

May 4, 2022

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 - 952815 and 952812	

Dear Sirs,

Sub: Intimation on outcome of the Board Meeting held on May 04, 2022 and disclosure under Regulation 30, 33 & 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:

- Audited financial results for the quarter and financial year ended March 31, 2022 under Regulation 33 of SEBI (LODR) Regulations, 2015.
- Auditors Report issued by the Joint Statutory Auditors, T R Chadha & Co LLP and Varma & Varma.
- Press Release on the audited financial results for the quarter & financial year ended March 31, 2022.
- Declaration under Regulation 33(3) (d) & 52 (3) of SEBI (LODR) Regulations, 2015.
- Disclosure pursuant to Regulation 52(4) of SEBI (LODR) Regulations, 2015.


The Meeting of the Board of Directors of the Company commenced at 16.00 hours and concluded at 19.15 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



BEYOND BANKING

When you bank with us, you contribute towards a better society.

Equitas Small Finance Bank Limited
(Previously known as Equitas Finance Limited)

2890524

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

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EQUITAS SMALL FINANCE BANK LIMITED

CIN: L65191TN1993PLC025280

[Subsidiary of Equitas Holdings Limited]

Regd. Office: 4th Floor, Phase II, Spencer Plaza, No. 769, Mount Road, Anna Salai, Chennai 600 002

Website: www.equitasbank.com

1. Statement of Audited Financial Results for the quarter and year ended March 31, 2022

(₹ in Lakh)

Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited (Refer Note 17)	Unaudited	Audited (Refer Note 17)	Audited	Audited
1 Interest Earned (a)+(b)+(c)	89,582.66	90,115.70	81,833.36	3,45,966.93	3,19,441.32
(a) Interest / discount on advances / bills	81,127.76	81,918.30	73,637.70	3,13,912.24	2,90,082.90
(b) Income on Investments	6,568.43	6,390.57	5,859.30	24,614.47	21,938.47
(c) Interest on balances with Reserve Bank of India and other inter bank funds	1,886.47	1,806.83	2,336.36	7,440.22	7,419.95
2 Other Income	14,814.85	13,385.22	17,839.59	53,755.65	41,805.47
3 Total Income (1)+(2)	1,04,397.51	1,03,500.92	99,672.95	3,99,722.58	3,61,246.79
4 Interest Expended	34,337.27	36,008.02	36,976.40	1,42,113.36	1,39,645.29
5 Operating Expenses (i)+(ii)	41,669.65	45,021.81	37,712.32	1,70,414.53	1,32,942.86
(i) Employees Cost	20,858.01	24,043.35	20,423.79	89,820.84	79,144.96
(ii) Other Operating Expenses	20,811.64	20,978.46	17,288.53	80,593.69	53,797.90
6 Total Expenditure (4)+(5) (excluding provisions & contingencies)	76,006.92	81,029.83	74,688.72	3,12,527.89	2,72,588.15
7 Operating Profit before Provisions & Contingencies (3)-(6)	28,390.59	22,471.09	24,984.23	87,194.69	88,658.64
8 Provisions (other than tax) and Contingencies	12,317.37	7,840.45	9,698.23	49,383.69	37,531.96
9 Exceptional Items	-	-	-	-	-
10 Profit from Ordinary Activities before tax (7)-(8)-(9)	16,073.22	14,630.64	15,286.00	37,811.00	51,126.68
11 Tax Expense	4,122.33	3,820.14	3,999.13	9,737.82	12,704.36
12 Net Profit from Ordinary Activities after tax (10)-(11)	11,950.89	10,810.50	11,286.87	28,073.18	38,422.32
13 Extraordinary Items (net of Tax Expense)	-	-	-	-	-
14 Net Profit for the Period / Year (12)-(13)	11,950.89	10,810.50	11,286.87	28,073.18	38,422.32
15 Paid-up Equity Share Capital (Face Value of ₹ 10/- each)	1,25,202.77	1,14,788.93	1,13,927.83	1,25,202.77	1,13,927.83
16 Reserves excluding Revaluation Reserves				2,99,414.09	2,25,706.28
17 Analytical Ratios and other disclosures:					
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio (%) - Basel-II (Refer note 8)	25.16%	21.91%	24.18%	25.16%	24.18%
(iii) Earnings Per Share (EPS) - (Face Value of ₹ 10/- each)					
- Basic EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	1.00	0.94	0.99	2.43	3.53
- Diluted EPS (₹) before & after extraordinary items (net of tax expense) - not annualised	0.99	0.93	0.98	2.40	3.49
(iv) NPA Ratio					
(a) Gross NPAs	83,718.36	86,381.78	64,278.42	83,718.36	64,278.42
(b) Net NPAs	47,947.51	45,942.46	26,617.46	47,947.51	26,617.46
(c) % of Gross NPA to Gross Advances	4.24%	4.61%	3.73%	4.24%	3.73%
(d) % of Net NPA to Net Advances	2.47%	2.51%	1.58%	2.47%	1.58%
(v) Return on Assets (average)- not annualised for the quarter	0.43%	0.41%	0.44%	1.07%	1.65%
(vi) Net worth (excluding Revaluation Reserve & Intangibles)	3,97,281.76	3,32,515.55	3,17,578.12	3,97,281.76	3,17,578.12
(vii) Outstanding redeemable preference shares	-	-	-	-	-
(viii) Capital redemption reserve	-	-	-	-	-
(ix) Debt-equity ratio \$	0.29	0.46	0.74	0.29	0.74
(x) Total debts to total assets @	9.71%	11.03%	16.86%	9.71%	16.86%
\$ Debt represents borrowings with residual maturity of more than one year.					
@ Total debts represents total borrowings of the Bank.					



