

No. CTL/DEB/20-21/Noting Certificate/2948

November 10, 2020

To Whomsoever It May Concern,

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Equitas Small Finance Bank Limited (“the Company”)** for the Half year ended September 30, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For **Catalyst Trusteeship Limited**

DEESHA Digitally signed
by DEESHA
SRIKKAN SRIKKANTH
TH Date: 2020.11.10
19:45:32 +05'30'

Authorised Signatory

Encl: Results submitted by Company

November 9, 2020

The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai - 400051 Symbol : EQUITASBNK	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 Scrip Code : 543243
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Dear Sir/ Madam

Sub: Intimation on outcome of the Board Meeting held on November 09, 2020 and disclosure under Regulation 30 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 Regulations 30, 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI (LODR) 2015", we are pleased to forward the following:

- Unaudited Financial Results for the quarter and half year ended September 30, 2020 under Regulation 33 of the SEBI (LODR) 2015.
- Limited Review Report issued by the Statutory Auditors, T R Chadha & Co LLP.
- Disclosure under Regulation 52(4) of the SEBI (LODR) 2015.
- Press Release on the unaudited financial results for the quarter and half year ended September 30, 2020
- Investor Presentation on the unaudited financial results for the quarter and half year ended September 30, 2020 to be made to Analysts and Investors

The Meeting of the Board of Directors of the Bank commenced at 3.30 p.m. and concluded at 07.30 p.m.


The above information will be made available on the Bank's website www.equitasbank.com.

Kindly take the above information on record.

Thanking you.

Yours truly

for Equitas Small Finance Bank Limited


Sampathkumar K R
Company Secretary



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 103 1222 | CIN No.: U65191TN1993PLC025280

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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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Equitas Small Finance Bank Limited**

We have reviewed the accompanying statement of unaudited financial results of Equitas Small Finance Bank Limited for the period ended quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (the 'Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This statement has been prepared in accordance with the recognition and measurement principles laid down in Indian 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 guidelines issued by Reserve Bank of India (the RBI Guidelines) and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company 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.

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 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December 2015

Chennai Branch: Door No. 5D, V Floor, Mount Chambers, 758, Anna Salai, Chennai - 600 002
Phone: +91-44-42694571/572 Email: chennai@trchadha.com
Corporate/ Regd. Office: B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone 43259900, Fax: 43259930, E-mail: delhi@trchadha.com



T R Chadha & Co LLP
Chartered Accountants



Emphasis of Matter

We draw attention to Note 7 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.

Our opinion is not qualified with regard to this matter.

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No.: 006711N/ N500028

Sheshu Samudrala

Partner

Membership No.: 235031

UDIN: 20235031AAAABC8240



Place: Chennai

Date: November 9, 2020

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(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December 2015

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Phone 43259900, Fax: 43259930, E-mail: delhi@trchadha.com



EQUITAS SMALL FINANCE BANK LIMITED

CIN: U65191TN1993PLC025280

[formerly known as Equitas Finance Limited]

[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

Statement of Unaudited Financial Results for the quarter ended and half year ended September 30, 2020

(₹ in Lakh)

