

25<sup>th</sup> June, 2021

The Manager  
Department of Corporate Services  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

**Scrip Code: 530067**

Dear Sir/Ma'am,

**Sub: Outcome of Board Meeting held on Friday, 25<sup>th</sup> June, 2021**

This is with reference to the above captioned subject and in terms of Regulation 30 & 33 and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; we would like to inform you that, the Board of Directors of the Company in their meeting held today i.e., 25<sup>th</sup> June, 2021, have, inter-alia, transacted the following business(es):

1. Considered, approved and taken on record the Audited Financial Statements of the Company prepared in accordance with the provisions of the Companies Act 2013, for the year ended 31<sup>st</sup> March, 2021 alongwith Auditors Report thereon.
2. Considered and approved the audited financial results alongwith statement of assets and liabilities in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015. (Enclosed and marked as **Annexure 'A'** alongwith auditor's report thereon).
3. A Declaration pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015. (Enclosed and marked as **Annexure 'B'**).
4. Recommended final dividend of 30% i.e., Rs. 3.00/- per equity share of Rs. 10 for the financial year ended 31<sup>st</sup> March, 2021, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The final dividend, if approved, will be paid/ dispatched as per statutory time limit prescribed in the Law.
5. Subject to approval of members of the Company through Postal Ballot, recommended issue of Bonus Shares to the members of the Company by capitalization of its Securities Premium Reserves in the ratio of 2 (two) bonus equity shares of Rs. 10 each fully paid-up for every 1 (one) existing equity share of Rs. 10/- each fully paid-up (held by the members as on "record date" to be fixed by the Management Committee of the Company hereafter for this purpose) The Company will also seek the approval of members of the Company through Postal Ballot inter alia for increase in Authorized Share Capital of the Company. (Enclosed details as required under Regulation 30 of the SEBI (LODR) Regulations, 2015 as **Annexure 'C'**).
6. Considered, discussed and approved the Notice of Postal Ballot of the Company for seeking member's approval for issue of bonus shares and increase in authorized share capital and some other matters.

8. Approved the appointment of Mr. Nitin Panchal (COP: 19534), M/s. N. Panchal & Associates, Company Secretaries as Scrutinizer for conducting the process of the postal ballot in a fair and transparent manner.
9. Appointment of Mr. Nitin Panchal (COP: 19534), M/s. N. Panchal & Associates, Company Secretaries, Delhi as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2020-2021.
10. Accepted the resignation of Ms. Anju Biyani from the post of Company Secretary and Compliance Officer of the Company and relieved her from duties from the close of business hours of 25<sup>th</sup> June, 2021.
11. Appointed Ms. Preeti Gupta as the Company Secretary and Compliance Officer of the Company w.e.f., 26<sup>th</sup> June 2021. (Enclosed details as required under Regulation 30 of the SEBI (LODR) Regulations, 2015 as **Annexure 'D'**)
12. Re-appointment of M/s. R. Mahajan & Associates (FRN: 011348N), Delhi as Internal Auditors to conduct the Internal Audit of the Company for the financial year 2021-2022.

The meeting of the Board commenced at 3.00 p.m. and concluded at 4.30 p.m.

This is for your kind information and records.

Thanking you,

Yours faithfully,  
For **CSL Finance Limited**

  
**Rohit Gupta**  
(Managing Director)  
DIN: 00045077



Encl: A/a


**CSL Finance  
Limited**

CIN: L74899DL1992PLC051462

**CSL FINANCE LIMITED**

CIN : L74899DL1992PLC051462

**Statement of Audited Financial Results for the Quarter and year ended 31st March 2021**

(in lacs)

