

CSFB/2022-23/548

August 10, 2022

BSE LimitedListing Compliance
P.J Towers,
Dalal Street,
Mumbai 400001**Subject: Intimation in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

In accordance with the requirement of the aforesaid Regulations, we hereby submit/ confirm/declare the following information:

1. Pursuant to Regulations 51(2) and 52 read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of the Bank has, at its meeting held today i.e. Wednesday, August 10, 2022, inter-alia, considered and approved the Un-Audited Financial Results for the quarter ended on June 30, 2022.

In view of the above, Un-Audited Financial Results for the quarter ended June 30, 2022 along with the Limited Review report issued by M/s T R Chadha & Co LLP, Statutory Auditors of the Bank is enclosed as **Annexure – 1** and the disclosures are in compliance with Regulations 52(4) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The meeting of Board of Directors commenced at 10.30 a.m. and concluded at 3.00 p.m.

2. In term of Regulation 52 (4) of the Listing Regulations:
 - a. **Debt - equity ratio** - The Bank follows the guidelines issued by the Reserve Bank of India (RBI) from time to time with regard to the Capital Adequacy Ratio. Accordingly, debt-equity ratio is not applicable on the Bank. However, the Debt Equity Ratio (total borrowings to share capital plus reserves) of the Bank is 1.05 times as on June 30, 2022.
 - b. **Debt service coverage ratio**- Being a Banking Company, requirement of disclosure of debt service coverage ratio is not applicable.
 - c. **Interest service coverage ratio** - Being a Banking Company, requirement of disclosure of interest service coverage ratio is not applicable.
 - d. **Outstanding redeemable preference shares (quantity and value)**- The Bank has not issued any redeemable preference shares.

- e. **Capital redemption reserve/debenture redemption reserve-** As per Section 71(4) of Companies Act, 2013 read with Rule 18 (7) (b) of the Companies (Share Capital and Debentures), Rules, 2014 requirement of creating debenture redemption reserve is not applicable on Banking Company. However, the Bank has created Recovery Expense Fund Account with BSE Limited.
- f. **Net worth¹-** Net worth of the Company as on June 30, 2022 is ₹ 536.22 Crores.
- g. **Net profit after tax -** Net Profit after tax for the quarter ended June 30, 2022 is ₹18.28 Crores.
- h. **Earnings per share-** Earnings per share for the quarter ended June 30, 2022 is as under:

Particulars	Quarter ended June 30, 2022	Year ended March 31, 2022
	Reviewed	Audited
Basic (₹) (non-annualised for quarter)	5.35	18.41
Diluted (₹) (non-annualised for quarter)	5.34	18.22

- i. **Current Ratio-** Being a banking company, requirement of disclosure of current ratio is not applicable.
- j. **Long term debt to working capital-** Being a banking company, requirement of disclosure of Long term debt to working capital ratio is not applicable.
- k. **Bad debts to Account receivable ratio-** Being a banking company, requirement of disclosure of Bad debts to Account receivable ratio is not applicable.
- l. **Current Liability ratio-** Being a banking company, requirement of disclosure of current liability ratio is not applicable.
- m. **Total Debts to Total Assets-** Total Debts to Total Assets (total borrowings/total assets) as on June 30, 2022 is 7.67%.
- n. **Debtors Turnover-** Being a banking company, requirement of disclosure of debtor turnover ratio is not applicable.
- o. **Inventory Turnover-** Being a banking company, requirement of disclosure of inventory turnover ratio is not applicable.
- p. **Operating Margin (%)**- Being a banking company, requirement of disclosure of operating margin is not applicable.
- q. **Net Profit Margin (%)**- Being a banking company, requirement of disclosure of net profit margin is not applicable.

r. **Sector specific equivalent ratios**

- **Return on Assets² (%)** - for the quarter ended June 30, 2022 is 1.00%
- **Gross NPA (%)** - as on June 30, 2022 is 2.93%
- **Net NPA (%)** - as on June 30, 2022 is 1.70%
- **Capital Adequacy Ratio (%)** - as on June 30, 2022 is 19.51%

3. Pursuant to the Regulation 52(7) of the Listing Regulations, declaration with respect to the utilisation of issue proceeds of non-convertible debt securities is not required since the proceeds have been already utilized as per the objective.

