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Chartered Accountants
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758, Anna Salai
Chennai - 600 002, Tamil Nadu

Varma & Varma
Chartered Accountants
Sreela Terrace, Level 4, Unit -D
105, 1st Main Road,
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Independent Auditors Review Report on the unaudited quarterly financial results and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 & Regulation 52 of the Securities and Exchange Board of India (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 quarter ended 30 September 2021 and year to date results for the period from 1 April 2021 to 30 September 2021 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at September 30, 2021, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been reviewed by us.
2. This statement is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, (AS 25) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India from time to time ('the RBI Guidelines') and other recognized accounting principles generally accepted in India. Our responsibility is to issue a report 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 is limited primarily to inquiries of Bank's 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.
4. 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 including notes thereon 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 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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, except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at September 30, 2021, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards



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issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been reviewed by us.

Emphasis of Matter

5. We draw attention to Note 13 to the statement which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic, and its possible consequential implications, if any, on the Bank's operations and financial results are dependent on future developments, which are highly uncertain.

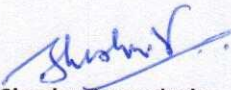
Our conclusion is not modified with regard to this matter.

Other Matter

6. The review of unaudited financial results for the quarter ended 30th June 2021, review of unaudited financial results for the quarter/ half year ended 30th September 2020 and audit of financial results for the year ended 31st March 2021 included in the Statement were conducted by M/s T R Chadha & Co LLP Chartered Accountants, the statutory auditors of the bank, who had expressed an unmodified conclusion/ opinion, as the case may be, on those financial results. Accordingly, we M/s Varma & Varma, Chartered Accountants, do not express any conclusion/ opinion, as the case maybe, on these figures reported in the Statement as above.

Our conclusion is not modified in respect of above matter.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No 006711N/N500028

