

June 02, 2026

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

Sub: Transcript of the Conference Call held on May 29, 2026

With reference to our letter dated May 23, 2026, intimating you about the conference call for Analysts and Investors held on May 29, 2026, please find attached the transcript of the aforesaid conference call.

The above information shall be made available on the website of the Company viz. www.cslfinance.in

We request you to kindly take the above information on your records.

Thanking You
Yours Faithfully

For **CSL Finance Limited**

Preeti Gupta
(Company Secretary & Compliance Officer)

CSL Finance Limited
Q4 FY'26 Earnings Conference Call
May 29, 2026

Moderator: Ladies and gentlemen, good day and welcome to the CSL Finance Limited Q4FY26 Earnings Conference Call hosted by TIL Advisors Private Ltd.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sayam Pokharna from TIL Advisors Private Ltd. Thank you and over to you, sir.

Sayam Pokharna: Thank you, Sagar. Good evening, everyone and thank you for joining us today for the Q4 and FY26 Earnings Conference Call of CSL Finance Limited.

The Investor Presentation for Quarter 4 has already been uploaded on the Stock Exchanges and on the company website. In case you wish to be added to our mailing list, please feel free to reach out to us.

To take us through today's Results, we have with us from the Management Team, Mr. Rohit Gupta – Managing Director, Mr. Naresh Chandra Varshney – Chief Financial Officer, Mr. Chandan Kumar – Head (Strategy and Business), Ms. Rachita Gupta – Whole-time Director, Mr. Atul Agrawal, – President (Finance and Treasury), Mr. Chirag Gupta – Credit Head, Wholesale Segment.

We will begin with a brief overview of the Quarter and of the Financial Year from Ms. Rachita Gupta, followed by a Q&A session.

Please note that any forward-looking statement made during this call should be considered in conjunction with the risks and uncertainties that we face. These risks and uncertainties have been outlined in our Annual Reports.

With that, I would now like to hand over the call to Ms. Gupta. Over to you.

Rachita Gupta: Thank you, Sayam. Good evening, everyone. And thank you for joining us today.

In addition to the Management Team mentioned by Mr. Sayam, we have Mr. Prince Bhardwaj – our CBO as well.

I am pleased to share the highlights of CSL Finance's performance for the 4th Quarter and FY26. FY26 has seen varied performance across CSL's two business verticals.

While wholesale has continued to grow from strength to strength, supported by AUM growth, asset quality and profitability, SME retail performance has been underwhelming. The reasons for the industry-wide consolidation and our cautious approach have been discussed in the past calls and communications. So far in FY26, barring some green shoots visible in Q2, we have not seen a material improvement in the external operating environment for the SME retail business.

Concerns such as over leveraged borrow profile, stagnant income growth across the MSME ecosystem and an increase in competitive intensity continue to affect the growth in SME retail verticals. Further, there is an influx of new competition from previously MSI heavy lenders who are now lending aggressively in their secured SME portfolio, predominantly under the Rs. 10 lakh ticket size segment. As you all know, last year we pivoted away from the Rs. 10 lakh ticket size and are focusing more on a better-quality demographic with higher ticket sizes between Rs. 7-50 lakhs who have better quality collateral to offer.

Nonetheless, we maintain our cautiously optimistic stance on the SME retail segment. Growth is expected in the SME retail book in FY27 as well and we expect to do better as the operating environment becomes more conducive.

With that overview, let me come to our financial performance:

Let me begin with our AUM performance:

Our AUM as of Q4FY26 stood at Rs.1,448 crore which is up by 21% year-on-year from Rs.1,195 crore at the start of the year. Our loan book has reached to Rs.1,395 crore in FY26 which is also up by 21% year-on-year.

On account of aforementioned factors and strong growth in wholesale, our AUM mix has tilted further towards wholesale now at 69% of wholesale and 31% of SME retail. The total disbursements during Q4 stood at Rs. 301 crores which was up by 5% year-on-year with a sequential decline of 16% from the elevated Q3 levels that was driven by stronger wholesale activity. We have always maintained that disbursements in wholesales are also a function of collections and over the last two quarters we have seen strong collections on the wholesale front.