Particulars	Quarter ended			Half Year ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income Earned (a)+(b)+(c)	79,754.04	72,131.17	63,947.38	1,51,885.21	1,24,286.02	2,64,544.39
(a) Interest Income from Advances	72,999.77	66,160.54	58,083.39	1,39,160.31	1,13,084.87	2,42,000.67
(b) Income on Investments	5,668.71	4,386.63	4,078.13	10,055.34	7,986.33	15,765.17
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,085.56	1,584.00	1,785.86	2,669.56	3,214.82	6,778.55
2 Other Income	6,369.06	2,965.59	6,391.51	9,334.65	12,307.86	28,235.16
3 Total Income (1)+(2)	86,123.10	75,096.76	70,338.89	1,61,219.86	1,36,593.88	2,92,779.55
4 Interest Expended	33,628.99	31,703.29	28,893.88	65,332.28	55,516.23	1,15,013.81
5 Operating Expenses (i)+(ii)	30,525.69	29,191.73	28,327.28	59,717.42	56,003.26	1,18,007.86
(i) Employees Cost	18,779.48	19,448.05	16,958.88	38,227.53	33,896.07	70,978.90
(ii) Other Operating Expenses	11,746.21	9,743.68	11,368.40	21,489.89	22,107.19	47,028.96
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	64,154.68	60,895.02	57,221.16	1,25,049.70	1,11,519.49	2,33,021.67
7 Operating Profit before Provisions & Contingencies (3)-(6)	21,968.42	14,201.74	13,117.73	36,170.16	25,074.39	59,757.88
8 Provisions (other than tax) and Contingencies	8,390.86	6,834.05	4,536.59	15,224.91	7,617.99	24,663.85
9 Exceptional Items	-	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	13,577.56	7,367.69	8,581.14	20,945.25	17,456.40	35,094.03
11 Tax Expense	3,278.74	1,600.57	3,633.19	4,879.31	6,802.45	10,730.49
12 Net Profit from Ordinary Activities after tax (10)-(11)	10,298.82	5,767.12	4,947.95	16,065.94	10,653.95	24,363.54
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	10,298.82	5,767.12	4,947.95	16,065.94	10,653.95	24,363.54
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,05,340.16	1,05,340.16	1,00,594.34	1,05,340.16	1,00,594.34	1,05,340.16
16 Reserves excluding Revaluation Reserves						1,69,074.73
17 Analytical Ratios						
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 5)	20.93%	22.02%	21.58%	20.93%	21.58%	23.61%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)						
- Basic / Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.98	0.55	0.49	1.53	1.06	2.39
(iv) NPA Ratio						
(a) Gross NPAs	39,964.62	41,666.55	37,721.77	39,964.62	37,721.77	41,731.77
(b) Net NPAs	19,892.23	23,237.14	23,086.63	19,892.23	23,086.63	24,761.39
(c) % of Gross NPA to Gross Advances	2.48%	2.86%	2.88%	2.48%	2.88%	3.00%
(d) % of Net NPA to Net Advances	1.03%	1.48%	1.63%	1.03%	1.63%	1.66%
(v) Return on Assets (average)- not annualised	0.47%	0.28%	0.29%	0.76%	0.64%	1.38%



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

		(₹ in Lakh)					
SI No	Particulars	Quarter ended			Half Year ended		Year ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
a)	Treasury	6,731.72	6,252.54	5,921.69	12,984.26	11,300.35	24,868.72
b)	Retail Banking	74,919.93	65,568.51	61,401.07	1,40,488.44	1,19,931.02	2,55,758.58
c)	Wholesale Banking	3,054.68	2,166.80	2,170.23	5,221.48	3,837.91	8,637.34
d)	Other Banking operations	1,416.77	1,108.91	845.90	2,525.68	1,524.60	3,514.91
e)	Unallocated	-	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-	-
	Income from operations	86,123.10	75,096.76	70,338.89	1,61,219.86	1,36,593.88	2,92,779.55
2	Segment results						
a)	Treasury	2,375.08	3,225.72	2,089.91	5,600.80	3,871.82	11,883.61
b)	Retail Banking	11,015.92	4,955.04	7,952.01	15,970.95	16,095.55	26,721.46
c)	Wholesale Banking	1,127.03	294.14	68.75	1,421.17	506.05	2,534.91
d)	Other Banking operations	701.96	468.66	160.81	1,170.62	311.05	1,264.61
e)	Unallocated	(1,642.43)	(1,575.87)	(1,690.34)	(3,218.29)	(3,328.07)	(7,310.56)
	Total Profit before Tax	13,577.56	7,367.69	8,581.14	20,945.25	17,456.40	35,094.03
3	Segment assets						
a)	Treasury	4,71,777.19	3,90,760.00	2,98,122.75	4,71,777.19	2,98,122.75	2,72,336.98
b)	Retail Banking	16,83,350.34	15,76,140.06	12,91,948.21	16,83,350.34	12,91,948.21	15,39,411.55
c)	Wholesale Banking	1,06,061.22	99,889.00	1,09,061.47	1,06,061.22	1,09,061.47	99,366.96
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	23,826.98	22,424.84	22,113.92	23,826.98	22,113.92	20,339.19
	Total Assets	22,85,015.73	20,89,213.90	17,21,246.35	22,85,015.73	17,21,246.35	19,31,454.68
4	Segment liabilities						
a)	Treasury	4,14,857.26	3,40,990.81	2,59,697.61	4,14,857.26	2,59,697.61	2,35,330.53
b)	Retail Banking	14,85,187.61	13,79,667.55	11,29,052.58	14,85,187.61	11,29,052.58	13,34,448.29
c)	Wholesale Banking	93,697.06	87,573.27	95,337.07	93,697.06	95,337.07	86,254.69
d)	Other Banking operations	-	-	-	-	-	-
e)	Unallocated	792.95	800.25	1,073.29	792.95	1,073.29	1,006.28
	Capital and Other Reserves	2,90,480.85	2,80,182.02	2,36,085.80	2,90,480.85	2,36,085.80	2,74,414.89
	Total liabilities	22,85,015.73	20,89,213.90	17,21,246.35	22,85,015.73	17,21,246.35	19,31,454.68