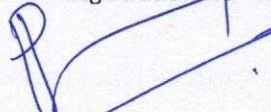

Sheshu Samudrala
Partner

ICAI Membership No. 235031
UDIN: 21235031AAAACG9593



Place: Chennai
Date: 29 October 2021

For Varma & Varma
Chartered Accountants
Firm Registration No 004532S


P R Prasanna Varma
Partner

ICAI Membership No. 25854
UDIN: 21025854AAAADT3548



Place: Chennai
Date: 29 October 2021



EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

[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

1. Statement of Unaudited Financial Results for the quarter and half year ended September 30, 2021

(₹ in Lakh)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income Earned (a)+(b)+(c)	84,357.66	81,896.91	79,754.04	1,66,254.57	1,51,885.21	3,19,441.32
(a) Interest / discount on advances / bills	76,650.81	74,215.37	72,999.77	1,50,866.18	1,39,160.31	2,90,082.90
(b) Income on Investments	5,963.85	5,677.62	5,668.71	11,641.47	10,055.34	21,938.47
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,743.00	2,003.92	1,085.56	3,746.92	2,669.56	7,419.95
2 Other Income	14,782.22	10,095.17	5,453.48	24,877.39	8,371.35	41,243.51
3 Total Income (1)+(2)	99,139.88	91,992.08	85,207.52	1,91,131.96	1,60,256.56	3,60,684.83
4 Interest Expended	35,974.95	35,793.12	33,628.99	71,768.07	65,332.28	1,39,645.29
5 Operating Expenses (i)+(ii)	43,701.07	40,022.00	30,525.69	83,723.07	59,717.42	1,32,942.86
(i) Employees Cost	22,754.09	22,165.39	18,779.48	44,919.48	38,227.53	79,144.96
(ii) Other Operating Expenses	20,946.98	17,856.61	11,746.21	38,803.59	21,489.89	53,797.90
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	79,676.02	75,815.12	64,154.88	1,55,491.14	1,25,049.70	2,72,588.15
7 Operating Profit before Provisions & Contingencies (3)-(6)	19,463.86	16,176.96	21,052.84	35,640.82	35,206.86	88,096.68
8 Provisions (other than tax) and Contingencies	13,781.48	14,752.20	7,475.28	28,533.68	14,261.61	36,970.00
9 Exceptional Items	-	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	5,682.38	1,424.76	13,577.56	7,107.14	20,945.25	51,126.68
11 Tax Expense	1,563.18	232.17	3,278.74	1,795.35	4,879.31	12,704.36
12 Net Profit from Ordinary Activities after tax (10)-(11)	4,119.20	1,192.59	10,298.82	5,311.79	16,065.94	38,422.32
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	4,119.20	1,192.59	10,298.82	5,311.79	16,065.94	38,422.32
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,14,519.12	1,14,244.85	1,05,340.16	1,14,519.12	1,05,340.16	1,13,927.83
16 Reserves excluding Revaluation Reserves						2,25,708.28
17 Analytical Ratios and other disclosures:						
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 10)	22.21%	24.07%	20.93%	22.21%	20.93%	24.18%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)						
- Basic EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.36	0.10	0.98	0.47	1.53	3.53
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.36	0.10	0.98	0.46	1.53	3.49
(iv) NPA Ratio						
(a) Gross NPAs	88,082.54	81,617.05	39,964.62	88,082.54	39,964.62	64,278.42
(b) Net NPAs	43,964.00	39,822.37	17,992.23	43,964.00	17,992.23	26,617.46
(c) % of Gross NPA to Gross Advances	4.82%	4.76%	2.48%	4.82%	2.48%	3.73%
(d) % of Net NPA to Net Advances	2.46%	2.38%	1.13%	2.46%	1.13%	1.58%
(v) Return on Assets (average)- not annualised	0.16%	0.05%	0.47%	0.21%	0.76%	1.65%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	3,19,455.73	3,17,219.34	2,68,796.40	3,19,455.73	2,68,796.40	3,17,578.12
(vii) Outstanding redeemable preference shares	-	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-	-
(ix) Debt-equity ratio \$	0.56	0.69	1.08	0.56	1.08	0.74
(x) Total debts to total assets @	12.16%	14.72%	27.06%	12.16%	27.06%	16.86%
\$ Debt represents borrowings with residual maturity of more than one year.						
@ Total debts represents total borrowings of the Bank.						



2. Segment information in accordance with the Accounting standard on Segment Reporting (AS-17) of the operating segments of the Bank is as under:

(₹ in Lakh)						
Sl No	Particulars	Quarter ended			Half Year ended	
		30-Sep-21	30-Jun-21	30-Sep-20	30-Sep-21	30-Sep-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment revenue					
a)	Treasury	9,522.51	9,147.38	5,925.88	18,669.89	12,162.88
b)	Retail Banking	85,353.31	79,611.53	74,810.19	1,64,964.84	1,40,346.52
c)	Wholesale Banking	2,512.64	2,536.49	3,054.68	5,049.13	5,221.48
d)	Other Banking operations	1,751.42	896.68	1,416.77	2,448.10	2,525.68
e)	Unallocated	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-
	Income from operations	99,139.88	91,992.08	85,207.52	1,91,131.96	1,60,256.56
2	Segment results					
a)	Treasury	4,726.63	4,576.10	2,375.08	9,302.73	5,600.80
b)	Retail Banking	934.87	(2,935.00)	9,967.94	(2,000.13)	13,865.98
c)	Wholesale Banking	568.39	22.36	928.36	590.75	998.69
d)	Other Banking operations	1,316.99	657.74	701.96	1,974.73	1,170.62
e)	Unallocated	(1,864.50)	(896.44)	(395.78)	(2,760.94)	(690.84)
	Total Profit before Tax	5,682.38	1,424.76	13,577.56	7,107.14	20,945.25
3	Segment assets					
a)	Treasury	3,99,242.42	6,28,201.43	4,71,777.19	3,99,242.42	4,71,777.19
b)	Retail Banking	20,30,436.62	17,26,762.61	16,88,191.42	20,30,436.62	16,88,191.42
c)	Wholesale Banking	1,22,029.99	1,25,478.93	1,07,361.88	1,22,029.99	1,07,361.88
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	23,062.08	18,484.29	14,338.44	23,062.08	14,338.44
	Total Assets	25,74,771.11	24,98,927.26	22,81,668.93	25,74,771.11	22,81,668.93
4	Segment liabilities					
a)	Treasury	3,44,107.19	5,41,596.61	4,14,857.26	3,44,107.19	4,14,857.26
b)	Retail Banking	17,76,862.11	15,05,663.89	14,81,840.81	17,76,862.11	14,81,840.81
c)	Wholesale Banking	1,05,923.38	1,08,677.13	93,697.06	1,05,923.38	93,697.06
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	1,274.35	1,298.00	792.95	1,274.35	792.95
	Capital and Other Reserves	3,46,604.08	3,41,691.63	2,90,480.85	3,46,604.08	2,90,480.85
	Total Liabilities	25,74,771.11	24,98,927.26	22,81,668.93	25,74,771.11	22,81,668.93