For the full year, cumulative disbursements stood at Rs. 1,255 crore which was up by 12% over FY25. Collection efficiency remained consistent at 98% across all quarters of the year reflecting the underlying quality of our portfolio.

I would now also like to highlight our increased focus on off-book AUM in the wholesale segment where we have started actively pursuing joint lending structures with select industry partners.

We closed a few deals during Q4 and anticipate more activity in the coming quarters which should strengthen our fee-based income in FY27 and beyond.

Coming to our asset quality:

We recorded higher impairments in the second half of the year partly due to lower NPA resolutions during the half year of FY26. Gross NPA stood at 1.1% in Q4FY26 compared to 0.46% in Q4FY25 and 1% in Q3FY26. The net NPA stood at 0.81% vis-à-vis 0.34% in Q4FY25.

I would like to provide some context here:

1. Over two-thirds of our books are SARFAESI compliant hence we expect faster resolutions in the coming quarters as legal proceedings progress.
2. In line with the RBI directives, we revised our standing provisioning norms on project financing from Q3 onwards to an average of 0.98% from 0.8% earlier which has had some impact on reported numbers.
3. Importantly, we are not seeing any material delinquencies in the SME detail book that has been disbursed over the past 12 months which gives us confidence in the quality of our fresh underwriting.
4. The Board has also approved a new ECL policy this quarter aligned with our current business composition which will provide a more appropriate provisioning framework going forward.

Now moving to our P&L performance:

Net interest income for Q4 FY26 stood at Rs. 45.4 crore up a healthy 21% year-on-year and 10% sequentially driven by higher average AUM during the quarter. For the full year, NII grew by 15% to Rs. 168 crore. The PAT for Quarter 4 FY26 was reported as Rs. 19.4 crore which was up by 2% year-on-year though down 7% sequentially, reflecting higher total ECL provisions and write-offs during the quarter.

The full year PAT came in at Rs. 86 crore which was up by 19% over the previous financial year. ROE for FY26 improved to 14.81% from 13.31% in FY25, which reflects the improving return profile of our equity base. Profit before tax for Q4 stood at Rs. 30.18 crore up 21% year-on-year and 18% sequentially.

On the operational front:

Our branch network stands at 44 branches across 7 states. We have continued to add spoke locations with on-ground teams, some of which eventually convert into full-fledged branches

consistent with our hub-and-spoke model that allows us to expand efficiently while managing costs and maintaining quality. We have not seen any increase in net branch current additions during the year as we have reshuffled and relocated many of the branches to better locations.

We also on-boarded a major PSU bank, Bank of Baroda, as our new lender during Q4 and received repeat sanctions from several existing lenders.

A notable milestone was also achieved this quarter was the conclusion of the term sheet of our Rs. 30 crore NCD issue which further diversifies our funding pool and increases access to debt capital markets. Our lender base now stands at 36 comprising a well-diversified mix of public sector banks, private banks, small finance banks and NBFCs.

Our liquidity position remains healthy with Rs. 110.4 crore of balance sheet liquidity and our leverage ratio stands at a comfortable 1.39x as of March 31, 2026, well within our conservative thresholds and leaving meaningful headroom to increase leverage for growth in FY27.

Our credit rating has also been reaffirmed at A- Stable by Acuité Ratings and Research, enabling continued access to capital on competitive terms.

To conclude:

FY26 has been a year of good financial performance even as we navigated real headwinds in the SME retail segment.

Revenue grew 19%, NNI grew 15%, PAT grew 19% and our net worth has crossed Rs. 615 crores with a book value per share of Rs. 270.

Looking ahead to FY27:

- We remain cautiously optimistic.
- The wholesale segment is expected to remain strong and will remain a key growth driver.
- We expect SME retail, which fell short of our growth ambitions in FY26, to return to normalcy in the coming year as the operating environment gradually improves.
- our strengthened underwriting and team structures begin to yield results.
- We will continue to pursue disciplined growth in both the business verticals.

Thank you and we can now open the floor for any questions-and-answers you all may have.

Moderator:

Thank you. We will now begin the question-and-answer session. Your first question comes from the line of Tejas Khandelwal with Prudent Equity.