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

		(₹ in Lakh)				
Sl No	Particulars	Quarter ended			Year ended	
		31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
		Audited (Refer Note 17)	Unaudited	Audited (Refer Note 17)	Audited	Audited
1	Segment revenue					
a)	Treasury	8,410.04	10,075.97	12,916.58	37,155.90	39,620.57
b)	Retail Banking	90,524.76	89,286.78	82,758.68	3,45,225.11	3,05,508.32
c)	Wholesale Banking	3,230.33	2,467.73	2,252.08	10,990.65	9,940.72
d)	Other Banking operations	2,232.38	1,670.44	1,745.61	6,350.92	6,177.18
e)	Unallocated	-	-	-	-	-
	Less: Inter segment revenue	-	-	-	-	-
	Income from operations	1,04,397.51	1,03,500.92	99,672.95	3,99,722.58	3,61,246.79
2	Segment results					
a)	Treasury	3,061.09	4,457.72	8,673.70	13,699.76	19,052.18
b)	Retail Banking	10,989.78	9,173.83	5,938.90	21,344.30	29,244.99
c)	Wholesale Banking	1,540.86	893.99	362.08	2,966.55	1,568.52
d)	Other Banking operations	1,916.65	1,457.53	1,002.83	5,348.91	3,281.96
e)	Unallocated	(1,435.16)	(1,352.43)	(691.51)	(5,548.52)	(2,020.97)
	Total Profit before Tax	16,073.22	14,630.64	15,286.00	37,811.00	51,126.68
3	Segment assets					
a)	Treasury	6,36,573.43	5,72,829.92	7,00,497.41	6,36,573.43	7,00,497.41
b)	Retail Banking	19,27,196.53	18,21,749.34	16,41,889.26	19,27,196.53	16,41,889.26
c)	Wholesale Banking	1,10,059.39	1,09,378.98	1,13,138.96	1,10,059.39	1,13,138.96
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	21,360.59	22,175.84	15,321.84	21,360.59	15,321.84
	Total	26,95,189.94	25,26,134.08	24,70,847.47	26,95,189.94	24,70,847.47
4	Segment liabilities					
a)	Treasury	5,34,382.59	4,89,757.37	6,07,538.82	5,34,382.59	6,07,538.82
b)	Retail Banking	16,40,629.19	15,82,484.14	14,23,914.93	16,40,629.19	14,23,914.93
c)	Wholesale Banking	93,086.33	94,220.86	98,125.00	93,086.33	98,125.00
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	2,474.97	1,403.32	1,634.61	2,474.97	1,634.61
	Total	22,70,573.08	21,67,865.69	21,31,213.36	22,70,573.08	21,31,213.36
5	Capital Employed [Segment Assets-Segment Liabilities]					
a)	Treasury	1,02,190.84	83,072.55	92,958.59	1,02,190.84	92,958.59
b)	Retail Banking	2,86,567.34	2,39,265.20	2,17,974.33	2,86,567.34	2,17,974.33
c)	Wholesale Banking	16,973.06	15,158.12	15,013.96	16,973.06	15,013.96
d)	Other Banking operations	-	-	-	-	-
e)	Unallocated	18,885.62	20,772.52	13,687.23	18,885.62	13,687.23
	Total	4,24,616.86	3,58,268.39	3,39,634.11	4,24,616.86	3,39,634.11

