

CSFB.2024-25/196

July 30, 2024

**BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra**

**National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051
Maharashtra**

Scrip Code: 544120, 951995 & 953739

Symbol: CAPITALSFB

Subject: Outcome of Board Meeting of Capital Small Finance Bank Limited ("the Bank") held on July 30, 2024

Ref: Regulation 30, 33 and 51, 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Respected Sir/Madam,

In continuation to our letter dated July 20, 2024 intimating about the Board meeting, it is hereby informed that the Board of Directors of the Bank at its meeting held on July 30, 2024 has inter-alia, considered and approved the following:

1. Approved the Un-audited Financial Results of the Bank for the Quarter ended June 30, 2024.
2. Appointment of the Secretarial Auditor for the Financial Year 2024 – 25.

A copy of the unaudited financial results of the Bank for the Quarter ended June 30, 2024 along with the Limited review report thereon issued by M/s SCV & Co. LLP, Chartered Accountants, Statutory Auditors of the Banks and the line items prescribed under Regulation 52(4) of the 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, Investor Presentation of the above mentioned Results are enclosed herewith as **Annexure – 2**.

The Board meeting commenced at 02:00 p.m and concluded at 06.00 p.m.

Pursuant to the Regulation 52(7) of the Listing Regulations, we confirm that the issue proceeds of the listed non-convertible debt securities have been fully utilized and that there are no deviations

Capital Small Finance Bank Limited

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/DDHS/P/CIR/2023/50 dated March 31, 2023, please find enclosed herewith requisite information on Security Cover including compliance with all the Financial covenants as **Annexure – 3** in respect of the listed unsecured non-convertible debentures (NCDs) issued by the Bank.

We request you to take note of the results in terms of the all applicable provisions of the Listing Regulations.

This is for your information and records.

Thanking You,

Yours faithfully,

For **Capital Small Finance Bank Limited**

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

Encl: as above

Independent Auditors' Limited Review Report on the Unaudited Financial Results of Capital Small Finance Bank Limited for the Quarter ended June 30, 2024, pursuant to the Regulations 33 and 52 read with Regulation 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To

The Board of Directors
Capital Small Finance Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results of Capital Small Finance Bank Limited (hereinafter referred to as "the Bank") for the quarter ended June 30, 2024 ("the Statement"), attached herewith, being submitted by the Bank pursuant to the requirement of Regulations 33 and 52 read with 63(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosures as at June 30, 2024 including "Leverage Ratio", "Liquidity Coverage Ratio", and "Net Stability Funding Ratio" which have been disclosed on Bank's website and in respect of which a link has been provided in Note 13 of the Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Bank's Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", as prescribed under section 133 of the 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 ("RBI") from time to time ("the RBI Guidelines") and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to issue a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. 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 inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial reporting", prescribed under Section 133 of the Act as amended, read with relevant rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in accordance with the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of Income recognition, asset classification, provisioning and other related matters.



Other Matters

5. The comparative financial information of the Bank for the quarter ended June 30, 2023, included in the Statement has been subjected to limited review by the Predecessor Auditor. The report of the Predecessor Auditor dated August 11, 2023, on this comparative financial information expressed an unmodified conclusion.
6. The comparative figures for the quarter ended March 31, 2024, included in the Statement are the balancing figures between the audited figures in respect of the full financial year audited by us and the published unaudited year to date figures up to the third quarter of the last financial year, which were subjected to limited review by the Predecessor Auditor.

Our Conclusion is not modified in respect of the above matters.

FOR SCV & CO. LLP
CHARTERED ACCOUNTANTS
FIRM REGISTRATION No. 000235N/N500089



A handwritten signature in blue ink, appearing to read "Sunny Singh".

SUNNY SINGH
PARTNER
MEMBERSHIP No: 516834
ICAI UDIN: 24516834BKBMON2621

Place: Noida
Date: July 30, 2024

Capital Small Finance Bank

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: L65110PB1999PLC022634

Statement of Unaudited Financial Results for the Quarter ended June 30, 2024

(₹ in lacs except otherwise stated)

S. No.	Particulars	Quarter ended			
		June 30, 2024	March 31, 2024	June 30, 2023	Year ended March 31, 2024
		Unaudited	Audited Refer Note 6	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	21,848	20,420	18,891	79,433
	(a) Interest/discount earned on advances/bills	16,846	15,842	14,892	62,435
	(b) Income on Investments	3,002	2,982	2,615	11,216
	(c) Interest on balances with Reserve Bank of India and other interbank funds	1,959	1,552	1,354	5,564
	(d) Others	41	44	30	218
2	Other Income (refer note 10)	1,659	2,054	1,338	6,808
3	Total Income (1)+(2)	23,507	22,474	20,229	86,241
4	Interest Expended	11,938	11,746	10,238	44,918
5	Operating Expenses (i)+(ii)	7,314	6,783	5,852	25,833
	i. Employee cost	3,570	3,113	3,029	12,458
	ii. Other operating expenses	3,744	3,670	2,823	13,375
6	Total Expenditure (4)+(5) (excluding provisions and contingencies)	19,252	18,529	16,090	70,751
7	Operating Profit before Provisions and Contingencies (3)-(6)	4,255	3,945	4,139	15,490
8	Provisions (other than tax) and Contingencies	238	182	150	669
9	Exceptional Items	-	-	-	-
10	Profit from Ordinary Activities before tax (7)-(8)-(9)	4,017	3,763	3,989	14,821
11	Tax Expense	1,015	942	979	3,668
12	Net Profit from Ordinary Activities after tax (10)-(11)	3,002	2,821	3,010	11,153
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit for the period (12)-(13)	3,002	2,821	3,010	11,153
15	Paid up equity share capital (Face Value of ₹10/- each)	4,504	4,504	3,535	4,504
16	Reserves excluding Revaluation Reserves	-	-	-	1,15,238
17	Analytical Ratios and other disclosure				
	i. Percentage of shares held by Government of India	-	-	-	-
	ii. Capital Adequacy Ratio (Refer Note 12)	26.25%	27.39%	20.81%	27.39%
	Tier-I Ratio	22.03%	22.80%	15.20%	22.80%
	iii. Earnings per share (before and after extraordinary items, net of tax expense)				
	Basic EPS (₹) (non-annualized for quarters)	6.66	6.88	8.74	30.65
	Diluted EPS (₹) (non-annualized for quarters)	6.62	6.87	8.69	30.45
	iv. NPA Ratios				
	(a) Gross NPAs	17,186	17,018	15,488	17,018
	(b) Net NPAs	8,495	8,508	7,450	8,508
	(c) % of Gross NPAs to Gross Advances	2.69%	2.76%	2.81%	2.76%
	(d) % of Net NPAs to Net Advances	1.35%	1.40%	1.37%	1.40%
	v. Return on Assets ¹ (non-annualized for quarters)	0.32%	0.31%	0.36%	1.27%
	vi. Net worth ²	1,23,107	1,19,742	69,072	1,19,742
	vii. Operating Margin ³	18.10%	17.55%	20.46%	17.96%
	viii. Net Profit Margin ⁴	12.77%	12.55%	14.88%	12.93%
	ix. Debt Equity Ratio ⁵	0.38	0.39	1.01	0.39
	x. Total Debt to Total Assets ⁶	4.85%	5.08%	8.16%	5.08%
	xi. Outstanding redeemable preference shares ⁷	-	-	-	-
	xii. Capital redemption reserve ⁸	-	-	-	-
	xiii. Debenture redemption reserve ⁸	-	-	-	-

¹Return on Assets means the ratio of profit after tax to average monthly total assets

²Net 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

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

⁶Total Debts to Total assets means the ratio of total borrowings to total assets

⁷The Bank has not issued any redeemable preference shares

⁸As 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

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



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Segment information in accordance with Accounting Standard on Segment Reporting (AS-17) and the RBI Guidelines of the operating segment of the Bank

S. No.	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited Refer Note 6	Unaudited	Audited
1	Segment Revenue				
a)	Treasury	4,961	4,587	4,134	16,862
b)	Retail Banking	20,988	20,556	18,510	77,475
c)	Wholesale Banking	1,949	1,775	1,490	6,714
d)	Other Banking Operations	777	888	402	3,095
e)	Unallocated	-	-	-	-
	Less: Inter Segment Revenue	(5,168)	(5,332)	(4,307)	(17,905)
	Income from Operations	23,507	22,474	20,229	86,241
2	Segment Results				
a)	Treasury	131	(451)	363	355
b)	Retail Banking	5,907	4,878	5,574	20,412
c)	Wholesale Banking	130	175	163	634
d)	Other Banking Operations	715	839	330	2,865
e)	Unallocated	-	-	-	-
	Total	6,883	5,441	6,430	24,266
	Less: (i) Interest	(647)	(657)	(640)	(2,614)
	(ii) Other Unallocable Expenditure net off Unallocable Income	(2,219)	(1,021)	(1,801)	(6,831)
	Total Profit Before Tax	4,017	3,763	3,989	14,821
3	Segment Assets				
a)	Treasury	2,57,957	2,52,766	2,39,619	2,52,766
b)	Retail Banking	6,14,305	5,98,165	5,47,268	5,98,165
c)	Wholesale Banking	82,711	72,572	61,656	72,572
d)	Other Banking Operations	652	442	196	442
e)	Unallocated	5,538	5,583	4,716	5,583
	Total Assets	9,61,163	9,29,528	8,53,455	9,29,528
4	Segment Liabilities				
a)	Treasury	4,000	-	-	-
b)	Retail Banking	7,55,804	7,25,839	7,16,902	7,25,839
c)	Wholesale Banking	50,147	54,160	38,654	54,160
d)	Other Banking Operations	1	32	-	32
e)	Unallocated	27,874	29,755	28,827	29,755
f)	Capital and Other Reserves	1,23,337	1,19,742	69,072	1,19,742
	Total Liabilities	9,61,163	9,29,528	8,53,455	9,29,528

-The Bank is operating in domestic segment, so there is only one geographic segment.

-Inter Segment transactions are based on transfer pricing as determined by the management.

-The RBI vide its circular dated April 07, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The Bank has not setup any DBU so far and hence DBU has not been disclosed as a separate segment.

