

28th October 2016

Department of Corporate Services
Bombay Stock Exchange Ltd.
P J Towers, Dalal Street,
Mumbai - 400 001

Dear Sir,

Sub: Half Yearly Communication pursuant to clause 27 of Debt Listing Agreement
Ref: Scrip Codes: 950976, 950972, 951150, 952815, 954769, 954788 & 954825

With reference to the above, we submit herewith the information and documents as per the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008 and SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and the Listing Agreement thereunder, as mentioned below for the Half Year ended 30th September 2016.

1. Following issues of Non-Convertible Debentures have been listed with your Stock Exchange:

Details of listed NCDs:

SI NO	Series / Tranche	Date of Allotment	Date of Listing	No. of NCDs	Face value	Amt. of Issue (Rs.)	Latest Rating
					(Rs.)		
1	Secured - Series 6	30-09-14	10-10-14	100	1,000,000	100,000,000	IND A-/ Stable
2	Secured - Series 7	30-09-14	10-10-14	50	1,000,000	50,000,000	IND A-/ Stable
3	Secured - Series 9	30-10-14	10-11-14	50	1,000,000	50,000,000	IND A-/ Stable
4	Un Secured - Series 12	16-09-15	07-10-15	300	1,000,000	30,000,000	CRISIL A/ Stable
5	Un Secured - Series 18	24-08-16	06-09-16	500	1,000,000	50,000,000	CARE A+ (Single A Plus)
6	Un Secured - Series 19	26-08-16	09-09-16	1500	1,000,000	1,50,000,000	CARE A+ (Single A Plus)
7	Un Secured - Series 22	31-08-16	14-09-16	700	1,000,000	70,000,000	CARE A+ (Single A Plus)

2. We confirm that the proceeds the above said issues by the Company were utilized for the purpose as mentioned in the Information Memorandum of the respective issues.
3. The latest Credit Rating in respect of the said issues is mentioned in the statement under Sr. No.1 above and we confirm that credit rating is not downgraded in respect of any of the above issues, since the respective dates of the said NCDs issues.
4. The Asset Coverage for the above NCDs are 1.10 times (Series 6, 7, 9) and for Series 12,18,19,22 no asset cover ratio required.
5. The Debt Equity Ratio is 3.21 times.
6. Debt Service Coverage Ratio (for the Half year ended 30th September 2016) – 1.51 times
7. Interest Service coverage Ratio (for the Half year ended 30th September 2016) – 1.63 times
8. Net worth of the company as on 30th September 2016 - Rs.1960.09 Cr
9. The company has not issued any preference shares



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

T: +91 44 4299 5000 | F: +91 44 4299 5050 | corporate@equitas.in | www.equitasbank.com

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

10. The due date of payment of principal and interest and the actual date of payment for the half-year ending on 30.09.2016 are as under:

Series / Tranche	Type (Principal / Interest)	Due date of payment	Actual date of payment
Secured Series 6	Interest	30-09-16	30-09-16
Secured Series 7	Interest	30-04-16	02-05-16
		30-05-16	30-05-16
		30-06-16	30-06-16
		30-07-16	01-08-16
		30-08-16	30-08-16
		30-09-16	30-09-16
	Principal	30-04-16	02-05-16
		30-05-16	30-05-16
		30-06-16	30-06-16
		30-07-16	01-08-16
		30-08-16	30-08-16
		30-09-16	30-09-16
Secured Series 9	Interest	30-04-16	02-05-16
		30-05-16	30-05-16
		30-06-16	30-06-16
		30-07-16	01-08-16
		30-08-16	30-08-16
		30-09-16	30-09-16
	Principal	30-04-16	02-05-16
		30-05-16	30-05-16
		30-06-16	30-06-16
		30-07-16	01-08-16
		30-08-16	30-08-16
		30-09-16	30-09-16
Un Secured - Series 12	Interest	16-09-16	16-09-16
Un Secured - Series 18	Interest	NA	NA
	Principal	NA	NA
Un Secured - Series 19	Interest	NA	NA
	Principal	NA	NA
Un Secured - Series 22	Interest	NA	NA
	Principal	NA	NA

11. The assets of the Company which are secured for the NCDs issued are sufficient to discharge the claims of the debenture-holders as and when they become due.
12. The Cashflows of the Company are adequate for payment of interest and redemption of principal of the NCDs issued.



