

CSFB/2022-23/240

May 13, 2022

BSE Limited

Listing 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. Friday, May 13, 2022, inter-alia, considered and approved the Audited Financial Results for the quarter and year ended on March 31, 2022.

In view of the above, Audited Financial Results for the quarter and year ended March 31, 2022 along with the Auditors' 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 6.45 p.m.

2. Pursuant to the Regulation 52 (3) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, declaration is enclosed as **Annexure - 2**.
3. In term of Regulation 52 (4) of the Listing Regulations:
 - a. **Debt - equity ratio** - The Bank follows the guidelines issued by the 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 0.97 times as on March 31, 2022.
 - b. **Debt service coverage ratio**- Being a Banking Company, requirement of disclosures of debt service coverage ratio is not applicable.

- c. **Interest service coverage ratio** - Being a Banking Company, requirement of disclosures 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 March 31, 2022 is ₹515.78 Crores.
- g. **Net profit after tax** - Net Profit after tax for the quarter and year ended March 31, 2022 is ₹18.85 Crores and ₹62.57 Crores respectively.
- h. **Earnings per share**- Earnings per share for the quarter and year ended March 31, 2022 is as under:

Particulars	Quarter ended March 31, 2022	Year ended March 31, 2022
	Audited	Audited
Basic (₹) (non-annualised for quarter)	5.54	18.41
Diluted (₹) (non-annualised for quarter)	5.45	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.

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.

- m. **Total Debts to Total Assets**- Total Debts to Total Assets (total borrowings/total assets) as on March 31, 2022 is 6.97%.
- 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 and year ended March 31, 2022 is 1.05% and 0.92% respectively;
 - **Gross NPA (%)**- as on March 31, 2022 is 2.50%.
 - **Net NPA (%)**- as on March 31, 2022 is 1.36%.
 - **Capital Adequacy Ratio (%)**- as on March 31, 2022 is 18.63%.
4. 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.
5. Disclosure on Asset Cover is enclosed as **Annexure- 3**.

Yours faithfully

Thanking you,

For Capital Small Finance Bank Limited

For CAPITAL SMALL FINANCE BANK LTD

COMPANY SECRETARY

(Amit Sharma)

Company Secretary and Compliance Officer
Membership No. F10888

²Return on Assets means 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 Audited Financial Results for the quarter and year ended March 31, 2022

(₹ in Lacs)

Particulars	Quarter ended March 31, 2022	Quarter ended Dec 31, 2021	Quarter ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	Audited (Refer note 5)	Unaudited	Audited (Refer note 5)	Audited	Audited
Interest Earned	15,327	14,690	13,187	57,822	51,144
Interest/discount earned on advances/bills	11,810	11,140	9,548	43,730	37,243
Interest earned on investments	2,293	2,131	2,141	8,603	8,468
Interest on balances with Reserve Bank of India and other interbank	1,224	1,419	1,498	5,489	5,433
Other Income	1,557	1,152	1,513	5,418	4,583
Total Income	16,884	15,842	14,700	63,240	55,727
Interest Expended	8,200	8,195	7,864	32,294	31,283
Operating Expenses	5,353	4,829	4,628	19,625	17,296
(i) Employee Cost	2,837	2,595	2,452	10,656	9,043
(ii) Other operating expenses	2,516	2,234	2,176	8,969	8,253
Total Expenditure	13,553	13,024	12,492	51,919	48,579
Operating profits before provisions and contingencies	3,331	2,818	2,208	11,321	7,148
Provisions and Contingencies (other than taxes)	643	621	397	2,872	1,775
Exceptional item	-	-	-	-	-
Profits before taxes	2,688	2,197	1,811	8,449	5,373
Income tax	803	532	434	2,192	1,295
Net Profit for the period/year	1,885	1,665	1,377	6,257	4,078
Paid up Share Capital (Face value of ₹10 each)	3,404	3,404	3,391	3,404	3,391
Reserves excluding revaluation reserves				48,174	41,688
Analytical ratios and other disclosures					
Percentage of shares held by Government of India	NIL	NIL	NIL	NIL	NIL
Capital Adequacy ratio (%)	18.63%	19.98%	19.80%	18.63%	19.80%
EPS Basic (₹) (non-annualised for quarters)	5.54	4.90	4.06	18.41	12.04
EPS Diluted (₹) (non-annualised for quarters)	5.45	4.85	4.03	18.22	11.98
Face value (₹)	10.00	10.00	10.00	10.00	10.00
Net worth ¹	51,578	49,514	45,079	51,578	45,079
Debt Equity Ratio ²	0.97	1.05	1.37	0.97	1.37