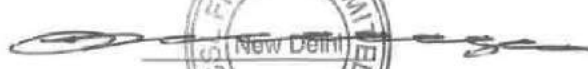
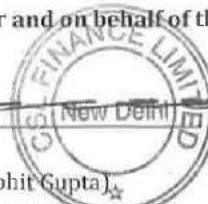
Particulars	Quarter Ended			Year Ended	Year Ended
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Un-audited	Audited	Audited	Audited
<b>Revenue from operations</b>					
Interest Income	1587.04	1,444.92	1,449.44	5,918.04	5,840.46
Fees and commission income	103.27	38.16	35.96	238.94	229.88
Recoveries of financial assets written off	5.91	2.89	0.37	10.33	15.19
<b>(I) Total Revenue from operations</b>	<b>1,696.22</b>	<b>1,485.97</b>	<b>1,485.77</b>	<b>6,167.31</b>	<b>6,085.53</b>
<b>(II) Other Income</b>	<b>11.06</b>	<b>4.28</b>	<b>4.44</b>	<b>18.65</b>	<b>9.53</b>
<b>(III) Total Income (I+II)</b>	<b>1,707.28</b>	<b>1,490.25</b>	<b>1,490.21</b>	<b>6,185.96</b>	<b>6,095.06</b>
<b>Expenses</b>					
Finance Costs	194.17	161.48	219.02	700.80	1,060.69
Fees and commission expense	9.62	6.55	14.66	26.53	19.50
Impairment on financial instruments	101.36	158.16	535.62	482.99	591.83
Employees Benefit Expenses	126.94	154.35	209.02	646.00	834.45
Depreciation, amortization and impairment	14.89	14.46	15.33	61.16	74.45
Other Expenses	84.61	90.39	101.66	332.47	339.89
<b>(IV) Total Expenses</b>	<b>531.59</b>	<b>585.39</b>	<b>1,095.31</b>	<b>2,249.95</b>	<b>2,920.81</b>
<b>(V) Profit/(loss) before tax (III-IV)</b>	<b>1,175.69</b>	<b>904.86</b>	<b>394.90</b>	<b>3,936.01</b>	<b>3,174.25</b>
<b>Tax Expense:</b>					
Current Tax	282.64	256.89	229.43	995.32	964.01
Deferred Tax expense (income)	14.91	0.20	-19.33	26.57	-38.57
Earlier year Taxes	-0.02	161.35	3.06	161.33	1.44
<b>(VI) Income Tax Expense</b>	<b>297.53</b>	<b>418.44</b>	<b>213.16</b>	<b>1,183.22</b>	<b>926.88</b>
<b>(VII) Profit/(loss) after tax (V-VI)</b>	<b>878.16</b>	<b>486.42</b>	<b>181.74</b>	<b>2,752.79</b>	<b>2,247.37</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit & loss					
(i) Remeasurement of the gain/(loss) of defined benefit plan	10.96	-	15.76	10.96	15.76
(ii) Tax on above	-2.75	-	-4.23	-2.75	-4.23
<b>(VIII) Other Comprehensive Income</b>	<b>8.21</b>	<b>-</b>	<b>11.53</b>	<b>8.21</b>	<b>11.53</b>
<b>(IX) Total Comprehensive Income for the period (VII+VIII)</b>	<b>886.37</b>	<b>486.42</b>	<b>193.27</b>	<b>2,761.00</b>	<b>2,258.90</b>
<b>(X) Earning per Equity Share</b>					
Basic	14.50	7.98	2.98	45.08	36.88
Diluted	14.47	7.98	2.97	44.99	36.69



**Notes:**

1. The above audited Financial results for the quarter and year ended March 31, 2021, have been reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on 25-06-2021.
2. The above financial results have been prepared in accordance with recognition and measurement principles laid down in the Ind-AS 34 "Interim Financial Reporting" notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India.
3. During the Financial year 2020-21, the company has opted for the Vivad se Vishwas Scheme for the Income Tax cases outstanding and has provided for the earlier year taxes of INR 161.32 lacs and the company has already deposited an amount of INR 96.63 lacs and the company shall pay the balance amount of INR 64.69 lacs by 30th June'21.
4. The Company has opted for the concessional rate of income tax in accordance with the Section 115BAA of the income Tax Act 1961 from the Assessment Year 2020-21 onwards.
5. During the year the company issued the Listed, Non-Convertible Debentures of INR 40 crores which are secured by first pari-passu charge by way of hypothecation over the book debts of the company up to the extent of 125% of the same. The total assets cover required thereof has been maintained as per the terms and conditions stated in the Debenture Trust Deed.
6. The extent to which the COVID 19 pandemic, including the current "second wave", the Company's results will depend on economic situation, which is highly unpredictable. The Company will continue to closely monitor any material changes to future economic conditions. However, the company is maintaining a close watch in order to mitigate the risk at an early stage.
7. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers irrespective of whether moratorium had been fully or partially availed, or not availed. The methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). Accordingly, the company has estimated the said amount and recognised the same as at financial year ended 31<sup>st</sup> March 2021.
8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. The Central Government on 30th March 2021 has deferred the implementation of the said Code and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will account for the related impact in the period the Code becomes effective.
9. The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.
10. The figures for the quarter ended March 31, 2021 and the quarter March 31, 2020 are the balancing figures between audited figures in respect of the year ended March 31, 2021 and March 31, 2020 and the unaudited figures of the nine months ended December 31, 2020 and December 31, 2019 respectively
11. Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

