

CSFB.2023-24/99**May 19, 2023**

BSE Limited
Listing Compliance
P.J Towers,
Dalal Street,
Mumbai 400001

Scrip Code: 951995 & 953739

Subject: Outcome of the Board Meeting held on May 19, 2023

Respected Sir/Madam,

It is hereby informed that the Board of Directors of the Capital Small Finance Bank Limited ("Bank" or "the Bank") in its meeting held today i.e. May 19, 2023, *inter alia* considered and approved the Audited Financial Results of the Bank for the Quarter and Financial Year ended March 31, 2023.

The Board meeting commenced at 10:30 a.m. and concluded at 03.30 p.m.

A copy of the Audited Financial Results of the Bank for the Quarter and Financial Year ended March 31, 2023 alongwith the Audit Report thereon issued by M/s T R Chadha & Co LLP, Statutory Auditors of the Bank and the line items prescribed under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') is enclosed herewith as **Annexure – 1** and the same is also available on the Bank's website at www.capitalbank.co.in.

Further pursuant to the Regulation 52 (3) of the Listing Regulations, declaration regarding Audit Report with unmodified opinion is enclosed as **Annexure - 2**.

Pursuant to the Regulation 52(7) of the Listing Regulation, we confirm that the issue proceeds of the listed non-convertible debt securities have been fully utilized and that there are no deviations in the use of the said proceeds from the object stated in the Information Memorandum(s)/Disclosure Documents.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD CRADT/CIR/P/2022/67 dated May 19, 2022, please find enclosed herewith requisite information on Security Cover including compliance with all the covenants as **Annexure – 3** in respect of the listed unsecured non-convertible debentures (NCDs) issued by the Bank.

**Capital Small Finance Bank Limited**

Regd. & Head Off.: 'MIDAS Corporate Park', 3rd Floor, 37, G.T. Road, Jalandhar-144 001, INDIA
Tel.: 0181-5051111, 5052222 | Fax : 0181-5053333 | e-mail : mail@capitalbank.co.in | www.capitalbank.co.in
 www.facebook.com/capitalbankindia | CIN : U65110PB1999PLC022634



We request you to take note of the results in terms of the Regulations 51, 52 and other applicable provisions of the Listing Regulations.

Thanking You,

Yours faithfully,

For Capital Small Finance Bank Limited

Amit Sharma
Company Secretary & Compliance Officer
Membership No.: F10888

Encl: as above


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Statement of Audited Financial Results for the Quarter and Financial Year ended March 31, 2023

(₹ in Lacs except otherwise stated)

Particulars	Quarter ended			Financial Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited (Refer Note 6)	Unaudited	Audited (Refer Note 6)	Audited	Audited
Interest Earned	17,861	17,668	15,327	67,601	57,822
Interest/discount earned on advances/bills	14,187	13,918	11,810	53,286	43,730
Interest earned on investments	2,590	2,491	2,293	9,762	8,603
Interest on balances with Reserve Bank of India and other interbank	1,028	1,248	1,224	4,484	5,489
Others	56	11	-	69	-
Other Income	1,549	1,190	1,557	4,947	5,418
Total Income	19,410	18,858	16,884	72,548	63,240
Interest Expended	9,425	9,040	8,200	35,402	32,294
Operating Expenses	5,955	5,702	5,353	22,275	19,625
Employee Cost	3,198	2,979	2,837	11,798	10,656
Other operating expenses	2,757	2,723	2,516	10,477	8,969
Total Expenditure	15,380	14,742	13,553	57,677	51,919
Operating profit before provisions and contingencies	4,030	4,116	3,331	14,871	11,321
Provisions and Contingencies (other than taxes)	833	387	643	2,455	2,872
Exceptional item	-	-	-	-	-
Profit before taxes	3,197	3,729	2,688	12,416	8,449
Income tax	772	903	803	3,056	2,192
Net Profit for the period/year	2,425	2,826	1,885	9,360	6,257
Paid up Share Capital (Face value of ₹10/- each)	3,425	3,425	3,404	3,425	3,404
Reserves excluding revaluation reserves				57,636	48,174
Analytical/Sector Specific ratios and other disclosures					
Percentage of shares held by Government of India	-	-	-	-	-
Net worth¹	61,061	58,564	51,578	61,061	51,578
Return on Assets (annualised for quarters)²	1.21%	1.44%	1.05%	1.22%	0.92%



