

No. CTL/DEB/21-22/Noting Certificate/245

April 29, 2021

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 March 31, 2021.

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**



For CATALYST TRUSTEESHIP LIMITED
Authorised Signatory

Authorised Signatory

Encl: Results submitted by Company



April 29, 2021

The Secretary National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex (BKC) Bandra (East) Mumbai - 400051	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
Symbol: EQUITASBNK	Scrip Code No-543243
F Group - Debt Instruments listed in BSE Ref: Scrip Codes - 951930, 951924, 952815 and 952812	

Dear Sirs,

Sub: Intimation on outcome of the Board Meeting held on April 29, 2021 and disclosure under Regulation 30 & 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 30, 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to forward the following:

- a) Audited financial results for the quarter and financial year ended March 31, 2021 under Regulation 33 of the SEBI (LODR) 2015.
- b) Auditors Report from the Statutory Auditors, T R Chadha & Co LLP.
- c) Press Release on the audited financial results for the quarter & financial year ended March 31, 2021.
- d) Declaration under Regulation 33(3)(d) & 52 (3) of the SEBI (LODR) Regulations, 2015.
- e) Disclosure pursuant to Regulation 52(4) of SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors of the Company commenced at 14.30 hours and concluded at 17.30 hours

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





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

1.Statement of Audited Financial Results for the quarter ended and year ended March 31, 2021.

