



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

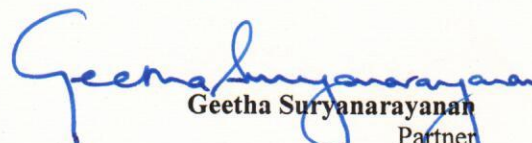


INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

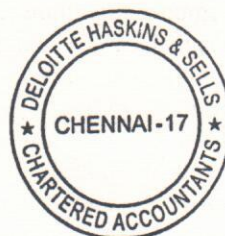
TO THE BOARD OF DIRECTORS OF EQUITAS SMALL FINANCE BANK LIMITED (formerly known as EQUITAS FINANCE LIMITED)

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **EQUITAS SMALL FINANCE BANK LIMITED** (formerly known as **EQUITAS FINANCE LIMITED**) ("the Bank") for the six months ended 30 September 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India in so far as they relate to banks and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Banks's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India in so far as they apply to banks, and circulars and guidelines issued by the RBI from time to time, has not disclosed the information required to be disclosed in terms of Regulation 52 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 have not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)


Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai, October 20, 2016





ATSL/CO/2016-17/3173
October 28, 2016

Equitas Small Finance Limited
Spencer Plaza, No – 769, 4th Floor,
Phase – II, Anna Salai,
Chennai - 600002

Kind Attn.: Mr. M Mahesh

Dear Sir

Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015

We write in our capacity as the Debenture Trustee for the Non-Convertible Debentures (NCDs) issued by Equitas Finance Limited ("Company") and listed on the BSE Limited ("**Listed Debt Securities**").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company in terms of Regulation 52(4).

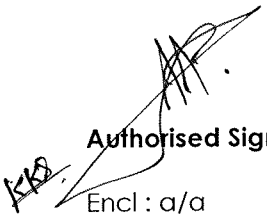
In pursuance thereof we hereby confirm that we have received the said information vide your letter dated October 28, 2016 (enclosed herewith) and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Further please note that we have not independently verified the contents submitted vide your above letter and the aforesaid noting is subject to the following:

1. The Debenture Trustee is relying on the information/status as submitted by the company for the purpose of submission to the Stock Exchange; without reconfirming.
2. Any commitment pertaining to the interest /principal payable on the future due dates are sole commitment on the company's part and Trustee is not liable in any manner if company fails to fulfill / does not fulfill its commitments.

Thanking You,

Yours Faithfully
For **Axis Trustee Services Limited**


Authorised Signatory

Encl : a/a

AXIS TRUSTEE SERVICES LTD.

(A wholly owned subsidiary of Axis Bank)

Corporate Identity Number (CIN): U74999MH2008PLC182264

CORPORATE & REGISTERED OFFICE : Axis House, Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

TEL : 022-6226 0054 / 6226 0050 Website: www.axistrustee.com

28th October 2016

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

Dear Sir/Madam,

Sub: Half Yearly Communication pursuant to clause 27 of Debt Listing Agreement
Ref: Scrip Code - 949255

Kindly refer to the above mentioned scrip codes of Non-Convertible Debentures (NCDs) issued by the Company and listed in BSE under F Group - Debt Instruments. In pursuant to the clause 27 of the debt listing agreements entered by the Company, please find below the following information:

Particulars	Status of compliance as on 30 th September 2016
ISIN No.	INE063P07015
Credit Rating	"CARE A +"
Asset Cover Ratio	1x
Status of Security Creation	Security Created
capital redemption reserve/debenture redemption reserve;	NA
Net worth as on 30 th Sep 2016	Rs 1960.09 Crores
outstanding redeemable preference shares (quantity and value);	NA
Debt Equity Ratio	3.21
DSCR (Half Year ending 30 th September 2016)	1.51
Interest service coverage ratio (Half Year ending 30 th September 2016)	1.63

Due date of interest payment / redemption during the last half year and compliance	Interest / Redemption	Status of Payment	If unpaid, status as on date	Next date of Interest / Principal Payment
Nil	NA	NA	NA	06 th June 2017 / 06 th June 2019

Kindly acknowledge receipt.