Notes:

1. Statement of Assets and Liabilities is as below:

Particulars	As at June 30, 2023		
	As at June 30, 2024 Unaudited	As at March 31, 2024 Audited	As at June 30, 2023 Unaudited
CAPITAL AND LIABILITIES			
Capital	4,504	4,504	3,535
Reserves and Surplus	1,18,833	1,15,238	65,537
Deposits	7,77,786	7,47,774	7,06,435
Borrowings	46,639	47,225	69,601
Other Liabilities and Provisions	13,401	14,787	8,347
Total	9,61,163	9,29,528	8,53,455
ASSETS			
Cash and Balances with Reserve Bank of India	44,884	56,898	48,106
Balances with Banks and Money at call and short notice	80,842	75,218	82,877
Investments	1,76,159	1,70,571	1,52,182
Advances	6,30,361	6,07,469	5,43,895
Fixed Assets	8,230	8,373	8,108
Other Assets	20,687	10,999	18,287
Total	9,61,163	9,29,528	8,53,455
Contingent Liabilities	6,828	6,300	5,411
Bills for Collection	-	-	-



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2. The above financial results for the quarter ended June 30, 2024 have been reviewed by the Audit Committee at its meeting held on July 30, 2024 and recommended to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on July 30, 2024. The results have been subjected to limited review by the Statutory Auditors of the Bank and they have issued their unmodified review report thereon. The figures of the quarter ended June 2023 were subjected to limited review under regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, by the previous auditors.
3. These financial results of the Bank have been prepared in accordance with Banking Regulation Act 1949, generally accepted accounting principles in India, recognition and measurement principles laid down in Accounting Standard -25 'Interim Financial Reporting' ('AS-25'), as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to the Bank, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and is in compliance with the presentation and disclosure requirements of Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
4. The Bank has applied its significant accounting policies in the preparation of these financial results, consistent with those followed in the annual financial statements for the year ended March 31, 2024 except for:
 - a. Classification, measurement and valuation of the Bank's investments which are carried out in accordance with RBI Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023 ('the RBI Investment Master Directions') effective from April 01, 2024. Consequently, the Bank has accounted net transition valuation gain of ₹299 lacs (net of applicable taxes) in General Reserve, resulting into net positive impact on the net worth of the Bank on transition. The Bank has also transferred balance in Investment Reserve amounting to ₹95 lacs to the General Reserve in compliance with these Directions. Further, during the quarter ended June 30, 2024, the Bank has recognized ₹103 lacs (net of applicable taxes) on account of fair value of instruments in the AFS-Reserve and ₹23 lacs in the Profit & Loss account on account of discount/premium accruals. Amounts for the previous quarter and corresponding quarter of the previous year are therefore not comparable; and
 - b. With effect from May 15, 2024, the Bank has changed its policy in respect of the order of priority, for appropriation of recoveries in non-performing accounts. The impact of the such change on the financial statements is not material.
5. Any application guidance /clarifications /circulars /directions issued by the RBI or other regulators are implemented prospectively as and when they become applicable, unless specifically required under those application guidance /clarifications /circulars /directions otherwise.
6. The figures of the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of full financial year and the unaudited published year to date figures up to the third quarter of the respective financial year.
7. During the quarter ended June 30, 2024 the Bank has not issued any equity shares. However, for the year ended March 31, 2024, the Bank has issued and allotted:
 - 96,15,384 equity shares having face value of ₹10/- each at a premium of ₹458/- (i.e., at the total issue price of ₹468/-) per equity share aggregating to ₹45,000 lacs, as public issue in Initial Public Offering (IPO) and got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on February 14, 2024 for which the Bank has incurred share issue expenses of ₹2,458 lacs towards IPO activity which has been charged off to share premium account in accordance with section 52 of Companies Act, 2013 ;
 - 10,57,700 equity shares having face value of ₹10/- each at a premium of ₹458/- (i.e., at the total issue price of ₹468/-) per equity share aggregating to ₹4,950 lacs on a private placement basis under preferential allotment; and
 - 1,16,982 equity shares to employees of the Bank in form of employee stock option as per the ESOP plans of the Bank.
8. The Board of Directors at its meeting held on May 09, 2024 have proposed a dividend of ₹1.20 (₹1.20 per share for the previous year) per equity share having face value of ₹10 each. The effect of proposed dividend has been reckoned in determining capital funds for computation of capital adequacy ratio.
9. During the quarter ended June 30, 2024, 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.
10. Other income relates to income from commission, exchange & brokerage, profit/fee earned on sale of third-party products, profit/loss on sale/revaluation on investments, profit on exchange transactions, etc.
11. During the quarter ended June 30, 2024, the Bank had received a communication from the Goods and Service Tax Department on the short payment of Reverse Charge Liability on Priority Sector Lending Certificates (PSLCs) purchased from October 2021 to March 2024. The Bank has suo-moto paid the liability along with applicable interest which has resulted in an additional charge to profit & loss account by ₹103 lacs during the quarter ended June 30, 2024.
12. Capital to risk-weighted asset ratio of the Bank has been computed in accordance with the Reserve Bank of India ('RBI') circular no DBR. NBD. No.26/16.13.218/2016-17, dated October 06, 2016 on "Operating Guidelines for Small Finance Banks". The Bank has followed Basel II Standardized Approach for credit risk. Market risk and operation risk has not been considered for measurement of Capital Adequacy Ratio as per the letter issued by the Reserve Bank of India vide reference number DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 to all the small finance banks.
13. In accordance with the Reserve Bank of India guidelines, Pillar 3 disclosure, leverage ratio, liquidity coverage ratio, net stable funding ratio and main features of capital instruments are available at <https://www.capitalbank.co.in/investors/regulatory-disclosures>. The disclosure has not been subjected to limited review.
14. Figures of the previous periods/years have been regrouped/reclassified wherever necessary to conform to current period's classification.

Date: July 30, 2024
Place: Jalandhar



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


Sarvjit Singh Samra
Managing Director
DIN: 00477444



ADVANCING TOWARDS
A PROMISING FUTURE



Capital Small Finance Bank 

**Investor Presentation
Q1FY25**

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Capital Small Finance Bank Limited (the “Company”)**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

Differentiated Bank focused on middle-income segment

Experience of over 2 decades in the Banking Industry*



Diversified Credit Portfolio with Zero direct Microfinance Exposure

Advances: INR 6,391 Cr
 +19% CAGR[^]
 +4% QoQ

- Diversified Loan book with Zero direct Microfinance Exposure
- 99.8% secured loans
- Average Ticket Size (ATS) of INR 14.7 lakhs
- Loan book mix across Agricultural, Mortgage, MSME and Others



Embracing Retail Liability Strategy

Deposits: INR 7,778 cr
 +15% CAGR[^]
 +4% QoQ

- Retail focused liability franchise with retail-deposit share of 94.5%
- High CASA ratio of 39.5% resulting into lower Cost of Deposit
- High Rollover ratio of ~90% depicting a stable deposit base



Consistent Profitability Growth

PAT: INR 30 cr
 +42% CAGR[^]
 +6% QoQ

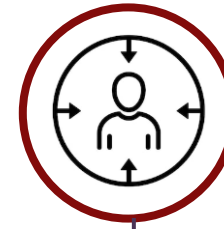
- Demonstrated and sustained improvements in return metrics
- ROA 1.3% (2.5x since FY19)
- Consistently increasing NIM, consequent to accelerating CD ratio (improved by 11.5 pp from FY21-FY24)



Robust Asset Quality

GNPA 2.7%; NNPA 1.3%

- One of the lowest write-offs in the Banking industry with zero NPA sell-off
- Credit Cost of 0.1%
- Strong underwriting capabilities, visibility of borrower cash-flow, primary banking approach; key contributor to low credit cost



Targeted towards Middle-income customer segment

7.5 Lakhs+ customers

- Focus on primary banking relationship
- Providing a holistic range of product suite across all branches and one-stop-shop for all the financial needs of the customers
- Emphasis on rural and semi-urban areas

All figures are as of/for the 30th June 2024

*Operated as a Local Area Bank from 2000-2016

[^]CAGR (FY2019-24)

Numbers have been rounded off wherever applicable

Key Highlights Q1FY25



Gross Advances

INR 6,391 crores

As of June 2024

+19% CAGR^
+4% QoQ
+16% YoY



Profit After Tax

INR 30 crores (Q1FY25)

INR 28 crores (Q4FY24)

+42% CAGR
+6% QoQ



CASA Ratio

39.5%



Retail Deposit Ratio

94.5%



Deposits

INR 7,778 crores

As of June 2024

+15% CAGR^
+4% QoQ
+10% YoY



ROA

1.3%

As of Q1FY25
(2.5x since FY19)



Asset Quality

2.7%/1.3%

GNPA/NNPA



CRAR

26.3%

Core CRAR 22.0%



Disbursement

INR 754 crores (Q1FY25)

INR 464 crores (Q1FY24)

+62% YoY
+12% QoQ



ROE

9.9%

As of Q1FY25

(Calculated on enhanced capital
– Rs 450 crore raised in FY24)



Collection Efficiency

98.6%



Branch Network

177 branches

across 5 states
And 1 Union Territory

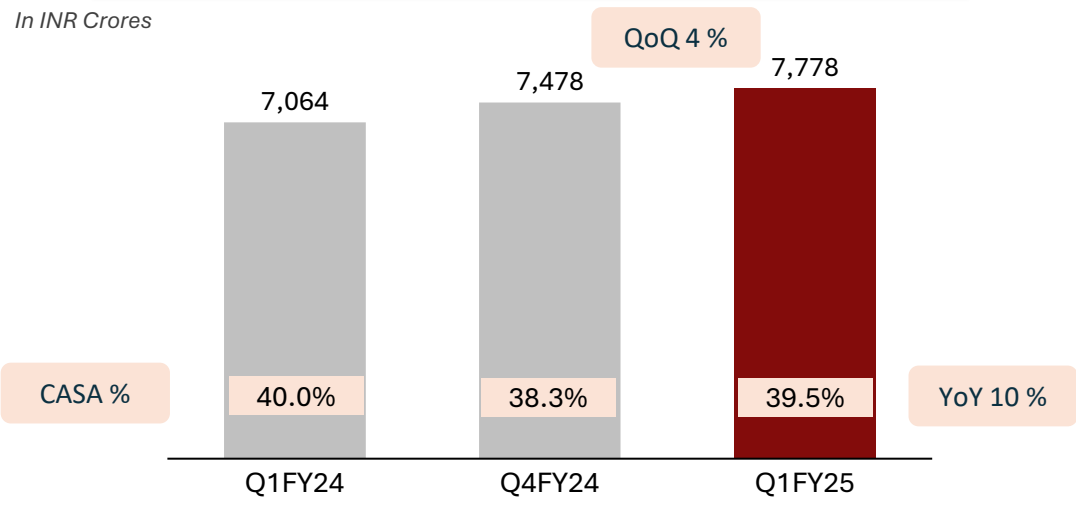
^CAGR (FY19-24)