**For and on behalf of the Board of Directors**

  
  
(Rohit Gupta),  
Managing Director  
DIN: 00045077

Date : 25-06-2021

Place: New Delhi

Disclosures in compliance with Regulations 52(4) & 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March 2021

**a) Credit rating:**

The Credit Analysis & Research Limited (CARE) have assigned following ratings to the Company:

Facility	CARE
Non-convertible debentures	BBB Stable

**b) Asset Cover Available:**

The Asset cover of 125% of book debts has been provided by the company for the Non-convertible Debentures of INR 40 crores.

**c) Debt-Equity ratio**

The debt-equity ratio of the Company as per the audited financial result by statutory auditors for the year ended 31<sup>st</sup> March'21 is 0.32

**d) Previous due date for the payment of interest/principal for the non-convertible debt securities and the redemption amount, in case any.**

The Company had paid previous dues for the payment of interest on non-convertible debentures. The details where the payment has been made prior to year ended 31<sup>st</sup> March'21 are mentioned below:

(in cr)

S.no	Description	ISIN no.	Due Date	Payment Date	Interest Amount	Principal Amount
1	10.00% Secured NCD	INE718F07023	20-01-2021	18-01-2021	0.25	Nil
2	10.00% Secured NCD	INE718F07023	20-04-2021	19-04-2021	0.25	Nil

**e) Next due date for the payment of interest/principal for the non-convertible debt securities and the redemption amount, in case any.**

The next due date of interest and principal payment on non-convertible debentures are provided at Appendix A.




**CSL Finance  
Limited**

CIN: L74899DL1992PLC051462

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(in cr.)

S.No	Description	ISIN no.	Next due date along with amount		
			Due Date	Interest Amount	Principal Amount
1	10.25% Secured NCD	INE718F07015	31-08-2021	3.28	Nil
2	10.00% Secured NCD	INE718F07023	20-07-2021	0.25	Nil

f) **Debt service coverage ratio:** Not applicable

g) **Interest service coverage ratio:** Not applicable

h) **Debenture redemption reserve**

Pursuant to the terms & conditions finalised with the lender Debenture redemption reserve shall be maintained by the company.

i) **Net worth:** INR 259.19 crores (as at 31<sup>st</sup> March'21)


j) **Net profit after tax:** INR 27.61 crores

k) **Earnings Per Share:**

- Basic - Rs. 45.08
- Diluted - Rs. 44.99

l) There are no material deviations in the use of proceeds from the issue of Non-convertible debt securities.

**For and on behalf of the Board of Directors**

  
(Rohit Gupta)  
Managing Director  
DIN: 00045077

Date : 25-06-2021

Place: New Delhi



( in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	1,762.24	1,215.32
Bank Balance other than cash and cash equivalents	327.84	310.15
Loans	32,170.14	31,096.31
Other Financial assets	51.79	61.41
	-	-
<b>Non-financial Assets</b>	-	-
Deferred tax Assets (Net)	82.76	112.09
Investment property	14.00	14.29
Property, plant and equipment	141.89	144.82
Goodwill	-	-
Right-of-use assets	145.94	182.62
Intangible assets	0.26	2.31
Other non-financial assets	56.08	107.92
<b>Total Assets</b>	<b>34,752.93</b>	<b>33,247.25</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Payables		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt Securities	4,211.17	-
Borrowings	4,049.24	9,592.45
Lease liabilities	175.16	204.54
Other financial liabilities	178.31	115.36
	-	-
<b>Non-Financial Liabilities</b>	-	-
Current tax liabilities (Net)	201.70	53.91
Provisions	-	5.84
Deferred tax liabilities (Net)	-	-
Other non-financial liabilities	17.73	20.10
	-	-
<b>EQUITY</b>	-	-
Equity Share Capital	613.34	609.84
Other Equity	25,306.28	22,645.20
<b>Total Liabilities and Equity</b>	<b>34,752.93</b>	<b>33,247.25</b>