Thanking You,

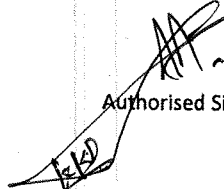
Yours truly,

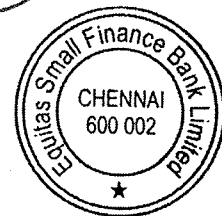
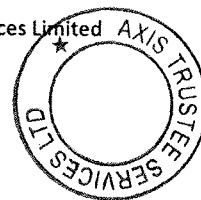
For Equitas Small Finance Bank Ltd


For Authorised Signatory

Counter Signatory

For Axis Trustee Services Limited


Authorised Signatory



Francis Charles & Associates
CHARTERED ACCOUNTANTS

25/11A, 1st Street,
Bunder Garden, Perambur,
Chennai, Tamilnadu, India
Pin - 600 011.
Ph / Fax : +91-044-45058325
Cell : 98409 42501
98403 45077

E-mail Id : fca.auditfor@yahoo.com
antonyfrancis69@yahoo.com
fca.auditfor@gmail.com

CERTIFICATE

We have examined the accounts, records and all relevant documents of Equitas Small Finance Bank Ltd ("Equitas") (hereinafter referred as "the Company"), having its Registered Office at 4th Floor, Phase II, Spencer Plaza, No.769, Mount Road, Anna Salai, Chennai - 600 002 with a view to ascertain the compliances pursuant to clause 27 of the debt listing agreement entered by the Company for the half year ended 30th September 2016 relevant to the Non- Convertible Debenture (NCDs) issued by the company and listed in BSE under F Group - Debt Instruments.

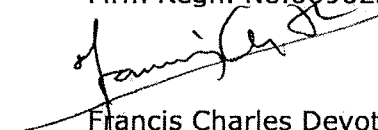
In this regard, based on audited Financials of the company we hereby certify the following as on 30th September 2016.

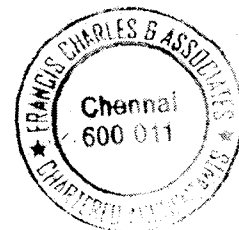
Particulars	Scrip Code - 949255
Latest Credit Rating	CARE A+
Asset Cover Available	1 times
Debt Equity Ratio	3.21 times
Debt Service Coverage Ratio	1.51 times
Previous Due date for Principal / Interest	Principal - N.A. Interest - 06.06.2016
Next Due date for Principal / Interest	Principal - 06.06.2019 Interest - 06.06.2017

This Certificate is issued at the request of the Company for the purpose of submitting to the Debenture Trustees.

Place: Chennai
Date: 28th October 2016

Francis Charles & Associates
Chartered Accountants
Firm Regn. No.009023S


Francis Charles Devotta
Partner
Membership No.207406





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

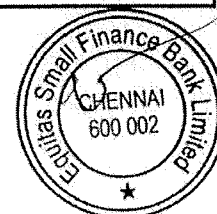
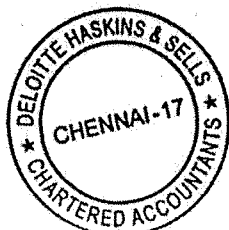
Unaudited Financial Results for the six months ended 30 September 2016

(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.



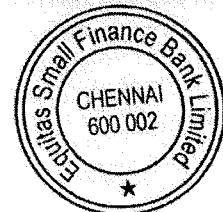
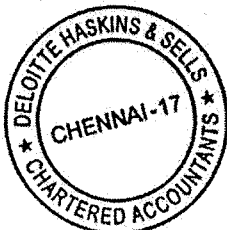
- 4 a) The Reserve Bank of India ("RBI") has issued Licence No. MUM: 119 dated 30 June 2016 to carry on the Small Finance Bank ("SFB") business in India subject to the terms and conditions stipulated in their letter dated 30 June 2016 addressed to EHL.
- b) In compliance with the conditions stipulated 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