CASA calculated as total CASA divided by total deposits

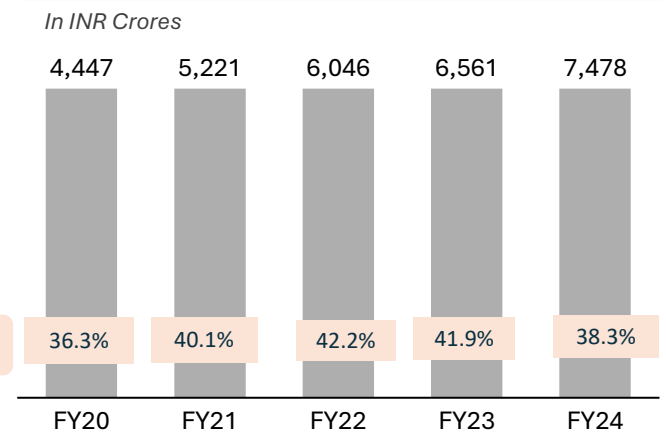
ROE is calculated as % of Avg Equity; ROA is calculated as % of Avg Assets

Retail Focused Liability Franchise with High Share of CASA

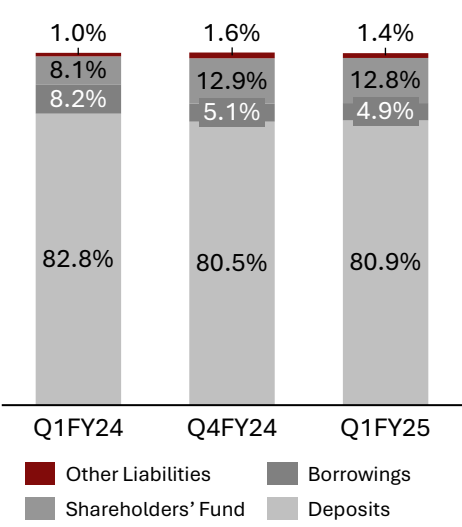
Total Deposits



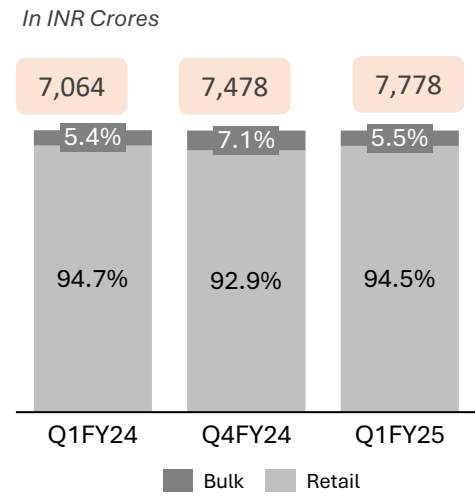
CAGR^ - 15%



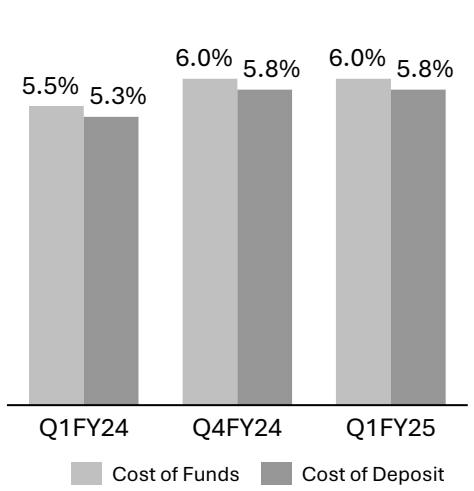
Funding Mix – Positively skewed towards Deposits



Retail centric deposit franchise



Leading to low financial cost

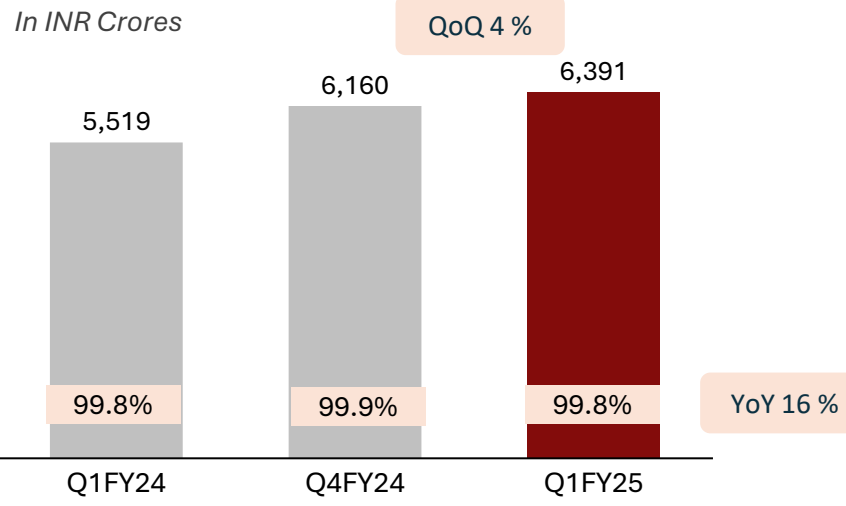


- **Consciously calibrated deposit growth** owing to low CD ratio and high leverage ratio before growth capital infusion
- **Ability to quickly ramp up deposit mobilization**
- **Focus on granular & retail centric deposits, with negligible Bulk deposits** (Top 20 depositors ~ 5.5%)
- **Consistent Rollover ratio of term deposits ~90%+**
- **Consistently maintaining CASA above 38%** (interest on saving bank accounts is 3.5%)

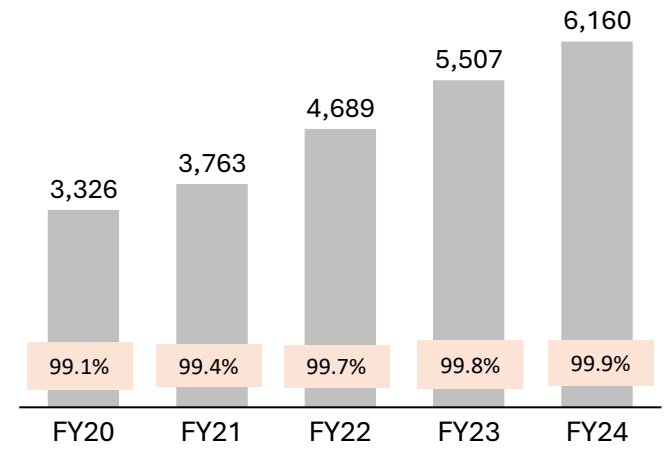
CASA calculated as total CASA divided by total deposits
^CAGR (FY2019-24)

Diversified & Secured Advance Portfolio

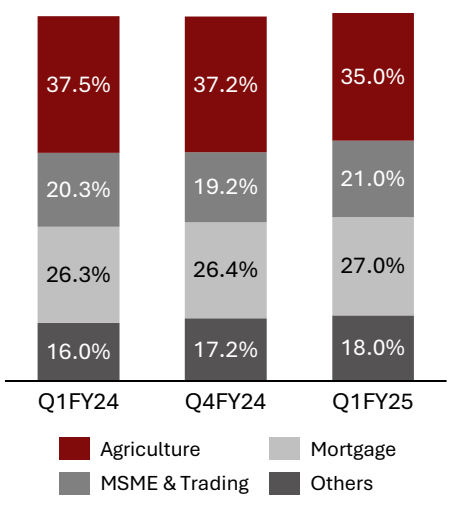
Gross Loan Book



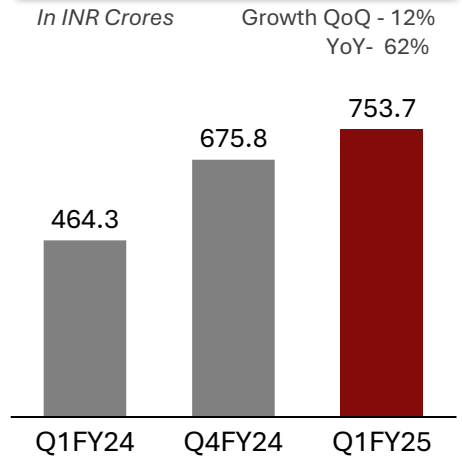
CAGR^ - 19%



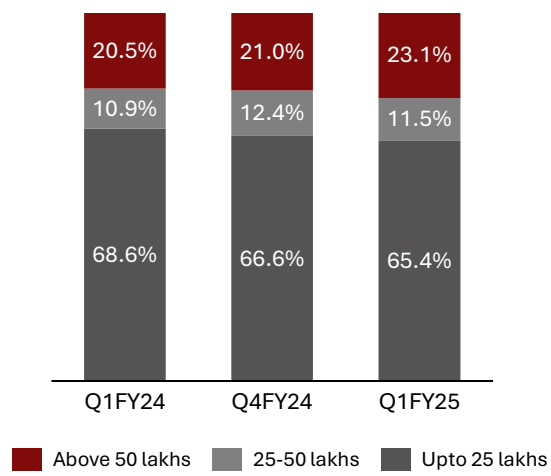
Diversified Portfolio & non reliance on MFI segment



Healthy Disbursement



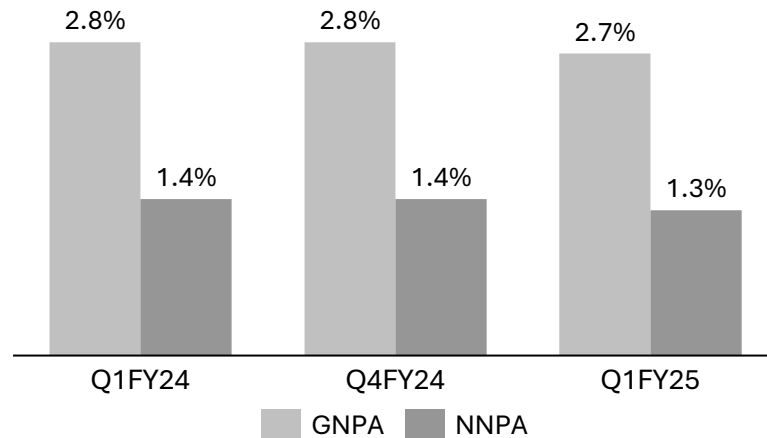
Granular loan book



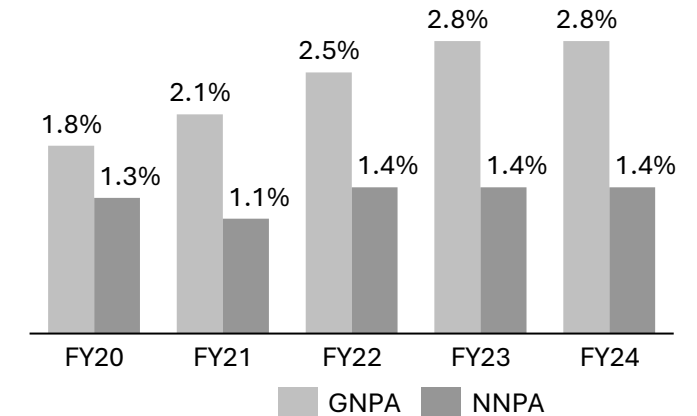
- Focus on middle income customer segment, with endeavour to be the full suite Banker (Portfolio ATS of INR 14.7 lacs)
- Diversified portfolio with each segment witnessed multiple cycles
- Continued focused on secured lending
- Post growth capital infusion (Feb-24) acceleration in advance of 12% (Dec-23) versus (Jun-24)