(₹ in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited (Refer Note No 5)	Unaudited	Unaudited	Audited	Audited
1 Income Earned (a)+(b)+(c)	81,833.36	85,722.75	72,587.05	319,441.32	264,544.39
(a) Interest Income from Advances	73,637.70	77,284.89	66,842.07	290,082.90	242,000.67
(b) Income on Investments	5,859.30	6,023.83	3,709.45	21,938.47	15,765.17
(c) Interest on balances with Reserve Bank of India and other inter bank funds	2,336.36	2,414.03	2,035.53	7,419.95	6,778.55
2 Other Income	17,839.59	14,631.23	7,360.38	41,805.47	28,235.16
3 Total Income (1)+(2)	99,672.95	100,353.98	79,947.43	361,246.79	292,779.55
4 Interest Expended	36,976.40	37,336.61	30,186.85	139,645.29	115,013.81
5 Operating Expenses (i)+(ii)	37,712.32	35,513.12	30,920.84	132,942.86	118,007.86
(i) Employees Cost	20,423.79	20,493.64	18,695.29	79,144.96	70,978.90
(ii) Other Operating Expenses	17,288.53	15,019.48	12,225.55	53,797.90	47,028.96
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	74,688.72	72,849.73	61,107.69	272,588.15	233,021.67
7 Operating Profit before Provisions & Contingencies (3)-(6)	24,984.23	27,504.25	18,839.74	88,658.64	59,757.88
8 Provisions (other than tax) and Contingencies	9,698.23	12,608.82	12,996.48	37,531.96	24,663.85
9 Exceptional Items	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	15,286.00	14,895.43	5,843.26	51,126.68	35,094.03
11 Tax Expense	3,999.13	3,825.92	1,541.92	12,704.36	10,730.49
12 Net Profit from Ordinary Activities after tax (10)-(11)	11,286.87	11,069.51	4,301.34	38,422.32	24,363.54
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	11,286.87	11,069.51	4,301.34	38,422.32	24,363.54
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	113,927.83	113,925.01	105,340.16	113,927.83	105,340.16
16 Reserves excluding Revaluation Reserves					169,074.73
17 Analytical Ratios					
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II	24.18%	21.58%	23.61%	24.18%	23.61%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)					
- Basic (₹) before & after extraordinary items (net of tax expense) - not annualised	0.99	0.99	0.41	3.53	2.39
Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.98	0.99	0.41	3.49	2.39
(iv) NPA Ratio					
(a) Gross NPAs	64,278.42	38,759.95	41,731.77	64,278.42	41,731.77
(b) Net NPAs	26,617.46	11,185.99	22,861.39	26,617.46	22,861.39
(c) % of Gross NPA to Gross Advances	3.73%	2.27%	3.00%	3.73%	3.00%
(d) % of Net NPA to Net Advances	1.58%	0.67%	1.67%	1.58%	1.67%
(v) Return on Assets (average)- not annualised	0.44%	0.44%	0.22%	1.65%	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			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited (Refer Note No 5)	Unaudited	Unaudited	Audited	Audited
1	Segment revenue					
a)	Treasury	12,900.50	13,927.13	6,636.54	39,811.89	24,868.72
b)	Retail Banking	82,778.37	82,036.42	69,730.87	305,303.23	255,758.58
c)	Wholesale Banking	2,248.47	2,484.54	2,406.01	9,954.49	8,637.34
d)	Other Banking operations	1,745.61	1,905.89	1,174.01	6,177.18	3,514.91
e)	Unallocated	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-
	Income from operations	99,672.95	100,353.98	79,947.43	361,246.79	292,779.55
2	Segment results					
a)	Treasury	9,822.42	11,938.04	3,677.76	27,361.26	11,883.61
b)	Retail Banking	4,790.48	2,279.78	1,647.68	20,936.25	22,159.55
c)	Wholesale Banking	361.78	207.71	503.96	1,568.18	1,428.40
d)	Other Banking operations	1,002.83	1,108.51	583.47	3,281.96	1,264.61
e)	Unallocated	(691.51)	(638.61)	(569.61)	(2,020.97)	(1,642.14)
	Total Profit before Tax	15,286.00	14,895.43	5,843.28	51,126.68	35,094.03
3	Segment assets					
a)	Treasury	421,997.41	412,263.83	272,336.98	421,997.41	272,336.98
b)	Retail Banking	1,921,064.25	1,989,289.86	1,543,884.73	1,921,064.25	1,543,884.73
c)	Wholesale Banking	113,138.96	121,219.70	101,331.35	113,138.96	101,331.35
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	15,321.84	16,699.03	12,001.62	15,321.84	12,001.62
	Total Assets	2,471,522.46	2,539,472.42	1,929,554.68	2,471,522.46	1,929,554.68
4	Segment liabilities					
a)	Treasury	365,996.80	361,262.51	235,330.53	365,996.80	235,330.53
b)	Retail Banking	1,666,131.94	1,742,959.01	1,332,548.29	1,666,131.94	1,332,548.29
c)	Wholesale Banking	98,125.00	106,223.58	86,254.69	98,125.00	86,254.69
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	1,634.61	950.56	1,006.28	1,634.61	1,006.28
	Capital and Other Reserves	339,634.11	328,076.78	274,414.89	339,634.11	274,414.89
	Total liabilities	2,471,522.46	2,539,472.42	1,929,554.68	2,471,522.46	1,929,554.68

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 March 31, 2021 is given below:

(₹ in Lakh)			
SI No	Particulars	As at	As at
		31-Mar-21	31-Mar-20
		Audited	Audited
	CAPITAL AND LIABILITIES		
1	Capital	113,927.83	105,340.16
2	Reserves and Surplus	225,706.28	169,074.73
3	Deposits	1,639,197.17	1,078,840.55
4	Borrowings	416,532.00	513,487.36
5	Other Liabilities and Provisions	76,159.18	62,811.88
	Total Liabilities	2,471,522.46	1,929,554.68
	ASSETS		
6	Cash and Balances With Reserve Bank of India	51,480.80	38,086.37
7	Balances With Banks and Money At Call and Short Notice	286,390.44	215,597.88
8	Investments	370,516.61	234,250.62
9	Advances	1,684,794.67	1,372,824.15
10	Fixed Assets	18,505.00	21,276.94
11	Other Assets	59,834.94	47,518.72
	Total Assets	2,471,522.46	1,929,554.68



2 Statement of Cash Flow as at March 31, 2021 is given below:

(₹ in Lakh)