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Operating Margin ³	20.76%	21.83%	19.73%	20.50%	17.90%
Net Profit Margin ⁴	12.49%	14.99%	11.16%	12.90%	9.89%
EPS Basic (₹) (non-annualised for quarters)	7.08	8.25	5.54	27.35	18.41
EPS Diluted (₹) (non-annualised for quarters)	7.03	8.21	5.45	27.21	18.22
Face value (₹)	10.00	10.00	10.00	10.00	10.00
Gross NPA	15,262	15,039	11,713	15,262	11,713
Net NPA	7,405	8,006	6,323	7,405	6,323
% of Gross NPA	2.77%	2.96%	2.50%	2.77%	2.50%
% of Net NPA	1.36%	1.60%	1.36%	1.36%	1.36%
Capital Adequacy ratio (%)	18.87%	19.00%	18.63%	18.87%	18.63%
Tier-I Ratio (%)	13.69%	13.54%	13.21%	13.69%	13.21%
Debt Equity Ratio ⁵	1.18	0.87	0.97	1.18	0.97
Outstanding redeemable Preference Shares ⁶	-	-	-	-	-
Capital Redemption Reserve ⁷	-	-	-	-	-
Debenture Redemption Reserve ⁷	-	-	-	-	-
Total Debt to Total Assets ⁸	9.03%	6.48%	6.97%	9.03%	6.97%

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.

³Operating Margin means Operating profit before provisions and contingencies to the total income.

⁴Net Profit Margin means Net Profit to total income

⁵The 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 is calculated as total borrowings to share capital plus reserves.

⁶The Bank has not issued any redeemable preference shares.

⁷As per the Companies Act, 2013, the Bank is not required to create capital/debenture redemption reserve. However, the Bank has created Recovery Expense Fund Account with BSE Limited.

⁸Total Debts to Total assets means the ratio of total borrowings to total assets.

^{*}Being a Banking Company, the following ratio disclosure is not applicable as per SEBI (LoDR), 2015 & Indian Banks' Association (IBA) letter bearing reference no. COB/Cir/LoRD/2021-22/10718 dated December 22, 2021:

1. Debt Service Coverage Ratio
2. Interest Service Coverage Ratio
3. Current Ratio
4. Long term Debt to Working Capital
5. Bad Debts to Account Receivable Ratio
6. Current Liability Ratio
7. Debtors Turnover
8. Inventory Turnover



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Notes:

1. Statement of Assets and Liabilities is as below:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	3,425	3,404
Reserves and Surplus	57,636	48,174
Deposits	6,56,062	6,04,636
Borrowings	72,138	49,843
Other Liabilities and Provisions	9,816	9,335
Total	7,99,077	7,15,392
ASSETS		
Cash and Balances with Reserve Bank of India	46,265	36,399
Balances with Banks and Money at call and short notice	41,821	65,506
Investments	1,48,858	1,35,706
Advances	5,42,869	4,63,480
Fixed Assets	8,259	8,359
Other Assets	11,005	5,942
Total	7,99,077	7,15,392
Contingent Liabilities	5,647	4,562
Bills for Collection	-	-

2. Statement of Cash Flow is as below:

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes	12,416	8,449
Adjustment For:		
Depreciation Charge on Fixed Assets	2,067	1,612
Loan Loss Provision	2,455	2,872
(Profit)\Loss on Sale of Fixed Assets	(1)	1
Employee Stock Option Expense	267	383
Depreciation/(Reversal of Depreciation) on Investments	134	(2)
	17,338	13,315
Adjustment For:		
Decrease/(Increase) in Term Deposits with other Banks	23,260	(7,223)
(Increase) in Investments	(13,286)	(14,479)
(Increase) in Advances	(81,856)	(92,572)
Increase in Deposits	51,426	82,529
(Increase) in Other Assets	(4,945)	(281)
Increase/(Decrease) in Other Liabilities & Provision	754	(284)
	(7,309)	(18,995)
Direct Taxes Paid [net of refunds]	(3,436)	(2,079)
Net Cash Flow (used in) Operating Activities	(10,745)	(21,074)



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Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,976)	(1,350)
Proceeds from Sale of Fixed Assets	10	34
Net Cash Flow (used in) Investing Activities	(1,966)	(1,316)
Cash Flow from Financing Activities		
Net Proceeds from equity shares issued under preferential allotment on private placement basis / ESOP allotment	199	131
Net Proceeds from the new issue of Unsecured Redeemable Non-Convertible Bonds/ (Redemption of Bonds)	2,613	2,262
Net Increase/ (Decrease) in Borrowings/ Refinance	19,682	(14,091)
Dividend Payment	(342)	(272)
Net Cash Flow from/(used in) Financing Activities	22,152	(11,970)
Net Increase / (Decrease) In Cash & Cash Equivalent	9,441	(34,360)
Cash & Cash Equivalents in the beginning of the period	39,753	74,113
Cash & Cash Equivalents at the end of the period	49,194	39,753