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:

1 Statement of Assets and Liabilities as on September 30, 2020 is given below:

		(₹ in Lakh)		
SI No	Particulars	As at	As at	Year ended
		30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Audited
	CAPITAL AND LIABILITIES			
1	Capital	1,05,340.16	1,00,594.34	1,05,340.16
2	Reserves and Surplus	1,85,140.69	1,35,491.46	1,69,074.73
3	Deposits	12,90,058.44	10,02,508.64	10,78,840.55
4	Borrowings	6,17,448.84	4,27,365.92	5,13,487.36
5	Other Liabilities and Provisions	87,027.60	55,285.99	64,711.88
	Total Liabilities	22,85,015.73	17,21,246.35	19,31,454.68
	ASSETS			
6	Cash and Balances With Reserve Bank of India	42,582.86	43,631.78	38,086.37
7	Balances With Banks and Money At Call and Short Notice	1,47,514.93	68,681.38	2,15,597.88
8	Investments	4,29,194.33	2,54,490.97	2,34,250.62
9	Advances	15,93,026.98	12,95,955.58	13,74,724.15
10	Fixed Assets	19,539.23	21,764.53	21,276.94
11	Other Assets	53,157.40	36,722.11	47,518.72
	Total Assets	22,85,015.73	17,21,246.35	19,31,454.68



2 Statement of Cash Flow for the half year ended September 30,2020 is given below:

(₹ in Lakh)