Tejas Khandelwal: Hi, thank you for the opportunity. I wanted to ask if the disbursement for Q4 has decreased by 16% quarter-on-quarter? How should we look at Q4 2027 in terms of disbursement? Any growth guidance or any absolute number you can give?

Rohit Gupta: Largely, we have told that our wholesale business is a little lumpy. Sometimes in certain quarters our disbursements are higher, and it is better to see it more on a yearly basis rather than quarterly. We have already highlighted that our SME performance was a little lower as compared to our last quarter because the last quarter was higher on the wholesale side and this quarter was a little lower. And it is sometimes a factor of collection, sometimes more prepayments are coming then the disbursement increases. So, it has nothing to do, otherwise our overall disbursements were in line with what we expected in terms of wholesale.

Tejas Khandelwal: Okay, and any guidance on AUM front you want to give for Q4 2027? Because our AUM will degrew in Quarter 4.

Rohit Gupta: The next year guidance will be in line with anything between 15%-25% that we have been doing it for last 3-4 years.

Tejas Khandelwal: 15%-25% AUM growth?

Rohit Gupta: Yes.

Tejas Khandelwal: Okay, and you just said that you have implemented new ECL framework in this quarter. So, what is that framework? Can you throw some light?

Rohit Gupta: I think it is largely for a retail segment where earlier our provisioning was very, very high. So, the earlier ECL provisioning we have already given in our balance sheet and notes to account to that. But now we have made it little more objective based on the performance of our SME portfolio last 4-5 years and how that portfolio performs and based on that we have built a more objective model and that will be constantly, we have to keep on reviewing it and improving it. So, it will be that first the RBI also wanted that we have a little more objective method and this year we will be following that. But will we go by that because we could not provide numbers with the new ECL policy. But if we have gone through with the new ECL model, it would have been little lower as compared to what we are following now. So, even now our ECL provisioning is higher what is even any of the ECL model will say but being on the conservative side we have been doing it. Now, we will be starting to follow more objective method from the coming year forward. So, the impact will not be there. Our existing ECL is providing much more than what the new ECL method will provide for that.

Tejas Khandelwal: Sir, you have paid higher taxes in Q4. So, what kind of taxes we should look at in FY27?

Rohit Gupta: Tax percentage goes up because of the amortization of those fees. As per IndAS we amortize those fees for the deferred but as per income tax we have to follow the Indian accounting

method to determine the tax. So, our tax percentage is always higher than the normal tax which is 25.17% I think weighted average will be around 27%.

Tejas Khandelwal: Okay sir, got it. That was from my side. Thank you so much.

Moderator: Thank you. Your next question comes from Sanjay Ladha with Bastion Research. Please go ahead.

Sanjay Ladha: Thank you for the opportunity. Sir, my question would be on, as you said that you are focusing on off book balance sheet in the wholesale book. Can you throw some light on that? How is the strategy? What we are doing on that side? It would be a fee income basis but what kind of strategies we are planning to do that on that side?

Rohit Gupta: Sir, in last one or two quarters, one or two years, we have built more relationship with banks and NBFCs to do co-lending. So, it is not a DA where we are down selling but we do co-lending where some element of processing fees and some element fees come to us. So, we want to build more relationships with the larger NBFCs. As we have created a niche in the wholesale in our region and other NBFCs believe in our way of lending and the way we are able to acquire our customer and manage the account and basis that we have been building relationships and we hope that we will build more relationship with other NBFCs and may be some private sector banks and that will help us to generate some fee income.

Sanjay Ladha: Sir, eventually what we are trying to do is we are trying to rediscover balance sheet and asset quality risk some sort of that to the co-lending method. Is that understanding largely right?

Rohit Gupta: No, we don't say that sometimes we want to do because of the co-lending because now in wholesale sometimes the ticket size have increased and to have a complete control over the project and the cash flows, we need to have some co-lender with us and we only do those accounts where we are fully confident and yes definitely when we bond board, the risk also get mitigated because there is no sharing of risk in either DA or the co-lending model. So, both it increases our fee income, reduces our risk at the same time it helps us to acquire more customers and increases our footage in the region where we are present.

