health.

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 by promoting Education (b) Women Empowerment (c) Health 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

Sr. 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.	Ms. Rachita Gupta	Chairperson	2	2
2.	Mr. Rohit Gupta	Member	2	2
3.	Mr. Ashok Kumar Kathuria	Member	2	2
4.	Mr. Subhash Chand Kwatra	Member	2	2

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://www.csfinance.in/cslfoundation-csr>

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 Crores rupees.

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.



6.	Average Net Profit of the Company as per Section 135(5)	₹4854.86 Lakhs
7.	(a) Two percent of average Net Profit of the Company as per Section 135(5)	₹97.10 Lakhs
	(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)	₹97.10 Lakhs

8. (a) CSR amount spent or unspent for the Financial Year 2023-24:

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
91.16 Lakhs	Nil	Nil	N.A.	N.A.	N.A.

(b) Details of CSR amount spent/allocated against ongoing projects for the Financial Year 2023-24:

(1)	(2)	(3)	(4)	(5)		(6)		(7)	(8)			
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act (Yes/No)	Local area	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
Not Applicable												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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		Amount spent for the project (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		Yes		
2.	Naritva	(ii) & (iii)	Yes	Noida	Uttar Pradesh	91.16 Lakhs	Yes	CSL Foundation	CSR00025548
3.	Aarogya	(i)	Yes	Noida	Uttar Pradesh		Yes		

(d) Amount spent in Administrative Overheads: ₹ 5.93 Lakhs

(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): ₹97.10 Lakhs

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in ₹ Lakhs)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	₹ 97.10 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 97.10 Lakhs
(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. 2022-23):

Nil

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year (22-23):

Nil

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

For and on behalf of the Board
CSL Finance Limited

Date: 31st July, 2024
Place: Noida

Rachita Gupta
(Chairman-CSR Committee)
DIN: 09014942

Rohit Gupta
(Managing Director)
DIN: 00045077



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. 2023-24 as compared to F.Y. 2022-23	Ratio of Remuneration to Median Remuneration
Mr. Rohit Gupta	Managing Director	NIL	22.92:1
Ms. Rachita Gupta	Whole-Time Director	NIL	4.77:1
Mr. Ashok Kumar Kathuria	Non-Executive Director	NA	NA
Mr. Ayussh Mittaal	Independent Director	NA	NA
Mr. Parmod Bindal	Independent Director	NA	NA
Mr. Subhash Chand Kwatra	Independent Director	NA	NA
Mr. Naresh Chandra Varshney	Chief Financial Officer	NIL	3.67:1
Ms. Preeti Gupta	Company Secretary & Compliance Officer	25%	2.75:1

B. Disclosure on other matters:

The percentage increase/decrease in the median remuneration of the employees during the financial year	3%
No. of permanent employees on the rolls of the Company (as on 31 st March, 2024)	389 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 2023-24.
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that Remuneration is paid as per the Remuneration Policy of the Company.

Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"/"Listing Regulations")

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 Woman Director.
- 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 and Employees of the Company.
- Employees Stock Option Scheme – to attract, reward and retain key executive employees.

The Company is among top 2000 Companies listed on the National Stock Exchange of India Limited and BSE Limited respectively on the basis of market capitalization. Accordingly, it is in compliance with the compliances applicable pursuant to its position.

The Company continuously strives to achieve excellence in corporate governance through its values—Customer first, Passion for Excellence, Integrity, Respect for People.

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 31st March, 2024, there are total six (6) Directors on the Board of the Company, out of which two (2) are Executive Directors out of which one is Managing Director and another Whole-Time Director, four (4) are Non-Executive Directors out of which three (3) are Independent Directors.

During the year under review, there was no significant change in the composition of the Board of Directors.

The Company has obtained a certificate from Ms. Jasvinder Kaur (COP No. 7700), proprietor of M/s. Jasvinder Kaur & Co., Company Secretaries, Ghaziabad, 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 business policies and review the financial performance of the Company. 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 **8 (Eight)** times during the financial year 2023-24 viz., 29th April, 2023; 16th May, 2023; 29th May, 2023; 27th June, 2023; 7th August, 2023; 25th August, 2023; 6th November, 2023, and 29th January, 2024.

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:

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	00045077	Promoter-Executive Managing Director	8	8	Yes	1	0	2	37,74,608
Ms. Rachita Gupta	09014942	Promoter-Executive Whole-Time Director	8	8	Yes	1	0	0	58,503
Mr. Ashok Kumar Kathuria	01010305	Non-Executive Non-Independent Director	8	8	Yes	1	1	1	0
Mr. Parmod Bindal	06389570	Non-Executive Independent Director	8	7	Yes	1	1	0	0
Mr. Subhash Chand Kwatra	08635939	Non-Executive Independent Director	8	7	Yes	3	1	2	0
Mr. Ayussh Mittal	07667437	Non-Executive Independent Director	8	8	Yes	1	0	3	0

Committee Membership(s)/Chairmanship(s) as on 31st March, 2024, attendance of each Director at the Board Meetings of the Company held during F.Y. 2023 - 2024 and at the last Annual General Meeting ('AGM') of the Company along with equity shareholding of each Director as at 31st March, 2024 is given below:

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, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Inter-se relationship amongst the Directors:

None of our Directors are related to each other except Mr. Rohit Gupta (Managing Director) and Ms. Rachita Gupta (Whole-Time Director) who are related to each other as father and daughter.

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

	Industry knowledge of Financial Service and Banking Industry	Strategic & Business Planning	Accounting and Finance	Corporate Governance and Compliance	Stakeholders Relationship	Management Experience and Leadership	Information Technology Knowledge
Mr. Rohit Gupta	✓	✓	✓	✓	✓	✓	✓
Ms. Rachita Gupta	✓	✓	✓	✓	✓	✓	✓
Mr. Ashok Kumar Kathuria	✓	✓	✓	✓	✓	✓	✓
Mr. Parmod Bindal	✓	✓	✓	✓	✓	✓	✓
Mr. Subhash Chand Kwatra	✓	✓	✓	✓	✓	✓	✓
Mr. Ayussh Mittaal	✓	✓	✓	✓	✓	✓	✓

D. Familiarization Programme for Independent Directors

The Familiarization Program for Independent Directors is uploaded on the website of the Company, and is accessible at <https://www.csfinance.in/codes-and-policies>

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 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 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 29th March, 2024 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;

- The board strategy, risk management, Corporate Governance, Compliances and standard of conduct and other allied matters.

All the Independent Directors viz. Mr. Ayussh Mittaal, Mr. Parmod Bindal and Mr. Subhash Chand Kwatra, were present at the meeting.

3. COMMITTEES OF THE BOARD

The Committees of the Board are constituted as required under the Companies Act, SEBI Listing Regulations, 2015, Master Directions Framework for the NBFC issued by the Reserve Bank of India and for such other purposes as the Board may deem fit, from time to time. As on 31st March, 2024, The Board of the Directors of the Company has constituted various Committees including the following:

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

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

A. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 ('the Act') and Regulation 18 read with Part C of the Schedule II of the Listing Regulations. All the members of the Committee have wide experience in fields of Banking & Finance, Accounts, Regulatory and Financial service industry.

Terms of Reference Audit Committee, inter-alia, includes:

- a) Reviewing with the management, the quarterly financial statements and annual financial statements and auditors' report thereon before submission to the Board for approval.



- b) 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.
- c) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit.
- d) To review Company's financial performance.
- e) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- f) Compliance with Accounting Standards.
- g) To review Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
- h) Scrutiny of inter-corporate loans and investments.
- i) Review with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control Systems.
- j) To review the functioning of Whistle Blower Mechanism.
- k) Discussion with Internal Auditors, any significant findings and follow up thereon.
- l) Evaluation of internal financial controls and risk management systems.
- m) To review compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- n) 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.

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

During the year under review, the Audit Committee met 4 (four) times viz., on 16th May, 2023; 7th August, 2023; 6th November, 2023 and 29th January, 2024 to deliberate on various matters.

Composition of the Audit Committee along with number of meetings & attendance details are mentioned below:

Name	Category	Designation	No of meetings held during tenure	No of meetings attended
Mr. Parmod Bindal	Independent Director	Chairman	4	4
Mr. Rohit Gupta	Executive Director	Member	4	4
Mr. Ayussh Mittaal	Independent Director	Member	4	4
Mr. Subhash Chand Kwatra	Independent Director	Member	4	4

B. 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 Listing Obligations and Regulations.

Terms of Reference of Nomination and Remuneration Committee, inter-alia, includes:

- a) To recommend to the Board, the set up and composition of the Board and its committees.
- b) Setting criteria for appointment, re-appointment/removal of Directors/Senior Management including Key Managerial Personnel ('KMP') and other employees of the Company.
- c) Recommend to the Board the Remuneration Policy for directors, senior management or Key Managerial Personnel.
- d) To review the process for performance evaluation of Board, its Committees and Individual Directors, Board Diversity.

- e) To administer the working of Employees Stock Option Schemes of the Company.

- f) 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/>

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

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

The Committee met 1 (one) time during the year under review viz. 29th May, 2023.

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

Name	Category	Designation	No. of meetings held during tenure	No. of meetings attended
Mr. Subhash Chand Kwatra	Independent Director	Chairman	1	1
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	1	1
Mr. Ayussh Mittaal	Independent Director	Member	1	1

C. 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:

- It shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by the shareholders.

- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- To discharge any other duties or responsibilities as may be prescribed by law or as may be delegated by the Board from time-to-time.

During F.Y. 2023-24, one (01) SRC Committee meetings was held on 27th October, 2023. All the members of the Committee were present in all the meetings.

Composition of the SRC Committee along with 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	1	1
Mr. Rohit Gupta	Executive Director	Member	1	1
Mr. Ayussh Mittaal	Independent Director	Member	1	1

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. 26th June, 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 Agent to handle the investor grievances in co-ordination 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 2023-24

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

D. 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 Education, Women Empowerment, Health and Sanitation and other 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

- a) formulation and monitoring the implementation of corporate social responsibility ('CSR') policy.

- b) to look into matters related to sustainability, review CSR/ Sustainability reports.
- c) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes.
- d) recommend to the Board CSR activities to be undertaken by the Company.
- e) to recommend the Annual Action Plan including amount of expenditure to be incurred on the activities referred to in the CSR Policy and review the same and all other matters specified under the Act or any other role as may be prescribed by law from time to time.

During F.Y. 2023-24, Two (02) CSR Committee Meetings were held on 3rd October, 2023 and 10th January, 2024. All the members of the Committee were present in all the said meetings.

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

Name	Category	Designation	No. of meetings held during tenure	No. of meetings attended
Ms. Rachita Gupta	Executive Director	Chairperson	2	2
Mr. Rohit Gupta	Executive Director	Member	2	2
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	2	2
Mr. Subhash Chand Kwatra	Non-Executive Independent Director	Member	2	2

E. Management Committee

Management committee was constituted by the Board of directors on 12th February, 2021. The Board of Directors of the Company has delegated the below mentioned powers to the Management Committee.

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

- a) Investing temporary surplus funds, availing cash management services or financial assistance from Banks and other Institutions.
- b) Opening and closing of bank accounts and other banking related operations.
- c) Authorizing persons for obtaining various licenses, registered mortgage and registrations under any statute & regulations.
- d) Appearances before concerned authorities, execution & registration of agreements as and when required.
- e) Matters related to corporate actions such as fixing of record date, book closure/cut-off date.
- f) Power to create any kind of Security on movable and Immovable properties, Accounts Receivables, Inventories, Book Debts and any other assets by way of Lien, Pledge, Hypothecation or in any other manner as per Sanctioned Terms of the Banks/Financial Institutions
- g) Nomination under any statute and other statutory enactments as may be applicable to the Company.
- h) To deal with the matters for day to day running and in the ordinary and regular course of business and;
- i) Any other matter (incidental or expedient) as the case may be in compliance requirement of Stock Exchanges, Registrar of Companies, RBI, NCLT, IBC and all other concerned authorities.

During FY 2023-24, Twenty-Nine (29) Management Committee Meetings were held:

17 May, 2023	22 May, 2023	07 Jun, 2023	22 Jun, 2023	19 Jul, 2023
27 Jul, 2023	08 Aug, 2023	11 Aug, 2023	05 Sep, 2023	18 Sep, 2023
25 Sep, 2023	27 Sep, 2023	30 Sep, 2023	18 Oct, 2023	06 Nov, 2023
04 Dec, 2023	20 Dec, 2023	27 Dec, 2023	28 Dec, 2023	29 Dec, 2023
10 Jan, 2024	18 Jan, 2024	09 Feb, 2024	15 Feb, 2024	18 Mar, 2024
20 Mar, 2024	29 Mar, 2024	30 Mar, 2024		

Composition of the Management Committee along with 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	29	29
Mr. Ashok Kumar Kathuria	Non-Executive Director	Member	29	29
Ms. Rachita Gupta	Executive Director	Member	29	29

F. Internal Complaints Committee (“ICC”)

A Committee of Board of Directors was constituted as per the provisions of Section 4 of Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal Act, 2013. Members of the Internal Complaints Committee have been authorized to do the following acts:

- To draft and amend the Sexual Harassment Policy for the organization from time to time;
- To work towards providing a safe and respectful working environment;
- Organize training and awareness programs (classroom/ eLearning) at regular intervals;
- To conduct meetings:
 - When there is a complaint received in writing from any of the women employees;

- To settle grievances;
- To make sure there is appropriate compensation for any case of misconduct and sexual harassment. And, Other functions as mentioned in the Anti-Sexual Harassment Policy.

Note: All the above committee 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.

Confirmation by the Board of Directors - acceptance of recommendation of mandatory committees

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

G. Particulars of Senior Management Personnel and changes since the close of previous financial year

The Company has a very competent team of Senior Management. In terms of the Listing Regulations, the following Executives of the Company form part of the Senior Management of the Company:

Sr. No.	Name	Designation
1.	Mr. Amit Ranjan	Chief Operating Officer
2.	Mr. Naresh Chandra Varshney	Chief Financial officer
3.	Mr. Amit Kaul	President - IT & CTO
4.	Mr. Atul Kumar Agrawal	President - Finance & Treasury
5.	Mr. Chandan Kumar	Wholesale - Credit Head
6.	Mr. Prashant*	Zonal Credit Manager - SME
7.	Mr. Neeraj Bhati*	Zonal Credit Manager - SME
8.	Mr. Nikhil Singh	VP Business Operations & Business Analytics
9.	Mr. Saurabh Prydarshi	Head - Legal
10.	Mr. SB Tiwari	Chief Manager - Accounts
11.	Ms. Shalini Agarwal	VP - Finance
12.	Mr. Deepak Sharma	Chief Manager - IT
13.	Mr. Hariom Kumar	AVP - HR
14.	Ms. Preeti Gupta	Company Secretary & Compliance Officer

*Mr. Neeraj Bhati joined the Company on 23rd December, 2023 and Mr. Prashant on 8th February, 2024 as Zonal Credit Manager – SME.



