

November 8, 2019

Department of Corporate Services
BSE Limited
P J Towers, Dalal Street,
Mumbai 400001

Dear Sir/ Madam

Sub: Unaudited 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 - 951930, 951924, 952815 and 952812

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 attached the unaudited financial results of Equitas Small Finance Bank Limited for the six months ended September 30, 2019, approved by the Board of Directors in their Meeting held on November 7, 2019 along with Independent Auditors 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



Sampathkumar K R
Company Secretary



Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Equitas Small Finance Bank Limited Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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, 2019 (the "Statement") attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
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 the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 as amended, read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India as applicable to banking companies and the applicable requirements of the Banking Regulation Act, 1949. Our responsibility is to express 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 recognition and measurement principles laid down in the aforesaid accounting standards specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the matter stated in note no 5 to the accompanying statement regarding management's plans relating to compliance by the Bank, with the relevant licensing guidelines of the Reserve Bank of India and related regulatory processes and requirements. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aniruddh Sankaran**

Partner

Membership No.: 211107

UDIN: 19211107AAAAFJ5917

Place: Chennai

Date: November 7, 2019



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, 2019

(₹ in Lakh)

Particulars	Six months ended	Six months ended	Year ended
	30-Sep-19	30-Sep-18	31-Mar-19
	Unaudited	Unaudited	Audited
1 Income earned (a)+(b)+(c)	1,24,286.02	99,900.95	2,12,062.52
(a) Interest income from advances	1,13,084.87	82,460.65	1,83,234.67
(b) Income on investments	7,986.33	15,780.83	25,796.12
(c) Interest on balances with Reserve Bank of India and other inter bank funds	3,214.82	1,659.47	3,031.73
2 Other Income	12,307.86	14,105.59	28,289.75
3 Total Income (1+2)	1,36,593.88	1,14,006.54	2,40,352.27
4 Interest Expended	55,516.23	48,388.45	96,889.13
5 Operating Expenses (i)+(ii)+(iii)	56,003.26	47,569.86	1,00,848.65
(i) Employees Cost	33,896.07	27,173.37	55,130.63
(ii) Depreciation / Amortisation	4,786.29	4,512.99	9,177.67
(iii) Other Operating Expenses	17,320.90	15,883.50	36,540.35
6 Total Expenditure, excluding provisions & contingencies (4+5)	1,11,519.49	95,958.31	1,97,737.78
7 Operating Profit before Provisions & Contingencies (3-6)	25,074.39	18,048.23	42,614.49
8 Provisions (other than tax) and Contingencies	7,617.99	5,212.51	10,240.82
9 Exceptional Items	-	-	-
10 Profit from Ordinary Activities before tax (7-8-9)	17,456.40	12,835.72	32,373.67
11 Tax Expense	6,802.45	4,537.36	11,317.06
12 Net Profit from Ordinary Activities after tax (10-11)	10,653.95	8,298.36	21,056.61
13 Extraordinary Items (net of Tax Expense)	-	-	-
14 Net Profit for the Period / Year (12-13)	10,653.95	8,298.36	21,056.61
15 Paid-up Equity Share Capital (Face Value of Share: ₹ 10 each)	1,00,594.34	1,00,594.34	1,00,594.34
16 Reserves excluding Revaluation Reserves	-	-	1,24,837.51
17 Analytical Ratios			
(i) Capital Adequacy Ratio (%) (Refer note 3)	21.58%	23.84%	22.44%
(ii) Earnings Per Share (EPS) - Not Annualised for six months - Basic / Diluted (₹ per share)	1.06	0.82	2.09
18 NPA Ratio			
a) Gross NPA	37,721.77	31,882.39	29,570.65
Net NPA	23,086.63	18,761.43	18,641.17
b) % of Gross NPA to Advances	2.88%	3.36%	2.53%
% of Net NPA to Advances	1.63%	2.00%	1.44%
c) Return on Assets - Not Annualised for six months (% of Profit After Tax to Total Assets)	0.64%	0.59%	1.43%

(₹ in Lakh)

Particulars	As at	Year ended
	30-Sep-19	31-Mar-19
	Unaudited	Audited
CAPITAL AND LIABILITIES		
1 Capital	1,00,594.34	1,00,594.34
2 Reserves and Surplus	1,35,491.46	1,24,837.51
3 Deposits	10,02,508.64	9,00,673.63
4 Borrowings	4,27,365.92	3,97,302.61
5 Other Liabilities and Provisions	55,285.99	52,861.00
Total Liabilities	17,21,246.35	15,76,269.09
ASSETS		
6 Cash and Balances With Reserve Bank of India	43,631.78	40,270.37
7 Balances With Banks and Money At Call and Short Notice	68,681.38	85,791.15
8 Investments	2,54,490.97	2,34,445.40
9 Advances	12,96,094.23	11,59,500.45
10 Fixed Assets	21,764.53	23,733.62
11 Other Assets	36,583.46	32,528.10
Total Assets	17,21,246.35	15,76,269.09



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, 2019 were reviewed by the Audit Committee at their meeting held on November 6, 2019 and approved by the Board of Directors at their meeting held on November 7, 2019 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 all material aspects in accordance with the recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting, specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014, in so far as they apply to the Bank, and other accounting principles generally accepted in India as applicable to banking companies and the applicable requirements of the Banking Regulation Act, 1949 and the disclosures required in terms of Regulation 52 of the Listing Agreement.
- 3 The Capital adequacy ratio ("CAR") have 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 1 July 2013, on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).
- 4 The Bank has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank has recognised provision for income tax for the Six months ended September 30, 2019 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid ordinance. Tax expense for the half year ended September 30, 2019 includes ₹ 2449.94 Lakhs resulting from write down of net deferred tax assets pertaining to earlier years.
- 5 As a precondition to small finance bank licensing guidelines issued by the Reserve Bank of India, amongst other conditions, the Bank was required to be listed within 3 years from the date of commencement of operations (i.e from 5th September 2016). In the absence of SEBI's approval to a scheme of arrangement, which would have resulted in the listing of the Bank's shares, and the consequent non-compliance of the relevant listing condition, the Reserve Bank of India vide its letter dated September 06, 2019 has imposed regulatory action on the Bank, by way of restriction on opening of new branches and on the remuneration of the MD & CEO of the Bank, till further advice. Subsequently, the Board of Directors of the Bank on September 10, 2019 has approved an initial public offer and listing of the equity shares on stock exchanges in India, to comply with the licensing guidelines. Having regard to the forgoing, the management is confident of listing the shares of the Bank by March 31, 2020. Read with the above, the Bank continues normal course of business and operates as a going concern, and no adjustments have been considered necessary in this regard.
- 6 Previous period / year figures have been reclassified/regrouped, wherever necessary, to confirm to the current period / year classification/ grouping.

For Equitas Small Finance Bank Limited

P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai

Date : November 7, 2019