4. Disclosure on Security Cover is enclosed as **Annexure- 2**.

Yours faithfully

Thanking you,

For Capital Small Finance Bank Limited

(Amit Sharma)

Company Secretary and Compliance Officer
Membership No. F10888

22 years of
Trust & Performance

¹Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

²Return on Assets means the ratio of profit after tax to average monthly total assets

CAPITAL SMALL FINANCE BANK LIMITED

Registered Office: MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar – 144001, Punjab
Tel.:0181-5051111, 5052222 | Fax: 0181-5053333 | E-mail: investorrelations@capitalbank.co.in
CIN: U65110PB1999PLC022634

Statement of Un-Audited Financial Results for the quarter ended June 30, 2022

(₹ in Lacs except otherwise stated)

Particulars	Quarter ended June 30, 2022 (3 Months)	Quarter ended March 31, 2022 (3 Months)	Quarter ended June 30, 2021 (3 Months)	Year ended March 31, 2022 (12 Months)
	Reviewed	Audited	Audited	Audited
Interest Earned	15,248	15,327	13,643	57,822
Interest/discount earned on advances/bills	11,713	11,810	10,015	43,730
Interest earned on investments	2,362	2,293	2,089	8,603
Interest on balances with Reserve Bank of India and other interbank	1,173	1,224	1,539	5,489
Other Income	1,043	1,557	1,098	5,418
Total Income	16,291	16,884	14,741	63,240
Interest Expended	8,262	8,200	7,939	32,294
Operating Expenses	5,169	5,353	4,542	19,625
Employee Cost	2,664	2,837	2,510	10,656
Other operating expenses	2,505	2,516	2,032	8,969
Total Expenditure	13,431	13,553	12,481	51,919
Operating profits before provisions and contingencies	2,860	3,331	2,260	11,321
Provisions and Contingencies (other than taxes)	427	643	645	2,872
Exceptional item	-	-	-	-
Profits before taxes	2,433	2,688	1,615	8,449
Income tax	605	803	397	2,192
Net Profit for the period/year	1,828	1,885	1,218	6,257
Paid up Share Capital (Face value of ₹10 each)	3,423	3,404	3,400	3,404
Reserves excluding revaluation reserves				48,174
Analytical ratios and other disclosures				
Percentage of shares held by Government of India	NIL	NIL	NIL	NIL
Capital Adequacy ratio (%)	19.51%	18.63%	21.12%	18.63%
EPS Basic (₹) (non-annualised for quarters)	5.35	5.54	3.59	18.41
EPS Diluted (₹) (non-annualised for quarters)	5.34	5.45	3.57	18.22
Face value (₹)	10.00	10.00	10.00	10.00
Net worth ¹	53,622	51,578	46,420	51,578
Debt Equity Ratio ²	1.05	0.97	1.17	0.97
Total Debt to Total Assets ³	7.67%	6.97%	8.26%	6.97%
Return on Assets ⁴	1.00%	1.05%	0.74%	0.92%
Gross NPA	13,837	11,713	9,124	11,713
Net NPA	7956	6,323	5,259	6,323
% of Gross NPA	2.93%	2.50%	2.48%	2.50%
% of Net NPA	1.70%	1.36%	1.44%	1.36%

¹Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

²Debt Equity Ratio means the ratio of total borrowings to share capital plus reserves.

³Total Debts to Total assets means the ratio of total borrowings to total assets.

⁴Return on Assets means the ratio of profit after tax to average monthly total assets.