( in lacs)

Particulars	Year Ended '31 March 2021	Year Ended '31 March 2020
<b>Cash Flow From Operating Activities:</b>		
Profit / (Loss) before Tax	3,934.78	3,174.25
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization on Property, Plant & equipment	30.18	34.73
Depreciation on Right-of-use Asset	30.98	39.72
Impairment of financial instruments	-	461.47
Interest accretion on lease liabilities	18.43	21.64
Unamortised Cost on Borrowings	211.17	-
(Profit)/Loss on Investments (mutual funds)	(0.39)	(0.26)
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(1.57)	0.13
Share based payment expenses	(21.11)	16.54
(Profit)/Loss on termination of lease	(0.77)	(0.28)
Interest income on unwinding of security deposits	(0.49)	(0.55)
<b>Operating Profit/Loss before Working Capital changes</b>	<b>4,201.21</b>	<b>3,747.38</b>
<b>Adjustments for changes in Working Capital :</b>		
Loans	(1,072.59)	508.88
Other Financial assets	9.14	(2.99)
Bank Balance other than cash and cash equivalents	(17.69)	(28.63)
Other non-financial assets	51.85	(61.18)
Other financial liabilities	57.59	62.47
Other non-financial liabilities	(1.30)	(8.56)
Provisions	5.12	11.03
<b>Cash Generated From / (Used in) from Operations</b>	<b>3,233.32</b>	<b>4,228.40</b>
- Taxes (Paid) / Refunds (Net)	(1,008.87)	(935.92)
<b>Net Cash Generated From / (Used) in Operating Activities (A)</b>	<b>2,224.45</b>	<b>3,292.48</b>
<b>Cash Flow From Investing Activities:</b>		
Purchase of Property, plant and equipment and intangible assets	(27.07)	(16.50)
Sale of Property, Plant and Equipment and Intangible assets	3.73	0.34
Purchase of Investments (Mutual funds)	(850.00)	(1,300.00)
Sale of investments	850.39	1,300.26
<b>Net Cash Generated From/ (Used in) Investing Activities (B)</b>	<b>(22.95)</b>	<b>(15.91)</b>
<b>Cash Flow From Financing Activities:</b>		
Borrowings other than debt securities issued	(1,543.21)	(2,607.13)
Equity share capital issued (Including premium)	78.92	56.25
Repayment of lease liabilities	(23.00)	(27.85)
Payment of interest on lease liabilities	(18.43)	(21.64)
Dividend paid (Including DDT)	(148.87)	(145.77)
<b>Net Cash Generated from / (Used in) Financing Activities (C )</b>	<b>(1,654.58)</b>	<b>(2,746.13)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>546.92</b>	<b>530.45</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>1,215.32</b>	<b>684.88</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>1,762.24</b>	<b>1,215.32</b>
<b>Cash and Cash Equivalents at the end of the Year comprises of</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Cash in hand	3.85	0.79
Balances with Banks in Current Accounts	1,758.39	1,214.53
<b>TOTAL</b>	<b>1,762.24</b>	<b>1,215.32</b>





## AGGARWAL & RAMPAL

CHARTERED ACCOUNTANTS

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### Independent Auditors' Report on Standalone Annual Financial Results of The CSL Finance Limited pursuant to Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### TO THE BOARD OF DIRECTORS OF

#### CSL Finance Limited

We have audited the quarterly & year to date financial results of The CSL Finance Limited (hereinafter referred to as the "Company") for the year ended 31 March 2021, being submitted by the company pursuant to the requirement of Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These Quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 Read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

ii. give a true and fair view of the net profit and other financial information for the quarter ended 31 March 2021 as well as the year to date results for the period from 01 April 2020 to 31 March 2021

For Aggarwal & Rampal  
Chartered Accountants  
FRN No.: 003072N



*Vinay Aggarwal*  
25/6/21  
Vinay Aggarwal  
(Partner)  
Membership No.: 082045  
UDIN : 21082045AAAAAC4507

Place: New Delhi  
Date: 25.06.2021

## AGGARWAL & RAMPAL

CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Members of **CSL FINANCE LIMITED**

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of **CSL FINANCE LIMITED** ("the Company"), which comprises of the Balance Sheet as at 31st March 2021, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows and for the year ended on that date.

