

October 24, 2017

Department of Corporate Services
Bombay Stock Exchange Limited
P J Towers, Dalal Street,
Mumbai 400001

Dear Sir/ Madam

Sub: Unaudited Financial Results of the Bank pursuant to Regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip Codes - 950972, 950976, 951748, 952464, 952614, 951930, 950723, 952700, 947882, 951924, 952815, 952812, 949649, 954775, 954784, 954769, 954788, 954803, 954804, 954825, 954780, 954802, and 953456

Kindly refer to the above mentioned Non-Convertible Debentures (NCDs) listed in BSE under **F Group – Debt Instruments**.

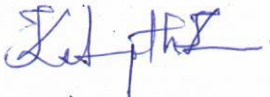
Pursuant to the aforesaid regulation, please find enclosed the unaudited financial results of the Bank for the half year ended September 30, 2017, duly approved by the Board of Directors in its Meeting held on October 24, 2017 along with Limited Review Report issued by the Statutory Auditors, M/s S R Batliboi & Associates LLP, Chartered Accountants.

Kindly acknowledge receipt.

Thanking you

Yours truly

For **Equitas Small Finance Bank Limited**
(previously Equitas Finance Limited/ Equitas Finance P Limited)



Sampathkumar K R
Company Secretary



Equitas Small Finance Bank Limited

(Previously known as Equitas Finance Limited)

4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai, Tamil Nadu, India - 600 002

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Toll Free: 1800 3000 1222 | CIN No.: U65191TN1993PLC025280



EQUITAS SMALL FINANCE BANK LIMITED

CIN: U65191TN1993PLC025280

[formerly known as Equitas Finance Limited]
[Wholly owned Subsidiary of Equitas Holdings Limited]

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

Website: www.equitasbank.com

Unaudited Financial Results for the six months ended September 30, 2017

(₹ in Lakh)

Particulars	Six months ended	Six months ended	Year ended
	30-Sep-17	30-Sep-16	31-Mar-17
	Unaudited	Unaudited	Audited
1 Income earned (a)+(b)+(c)+(d)	72,758.55	29,391.59	98,105.34
(a) Interest income from advances	64,105.08	29,039.94	90,973.38
(b) Income on investments	7,706.81	155.90	5,564.01
(c) Interest on balances with Reserve Bank of India and other inter bank funds	946.66	195.75	1,567.95
(d) Others	-	-	-
2 Other Income	14,643.36	9,991.05	23,322.74
3 Total Income (1+2)	87,401.91	39,382.64	121,428.08
4 Interest Expended	32,375.50	13,154.65	44,715.78
5 Operating Expenses (i)+(ii)+(iii)	43,752.40	16,832.93	54,300.12
(i) Employees Cost	26,270.19	9,239.44	31,803.89
(ii) Depreciation / Amortisation	4,279.96	583.51	3,170.87
(iii) Other Operating Expenses	13,202.25	7,009.98	19,325.36
6 Total Expenditure, excluding provisions & contingencies (4+5)	76,127.90	29,987.58	99,015.90
7 Operating Profit before Provisions & Contingencies (3-6)	11,274.01	9,395.06	22,412.18
8 Provisions (other than tax) and Contingencies	7,112.24	1,235.78	6,267.47
9 Exceptional Items	-	-	-
10 Profit from Ordinary Activities before tax (7-8-9)	4,161.77	8,159.28	16,144.71
11 Tax Expense	1,478.33	2,928.23	5,731.32
12 Net Profit from Ordinary Activities after tax (10-11)	2,683.44	5,231.05	10,413.39
13 Extraordinary Items (net of Tax Expense)	-	-	-
14 Net Profit for the Period / Year (12-13)	2,683.44	5,231.05	10,413.39
15 Paid-up Equity Share Capital (Face Value of Share: ₹ 10 each)	100,594.34	100,594.34	100,594.34
16 Reserves excluding Revaluation Reserves	-	-	100,597.76
17 Analytical Ratios			
(i) Capital Adequacy Ratio (%) (Refer note 4)	34.30%	31.29%	35.51%
(ii) Earnings Per Share (EPS) - Not Annualised for six months - Basic / Diluted (₹ per share)	0.27	0.87	1.30
18 NPA Ratio			
a) Gross NPA	37,024.49	14,369.74	20,647.46
Net NPA	19,884.95	6,631.34	10,494.94
b) % of Gross NPA to Advances	5.79%	2.53%	3.56%
% of Net NPA to Advances	3.20%	1.17%	1.84%
c) Return on Assets - Not Annualised for six months (% of Profit After Tax to Total Assets)	0.27%	0.57%	1.13%