3. The results for the Quarter and Financial Year ended March 31, 2023 have been approved by the Board of Directors of Capital Small Finance Bank Limited (“the Bank”) in its meeting held on May 19, 2023. The results have been audited by the Statutory Auditors (T R Chadha & Co LLP) of the Bank and, they have issued their unmodified Audit Report thereon.
4. 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) Regulations, 2015 and Accounting Standards as prescribed under Section 133 of the Companies Act, 2013.
5. 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.
6. The figures of the last quarter in each of the year are balancing figure between audited figures in respect of the full financial year and unaudited published year to date figures upto third quarter of the respective financial year.
7. The Bank has allotted 2,08,363 equity shares during the Financial Year ended March 31, 2023 (nil during the quarter ended March 31, 2023) to employees of the Bank in the form of employee stock option as per the ESOP plan of the Bank
8. The Board of Directors in its meeting held on May 19, 2023 have proposed a dividend of ₹1.20 (₹1.00 per share for the previous year) per equity share having face value of ₹10 each. Effect of proposed dividend has been reckoned in determining capital funds for computation of capital adequacy ratio as on March 31, 2023 and March 31, 2022.



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9. Other income relates to income from non-fund-based banking activities including commission, exchange, brokerage and profit, loss from investments, etc.

10. The impact of COVID-19 over the last two to three years has led to substantial impact on the economic activities. The extent to which any new wave of COVID-19 will impact the Bank's results is uncertain as it depends upon the future trajectory of the pandemic.

11. 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, 2023 is as under:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as on September 30, 2022 (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 on March 31, 2023	(₹ in lacs)
Personal Loans	2,401.54	307.14	-	276.57	1,817.84	
Corporate persons*	-	-	-	-	-	
Of which MSMEs	-	-	-	-	-	
Others	285.8	20.41	-	35.98	229.41	
Total	2,687.34	327.55	-	312.55	2,047.25	

* 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

12. During the period ended March 31, 2023, 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, updated as on December 05, 2022.

13. The Capital Adequacy Ratio has been computed as per the Reserve Bank of India guidelines. The Bank has followed Standardized approach for Credit Risk. However, capital charge has not been prescribed for Small Finance Banks in respect of market risk and operational risk.



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14. In accordance with the Reserve Bank of India guidelines, Pillar 3 disclosure (unaudited), leverage ratio, liquidity coverage ratio, net stable funding ratio (unaudited) is available at <https://www.capitalbank.co.in>

15. Figures of the previous periods/years have been regrouped/reclassified wherever necessary to conform to current period's classification.

For and on behalf of the Board of Directors of
Capital Small Finance Bank Limited



Date: May 19, 2023

Place: Jalandhar

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, 2023 (“the statement”), 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”), except for the disclosures relating to Pillar 3 disclosure as at 31st March 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank’s website and in respect of which a link has been provided in the financial results and have not been audited by us.

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 except for the disclosures relating to Pillar 3 disclosure as at 31st March 2023, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank’s website and in respect of which a link has been provided in the financial results and have not been audited by us; 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, 2023.

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.

Board of Director's Responsibility for the Financial Results

This Statement which includes the Financial Results is the responsibility of the Bank’s Board of Directors and has been approved by them for the issuance. This Statement, has been prepared on the basis of annual audited 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

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
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in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, in so far as they apply to the bank, the relevant provisions of Banking Regulations Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time and other accounting principles generally accepted in India and in compliance with the Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulation Act, 1949 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 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 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.

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- 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.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Result of the Company to express an opinion on Standalone Financial Results.

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 2023 being the balancing figure between audited figures in respect of full financial year ended 31st March 2023 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.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn. No. 006711N / N500028

HITESH

Digitally signed by HITESH GARG
DN: c=IN, o=Trchadha, l=Sector-1, n=1001, s=Delhi,
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cn=HITESH GARG
Date: 2023.05.19 13:56:19 +05'30'

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Hitesh Garg

(Partner)

Membership No 502955

UDIN- 23502955BGQPWS1496

Date: 19th May 2023

Place: Noida

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Capital Small Finance Bank



DECLARATION UNDER REGULATION 52(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance to the Regulation 52(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Annual Audit Report issued by the Statutory Auditors (M/s T R Chadha & Co LLP) of the Bank for the financial year ended March 31, 2023 is with unmodified opinion.