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

Total Debt to Total Assets ³	6.97%	7.24%	9.68%	6.97%	9.68%
Return on Assets ⁴	1.05%	0.96%	0.89%	0.92%	0.69%
Gross NPA	11,713	10,072	7,824	11,713	7,824
Net NPA	6,323	5,220	4,214	6,323	4,214
% of Gross NPA	2.50%	2.41%	2.08%	2.50%	2.08%
% of Net NPA	1.36%	1.26%	1.13%	1.36%	1.13%

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 ratio of total borrowings to share capital plus reserves.

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

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

Statement of Assets and Liabilities as on March 31, 2022

(₹ in Lacs)

Particulars	As on March 31, 2022	As on March 31, 2021
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	3,404	3,391
Reserves and Surplus	48,174	41,688
Deposits	6,04,636	5,22,107
Borrowings	49,843	61,672
Other Liabilities and Provisions	9,335	8,266
Total	7,15,392	6,37,124
ASSETS		
Cash and Balances with Reserve Bank of India	36,399	72,172
Balances with Banks and Money at call and short notice	65,506	56,870
Investments	1,35,706	1,21,225
Advances	4,63,480	3,72,689
Fixed Assets	8,359	8,656
Other Assets	5,942	5,512
Total	7,15,392	6,37,124
Contingent Liabilities	4,562	3,835
Bills for Collection	-	-



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

Cash Flow for the year ended March 31, 2022

(₹ in Lacs)

Particulars	As on March 31, 2022		As on March 31, 2021
	Audited		Audited
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxes		8,449	5,374
Adjustment For:			
Depreciation Charge on Fixed Assets		1,612	1,649
Loan Loss Provision		2,872	1,775
(Profit)\Loss on Sale of Fixed Assets		1	-
Employee Stock Option Expense		383	221
Depreciation on Investments		(2)	2
		13,315	9,021
Adjustment For:			
(Increase) in Term Deposits with other Banks		(7,223)	(11,596)
(Increase) In Investments		(14,479)	(16,040)
(Increase) In Advances		(92,572)	(43,742)
Increase In Deposits		82,529	77,445
(Increase)/Decrease In Other Assets		(281)	810
Increase/(Decrease) In Other Liabilities & Provision		(284)	2,820
		(18,995)	18,718
Direct Taxes Paid [net of refunds]		(2,079)	(1,286)
Net Cash Flow from/(used in) Operating Activities		(21,074)	17,432
Cash Flow from Investing Activities			
Purchase of Fixed Assets		(1,350)	(1,293)
Proceeds from Sale of Fixed Assets		34	51
Net Cash Flow used in Investing Activities		(1,316)	(1,242)
Cash Flow from Financing Activities			
Net Proceeds from equity shares issued under preferential allotment on private placement basis / ESOP allotment		131	101
Net Proceeds from the new issue of Unsecured Redeemable Non-Convertible Bonds/ (Redemption of Bonds)		2,262	3,140
Net Increase/ (Decrease) in Borrowings/ Refinance		(14,091)	16,440
Dividend Payment (Including Tax on Dividend)		(272)	-
Net Cash Flow from/(used in) Financing Activities		(11,970)	19,681
Net Increase / (Decrease) In Cash & Cash Equivalent		(34,360)	35,871
Cash & Cash Equivalents in the beginning of the year		74,113	38,242
Cash & Cash Equivalents at the end of the year		39,753	74,113



