

## Capital Small Finance Bank net drops marginally in FY16

Our Bureau

1

Best Investments for Retirement

2

Best Trade Schools

3

Best Rewards Credit Cards

Mumbai, June 1:

Jalandhar-headquartered Capital Small Finance Bank reported a marginal dip in net profit at ₹ 13.74 crore in the financial year ended March 31, 2016, against ₹ 14.22 crore in the year-ago period.

Among the 10 entities that were granted 'in-principle' approval in September 2015 to start a small finance bank (SFB), Capital Local Area Bank was the only banking entity.

Eight of the 10 applicants which made the cut for setting up a small finance bank were from the microfinance space, while one was a non-banking finance company. Capital Local Area Bank started operating as Capital Small Finance Bank (Capital SFB) with effect from April 24.

In the financial year 2015-16, Capital SFB clocked 15 per cent increase in net interest income at ₹ 62.68 crore (₹ 54.61 crore in FY15). Other income rose 24 per cent to ₹ 14.32 crore (₹ 11.57 crore).

Provisions (other than tax) and contingencies (net) stood at ₹ 1.37 crore, against write-back in provisions of ₹ 1.56 crore in the year-ago period.

According to the bank's filing with the BSE, gross non-performing assets (NPAs) and net NPAs edged up to 0.73 per cent (0.39 per cent in FY15) and 0.45 per cent (0.13 per cent), respectively.

The bank currently has 57 branches in Jalandhar, Kapurthala, Hoshiarpur, Ludhiana and Amritsar districts in Punjab. It is planning to add 19 more branches in Punjab in the current financial year.

(This article was published in the Business Line print edition dated June 2, 2016)