Particulars	Year ended 31-Mar-21 (Audited)	Year ended 31-Mar-20 (Audited)
Cash Flow from Operating activities		
Profit Before Tax	51,126.68	35,094.03
Adjustments for:		
Depreciation on fixed assets	7,643.32	9,645.45
Amortization on held to maturity securities	1,140.08	600.39
Provision for standard assets	3,702.55	1,513.01
General Provision under COVID-19 – Regulatory Package	(9,963.00)	9,963.00
Bad debts written off	24,473.28	7,150.44
Provision for Non performing assets	18,790.58	6,041.54
Other Provision and Contingencies	524.47	(4.48)
Profit/(Loss) on sale of fixed assets	(3.72)	25.97
Interest expenses on borrowings	45,968.66	43,617.28
Interest income on bank balances not considered as cash and cash equivalents	(43.72)	(55.41)
	143,359.18	113,591.22
Adjustments for:		
(Increase)/Decrease in investments	(137,406.07)	(405.60)
(Increase)/Decrease in advances	(355,234.38)	(228,415.68)
Increase/(Decrease) in deposits	560,356.62	178,166.92
(Increase)/Decrease in other assets	(9,638.63)	(12,306.00)
Increase/(Decrease) in other liabilities and provisions	18,347.13	6,738.34
Direct taxes paid	(15,389.66)	(13,407.66)
Net cash (used in)/ generated from operating activities (A)	204,394.19	43,961.54
Cash flow from investing activities		
Purchase of fixed assets	(4,998.28)	(7,437.18)
Proceeds from sale of fixed assets	130.62	222.44
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	535.76	(6.22)
Interest received from bank balances not considered as cash and cash equivalents	51.45	47.96
Net cash (used in) / generated from investing activities (B)	(4,280.45)	(7,173.00)
Cash flow from financing activities		
Borrowings taken during the year	2,840,424.71	3,237,757.06
Borrowings repaid during the year	(2,937,380.07)	(3,121,572.31)
Proceeds from issue of share capital (including share premium)	28,278.52	25,001.00
Share issue Expenses	(1,481.63)	(381.50)
Interest paid on borrowings	(45,232.52)	(49,976.27)
Net cash generated from / (used in) financing activities (C)	(115,390.99)	90,827.98
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	84,722.75	127,616.52
Cash and Cash equivalents at the beginning of the year	253,148.49	125,531.97
Cash and Cash equivalents at the year end	337,871.24	253,148.49
Notes to cash flow statement :		
Cash and Cash equivalents include the following		
Cash and Balances With Reserve Bank of India	51,480.80	38,086.37
Balances With Banks And Money At Call And Short Notice	286,390.44	215,597.88
Balances not considered as part of cash and cash equivalents:		
Bank deposits with an original maturity of more than three months or Bank deposits under lien	-	(535.76)
Cash and Cash equivalents at the year end	337,871.24	253,148.49



Notes

- 3 This audited financial results (along with the notes given below) hereafter "Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the three months and year ended March 31, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on April 29, 2021
- 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 figures of the last quarter in each of the financial years are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year.
- 6 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).
- 7 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.
- 8 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 had 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 obtained specific approval of the RBI for opening 240 banking outlets).

During year ended March 31, 2021, the Bank successfully completed Initial Public Offer (IPO) of its shares comprising issue of 8,48,48,484 equity shares of ₹. 10/ each at premium of ₹. 23 per share, thereby raising ₹.280 crore and an offer for sale of 7,20,00,000 equity shares @ ₹. 33 per share, by the Equitas Holdings Limited. The equity shares of the Bank got listed on November 2, 2020 on National stock exchange (NSE) and BSE Ltd, thereby complying with the licensing condition of listing the shares of the Bank. Subsequently, RBI lifted the previously mentioned restrictions vide its letter dated November 9, 2020.

- 9 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 lockdowns continued in many parts of the country with significant number of COVID-19 infections.

This lockdown coupled with change in customer behaviours 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, including the ongoing second wave of increasing infections, 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, which are uncertain and incapable of estimation at this time.