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.



3 Statement of Assets and Liabilities as on March 31, 2022 is given below:

(₹ in Lakh)

Sl No	Particulars	As at	As at
		31-Mar-22	31-Mar-21
		Audited	Audited
CAPITAL AND LIABILITIES			
1	Capital	1,25,202.77	1,13,927.83
2	Reserves and Surplus	2,99,414.09	2,25,706.28
3	Deposits	18,95,079.73	16,39,197.17
4	Borrowings	2,61,640.00	4,16,532.00
5	Other Liabilities and Provisions	1,13,853.35	75,484.19
Total Liabilities		26,95,189.94	24,70,847.47
ASSETS			
6	Cash and Balances With Reserve Bank of India	95,699.17	51,480.80
7	Balances With Banks and Money At Call and Short Notice	1,17,552.29	2,86,390.44
8	Investments	4,44,984.96	3,70,516.61
9	Advances	19,37,420.60	16,84,818.90
10	Fixed Assets	20,044.45	18,505.00
11	Other Assets	79,488.47	59,135.72
Total Assets		26,95,189.94	24,70,847.47



4 Statement of Cash Flow for the year ended March 31,2022 is given below:

(₹ in Lakh)

Particulars	Year Ended	
	31-Mar-22	31-Mar-21
	Audited	Audited
Cash Flow from Operating activities		
Profit Before Tax	37,811.00	51,126.68
Adjustments for		
Depreciation on fixed assets	7,528.31	7,643.32
Depreciation on investments	56.30	-
Amortization on held to maturity securities	2,169.29	1,140.08
Provision for standard assets (including restructured standard assets)	12,585.99	3,702.55
General Provision under COVID-19 – Regulatory Package	-	(9,963.00)
Additional Provision on Standard assets	2,607.68	-
Bad debts written off	36,045.73	24,473.28
Provision for Non performing assets	(1,890.12)	18,790.58
Other Provision and Contingencies	34.40	524.47
(Profit) / Loss on sale of fixed assets	30.65	(3.72)
Interest expenses on borrowings	31,980.45	45,968.66
Interest income on bank balances not considered as cash and cash equivalents	(189.38)	(43.72)
Esop Expenses -Material Risk Takers/Whole Time Director	126.79	-
Dividend Income	(50.40)	-
	1,28,846.69	1,43,359.18
Adjustments for		
(Increase)/Decrease in investments	(76,693.95)	(1,37,406.07)
(Increase)/Decrease in advances	(2,86,757.30)	(3,55,258.62)
Increase/(Decrease) in deposits	2,55,882.55	5,60,356.48
(Increase)/Decrease in other assets	(14,220.94)	(9,367.94)
Increase/(Decrease) in other liabilities and provisions	24,708.43	18,100.82
Direct taxes paid	(15,819.22)	(15,389.66)
Net cash (used in)/ generated from operating activities (A)	15,946.26	2,04,394.19
Cash flow from investing activities		
Purchase of fixed assets	(9,275.45)	(4,998.28)
Proceeds from sale of fixed assets	177.04	130.62
(Increase)/Decrease in bank balances not considered as cash and cash equivalents	-	535.76
Interest received from bank balances not considered as cash and cash equivalents	189.38	51.45
Net cash (used in) / generated from investing activities (B)	(8,909.03)	(4,280.45)
Cash flow from financing activities		
Increase/(decrease) in borrowings (net)	(1,54,892.00)	(96,955.36)
Proceeds from issue of share capital (including share premium)	57,896.93	28,278.52
Share issue Expenses	(1,114.15)	(1,481.63)
Interest paid on borrowings	(33,547.79)	(45,232.52)
Net cash (used in) / generated from financing activities (C)	(1,31,657.01)	(1,15,390.99)
Net Increase /(decrease) in cash and cash equivalents (A)+(B)+(C)	(1,24,619.78)	84,722.75
Cash and Cash equivalents at beginning of the year	3,37,871.24	2,53,148.49
Cash and Cash equivalents at end of the year	2,13,251.46	3,37,871.24