^CAGR (FY2019-24)

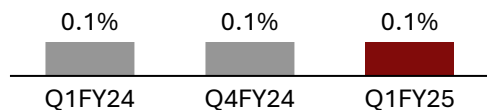
Asset Quality



Asset Quality (YoY)

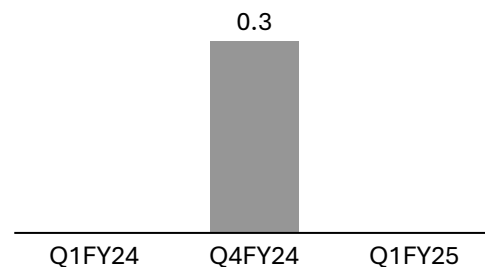


Credit Cost²



Almost NIL write-offs¹ & ZERO NPA Sell-off

In INR Crores



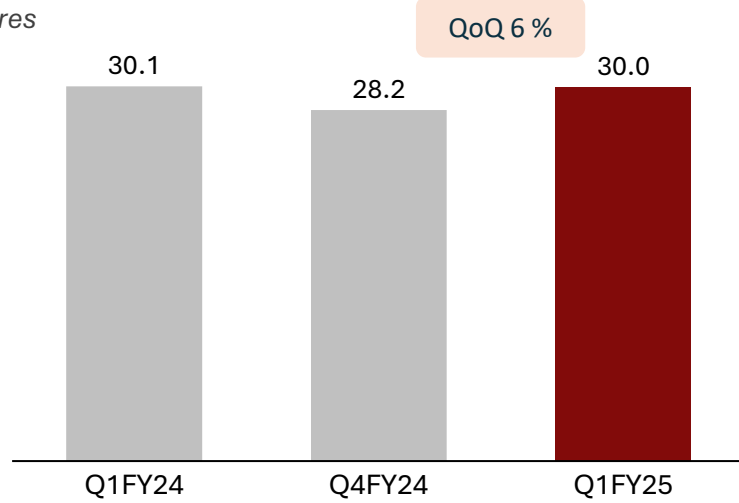
NPA Table (INR Crores)	Q1FY24	Q4FY24	Q1FY25
Opening NPAs	152.6	170.0	170.2
Additions	19.7	51.9	16.3
Upgradations + Recovery	17.5	51.5	14.6
Write offs	0.0	0.3	0.0
Closing NPAs	154.9	170.2	171.9

- Focus on secured products with strong underwriting capabilities resulting in one of the lowest NPAs
- Being PRIMARY BANKER, better visibility of borrowers cash flow: follow conservative LTV approach
- Emphasis on collection and resolutions even for sticky loans – close to ZERO write-offs and NIL NPA sell-off

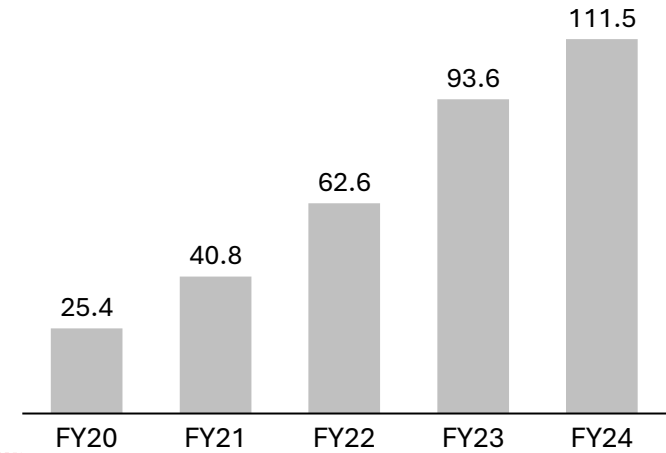
1. Write offs includes technical write offs
 2. Credit cost includes write offs, provisions for expected loan losses on standard assets; and recoveries from non – performing assets (NPAs)

Profit After Tax

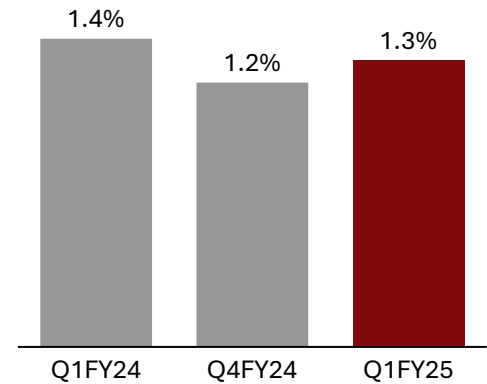
In INR Crores



CAGR[^] - 42%

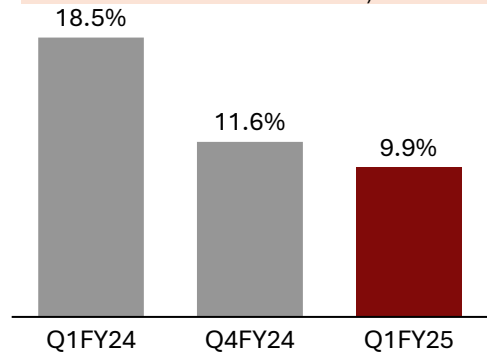


RoA¹

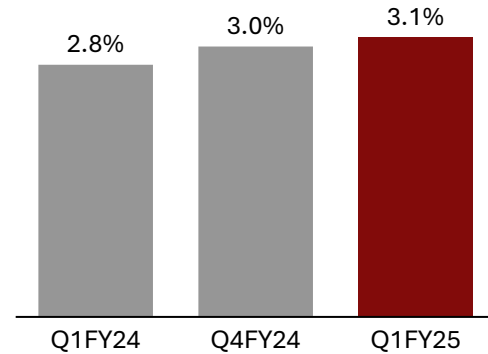


RoE²

(Calculated on enhanced capital – Rs 450 crore raised in Feb-24)



Opex Ratio³



- Demonstrated consistent improvement in return metrics: ROA 2.5x since FY19
- Growth drivers includes improving CD ratio resulting in acceleration in NIMs, operating leverage benefit and increasing non fund based income
- During Q1FY25, Bank Voluntarily deposited Reverse Charge Liability (GST) on PSLC purchased during FY21-24, as one time payment, having an impact of ~0.1% on OPEX ratio

1. ROA is calculated as % to Avg Assets
 2. ROE is calculated as % of Avg Equity
 3. Opex% is calculated as Operating Expenses to Avg Assets

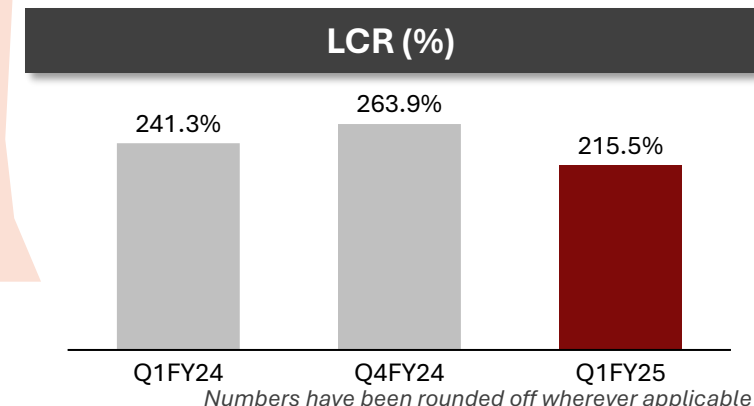
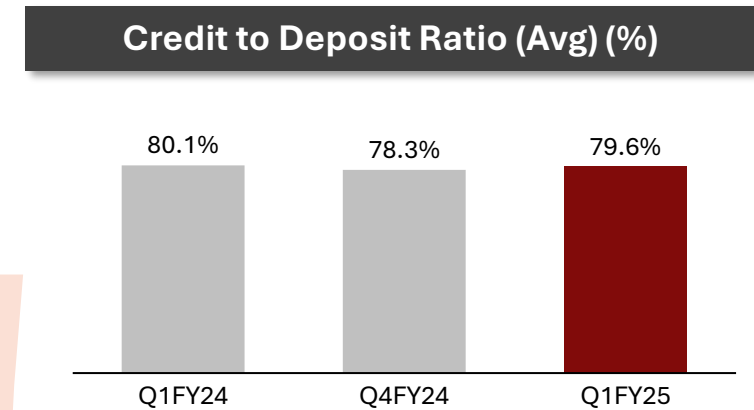
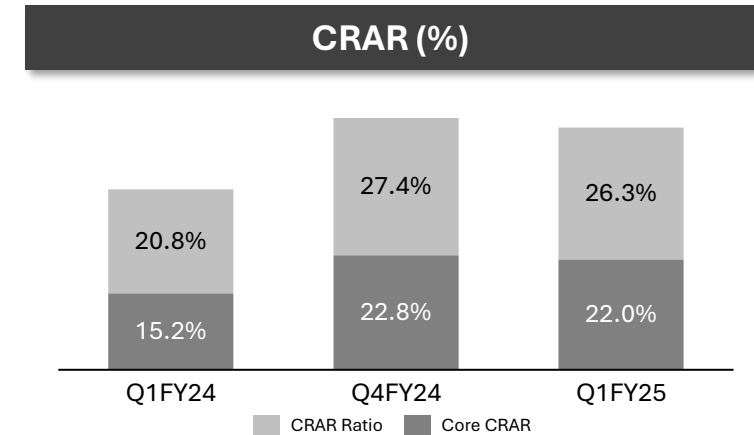
....And Return Ratios