Particulars	Half Year ended		Year ended
	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Audited
Cash Flow from Operating activities			
Profit Before Tax	20,945.25	17,456.40	35,094.03
Adjustments for:			
Depreciation on fixed assets	3,820.74	4,786.19	9,645.45
Depreciation on investments	821.38	229.88	-
Amortization on held to maturity securities	457.52	263.80	600.39
Provision for standard assets	756.12	860.82	1,513.01
General Provision under COVID-19 – Regulatory Package	7,100.00	-	9,963.00
Bad debts written off	2,167.08	2,771.77	7,150.44
Provision for Non performing assets	3,102.00	3,706.30	6,041.54
Other Provision and Contingencies	(268.23)	49.22	(4.48)
Loss on sale of fixed assets	(3.91)	10.26	25.97
Interest expenses on borrowings	24,230.65	20,763.17	43,617.28
Interest income on bank balances not considered as cash and cash equivalents	(15.84)	22.63	(55.41)
	63,112.76	50,920.44	1,13,591.22
Adjustments for:			
(Increase)/Decrease in investments	(1,96,222.61)	(20,539.24)	(405.60)
(Increase)/Decrease in advances	(2,23,571.92)	(1,43,071.95)	(2,28,415.68)
Increase/(Decrease) in deposits	2,11,217.89	1,01,835.01	1,78,166.92
(Increase)/Decrease in other assets	(3,294.91)	(825.50)	(12,306.00)
Increase/(Decrease) in other liabilities and provisions	12,424.33	5,148.82	6,738.34
Direct taxes paid	(7,216.12)	(10,025.70)	(13,407.66)
Net cash (used in)/ generated from operating activities (A)	(1,43,550.58)	(16,558.13)	43,961.54
Cash flow from investing activities			
Purchase of fixed assets	(2,133.69)	(2,969.40)	(7,437.18)
Proceeds from sale of fixed assets	54.58	141.28	222.44
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	354.40	-	(6.22)
Interest received from bank balances not considered as cash and cash equivalents	8.88	(29.31)	47.96
Net cash (used in) / generated from investing activities (B)	(1,715.83)	(2,857.43)	(7,173.00)
Cash flow from financing activities			
Increase/(decrease) in borrowings (net)	1,03,961.48	30,063.31	1,16,184.75
Proceeds from issue of share capital (including share premium)	-	-	25,001.00
Share issue Expenses	-	-	(381.50)
Interest paid on borrowings	(21,927.13)	(24,396.21)	(49,976.27)
Net cash generated from / (used in) financing activities (C)	82,034.35	5,667.10	90,827.98
Net decrease in cash and cash equivalents (A)+(B)+(C)	(63,232.06)	(13,748.46)	1,27,616.52
Cash and Cash equivalents at April 1st	2,53,148.49	1,25,532.07	1,25,531.97
Cash and Cash equivalents at end of the period /year	1,89,916.43	1,11,783.61	2,53,148.49



- 3 The above unaudited financial results ("Statement") of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter ended and half year ended September 30, 2020 were reviewed by the Audit Committee at their meeting held on November 9, 2020 and approved by the Board of Directors at their meeting held on November 9, 2020 and have been subjected to a limited review by the Statutory Auditors of the Bank.
- 4 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).
- 5 The Capital adequacy ratio ("CAR") as on September 30, 2020 and as on March 31, 2020 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 As part of small finance bank licensing guidelines, Reserve Bank of India (RBI) has mandated listing of shares of the Bank within 3 years from the date of commencement of operations (i.e., from 5th September 2016). In the absence of Securities Exchange Board of India's ("SEBI") approval to a scheme of arrangement, which would have resulted in the listing of the Bank's shares, and the consequent non-compliance with the relevant listing condition, RBI 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. (However, in December 2019, the Bank has subsequently obtained the specific approval of the RBI for opening 240 banking outlets). 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. Subsequently, the Bank has filed a Draft Red Herring Prospectus with SEBI on December 16, 2019 and Stock Exchanges (National Stock Exchange of India Limited and BSE Limited). The Bank has received in principle approval from Stock Exchanges and observations from the SEBI on its Draft Red Herring Prospectus ("DRHP"). In March 2020, the Bank filed a revised DRHP after addressing the SEBI's comments, and was in the process of completing the Initial Public Offer ("IPO") of shares. However, due to the COVID-19 global pandemic and consequent lockdowns across the country, the completion of the listing process and the IPO of shares has been delayed.

Pursuant to relaxation permitted by SEBI vide its circular bearing reference no. SEBI/HO/CFD/DIL1/CIR/P/2020/66 dated April 21, 2020 ("SEBI Circular"), the Bank had filed with SEBI an addendum to its DRHP, reducing the Offer Size and the updated DRHP including financials as on June 30, 2020 was filed with SEBI in September 2020. Pursuant to ROC approval of Red Herring Prospectus, the Initial Public Offer with the reduced offer size was launched on October 20, 2020. The IPO concluded on October 22, 2020, subsequent to which shares were allotted to the successful bidders on October 28, 2020 and the shares of the Bank were listed with BSE and NSE with effect from November 2, 2020. With this, the Bank has complied with the licensing requirement of listing shares of the Bank. The Bank has also applied to RBI seeking lifting of the regulatory restrictions imposed vide letter dated September 06, 2019. RBI has acceded to the Bank's request for lifting of regulatory restrictions vide its letter dated November 9, 2020.