4. 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. The criteria for making payments to Non-Executive Directors have been put on the Company's website at <https://www.csfinance.in/codes-and-policies>

b. Sitting Fees

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.

c. Details of Remuneration Paid to Directors during the year 2023-24

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 31st March, 2024, the Company has two Executive Directors i.e. the Managing Director and Whole-Time Director of the Company and apart from this, all other Directors are Non-Executive Directors.

Remuneration paid to Managing Director and Whole-Time Director alongwith details of equity shares held as on 31st March, 2024 is tabled below:

Name	Remuneration (₹)	No. of Equity Shares held
Rohit Gupta (MD)	84,00,000	37,74,608
Rachita Gupta (WTD)	21,28,000	58,503

Remuneration to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at the Board/Committee meetings. They are remunerated by way of sitting fees for attending the meetings. No Equity Shares were held by the Non-Executive Directors in the Company as on 31st March, 2024.

Details of sitting fees of the Non-Executive Directors for the year ended 31st March, 2024 are given in the table below:

Name of the Director	Sitting Fees (₹)
Mr. Parmod Bindal	1,54,000
Mr. Chander Subash Kwatra	1,54,000
Mr. Ayussh Mittaal	84,000

Insider trading

In an endeavour to prevent the misuse of unpublished price sensitive information in the day-to-day business affairs and to promote the culture of fair disclosure of information in due compliance with the Principles of Fair Disclosures as set out in the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulation"), the Board of Directors of the Company, have formulated a Code of Conduct known as "CSL Code of Conduct for fair disclosure of unpublished price sensitive information. Your Company has issued comprehensive guidelines in accordance with the SEBI Regulations as amended, in this regard, which advise and caution the Directors and designated persons, dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements. The Company adopted the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in line with SEBI PIT Regulation. The Company has automated the declarations and disclosures to identified designated persons, and the Board reviews the policy on a need basis.

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 2023-24 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 5th January, 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. 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
31 st	2022-23	Saturday, 23.09.2023	410-412, 18/12, 4 th Floor, WEA, Arya Samaj Road, Karol Bagh, New Delhi-110005 through VC/OAVM	12:00 Noon	Nil
30 th	2021-22	Monday, 26.09.2022	410-412, 18/12, 4 th Floor, WEA, Arya Samaj Road, Karol Bagh, New Delhi-110005 through VC/OAVM	11.00 a.m.	1. [Appointment of Mr. Subhash Chand Kwatra (DIN: 08635939) as an "Independent Director" of the Company] 2. [Appointment of Mr. Parmod Bindal (DIN: 06389570) as an "Independent Director" of the Company]
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

b) Special Resolutions passed through Postal Ballot

During the year, the Company has not conducted any postal ballot.

c) Extra-Ordinary General Meeting (EGM)

Two special resolutions were passed in Extra-Ordinary General meeting of the Company held on 21st July, 2023.

6. MEANS OF COMMUNICATION

- a. Financial Results:** In accordance with the Listing Regulations, the quarterly/half-yearly/annual results are uploaded on Stock Exchanges. The Financial Results are generally published in leading business newspaper namely, 'Economic Times'/'The Financial Express'/'Business Standard' (English) and in 'Jansatta'/'Business Standard' (Hindi) and simultaneously posted on the Company's website and can be accessed at www.csfinance.in.
- b. Company's Website:** Various sections of the Company's website (www.csfinance.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, stock exchange filings etc.

- c. Stock Exchanges:** The Company makes timely disclosures and filing to the Stock Exchanges 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 Exchanges.
- d. 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 and Neaps portal of National Stock Exchange of India Limited. The same is also available on the website of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com
- e. Presentations made to Institutional Investors or to the analysts:** The Company organises Earnings Calls after announcement of half yearly and yearly 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.



7. GENERAL INFORMATION FOR SHAREHOLDERS

Annual General Meeting

(i)	AGM (Date, Time and Venue)	The 32 nd AGM of the Company will be held on Saturday, 21 st September, 2024 at 12.30 p.m. through Video Conferencing/Other Audio-visual means (OAVM)
(ii)	Financial Year	1 st April, 2023 to 31 st March, 2024
(iii)	Dividend Recommended	Directors recommended a final dividend @ 25% i.e., ₹ 2.50/- (Rupees Two and Fifty Paise only) per equity share of face value of ₹ 10/- each for the financial year ended 31 st March, 2024, in its meeting held on 15 th May, 2024, 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: 15-09-2024 To 21-09-2024 (Both days inclusive)
(vi)	CIN:	L74899DL1992PLC051462
(vii)	Website	www.csloffinance.in
(viii)	E-mail Id	investor@csloffinance.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
(xi)	Listing Details	BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001. NSE Limited, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Annual Listing Fees for the year 2023-24 has been paid to the BSE Limited and National Stock Exchange of India Limited within the stipulated time.
(xiii)	Script Code	NSE Limited - CSLFINANCE BSE Limited - 530067
(xiv)	ISIN	INE718F01018

Compliance Officer

Ms. Preeti Gupta
(Company Secretary & Compliance Officer)

CSL Finance Limited

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

Description of Voting Rights

All shares issued by the Company carry equal voting rights.

Calendar of Financial Year ended 31st March, 2024:

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 31st March, 2024, were held on the following dates:

First Quarter Results ending 30 th June, 2023/First Quarter results	7 th August, 2023
Second Quarter/Half Yearly results ending 30 th September, 2023/ Second Quarter and Half Yearly results	6 th November, 2023
Third Quarter Results/Nine Month results ending 31 st December, 2023/ Third Quarter results	29 th January, 2024
Fourth Quarter/Audited Annual Results ending 31 st March, 2024/ Fourth Quarter and Annual results	15 th May, 2024

Tentative Calendar of Financial Year ending 31st March, 2025:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2025 are as follows:

Financial Reporting for the quarter ending 30 th June, 2024/First Quarter results	Held on 31 st July, 2024
Financial Reporting for the quarter ending 30 th September, 2024/Second Quarter and Half Yearly results	On or before 14 th November, 2024
Financial Reporting for the quarter ending 31 st December, 2024/Third Quarter results	On or before 14 th February, 2025
Financial Reporting for the quarter and year ending 31 st March, 2025/Fourth Quarter and Annual results	On or before 30 th May, 2025
AGM for the year ending 31 st March, 2025	On or before 30 th September, 2025

Market Price Data & Share Price Performance:

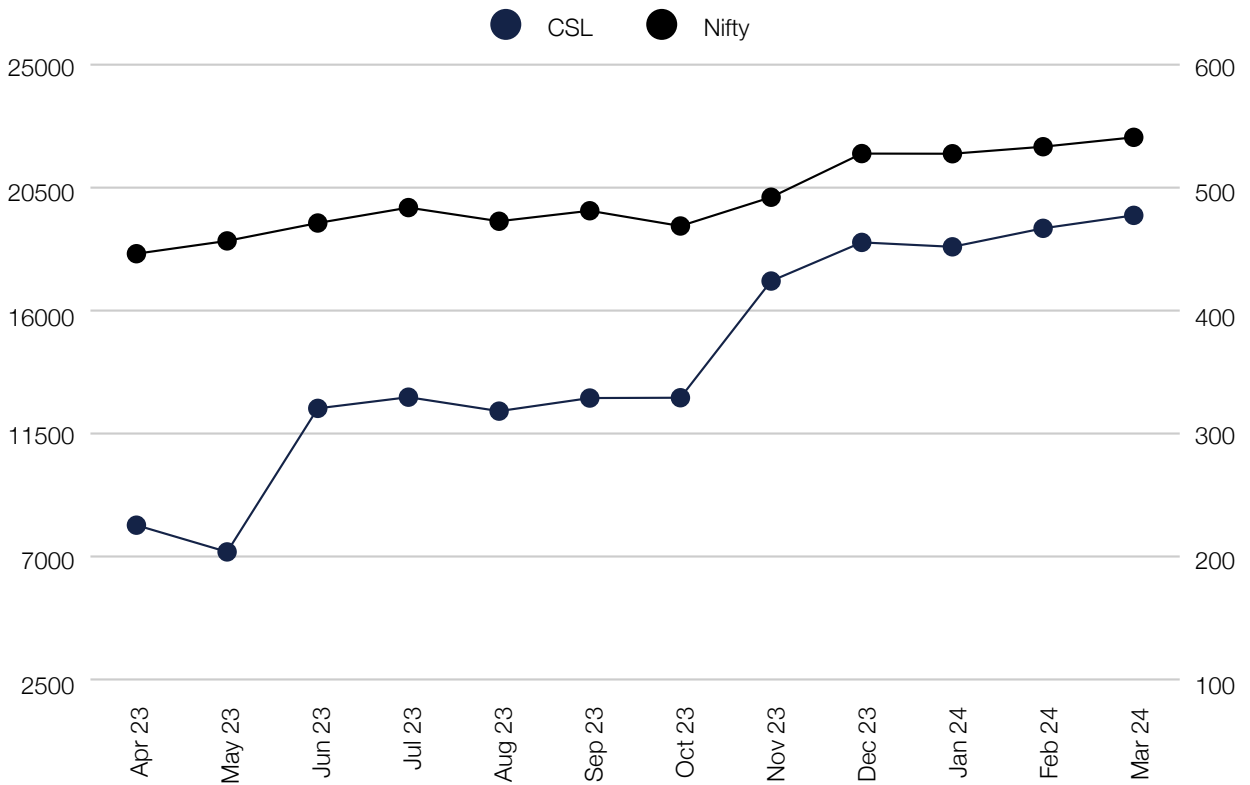
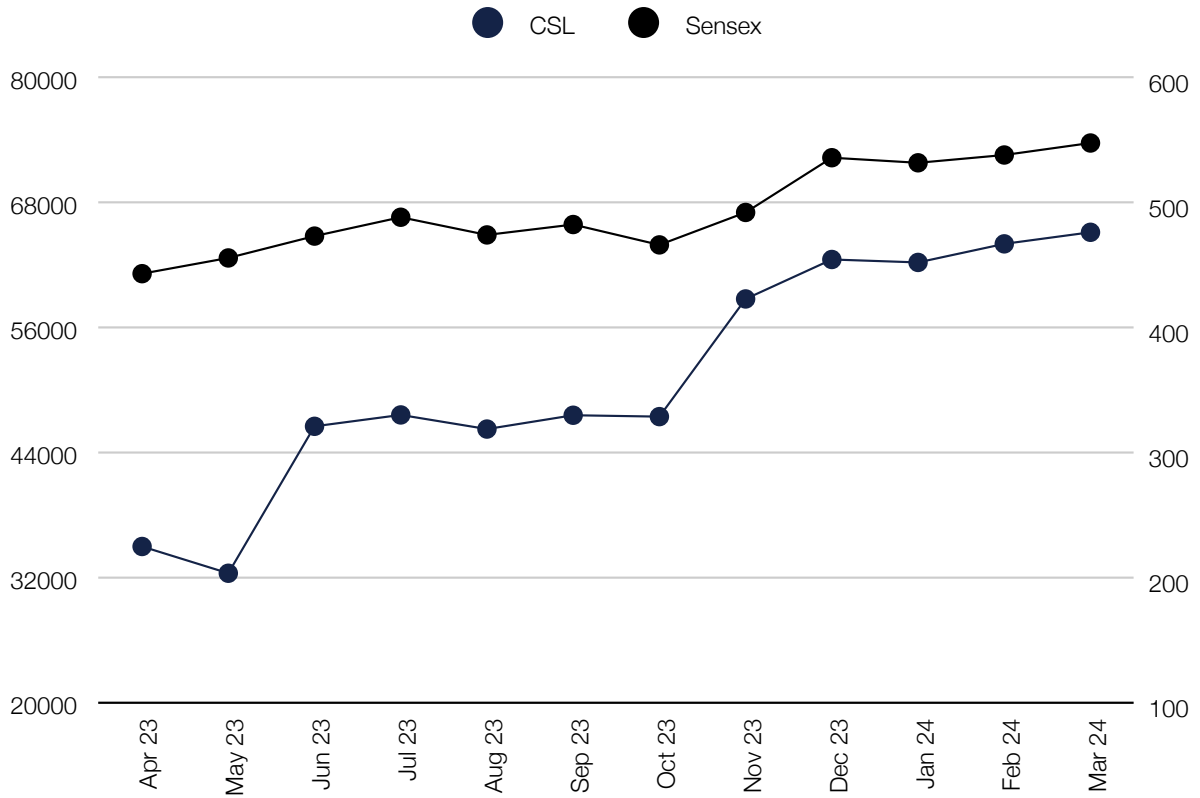
Monthly High & Low during each month for the period April 2023 to March 2024 on BSE and NSE is mentioned below:

Month	BSE Share Prices (in ₹)		NSE Share Prices (in ₹)	
	High	Low	High	Low
April-23	233.80	196.95	235.05	197.25
May-23	231.20	195.60	231.05	198.00
June-23	348.50	203.35	350.00	204.00
July-23	359.95	313.20	352.70	315.05
August-23	366.05	302.00	366.95	304.10
September-23	378.90	285.30	364.70	288.30
October-23	368.00	310.15	360.00	309.35
November-23	437.25	310.00	437.00	305.65
December-23	499.95	402.55	498.00	403.10
January-24	478.35	366.65	478.90	409.90
February-24	517.15	434.60	517.70	435.00
March-24	480.35	388.50	481.00	388.40

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

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

Month	Sensex Closing	Nifty 50 Closing	CSL Close Price (BSE)	CSL Close Price (NSE)
April-23	61112.44	18065.00	224.45	225.00
May-23	62622.24	18534.40	203.05	203.25
June-23	64718.56	19189.05	320.55	320.05
July-23	66527.67	19753.80	329.65	329.15
August-23	64831.41	19253.80	318.35	317.80
September-23	65828.41	19638.30	329.40	328.45
October-23	63874.93	19079.60	328.30	328.70
November-23	66988.44	20133.15	422.40	423.65
December-23	72240.26	21731.40	453.95	455.10
January-24	71752.11	21725.70	451.60	451.50
February-24	72500.30	21982.80	466.45	466.55
March-24	73651.35	22326.90	475.70	477.10



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

Registrar and Share Transfer Agent

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

SEBI has mandated that securities of listed companies can be transferred/traded only in dematerialised form. Further, SEBI has mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition be also processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e., <https://www.csfinance.in/information-for-shareholders>. In case of shares held in dematerialised form, the transfers are processed by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

Distribution of shareholding

Distribution of shareholding as on 31st March, 2024 is as under:

Shareholding of Nominal Value of ₹	No. of shareholders		Number of Shares	Amount	
	Number	%		₹	%
Upto 5,000	5834	82.670	472796	4727960	2.075
5001-10,000	478	6.773	375954	3759540	1.650
10,001-20,000	318	4.506	467114	4671140	2.050
20,001-30,000	126	1.785	323201	3232010	1.419
30,001-40,000	53	0.751	190026	1900260	0.834
40,001-50,000	38	0.538	176954	1769540	0.777
50,001-1,00,000	81	1.148	592273	5922730	2.600
1,00,001 & above	129	1.828	20184303	201843030	88.595
Total	7057	100.000	22782621	227826210	100.000

Shareholding pattern of the Company as on 31st March, 2024 is as under:

Category of Shareholder	No. of shares held	% of Equity Capital
Promoters	10870110	47.71
Mutual Funds	Nil	NIL
Alternate Investment Funds	279878	1.23
Foreign Portfolio Investors (Cat-1)	353892	1.55
Foreign Portfolio Investors (Cat-2)	151906	0.67
Non-Resident Indians/OCB	276682	1.21
Others	10850153	47.62
Total	22782621	100.00

Bifurcation of Shares held in physical and demat form as on 31st March, 2024:

As at 31st March, 2024, 97.8% of the Company's paid up capital is held in the dematerialized form and balance of 2.20% 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	18783263	82.45
Held in Demat form with CDSL	3496393	15.35
Holdings in Physical Mode	502965	2.20
Total	22782621	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 National Stock Exchange of India Limited and BSE Limited respectively. The promoters' hold their entire shareholding in dematerialized form.