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Notes: -

1. The results for the quarter ended June 30, 2022 have been approved by the Board of Directors of Capital Small Finance Bank Limited ("the Bank") in its meeting held on August 10, 2022. The results have been reviewed by the statutory auditors (T R Chadha & Co LLP) of the Bank and have issued unmodified reports thereon.
2. The above financial results of the Bank have been prepared in all material aspects, in accordance with the generally accepted accounting principles in India ("Indian GAAP"), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ("the RBI") from time to time, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and Accounting Standards as prescribed under Section 133 of the Companies Act, 2013.
3. The Bank has followed the same significant accounting policies as followed for the year ended March 31, 2022. Any circular / direction issued by the RBI is implemented prospectively when it becomes applicable.
4. The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto December 31, 2021.
5. During the quarter ended June 30, 2022, the Bank has allotted 1,90,013 equity shares to employees of the Bank in the form of employee stock option as per the ESOP plan of the Bank.
6. India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.
7. During the quarter ended June 30, 2022, the Bank has not transferred/acquired any stressed loan or loan not in default under the master directions of Reserve Bank of India on Transfer of Loan Exposures dated September 24, 2021.
8. Other income relates to income from non-fund-based banking activities including commission, exchange, brokerage and profit, loss from investments, etc.
9. Other expenditure does not include any expenditure that exceeds 1% of the total income of the Bank.
10. Figures of the previous periods/years have been regrouped/reclassified wherever necessary to conform to current period's classification.
11. As on June 30, 2022 the total number of branches and ATM network stood at 165 branches and 167 ATMs respectively.

For and on behalf of the Board of Directors



Sarvjit Singh Samra
Managing Director
DIN: 00477444

Date: August 10, 2022
Place: Jalandhar





Independent Auditor's Review Report on Quarterly Unaudited Financial Results of Capital Small Finance Bank Limited Under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Capital Small Finance Bank Limited

1. We have reviewed the accompanying Statement of unaudited financial results of **Capital Small Finance Bank Limited** (the Bank) for the quarter ended 30th June 2022 ("the statement"), being submitted by the Bank under the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared by the recognition and measurement principles laid down in the Accounting Standard 25 "Interim Financial Reporting" prescribed under section 133 of Companies Act 2013 ("the Act") read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time ("the RBI Guidelines") and another accounting principle generally accepted in India. Our responsibility is to issue a report on the statements based on our review.
3. We conducted our review of the statement in accordance with the Standards on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to the inquiry of bank personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed any audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to the attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standard specified under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued thereunder, the RBI guidelines and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared by the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning, and other related matters.

5. Emphasis of Matter:

We draw attention to Note 6 to the unaudited financial results regarding the impact of the Covid 19 pandemic. The extent to which any new wave of COVID-19 will impact the bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Our opinion is not modified in respect of this matter.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm Regn. No. 006711N / N500028

**HITESH
GARG**

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Hitesh Garg

(Partner)

Membership No 502955

UDIN - 22502955AOSGVS5396

Date: 10th August 2022

Place: Mumbai

T R Chadha & Co LLP

Chartered Accountants



To,
The Board of Directors,
Capital Small Finance Bank Limited

Independent Auditor's Report on maintenance of Asset Cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Capital Small Finance Bank Limited for the quarter ended June 30, 2022.

1. This report is issued in accordance with the terms of our appointment letter dated 5th August 2022.
2. The accompanying statement showing maintenance of Asset Cover for listed Non-Convertible Debentures ("NCD's") issued by Capital Small Finance Bank Limited (the "Bank") which were outstanding as at June 30, 2022 (the "Statement"), is prepared by the Bank, for the purpose of submission to IDBI Trusteeship Services Limited (the "Debenture Trustee"), pursuant to the requirements of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time read with Table-II of Annexure A to Circular on 'Monitoring and Disclosures by Debenture Trustee(s)' vide Ref. No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 (hereinafter together referred as the "SEBI Regulation").

Management's Responsibilities for the Statement

3. The preparation of the Statement is the responsibility of the Management of the Bank including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances. Further, the Bank is responsible for maintaining the Asset Cover and compliance with the covenants of debt securities.
4. The Management is also responsible for ensuring that the Bank complies with the requirements of the SEBI Regulation, the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949 and other relevant circulars and guidelines issued by the Reserve Bank of India ("the RBI") and Securities and Exchange Board of India ("the SEBI") and provide all relevant information to the RBI and SEBI.