Key Business Parameters	Q1FY24	Q4FY24	Q1FY25
Credit to deposit ratio (Avg) (%)	80.1	78.3	79.6
Credit to deposit ratio (Outstanding) (%)	78.1	82.4	82.2
Yield on Advances	11.0	11.0	11.2
Cost of Deposits	5.2	5.8	5.8
Cost to Income ratio (%)	58.6	63.5	63.5

FY22	FY23	FY24
70.6	78.0	79.0
77.5	83.9	82.4
10.9	10.8	11.1
5.0	4.9	5.6
63.4	60	62.5

Return Ratios	Q1FY24	Q4FY24	Q1FY25
Net Interest Margin	4.1	3.8	4.2
Non-Interest Income	0.6	0.9	0.7
Operating Expenses	2.8	3.0	3.1
Credit Cost	0.1	0.1	0.1
RoA	1.4	1.2	1.3
RoAA	2.2	2.0	2.0

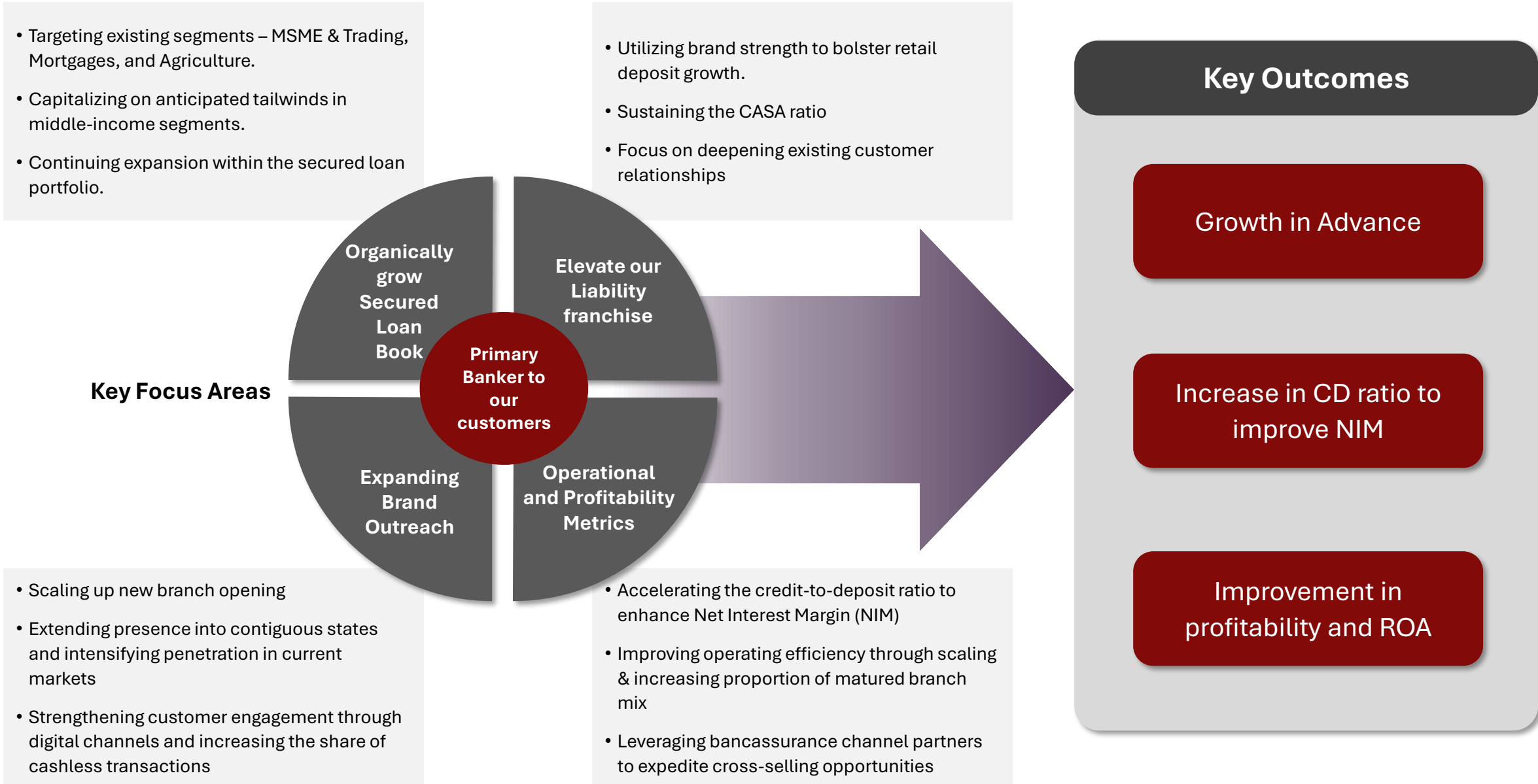
FY22	FY23	FY24
3.8	4.2	3.9
0.8	0.6	0.8
2.9	2.9	3.0
0.4	0.3	0.1
0.9	1.2	1.3
1.6	1.9	2.0



- Effectively managed yields and interest spread across interest rate cycles; consistent increase in NIM, resulting from accelerating credit to deposit ratio;
- Focus on retail deposit coupled with strong CASA resulting in one of the lowest cost of deposit;
- Benefit of operating leverage with continuous increase in proportion of matured branches, steady NIMs and low credit cost leads to strong growth in profitability.

1. Non-Interest Income = Total Income - Interest Earned
 2. ROA is calculated as % of Avg Assets
 3. ROAA is calculated as % of Avg Advances

Strategic Focus and Outlook for FY25



Company Overview

2016

Small Finance Bank

Conversion to **India's First Small Finance Bank** in April 2016

2019 - 2020

Total business of the Bank crossed ₹6,000 crores

Equity of ₹134 crores raised through private placement

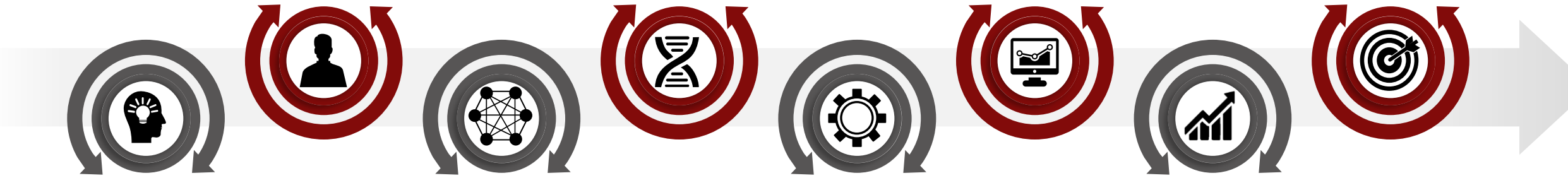
2022

Net Profit of the Bank zoomed to ₹63 crores registering a growth of 53.42% over previous FY

2024

Successfully listed on NSE and BSE on 14th February 2024 and raised Rs. 523 crores including a Fresh Issue of Rs. 450 crores

Net Profit cross Rs. 100 crores



2000 - 2015

Local Area Bank

Incorporation of the Bank. Started operations as a local area bank in Jalandhar, Kapurthala and Hoshiarpur and expanded its operations into Ludhiana and Amritsar, thereby extending its outreach to a total of five districts.

2017 - 2018

Equity of ₹65 crores raised through private placement

The total number of branches of the Bank crossed 100

2021

The total number of customers of the Bank reached ~6 lacs Total business of the Bank crossed ₹8,900 crores

2023

Net Profit of the Bank crossed Rs. 93 crores registering a growth of 50% over the previous FY with total business crossing Rs. 12,000 crores mark. Share of Digital Transactions in non-cash transactions increased to 81%

SARVJIT SINGH SAMRA
PROMOTER, MANAGING DIRECTOR & CEO



36+ years of experience across banking & financial industry across various roles. Associated with the Bank since inception Instrumental in the conversion of Bank to a Small Finance Bank.

MUNISH JAIN
EXECUTIVE DIRECTOR



23+ years of experience in the banking sector across finance, compliance, treasury and strategic roles. Member of ICAI & ICSI Associated with the Bank since 2000

ASEEM MAHAJAN
CHIEF FINANCIAL OFFICER



Associated with the Bank since 2012 across various domains including accounting, finance, treasury & fund management, budgeting & forecasting, capital raising and others. Member of ICAI.

SANTOSH KUMAR DHAWAN
HEAD OF CREDIT DEPARTMENT



Associated with the Bank for 22+ years across various roles in retail credit, branch banking, Head of Credit. Serving as Head of Credit since 2017. Previously associated with PNB.

RICHA MAHAJAN
CHIEF COMPLIANCE OFFICER



Associated with the Bank for 21+ years Served as the Head of Audit & Internal control from 2011 to 2021, and presently serving as Chief Compliance Officer since 2021. Member of ICAI.

RAGHAV AGGARWAL
CHIEF RISK OFFICER



Associated with the Bank since 2015 across various roles in credit sanctioning & monitoring. Serving as Chief Risk Officer since 2020. Member of ICAI.