Address for investor's correspondence

For share transfer/transmission/Dematerialization or other queries to the securities of the Company	M/s MAS Services Limited T-34, 2 nd Floor Okhla Industrial Area Phase-2, New Delhi-110 020 Tel: 011-26387281, 82, 83 Email: info@masserv.com
For General Correspondence	Secretarial Department CSL Finance Limited 716-717, 7 th Floor, Tower - B, World Trade Tower, Sector-16, Noida-201301 Tel: 011-4290650/52
Email id for investor grievance	investor@cslfinance.in

Credit Rating

During F.Y. 2023-24, Credit Rating for the Company has been upgraded to A- | Stable from Acuite Ratings Research from erstwhile BBB+ | Stable from India Ratings & Research.

8. OTHER DISCLOSURES

- a) Material Transactions with Related Parties:** All Related Party Transactions as defined under the Act, were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at <https://www.cslfinance.in/codes-and-policies>. During the year 2023-24, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters or Directors or Management or their relatives other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts.
- b) Details of Non-Compliances/Penalties etc.:** None
- 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)** During the year, the Company has not allotted any Bonus Shares.
- e) Compliance with Mandatory requirements of Listing Regulations:** The Company is in compliance with applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, 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) Statutory Auditor and Audit fees: M/s S.P. Chopra & Co., are the Statutory Auditors of your Company. The details of the total fees for all services paid by the Company to the statutory auditors are as follows:**

Type of Services	FY 2023-24 (₹)	FY 2022-23 (₹)
Audit Fees**	15,61,223	10,00,000
Others	2,36,912	1,32,840
Total	17,98,135	11,32,840

*Includes Audit and Audit-related services on a consolidated basis.

#Excludes any Out of Pocket Expenses Incurred.

The Audit Fees paid to the auditors for the financial year ended 31st March, 2024 is covered separately in the Notes to Accounts.

- g) 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

- h) Vigil Mechanism/Whistle Blower Policy:** Pursuant to Section 177(9) and (10) of the Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at <https://www.csfinance.in/codes-and-policies>

- i) Web Link Where Policy for Determining 'Material' Subsidiary is Disclosed:** The Company does not have any material subsidiary and hence policy for determining the material subsidiary is not applicable.

- j) Details of Utilization of Funds Raised Through Preferential allotment:** The Company has allotted 17,00,000 equity shares of face value of ₹ 10 each by way of preferential allotment at a price of ₹ 276/- per share (including premium of ₹ 276 per share) aggregating to ₹ 48.62 Crores on 27th July, 2023. The funds were fully utilised as per the objects of the issue.

Further pursuant to exercise of options attached to the convertible warrants, balance 75% of the application money due on the said warrants, i.e. ₹ 4,20,00,000 (Rupees Four Crores Twenty Lakhs) was received from the allottees and the funds were fully utilised as per the objects of the issue.

- k) Details of compliance with discretionary requirements of Part E of Schedule II of Listing Regulations:** The Company has complied with all the mandatory requirements prescribed by SEBI (LODR) Regulations, 2015 and the Company has also complied with below mentioned discretionary requirements as stated under Part E of schedule II to the SEBI (LODR) Regulations, 2015:

1. The Company's financial statements are unmodified and Company continues to adopt best practices to ensure the regime of unmodified opinion.
2. The reports of the Internal Auditor are placed directly to the Audit Committee.

l) Certifications

- **Code of Conduct:** The Board has laid down a "Code of Conduct" for all the Board Members and the senior management of the Company and the Code of Conduct has been posted on the website of the Company. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. Rohit Gupta, Managing Director (DIN: 00045077) is attached to this report as **Annexure I**.

- The Managing Director and Chief Financial Officer of the Company have given annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is annexed with this report in **Annexure II**.

The Managing Director and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing regulations.

- Following certificates has been received from Ms. Jasvinder Kaur (COP No. 7700), proprietor of M/s. Jasvinder Kaur & Co., Practicing Company Secretaries, Ghaziabad:

- 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 Directors' Report.

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

9. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING THE COMPANY

With reference to Clause 5A to Paragraph A of Part A of Schedule III of the Listing Regulations, there were no agreements subsisting as on the date of the notification of the said clause. Further, no Agreements/information falling under Clause 5A to Paragraph A of Part A of Schedule III of the Listing Regulations were required to be disclosed to the Stock Exchanges during the financial year ended 31st March, 2024.



10. UNCLAIMED SUSPENSE ACCOUNT

As on 31st March, 2024, the Company does not have any equity shares lying in the unclaimed suspense account.

11. REPORT ON CORPORATE GOVERNANCE

This Chapter read together with the “Annexure to Corporate Governance”, constitutes the Compliance Report on Corporate Governance for 2023-24.

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

Place: Noida
Date: 31st July, 2024

Rohit Gupta
(Managing Director)
DIN: 00045077

Ashok Kumar Kathuria
(Director)
DIN: 01010305

Annexure-I

Declaration regarding compliance by board members and senior management personnel with the Company's code of conduct

As per Regulation 17(5) and Regulation 26(3) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 executed with the Stock Exchanges, it is hereby declared that all the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2024.

Place: Noida
Date: 15th May, 2024

Rohit Gupta
(Managing Director)
DIN: 00045077



Annexure-II

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 2023-24

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 2023-24 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 disclosed, based on our evaluation wherever applicable to the Auditors and the Audit Committee that:
 - i. there were no significant changes in internal controls over financial reporting during the year;
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there were no instances of significant fraud of which we are become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rohit Gupta

Managing Director
DIN: 00045077

Naresh Chandra Varshney

Chief Financial Officer
PAN: ACNPV7047F

Date: 15th May, 2024

Place: Noida

Annexure-III

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 31st March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (j) 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 31st March, 2024.

I further state that such compliance 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.

For Jasvinder Kaur & Co.
(Company Secretaries)

Jasvinder Kaur
(Practicing Company Secretary)
M. No.: F7244
COP No.: 7700

Unique Identification No.: 12007UPS95700
Peer Review Certificate No.: 984/2020
UDIN: F007244F000792688

Place: Ghaziabad
Date: 22nd July, 2024



Independent Auditors' Report

To the members of 'CSL Finance Limited'

OPINION

We have audited the accompanying financial statements of **CSL Finance Limited** (the "Company"), which comprise the Balance Sheet as at 31st March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of the 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 Companies Act, 2013 (the 'Act') and the directions and guidelines issued by Reserve Bank of India as applicable to Systemically Important Non-Deposit taking Non Banking Financial Company ('NBFC Regulations'), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024 and its Profit (including Other Comprehensive Income), its changes in equity and its cash flows 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 Act. Our responsibilities under those Standards are further described in the 'Auditors' 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 Act 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 MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of Financial Assets including Loans to the Customers (Expected Credit Loss)</p> <p>Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets including loans to customers (designated at amortised cost) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including unbiased, probability weighted outcome under various scenarios, time value of money, impact arising from forward looking macro-economic factors and availability of reasonable and supportable information without undue costs.</p> <p>Applying these principles involves significant estimation in various aspects, such as grouping of borrowers based on homogeneity by using appropriate statistical techniques, staging of loans and estimation of behavioral life, determining macro-economic factors impacting credit quality of receivables, estimation of losses for loan products with no/minimal historical defaults.</p> <p>Considering the significance of such allowance to the overall financial statements (and the degree of estimation involved in computation of expected credit losses), this area is considered as a key audit matter.</p>	<p>Our Audit Procedure</p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> - Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. - Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation. - Tested the ECL model, including assumptions and underlying computation. - Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. <p>Our Results</p> <p>The results of our testing were satisfactory and we considered the fair value of the financial assets including loans to customers recognised to be acceptable.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, (but does not include the financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this Auditors' report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Corporate Governance Report and Directors' Report, including annexures, if any, thereon, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and the NBFC Regulations, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 auditors' 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 SAs 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 skepticism 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 auditors' 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 auditors' 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 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

1. As required by 'the Companies (Auditors' Report) Order, 2020' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. 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.
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d. in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g. in our opinion, the remuneration paid by the Company to its Director is in accordance with the provisions of Section 197 read with Schedule V of the Act; and
- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations which may have the impact on Company's financial position;
 - ii. The Company has not entered into any long-term contracts including derivative contracts;
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend in respect to previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable. Further, as informed no dividend has been proposed for the current year.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31st March, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of the audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No.: 000346N

(Pawan K. Gupta)
Partner
M. No.: 092529

Place: Noida
Dated: 15th May, 2024



Annexure-‘A’ to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditors’ report of even date on the financial statements of ‘CSL Finance Limited’ for the year ended 31st March, 2024)

- (i) In respect of the Company’s Property, plant and equipments, Intangible assets, and Right to use 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 to use assets.
- (B) The Company has maintained proper records showing full particulars of the Intangible assets.
- b. As explained to us, the Property, plant and equipments and Right to use assets are physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds in respect of the buildings included in the financial statements under Property, plant and equipments and investment property (other than buildings where the Company is the lessee and the lease agreement is duly executed in its favour) are held in the name of the Company.
- d. The Company has not revalued any of its Property, plant and equipment (including Right to use assets) during the year.
- e. According to the information and explanations given to us and based on our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended.
- (ii) a. According to the information and explanations given to us, the Company’s business/operations do not carry any inventory, hence reporting under clause 3(ii)a is not applicable.
- b. The Company has been sanctioned working capital limits/facilities from banks on the basis of security of receivables/loans. The statements filed by the Company with the banks were generally found to be in agreement with the books of accounts as per our examination of the records.
- (iii) The Company is a Non-Banking Financial Company registered under Section 45-IA of the Reserve Bank of India Act, 1934, and as a part of its business activities is engaged in lending/granting of the loans to various types/categories of the customers.
- During the year, the Company has not made any investment or provided the guarantee or security, however, in the ordinary course of its business, the Company has granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such loans and advances:
- a. As the Company’s principal business is to give loans, the clause 3(iii)(a) is not applicable.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, having regard to the nature of the Company’s business, terms and conditions of the grant of the loans are not prejudicial to its interest.
- c. & d. In respect of the loans, and advances in the nature of loans, given by the Company the schedules of repayment of principal and payment of interest have been stipulated, and the payments are being received regularly in accordance with the schedule of payments, except in the case of certain loans where the repayments are not being received on regular basis, and the payment of ₹ _____ Lakhs, (net of impairment loss allowance) in these cases is overdue since more than 90 days, for which the necessary steps and legal recourse were found to be taken by the Company during our examination of the relevant records.
- e. As the Company’s principal business is to give loans, the clause 3(iii)(e) is not applicable.
- f. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not granted any loans, and advances in the nature of loans, either repayable on demand or without specifying the terms of repayment.
- (iv) According to the information and explanations given to us, and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans granted, as applicable. Further, as informed, the Company has not made any investment or provided the guarantees and security during the year, hence the reporting under this clause is not applicable in respect of investment or guarantee or security.

- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government of India under sub-section (1) of Section 148 of the Act for any of the business activities carried out by the Company. Hence reporting under clause 3(vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2024 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of any 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 (43 of 1961).
- (ix)
 - Based on the audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to the lenders from whom such loans or borrowings have been borrowed.
 - Based on the audit procedures and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
 - Based on the audit procedures and according to the information and explanations given to us, the Company has applied the term loans for the purpose for which these loans were obtained.
 - On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - As the Company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(e) is not applicable.
- f. As the Company does not have any subsidiary, associate or joint venture, hence reporting under clause 3(ix)(f) is not applicable.
- (x)
 - The Company during the year has neither raised funds by way of initial public offer nor further public offer (including debt instruments), hence reporting under this clause is not applicable.
 - The Company during the year has made the preferential allotment of 17,00,000 equity shares of face value of ₹ 10/- each at premium of ₹ 276/- per share, aggregating to ₹ 4,862 Lakhs. According to the information and explanations given to us and based on our examination of the records of the Company, the said allotment has been made after compliance of the requirements of Section 42 and Section 62 of the Companies Act, 2013, and the funds so raised have been used for the purposes for which the funds were raised. Further, as informed, and as per our examination of records other than this allotment no preferential or private placement of shares or convertible debentures (fully, partially or optionally convertible) has been made during the year.
- (xi)
 - Based on the audit procedures and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
 - No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended, with the Central Government, during the year and upto the date of this report.
 - We have been informed that no whistle blower complaint was received by the Company during the year, and upto the date of this report, hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company, hence reporting under clauses 3(xii)(a) to 3(xii)(c) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable. The details of such transactions have been disclosed in the financial statements, as required by Ind AS 24 – Related Party Disclosures.
- (xiv)
 - In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.



- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.
- (xvi) a. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company.
- b. The Company is conducting its activities as a Non-Banking Financial Company in accordance with the Certificate issued by the Reserve Bank of India.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by RBI, hence reporting under this clause is not applicable.
- d. As informed and in our view, there is no Core Investment Company within the Group of the Company, hence reporting under this clause is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, hence reporting under this clause 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 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. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII to the Act in compliance with second proviso to sub-section 5 of Section 135 of the Act, hence reporting under this clause is not required.
- b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section (6) of Section 135 of the Act, hence reporting under this clause is not required.

For S. P. Chopra & Co.
Chartered Accountants
Firm Regn. No.: 000346N

(Pawan K. Gupta)
Partner
M. No.: 092529

Place: Noida
Dated: 15th May, 2024

Annexure-‘B’ to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of the independent auditors’ report of even date on the financial statements of CSL Finance Limited for the year ended 31st March, 2024)

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 with reference to financial statements of **CSL Finance Limited** (“the Company”) as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls 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” (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). 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 Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over 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 the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Act 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 system 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 auditors’ judgement, 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 with reference to the financial statements.

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 authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, 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.

For S. P. Chopra & Co.