- 10 The Reserve Bank of India (RBI) vide its notification reference RBI/2021-22/23/DOR.ACC.REC.7/21.02.067/2021-22 Dated: April 22, 2021, stated that in view of the continuing uncertainty caused by the ongoing second wave of COVID-19 in the country, it is crucial that banks remain resilient and proactively raise and conserve capital as a bulwark against unexpected losses. While allowing banks to pay dividend on equity shares at the half of that permitted vide circular dated May 4, 2005, the said circular requires the Board of Directors of the Bank to consider projected capital position and requirements, adequacy of provisions, etc before deciding upon payment of dividend. Accordingly, considering the need to preserve capital in these uncertain times, the Board did not recommend any dividend for the financial year ended March 31, 2021.
- 11 In accordance with Resolution Framework for COVID-19 announced by RBI on 6th August, 2020, the Bank has implemented a one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.
- 12 In accordance with the COVID-19 Regulatory Packages announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Bank, in accordance with its board approved policy, offered a moratorium on the repayment of all instalments and / or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained standstill during the moratorium period.

The disclosures as required by RBI circular dated April 17, 2020 are given below:

Particulars	₹ In Crore
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the COVID circular (as at March 31, 2020).	996.30
Respective amount where asset classification benefits is extended as of March 31, 2021 in respect of such accounts	9,403.60
Provisions made during the Q4FY2020, Q1 FY 2021 and Q2 FY 2021 in terms of paragraph 5 of the COVID circular	170.63
Provisions adjusted against slippages during the year ended on March 31,2021	170.63
The Residual provisions in terms of paragraph 6 of the COVID circular	Nil

- 13 Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

(₹ In Crore)

Type of Borrower	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	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	8,224	434.33	-	2.88	25.33
Total	8,224	434.33	-	2.88	25.33



- 14 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"), had directed banks that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, the Bank did not classify any account which was not NPA as of August 31, 2020 as per the RBI IRAC norms, as NPA after August 31, 2020.

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 at December 31, 2020 would have been 4.24% and 1.74% respectively. Pending disposal of the case, the Bank, as a matter of prudence, had made in respect of these accounts a contingent provision, which was included in 'Provisions (other than tax) and Contingencies'.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

In accordance with the instructions in the RBI circular dated April 07, 2021, the Bank shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) vide letter CE/IBA/ 2021 dated 21st April 2021 in consultation with other industry participants / bodies vide letter CE/IBA/ 2021 dated 21st April 2021. The Bank has calculated the said amount and recognised a charge in Profit and Loss account for the year ended March 31, 2021.

- 15 During the year ended March 31, 2021, The Bank has realised ₹. 61.99 Crore (Previous year: ₹.22.34 crores) from sale of Priority Sector Lending Certificates ('PSLC').
- 16 The Bank has granted 96,94,716 options under the ESFB Employees Stock Option Scheme 2019 to eligible employees of the Bank as defined during year ended March 31,2021. Out of total options 5,11,03,444 granted till 31st March 2021 ,292,62,683 Options were vested and 62,57,160 options were lapsed, and 145,55,437 options are yet to be vested.
- 17 The Bank, during the year ended March 31, 2021, has allotted 10,28,164 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 Banks's Employee Stock Option Scheme.
- 18 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: April 29, 2021





Independent Auditors Report on the Annual 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

TO THE BOARD OF DIRECTORS OF EQUITAS SMALL FINANCE BANK LIMITED

Opinion

We have audited the accompanying Financial Results of Equitas Small Finance Bank Limited ("the Bank") for the quarter and year ended March 31, 2021 (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 ("Regulations") including other relevant regulation and circular issued by SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations, as at 31st March, 2021, including Leverage Ratio and Liquidity Coverage Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement under Note 7, have not been audited by us.