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

Notes: -

1. The results for the quarter and year ended March 31, 2022 have been approved by the Board of Directors of Capital Small Finance Bank Limited ("the Bank") in its meeting held on May 13, 2022. The results have been audited by the statutory auditors (T R Chadha & Co LLP) of the Bank. The previous results for the quarter and year ended March 31, 2021 were audited by the previous statutory auditors (MSKC & Associates) of the Bank. The reports thereon are unmodified.
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, 2021.
4. The RBI vide its clarification dated August 30, 2021 on guidelines on compensation of whole time directors/chief executive officers/material risk takers and control function staff, advised banks that the fair value of the share linked instruments on the date of grant should be recognized as an expense for all instruments granted after the period ending March 31, 2021. Accordingly, the Bank has measured the cost of ESOP using the fair value method for stock options granted post March 31, 2021 including grant to the Material Risk Takers as a part of their variable compensation and using intrinsic value method for stock options granted prior to the said period.
5. The figure of the last quarter in each of the financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto end of third quarter of the respective financial year.
6. During the year ended March 31, 2022, the Bank has allotted 1,33,410 equity shares to employees of the Bank in form of employee stock option as per the ESOP plan of the Bank.
7. The Board of Directors in its meeting held on May 13, 2022 have proposed a dividend of ₹1.00 per share (₹0.80 per share for the previous year).
8. During the Financial year 2021, the outbreak of the COVID-19 pandemic has led to nationwide lockdown in April- May 2020 that substantially impacted economic activities. This was followed by localized lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was gradual improvement in economic activity in the second half of Financial year 2021-22. In Financial year 2022, India experienced two more waves of the Covid-19 pandemic that led to the re-imposition of regional lockdowns which were subsequently lifted.

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

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to substantial impact on the economic activities. The disruptions following the outbreak, impacted loan originations, the sale of third-party products and the efficiency in collection efforts resulting in increase in customer defaults and resulting in increase in provisions there against. Since the number of cases have reduced significantly and Government of India has withdrawn most of the Covid-19 related restrictions but the extent to which any new wave of COVID-19 impact the Bank's result is uncertain as it depends upon the future trajectory of the pandemic.

9. Details of Restructuring under "Resolution Framework – 1.0: Resolution Framework for COVID-19-related Stress" and "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" during the year ended March 31, 2022:

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) ¹	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	28.49	1.60	-	0.48	26.41
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	3.40	-	-	0.29	3.11
Total	31.89	1.60	-	0.77	29.52

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹ includes requests received till September 30, 2021 implemented subsequently

² Net of increase in exposure during the period

10. Restructuring under RBI guidelines on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances"

(₹ in crores)

As on March 31, 2022		As on March 31, 2021	
No. of accounts restructured	Amount	No. of accounts restructured	Amount
255	104.68	132	80.71



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

11. During the quarter and year ended March 31, 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.
12. Other income relates to income from non-fund based banking activities including commission, exchange, brokerage and profit, loss from investments income form dealing in PSLC, etc.
13. Other expenditure includes amount of ₹6.50 crore (₹9.23 crore during the previous year) paid for security & service charges that are exceeding 1% of the total income of the Bank.
14. Figures of the previous periods/years have been regrouped/reclassified wherever necessary to conform to current period's classification.
15. As on March 31, 2022 the total number of branches and ATM network stood at 161 branches and 163 ATMs respectively.



Date: May 13, 2022
Place: Jalandhar

For and on behalf of the Board of Directors

Sarvjit Singh Samra
Managing Director
DIN: 00477444



Independent Auditor's Report on Quarterly and Year Ended Financial Results of Capital Small Finance Bank Limited Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Capital Small Finance Bank Limited

Opinion

We have audited the accompanying Statement of Financial Results of **Capital Small Finance Bank Limited** ("the bank") for the quarter and year ended March 31, 2022 ("the statement"), attached herewith, being submitted by the bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standard prescribed under section 133 of the companies act 2013 ("the act") read with companies (Accounts) rules, 2014 as amended to the extent applicable, the relevant provision of the Banking Regulation Act, 1949, the circulars, guidelines and direction issued by Reserve Bank of India (RBI) from time to time (the "RBI guidelines") and other accounting principles generally accepted in India, of the net profit and other financial information for the quarter and year ended March 31, 2022.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SA) specified under Section 143(10) of the Companies Act 2013 as amended ("the Act"). Our responsibilities under those Standards are further described in "Auditor's Responsibilities for the audit of the statement section of our report. We are independent of the bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the statement, and we have fulfilled our other ethical requirement that are relevant to our audit of statement and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the statement.