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



Notes

- 5 The above audited financial results (along with the notes given below) hereafter referred as " Statement" of Equitas Small Finance Bank Limited ("Bank" or "ESFBL") for the quarter and year ended March 31, 2022 were reviewed by the Audit Committee at their meeting held on May 03, 2022 and approved by the Board of Directors at their meeting held on May 04, 2022 and have been subjected to an Audit by the statutory auditors of the Bank (T R Chadha & Co LLP, Chartered Accountants and Varma & Varma, Chartered Accountants). The report thereon is unmodified.
- 6 The above financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under section 133 of the Companies Act, 2013, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI).
- 7 The Reserve Bank of India, vide its clarification dated August 30, 2021 on Guidelines on Compensation of Whole Time Directors /Chief Executive Officers / Material Risk Takers and Control Function Staff, advised all the banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ended March 31, 2021. Accordingly, the Bank has recognised expenses related to instruments granted after March 31, 2021 in respect of Whole Time Directors /Chief Executive Officers / Material Risk Takers. The fair value of stock options is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. 'Employee cost' for the quarter / year ended March 31, 2022 is higher by ₹ 60.41 lakhs and ₹ 126.79 lakhs respectively with a consequent reduction in profit after tax by the said amount.
- 8 The Capital adequacy ratio ("CAR") of the Bank has been computed as per applicable Basel II Standardized approach in accordance with RBI Master Circular No. DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF). The Bank make Pillar III disclosures as part of Market Discipline as per the said circular. In addition to this, the Bank provides disclosures including leverage ratio and liquidity coverage ratio as per the Basel III Framework (vide 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'). 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.
- 9 The Board of Directors of Equitas Small Finance Bank Limited (ESFBL) and Equitas Holdings Limited (EHL) at their respective Meetings held on July 26, 2021 approved a Scheme of Amalgamation between EHL, ESFBL and their respective shareholders, contemplating amalgamation of EHL with ESFBL under applicable provisions of the Companies Act 2013. The Scheme was designed to achieve the RBI licensing requirement of dilution of promoter shareholding in the Bank and minimum public shareholding (MPS) requirements prescribed by SEBI Regulations, in a manner that is in the best interests of and without being prejudicial to EHL, ESFBL, their respective shareholders or any other stakeholders.

Subsequently, ESFBL achieved the MPS through a Qualified Institutions Placement (QIP) of its shares, in February 2022, after obtaining the necessary approvals. QIP comprised of issue of 10,26,31,087 equity shares of ₹ 10/- each at premium of ₹ 43.59 per share, aggregating to a fund raise of ₹ 550 crore. As a result of this QIP, the public shareholding in the Bank increased from 18.70% to 25.37%, thereby complying with the Minimum Public Shareholding (MPS) requirements prescribed by SEBI Regulations.

Consequently, the aforesaid Scheme was revised to include the change in capital structure arising from QIP as well as the necessary change in objects of the Scheme. The Scheme, so revised was approved by the Boards of EHL and ESFBL in their respective Meetings held on March 21, 2022. The Scheme has been filed with the Stock Exchanges and RBI for necessary approvals/ sanctions.

Upon coming into effect of this Scheme and in consideration of the amalgamation of EHL with ESFBL, ESFBL, without any further application, act or deed, shall issue and allot to each of the equity shareholders of EHL as on the Record Date defined in the Scheme, 231 equity Shares of ₹ 10/- each credited as fully paid up of ESFBL, in respect of every 100 Equity Shares of ₹ 10/- each fully paid up held by them in EHL.

- 10 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 had announced a strict nation-wide lockdown in India in march 2020 to contain the spread of the virus. Subsequently, while the national lockdown was lifted, regional post COVID-19 disruptions continued in many parts of the country as the world including India experienced multiple waves of outbreak on account of new coronavirus variants during the year ended March 31, 2022.

