

April 27, 2018

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

Dear Sir/ Madam

**Sub: Audited 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 - 952464, 952614, 951930, 950723, 952700, 947882, 951924, 952815, 952812, 954775, 954784, 954788, 954803, 954825, 954780, 954802, 954769, 954804 and 953456**

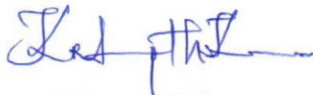
Kindly refer to the above mentioned Non-Convertible Debentures (NCDs) listed in BSE under F Group - Debt Instruments.

Pursuant to the aforesaid regulation, please find attached the audited financial results of Equitas Small Finance Bank Limited for the half year and year ended 31<sup>st</sup> March 2018, approved by the Board of Directors in their Meeting held on 26<sup>th</sup> April 2018.

Kindly acknowledge receipt.

Thanking you

Yours truly  
For Equitas Small Finance Bank Limited



Sampathkumar K R  
Company Secretary



**Independent Auditor's Report On Standalone Financial Results Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
Equitas Small Finance Bank Limited

1. We have audited the financial results of Equitas Small Finance Bank Limited (the "Bank") for the year ended March 31, 2018 included in the 'Statement of Audited Financial Results for the six months / year ended 31 March 2018' ('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. This Statement has been prepared on the basis of the audited financial statements for year ended March 31, 2018, which is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement based on our audit of financial statements, prepared in accordance with accounting principles generally accepted in India as applicable to banking companies, including the relevant accounting standards specified under Section 133 of the Companies Act, 2013 and the applicable requirements of the Banking Regulation Act, 1949.
2. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement.

An audit involves performing procedures to obtain sufficient audit evidences about the amount and disclosures in the Statement. The procedures selected depend on the auditor's judgement including the assessment of material misstatement of the Statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - ii. gives a true and fair view of the net profit and other financial information of the Bank for the year ended March 31, 2018
4. The Statement includes the results of the half year ended March 31, 2018, being the derived balancing figure between the audited figures in respect of the full financial year ended March 31, 2018 and the published year to date figures upto the half year ended September 30, 2017, of the current financial year which were subject to limited review.

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



per Aniruddh Sankaran  
Partner  
Membership No.: 211107  
Place: Chennai  
Date: April 26, 2018



**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, Chennai 600 002

Website: www.equitasbank.com

Statement of Audited Financial Results for the six months / year ended 31 March 2018

(₹ in Lakh)