(₹ in Lakh)

Particulars	As at	Year ended
	30-Sep-17	31-Mar-17
	Unaudited	Audited
CAPITAL AND LIABILITIES		
1 Capital	100,594	100,594
2 Reserves and Surplus	103,281	100,598
3 Deposits	402,467	192,129
4 Borrowings	351,911	477,890
5 Other Liabilities and Provisions	46,083	35,697
Total Liabilities	1,004,336	906,908
ASSETS		
6 Cash and Balances With Reserve Bank of India	40,713	24,793
7 Balances With Banks and Money At Call and Short Notice	33,211	69,267
8 Investments	247,348	188,650
9 Advances	621,917	570,183
10 Fixed Assets	30,483	28,835
11 Other Assets	30,664	25,180
Total Assets	1,004,336	906,908

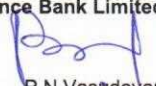


Notes to the unaudited financial results

- 1 The above unaudited financial results ("Statement") of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the six months ended September 30, 2017 were reviewed by the Audit Committee at their meeting held on October 23, 2017 and approved by the Board of Directors at their meeting held on October 24, 2017 and have been subjected to a limited review by the Statutory Auditors of the Bank.
- 2 These unaudited financial results of the Bank have been prepared 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 ('RBI') from time to time, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, Accounting Standards as prescribed under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and practices prevailing within the banking industry in India, as applicable.
- 3 Provision for Non-Performing Assets (NPA) comprises (a) minimum provision in accordance with the requirements of Income Recognition and Asset Classification Norms issued by RBI and (b) specific provision on sub-standard or stressed assets based on the nature of product, delinquency levels etc.

As at September 30, 2017, ESFBL has total provision against NPA of ₹ 17139.54 lakh (March 31, 2017 - ₹ 10,152.52 lakh). The accounting policy of the Bank with regard to provisioning on micro finance loan portfolio has been aligned during the half year ended September 30, 2017 with the relevant requirements of RBI with effect from April 1, 2017. Consequent to this change, the accounting estimate has been revised resulting in the aggregate provision for NPA being lower by ₹ 6156.30 lakhs and net results of the half year ended September 30, 2017, after considering related tax effects, being higher by ₹ 4025.73 lakhs.
- 4 The Capital adequacy ratio ('CRAR') as on September 30, 2017 has been computed as per applicable Basel II requirements in accordance with RBI Master Circular No.DBOD.BP.BC.9/21.06.001/2013-14 dated July 1, 2013 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).
- 5 Pursuant to a Scheme of Amalgamation, Equitas Micro Finance Limited ("EMFL") and Equitas Housing Finance Limited ("EHFL"), the erstwhile Subsidiaries of the Equitas Holdings Limited, were amalgamated with Equitas Finance Limited ("EFL"), effective September 2, 2016. Upon receipt of banking licence, EFL converted to a Bank on September 5, 2016 and also changed its name to Equitas Small Finance Bank Limited. As a result of the Scheme, the businesses of EMFL and EHFL merged into, and are carried on by, ESFBL (formerly, EFL). Further, the Bank had aligned the accounting policies of the amalgamating entities, and also applied the relevant regulatory requirements as applicable to a bank, in respect of various matters such as revenue recognition for certain elements of income, identification and provisioning for NPA etc. On account of the foregoing reasons, figures for the half year ended September 30, 2016 and year ended March 31, 2017 included in the above statement of unaudited financial results are not strictly comparable with those of the current period.
- 6 Previous period/year figures have been classified/regrouped by the management, wherever necessary, to conform to the current period classification.

For Equitas Small Finance Bank Limited



P N Vastdevan

Managing Director and Chief Executive Officer

Place: Chennai

Date : October 24, 2017



**Independent Auditor's Report On Financial Results of Equitas Small Finance Bank Limited,
pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015****Review Report to
The Board of Directors
Equitas Small Finance Bank Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Equitas Small Finance Bank Limited ('the Bank') for the half year ended September 30, 2017 (the "Statement"), being submitted by the Bank pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement, based on our review.
2. We conducted our review 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 company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



per Aniruddh Sankaran
Partner
Membership No.: 211107



Place: Chennai
Date: October 24, 2017