The impact of Covid 19 coupled with change in customer behaviour and pandemic scare has led to significant disruptions and dislocations for individuals and businesses, with consequential impact on regular banking operations including lending, deposit-mobilisation, and collection activities and consequent increase in provisioning and credit cost. The country is emerging out of the pandemic and restrictions have been substantially lifted. However, outbreak of further variants of COVID-19 could not be ruled out. The extent to which any such new wave of COVID-19 pandemic would affect the Bank's operations, and financial metrics (including impact on provisioning on advances) will depend on future developments, including new information on severity of the new and evolving virus variants, action taken to spread or mitigate its impact, whether mandated or voluntary, resilience of customers to bounce back and their behaviour patterns.

- 11 (i) Details of resolution plan implemented under the Resolution Framework for covid-19 related stress as per RBI circular dated August 6,2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2022 are given below:

(Amount in ₹ Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) **	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year #	Of (A) amount paid by the borrowers during the half year ##	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	17.63	2.95	-	0.19	14.49
Corporate persons*	18.51	4.21	0.20	1.94	12.36
Of which MSMEs	10.19	4.01	-	0.48	5.70
Others	1,736.79	294.66	64.10	245.48	1,196.65
Total	1,772.93	301.82	64.30	247.61	1,223.50

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

** Includes restructuring done in respect of requests received as of September 30, 2021 processed subsequently.

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

includes change in the balances on account of interest.

(ii) There were 1433 borrower accounts having an aggregate exposure of ₹ 94.93 crore with the Bank, where resolution plans had been Implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and modified under RBI's Resolution Framework 2.0 dated May 5, 2021.



12- Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- (i) The Bank has not transferred any non-performing assets (NPAs).
 - (ii) The Bank has not transferred any Special Mention Account (SMA) and loan not in default.
 - (iii) The Bank has not acquired any loans not in default through assignment.
 - (iv) The Bank has not acquired any stressed loan.
- 13 The Bank has granted 81,61,946 options under the ESFB Employees Stock Option Scheme 2019 (ESFB ESOP Scheme) to eligible employees of the Bank as defined during the year ended March 31, 2022. Out of total 5,92,65,390 options granted till March 31, 2022, 2,75,20,273 Options were vested and 1,03,79,421 options were lapsed, and 1,02,19,214 options are yet to be vested.
- 14 The Bank, during the year ended March 31, 2022 has allotted 1,01,18,318 equity shares of ₹ 10/- each, fully paid up, on exercise of options by its employees and employees of the Holding company (Equitas Holdings Limited) in accordance with the ESFB ESOP Scheme.
- 15 During the year ended March 31, 2022, The Bank has realised ₹ 7.80 Crore (Previous year: ₹ 61.99 Crore) from sale of Priority Sector Lending Certificates ('PSLC').
- 16 Other Income includes fees earned from providing services to customers, Interchange fee income, selling of third-party products, profit on sale of investments (net), profit on sale of Priority Sector Lending Certificates, and recoveries from accounts previously written off.
- 17 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.
- 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: May 04, 2022



T R Chadha & Co LLP
Chartered Accountants
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Varma & Varma
Chartered Accountants
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Independent Auditors Report on the quarterly and year to date financial results of Equitas Small Finance Bank Limited pursuant to Regulation 33 & Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
Equitas Small Finance Bank Limited

Report on Audit of the Statement of Financial Results

Opinion

1. We have audited the accompanying Statement of Financial results of **Equitas Small Finance Bank Limited** ("the Bank") for the quarter ended 31st March 2022 and year to date results for the period from 1st April 2021 to 31st March 2022 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 & Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at March 31, 2022, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement;
 - a) is presented in accordance with the requirements of the Listing Regulations in this regard except for the disclosures relating to 'Pillar 3 disclosure under Basel III Capital Regulations as at March 31, 2022, including Leverage Ratio and Liquidity Coverage Ratio under Capital Adequacy and Liquidity Standards issued by Reserve Bank of India ('RBI') as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results and have not been audited by us; and
 - b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with 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 for the quarter and year ended March 31, 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditors' 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 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 audit opinion.