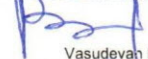
Particulars	Six months ended	Six months ended	Year ended	Year ended
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited*	Unaudited*	Audited	Audited
1 Income earned (a)+(b)+(c)	81,512.69	68,713.75	154,271.24	98,105.34
(a) Interest income from advances	70,119.01	61,933.44	134,224.09	90,973.38
(b) Income on investments	10,417.42	5,408.11	18,124.23	5,564.01
(c) Interest on balances with Reserve Bank of India and other inter bank funds	976.26	1,372.20	1,922.92	1,567.95
2 Other Income	9,478.15	13,330.61	24,121.51	23,322.74
<b>3 Total Income (1+2)</b>	<b>90,990.84</b>	<b>82,044.36</b>	<b>178,392.75</b>	<b>121,428.08</b>
4 Interest Expended	35,841.70	31,561.13	68,217.20	44,715.78
5 Operating Expenses (i)+(ii)+(iii)	44,359.01	35,435.03	88,111.41	50,924.39
(i) Employee Cost	25,270.86	22,564.45	51,541.05	31,803.89
(ii) Depreciation / Amortisation	4,470.65	2,587.36	8,750.61	3,170.87
(iii) Other Operating Expenses	14,617.50	10,283.22	27,819.75	15,949.63
<b>6 Total Expenditure, excluding Provisions &amp; Contingencies (4+5)</b>	<b>80,200.71</b>	<b>66,996.16</b>	<b>156,328.61</b>	<b>95,640.17</b>
7 Operating Profit before Provisions & Contingencies (3-6)	10,790.13	15,048.20	22,064.14	25,787.91
8 Provisions (other than tax) and Contingencies	10,100.41	7,062.76	17,212.65	9,643.19
9 Exceptional Items	-	-	-	-
<b>10 Profit from Ordinary Activities before Tax (7-8-9)</b>	<b>689.72</b>	<b>7,985.44</b>	<b>4,851.49</b>	<b>16,144.72</b>
11 Tax Expense	190.02	2,803.09	1,668.35	5,731.32
<b>12 Net Profit from Ordinary Activities after Tax (10-11)</b>	<b>499.70</b>	<b>5,182.35</b>	<b>3,183.14</b>	<b>10,413.40</b>
13 Extraordinary Items (net of Tax Expense)	-	-	-	-
<b>14 Net Profit for the Period / Year (12-13)</b>	<b>499.70</b>	<b>5,182.35</b>	<b>3,183.14</b>	<b>10,413.40</b>
<b>15 Paid-up Equity Share Capital (Face Value of Share: ₹10 each)</b>	<b>100,594.34</b>	<b>100,594.34</b>	<b>100,594.34</b>	<b>100,594.34</b>
<b>16 Reserves excluding Revaluation Reserves</b>				<b>100,597.76</b>
<b>17 Analytical Ratios</b>				
(i) Capital Adequacy Ratio (%)	29.63%	35.51%	29.63%	35.51%
(ii) Earnings Per Share (EPS) - Not Annualised for six months - Basic / Diluted (₹ per share)	0.05	0.52	0.32	1.30
<b>18 NPA Ratio</b>				
a) Gross NPA	21,252.68	20,647.46	21,252.68	20,647.46
Net NPA	13,149.81	10,494.94	13,149.81	10,494.94
b) % of Gross NPA to Advances	2.73%	3.56%	2.73%	3.56%
% of Net NPA to Advances	1.46%	1.51%	1.46%	1.51%
c) Return on Assets - Not Annualised for six months (% of Profit After Tax to Total Assets)	0.04%	0.56%	0.30%	1.13%
* Refer Note 4				
<b>Particulars</b>			<b>As at 31-Mar-18 Audited</b>	<b>As at 31-Mar-17 Audited</b>
<b>CAPITAL AND LIABILITIES</b>				
1 Capital			100,594.34	100,594.34
2 Reserves and Surplus			103,780.92	100,597.76
3 Deposits			560,392.97	192,128.90
4 Borrowings			517,720.81	477,889.62
5 Other Liabilities and Provisions			48,506.79	53,323.58
<b>Total Liabilities</b>			<b>1,330,995.83</b>	<b>924,534.20</b>
<b>ASSETS</b>				
6 Cash and Balances with Reserve Bank of India			38,608.13	24,793.05
7 Balances With Banks and Money At Call and Short Notice			82,508.43	86,614.30
8 Investments			385,684.15	189,049.55
9 Advances			770,669.26	570,183.40
10 Fixed Assets			28,088.26	28,834.99
11 Other Assets			25,437.60	25,058.91
<b>Total Assets</b>			<b>1,330,995.83</b>	<b>924,534.20</b>



**Notes:**

- 1 The above audited financial results ("Statement") of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the six months and year ended March 31, 2018 were reviewed by the Audit Committee of the Bank at their meeting held on April 25, 2018 and approved by the Board of Directors at their meeting held on April 26, 2018.
- 2 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 (RBI) from time to time, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 March 31, 2018, ESFBL has total provision against NPA of ₹ 8102.87 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 year ended March 31, 2018 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 ₹ 1053.36 lakhs and net results of the year ended March 31, 2018, after considering related tax effects, being higher by ₹ 688.81 lakhs.
- 4 The figures of the six months ended March 31, 2018 and March 31, 2017 have been derived as balancing figures between the amounts as per the annual audited accounts for the years then ended, and unaudited results for the six months ended September 30, 2017 and September 30, 2016, being the half year of the respective financial years, which were subject to limited review, respectively.
- 5 The Capital adequacy ratio ("CAR") as on March 31, 2018 and as on March 31, 2017 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).
- 6 During FY 2016-17, pursuant to a Scheme of Amalgamation, Equitas Micro Finance Limited ("EMFL") and Equitas Housing Finance Limited ("EHFL"), the erstwhile Subsidiaries of Equitas Holdings Limited, were amalgamated with Equitas Finance Limited ("EFL"), effective September 2, 2016. Upon receipt of the banking licence, EFL converted to a Bank on September 2, 2016, changed its name to Equitas Small Finance Bank Limited and commenced operations as a Bank on September 5, 2016. As a result of the Scheme, the businesses of EMFL and EHFL merged into, and are being 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 six months and year ended March 31, 2017 included in the above Statement are not strictly comparable with those of the current period.
- 7 Previous period / year figures have been reclassified/regrouped, wherever necessary, to conform to the current period / year classification/ grouping.

For Equitas Small Finance Bank Limited

  
Vasudevan PN

Managing Director & Chief Executive Officer

Place: Chennai  
Date : 26 April 2018