- 7 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 40-day lockdown in India to contain the spread of the virus till May 3, 2020, which has been further extended till May 17, 2020 with some relaxations in specific areas. This has led to significant disruptions and dislocations for individuals and businesses, and has had consequential impact on regular banking operations including lending, fund-mobilisation, and collection activities. In respect of the Bank's loan book, Management has made provisions as more fully explained in Note 8 to these financial results. However, the full extent of impact of the COVID-19 pandemic on the Bank's operations, and financial metrics (including impact on provisioning on advances) will further depend on government and regulatory guidelines which may come in future and future developments which are uncertain and incapable of estimation at this time.
- 8 In terms of the COVID-19 Regulatory Package of the RBI, vide guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020, the Bank has granted a moratorium of upto six months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers, in accordance with the Schemes approved by the Bank's Board. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Assets Classification and Provisioning ("IRAC") norms). The Bank has maintained provisions as on September 30, 2020 in respect of accounts in default but standard against the potential impact of COVID-19. Further, as required under the IRAC norms and based on management's assessment, the Bank has made provision of ₹. 99.63 crore in the quarter ended March 20 (including ₹.2.98 crores representing the minimum provision of entire 10% on standard assets availing moratorium where asset classification benefit is extended as required in paragraph 5 of the RBI's guidelines dated April 17, 2020). Further, the Bank has made general provision of ₹. 71.00 crore during the half year ended September 2020. With this The Bank has accumulated general Provision of ₹. 170.63 crore (including ₹.25.66 crore representing the minimum provision of entire 10% on standard assets availing moratorium where asset classification benefit is extended as required in paragraph 5 of the RBI's guidelines dated April 17, 2020), based on assessment of recoverability of advances after considering internal and external information and the norms prescribed by RBI. The provision held by the bank is in excess of the minimum norms prescribed by RBI.



- 9 In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its Circulars dated March 27, 2020 and April 17, 2020, permitted banks to grant a moratorium, on the payment of Instalments and / or interest, falling due between March 1, 2020 and May 31, 2020 to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved Policies. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e the number of days past due shall exclude the moratorium period for the purposes of determining whether an asset is non performing).

The Quantitative disclosures as required by RBI Circular dated April 17, 2020 for the half year ended September 30, 2020 are given below.

Particulars	Amount in Rs crore
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the COVID circular	996.30
Respective amount where asset classification benefits is extended	11,316.89
Provisions made during the Q4 FY 20, Q1 FY 21 and Q2 FY21 in terms of paragraph 5 of the COVID circular	170.63
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of the COVID circular	Nil

- 10 The Bank has granted 38,00,360 options under the ESFB Employee Stock Option Scheme (ESOP) 2019 to eligible employees of the Bank as defined during the half year ended September 30, 2020. As at September 30, 2020, out of 4,52,09,088 total options granted, 32,72,301 options were lapsed, and 4,19,36,787 options are yet to be vested.
- 11 The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim Order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any account (whether granted moratorium or not) which was not NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020. Further, in light of the Interim Order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time that the Hon'ble SC rules finally on the matter.
- However, if the Bank had classified borrower accounts as NPA after August 31, 2020, the Bank's proforma Gross NPA ratio and proforma Net NPA ratio would have been 2.86% and 1.45% respectively. Pending disposal of the case, the Bank, as a matter of prudence has, in respect of these accounts made a contingent provision (including on interest accrued) of ₹. 15.43 crore, which is included in 'Provisions (other than tax) and Contingencies'
- 12 Department of Financial Services, Ministry of Finance, Government of India vide notification no. F.No.2/12/2020-BOA.I dated October 23, 2020 conveyed that in view of the unprecedented and extreme COVID - 19 situation, the Central Government has approved "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts, (March 01, 2020 — August 31, 2020)". The benefits under the Scheme would be routed through lending institutions (as defined in the notification). The Management of the Bank has put in place a process note in line with the operational guidelines and pronouncements issued in this regard and conducted the aforesaid exercise of crediting the benefit in the respective accounts of eligible borrowers within the prescribed timeline. No effect of the Notification and the resultant credits to the loan accounts of eligible borrowers has been made in these financial results, which the Bank intends to do in subsequent quarter.
- 13 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