Emphasis of Matter

We draw attention to Note no. 8 to the financial statement, which describes that the extent to which any new wave of COVID-19 impact the Bank's results is uncertain as it depends upon the future trajectory of the pandemic.

Our opinion is not modified in respect of this matter.



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



Management's Responsibility for the Financial Results

This Statement, has been prepared on the basis of annual financial statement. The Bank's Board of Directors are responsible for preparation and presentation of the statement that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act, the relevant provisions of Banking Regulations Act, 1949, the RBI guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the bank 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Bank's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the bank or to cease operations, or has no realistic alternative but to do so.

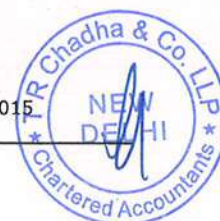
The Board of Directors are also responsible for overseeing the financial reporting process of the Bank.

Auditor's Responsibility for the Audit of Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the statement 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the bank has adequate internal financial controls with reference to financial statements 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 the Board of Directors





- Conclude on the appropriateness of the Board of Directors' 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 appropriateness of this assumption. 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 standalone annual financial results 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 bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement 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.

Other Matters

The statement includes the results for the quarter ended 31st March 2022 being the balancing figure between audited figures in respect of full financial year ended 31st March 2022 and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations. Our opinion is not modified in this matter.

The Statement includes the financial results for the corresponding quarter ended 31st March 2021 and the year to date results for the period from 1st April 2020 to 31st March 2021 which was audited by M/s. MSKC and Associates, Chartered Accountants, then statutory auditors of the bank, who expressed unmodified opinion on such financial results. Our opinion is not modified in this matter.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No. 006711N / N500028

Hitesh Garg

(Partner)

Membership No 502955

UDIN- 22502955AIXMSS8430

Date: 13th May 2022

Place: New Delhi



Annexure – 2**DECLARATION UNDER REGULATION 52(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015**

In accordance to the regulation 52(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby declare that the Annual Audit Report for the financial year ended March 31, 2022 is with unmodified opinion.

Yours faithfully

Thanking you,

For Capital Small Finance Bank Limited

For CAPITAL SMALL FINANCE BANK LTD


COMPANY SECRETARY

(Amit Sharma)

Company Secretary and Compliance Officer

Membership No. F10888



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 year ended March 31, 2022

1. This report is issued in accordance with the terms of our Engagement letter dated 23rd August 2021.
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 March 31, 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 the maintenance of 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 audited 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 the amounts mentioned in the Statement with the audited financial statements for the year ended 31st March 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 NCD's 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 audited books and records of the Bank as at 31st March 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 any duty of care for any other purpose or to any other person to whom this report is shown or into 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 Digitally signed
by HITESH GARG
GARG Date: 2022.05.13
13:30:32 +05'30'

Hitesh Garg

Partner

Membership No. 502955

UDIN: 22502955AIXOBR5837

Date: 13th May 2022

Place: New Delhi

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

Statement showing maintenance of Asset 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 31-03-2022 (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 31-03-2022 (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	721.47
ii.	Total Borrowings (unsecured)	B	214.74
	• Term loan		-
	• Non-convertible Debt Securities		214.74
	• 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)	335.97%

- 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
May 13, 2022



Capital Small Finance Bank Limited

Regd. & Head Off.: 'MIDAS Corporate Park', 3rd Floor, 37, G.T. Road, Jalandhar-144 001, INDIA
Tel.: 0181-6051111, 6052222 | Fax: 0181-6053333 | e-mail: mail@capitalbank.co.in | www.capitalbank.co.in
www.facebook.com/capitalbankindia | CIN : U65110PB1909PLC022634