Sanjay Ladha: Sir, any AUM wise by-bifurcation between them that below Rs. 50 crores we will do that and above Rs. 50 crores we will do co-lending, is there any kind of thing which we are keeping in mind?

Rohit Gupta: Absolutely, you have been right. So, less than Rs. 30 crores - Rs. 40 crores we are the only sole lenders and only cases where the requirement is higher than that we onboard the co-lenders.

Sanjay Ladha: Sir, my another question would be on SME side of the book since for the last 3-4 quarters or for the last 1 year we are quite rapidly building the SME book in terms of employee onboarding in terms of branches expansion and suddenly the things get blurry on that side because of the uncertainty regarding the market going forward. Convention to that, how should we think on

that side because at some point in time we are at 60% of the AUM in the SME side, now it is below closer to 30. So, and as the guidance--

Rohit Gupta:

First we were at one stage we had only 48% was the maximum that SME was in '23-24 that was the maximum percentage that SME had, it has come down from that level to the current 31% and largely because SME has not grown in last 12-15 months and whatever disbursement we have done it has been nullified by the aggressive run down and takeover of our existing good cases. So, yes there have been changes, there have been changes in the senior team that resulted in some attrition, I would say little higher attrition in our branches and there were certain changes in the policies and with the spill over of the MFI business and we have seen that in the lowest strata of the population, 30-40% population, they have over leveraged themselves little bit and the income has not grown in proportion to their leverage and we have little bit tightened our policies and at the same time in last 3-4 months we were little cautious on what was happening geopolitically also and because the segment we are in, they are directly and immediately affected by that part and so we were little cautious and so that has been the reason for slower growth and yes we made efforts on increasing our branches and team additions have been there on the retail but now the focus is to consolidate those branches where productivity was very low and to focus in next 3 months on our existing branches and focus on improving the productivity and to do a good quality business. So, the next 3 months will be to improve our productivity on the existing branches and rather than opening new branches that will start in the 3rd Quarter, and this is what we achieve in the next 3 months and so little bit the operating expenses will also go down because of, I would say the consolidation of the branches and rationalization of the team.

Sanjay Ladha:

For the last one year our experience on the SME side is not great but of course the learning will be much higher compared to the growth perspective but going forward whatever changes you are likely to do on the SME side if you could share and how we are planning to scale that model going forward if you can elaborate on that side it would be really great.

Chandan Kumar:

Sanjay, Hi, Chandan this side. Sanjay, the primary strategy that we are currently following that we are just going back to our basics itself and we are saying that we are trying to source only those customers who are having a very good profiling or the CIBIL history. Till date what we have felt out that look as per your last question itself the macro that we are observing in the country from last 4 to 5 months itself it's not that good and the segment in which we are operating is not supporting that segment itself in terms of SME growth. So as of now for the coming 2-3 months we are very much cautious. We would be just re-observing our policies, redefining our parameters. On the employee side we have added some of the good employees at a higher level from the various organizations. We are bullish but let's see how the macro plays out, how the things are settling down and we would be better to comment on any projections and the numbers and the expansion strategy in the coming quarters itself.

Sanjay Ladha:

Okay sir, thank you so much for the answer. Thank you.

Moderator: Thank you. Your next question comes from the line of Tejas Khandelwal with Prudent Equity. Please go ahead. Mr. Tejas Khandelwal. Please proceed with your question.

Tejas Khandelwal: Yes sir, I wanted to ask that anything on this credit cost side for FY27 and then where should we look at our NPAs going forward?

Rohit Gupta: I think whatever little bit increase we have seen that has come from the SME and largely from the large ticket which we used to do 15-18 months back between Rs. 50 lakhs to Rs. 1.5 crores which we have already stopped and we will be seeing the resolution from those NPAs and through SARFAESI and other modes and going forward we don't expect that the absolute gross and net NPA should increase in the next financial year and the credit cost which has been around 0.5%, I think we should be stabilizing between that credit cost only and the recovery should take care of whatever fresh NPAs that we may see.

Tejas Khandelwal: Okay, thank you.