##### Basis for Opinion

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

##### Key Audit Matters

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



## Description of Key Audit Matters:

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



impacts of actions of government and other authorities, and responses of businesses and consumers in different industries along with the associated impact on the economy.

The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often used outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Accordingly, we identified impairment of loans given to customers as key audit matter because the management judgement involved in estimates has significant impact, considering the size of loan portfolio relative to the balance sheet.

#### Information other than the financial statements and auditors' report thereon

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

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,



implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) We have also audited the internal financial controls over financial reporting for the Company as on 31 March 2021 with respect to the adequacy of the internal financial



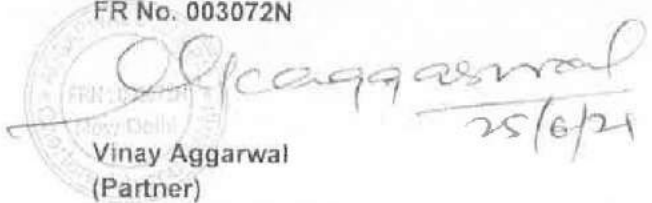


controls over financial reporting of the Company and the operating effectiveness of such controls. Refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021.
  - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

For Aggarwal & Rampal  
Chartered Accountants

FR No. 003072N

  
Vinay Aggarwal  
(Partner)

Membership No: 082046

UDIN:21082045AAAAAC4507

Place: New Delhi

Date: June 25, 2021

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the **CSL FINANCE LIMITED** on the standalone financial statements for the year ended 31 March 2021, we report the following:

- 1) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
b) According to the information and explanations given to us, the fixed assets are physically verified by the management on annual basis which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As per information and explanations given to us, no material discrepancies were noticed on such verification.  
  
c) According to the information and explanation given to us and on the basis of our examination of the records, the company does not have any immovable property as its fixed assets, hence clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- 2) According to the information and explanations given to us, there is no inventory of shares held as stock-in-trade during the financial year. Accordingly, paragraph 3(ii) of the Order is not applicable.
- 3) The company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act, 2013
  - a) In our opinion the rate of interest and other terms and conditions of on which loan has been granted to the body corporate covered in the register maintained under section 189 of the Companies Act, 2013 were not prima facie, prejudice to the interest of the Company.
  - b) In the case of loans granted to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 the borrower has been regular in the payment of interest. The terms of arrangement does not stipulate any repayment schedule and the loans were repayable on demand.
  - c) The principal and interest has been received in full and no amounts stands outstanding.



- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013, with respect to the loans and investments made.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from the public covered under Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules made there under and/ or guidelines as laid down by RBI.
- 6) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013, for any of the activities of the Company.
- 7) a) The company is generally regular in depositing undisputed statutory dues including applicable provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the extent applicable to it. Further there are no undisputed amounts payable in respect thereof were outstanding at the year-end for a period more than six months from the date they became payable.  
  
b) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax and Income Tax which have not been deposited on account of any dispute.
- 8) According to the information and explanations given to us and based on our examination of the records of the company, the company has not defaulted in repayment of loan or borrowing from any financial institution or bank or dues to debenture holders.
- 9) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year were applied for the purpose for which those were raised.
- 10) Based upon the audit procedures performed and information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- 11) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for any managerial



remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company, hence clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- 13) 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 the provisions of section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanation given to us and based on our examination of the records of the company, the Company has made private placement of Non- Convertible Debentures during the year amounting to Rs. 40 crore.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- 16) The Company is Non-Banking Finance Company and is already registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Aggarwal & Rampal  
Chartered Accountants  
FR No. 003072N



*Vinay Aggarwal*  
25/6/21  
Vinay Aggarwal  
(Partner)

Membership No: 082045  
UDIN: 21082045AAAAAC4507

Place: New Delhi  
Date: June 25, 2021

**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act ")**

We have audited the internal financial controls over financial reporting of **CSL FINANCE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended as at that date.