28th October 2016



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

Dear Sir/Madam,

Sub: Half Yearly Communication pursuant to clause 27 of Debt Listing Agreement
Ref: Scrip Code – 947882, 947944, 950723, 951633, 951924, 952217, 952266, 952700, 952812, 949649, 951637, 951748, 951930, 952464, 952614, 954775, 954784, 954803, 954804, 954780, 954802 & 953456

Kindly refer to the above mentioned scrip codes of Non-Convertible Debentures (NCDs) issued by the Company and listed in BSE under F Group - Debt Instruments. In pursuant to the clause 27 of the debt listing agreements entered by the Company, please find below the following information:

Particulars	Latest Credit Rating	Asset Cover Available	capital redemption reserve/ debenture redemption	Net worth as on 30th September 2016 (Rs. In Crs)	outstanding redeemable preference shares (quantity)	Debt Equity Ratio	DSCR (Half Year ending 30th September 2016)*	Interest service coverage ratio (Half Year ending 30th Sep 2016)@	Previous Due date for Principal / Interest	Next Due date for Principal / Interest
Scrip Code 947882	CRISIL A/ Stable	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 01.06.2016.	Principal - N.A. Interest - 01.12.2016.
Scrip Code 947944	CRISIL A/ Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 11.04.2016.	Principal - N.A. Interest - 11.04.2017.
Scrip Code 950723	CRISIL A/ Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 28.05.2016.	Principal - N.A. Interest - 28.11.2016.
Scrip Code 951633	CRISIL A/ Stable	1.10 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - 02.05.2016. Interest - 02.05.2016. Principal - 01.08.2016. Interest - 01.08.2016.	Principal - 31.10.2016. Interest - 31.10.2016. Principal - 30.01.2017. Interest - 30.01.2017.
Scrip Code 951924	CRISIL A/ Stable	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 30.09.2016.	Principal - N.A. Interest - 30.03.2017.
Scrip Code 952217	CRISIL A/ Stable	1.10 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 27.05.2016.	Principal - N.A. Interest - 25.11.2016.
Scrip Code 952266	CRISIL A/ Stable	1.10 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 16.06.2016.	Principal - N.A. Interest - 16.12.2016.
Scrip Code 952700	CRISIL A/ Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 29.08.2016.	Principal - N.A. Interest - 28.02.2017.
Scrip Code 952812	CRISIL A/ Stable	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 28.09.2016.	Principal - N.A. Interest - 28.03.2017.
Scrip Code 949649	CARE A+ (Single A Plus)	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 25.05.2016.	Principal - 25.11.2016 Interest - 25.11.2016
Scrip Code 951637	IND A+ / Stable	1.15 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - 02.05.2016. Interest - 02.05.2016. Principal - 01.08.2016. Interest - 01.08.2016.	Principal - 31.10.2016. Interest - 31.10.2016. Principal - 30.01.2017. Interest - 30.01.2017.
Scrip Code 951748	IND A+ / Stable	1.10 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 26.08.2016.	Principal - 26.02.2020 Interest - 26.2.2017.



Equitas Small Finance Bank Limited
(Previously known as Equitas Finance Limited)
4th Floor, Phase II, Spencer Plaza, No.760, 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