13. The due date of principal and interest of the above said NCDs during next half-year i.e. 01-10-2016 to

31-03-2017 are as under:

Series / Tranche	Type (Principal / Interest)	Due date of payment
Secured - Series 6	Interest	30-03-2016
	Principal	NIL
Secured - Series 7	Interest	30-10-16
		30-11-16
		30-12-16
		30-01-17
		28-02-17
		30-03-17
	Principal	30-10-16
		30-11-16
		30-12-16
		30-01-17
		28-02-17
		30-03-17
Secured - Series 9	Interest	30-10-16
	Principal	30-10-16
Un Secured - Series 12	Interest	16-03-2017
	Principal	NIL
Un Secured - Series 18	Interest	NIL
	Principal	NIL
Un Secured - Series 19	Interest	NIL
	Principal	NIL
Un Secured - Series 22	Interest	NIL
	Principal	NIL

We do not expect default in payment of principal / interest due in next half year.

14. We confirm that we have complied with all the provisions of relevant Regulations in relation to the issue and listing of NCDs issued by us and outstanding on 30.09.2016.
15. This company is 'Banking Company' and the NCDs mentioned above are privately placed and hence no 'Debenture Redemption Reserve' is required to be created.
16. The unaudited half-yearly results for the half-year ending on 30.09.2016 are attached as per the format in Annexure-II of Listing Agreement.
17. No event as detailed in clause 19 of the Listing Agreement has taken place during half year ending on 30.09.2016, requiring this company to notify to Stock Exchange or Debenture Trustees.



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18. The name, designation and contact details of "Compliance Officer" of this company are as under:

- (A) Name of Compliance Officer : Mr Sampathkumar K R
(B) Designation : Company Secretary
(C) Correspondence Address : 4th Floor, Spencer Plaza, Phase II,
No. 769, Anna Salai, Chennai - 600 002
(D) Phone, Fax No. : Phone: 044 - 4299 5000; Fax: 044 - 4299 5050
(E) Email ID : Email: corporate@equitas.in

19. We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you and that we are aware that above information is expected to be placed on the website of your Stock Exchange and that of Debenture Trustees.

Thanking you,

Yours sincerely,

For Equitas Small Finance Bank Limited


Sampathkumar K R
Company Secretary

Countersigned by:

For Catalyst Trusteeship Ltd

Debenture Trustees



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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 30 September 2016

(Rs. in Lakhs)