Chartered Accountants
Firm Regn. No.: 000346N

(Pawan K. Gupta)

Partner
M. No.: 092529

Place: Noida

Dated: 15th May, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Balance Sheet

As at 31st March, 2024

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
Financial Assets			
Cash and Cash Equivalents	4	5,408.71	4,036.50
Bank Balance other than Cash and Cash Equivalents	5	930.32	558.05
Loans	6	90,925.07	72,318.42
Other Financial Assets	7	262.39	81.37
Non-Financial Assets			
Deferred Tax Assets (Net)	8	105.31	117.23
Investment Property	9	13.14	13.42
Property, Plant and Equipment	10	548.18	555.45
Intangible Assets Under Development	11	15.35	-
Other Intangible Assets	12	70.11	42.20
Right-of-use Assets	13	134.27	141.95
Other Non-Financial Assets	14	69.10	9.50
Assets Held for Sale	15	51.25	-
Total Assets		98,533.20	77,874.09
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Debt Securities	16	-	4,198.77
Borrowings	17	50,322.30	36,606.84
Lease Liabilities	13	171.27	177.17
Other Financial Liabilities	18	423.32	297.49
Non-Financial Liabilities			
Current Tax Liabilities (Net)	19	7.40	224.53
Provisions	20	-	28.68
Other Non-Financial Liabilities	21	126.20	88.65
EQUITY			
Equity Share Capital	22	2,243.62	2,023.84
Other Equity	23	45,239.09	34,228.13
Total Liabilities and Equity		98,533.20	77,874.09
Corporate Information, Material Accounting Policies and Other Notes	1-3 & 34-61		

As per our Report of even date attached

For & on behalf of the Board

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No.: 000346N

(Rohit Gupta)
Managing Director
DIN: 00045077

(Ashok Kumar Kathuria)
Director
DIN: 01010305

(Pawan K. Gupta)
Partner
Membership No.: 092529

(Preeti Gupta)
Company Secretary
M. No.: A43593

(Naresh C. Varshney)
Chief Financial Officer

Place: New Delhi
Date: 15th May, 2024



(Amount in ₹ Lakhs, unless otherwise stated)

Statement of Profit and Loss

For the year ended 31st March, 2024

Particulars	Note No.	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Revenue From Operations			
Interest Income	24	15,371.62	10,965.86
Fees and Commission Income	25	959.44	515.47
Recoveries of Financial Assets Written Off	26	233.81	242.36
Total Revenue From Operations (I)		16,564.87	11,723.69
Other Income			
Other Income	27	93.62	29.25
Total Other Income (II)		93.62	29.25
Total Income (III)=(I+II)		16,658.49	11,752.94
Expenses			
Finance Costs	28	4,293.87	2,714.70
Fees and Commission Expense	29	25.86	11.36
Impairment of Financial Instruments	30	515.08	387.00
Employee Benefits Expenses	31	2,157.04	1,577.21
Depreciation, Amortization & Impairment	32	137.75	103.26
Other Expenses	33	969.29	806.27
Total Expenses (IV)		8,098.89	5,599.81
Profit Before Tax (V)=(III-IV)		8,559.60	6,153.13
Tax Expense (VI)	8		
- Current Year's		2,179.35	1,567.08
- Earlier Year's		29.79	24.43
- Deferred Tax		14.26	(1.22)
Profit for the year (VII)=(V-VI)		6,336.20	4,562.84
Other Comprehensive Income			
(i) Items That Will Not be Reclassified to Profit or Loss			
Re-measurement Gains/(Losses) on Defined Benefit Plans		(9.26)	2.71
Income Tax Impact Thereon		2.33	(0.68)
Other Comprehensive Income (VIII)		(6.93)	2.03
Total Comprehensive Income for the Year (VII+VIII)		6,329.27	4,564.86
Earnings Per Equity Share (face value of ₹ 10/- per share)	37		
Basic (₹)		28.60	22.02
Diluted (₹)		28.27	21.40
Corporate Information, Material Accounting Policies and Other Notes	1-3 & 34-61		

As per our Report of even date attached

For & on behalf of the Board

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No.: 000346N

(Rohit Gupta)
Managing Director
DIN: 00045077

(Ashok Kumar Kathuria)
Director
DIN: 01010305

(Pawan K. Gupta)
Partner
Membership No.: 092529

(Preeti Gupta)
Company Secretary
M. No.: A43593

(Naresh C. Varshney)
Chief Financial Officer

Place: New Delhi
Date: 15th May, 2024

(Amount in ₹ Lakhs, unless otherwise stated)

Statement of Cash Flows

For the year ended 31st March, 2024

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Cash Flow From Operating Activities:		
Profit before Tax	8,559.60	6,153.13
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization on Property, Plant & Equipment/Intangible Assets	93.95	71.01
Depreciation on Right-of-use Assets	43.81	32.25
Interest Accretion on Lease Liabilities	18.03	16.96
Unamortised Cost on Borrowings	95.69	242.11
Impairment of Financial Instruments	515.08	387.00
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(0.29)	0.02
Share Based Payment Expenses (net)	3.37	50.93
Reversal of Liability on Lease Termination	(0.76)	(2.45)
Gain on Derecognition of Security Deposits	(0.38)	-
Interest Income on Unwinding of Security Deposits	(0.82)	(0.56)
Operating Profit before Working Capital changes	9,327.26	6,950.39
Adjustments for changes in Working Capital:		
Loans	(19,121.73)	(21,920.86)
Other Financial Assets	(179.82)	(2.68)
Bank Balance other than Cash And Cash Equivalents	(372.28)	(227.69)
Other Non-Financial Assets	(59.60)	2.42
Other Financial Liabilities	116.90	33.68
Other Non-Financial Liabilities	37.55	21.07
Provisions	(37.94)	(18.98)
Cash (Used in) Operations	(10,289.66)	(15,162.65)
- Taxes (Paid) (Net)	(2,426.27)	(1,487.71)
Net Cash (Used in) Operating Activities	(12,715.93)	(16,650.36)
Cash Flow From Investing Activities:		
Purchase of Property, Plant and Equipment and Intangible Assets (net)	(147.98)	(215.31)
Sale of Property, Plant and Equipment and Intangible Assets	18.60	2.21
Recognition of Assets held for Sale on Loan Settlement	(51.25)	-
Sale of Investments	-	-
Net Cash (Used in) Investing Activities	(180.62)	(213.11)
Cash Flow From Financing Activities:		
Borrowings Proceeds (net)	13,619.77	20,146.92
Repayment of Debt Securities (net)	(4,198.77)	-
Equity Share Capital Issued (Including premium)	5,467.67	4.99
Repayment of Lease Liabilities	(41.26)	(29.56)
Payment of Interest on Lease Liabilities	(18.03)	(16.96)
Dividend Paid	(560.63)	(507.97)
Net Cash Generated from Financing Activities	14,268.76	19,597.42
Net Increase/(Decrease) in Cash and Cash Equivalents	1,372.21	2,733.96
Cash and Cash Equivalents at the Beginning of the Year	4,036.50	1,302.54
Cash and Cash Equivalents at the end of the Year	5,408.71	4,036.50
Cash and Cash Equivalents at the end of the Year comprises of		
Cash in Hand	29.43	5.40
Balances with Banks		
- in Current Accounts	2,827.31	135.36
- in Fixed Deposits (with original maturity of 3 months or less)	2,551.97	1,795.74
Liquid Mutual Funds	-	2,100.00
Total	5,408.71	4,036.50

Corporate Information, Material Accounting Policies and Other Notes 1-3 & 34-61

As per our Report of even date attached

For & on behalf of the Board

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No.: 000346N

(Rohit Gupta)
Managing Director
DIN: 00045077

(Ashok Kumar Kathuria)
Director
DIN: 01010305

(Pawan K. Gupta)
Partner
Membership No.: 092529

(Preeti Gupta)
Company Secretary
M. No.: A43593

(Naresh C. Varshney)
Chief Financial Officer

Place: New Delhi
Date: 15th May, 2024



(Amount in ₹ Lakhs, unless otherwise stated)

Statement of Changes in Equity

For the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

(1) Current Reporting period (31st March, 2024)

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
2,073.26	-	-	205.00	(34.65)	2,243.62

* Shares held at the beginning of the reporting period includes 4,94,264 shares held by trust.

(2) Previous Reporting period (31st March, 2023)

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
2,073.26	-	-	-	(49.43)	2,023.84

* Shares held at the beginning of the reporting period includes 5,00,889 shares held by trust.

(Amount in ₹ Lakhs, unless otherwise stated)

B. OTHER EQUITY

(1) Current Reporting period (31st March, 2024)

Particulars	Reserves & Surplus							Money Received against Share warrants	Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debt Redemption Reserve	Share option outstanding account		
Balance at the beginning of the reporting period	206.49	7,313.68	62.16	4.00	17,207.92	4,000.00	114.64	5,179.23	34,228.13
Total comprehensive income for the current year	-	-	-	-	(6.93)	-	-	-	(6.93)
Dividends	-	-	-	-	(569.57)	-	-	-	(569.57)
Profit for the year	-	-	-	-	6,336.20	-	-	-	6,336.20
Transfer to statutory reserve	-	-	-	-	(1,265.85)	-	-	1,265.85	-
Share option outstanding expense	-	-	-	-	-	-	21.07	-	21.07
Share option exercised	-	205.04	-	-	-	-	(39.89)	-	165.15
Reversal on shares lapsed	-	-	-	-	-	-	(11.96)	-	(11.96)
Issue of Shares against warrants	-	525.00	-	-	-	-	-	-	525.00
Amount received against share warrants	-	-	-	-	-	-	-	(140.00)	(140.00)
Issue of shares under preferential allotment	-	4,692.00	-	-	-	-	-	-	4,692.00
Transfer to general reserve	-	-	-	4,000.00	-	(4,000.00)	-	-	-
Balance at the end of the reporting period	206.49	12,735.72	62.16	4,004.00	2,1701.77	-	83.87	6,445.09	45,239.09



(Amount in ₹ Lakhs, unless otherwise stated)

(2) Previous Reporting period (31st March, 2023)

Particulars	Reserves & Surplus						Statutory reserve fund under Section 45-IC of the Reserve Bank of India Act, 1934	Money Received against Share warrants	Total	
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debt Redemption Reserve				Share option outstanding account
Balance at the beginning of the reporting period	206.49	7,309.35	62.16	4.00	16,874.34	1,200.00	63.71	4,266.26	140.00	30,126.32
Total comprehensive income for the current year				2.03						2.03
Dividends				(518.32)						(518.32)
Profit for the year				4,562.84						4,562.84
Transfer to statutory reserve				(912.97)				912.97		-
Share option outstanding expense							61.71			61.71
Reversal on shares lapsed		4.33					(10.77)			(6.44)
Transfer to Debenture Redemption Reserve				(2,800.00)		2,800.00				-
Balance at the end of the reporting period	206.49	7,313.68	62.16	4.00	17,207.92	4,000.00	114.64	5,179.23	140.00	34,228.13

Corporate Information, Material Accounting Policies and Other Notes 1-3 & 34-61

As per our Report of even date attached

For & on behalf of the Board**(Pawan K. Gupta)**

Chartered Accountants

Firm Registration No.: 000346N

(Rohit Gupta)

Managing Director

DIN: 00045077

(Ashok Kumar Kathuria)

Director

DIN: 01010305

(Preeti Gupta)

Partner

Membership No: 092529

(Preeti Gupta)

Company Secretary

M. No.: A43593

(Naresh C. Varshney)

Chief Financial Officer

Place: New Delhi**Date:** 15th May, 2024

Notes to the Financial Statements

for the year ended 31st March, 2024

1. CORPORATE INFORMATION

CSL Finance Limited (the 'Company'/'CSL') is a Public Limited Company incorporated in India on 28th December, 1992 under the provisions of the Companies Act, 2013. The registered office of the Company is located at 410-412, 18/12, 4th Floor, W.E.A., Arya Samaj Road, Karol Bagh, New Delhi -110005. Equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI").

The Company is engaged in the business of providing the finance facilities to small and medium size business units to fulfil their financial needs. The complete business of CSL can be classified into two broader segments of SME business and 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 and 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 31st March, 2024, were approved by the Board of Directors and authorized for issue on 15th May, 2024, and recommended for consideration and adoption by the shareholders in their ensuing annual general meeting.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (the 'NBFC Regulations') issued by RBI, both as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulations. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA) vide its notification dated 11th October, 2018.

These Financial Statements for the year ended 31st March, 2023 have been approved by the Board of Directors in their meeting held on May _____, 2023, notified under the Companies (Indian Accounting Standards) Rules, 2015, and the other relevant provisions of the Companies Act, 2013 (the 'Act'), and the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Non-Banking Financial Company (the 'NBFC Regulations') issued by RBI, both as amended from time to time. The notified Indian Accounting Standards (Ind AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulations.

2.2 Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA) vide its notification dated 11th October, 2018.

2.3 Historical cost convention

The financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value, as stated respectively.

2.4 Functional and presentation currency

The financial statements are prepared in Indian Rupees ('₹'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimal places, unless stated otherwise.

3. MATERIAL ACCOUNTING POLICIES

3.1 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Receivables and payables, loan, investments in subsidiaries and associates, borrowings, cash and cash equivalents, other bank balances etc. are some examples of financial instruments.

All financial instruments are at amortised cost, unless otherwise specified.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments.

3.1.1 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.



3.1.2 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 and 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.

3.1.3 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.

3.2 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 months 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 months 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 loans 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 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 months 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 months 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.

3.3 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 in statement of profit and loss.

3.4 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.5 Foreign currency translation

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets

and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



The right-of-use asset is amortised/depreciated using straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.7 Recognition of Revenue and Expenses

3.7.1 Revenues

a. Interest income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets after setting-off of collateral amounts. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at

EIR, to the extent of probability of its recovery. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest on financial assets subsequently measured at fair value through profit and loss, is recognized on accrual basis in accordance with the terms of the respective contract.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayment/non-payment of contractual cash flows is recognised on realisation.

b. Net gain on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

c. Income from financial instruments at FVTPL

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL except those that are held for trading.

d. The Company recognises revenue (other than for those items to which Ind AS 109 "Financial Instruments" are applicable) based on a comprehensive assessment model as set out in Ind AS 115 "Revenue from Contracts with Customers". The Company identifies contract(s) with a customer and its performance obligation under the contract, determines the transaction price and its allocation to performance obligation in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable:

i. Fees & Commission Income

Processing fees and other servicing fees is recognized on accrual basis. The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Fees on value added services and products are recognised on rendering of services and products to the customer.

ii. Other Income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

iii. Dividend Income

Dividend Income on investments is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.7.2 Expenditures

a. Finance costs

Borrowing costs on financial liabilities are recognised using the EIR.

b. Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and loss on an accrual basis.

c. Other expenses

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Property, plant and equipment

Property plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

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.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on straight-line method over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013.

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.

Leasehold improvements are amortized over the primary lease period, which corresponds with the useful lives of the assets, or whichever is shorter.

Depreciation on addition or on sale/discard of an asset is calculated pro-rata from/up to the date of such addition or sale/discard.

3.10 Intangible assets

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the Company and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated Impairment losses, if any.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Intangible assets comprise of Computer software (which is not an Integral part of the related hardware) and the trademarks, and are being amortised over the estimated useful life. The estimated useful lives of Intangible assets are 5 years for Computer software and 3 years for trademark

3.11 Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired and when circumstances indicate that the carrying value may be impaired. 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 Company 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.

3.12 Retirement and other employee benefits

Short-term employee benefits

All employee benefits payable 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.

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.

3.13 Employee Stock Option Plan

Equity-settled share-based payments to employees are measured 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.

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.

3.14 Provision, contingent liabilities and contingent assets

a. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, 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 obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b. Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

c. Contingent Assets

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

3.15 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.