Auditor's Responsibility

5. Pursuant to our engagement, it is our responsibility to obtain a limited assurance and report whether:
 - a. The information mentioned in the Statement is correctly extracted from the unaudited books and records of the Bank;
 - b. The computation of maintenance of Asset Cover is in accordance with the SEBI Regulation and is arithmetically correct; and
 - c. The Bank is in compliance with all the financial covenants mentioned in the Debenture Trust Deeds in respect of listed non-convertible debt securities.
6. We have performed the following procedures for the purpose of this report;
 - a. Traced and agreed on the amounts mentioned in the Statement with the unaudited financial statements for the quarter ended 30th June 2022;
 - b. Verified the arithmetical accuracy of the computation of Asset Cover mentioned in the Statement;
 - c. Verified the asset cover details as per the Term sheets and books and records of the Bank; and
 - d. Verified the financial covenants as per the Term sheets of NCDs issued by the Bank.

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015



7. We conducted our examination of the Statement, on a test check basis, in accordance with the “Guidance Note on Reports or Certificates for Special Purposes” issued by the ICAI (the “Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on the procedures performed as per paragraph 6 above and to the best of our knowledge, according to the information, explanations and representation given to us, nothing has come to our attention that causes us to believe that:
 - a. The information mentioned in the Statement is not correctly extracted from the unaudited books and records of the Bank as at 30th June 2022;
 - b. The computation of maintenance of Asset Cover is not in accordance with the SEBI Regulation and is arithmetically correct; and
 - c. The Bank is not in compliance with all the financial covenants mentioned in the Debenture Trust Deeds in respect of listed non-convertible debt securities.

Restriction on Use

10. This report is addressed to the Board of Directors of the Bank, pursuant to our terms of engagement for onward submission of this report to the Debenture Trustee and should not be used by any other person or for any other purpose.
11. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior consent in writing.

For T R Chadha & Co LLP Chartered Accountants

Firm Registration No: 006711N/N500028

**HITESH
GARG**

Digitally signed by HITESH GARG
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pseudonym=031a7c476c1e44b8c033c2c4d3b0
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Hitesh Garg

Partner

Membership No. 502955

UDIN: 22502955AOSISW1416

Date: 10-08-2022

Place: Mumbai

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Statement showing maintenance of Security Cover for listed Non-Convertible Debentures ("NCD's")

- a) Capital Small Finance Bank Limited has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:

ISIN	Facility	Type of Charge	Sanctioned Amount (in Cr.)	O/s as on 30-06-2022 (in Cr.)	Cover required	Assets required
INE646H08012	Non-convertible Debt securities	Unsecured	14.00	14.00	NA	NA
INE646H08020		Unsecured	25.00	25.00	NA	NA

- b) Asset Cover for listed debt securities:

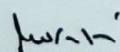
Table - II:

Sr. No.	Particulars		Amount as on 30-06-2022 (in Cr.)
i.	Net assets of the Company available for unsecured lenders (Property Plant & Equipment (excluding intangible assets and prepaid expenses) + Investments + Cash & Bank Balances + Other current/ Non-current assets excluding deferred tax assets (-) Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads (-) unsecured current/ non-current liabilities (-) interest accrued/payable on unsecured borrowings)	A	769.57
ii.	Total Borrowings (unsecured)	B	246.91
	• Term loan		-
	• Non-convertible Debt Securities		246.91
	• CC/ OD Limits		-
	• Other Borrowings		-
	• IND - AS adjustment for effective Interest rate on unsecured borrowings		-
iii.	Assets Coverage Ratio (100% or higher as per the terms of Offer Document/Information Memorandum/ Debenture Trust Deed)	(A/B)	311.68%

- c) Compliance of all the financial covenants / terms of the issue in respect of listed debt securities of the Bank

We certify that there are no financial covenants in respect of listed debt securities of the Bank.

For Capital Small Finance Bank limited


Munish Jain
Chief Financial Officer

Jalandhar
August 10, 2022



Capital Small Finance Bank Limited

Regd. & Head Off.: 'MIDAS Corporate Park', 3rd Floor, 37, G.T. Road, Jalandhar-144 001, INDIA
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