In our opinion and to the best of our information and according to the explanations given to us, the Statement

- i) presents financial results in accordance with the requirements of the Regulation 33 of the Listing Regulations except for the disclosures relating to Pillar 3 disclosure, as at 31st March, 2021, including Leverage Ratio and Liquidity Coverage Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been audited by us; and
- ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the accounting standards (AS) prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent applicable, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the quarter and year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 9 to the accompanying Statement which describes the extent to which the Covid - 19 pandemic will continue to impact the Bank's results will depend on ongoing and future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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

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





Responsibilities of Management and Those Charged With Governance for the Statement

This Statement has been compiled from the annual audited financial statements. The Bank's Management and the Board of Directors are responsible for the preparation of the Statement that gives a true and fair view of the net profit after tax and other financial information in accordance with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949 and the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Circulars issued by SEBI. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error..

In preparing the Statement, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs, specified under section 143(10) of the Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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





- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement include the financial results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

The annual financial statement of the Bank for the year ended March 31, 2020, have been audited by the predecessor auditors who expressed their unmodified opinion on those financial statement on 14th May 2020. We did not audit the financial results for the quarter ended 31st March 2020, included in the statement as the same has been compiled by the management from the management certified financial statements as the Bank was not listed entity and accordingly not required to present audited quarterly results.

Our opinion on the Statement is not modified in respect of the above matter.

For **TR CHADHA & CO LLP**

Chartered Accountants

ICAI Firm registration number: 006711N/N500028

**SHESHU
SAMUDRALA**
A

Digitally signed by
SHESHU SAMUDRALA
Date: 2021.04.29
17:29:23 +05'30'



per **Sheshu Samudrala**

Partner

Membership Number: 235031

UDIN: 21235031AAAAAK6776

Place: Chennai

Date: 29.04.2021

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



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

April 29, 2021

Chennai, April 29, 2021: The Board of Directors of Equitas Small Finance Bank Limited at its meeting held today, approved the audited financial results for quarter and full year ended March 31, 2021

Q4FY21 PAT at Rs. 113 Cr, up 162% YoY | FY21 PAT at Rs. 384 Cr, up 58% YoY

Advances grew 17% YoY to Rs. 17,925 Cr

CASA stood at Rs. 5,614 Cr, up 154% YoY. CASA ratio at 34%

Bank holds a management overlay provision* of Rs. 153 Cr crore as of 31st March 2021

Q4FY21 Highlights:

1. Key Highlights for Q4FY21:

- **Advances:**

- Advances as of Q4FY21 was at Rs. 17,925 Cr, Advances growth of 17% YoY
- Disbursed Rs. 2,535 Cr in Q4FY21
- 81.37% of advances is secured loans
- New Product - Used Car Advances cross Rs. 120 Cr
- Collection & Billing efficiency for the month of March 2021 at 108.51% and 91.12% respectively
- Collection efficiency nears pre-covid levels:
 - MFI X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 98.70%, 98.30% & 98.50% respectively
 - SBL X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 99.60%, 99.05% & 99.41% respectively
 - VF X Bucket Collection efficiency for the month of March 2021, December 2020 & Feb 2020 at 98.85%, 95.72% & 96.50% respectively

**Management Overlay Provision – Provision carried in excess of the regulatory requirement*

- **Liabilities:**
 - Deposits excluding CD at Rs. 16,319 Cr, growth of 58% YoY and 4% QoQ
 - Retail TD at Rs. 5,869 Cr, growth of 54% YoY and 7% QoQ
 - Savings Account deposits at Rs. 5,094 Cr, growth of 174% YoY and 45% QoQ
 - CASA stood at Rs. 5,614 Cr, CASA is 34% of Total Deposits

- **Digital 2.0:**

Neobanking:

- Tied-up with Niyox in March 2021 to offer 2 in 1 wealth + Savings account. An industry first for offering Savings + Investment on a single platform. Opened 27,000+ accounts since launch in March 2021
- Partnered with Groww for online FD opening. Pilot program in progress

Digital Payments & Acquisitions:

- FASTag - 78,000+ FASTags issued in Q4FY21, 1.3 Bn+ transaction throughput. Multiple toll plazas and parking terminals being acquired
- Micro ATM Services – 37 Bn+ transaction throughput, 10 Mn+ transactions processed
- UPI QR Acquiring - 92 Mn+ transaction throughput, 100,000+ transactions
- POS Acquiring - 3.4 Bn+ transaction throughput, 680,000+ transactions

Digital Transaction Banking:

- Corporate Payment Services - 6.6 Bn+ transaction throughput, 2 lacs+ transactions processed
- Aadhaar Enrolment & eKYC - 60,000+ enrolments across 75 branches, ~300,000 successful Authentication and eKYC transactions
- Video Banking - 9 Services Live, Same services to be exposed to Neo banking partners

Prepaid Engagements:

- Prepaid Gift Cards – Crossed 100 Mn+ transaction throughput
- Launched Prepaid Cards for Cooperative Societies
- Partnered with Fintechs for cashless campus programs

- **Key Ratios:**

- Cost to Income at 58.10%^ as compared to 56.35% in Q3FY21 and 62.14% in Q4FY20
- RoA and RoE for Q4FY21 at 1.80% and 13.52% respectively

^ Income considering net-off of switching fees & prepaid card expense

- **Capital:**
 - As of March 31, 2021 Total CRAR at 24.18%, Tier-I CRAR of 23.23% and Tier II CRAR at 0.95%

- **Treasury & Liquidity:**
 - The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Cr has highest rating from at CRISIL A1+
 - The Bank has adequate room available to avail refinance or raise funds through IBPC (with mix of PSL / Non-PSL) whenever required which provides strong cushion to ALM position of the Bank.
 - The Bank currently maintains 'surplus' liquidity in the form of High Quality Liquid Assets (HQLA)
 - During the quarter, Bank sold PSLCs worth Rs, 3,000 Cr
 - Income booked on sale of PSLCs for this quarter amounted to Rs. 44.6 Cr which includes Rs. 5.8 Cr received in Q3FY21
 - During the quarter, the Bank participated in equity primary market. Profits realised in those equity IPOs amounted to Rs. 2 Cr

2. Profit & Loss:

- Net Interest Income for Q4FY21 at Rs. 449 Cr as against Rs. 424 Cr in Q4FY20. NIM at 7.57%
- Core Income (Net Income other than PSL Fees, Treasury & Others) at 84%
- PBT before provisions and write off for Q4FY21 at Rs. 250 Cr as against Rs. 188 Cr in Q4FY20, growth of 33%
- PAT for Q4FY21 at Rs. 113 cr as against Rs. 43 Cr in Q4FY20, growth of 162%

3. Asset Quality, Provisions & Restructuring:

- During the quarter the Bank has written off of Rs. 171 Cr in the Micro Finance portfolio
- Loan loss and provision for FY21 was Rs. 375 Cr as against Rs. 247 Cr in FY20. The Bank holds a management overlay provision* of Rs. 153 Cr crore as of 31st March 2021
- GNPA at 3.59% in Q4FY21 as compared to 4.16% (proforma approach) in Q3FY21 and 2.72% in Q4FY20
- NNPA at 1.52% in Q4FY21 as compared to 1.71% (proforma approach) in Q3FY21 and 1.67% in Q4FY20
- Credit Cost for FY21 at 2.26%
- Provision coverage ratio at 58.59%
- Bank holds cumulative provision (standard asset + floating + provision for NPA) of 2.56% of advances

**Management Overlay Provision – Provision carried in excess of the regulatory requirement*

4. Collection & Billing Efficiency Product Wise:

Particulars	Collection Efficiency December 2020	Billing Efficiency December 2020	Collection Efficiency March 2021	Billing Efficiency March 2021
Micro Finance	97.98%	91.29%	93.44%	91.90%
Small Business Loans	104.56%	90.56%	106.56%	91.48%
Vehicle Finance	108.39%	82.25%	113.84%	87.74%
MSE Finance	192.55%	88.88%	180.26%	89.04%
Corporate	149.36%	94.51%	174.91%	99.91%
Total	105.36%	88.73%	108.51%	91.12%