3.16 Taxes

a. Current tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transactions either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where applicable.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities 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. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.17 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.

3.18 Significant accounting judgements, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of standalone financial statements, and the reported amount of revenues and expenses during the reporting period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

Fair value of financial instruments

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, based on the inputs to these models taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 assets – Expected Credit Loss

The measurement of impairment loss allowance for financial asset measured at amortised cost requires use of statistical models, significant assumptions about future economic conditions and credit behavior (e.g. likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the Company makes judgements about the borrower's financial situation, current status of the project, net realisable value of securities/collateral etc. As these estimates are based on various assumptions, actual results may vary leading to changes to the impairment loss allowance. Further, judgement is also made in identifying the default and significant increase in credit risk (SICR) on financial assets as well as for homogeneous grouping of similar financial assets. Impairment assessment also takes into account the data from the loan portfolio, levels of arrears and an analysis of historical defaults.

Useful life of property, plant and equipment

The Property, Plant and Equipment are depreciated on straight line method over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 3.9 above. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

Assets Held for Sale

Assets acquired by the Company under settlement with the borrowers, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through its use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell, but not in excess of any cumulative impairment loss previously recognised. These assets are not depreciated or amortised while they are classified as held for sale.

Notes to the Financial Statements

for the year ended 31st March, 2024

4. CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash in hand	29.43	5.40
Liquid Mutual Funds	-	2,100.00
Balances with banks		
- in current accounts	2,827.31	135.36
- in fixed deposits (with original maturity of 3 months or less)	2,551.97	1,795.74
Total Cash and Cash Equivalents	5,408.71	4,036.50

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Fixed deposits with banks (with original maturity of more than 3 months)#	893.95	530.61
Unpaid Dividend	36.12	27.19
Bank Balances held for CSR	0.25	0.25
Total Bank Balance other than Cash and Cash Equivalents	930.32	558.05

Fixed deposits are held as margin money or security against borrowings.

6. LOANS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Loans measured at amortised cost #		
Term Loans:		
SME	40,573.83	28,954.68
Wholesale	51,446.84	44,284.34
Total - Gross	92,020.67	73,239.03
Less: Impairment loss allowance	1,095.61	920.61
Total - Net	90,925.07	72,318.42
Secured by tangible assets ##	91,150.66	73068.49
Less: Impairment loss allowance	1086.90	918.37
Total (I) - Net	90,063.75	72,150.12
Unsecured	870.01	170.53
Less: Impairment loss allowance	8.70	2.23
Total (II) - Net	861.31	168.30
Total (I) and (II)	90,925.07	72,318.42
(I) Loans in India		
(i) Public Sector	-	-
(ii) Others	92,020.67	73,239.03
Total (I) - Gross	92,020.67	73,239.03
Less: Impairment loss allowance	1,095.61	920.61
Total (I) - Net	90,925.07	72,318.42
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (II) - Net	-	-
Total (I) and (II)	90,925.07	72,318.42

Loans having sanction amount upto ₹ 500 Lakhs are treated under SME portfolio and other loans are treated under Wholesale portfolio by the Company. Further, for Credit Risk Management of the above loans refer to Note 41 to 41.6.

Secured by mortgage of immovable properties, refer Note 41.7.



(Amount in ₹ Lakhs, unless otherwise stated)

7. OTHER FINANCIAL ASSETS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security Deposits	19.15	14.58
Staff Advances	26.62	32.85
Other Receivables	201.10	28.91
Advances recoverable	15.52	5.03
Total	262.39	81.37

8. DEFERRED TAX**8.1 Deferred tax assets (net)**

Particulars	As at 1 st April, 2023	(Charge)/credit to Statement of Profit & Loss	(Charge)/credit to Other Comprehensive Income	As at 31 st March, 2024
Tax Effect of items constituting deferred tax asset/(liabilities)				
Impact of EIR on Financial Instruments	126.29	(24.09)	-	102.20
Application of leases (Ind AS 116)	6.16	4.00	-	10.16
Tax bases of Property, Plant & Equipment	(11.46)	10.12	-	(1.34)
Provision for gratuity	(3.76)	(4.28)	2.33	(5.71)
Net Deferred Tax Asset/(Liability)	117.23	(14.26)	2.33	105.31

8.2 Income tax recognised in Statement of profit and loss

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current Tax:		
In respect of the current year	2,179.35	1,567.08
In respect of the prior year	29.79	24.43
	2,209.14	1,591.51
Deferred tax:		
Current year origination and reversals	14.26	(1.22)
Total Income tax recognised in Profit and Loss	2,223.39	1,590.29

8.3 Income tax recognised in Other Comprehensive Income

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Remeasurement of defined benefits	2.33	(0.68)
Total Income tax recognised in Other Comprehensive Income	2.33	(0.68)

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 st March, 2024	As at 31 st March, 2023
Profit before tax	8,559.60	6,153.13
Applicable Income tax rate	25.17%	25.17%
Expected Income tax expenses	2,154.28	1,548.62
In respect of the prior year	29.79	24.43

(Amount in ₹ Lakhs, unless otherwise stated)

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 (Contd.)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Adjustments:		
Effect of Ind AS adjustments	(7.13)	8.29
Effect of expenses not deductible	10.30	10.17
Others	21.90	-
Reported Income tax expenses	2,209.14	1,591.51
Effective tax rate	25.81%	25.87%

* Company has opted the tax regime under Section 115BAA of the Income Tax Act, 1961.

9. INVESTMENT PROPERTY

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cost		
Opening	14.86	14.86
Additions	-	-
Disposals/adjustments	-	-
Closing	14.86	14.86
Accumulated amortization and impairment, if any		
Opening	1.44	1.15
For the year	0.29	0.29
Disposals/adjustments	-	-
Closing	1.73	1.44
Net block (Closing Value)	13.14	13.42

The Company's investment properties consist of residential property in India. Fair value of Investment property is more than the carrying amount as disclosed above, as estimated by the management.



(Amount in ₹ Lakhs, unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

(1) Current Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation		Net carrying amount					
	As at 1 st April, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31 st March, 2024	As at 1 st April, 2023	For the Year	Deductions/ Adjustments	As at 31 st March, 2024	As at 31 st March, 2023	
Airconditioner	3.50	1.08	0.49	4.09	2.82	0.44	0.47	2.79	1.30	0.68
Building	204.25	15.94	-	220.19	3.70	3.41	-	7.11	213.08	200.55
Computer	71.81	34.83	7.10	99.55	28.79	28.70	6.43	51.06	48.49	43.02
Electrical Installation	28.39	-	-	28.39	10.41	2.70	-	13.10	15.29	17.98
Furniture and Fixtures	90.41	5.35	0.14	95.62	24.92	8.99	0.08	33.83	61.79	65.49
Leasehold Improvement	30.84	-	-	30.84	13.92	3.42	-	17.34	13.51	16.92
Mobile	5.78	4.01	-	9.79	3.25	0.97	-	4.22	5.57	2.53
Vehicles	187.62	24.83	31.83	180.62	1.22	27.13	14.27	14.08	166.54	186.40
Office Equipment	28.23	6.68	0.03	34.88	7.84	5.60	0.03	13.41	21.47	20.39
Printer	3.38	0.07	-	3.45	1.90	0.39	-	2.29	1.16	1.48
Total	654.22	92.78	39.59	707.42	98.77	81.73	21.27	159.23	548.18	555.45

(2) Previous Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation		Net carrying amount					
	As at 1 st April, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 st March, 2023	As at 1 st April, 2022	For the Year	Deductions/ Adjustments	As at 31 st March, 2023	As at 31 st March, 2022	
Airconditioner	3.53	0.27	0.29	3.50	2.44	0.55	0.16	2.82	0.68	1.09
Building	204.25	-	-	204.25	0.47	3.23	-	3.70	200.55	203.78
Computer	58.18	14.06	0.43	71.81	6.92	22.28	0.40	28.79	43.02	51.27
Electrical Installation	28.39	-	-	28.39	7.71	2.70	-	10.41	17.98	20.68
Furniture and Fixtures	82.97	7.43	-	90.41	16.41	8.51	-	24.92	65.49	66.57
Leasehold Improvement	30.84	-	-	30.84	10.58	3.34	-	13.92	16.92	20.26
Mobile	5.47	0.30	-	5.78	2.24	1.01	-	3.25	2.53	3.24
Vehicles	77.14	150.03	39.55	187.62	19.88	18.92	37.57	1.22	186.40	57.27
Office Equipment	18.18	12.13	2.07	28.23	5.67	4.13	1.97	7.84	20.39	12.50
Printer	2.46	0.93	-	3.38	1.36	0.54	-	1.90	1.48	1.10
Total	511.42	185.14	42.33	654.22	73.66	65.21	40.11	98.77	555.45	437.75

(Amount in ₹ Lakhs, unless otherwise stated)

11. INTANGIBLE ASSETS UNDER DEVELOPMENT

(1) Current Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation			Net carrying amount	
	As at 1 st April, 2023	As at 31 st March, 2024	As at 1 st April, 2023	For the Year	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024
Software Under Development	-	43.91	28.56	-	-	-	15.35
Total	-	43.91	28.56	-	-	-	15.35

(2) Previous Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation			Net carrying amount	
	As at 1 st April, 2022	As at 31 st March, 2023	As at 1 st April, 2022	For the Year	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023
Software Under Development	17.44	30.18	47.62	-	-	-	17.44
Total	17.44	30.18	47.62	-	-	-	17.44

12. OTHER INTANGIBLE ASSETS

(1) Current Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation			Net carrying amount	
	As at 1 st April, 2023	As at 31 st March, 2024	As at 1 st April, 2023	For the Year	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024
Company Logo	0.09	-	-	0.03	0.06	-	0.03
Synofin Software	47.62	39.84	-	11.90	17.37	70.08	42.14
Total	47.71	39.84	-	11.93	17.44	70.11	42.20

(2) Previous Reporting period

Particulars	Gross carrying amount		Accumulated Depreciation			Net carrying amount	
	As at 1 st April, 2022	As at 31 st March, 2023	As at 1 st April, 2022	For the Year	As at 31 st March, 2023	As at 31 st March, 2022	As at 31 st March, 2023
Company Logo	0.09	-	-	0.03	0.03	-	0.06
Synofin Software	-	47.62	-	5.48	5.48	42.14	-
Total	0.09	47.62	-	5.51	5.51	42.20	0.09



(Amount in ₹ Lakhs, unless otherwise stated)

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.

13.2 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening Balance	141.95	129.90
Additions during the year	53.87	50.35
Deductions during the year	(17.75)	(6.06)
Depreciation charge for the year	(43.81)	(32.25)
Closing Balance	134.27	141.95

13.3 Set out below are the carrying amounts of lease liabilities recognised and the movements during the period

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	177.17	164.79
Additions during the year	52.50	49.36
Deductions during the year	(18.51)	(8.42)
Accretion of Interest	18.03	16.96
Payments during the year	(57.91)	(45.53)
Closing balance	171.27	177.17
Current	47.39	36.99
Non-Current	123.88	140.18

13.4. Maturity Analysis

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Less than 1 Year	62.25	52.53
1-3 Years	111.68	103.67
3-5 Years	28.69	59.98
5 Years and above	-	-
Total	202.63	216.18
Discounting Charge	31.35	39.01
Lease Liabilities	171.27	177.17

13.5 Amounts recognised in profit or loss

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Interest on lease liabilities	18.03	16.96
Depreciation expense for right-of-use assets	43.81	32.25
Expenses relating to short-term leases	36.68	35.64
Derecognition of Lease Liability	(0.76)	(2.36)
Total Amount recognised in profit & loss	97.75	82.49

(Amount in ₹ Lakhs, unless otherwise stated)

13.6 Amounts recognised in the statement of cash flows

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Payments during the year for long-term leases	(57.91)	(45.53)
Expenses relating to short-term leases	(36.68)	(35.64)
Total cash outflow for leases	(94.59)	(81.17)

14. OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Prepaid expenses	50.86	8.22
Advances to parties	18.24	1.28
Total Non-Financial Assets	69.10	9.50

15. ASSETS HELD FOR SALE

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Assets Held For Sale *	51.25	-
Total Assets held for sale	51.25	-

* Refer to the accounting policy no. 3.18 on Assets held for Sale.

16. DEBT SECURITIES (REDEMABLE, NON-CONVERTIBLE DEBENTURES)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At amortised Cost		
Secured #		
Privately Placed, Redeemable Non Convertible Debentures	-	4,000.00
Add: Accrued Interest Payable	-	198.90
Less: Amortisation of cost of borrowings	-	(0.13)
Debt Securities net of unamortised cost (A)	-	4,198.77
Borrowings in India	-	4,198.77
Borrowings outside India	-	-
Total (B) **	-	4,198.77

Refer Note: 16.1

16.1 Security and terms of repayment for Non-Convertible Debentures

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	No of Installments	Repayment terms			Nature of security
					Periodicity	Start date	End date	
1	State Bank of India	-	3,179.36	1	Bullet Repayment	10 th August, 2020	21 st April, 2023	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
2	Punjab National Bank	-	1,019.40	1	Bullet Repayment	20 th October, 2020	21 st April, 2023	
Total		-	4,198.77					



(Amount in ₹ Lakhs, unless otherwise stated)

17. BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Borrowings - At Amortised Cost		
(a) Term loans		
(i) from banks		
Secured *	29,944.95	14,425.61
(ii) from other parties		
Secured *	14,708.61	14,034.66
Unsecured *	4,250.00	5,000.00
(b) Loans repayable on demand (secured)		
(i) from banks		
Secured *	1,418.74	3,146.58
Total **	50,322.30	36,606.84
Borrowings in India	50,322.30	36,606.84
Borrowings outside India	-	-
Total	50,322.30	36,606.84

* Refer Notes 17.1 to 17.4, for details/disclosures of the Borrowings (other than debt securities).