NAVIN KUMAR MAINI
PART TIME CHAIRMAN &
NON-EXECUTIVE
INDEPENDENT DIRECTOR

- 40+ years of experience in the banking industry
- Previously associated with SIDBI as Deputy Managing Director, IDBI Bank & United Commercial Bank



SARVJIT SINGH SAMRA
MANAGING DIRECTOR &
CEO

- 36+ years of experience across banking & financial industry
- Associated with the Bank since inception
- Instrumental in the conversion of Bank to a Small Finance Bank



MUNISH JAIN
EXECUTIVE DIRECTOR

- ~23+ years of experience in the banking sector across finance, compliance, treasury and strategic roles
- Member of ICAI & ICSI



DINESH GUPTA
NON-EXECUTIVE
DIRECTOR

- ~3+ decades of experience in the field of finance, taxation, corporate & commercial laws, corporate restructuring
- Practicing Company Secretary



SRINATH SRINIVASAN
NON-EXECUTIVE
DIRECTOR

- CEO of OIJIF & is a nominee director of the fund on the Bank's board
- Previously worked with Rand Merchant Bank as country head for PE business



MAHESH PARASURAMAN
NON-EXECUTIVE
DIRECTOR

- Partner at Amicus Capital & nominee director on the Bank's board
- 2+ decades of experience across Carlyle India, EY & Arthur Andersen
- Member of ICAI & ICMAI



BALBIR SINGH
NON-EXECUTIVE
DIRECTOR

- ~Nominee Director of SIDBI on the Bank's board
- Presently serving as the General Manager & Regional In-charge of SIDBI's Chandigarh Office



**NAGESWARA RAO
YALAMANCHILI**
INDEPENDENT DIRECTOR

- Served as Executive Director in Bank of Maharashtra and Vijaya Bank
- Also served as Officer on Special Duty and Whole-time
- Director at Syndicate Bank



GURPREET SINGH CHUG
INDEPENDENT DIRECTOR

- Serving as the Managing Director of Pioneer Assurance Consultants
- Holds Bachelor's Degree in Law & qualified practitioner from Insurance Institute of India



RACHNA DIKSHIT
INDEPENDENT DIRECTOR

- Served as Chief General Manager at the RBI
- Certified associate of the Indian Institute of Bankers



**KAMALDEEP SINGH
SANGHA**
INDEPENDENT DIRECTOR

- ~Retired IAS Officer
- Served as Managing Director of Punjab State Co-operative Bank, Punjab State Co-operative Milk Producer's Federation Ltd. as well as MILKFED



SUKHEN PAL BABUTA
INDEPENDENT DIRECTOR

- Practicing Chartered Accountant since 1987
- Associate Member of ICAI and registered professional with IBBI
- Has previously served as Director of Punjab & Sind Bank



SHAM SINGH BAINS
INDEPENDENT DIRECTOR

- Extensive experience in the agriculture sector

Providing a wide Range of Products and Services

Comprehensive bouquet of Services under one-roof



Loan Portfolio

Agricultural

Kisan Credit Card
Agricultural Term Loan

MSME & Trading

CC/OD/WCTL
Project Loan
Machinery Loans

Mortgage

Housing, Loan-against-property

Others

Gold loans, Auto loans
Consumer durable loans,
Personal loans, Corporate loans



Deposit Portfolio

Savings Account

Capital Savings A/c
Capital Super Savings A/c

Current Account

Capital plus Current A/c
Capital flexi A/c

Term Deposits

Short-Term Deposit
Cumulative Deposit
Monthly Interest Deposit
Tax Saver Accounts

NRE/NRO Accounts



Fee-based Products

Insurance Products

Forex Services

Money Transfer Services

Safe Deposit Lockers

3-in-1 Demat & Trading Account



Other Services

Branches

ATMs

ATM cum Debit Cards

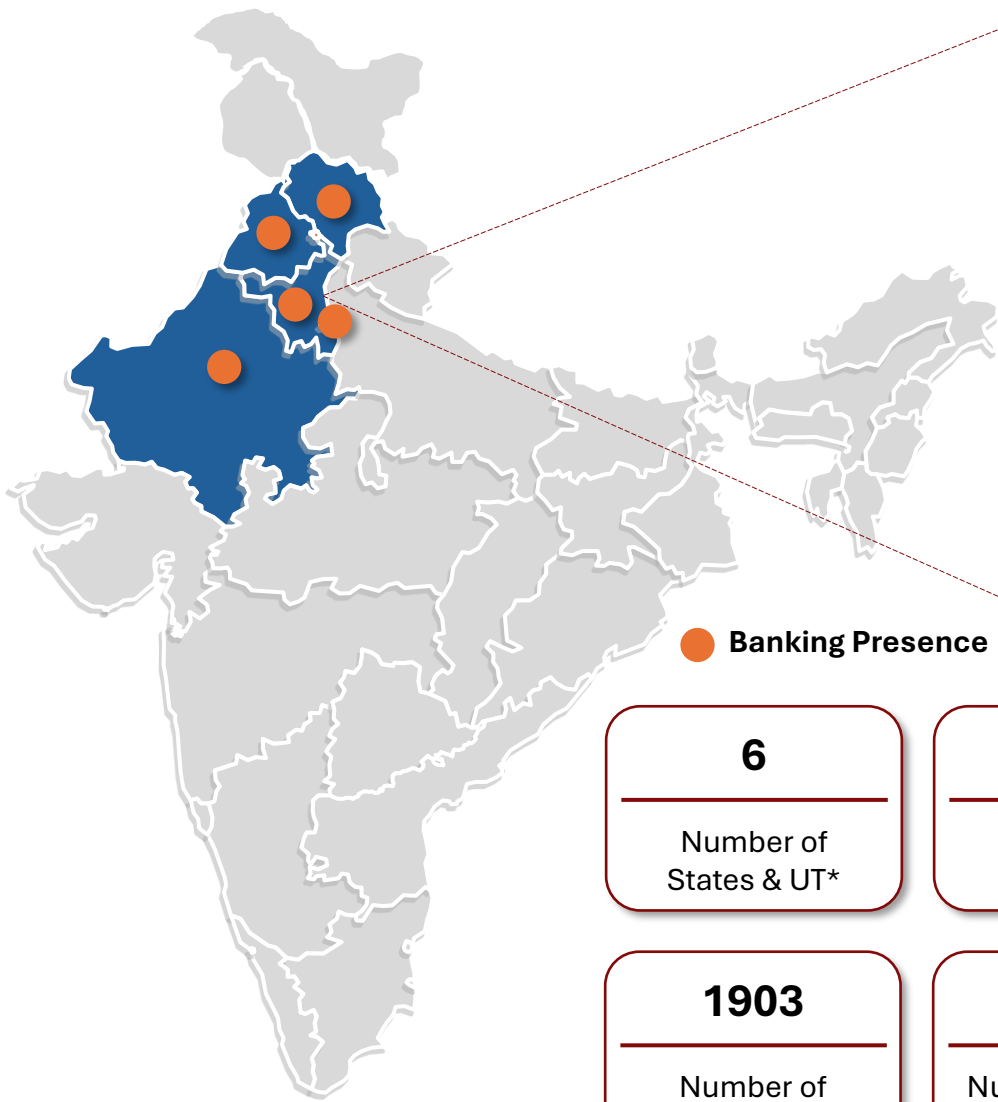
Internet Banking

Mobile Banking (Capital Mobile+)

Mobile Passbook (Capital Mobile Connect)

Deep-understanding of middle-income customer segment with more than 2 decades of experience

..with an Increasing presence to enhance accessibility



Geographical Mix	
Punjab	152
UT Chandigarh	2
Haryana	16
Rajasthan	3
NCR	3
Himachal Pradesh	1
Total	177

Rural-Urban Mix	
Rural Areas	41.2%
Semi-Urban Areas	34.5%
Urban Areas	24.3%
Total	100.0%

Highest branch concentration towards rural and semi-urban areas

6
Number of States & UT*

38
Number of Districts

177
Branches

1903
Number of Employees

179
Number of ATMs

7.5 lakh
Customers

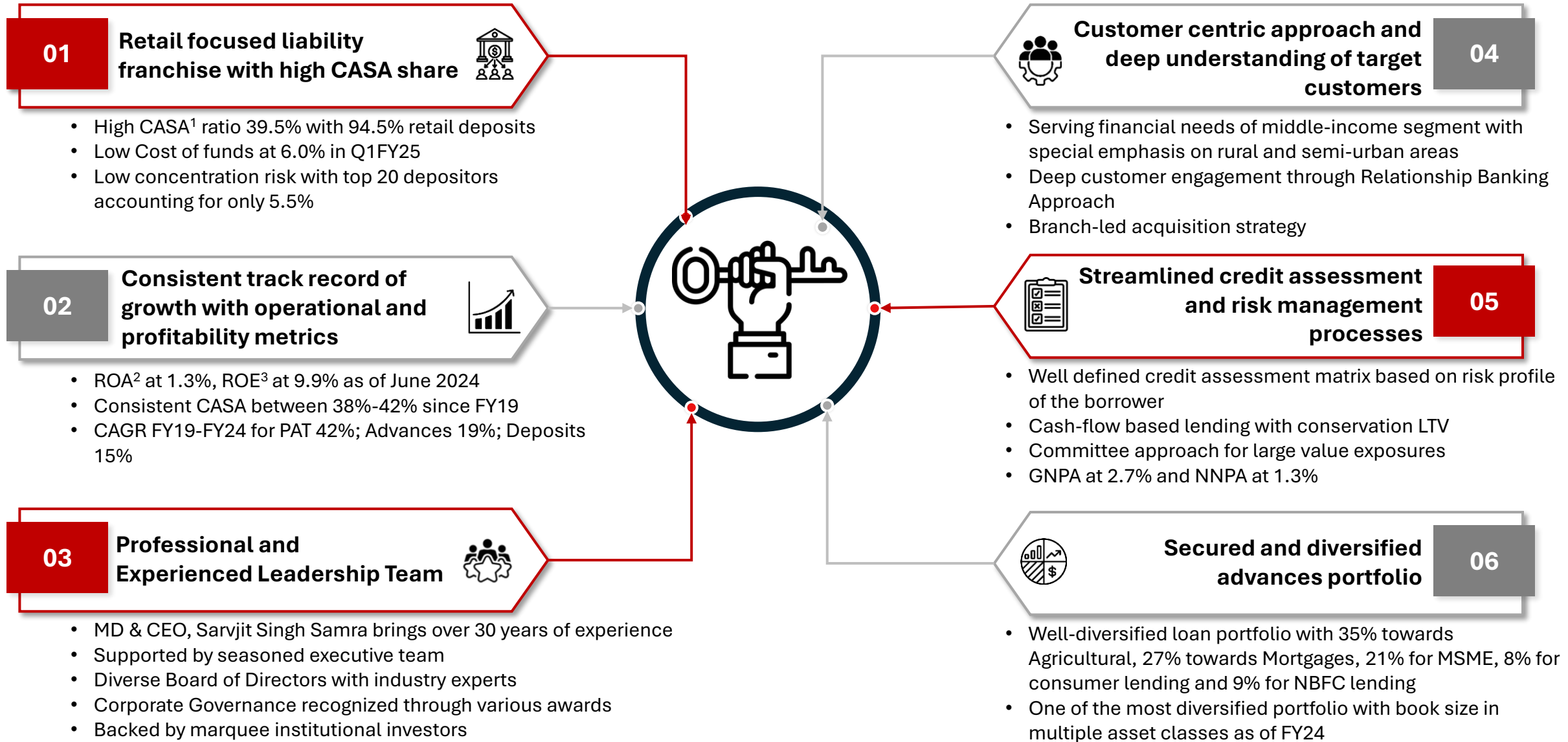
Expansion Plan

- Enhanced branch outreach by scaling up new branch opening
- Expanding outreach to the contiguous states
- Transforming Haryana into our growth frontier
- Deep penetration in existing markets

