

August 6, 2021

The Secretary National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex (BKC) Mumbai - 400051 Symbol: EQUITASBNK	The Secretary BSE Limited Phiroze Jeejeeboy Towers Dalal Street Mumbai - 400001 Scrip Code No - 543243
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Dear Sirs,

Sub: Intimation of Rating Action - Withdrawal on Redemption

This is to inform that CARE Ratings Ltd. ("CARE Ratings"), a rating agency, has intimated Equitas Small Finance Bank Limited ("the Bank") today of the following rating action on the Bank:

Facility/Program	ISIN	Amount (in Rs.)	Rating assigned along with rating outlook
Sub-ordinated Debt	INE186N08025	30 Crore	Withdrawn

The Rating has been withdrawn on receipt of request from the issuer, as the subordinated debt has been paid in full. The press release by CARE Ratings is enclosed.

This is for your information and record.

Thanking you,

Yours truly,
for Equitas Small Finance Bank Limited



Sampathkumar K R
Company Secretary



No. CARE/CRO/RL/2021-22/1144

Shri P N Vasudevan
MD & CEO
Equitas Small Finance Bank Limited
Phase II, 6th Floor, Spencer Plaza
769, Anna Salai,
Chennai, Tamil Nadu- 600002

August 06, 2021

Confidential

Dear Sir,

Withdrawal of rating assigned to the subordinated debt issue of Equitas Small Finance Bank Limited

We have noted that Equitas Small Finance Bank Limited has repaid the aforementioned subordinated debt (EMFL) issue and there is no outstanding under the said issue as on date. Taking cognizance of this, we hereby withdraw our rating for Equitas Small Finance Bank Limited's subordinated debt issue, with immediate effect.

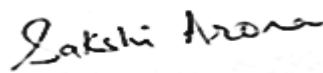
2. As per our normal procedure, we will be announcing the withdrawal of the rating through a Press Release, a copy of which is enclosed. **Meanwhile, please ensure that the ratings are not used hereafter, for any purpose whatsoever.**

3. In case of any future rating requirements, we will be happy to offer our services.

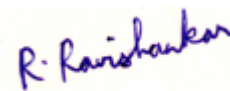
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Sakshi Arora
Analyst
sakshi.arora@careratings.com



Ravi Shankar R
Assistant Director
ravi.s@careratings.com

CARE Ratings Ltd.

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Ltd.

Annexure
Press Release
Equitas Small Finance Bank Limited

Ratings

Facilities	Amount (Rs. crore)	Rating¹	Rating Action
Subordinated Debt (EMFL)	-	-	Withdrawn
Total Long-Term Instruments	0.00 (Rs. Only)		

**Details in Annexure I.*

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE A+; Stable' (A Plus; Outlook: Stable) assigned to the subordinated debt (EMFL) of Equitas Small Finance Bank with immediate effect as the bank has repaid the aforementioned subordinated debt issue in full and there is no amount outstanding under the said issue as on date. The above action has been taken at the request of Equitas Small Finance Bank and 'No Dues Certificate' received from the investor.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Equitas Small Finance Bank Limited (ESFB) is a Chennai-based Small Finance Bank (SFB) which has commenced its banking operations on September 05, 2016. ESFB is a subsidiary of Equitas Holdings Ltd (EHL, holding company of the group). Post IPO in October 2020, the bank is listed on BSE & NSE. As on March 31, 2021, EHL held 81.98% stake in the ESFB.

ESFB is currently focussed in retail banking business with focus on micro-finance, vehicle finance, housing finance, business loans, loan against property (LAP) and providing financing solutions for individuals and micro and small enterprises (MSEs) that are underserved by formal financing channels while providing a comprehensive banking and digital platform for all. As on March 31, 2021 the bank had a network of 861 banking outlets, with deposits of Rs. 16,392 crore and assets under management of Rs.17,925 crore.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Financial Performance**(Rs. Crore)**

Brief Financials	2020 (A)	2021 (A)
Total operating income	2,928	3,612
PAT	244	384
Interest coverage (times)	1.52	1.63
Total Assets	19,201	24,562
Net NPA (%)	1.67	1.58
ROTA (%)	1.40	1.76

A – Audited;

As per CARE's Calculation

Total asset is excluding deferred tax

Status of non-cooperation with previous CRA: NA**Any other information: NA****Rating History for last three years: Please refer Annexure-2****Complexity level of various instruments rated for this company: Please refer Annexure-3****Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt-Subordinate Debt	INE186N08025	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-Apr-18)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (03-Apr-18)
3.	Fund-based-Long Term	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
4.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
5.	Debt-Subordinate Debt	LT	-	-	-	1)CARE A+; Stable	1)CARE A+; Stable	1)CARE A+; Stable

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
						(04-Dec-20)	(06-Dec-19)	(05-Oct-18)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (05-Oct-18)
7.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)
8.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Dec-19)	1)CARE A+; Stable (05-Oct-18)

Annexure-3: Complexity of instruments

Sr. No.	Name of the Instrument	Complexity Level
1.	Debentures-Non Convertible Debentures	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Name: Mr. Mradul Mishra

Contact no.: 022-6837 4424

Email ID: mradul.mishra@careratings.com

Analyst Contact 1

Name: Mr. P Sudhakar

Contact no.: 044-28501000

Email ID: p.sudhakar@careratings.com

Analyst Contact 2

Name: Mr. Ravi Shankar R

Contact no.: 044-2850 1016

Email ID: ravi.s@careratings.com

Relationship Contact

Name: Mr. V Pradeep Kumar

Contact no.: 044-2850 1001

Email ID: pradeep.kumar@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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