Particulars	Six months ended	Six months ended	Year ended
	30-Sep-16	30-Sep-15	31-Mar-16
	Unaudited	Audited	Audited
1 Income earned (a)+(b)+(c)+(d)	29,391.97	21,451.80	47,548.33
(a) Interest / discount on advances / bills	29,039.94	18,724.47	40,074.81
(b) Income on investments	156.28	1.28	1.28
(c) Interest on balances with Reserve Bank of India and other inter bank funds	195.75	-	-
(d) Others	-	2,726.05	7,472.24
2 Other Income (Refer notes 5 and 6)	13,778.73	5.32	59.48
3 Total Income (1+2)	43,170.70	21,457.12	47,607.81
4 Interest Expended (including Finance Charges)	13,023.63	7,396.29	15,911.31
5 Operating Expenses (i)+(ii)+(iii)	15,857.00	6,496.62	14,586.00
(i) Employee Cost	9,514.08	4,082.02	9,346.03
(ii) Depreciation / Amortisation	583.50	206.21	473.55
(iii) Other Operating Expenses	5,759.42	2,208.39	4,766.42
6 Total Expenditure, excluding provisions & contingencies (4+5)	28,880.63	13,892.91	30,497.31
7 Operating Profit before Provisions & Contingencies (3-6)	14,290.07	7,564.21	17,110.50
8 Provisions (including standard asset provision but other than Tax) and Contingencies (Refer note 5)	5,023.47	2,295.09	4,028.04
9 Exceptional Items (Refer note 7)	1,107.32	-	-
10 Profit from Ordinary Activities before tax (7-8-9)	8,159.28	5,269.12	13,082.46
11 Tax Expense	2,928.23	1,850.00	4,570.44
12 Net Profit from Ordinary Activities after tax (10-11)	5,231.05	3,419.12	8,512.02
13 Extraordinary Items (net of Tax Expense)	-	-	-
14 Net Profit for the Period / Year (12-13)	5,231.05	3,419.12	8,512.02
15 Paid-up Equity Share Capital (Face Value of Share: Rs.10 each) (Also Refer note 4)	100,594.34	42,300.00	42,300.00
16 Reserves excluding Revaluation Reserves	-	-	28,791.91
17 Analytical Ratios			
(i) Capital Adequacy Ratio (%) (Refer note 8)	31.29%	33.37%	29.60%
(ii) Earnings Per Share (EPS) - Not Annualised for six months - Basic / Diluted (Rs. per share)	0.87	0.81	2.01
18 NPA Ratio			
a) Gross NPA	14,369.74	5,449.63	5,525.27
Net NPA	6,631.34	4,070.52	4,055.78
b) % of Gross NPA to Receivables under financing activity (including Interest accrued but not due)	2.53%	2.73%	2.42%
% of Net NPA to Receivables under financing activity (including Interest accrued but not due)	1.17%	2.04%	1.78%
c) Return on Assets - Not Annualised for six months (% of Profit After Tax to Total Assets)	0.57%	1.50%	3.35%

Notes to the above unaudited financial results

- The above unaudited financial results ("Statement") of Equitas Small Finance Bank Limited ("Bank") for the six months ended 30 September 2016 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 20 October 2016 and have been subjected to a limited review by the Statutory Auditors.
- These unaudited financial results of the Bank have been prepared in accordance with the Banking Regulations Act 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act 2013, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, in so far as they apply to the Bank and the guidelines issued by the Reserve bank of India (RBI).
- Equitas Holdings Limited ("EHL"), the Holding Company of the Bank got listed in National Stock Exchange of India Limited and BSE Limited on 21 April 2016 post the Initial Public Offering ("IPO") of its Equity Shares. One of the objectives of the IPO was to invest in its wholly owned subsidiaries and accordingly EHL invested Rs. 28,800 lakhs in Equitas Finance Limited ("EFL"). In the meeting held on 21 April 2016, the Board of Directors of EFL issued and allotted 11,92,05,300 Equity Shares of Rs.10 each, fully paid up, at a premium of Rs.14.16 per share aggregating to Rs.28,800.00 lakhs to EHL. The premium collected on above issue of equity shares amounting to Rs.16,879.77 lakhs was credited to Securities Premium Account.