For Capital Small Finance Bank Limited

Munish Jain
Chief Financial Officer



Capital Small Finance Bank Limited

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T R Chadha & Co LLP
Chartered Accountants



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

Independent Auditor's Report on maintenance of Security Cover including compliance with all the covenants in respect of listed non-convertible debt securities issued by Capital Small Finance Bank Limited and outstanding as on 31st March, 2023

1. This report is issued in accordance with the terms of our Engagement letter dated 20th August 2022 with Capital Small Finance Bank Limited.
2. The accompanying statement showing maintenance of Security Cover including compliance with all the covenants for listed Non-Convertible Debentures ("NCD's") issued by Capital Small Finance Bank Limited (the "Bank") which were outstanding as at March 31, 2023 (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 circular issued by SEBI vide ref. no. SEBI/HO//DDHS/P/CIR/2023/50 dated March 31, 2023 (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 Security Cover and compliance with all 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, debenture trust deeds 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 requirement of the Regulations, it is our responsibility to express a limited assurance in the form of a conclusion based on our examination of relevant records maintained by the Company as to whether anything has come to our attention that causes us to believe

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

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that the details included in the Statement, regarding maintenance security cover as stated in respective debenture trust deeds and compliance with covenants, as mentioned, as per the debenture trust deeds in respect of NCDs of the Company outstanding as at 31 March 2023, is not in agreement, in all material respects, with audited financial statements of the Company, underlying books of account and other relevant records and documents maintained by the Company for the year ended 31 March 2023.

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 audited financial statements for the year ended 31st March 2023;
 - b. Verified the arithmetical accuracy of the computation of Security Cover mentioned in the Statement;
 - c. Verified the security cover details as per the Term sheets and books and records of the Bank; and
 - d. Verified the all covenants as per the Term sheets of NCDs issued by the Bank.
7. 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.

Conclusion

8. 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 2023;
 - b. The computation of maintenance of Security Cover is not in accordance with the SEBI Regulation and is arithmetically correct; and
 - c. The Bank is not in compliance with all the covenants mentioned in the Offer document/ Information Memorandum/ Debenture Trust Deeds in respect of listed non-convertible debt securities.



Restriction on Use

9. 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.
10. 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
GARG**
Digitalized copy by HITESH GARG
Date: 2023.05.19 14:13:03 v05'30'
PostboxCode=110017, st=Delhi,
serialNumber=A68173981010F3E31
firmName=T R CHADHA & CO LLP
GARNOF234031E90X3D4, crn=HITESH
GARG
Date: 2023.05.19 14:13:03 v05'30'

Hitesh Garg

Partner

Membership No. 502955

Place: Noida

Date: 19th May 2023

UDIN: 23502955BGQPWT8630

Capital Small Finance Bank

Column A	Column B	Column C ⁱ	Column D ⁱⁱ	Column E ⁱⁱⁱ	Column F ^{iv}	Column G ^v	Column H ^{vi}	Column I ^{vii}	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate is issued & other debt with pari-passu charge	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ^{viii}	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)	
Relating to Column F															
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
ASSETS															
Property, Plant and Equipment															
Capital Work-in-Progress															
Right of Use Assets															
Goodwill	Not applicable since all the listed non-convertible Debentures of the Bank are of unsecured nature														
Intangible Assets															
Intangible Assets under Development															
Investments															



Capital Small Finance Bank

Loans													
Inventories													
Trade Receivable s													
Cash and Cash Equivalent													
Bank Balances other than Cash and Cash Equivalent													
Others													
Total													
LIABILITI E S													
Debt securities to which this certificat													
Other debt sharing pari-passu													
Other Debt													
Subordinat ed													
Borrowings													
Bank													
Debt Securiti													
Others													
Trade payable													
Lease Liabilitie													



Provisions												
Others												
Total												
Cover on Book												
Cover on Market												
	Exclusi ve Securit y Cover			Pari- Passu Security Cover								

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value.

Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O.



ISIN	Private Placement/ Public Issue	Secured/Unsecu red	Sanctioned Amount (In crores)	Outstanding Amount as on March 31, 2023 (In crores)	Cover Required	Assets Required
INE646H08012	Private Placement	Unsecured	14.00	14.00	Nil	Nil
INE646H08020	Private Placement	Unsecured	25.00	25.00	Nil	Nil

FOR CAPITAL SMALL FINANCE BANK LIMITED



AMIT SHARMA

COMPANY SECRETARY & COMPLIANCE OFFICER

MEMBERSHIP NO. F10888



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