** Refer Note 42.1

17.1 Security and terms of repayment for term loans from banks

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Repayment terms				Nature of security
				No of Installments	Periodicity	Start date	End date	
1	State Bank of India	3,050.48	4,116.39	66	Monthly	28 th June, 2021	25 th December, 2026	Exclusive charge on specific receivables, 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	168.25	504.06	36	Monthly	31 st August, 2021	03 rd August, 2024	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
3	Au Small Finance Bank Ltd	364.72	701.25	36	Monthly	17 th March, 2022	3 rd April, 2025	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
4	Hdfc Bank Term Loan	-	989.39	24	Monthly	1 st April, 2022	30 th March, 2024	
5	Hdfc Bank Car Loan	6.36	14.61	58	Monthly	7 th May, 2021	7 th February, 2026	Hypothecation of Car
6	Hdfc Bank Car Loan	7.43	9.32	60	Monthly	4 th October, 2021	4 th September, 2026	
7	Au Small Finance Bank Ltd	835.77	1,338.21	36	Monthly	19 th October, 2022	3 rd October, 2025	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
8	Federal Bank	247.34	1,232.31	24	Monthly	8 th June, 2022	8 th June, 2024	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
9	Fincare Small Finance Bank	292.37	939.82	18	Monthly	15 th February, 2023	15 th August, 2024	
10	HDFC Bank	505.04	750.75	24	Monthly	28 th March, 2023	31 st March, 2025	
11	ICICI Bank Ltd	162.02	645.46	24	Monthly	22 nd July, 2022	22 nd July, 2024	

(Amount in ₹ Lakhs, unless otherwise stated)

17.1 Security and terms of repayment for term loans from banks (Contd.)

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Repayment terms				Nature of security
				No of Installments	Periodicity	Start date	End date	
12	Indian Bank Term Loan	1,285.71	1,674.13	60	Monthly	31 st July, 2022	31 st July, 2027	
13	Utkarsh Small Finance Bank	925.68	1,404.00	37	Monthly	28 th January, 2023	28 th March, 2026	
14	ICICI Bank Ltd Car Loan	12.87	16.09	60	Monthly	1 st August, 2022	1 st July, 2027	Hypothecation of Car
15	Axis Bank Car Loan Car Loan	72.41	89.81	60	Monthly	10 th October, 2022	10 th September, 2027	
16	ICICI Bank Car Loan XUV-300	14.17	-	60	Monthly	5 th August, 2023	5 th June, 2028	Hypothecation of Car
17	AU Small Finance Bank	753.77	-	36	Monthly	26 th May, 2023	29 th May, 2026	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
18	Bandhan Bank Ltd	455.19	-	24	Monthly	30 th September, 2023	29 th September, 2025	
19	Bandhan Bank Ltd	383.54	-	24	Monthly	1 st November, 2023	2 nd November, 2025	
20	Bandhan Bank Ltd	503.25	-	24	Monthly	3 rd November, 2023	4 th November, 2025	
21	Federal Bank	1,487.71	-	24	Monthly	14 th September, 2023	14 th September, 2025	
22	Federal Bank	733.65	-	24	Monthly	21 st March, 2024	21 st March, 2026	
23	Fincare Small Finance Bank	998.23	-	24	Monthly	30 th January, 2024	31 st January, 2026	Exclusive charge on specific receivables and personal guarantee of Managing Director
24	HDFC Bank Limited	403.74	-	24	Monthly	30 th June, 2023	30 th June, 2025	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
25	HDFC Bank Limited	470.15	-	24	Monthly	31 st October, 2023	30 th October, 2025	
26	HDFC Bank Limited	499.59	-	24	Monthly	15 th March, 2024	15 th March, 2026	
27	ICICI Bank Ltd	75.00	-	24	Monthly	30 th September, 2023	30 th September, 2025	
28	ICICI Bank Ltd	326.24	-	24	Monthly	31 st October, 2023	31 st October, 2025	
29	IndusInd Bank	602.85	-	18	Monthly	31 st August, 2023	28 th February, 2025	
30	IndusInd Bank	904.02	-	18	Monthly	6 th September, 2023	28 th February, 2025	
31	Small Industries Development Bank of India	876.08	-	36	Monthly	28 th September, 2023	10 th September, 2026	Exclusive charge on specific receivables, personal guarantee of Managing Director, corporate guarantee of the group Company and cash collateral
32	Small Industries Development Bank of India	1,410.76	-	36	Monthly	22 nd November, 2023	10 th November, 2026	



(Amount in ₹ Lakhs, unless otherwise stated)

17.1 Security and terms of repayment for term loans from banks (Contd.)

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Repayment terms			Nature of security	
				No of Installments	Periodicity	Start date		End date
33	State Bank of India	4,553.74	-	39	Monthly	27 th September, 2023	1 st December, 2026	Exclusive charge on specific receivables, personal guarantee of Managing Director, corporate guarantee of the group Company and cash collateral
34	Utkarsh Small Finance Bank	1,252.85	-	30	Monthly	28 th December, 2023	25 th June, 2026	Exclusive charge on specific receivables and personal guarantee of Managing Director
35	Union Bank of India	1,855.18	-	48	Monthly	28 th December, 2023	31 st December, 2027	Exclusive charge on specific receivables, personal guarantee of Managing Director
36	DCB Bank Limited	1,475.91	-	30	Monthly	31 st March, 2024	30 th October, 2026	Exclusive charge on specific receivables, personal guarantee of Managing Director
37	Indian Overseas Bank	1,972.87	-	78	Monthly	30 th March, 2024	30 th September, 2030	Exclusive charge on specific receivables, personal guarantee of Managing Director and cash collateral
Total		29,944.95	14,425.61					

17.2 Security and terms of repayment for term loans from other parties (secured)

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Repayment terms			Nature of security	
				No of Installments	Periodicity	Start date		End date
1	Tata Capital Financial Services	-	25.07	60	Monthly	19 th July, 2018	20 th June, 2023	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
2	Tata Capital Financial Services	152.71	319.18	36	Monthly	5 th March, 2022	5 th February, 2025	
3	Kotak Mahindra Investment Limited	4,702.28	6,363.36	48	Monthly	23 rd August, 2022	23 rd August, 2026	
4	Cholamandalam Investment and Finance Company Ltd	556.76	884.68	36	Monthly	1 st November, 2022	23 rd September, 2025	
5	Muthoot Capital Services Ltd-Term Loan	497.04	989.40	24	Monthly	31 st March, 2023	31 st March, 2025	
6	Stci Finance Limited-Term Loan	1,500.65	1,977.87	48	Monthly	17 th March, 2023	25 th March, 2027	
7	Tata Capital Financial Services Ltd-Term Loan-3	637.15	968.71	36	Monthly	29 th January, 2023	28 th February, 2026	
8	Tourism Finance Corporation Of India-Term	1,837.97	2,506.38	36	Quarterly	15 th October, 2023	15 th October, 2026	

(Amount in ₹ Lakhs, unless otherwise stated)

17.2 Security and terms of repayment for term loans from other parties (secured) (Contd.)

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Repayment terms				Nature of security
				No of Installments	Perio-dicity	Start date	End date	
9	Tourism Finance Corporation Of India-Term	1,003.15	-	45	Monthly	30 th December, 2023	15 th February, 2026	Exclusive charge on specific receivables and personal guarantee of Managing Director
10	ORIX Leasing & Financial Services India Ltd.	686.37	-	30	Monthly	6 th November, 2023	5 th June, 2026	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
11	Poonawalla Fincorp Ltd	2,189.70	-	36	Monthly	29 th September, 2023	5 th October, 2026	Exclusive charge on specific receivables and personal guarantee of Managing Director
12	STCI Finance Ltd	944.82	-	48	Monthly	26 th March, 2024	26 th March, 2028	Exclusive charge on specific receivables and personal guarantee of Managing Director
Total		14,708.61	14,034.66					

17.3. Loans repayable on demand (secured)

Sr. No.	Particulars	Amount outstanding as on 31 st March, 2024	Amount outstanding as on 31 st March, 2023	Nature of security
1	Cash Credit From Au Small Finance Bank	214.49	793.41	Exclusive charge on specific receivables, personal guarantee of Managing Director and corporate guarantee of the group Company.
2	Cash Credit From HDFC bank Ltd.	510.16	800.66	
3	Drop line Overdraft Facility from Kotak Mahindra Bank Ltd.	124.32	374.04	
4	Drop line Overdraft Facility from Kotak Mahindra Bank Ltd.	188.27	813.18	
5	Indian Bank	72.11	365.29	
6	Federal Bank Ltd.	309.39	-	
Total		1,418.74	3,146.58	

17.4 Unsecured loan of ₹ 4,250 Lakhs (31st March, 2023: ₹ 5,000 Lakhs) has been taken for short term purpose and is repayable after a moratorium of twelve months.

18. OTHER FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unpaid Dividend	36.12	27.19
Salary Payable	6.70	3.30
Expenses Payable	143.84	51.21
Other financial liabilities	16.20	2.05
Payable towards recovery of assigned loans	134.38	-
Insurance Premium payable	64.18	95.19
Advance received from Borrowers	21.90	118.55
Total Other Financial Liabilities	423.32	297.49



(Amount in ₹ Lakhs, unless otherwise stated)

19. CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Income tax payable (net of advance tax & TDS/TCS)	7.40	224.53
Total Current Tax Liabilities (net)	7.40	224.53

20. PROVISIONS

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision towards CSR:		
Opening balance	28.68	50.37
Provision made during the year	97.10	77.50
Utilised during the year	(125.78)	(99.19)
Closing balance	-	28.68
Total Provisions	-	28.68

21. OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory due payable	76.32	61.49
Other Liabilities	49.88	27.15
Total Other Non-Financial Liabilities	126.20	88.65

22. EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorized Share Capital		
At the beginning of the year	2,300.00	2,300.00
Add: Increase in Authorised Share Capital	-	-
Closing at the end of the year[#]	2,300.00	2,300.00
[#] 2,30,00,000 (31 st March, 2023: 2,30,00,000) Equity Shares of ₹ 10/- each		
Issued, subscribed and paid-up		
At the beginning of the year	2,073.26	2,073.26
Add: Shares issued during the year	205.00	-
Total*	2,278.26	2,073.26
Less: Treasury shares (held with trust)	(34.65)	(49.43)
Closing at the end of the year	2,243.62	2,023.84
*2,27,82,621 (31 st March, 2023: 2,07,32,621) Equity Shares of ₹ 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 st March, 2024		As at 31 st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,07,32,621	2,073.26	2,07,32,621	2073.26
Add: Issued during the year				
- Share issued under Share warrants	3,50,000	35.00	-	-
- Share issued under Preferential Allotment	17,00,000	170.00	-	-
	2,27,82,621	2,278.26	2,07,32,621	2,073.26
Less: Treasury shares (held with trust)	(3,46,450)	(34.65)	(4,94,264)	(49.43)
Outstanding at the end of the year	2,24,36,171	2,243.62	2,02,38,357	2,023.84

(Amount in ₹ Lakhs, unless otherwise stated)

(b) During the financial year 2021-22 the Company had allotted the following shares:

- 1,23,38,414 equity shares of ₹ 10/- each, fully paid up, as bonus shares in the ratio of 1:2.
- 18,25,000 equity shares of face value ₹ 10/- each fully paid-up on preferential basis.

- (c)** During the financial year 2023-24 the Company had converted 3,50,000 share warrants into 3,50,000 equity shares of ₹ 10/- each fully paid up.

(d) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The shares entitle the holder to participate in dividends and in the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
CSL Capital Private Limited	66,37,490	29.13%	66,37,490	32.01%
Rohit Gupta	37,74,608	16.57%	37,74,608	18.21%
Kitara PIIN 1103	17,00,000	7.46%	-	-
Sanjay Gupta HUF	-	-	12,00,000	5.79%

(f) 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	29.13%	-2.88%
Rohit Gupta	37,74,608	16.57%	-1.64%
Rohit Gupta HUF	2,63,873	1.16%	0.98%
Ridhima Gupta	73,131	0.32%	-0.03%
Sat Paul Gupta	62,505	0.27%	-0.03%
Rachita Gupta	58,503	0.26%	-0.02%

- (g)** During the period of five years immediately preceding the current year, other than 1,23,38,414 equity shares issued as Bonus Shares during the financial year 2021-22, no other shares have been issued as bonus shares or for consideration other than cash.

- (h)** No class of shares have been bought back by the Company during the period of five years immediately preceding the current year.

23. OTHER EQUITY

(a) Reserves and Surplus

(i) Capital Reserve

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	206.49	206.49
Closing balance - (i)	206.49	206.49



(Amount in ₹ Lakhs, unless otherwise stated)

(ii) Securities Premium

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	7,313.68	7,309.35
Add: Issue of Share (Preferential Allotment)	4,692.00	-
Add: Issue of Share against warrants	525.00	-
Add: Share Option exercised	205.04	4.33
Closing balance - (ii)	12,735.72	7,313.68

Securities premium is used to record the premium on issue of shares. This 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**(1) Capital Redemption Reserve**

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	62.16	62.16
Closing balance	62.16	62.16

Capital redemption reserve is the requirement under 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.

(2) Debenture Redemption Reserve

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	4,000.00	1,200.00
Add: Transferred from retained earnings	-	2,800.00
Less: Transferred to General Reserve	(4,000.00)	-
Closing balance	-	4,000.00

Debenture Redemption Reserve has been created to ensure the repayment/redemption of the Secured Non-Convertible Debentures (NCDs) of ₹ 4,000 Lakhs issued by the Company during 2020-21. The said reserve has since been fully utilised/transferred to General Reserve on 21st April, 2023, at the time of redemption of the NCDs.

(3) Share Options Outstanding Account

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balance at the beginning of the year	114.64	63.71
Add: Employee share option expense	21.07	61.71
Less: Exercise of share options	(39.89)	-
Less: Reversal on shares lapsed	(11.96)	(10.77)
Closing balance	83.87	114.64

Share options outstanding account recognizes the fair value of options as at the grant date spread over the vesting period. (Refer Note no. 36)

(4) Statutory reserve fund under Section 45-IC of the Reserve Bank of India Act, 1934

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	5,179.23	4,266.26
Add: Addition during the year	1,265.85	912.97
Closing balance	6,445.09	5,179.23

(Amount in ₹ Lakhs, unless otherwise stated)

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, the Company is required to transfer a sum not less than twenty percent of its net profit every year to the said fund. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

(5) General reserve

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	4.00	4.00
Add: Transferred from Debenture Redemption reserve	4,000.00	-
Closing balance	4,004.00	4.00
It is the reserve which is created out of retained earnings. It is a free reserve and is created without any specific or particular purpose.		
Total Other Reserves - (iii)	10,595.12	9,360.04

(c) Retained Earnings

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Opening balance	17,207.92	1,6874.34
Add: Net profit for the year	6,336.20	4,562.84
Add: Other Comprehensive Income for the year	(6.93)	2.03
Less: Transfer to statutory reserve	(1,265.85)	(912.97)
Less: Dividend	(569.57)	(518.32)
Less: Transferred to Debenture Redemption Reserve	-	(2,800.00)
Closing balance - (iv)	21,701.77	17,207.92
Total Reserves & Surplus - (i) to (iv) - (A)	45,239.09	34,088.13

(d) Money Received Against Share Warrants

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balance at the beginning of the year	140.00	140.00
Add: Amount received during the year [#]	(140.00)	-
Closing balance - (B)	-	140.00
Total Other Equity - (A+B)	45,239.09	34,228.13

[#] During 2021-22 the Company has allotted 3,50,000 warrants at a price of ₹ 160/- per warrant with a right to warrant holders to apply for and be allotted one equity share of the face value of ₹ 10/- each within a period of 18 months from the date of the issue of the warrants after paying the balance amount.

During the current financial year the share warrant holders have already paid full amount and 3,50,000 equity shares have been issued against the share warrants.