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, and guidelines prescribed by RBI and in compliance with the Accounting Standard 17 - "Segment Reporting". The methodology adopted in compiling and reporting the above information has been relied upon by the auditors.

Notes:

3 Statement of Assets and Liabilities as on September 30, 2021 is given below:

(₹ in Lakh)				
Sl No	Particulars	As at	As at	Year ended
		30-Sep-21	30-Sep-20	31-Mar-21
		Unaudited	Unaudited	Audited
	CAPITAL AND LIABILITIES			
1	Capital	1,14,519.12	1,05,340.16	1,13,927.83
2	Reserves and Surplus	2,32,064.96	1,85,140.69	2,25,706.28
3	Deposits	18,09,399.66	12,90,058.59	16,39,197.17
4	Borrowings	3,12,999.00	6,17,448.84	4,16,532.00
	Other Liabilities and Provisions	1,05,768.37	83,680.65	75,484.19
	Total Liabilities	25,74,771.11	22,81,668.93	24,70,847.47
	ASSETS			
6	Cash and Balances With Reserve Bank of India	75,414.19	42,582.86	51,480.80
7	Balances With Banks and Money At Call and Short Notice	2,73,354.80	1,47,514.93	2,86,390.44
8	Investments	3,53,069.22	4,29,194.33	3,70,516.61
9	Advances	17,83,709.31	15,91,155.23	16,84,818.91
10	Fixed Assets	17,309.84	19,539.23	19,505.00
11	Other Assets	71,913.75	51,682.35	59,135.71
	Total Assets	25,74,771.11	22,81,668.93	24,70,847.47



4 Statement of Cash Flow for the half year ended September 30,2021 is given below:

(₹ in Lakh)

Particulars	Half Year ended		Year ended
	30-Sep-21	30-Sep-20	31-Mar-21
	Unaudited	Unaudited	Audited
Cash Flow from Operating activities			
Profit Before Tax	7,107.14	20,945.25	51,126.68
Adjustments for			
Depreciation on fixed assets	3,883.53	3,820.74	7,643.32
Depreciation on investments	-	821.38	-
Amortization on held to maturity securities	1,054.38	457.52	1,140.08
Provision for standard assets	19,261.62	756.12	3,702.55
General Provision under COVID-19 – Regulatory Package	-	7,100.00	(9,963.00)
Bad debts written off	2,692.79	2,025.10	23,911.32
Provision for Non performing assets	6,457.58	3,102.00	18,790.58
Other Provision and Contingencies	121.69	(268.23)	524.47
(Profit) / Loss on sale of fixed assets	8.06	(3.91)	(3.72)
Interest expenses on borrowings	16,544.12	24,230.65	45,968.66
Interest income on bank balances not considered as cash and cash equivalents	(74.13)	(15.84)	(43.72)
ESOP Expenses	36.55	-	-
Dividend Income	(14.00)	-	-
	57,079.33	62,970.78	1,42,797.22
Adjustments for			
(Increase)/Decrease in investments	16,393.01	(1,96,222.61)	(1,37,406.07)
(Increase)/Decrease in advances	(1,08,040.81)	(2,23,458.18)	(3,54,696.65)
Increase/(Decrease) in deposits	1,70,202.48	2,11,217.89	5,60,356.47
(Increase)/Decrease in other assets	(4,388.86)	(6,200.15)	(9,367.94)
Increase/(Decrease) in other liabilities and provisions	11,950.93	11,406.02	18,100.82
Direct taxes paid	(10,170.50)	(3,264.33)	(15,389.66)
Net cash (used in)/ generated from operating activities (A)	1,33,025.58	(1,43,550.58)	2,04,394.19
Cash flow from investing activities			
Purchase of fixed assets	(2,793.86)	(2,133.69)	(4,998.28)
Proceeds from sale of fixed assets	97.44	54.58	130.62
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	-	354.40	535.76
Interest received from bank balances not considered as cash and cash equivalents	74.13	8.88	51.45
Net cash (used in) / generated from investing activities (B)	(2,622.29)	(1,715.83)	(4,280.45)
Cash flow from financing activities			
Increase/(decrease) in borrowings (net)	(1,03,533.00)	1,03,961.48	(96,955.36)
Proceeds from issue of share capital (including share premium)	1,658.19	-	28,278.52
Share issue Expenses	-	-	(1,481.63)
Interest paid on borrowings	(17,630.73)	(21,927.13)	(45,232.52)
Net cash generated from / (used in) financing activities (C)	(1,19,505.54)	82,034.35	(1,15,390.99)
Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	10,897.75	(63,232.06)	84,722.75
Cash and Cash equivalents at beginning of the period /year	3,37,871.24	2,53,148.49	2,53,148.49
Cash and Cash equivalents at end of the period /year	3,48,768.99	1,89,916.43	3,37,871.24