- 4 a) The Reserve Bank of India ("RBI") has issued Licence No. MUM: 119 dated 30 June 2016 to carry on the Small Finance Bank ("SFB") business in India subject to the terms and conditions stipulated in their letter dated 30 June 2016 addressed to EHL.
- b) In compliance with the conditions stipulated by the RBI, the erstwhile subsidiaries of EHL namely Equitas Micro Finance Limited ("EMFL") and Equitas Housing Finance Limited ("EHFL"), (collectively "Transferor Companies") have merged with EFL, ("Transferee Company") with effect from 2 September 2016 to form the Small Finance Bank, with EFL, being the continuing entity subsequent to the merger. The Scheme of Amalgamation for effecting the merger was approved by the Hon'ble High Court of Judicature at Madras vide its Order dated 6 June 2016 ("Scheme").
- c) EFL has obtained a fresh Certificate of Incorporation from the Registrar of Companies in the name of Equitas Small Finance Bank Limited dated 2 September 2016 and has commenced the Small Finance Bank operations with effect from 5 September 2016.
- d) The amalgamation was accounted as per Pooling of Interest Method as stipulated by Accounting Standard 14 " Accounting for Amalgamations" prescribed under Section 133 of the Companies Act, 2013 (AS 14). Accordingly, as per the said Standard, the Assets, Liabilities and Reserves of the Transferor Companies were accounted at their respective existing carrying values in the books of the Transferee Company.
- e) As a consideration for transfer of Assets and Liabilities due to merger, the Transferee Company issued to EHL 42,03,44,289 Equity Shares of Rs. 10 each fully paid-up, for merger of EMFL and 4,33,93,774 Equity Shares of Rs 10 each, fully paid up, for the merger of EHFL determined based on the swap ratio as approved by the scheme. Pending allotment of the said shares, the amount has been treated as "Share Capital Pending Allotment" as at 30 September 2016 in the books of accounts of Bank. These shares have been considered for computation of Earnings per Share (EPS) for the six months ended 30 September 2016.
- f) Consequent to the above, with reference to EMFL an amount of Rs 12,089.50 lakhs has been debited to surplus in statement of profit and loss and for EHFL an amount of Rs. 1,327.98 lakhs has been credited to Capital Reserve.
- g) Consequent to the above merger, the results for the six months ended 30 September 2016 include the results of the erstwhile EMFL and EHFL from the effective date of merger of 2 September 2016 and hence are not comparable to the results for the six months ended 30 September 2015.
- h) EMFL and EFL had different accounting policies relating to accounting for processing fees collected from the customers. In EMFL loan processing fee was recognised over the life of the loan on straight line basis and in EFL it was recognised as income in the year in which the loan is sanctioned. Consequent to the merger, as provided in the Scheme and in accordance with AS 14, the fee income is now recognised in the year in which loan is sanctioned. Accordingly an amount of Rs.2,150.74 lakhs (net of Income tax of Rs. 1,138.25 lakhs) has been credited to General Reserve and debited to Unamortised Processing Fee in accordance with AS 5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".
- 5 Consequent to the commencement of the SFB operations, the Bank revised the estimates for provision for advances to be in line with the prudential norms for Asset Classification and Provisioning applicable to banks as per Master circular RBI/ 2015-16/101 DBR.No.BP.BC.2/ 21.04.048 / 2015-16 dated 1 July 2015. As a result of the change, the excess provision in respect of standard assets appearing in the books of accounts created based on the accounting policies followed by the respective companies prior to merger amounting to Rs. 3,787.67 lakhs has been written back and disclosed under the head 'Other Income' in the Statement.
- The Bank has created a floating provision in respect of non-performing assets in accordance with Master Circular RBI/2015-16/101 DBR.No.BP.BC.2/ 21.04.048/ 2015-16 dated 1 July 2015 for amount of Rs 1,900.00 lakhs. The Bank has also provided Rs. 2,228.88 lakhs on substandard and doubtful assets which is over and above the minimum provision as stipulated in the said Circular.
- 6 Other income includes fees earned from providing services to customers, profit/loss on sale of investments(net) and fixed assets, excess interest spread and service fee income from securitisation transaction, recoveries from accounts written off, reversal of additional provision on standard and managed assets as detailed in Note 5 and income from sale of Priority Sector Lending Certificates.
- 7 Exceptional Items represent pre closure and other incidental costs incurred by the SFB on foreclosure of certain term loans taken by EFL and transferor companies in their earlier capacity as NBFC/HFC. Post commencement of SFB operations, these lines of credit are no longer available.
- 8 The Capital adequacy ratio ("CAR") as on 30 September 2016 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). The CAR as at 31 March 2016 and 30 September 2015 was computed based on guidance issued by the RBI as applicable to NBFC's and hence are not comparable.
- 9 Previous year / period figures have been regrouped / reclassified, wherever required, to conform to classification of the current period.

For Equitas Small Finance Bank Limited

P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai

Date : 20 October 2016