*Includes UT Chandigarh

Numbers have been rounded off wherever applicable

Our 'Strengths' built over 20 years by focusing on our customers



1. CASA calculated as total CASA divided by total deposits
 2. ROA is calculated as % of Avg Assets
 3. ROE is calculated as % of Avg Equity

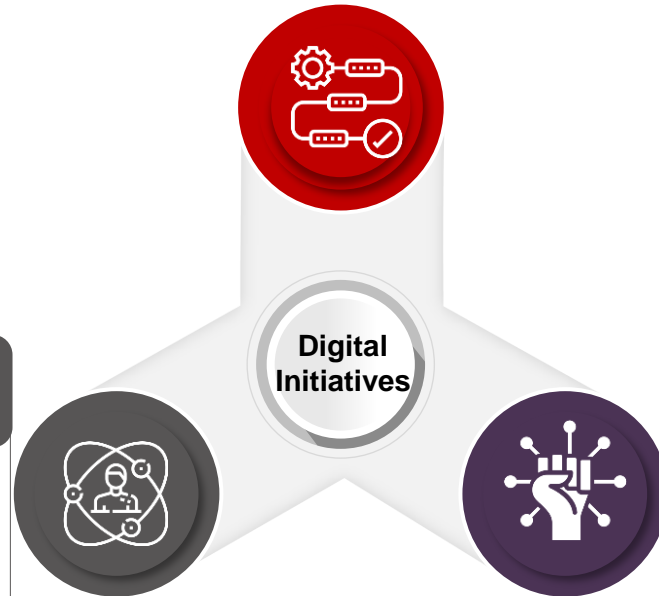
Delivering Digital Empowerment to Our Customers

Personalised Data-Driven Processes

- Leverage technology and data analytics for scalability and profitable growth
- Improve collection efficiency through data driven early warning systems
- Cross selling opportunities and effective customer engagement through analytics

Transforming Customer Experience

- Deepening customer engagement through digital channels
- Analysing data driven insights to offer customised solutions
- Developing alternate digital channels

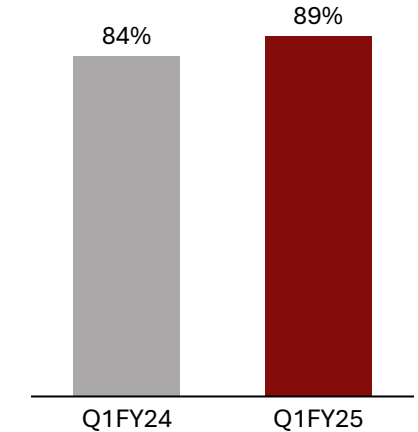


Empowering Ourselves with Technology

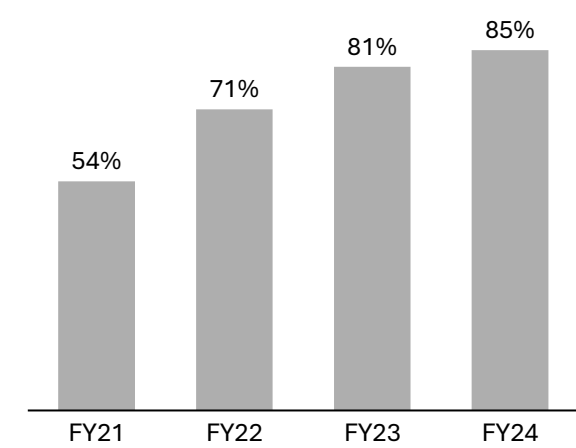
- Increasing cashless banking
- Automating operation
- Improving collections through warning systems
- Targeting and monitoring customers through data

Share of Digital Transactions in non-cash Transactions

Q-o-Q

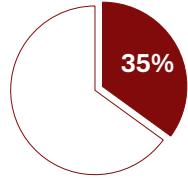


Y-o-Y



Assets and Liabilities Overview

Agricultural Loans



- Kisan Credit Card
- Agricultural Term Loan

Rs. 2,223 crores
as of June 2024

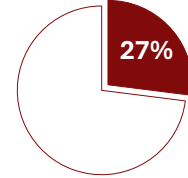
Rs. 2,293 crore (FY24)
Rs. 2,067 Crore (Q1FY24)

Rs 1.24 Mn

Rs 1.24 Mn (FY24)
Rs. 1.23 Mn (Q1FY24)

1.69 %
(1.69% FY24)

Mortgage Loans



- Housing Loan
- Loan Against Property

Rs. 1,729 crores
as of June 2024

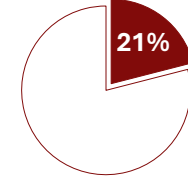
Rs 1,624 Cr (FY24)
Rs 1,451 Cr (Q1FY24)

Rs 1.20 Mn

Rs 1.17 Mn (FY24)
Rs. 1.16 Mn (Q1FY24)

0.95%
(0.86% FY24)

MSME & Trading Loans



- Working Capital facility (CC / OD/WCTL)
- Project Financing
- Machinery Loans

Rs. 1,312 crores
as of June 2024

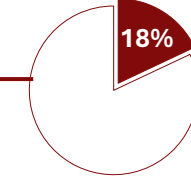
Rs 1,182 Cr (FY24)
Rs 1,117 Cr (Q1FY24)

Rs 1.97 Mn

Rs. 1.86 Mn (FY24)
Rs 1.83 Mn (Q1FY24)

2.33 %
(2.73% FY24)

Other Loans



AUM of Rs
1,127 Cr

- Corporate loans:
 - Term loans to NBFCs
 - Term Loans to MFIs

Rs. 665 crores
as of June 2024

Rs 566 Cr (FY24)
Rs 464 Cr (Q1FY24)

Rs. 187.88 Mn

Rs 171.88 Mn (FY24)
Rs 153.13 Mn (Q1FY24)

NIL
(NIL FY24)

- Consumption & other loans:
 - Auto Loans
 - Personal Loans
 - Gold Loans

Rs. 462 crores
as of June 2024

Rs 495 Cr (FY24)
Rs 420 Cr (Q1FY24)

Rs 0.76 Mn

Rs 0.79 Mn (FY24)
Rs 0.71 Mn (Q1FY24)

0.38 %
(0.35% FY24)