24. INTEREST INCOME

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On Financial Assets measured at Amortised Cost		
Interest on loans	15,312.57	10,937.33
Interest on Deposits with banks	58.22	27.97
Other Interest Income	0.82	0.56
Total	15,371.62	10,965.86



(Amount in ₹ Lakhs, unless otherwise stated)

25. FEES AND COMMISSION INCOME

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Advisory fees	557.95	277.68
Legal & Technical Fee/Recovery	134.53	112.34
Foreclosure Fee	221.78	110.16
Other Fee/Commission	45.17	15.30
Total	959.44	515.47

26. RECOVERIES OF FINANCIAL ASSETS WRITTEN OFF

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Bad Debt Recovered	233.81	242.36
Total	233.81	242.36

27. OTHER INCOME

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Net gain on disposal of Liquid fund	23.73	4.22
Reversal of Liability on lease termination	0.76	2.36
Gain on derecognition of Security Deposits	0.38	0.09
Profit/(loss) on sale/disposal of assets	0.29	(0.02)
Miscellaneous Income	68.45	22.60
Total	93.62	29.25

28. FINANCE COSTS

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On Financial liabilities measured at Amortised Cost		
Interest on borrowings		
On debt securities	22.33	407.50
On bank borrowings	2,572.50	1,463.79
On borrowings from others	1,681.01	826.46
Interest on lease liability	18.03	16.96
Total	4,293.87	2,714.70

29. FEES AND COMMISSION EXPENSES

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Fees and commission	25.86	11.36
Total	25.86	11.36

30. IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
On financial Instruments measured at Amortised cost		
Impairment provision on loans	175.00	292.70
Loans & Advances written off	340.08	94.30
Total	515.08	387.00

(Amount in ₹ Lakhs, unless otherwise stated)

31. EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salaries and wages	1,773.66	1,314.94
Bonus and incentives	238.99	112.32
Contribution to provident and other funds	83.52	59.39
Share based payment expenses	3.37	50.93
Staff welfare expenses	49.75	33.04
Gratuity	7.75	6.57
Total	2,157.04	1,577.21

32. DEPRECIATION, AMORTIZATION & IMPAIRMENT

Particulars		For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation on Property, Plant and Equipment	Note 10	81.73	65.21
Depreciation on Investment Property	Note 9	0.29	0.29
Depreciation on Right to use Assets	Note 13.2	43.81	32.25
Amortization on Intangible Assets	Note 12	11.93	5.51
Total		137.75	103.26

33. OTHER EXPENSES

Particulars		For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Advertisement & Business Promotion Expenses		25.25	22.92
Annual Event		-	63.59
Listing, filing and rating fee etc.		12.81	17.84
Payment to Auditors #		17.98	11.33
Bank Charges		4.46	2.03
Corporate Social Responsibility Expenses		97.10	77.50
Donation		0.31	-
Directors' Sitting Fees		4.58	3.32
EDP Expenses		2.50	2.77
Electricity Expenses		13.45	11.65
Festival Expenses		15.44	5.96
Insurance Expenses		2.35	2.24
Interest Paid (Others)		0.60	0.71
Commission & Brokerage		13.06	9.66
Legal & Professional Charges		220.02	154.23
CIBIL Charges		40.32	18.98
FI/RCU Charges		96.89	49.34
Valuation Charges		81.80	54.72
Meeting & Conference Expenses		3.49	13.74
Miscellaneous Expenses		3.23	0.55
Office Expenses		33.35	25.76
Postage & Courier Expenses		7.73	6.25
Printing & Stationery		11.07	8.83
Rent (Short term leases)		36.68	35.64
Repair & Maintenance		31.51	27.98
Software & Technical Services		40.31	69.80
Telephone Expenses		10.58	8.46
Travelling & Conveyance		135.91	96.54



(Amount in ₹ Lakhs, unless otherwise stated)

33. OTHER EXPENSES (Contd.)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Vehicle Running Expenses	6.51	3.95
Total	969.29	806.27
#Payment to auditors		
As auditor		
- Statutory Audit fee (including limited reviews)	13.70	10.00
- Tax Audit Fee	1.91	-
- For Certification	1.04	0.44
- Out of pocket expenses	1.33	0.89
Total	17.98	11.33

34. RECONCILIATION OF MOVEMENT IN BORROWINGS TO CASH FLOWS FROM FINANCING ACTIVITIES

Particulars	31 st March, 2023	Cash Flows	Amortisation of loan origination costs	Impact of Ind AS 116	31 st March, 2024
Borrowings	40,805.61	9,421.00	(95.69)	-	50,322.30
Lease liabilities	177.17	(57.91)	-	52.01	171.27
	40,982.78	9,363.09	(95.69)	52.01	50,493.58

35. 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 31st March, 2024 or 31st March, 2023.

36. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The ESOS Scheme titled "CSL Employee Stock options Scheme 2016" (CSL ESOS 2016) was approved by the shareholders on 30th September, 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 3rd February, 2016 and 11th February, 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 4,50,000 options.

During the financial year 2017-18, the Compensation Committee in its meeting held on 12th May, 2017 and 7th July, 2017 has granted 1,15,000 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 ₹ 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 1,20,838 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 4,00,000 equity shares were allotted along with the 71,676 bonus shares

(Amount in ₹ Lakhs, unless otherwise stated)

During the financial year 2022-23, 6625 options were exercised. During the current financial year 4,81,000 equity shares were granted.

During the financial year 2023-24, 1,47,814 options were exercised and 1,52,250 shares were lapsed.

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 26 th March, 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	Share route - The Grantee shall make the payment of the exercise price and tax amount due, by way of cheque/demand draft/transfer as under: i) For the Exercise Price to the Trust; ii) For applicable Income Tax to the Company. On receipt of the payment as above, the Trust will transfer the relevant number of Shares in the demat account of the Grantee. Cashless route - After the receipt of request letter for 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.
Vesting conditions	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. The Committee at its discretion, may link the actual vesting of the Options with the performance of the Grantee. 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. 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. 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.

b) The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	6,92,750	128	2,48,375	75
Options granted during the year	-	-	4,81,000	151
Options vested during the year	-	-	-	-
Bonus shares issued during the year	-	-	-	-



(Amount in ₹ Lakhs, 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 (Contd.)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number	WAEP (INR)	Number	WAEP (INR)
Less:				
Options exercised during the year	1,47,814	125	6,625	75
Options forfeited during the year*	1,52,250	160	30,000	75
Options outstanding at the end of year	3,92,686	120	6,92,750	128

37. EARNINGS PER SHARE

Particulars	31 st March, 2024	31 st March, 2023
Net profit from operations attributable to equity holders - ₹	6,329.27	4,564.86
Net profit attributable to ordinary equity holders adjusted for the effect of dilution - ₹	6,329.27	4,564.86

Particulars	31 st March, 2024	31 st March, 2023
Weighted average number of ordinary shares for basic earnings per share (In Nos.)	2,21,30,260	2,07,32,621
Effect of dilution:		
- Employee share options (In Nos.)	2,59,958	3,04,846
- Share warrants (In Nos.)	-	2,89,376
Weighted average number of ordinary shares adjusted for the effect of dilution (In Nos.)	2,23,90,218	2,13,26,843
Earnings per share		
Basic earnings per share: ₹	28.60	22.02
Diluted earnings per share: ₹	28.27	21.40

38. CONTINGENT LIABILITIES

Particulars	31 st March, 2024	31 st March, 2023
- Claims against the Company not acknowledged as debts	-	-
- Guarantees excluding financial guarantees	-	-
- Other money for which the Company is contingently liable	-	-

39. There are no commitments as at 31st March, 2024/31st March, 2023.

40. FAIR VALUE MEASUREMENT

40.1 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 st March, 2024	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Cash and Cash equivalent	5,408.71	5,408.71	5,408.71		
Bank balances other than cash and cash equivalent	930.32	930.32	930.32		
Loans and advances to customers	90,925.07	93,795.67			93,795.67
Financial assets – at amortised cost	262.39	262.39			262.39
Total Financial Assets	97,526.49	1,00,397.09	6,339.03	-	94,058.06

(Amount in ₹ Lakhs, unless otherwise stated)

40.1 Fair value of financial instruments not measured at fair value (Contd.)

As at 31 st March, 2024	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Liabilities					
Borrowings Debt Securities	-	-	-	-	-
Borrowing (other than debt securities)	50,322.30	50,322.30	-	-	50,322.30
Lease Liabilities	171.27	171.27	-	-	171.27
Other financial liabilities	423.32	423.32	-	-	423.32
Total Financial Liabilities	50,916.89	50,916.89	-	-	50,916.89
As at 31st March, 2023	Carrying Value	Fair Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets					
Cash and Cash Equivalent	4,036.50	4,036.50	4,036.50	-	-
Bank balances other than cash and cash equivalent	558.05	558.05	558.05	-	-
Loans and advances to customers	72,318.42	76,382.87	-	-	76,382.87
Financial assets – at amortised cost	81.37	81.37	-	-	81.37
Total Financial Assets	76,994.33	81,058.78	4,594.54	-	76,464.24
Financial Liabilities					
Borrowings Debt Securities	4,198.77	4,198.77	-	-	4,198.77
Borrowing (other than debt securities)	36,606.84	36,606.84	-	-	36,606.84
Lease Liabilities	177.17	177.17	-	-	177.17
Other financial liabilities	297.49	297.49	-	-	297.49
Total Financial Liabilities	41,280.27	41,280.27	-	-	41,280.27

40.2 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 1 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.

41. CREDIT RISK MANAGEMENT

41.1 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.



(Amount in ₹ Lakhs, unless otherwise stated)

41.2 Credit Quality of Loans

The following table sets out information about credit quality of loans measured at amortised cost based on days past due information. The amount represents gross carrying amount.

Wholesale Loans

Particulars	31 st March, 2024	31 st March, 2023
Not due	51,446.84	44,284.34
0-30 days past due	-	-
31-90 days past due	-	-
Impaired (more than 90 days)	-	-
Total Gross carrying value as at reporting date	51,446.84	44,284.34

SME Loans

Particulars	31 st March, 2024	31 st March, 2023
Not due	38,585.36	27,741.81
0-30 days past due	1,025.36	417.36
31-90 days past due	556.68	348.16
Impaired (more than 90 days)	406.43	447.35
Total Gross carrying value as at reporting date	40,573.83	28,954.68

Note: The Company is into Wholesale & SME lending business, there is no significant credit risk of any individual customer that may impact Company adversely.

41.3 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 15 months, at 30% for default from 16 to 27 months and at 50% for period exceeding 27 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 write off. 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.

(Amount in ₹ Lakhs, unless otherwise stated)

41.4 Impairment Loss

a) Wholesale Loans

	Stage I	Stage II	Stage III	Total
31st March, 2024				
Gross Balance	51,446.84	-	-	51,446.84
Expected Credit loss	516.83	-	-	516.83
Carrying Amount	50,930.00	-	-	50,930.00
31st March, 2023				
Gross Balance	44,284.34	-	-	44,284.34
Expected Credit loss	431.16	-	-	431.16
Carrying Amount	43,853.18	-	-	43,853.18

b) SME Loans-Retail

	Stage I	Stage II	Stage III	Total
31st March, 2024				
Gross Balance	39,610.72	556.68	406.43	40,573.83
Expected Credit loss	397.93	5.63	175.21	578.77
Carrying Amount	39,212.79	551.05	231.22	39,995.06
31st March, 2023				
Gross Balance	28,159.18	348.16	447.35	28,954.68
Expected Credit loss	291.23	6.16	192.06	489.45
Carrying Amount	27,867.95	342.00	255.29	28,465.24

41.5 Gross Exposure and ECL Balance reconciliation

a) Wholesale Loans

i) Reconciliation of gross exposure is given below:

Particulars	Financial Year 2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	44,284.34	-	-	44,284.34
New assets originated or purchased	65,626.84	-	-	65,626.84
Assets derecognised/repayments	(58,464.34)	-	-	(58,464.34)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount - Closing balance	51,446.84	-	-	51,446.84

Particulars	Financial Year 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	37,650.22	-	-	37,650.22
New assets originated or purchased	44,496.53	-	-	44,496.53
Assets derecognised/repayments	(37,862.41)	-	-	(37,862.41)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Gross carrying amount - Closing balance	44,284.34	-	-	44,284.34



(Amount in ₹ Lakhs, unless otherwise stated)

ii) Reconciliation of ECL balance is given below:

Particulars	Financial Year 2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	431.16	-	-	431.16
New assets originated or purchased	659.29	-	-	659.29
Assets derecognised/repayments	(573.61)	-	-	(573.61)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL allowance - Closing balance	516.83	-	-	516.83

Particulars	Financial Year 2022-23			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	365.23	-	-	365.23
New assets originated or purchased	444.88	-	-	444.88
Assets derecognised/repayments	(378.95)	-	-	(378.95)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL allowance - Closing balance	431.16	-	-	431.16

b) SME Loans-Retail

i) Reconciliation of gross exposure is given below:

Particulars	Financial Year 2023-24			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	28,159.18	348.16	447.35	28,954.68
New assets originated or purchased	36,138.38	-	-	36,138.38
Assets derecognised/repayments	(24,103.99)	(115.68)	(299.57)	(24,519.23)
Transfers to Stage 1	110.79	(90.42)	(20.37)	-
Transfers to Stage 2	(418.89)	434.54	(15.65)	-
Transfers to Stage 3	(274.74)	(19.93)	294.67	-
Gross carrying amount - closing balance	39,610.72	556.68	406.43	40,573.83

Particulars	Financial Year 2022-23			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Opening balance	12,635.23	514.10	895.60	14,044.93
New assets originated or purchased	25,174.27	-	0.19	25,174.46
Assets derecognised/repayments	(9,650.51)	(217.08)	(397.13)	(10,264.71)
Transfers to Stage 1	415.37	(220.31)	(195.06)	-
Transfers to Stage 2	(250.46)	271.44	(20.98)	-
Transfers to Stage 3	(164.72)	-	164.72	-
Gross carrying amount - Closing balance	28,159.18	348.16	447.35	28,954.68

(Amount in ₹ Lakhs, unless otherwise stated)

ii) Reconciliation of ECL balance is given below:

Particulars	Financial Year 2023-24			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	291.23	6.16	192.06	489.45
New assets originated or purchased	363.05	-	-	363.05
Assets derecognised/repayments	(250.49)	(3.79)	(128.35)	(382.63)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	1.11	(0.91)	(8.78)	(8.58)
Transfers to Stage 2	(4.21)	4.37	(6.75)	(6.59)
Transfers to Stage 3	(2.76)	(0.20)	127.03	124.07
ECL allowance - Closing balance	397.93	5.63	175.21	578.77

Particulars	Financial Year 2022-23			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	137.20	7.82	400.35	545.36
New assets originated or purchased	251.96	-	0.08	252.04
Assets derecognised/repayments	(97.93)	(2.17)	(186.33)	(286.44)
Changes in ECL due to Gross exposure changes	-	-	-	-
Transfers to Stage 1	4.16	(2.20)	(83.75)	(81.79)
Transfers to Stage 2	(2.51)	2.72	(9.01)	(8.80)
Transfers to Stage 3	(1.65)	-	70.72	69.07
ECL allowance - Closing balance	291.23	6.16	192.06	489.45

41.6 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 st March, 2024	31 st March, 2023
SME Loans		
- North	24,074.53	17,725.88
- West	16,499.30	11,228.80
Wholesale Loans		
- North	51,446.84	44,284.34
Total Gross carrying value as at reporting date	92,020.67	73,239.03

41.7 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 acceptability 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;
- Hypothecation of Immovable Property;
- Pledge of instruments through which promoters contribution is infused in the project.