Note: Cash and Cash equivalents comprise of cash on hand, Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.



Notes

- 5 The above unaudited financial results (along with the notes given below) hereafter "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and half year ended September 30, 2021 were reviewed by the Audit Committee at their meeting held on October 28, 2021 and approved by the Board of Directors at their meeting held on October 29, 2021 and have been subjected to a limited review by the statutory auditors of the Bank (T R Chadha & Co LLP, Chartered Accountants and Varma & Varma, Chartered Accountants). The report thereon is unmodified.
- 6 The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
- 7 The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2021.
- 8 Based on RBI Master Direction on Financial Statements - Presentation and Disclosures issued on 30th August, 2021, recoveries from written off accounts hitherto included as part of 'Other income' have been reclassified as a credit to 'Provisions and contingencies' and provision for depreciation on investments hitherto classified as part of 'Provisions and contingencies' have been reclassified as part of 'Other income'. Previous periods figures have also been reclassified as appropriate to make them comparable with current period figures. There is no impact of this change on the net profit or loss of the current or earlier periods.
- 9 The Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors /Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ended March 31, 2021. Accordingly, the Bank has recognised expenses related to instruments granted after March 31, 2021 in respect of Whole Time Directors /Chief Executive Officers / Material Risk Takers. The fair value of stock options is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. 'Employee cost' for the quarter and half year ended September 30, 2021 is higher by ₹36.55 lakhs with a consequent reduction in profit after tax by the said amount.
- 10 The Capital adequacy ratio ("CAR") of the Bank 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 1 July 2013, on Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF).
- 11 RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://ir.equitasbank.com/reports-and-presentations/>.html. These disclosures have not been subjected to audit or limited review.
- 12 The Board of Directors of Equitas Small Finance Bank Limited (ESFBL) and Equitas Holdings Limited (EHL) at their respective Meetings held on July 26, 2021 approved a Scheme of Amalgamation between EHL, ESFBL and their respective shareholders, contemplating amalgamation of EHL with ESFBL under applicable provisions of the Companies Act 2013. The Scheme seeks to achieve the RBI licensing requirement of dilution of promoter shareholding in the Bank, in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, their respective shareholders or any other stakeholders. The Scheme, when implemented, will also enable ESFBL to meet the minimum public shareholding requirement prescribed by SEBI Regulations.

Upon coming into effect of this Scheme and in consideration of the amalgamation of EHL with ESFBL, ESFBL, without any further application, act or deed, shall issue and allot to each of the equity shareholders of EHL as on the Record Date defined in the Scheme, 226 equity Shares of ₹.10/- each credited as fully paid up of ESFBL, in respect of every 100 Equity Shares of ₹.10/- each fully paid up held by them in EHL.