Gross Advances


ATS


NNPA



Granular loan book portfolio ATS of Rs. 1.47 Mn



Focus on middle-income customer segment

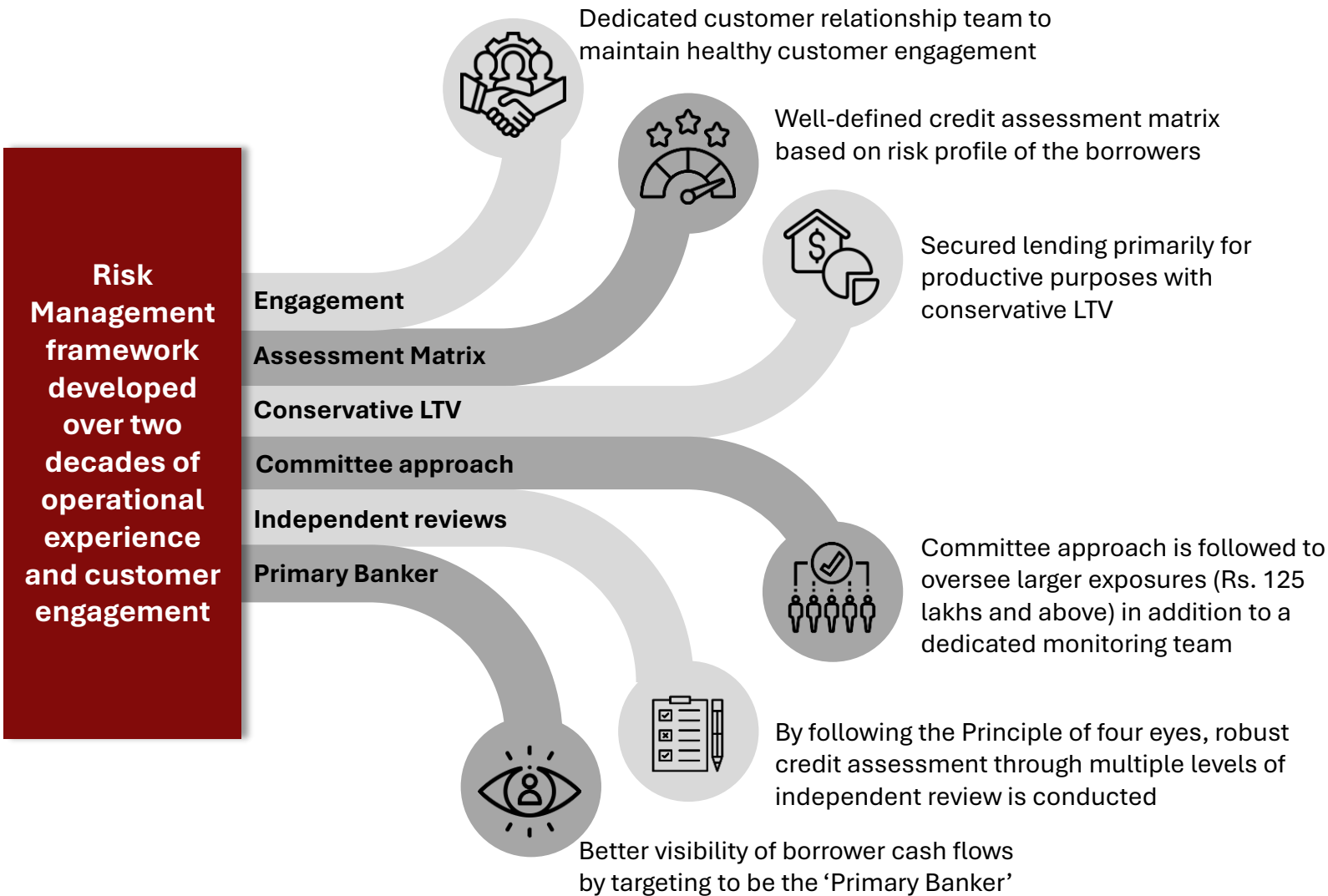


Emphasis on secured lending with 99%+ secured



Endeavour to be a full suite banker for the customer

...have led to Industry leading Asset Quality



2.7%

GNPA as of Jun-24

1.3%

NNPA as of Jun-24

0.1%

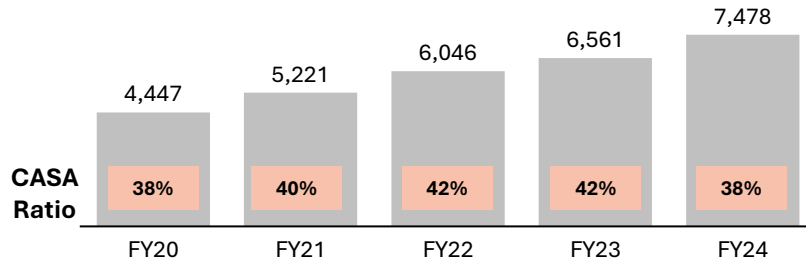
Credit Cost as of Jun-24

~Zero write-offs

One of the most secured Asset Portfolio in the Lending Industry

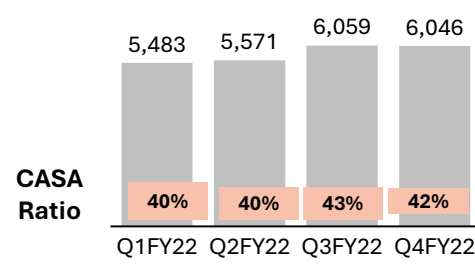
Total Deposits

In INR Crores



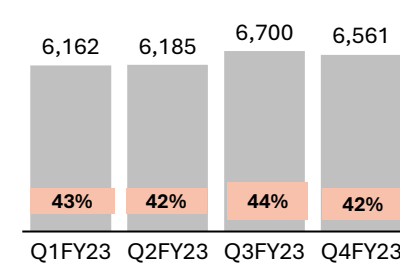
(%)	FY20	FY21	FY22	FY23	FY24
Y-o-Y	21%	17%	16%	9%	14%
CAGR (2017-20) Pre Covid	23%	CAGR (2019-24)		15%	

FY22



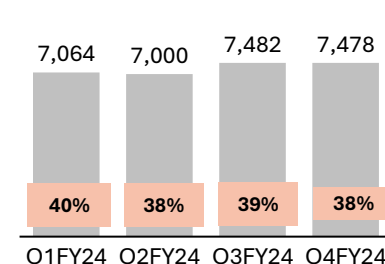
	FY22			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	5%	2%	9%	0%

FY23



	FY23			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	2%	0%	8%	-2%

FY24



	FY24			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	8%	-1%	7%	0%

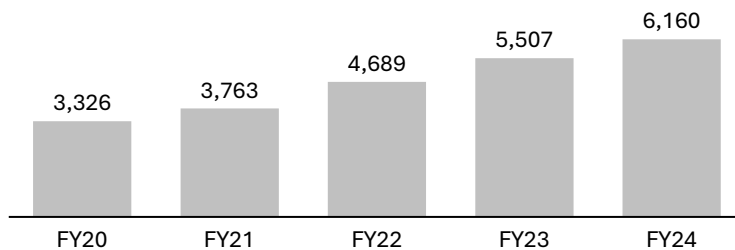
FY25



	FY25
(%)	Q1
Q-o-Q	4%

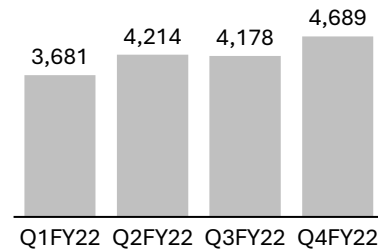
Gross Loan Book

In INR Crores



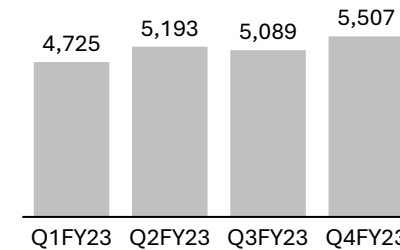
(%)	FY20	FY21	FY22	FY23	FY24
Y-o-Y	27%	13%	25%	17%	12%
CAGR (2017-20) Pre Covid	34%	CAGR (2019-24)		19%	

FY22



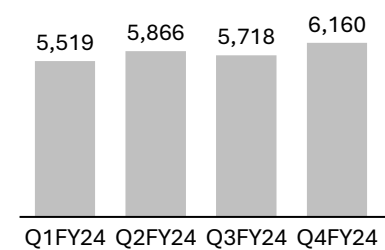
	FY22			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	-2%	14%	-1%	12%

FY23



	FY23			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	1%	10%	-2%	8%

FY24



	FY24			
(%)	Q1	Q2	Q3	Q4
Q-o-Q	0%	6%	-3%	8%

FY25



	FY25
(%)	Q1
Q-o-Q	4%

CASA calculated as total CASA divided by total deposits
CAGR^ (FY2019-24)

Numbers have been rounded off wherever applicable

Annexures

Statement of Assets and Liabilities

Particulars (INR Cr)	FY22	FY23	FY24	CAGR%	Q1FY24	Q4FY24	Q1FY25	QoQ%	YoY%
Capital & Liabilities									
Shareholders Funds	516	611	1,197	37%	691	1,197	1,233	3%	79%
Deposits	6,046	6,561	7,478	15%	7,064	7,478	7,778	4%	10%
Borrowings	498	721	472		696	472	466		
Other Liabilities and Provisions	93	98	148		84	148	134		
Total	7,154	7,991	9,295		8,535	9,295	9,612		

Assets

Cash and Balances with RBI

(Balances with Banks & Money at call & short notice)

	1,019	881	1,321		1,310	1,321	1,257		
Investments	1,357	1,489	1,706		1,522	1,706	1,762		
Advances	4,635	5,429	6,075	19%	5,439	6,075	6,304	4%	16%
Fixed Assets	84	83	84		81	84	82		
Other Assets	59	110	110		183	110	207		
Total	7,154	7,991	9,295		8,535	9,295	9,612		

1. CAGR (calculated from 2019-24)
2. QoQ (calculated Q1FY25 over Q4FY24)
3. YoY (calculated Q1FY25 over Q1FY24)

Particulars (INR Cr)	FY22	FY23	FY24	CAGR%	Q1FY24	Q4FY24	Q1FY25	QoQ (%)	YoY (%)
Interest Earned	578	676	794		189	204	218		
Interest expended	323	354	449		102	117	119		
Net Interest Income (NII)	255	322	345	21%	87	87	99	14%	14%
Other Income	54	50	67		13	20	17		
Net Total Income	310	372	412	20%	100	107	116	8%	16%
Operating expenses	196	223	258		59	68	73		
Pre- Provision Operating Profit	113	149	154		41	39	43		
Provisions & Contingencies	51	55	43		11	11	13		
Profit/loss for the period	63	94	112	42%	30	28	30	6%	-

Earnings per equity share

Basic (Rs)	18.41	27.35	30.65		8.74	6.88	6.66		
Diluted (Rs)	18.22	27.21	30.45		8.69	6.87	6.62		

1.CAGR (calculated from 2019-24)

2. QoQ (calculated Q1FY25 over Q4FY24)

3.YoY (calculated Q1FY25 over Q4FY24)

THANK YOU !

Company: Capital Small Finance Bank Limited

Capital Small Finance Bank 

CIN: L65110PB1999PLC022634

Mr. Sahil Vijay / Ms. Bharti Babutta

investorrelations@capitalbank.co.in

Website: www.capitalbank.co.in

**Investor Relation Advisors:
Strategic Growth Advisors Pvt. Ltd.**

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Aakash S Mehta / Mr. Abhishek Shah

aakash.s.m@sgapl.net / abhishek.shah@sgapl.net

Tel: +91 9870679263 / +91 9930651660

Independent Auditor's Certificate

To,
Capital Small Finance Bank Limited
MIDAS Corporate Park, 3rd Floor,
37, G.T. Road, Jalandhar,
Punjab-144001

Subject: Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of listed non-convertible debt securities issued by Capital Small Finance Bank Limited and outstanding as on 30th June 2024

1. This report is issued in accordance with the terms of our Engagement letter dated 8th March 2024 with Capital Small Finance Bank Limited ("the Bank").
2. The accompanying statement showing maintenance of Security Cover including compliance with all the financial covenants for listed Non-Convertible Debentures ("NCD's") issued by Capital Small Finance Bank Limited (the "Bank") which were outstanding as at 30th June 2024 (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 31st March, 2023 (hereinafter together referred as the "SEBI Regulation") which we have initialed for identification purpose only.

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 financial covenants of debt securities. On a quarterly basis, the bank shall furnish to the debenture trustee the compliance status with respect to financial covenants of the listed 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 SEBI 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 bank as to whether anything has come to our attention that causes us to believe that the details included in the Statement, regarding book values of the assets and compliance with financial covenants, as mentioned, as per the debenture trust deeds in respect of NCDs of the bank outstanding as at 30th June 2024, is not in agreement, in all material respects, with the unaudited financial information of the bank, underlying books of account and other relevant records and documents maintained by the bank for the quarter ended 30th June 2024.
6. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the reporting criteria. Accordingly, we have performed the following procedures to express a conclusion on matter specified in paragraph 5 above:
 - a. Traced and agreed on the amounts mentioned in the Statement with the unaudited financial information for the quarter ended 30th June 2024.
 - 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 all the financial covenants as per the Term sheets of NCDs issued by the Bank.
7. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
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.

Conclusion

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 book value of assets mentioned in the Statement is not correctly extracted from the unaudited books and records of the Bank as at 30th June 2024;
 - b. The Bank is not in compliance with all the financial covenants mentioned in the Offer document/ Information Memorandum/ 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. 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 SCV & CO. LLP
Chartered Accountants
Firm Regn No. 000235N/ N500089



A handwritten signature in blue ink, appearing to read "Sunny Singh".

(SUNNY SINGH)
PARTNER
Membership No. 516834
ICAI UDIN: 24516834BKBM002468

Place: Noida
Date: 30th July 2024

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 being issued	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)			
		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															

Loans																			
Inventories																			
Trade Receivables																			
Cash and Cash Equivalents																			
Bank Balances other than Cash and Cash Equivalents																			
Others																			
Total																			
LIABILITIES																			
Debt securities to which this certificate pertains																			
Other debt sharing pari-passu charge with above debt		not to be filled																	
Other Debt																			
Subordinated debt																			
Borrowings																			
Bank																			
Debt Securities																			
Others																			
Trade payables																			



Lease Liabilities														
Provisions														
Others														
Total														
Cover on Book Value														
Cover on Market Value ^{ix}														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

- 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.

Place - Jalandhar
Date - 30/7/24



(Signature)