Particulars	Latest Credit Rating	Asset Cover Available	capital redemption reserve/ debenture redemption	Net worth as on 30th September 2016 (Rs. In Crs)	outstanding redeemable preference shares (quantity)	Debt Equity Ratio	DSCR (Half Year ending 30th September 2016)*	Interest service coverage ratio (Half Year ending 30th Sep. 2016)@	Previous Due date for Principal / Interest	Next Due date for Principal Interest
Scrip Code 951930	IND A+ / Stable	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 30.09.2016.	Principal - 30.04.2021 Interest - 30.3.2017.
Scrip Code 952464	IND A+ / Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 28.07.2016.	Principal - N.A. Interest - 30.01.2017.
Scrip Code 952614	IND A+ / Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 16.08.2016.	Principal - N.A. Interest - 13.02.2017.
Scrip Code 954775	CARE A+ (Single A Plus)	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 23.09.2019. Interest - 23.08.2017.
Scrip Code 954784	CARE A+ (Single A Plus)	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 23.09.2019. Interest - 24.08.2017.
Scrip Code 954803	IND A+ / Stable	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 29.09.2019. Interest - 29.08.2017.
Scrip Code 954804	CARE A+ (Single A Plus)	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 30.09.2019. Interest - 30.09.2019.
Scrip Code 954780	CARE A+ (Single A Plus)	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 30.09.2019. Interest - 29.08.2017.
Scrip Code 954802	CARE A+ (Single A Plus)	Unsecured	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - N.A.	Principal - 30.09.2019. Interest - 31.08.2017.
Scrip Code 953456	CRISILA/ Stable	1.00 Times	NA	1960.09	NA	3.21	1.51	1.63	Principal - N.A. Interest - 10.08.2016	Principal - N.A. Interest - 10.02.2017

Kindly acknowledge receipt.

Thanking You,

Yours truly,

For Equitas Small Finance Bank Ltd


Authorised Signatory

Counter Signatory

For IDBI Trustee Services Limited


Authorised Signatory

Authorised Signatory

AUTHORISED SIGNATORY



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

No.CTL/DEB/16-17/Noting Certificate

October 28, 2016

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 (Formerly Known as GDA 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 end September 30, 2016.

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


Authorised Signatory



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

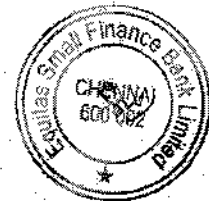
With reference to the above, we submit herewith the information and documents as per the provisions of SEBI (Issue & Listing of Debt Securities) Regulations, 2008 and SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and the Listing Agreement thereunder, as mentioned below for the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

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

Details of listed NCDs:

Sl NO	Series / Tranche	Date of Allotment	Date of Listing	No. of NCDs	Face value (Rs.)	Amt. of issue (Rs.)	Latest Rating
1	Secured - Series 6	30-09-14	10-10-14	300	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	08-09-16	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

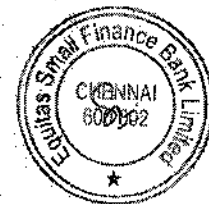


10. The due date of payment of principal and interest and the actual date of payment for the half-year ending on 30.09.2016 are as under:

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.



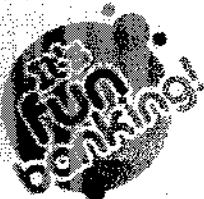
Equitas Small Finance Bank Limited

(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



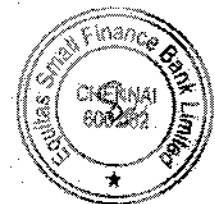
13. The due date of principal and interest of the above said NCDs during next half-year i.e. 01-10-2016 to

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
	Principal	30-03-17
		30-10-16
		30-11-16
		30-12-16
		30-01-17
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.



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



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



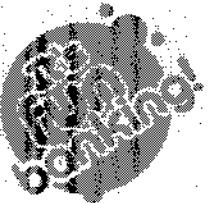
Equitas Small Finance Bank Limited

(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



Part I – Information to be submitted to Stock Exchange

- a) credit rating and change in credit rating (if any);
- b) debt-equity ratio;
- c) previous due date for the payment of interest / dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not; and, **as per Annexure A**
- d) next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount; **as per Annexure B**
- e) debenture redemption reserve (if applicable); **as per Annexure C**
- f) net worth;
- g) net profit after tax;
- h) earnings per share;

Part II - Information to be submitted to the Debenture Trustee

In terms of the provisions of **Regulation 56**, you are requested to submit us the following:-

- a) a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised:

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilized or the purpose for which these funds were intended has been achieved.
- b) a copy of all notices, resolutions and circulars relating to –
 - i) new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities;
 - ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;
- c) Intimations regarding:
 - i) any revision in the rating;
 - ii) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
 - iii) failure to create charge on the assets;
- d) Copy of the statement, if any filed with the stock Exchange, as per Regulation 52(7) indicating material deviations, if any, in the use of proceeds of issue of NCDs from the object stated in the offer document

Part – III Information to be submitted to the Debenture holders

- a) Hard copies of full annual reports to those holders of non-convertible debt securities, who request for the same.
- b) Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52, to holders of non-convertible debt securities;
- c) Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting.
- d) Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.