(Amount in ₹ Lakhs, unless otherwise stated)

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 st March, 2024	31 st March, 2023	31 st March, 2024	31 March, 2023
0% to 25%	21,216.27	4,750.84	8,482.75	4,758.00
26% to 50%	24,642.74	32,837.26	20,034.83	14,998.91
51% to 75%	5,587.83	6,131.24	12,025.65	9,103.40
76% to 100%	-	565.00	30.60	94.38
More than 100%	-	-	-	-
	51,446.84	44,284.34	40,573.83	28,954.68

iii) Fair value of collateral held against credit impaired assets

31 st March, 2024	Maximum exposure	Plant & Machinery	Land & Building	Other	Total Collateral	Net Exposure	Associated ECL
Wholesale Loans*	-	-	-	-	-	-	-
SME Loans	406.43	-	1,404.82	-	1,404.82	(998.39)	175.21
Total	406.43	-	1,404.82	-	1,404.82	(998.39)	175.21

31 st March, 2023	Maximum exposure	Plant & Machinery	Land & Building	Other	Total Collateral	Net Exposure	Associated ECL
Wholesale Loans*	-	-	-	-	-	-	-
SME Loans	447.35	-	1,905.17	-	1,905.17	(1,457.83)	192.06
Total	447.35	-	1,905.17	-	1,905.17	(1,457.83)	192.06

42. 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.

42.1 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 31st March, 2024 and 31st March, 2023.

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and Above	Total
As at 31th March, 2024					
Borrowings					
- Term Loans	20,077.39	26,719.97	1,606.20	500.00	48,903.56
- Loans repayable on demand	1,418.74	-	-	-	1,418.74
- Debt Securities	-	-	-	-	-
Total	21,496.13	26,719.97	1,606.20	500.00	50,322.30

(Amount in ₹ Lakhs, unless otherwise stated)

42.1 Maturity profile of Financial Liabilities (Contd.)

	Less than 1 Year	1-3 Years	3-5 Years	5 Years and Above	Total
As at 31st March, 2023					
Borrowings					
- Term Loans	12,090.73	15,931.76	5,437.77	-	33,460.27
- Loans repayable on demand	3,146.58	-	-	-	3,146.58
- Debt Securities	4,198.77	-	-	-	4,198.77
Total	19,436.08	15,931.76	5,437.77	-	40,805.61

42.2 Maturity profile of assets and liabilities

	31 st March, 2024			31 st March, 2023		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Assets						
Financial Assets						
Cash and cash equivalents	5,408.71	-	5,408.71	4,036.50	-	4,036.50
Bank Balance other than cash and cash equivalents	893.95	36.37	930.32	340.61	217.44	558.05
Loans	-	-	-	-	-	-
- Wholesale	12,644.71	38,802.13	51,446.84	23,115.20	21,169.14	44,284.34
- SME	9,124.27	31,449.56	40,573.83	3,713.63	25,241.05	28,954.68
Impairment Loss Allowance	(1,095.61)	-	(1,095.61)	(146.32)	(774.28)	(920.61)
Investments	-	-	-	-	-	-
Other Financial assets	262.39	-	262.39	81.37	-	81.37
Non-Financial Assets						
Deferred tax Assets (Net)	-	105.31	105.31	-	117.23	117.23
Property, Plant and Equipment	-	548.18	548.18	-	555.45	555.45
Investment Property	-	13.14	13.14	-	13.42	13.42
Right-of-use assets	-	134.27	134.27	-	141.95	141.95
Intangible Assets under development	15.35	-	15.35	-	-	-
Intangible assets	-	70.11	70.11	-	42.20	42.20
Assets held for sale	51.25	-	51.25	-	-	-
Other non-financial assets	69.10	-	69.10	9.50	-	9.50
Total Assets	27,374.13	71,159.08	98,533.21	31,150.48	46,723.61	77,874.09
Financial Liabilities						
Payables	-	-	-	-	-	-
(I) Trade Payables	-	-	-	-	-	-
(II) Other Payables	-	-	-	-	-	-
Debt Securities (Redeemable, Non-Convertible Debentures)	-	-	-	4,198.77	-	4,198.77
Borrowings (Other than Debt Securities)	21,496.13	28,826.17	50,322.30	15,236.47	21,370.38	36,606.84
Lease Liabilities	-	171.27	171.27	-	177.17	177.17
Other financial liabilities	423.32	-	423.32	297.49	-	297.49



(Amount in ₹ Lakhs, unless otherwise stated)

42.2 Maturity profile of assets and liabilities (Contd.)

	31 st March, 2024			31 st March, 2023		
	With in 12 Months	After 12 Months	Total	With in 12 Months	After 12 Months	Total
Non-Financial Liabilities						
Current tax liabilities (Net)	7.40	-	7.40	224.53	-	224.53
Provisions	-	-	-	28.68	-	28.68
Other non-financial liabilities	76.32	49.88	126.20	73.70	14.94	88.65
	22,003.18	29,047.32	51,050.50	20,059.64	21,562.49	41,622.13
Net amount	5,370.95	42,111.76	47,482.71	11,090.84	25,161.12	36,251.96

43. 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 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 31st March, 2024.

44. 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.

45. 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.

46. DIVIDEND

During the year ended 31st March, 2024, the Board of Directors have recommended a dividend @ 25% per equity share of ₹ 10/- subject to approval of members at the ensuing Annual General Meeting.

47. 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
 Mr. Pramod Bindal, Independent Director
 Mr. Subhash Chand Kwatra, Independent Director
 Mr. Ayush Mittal, Independent Director
 Mr. Ashok Kumar Kathuria, Director

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken

CSL Capital 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

Region	31 st March, 2024	31 st March, 2023
(i) Key Management Personnel (KMP)		
Compensation of key management personnel		
Short term employee benefit #	128.60	125.29
Loan Given	-	13.50
Sitting Fees to Directors	4.58	3.32

Excludes provision for encashable leave and gratuity for certain key management personnel as these are determined for the Company as a whole.

(Amount in ₹ Lakhs, unless otherwise stated)

(ii) Post employee benefit plans

Contributions made during the year.

(iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence

Region	31 st March, 2024	31 st March, 2023
Loan Given	-	460.00
Loan Received Back	-	460.00
Interest Received	-	3.33
Loan Received	914.00	323.00
Loan Repaid	914.00	323.00
Interest Paid	11.32	6.15
Sale of shares	-	-

(C) Amount due to/from related party as on

Region	31 st March, 2024	31 st March, 2023
(i) Key Management Personnel (KMP)		
Employee related payables	-	13.50
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 Private Limited

48. 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 st March, 2024	Year ended 31 st March, 2023
Amount required to be spent by the Company during the year	97.10	77.50
Amount of expenditure incurred	125.78	99.19
Shortfall at the end of the year	-	28.68
Total of previous years shortfall	28.68	50.37
Reasons for shortfall	The Company has utilised the shortfall for the previous year CSR expenses in the current financial year	It is 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.	

49. ADDITIONAL REGULATORY INFORMATION

(a) Analytical Ratios

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
1. Capital to Risk Weighted Assets Ratio (CRAR)	52.33%	49.88%
TIER- I CRAR	51.33%	48.64%
TIER- II CRAR	1.00%	1.24%
2. Liquidity Coverage Ratio	2.25	1.2



(Amount in ₹ Lakhs, unless otherwise stated)

(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.

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.

(c) Exposures**1) Exposure to Real Estate Sector**

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
a) Direct exposure		
i. Residential Mortgages		
a. Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;		
More than 15 Lakhs	Nil	Nil
Less than 15 Lakhs	Nil	Nil
Sub Total	Nil	Nil
ii. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, Land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits;	56,225.79	44,284.34
	56,225.79	44,284.34
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
Residential	Nil	Nil
Commercial Real Estate	Nil	Nil
Sub Total	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil
Sub Total	Nil	Nil
Grand Total (a+b)	56,225.79	44,284.34

2. Exposure to Capital Market

Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds taken as primary security;	686.04	Nil

(Amount in ₹ Lakhs, unless otherwise stated)

2. Exposure to Capital Market (Contd.)

Particulars	Current Year	Previous Year
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debenture/units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi) Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
(vii) Bridge loans to companies against expected equity flows/issues;	Nil	Nil
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market	686.04	Nil

(d) Disclosure on frauds pursuant to RBI Master Directions

No frauds have been detected during the year under consideration

(e) Other Regulator Registration

Regulator	Registration No
Ministry of Corporate Affairs	L74889DL1992PLC051462
Reserve Bank of India	B-14.00652

(f) Details of Penalties imposed by the above Regulators

No penalties has been imposed by RBI and other regulators on the Company during the year.

(g) Concentration of Advances Exposures & NPA

Concentration of Advances

Particulars	Amount (in ₹ Lakhs)
Total Advances to twenty largest borrowers	29,712.46
Percentage of Advances to twenty largest borrowers to Total Advance of the applicable NBFC	32.29%

Concentration of NPAs

Particulars	Amount (in ₹ Lakhs)
Total exposure to top four NPA accounts	129.45

50. RETIREMENT BENEFITS PLAN

50.1 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.

50.2 Details of defined benefit plans as per actuarial valuation

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
I. Amounts recognised in the Statement of Profit & Loss		
Current service cost	6.63	5.74
Net Interest cost	1.12	0.83
Past Service Cost	-	-
Adjustment due to change in opening balance of Plan assets	7.75	6.57



(Amount in ₹ Lakhs, unless otherwise stated)

50.2 Details of defined benefit plans as per actuarial valuation (Contd.)

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
II. Amount recognised in Other Comprehensive income		
Remeasurement (gains)/losses		
a) Present Value of Defined Benefit Obligation	11.53	(3.96)
b) Plan assets	(2.27)	1.25
Total amount recognised in other comprehensive income	9.26	(2.71)
III. Changes in the defined benefit obligation		
Opening defined benefit obligation	39.19	34.80
Current service cost	6.63	5.74
Past service cost	-	-
Interest expense	2.94	2.61
Remeasurement (gains)/losses	11.53	(3.96)
Benefits paid	(3.32)	-
Closing defined benefit obligation	56.97	39.19
IV. Change in the fair value of plan assets during the year		
Opening Fair value of plan assets	24.25	23.72
Expected return on plan assets	1.82	1.78
Actual Benefits paid	(3.32)	-
Return on plan assets, excluding interest income - Actuarial	2.27	(1.25)
Closing Fair value of plan assets	25.02	24.25
V. Net defined benefit obligation		
Defined benefit obligation	56.97	39.19
Fair value of plan assets	(25.02)	(24.25)
Surplus/(Deficit)	31.95	14.94

50.3 Actuarial assumptions and Sensitivity**I. Actuarial assumptions**

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Discount Rate (p.a.)	7.11%	7.50%
Attrition rate	42.00%	40.00%
Expected rate of return on plan assets (p.a.)	7.11%	7.50%
Rate of Salary increase (p.a.)	8.00%	10.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Ult
Mortality rate after employment	N.A.	N.A.

II. Sensitivity Analysis on benefit obligations

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Delta effect of +1% change in rate of discounting	(0.81)	(0.48)
Delta effect of -1% change in rate of discounting	0.85	0.50
Delta effect of +1% change in rate of salary increase	0.68	0.11
Delta effect of -1% change in rate of salary increase	(0.66)	(0.09)
Delta effect of +1% change in rate of employee turnover	(0.37)	0.33
Delta effect of -1% change in rate of employee turnover	0.38	(0.32)

III. Maturity profile of defined benefit obligation

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
1 st Following year	21.42	14.01
2 nd Following year	12.81	3.23
3 rd Following year	13.47	6.50
4 th Following year	5.37	0.61
5 th Following year	4.11	0.49
6 th following year and above	6.81	14.35

50.4 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

During the year there we no plan amendments, curtailments & settlements.

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.

51. 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	91,057.56	914.76	90,142.80	364.23	550.53
	Stage 2	556.68	5.63	551.05	2.23	3.40
Sub-total		91,614.24	920.39	90,693.85	366.46	553.94
Non-Performing Assets (NPA)						
Sub-standard	Stage 3	382.50	164.90	217.60	38.25	126.65
Doubtful upto 1 year	Stage 3	23.93	10.32	13.61	4.79	5.53
Doubtful 1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		23.93	10.32	13.61	4.79	5.53
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		406.43	175.21	231.22	43.04	132.18
Total	Stage 1	91,057.56	914.76	90,142.80	364.23	550.53
	Stage 2	556.68	5.63	551.05	2.23	3.40
	Stage 3	406.43	175.21	231.22	43.04	132.18
	Total	92,020.67	1,095.61	90,925.07	409.49	686.11



(Amount in ₹ Lakhs, unless otherwise stated)

52. LOANS/ADVANCE TO DIRECTORS/KMP/RELATED PARTIES**Details of Loans & advances to Directors/KMP/Related Parties either severally or jointly with any other person, that are****(a) repayable on demand; or****(b) without specifying any terms or period of repayment, are as follows:**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding as on 31 st March, 2024	% to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding as on 31 st March, 2023	% to the total Loans and Advances in the nature of loans
Promoters	Nil	Nil	Nil	Nil
Directors				
KMPs*	Nil	Nil	13.50	Nil
Related Parties	Nil	Nil	Nil	Nil

* It represents advance to the Chief Financial Officer

53. No proceedings have been initiated or pending against the Company for holding any benami property which is the subject matter under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

54. During the year the Company has neither got registered nor satisfied any charge with ROC/MCA beyond the statutory period.

55. FOREIGN EXCHANGE EARNINGS: EARNINGS IN FOREIGN EXCHANGE CLASSIFIED UNDER THE FOLLOWING HEADS

Particulars	Current Year	Previous Year
a. Export of goods calculated on FOB basis	Nil	Nil
b. Royalty, know-how, professional and consultation fees	Nil	Nil
c. Interest paid	Nil	Nil
d. Other income, indicating the nature thereof	Nil	Nil

As per our Report of even date attached

For S. P. Chopra & Co.
Chartered Accountants
Firm Registration No.: 000346N

(Pawan K. Gupta)
Partner
Membership No.: 092529

Place: New Delhi
Date: 15th May, 2024

56. The title deeds in respect of the buildings included in the financial statements under Property, plant and equipments and investment property (other than buildings where the Company is the lessee and the lease agreement is duly executed in its favour) are held in the name of the Company.

57. The Company has not surrendered or disclosed any transaction, which was not recorded in the books of accounts, as income during the year in the tax assessments under the Income Tax Act, 1961.

58. The Company has not been declared as willful defaulter by any banks/FI.

59. The Company has neither approved any scheme of arrangement nor has any proposal for such arrangement.

60. The Company uses accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in certain components where the audit trail were not operating due to system limitations. Further at no instance the Audit Trail feature was tempered with.

61. Previous year figures have been regrouped/rearranged wherever necessary to render them comparable with current year figures.

For & on behalf of the Board

(Rohit Gupta)
Managing Director
DIN: 00045077

(Ashok Kumar Kathuria)
Director
DIN: 01010305

(Preeti Gupta)
Company Secretary
M. No.: A43593

(Naresh C. Varshney)
Chief Financial Officer



REGISTERED OFFICE:

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Karol Bagh, New Delhi - 110005

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