P N Vasudevan

Managing Director and Chief Executive Officer

Place: Chennai
Date : November 9, 2020



ANNEXURE FOR NON-CONVERTIBLE DEBENTURES ISSUED ON PRIVATE PLACEMENT BASIS UNDER REGULATION 52(4) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

a) **Credit Rating and Changes in Credit Rating (if any):**

Equitas Small Finance Bank Limited being rated by leading rating agencies of India, the Credit ratings of the Bank as on 30th September 2020 are as follows:

Nature of Debt Instrument	Rating Agency	Term	Credit Ratings
Subordinated/Tier II Bonds	India Ratings	Long Term	IND A+ / Stable
	CRISIL	Long Term	CRISIL A+/Stable
	CARE	Long Term	CARE A+/Stable
Bank Loans/ Refinance	CRISIL	Long Term	CRISIL A+/Stable
Certificate of Deposits	CRISIL	Short Term	CRISIL A1+

b) **Debt Services Coverage Ratio, Asset Cover and Interest Service Coverage Ratio:**

Equitas Small Finance Bank Limited being a banking company, requirement of Debt Service Coverage Ratio, Asset cover and Interest Coverage Ratio is not applicable.

c) **Debt Equity Ratio (for the half year ended on 30th September 2020): 6.57 times** (Total Borrowing is considered as Debt for the calculation of Debt Equity Ratio)

d) **Previous due date for the payment of Interest / Principal for the half year ended on 30th September 2020:** All the amounts were duly paid, please Refer Annexure A.

e) **Next due date for the payment of Interest / Principal along with the amount of Interest payable and the redemption amount:** Refer Annexure B.

f) **Capital Redemption Reserve/Debenture Redemption Reserve:** Equitas Small Finance Bank Limited being a banking company as on 30th September 2020, accordingly Debenture Redemption Reserve requirement is not applicable for Privately Placed Debentures.

g) **Net Worth:** The Net Worth of the Bank as on 30th September 2020 is Rs.2,90,480.85 Lakhs.



Equitas Small Finance Bank Limited

(Previously known as Equitas Finance Limited)

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h) **Net Profit after Tax:** The Net Profit after tax for the half year ended on 30th September 2020 is Rs. 16,065.94 Lakhs.

i) **Earnings Per Share:**

Earnings per equity share (including exceptional item):

Particulars	EPS
Basic (in Rs.)	1.53
Diluted (in Rs.)	1.53

Earnings per equity share (excluding exceptional item):


Particulars	EPS
Basic (in Rs.)	1.53
Diluted (in Rs.)	1.53

j) **Asset Cover available (Regulations 54):** All the sub-ordinated debt instrument issued by the Bank are unsecured in nature hence asset cover is not applicable.

We request you to take the above information on your records

Thanks & Regards,

For Equitas Small Finance Bank Limited



Sampathkumar K R
Company Secretary



Annexure A				
SR NO	ISIN	Payment Type	Due Date of Payment	Amount in (Rs)
1	INE186N08025	Interest	30 th September 2020	2,41,97,260
2	INE186N08033	Interest	16 th September 2020	2,08,13,115
3	INE186N08041	Interest	28 th September 2020	8,38,39,344
4	INE063P08013	Interest	30 th September 2020	3,01,45,753

Annexure B				
SR NO	ISIN	Payment Type	Due Date of Payment	Amount in (Rs)
1	INE186N08025	Interest	30 th March 2021	2,38,02,740
2	INE186N08033	Interest	16 th March 2021	2,05,29,863
3	INE186N08041	Interest	29 th March 2021	8,40,69,041
4	INE063P08013	Interest	30 th March 2021	2,96,54,247