**Responsibility of Management and Those Charged With Governance for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility for the Audit of the Internal Financial Controls**

Our responsibility is to express an opinion on the Company's internal financial controls over the financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the



assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of the internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.






Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Aggarwal & Rampal  
Chartered Accountants  
FR No. 003072N

  
Vinay Aggarwal  
(Partner)

Membership No: 082045  
UDIN: 21082045AAAAAC4607

Place: New Delhi  
Date: June 25, 2021

**CSL Finance  
Limited**

CIN: L74899DL1992PLC051462

June 25, 2021

To,  
The Manager  
Department of Corporate Services  
Bombay Stock Exchange Limited  
Phiroze, Jeejeebhoy Towers  
Dalal Street, Mumbai-400001

Scrip Code: 530067

**Sub: Declaration of Audit Report with an unmodified opinion**

Dear Sir/ Madam,

Pursuant to Regulation 33(3)(d) & 52(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s Aggarwal & Rampal (FRN: 003072N) Statutory Auditors of the Company, have issued Audit Report with an unmodified opinion on the Audited Financial Results of the Company for the year ended March 31, 2021.

Kindly take this declaration on record.

Thanking you,  
On behalf of CSL Finance Limited

Rohit Gupta  
Managing Director



## Annexure 'C'

Sub: Issue of Bonus Shares by CSL Finance Limited- Details under Regulation 30 of SEBI (LODR) Regulations, 2015

S. No.	Particulars	Description
1.	Whether Bonus is out of free reserves created out of profits or share premium account	The bonus shares will be issued out of Securities Premium Reserve available as on 31.03.2021.
2.	Bonus Ratio	2:1 i.e., 2 (two) bonus equity shares of Rs. 10 each fully paid-up for every 1 (one) existing equity share of Rs. 10 each fully paid-up held as on "Record Date" to be fixed for the purpose.
3.	Details of Share Capital- Pre and Post Bonus Issue	Pre- bonus issue paid-up share capital as on date:  61,69,207 equity shares of Rs. 10 each aggregating to Rs. 6,16,92,070/-  Post- bonus issue paid-up share capital  1,85,07,621 equity shares of Rs. 10 each aggregating to Rs. 18,50,76, 210/-
4.	Free Reserves and/ or share premium required for implementing the bonus share	Rs. 12,33,84,140
5.	Free Reserves and/ or share premium required for capitalization and data as on which such balance is available	<b>As on 31.03.2021</b> Securities Premium reserves- 57,94,19,742 General Reserves- 4,00,000 Surplus in the Profit and Loss- 1,51,78,45,426
6.	Whether aforesaid figures are audited	Yes, the figures at item no. 5 are audited as on 31.03.2021
7.	Estimated date by which such bonus shares would be credited/ dispatched	On or before 24/08/2021 (Within 2 months from the date of Board Approval taken in Board Meeting held on June 25, 2021) .



Annexure 'D'

The Brief profile of Ms. Preeti Gupta is as under as per Regulation 30 of SEBI (LODR) Regulations, 2015:

Sr. No.	Particulars	Disclosure
1.	Reason for Change Viz. appointment, resignation, <del>removal</del> , death or otherwise;	<p>Ms. Preeti Gupta has been appointed as Company Secretary &amp; Key Managerial Personnel of the Company.</p> <p>Further, Pursuant to Regulation 6(1) of Listing Regulations, Ms. Gupta is appointed as Compliance officer of the Company w.e.f. June 26, 2021.</p>
2.	Date of Appointment	June 26, 2021
3.	Brief Profile	<p>Preeti is a qualified company secretary having more than 5 years of experience. She holds a Law degree from Lucknow University and Bachelor degree in Commerce from Banaras Hindu University with strong academic background. She has vast experience in SEBI /Exchange Compliances, Corporate Laws, RBI/FEMA/NBFC and Secretarial Compliances.</p> <p>Prior to joining CSL Finance Limited, she has worked with listed entities Ganga Papers India Limited &amp; Integrated Capital Services Limited and Corporate Consultancy Firms as well.</p>