Moderator: Thank you. We have a follow-up question coming from the line of Mr. Sanjay Ladha with Bastion Research. Please go ahead.

Tejas Khandelwal: Hi, sir. Just wanted to know that since we are focusing on wholesale lending of the AUM side, how is the market there as well because that part of that segment will also be impacted or we are not seeing that part of that segment is impacted and we see growth on that side.

Chandan Kumar: Sanjay, hi Chandan this side. Sanjay, the thing is that we believe that the segment which we are into, in wholesale segment itself, it is a very niche market where we are playing. We are primarily focusing on the daily NCR market, and we are currently not finding any stress on the accounts that we are boarding as of now and the rate of interest or the segment in which we are operating, there is ample opportunity. We are seeing ample opportunity in the coming year itself. So, we would be very much bullish on that part that we would be continuing to perform into that segment itself and the growth would be consistent in the last quarter of the year itself.

Tejas Khandelwal: And sir, as in the past, the wholesale segment has not seen asset qualities in the past as well. Do we continue to see that way onward or is the provision method change aside or something sort of, we will be planning out some sort of provision we will need on that side. Why I am asking is because in the past we have not done that side. So, just wanted to know how would be the going forward scenario.

Rohit Gupta: We are providing provisions which is required as per the ECL policy and at the same time, we have not seen any kind of delinquencies in last 4-5 years and we work with the same intent and thought that there should not be any delinquencies. But even if any account goes NPA, the way we do our diligence, we never see that there should be any challenge on recovering our principal and interest. So, the way we onboard the customer, the borrower and very much focused on the cash flows and profitability of those cash flows and nobody can rule out that

there can't be any NPA in any case. But definitely we work with that, our assessment and based on that there should not be any delinquency on the wholesale side.

Chandan Kumar: And just to add on one point Sanjay, a recent RBI directive has been come that is a standard provisioning for the wholesale account has been increased or revised from 0.8 to 0.98, 0.98, average of 0.98 and that is on our book itself. So, that would be done as per norms itself but as of now we are not facing any kind of challenges into our wholesale book and we believe that the quality or the processes which we are following in the holding of wholesale accounts itself, we would not be facing any kind of stress in the coming years itself.

Tejas Khandelwal: Okay. Sir, I know I would be not the right person to say that way but in the past as well I said that the segment which we present on the wholesale side, we are doing very much fantastically good job. But we try to do on the SME side and we face some issues, I am not sure I am the right person or not but just wanted to understand that why we are not following that model into the other part of the geography in India as well because we understand that model pretty well. So, why we are not doing that, I just wanted your thoughts on that, sir.

Rohit Gupta: Yes, focus has been on SME in last 2-3 years and going forward definitely we will look for other regions and market but in immediate next 12 months we would like to focus in our existing region and so a lot of our bandwidth was going towards SME also and so you are absolutely right and at the same time we see lot of opportunities in our existing region and so the market share we have in terms of total size in the region we are present, our share is still very less keeping in view our relative size. So, it is better to remain in your region where you have much better strength and knowledge and you are able to do constant I would say monitoring and yes, in future we will look at but in immediate term we don't see any need to go out of our region in immediate next 12-15 months and it is better to focus on our existing region. We have limited by funds and so unnecessary going into new region without any we will neither be able to create any kind of visibility there. So, it is better to remain where you are able to do far better.

Tejas Khandelwal: So, but in co-lending model side we can do that right because that model we are not bound to capital problem on that side. So, in co-lending we can do that model in Pan India side.

Rohit Gupta: Co-lending model in also co-lending we have to put our own we have all those co-lending transactions we have our own element of that stake into that transaction from 10%-15% to 40%. So, only co-lender only comes when we put our own stake into that transaction. So, when we see that we need to go to other region we will definitely go. We are very much open for that. As our size increases and we see that now we need to go to new region we will go.

Tejas Khandelwal: Thank you. All the best. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rachita Gupta:

Thank you everyone for joining us today and if there are any more further questions you feel free to reach out to Mr. Sayam Pokharna and their team. Thank you so much.

Moderator:

Thank you. On behalf of CSL Finance Limited that concludes this conference. Thank you everyone for joining us and you may now disconnect your lines.