EQUITAS SMALL FINANCE BANK LIMITED

CIN: U65101TN1993PL0026268

[Formerly known as, Equitas Finance Limited]
[Wholly owned Subsidiary of Equitas Holdings Limited]

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 75B, Mount Road, Anna Salai, Chennai 600 002

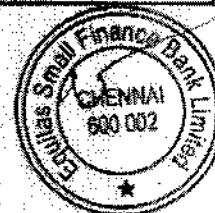
Website: www.equitasbank.com

Unaudited Financial Results for the six months ended 30 September 2016

Particulars	Six months ended	Six months ended	Year ended
	30-Sep-16 Unaudited	30-Sep-15 Audited	31-Mar-16 Audited
1 Income earned (a)+(b)+(c)+(d)	29,381.97	21,451.80	47,549.33
(a) Interest / discount on advances / bills	29,039.94	18,724.47	40,374.61
(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	5.30	59.48
3 Total Income (1+2)	43,170.70	21,457.12	47,607.81
4 Interest Expended (including Finance Charges)	13,023.83	7,399.23	13,911.31
5 Operating Expenses (i)+(ii)+(iii)	15,857.00	6,496.82	14,588.00
(i) Employee Cost	9,515.09	4,082.08	8,346.03
(ii) Depreciation / Amortisation	683.50	206.21	473.55
(iii) Other Operating Expenses	5,759.42	2,208.53	4,768.42
6 Total Expenditure, excluding provisions & contingencies (4+5)	28,880.83	13,892.91	30,497.31
7 Operating Profit before Provisions & Contingencies (3-6)	14,289.87	7,564.21	17,110.50
8 Provisions (including standard asset provision but other than Tax) and Contingencies (Refer note 5)	5,024.47	2,296.09	4,028.04
9 Exceptional Items (Refer note 7)	1,107.32	-	-
10 Profit from Ordinary Activities before tax (7-8-9)	8,158.08	5,268.12	13,082.46
11 Tax Expense	2,624.23	1,850.00	4,570.44
12 Net Profit from Ordinary Activities after tax (10-11)	5,533.85	3,418.12	8,512.02
13 Extraordinary Items (net of Tax Expense)	-	-	-
14 Net Profit for the Period / Year (12-13)	5,533.85	3,418.12	8,512.02
15 Paid-up Equity Share Capital (Face Value of Share: Rs.10 each) (Also Refer note 4)	106,584.34	42,300.00	42,300.00
16 Reserves excluding Revaluation Reserves	-	-	28,781.31
17 Analytical Ratios			
(i) Capital Adequacy Ratio (%) (Refer note 8)	31.29%	33.37%	29.10%
(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	5,826.27
Net NPA	5,631.34	4,070.52	4,588.78
b) % of Gross NPA to Receivables under financing activity (including interest accrued but not due)	2.53%	2.73%	2.40%
% of Net NPA to Receivables under financing activity (including interest accrued but not due)	1.17%	1.04%	1.78%
c) Return on Assets - Not Annualised for six months (% of Profit After Tax to Total Assets)	0.57%	1.50%	1.36%

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 11,92,06,300 Equity Shares of Rs.10 each, fully paid up, at a premium of Rs.14.18 per share aggregating to Rs.28,800.00 lakhs to EHL. The premium collected on above issue of equity shares amounting to Rs.16,872.77 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 4,35,93,774 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. 12,560.50 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. 2,228.85 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/IFC. 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