Subsequently, the Board of Directors of the Bank in the Meeting on October 18, 2021 has approved meeting the Minimum Public Shareholding (MPS) requirements stipulated by SEBI by raising a sum not exceeding ₹ 1,000 Crore (including premium) through Qualified Institutions Placement (QIP) of equity shares. The Scheme of Amalgamation would be suitably amended post completion of QIP. Necessary approvals from regulatory and statutory authorities would be obtained for the Scheme as would then be amended.

- 13 The COVID-19 pandemic (declared as such by the World Health Organisation on March 11,2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Indian government announced a strict nation-wide lockdown in India in March 2020 to contain the spread of the virus. Subsequently, while the national lockdown was lifted, regional post COVID-19 disruptions continue in many parts of the country.

This lockdown coupled with change in customer behaviour and pandemic scare has led to significant disruptions and dislocations for individuals and businesses, with consequential impact on regular banking operations including lending, fund-mobilisation, and collection activities. The full extent of impact of the COVID-19 pandemic, on the Bank's operations, and financial metrics (including impact on provisioning on advances) is uncertain as on date and will depend on future developments, including new information on severity of the new and evolving virus variants, government and regulatory guidelines, resilience of customers to bounce back and their behaviour patterns, which are uncertain and incapable of estimation at this time.

- 14 (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below:

Format A

Type of Borrower	(Amount in ₹. crore except number of accounts)				
	A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	147	14.55	-	-	0.88
Of which, MSMEs	76	6.56	-	-	0.39
Others	7,725	401.94	-	2.88	27.52
Total	7,872	416.49	-	2.88	28.40

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016



Format B

(Amount in ₹ .crore except number of accounts)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of previous half - year (A)	Of (A) aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half -year #	Of (A) amount paid by the borrower during the half - year ##	Exposure to accounts classified as Standard consequent of implementation of resolution plan - Position as at end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	14.55	2.22	-	(0.15)	12.48
Of which, MSMEs	6.96	0.44	-	(0.04)	6.57
Others	422.33	75.27	5.11	12.55	334.51
Total	436.88	77.49	5.11	12.40	346.99

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

represents debt that slipped into NPA and was subsequently written off during the half year

includes change in the balances on account of interest.

There were 1988 borrower accounts having an aggregate exposure of ₹ 140.41 crores to the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated May 5, 2021 are given below:

(Amount in ₹ .crore except number of accounts)

Particulars	Individual Borrowers		Small Businesses
	Personal Loans	Business Loan	
(A) Number of requests received for invoking resolution process under Part A	173	1,67,944	121
(B) Number of accounts where resolution plan has been implemented under this window	173	1,64,559	121
(C) Exposure to accounts mentioned at (B) before implementation of the plan	16.85	1,338.12	15.53
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	39.44	-
(F) Increase in provisions on account of the implementation of the resolution plan	0.23	65.07	0.39

The Bank has restructured loans amounting to ₹ 1401.10 crores as of 30th September 2021, ₹ 36.02 crores in October 2021 and has made provision of ₹ 195.94 crores against these restructuring under Resolution Framework - 2.0.

- 15 The Honourable Supreme Court of India (Hon' ble SC), vide an interim order dated September 3, 2020, had directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders, which has been complied with by the Bank. The said interim order stood vacated on March 23, 2021 and the Bank continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms. In view of this, the results for the half-year ended September 2021 may not be comparable with the corresponding half year of FY 2020-2021.
- 16 The Bank has granted 64,76,457 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during the half year ended September 30, 2021. Out of total 5,75,79,901 options granted till September 30, 2021, 2,57,61,354 Options were vested and 84,38,558 options were lapsed, and 1,64,38,906 options are yet to be vested.
- 17 The Bank, during the half year ended September 30, 2021 has allotted 59,12,919 equity shares of ₹. 10/- each, fully paid up, on exercise of options by its employees and employees of the Holding company (Equitas Holdings Limited) in accordance with the ESFB ESOP Scheme.
- 18 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net), etc.,
- 19 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

Place: Chennai
Date: October 29, 2021

P N Vasudevan
Managing Director and Chief Executive Officer