1. Collection efficiency represents total collections during the month as a percentage of March months total EMIs due
2. Billing efficiency represents only the EMIs of March alone collected as a percentage of March months total EMIs due. The March month total EMIs includes EMIs of accounts which are in NPA also and not just standard assets

Collections touch pre-Covid levels

Particulars	X Bucket Collection Efficiency March 2021	X Bucket Collection Efficiency December 2020	X Bucket Collection Efficiency Feb 2020
Small Business Loans	99.60%	99.05%	99.41%
Vehicle Finance	98.85%	95.72%	96.50%
Micro Finance	98.70%	98.30%	98.50%

About Equitas Small Finance Bank Limited [ESFBL]

Equitas Small Finance Bank Limited is the largest SFB in India in terms of number of banking outlets, and the second largest SFB in India in terms of assets under management and total deposits in Fiscal 2019. (Source: CRISIL report). Its focus customer segments include individuals with limited access to formal financing channels on account of their informal, variable and cash-based income profile. It offers a range of financial products and services that address the specific requirements of these customer segments by taking into account their income profile, nature of business and type of security available. Its asset products are suited to a range of customers with varying profiles.

For further details, contact:

Investor Relations Team

Website – <https://ir.equitasbank.com/>

Email – ir@equitasbank.com

Twitter - [@EquitasIR](https://twitter.com/EquitasIR)

4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002, Tamil Nadu

April 29, 2021

The Secretary National Stock Exchange of India Limited Exchange Plaza BandraKurla Complex (BKC) Bandra (East) Mumbai - 400051	The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001
Symbol: EQUITASBNK	Scrip Code No-543243
F Group - Debt Instruments listed in BSE Ref: Scrip Codes - 951930, 951924, 952815 and 952812	

Dear Sirs,

Sub: Declaration under Regulation 33(3) (d) & 52 (3) of SEBI (LODR) Regulations, 2015

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare and confirm that the Statutory Auditors of the Bank, T R Chadha & Co LLP, Chartered Accountants, have issued an Audit report with Unmodified Opinion on financial results of the Bank for the quarter and financial year ended March 31, 2021.

Kindly take the above information on record.

Thanking you,

Yours truly,
for Equitas Small Finance Bank Limited


Sampathkumar K R
Company Secretary



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 31st March 2021 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 31st March 2021): 6.05 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 31st March 2021: 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 31st March 2021, accordingly Debenture Redemption Reserve requirement is not applicable for Privately Placed Debentures.

g) Net Worth: The Net Worth of the Bank as on 31st March 2021 is Rs. 3,39,634.11 Lakhs.

h) Net Profit after Tax: The Net Profit after tax for the half year ended on 31st March 2021 is Rs. 22356.38 Lakhs.



i) Earnings Per Share:

Earnings per equity share (including exceptional item):

Particulars	EPS
Basic (in Rs.)	3.53
Diluted (in Rs.)	3.49

Earnings per equity share (excluding exceptional item):

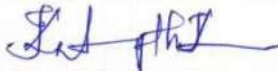
Particulars	EPS
Basic (in Rs.)	3.53
Diluted (in Rs.)	3.49

- 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

Yours truly

For Equitas Small Finance Bank Limited



Sampathkumar KR
Company Secretary



Annexure A				
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

Annexure B				
SR NO	ISIN	Payment Type	Due Date of Payment	Amount in (Rs)
1	INE186N08025	Interest	30 th April 2021	40,76,712
	INE186N08025	Principal	30 th April 2021	30,00,00,000
2	INE186N08033	Interest	16 th September 2021	2,08,70,137
3	INE186N08041	Interest	28 th September 2021	8,45,30,959
4	INE063P08013	Interest	30 th April 2021	50,78,904
	INE063P08013	Principal	30 th April 2021	40,00,00,000