Emphasis of Matter

4. We draw attention to Note No. 10 to the Statement which describes the economic and social disruption the Bank is facing as a result of COVID-19 pandemic, and that its possible consequential implications, if any, on the Bank's operations and financial results are dependent on future developments, which are highly uncertain.

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

Board of Director's Responsibility for the Statement

5. The Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the annual audited financial statements. The Bank's Management and Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other financial information of the Bank in accordance with the recognition and measurement principles laid down in Accounting Standards specified under section 133 of the Act, the RBI Guidelines and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 which have been used for the purpose of preparation of the Statement by the Board of Directors of the Bank, as aforesaid.
6. 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Bank are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole are 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 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 the Statement.

9. 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 controls 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 through a separate report on the complete set of financial statements on whether the Bank has adequate 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.
 - Conclude on the appropriateness of the Board of Director's 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 ability of the Bank 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 financial results 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.
10. 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.
11. 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.

T R Chadha & Co LLP
Chartered Accountants
Door No. 5D, V Floor,
Mount Chambers
758, Anna Salai
Chennai - 600 002, Tamil Nadu

Varma & Varma
Chartered Accountants
Sreela Terrace, Level 4, Unit -D
105, 1st Main Road,
Gandhi Nagar Adyar
Chennai - 600 020, Tamil Nadu

Other Matters

12. The audit of financial results for the quarter and year ended 31st March 2021 included in the Statement were conducted by M/s T R Chadha & Co LLP Chartered Accountants, the statutory auditors of the bank, who had expressed an unmodified opinion on those financial results. Accordingly, we M/s Varma & Varma, Chartered Accountants, do not express any opinion on these figures reported in the Statement as above.
13. Attention is invited to Note No.17 to the Statement. As stated therein, the Statement includes the results for the quarter ended 31st March 2022 being the balancing figures between the annual audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the financial year, which were subject to limited review by us.

Our opinion is not modified in respect of the matters stated in Para 12 and 13 above.

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

SHESHU
SAMUDRALA
Digitally signed by
SHESHU SAMUDRALA
Date: 2022.05.04
19:08:04 +05'30'

Sheshu Samudrala
Partner
ICAI Membership No. 235031
UDIN: **22235031AIKCLKI7939**

Place: Chennai
Date: 04.05.2022

For **Varma & Varma**
Chartered Accountants
Firm Registration No 004532S

POONJAR RAMA
PRASANNA VARMA
Digitally signed by POONJAR
RAMA PRASANNA VARMA
Date: 2022.05.04 18:58:02
+05'30'

P R Prasanna Varma
Partner
ICAI Membership No. 025854
UDIN: **22025854AIKMIY1327**

Place: Chennai
Date:04.05.2022



EQUITAS SMALL FINANCE BANK LIMITED

FOR IMMEDIATE PUBLICATION

PRESS RELEASE

May 04, 2022

Chennai, May 04, 2022: 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, 2022

FY22 disbursement at Rs. 10,549 Crs, highest ever achievement – growth of 41%

Gross Advances as of Q4FY22 was at Rs. 20,597 Cr, growth of 15% YoY

PPoP as a % of assets expanded to 4.35% from 3.52% in Q3FY22

Cost of funds improved to 6.20% from 7.20% in Q4FY21, improvement of 100bps

CASA Deposit grew 76% YoY to Rs. 9,855 Crs. CASA Ratio stood at 52.01% as of March 2022

Digital Initiatives drive account acquisition, acquired 23 lac liability accounts in FY22 as compared to 4.7 lac accounts in FY21

GNPA down to 4.06% from 4.39% in Q3FY22

Q4FY22 Highlights:

1. Key Highlights for Q4FY22:

- **Advances:**

Highest ever yearly & quarterly disbursements:

- FY22 disbursement at Rs. 10,549 Crs, our highest ever achievement – growth of 41%
- Q4FY22 disbursement at Rs. 3,279 Crs exceeding previous highest quarter
- Fastest growing Segment for the quarter is Small Business Loans, the Bank's flagship product

Advances growth picks up:

- Advances as of Q4FY22 was at Rs. 20,597 Cr, growth of 15% YoY

Normalising credit costs:

- Non Restructured Loans credit cost for Q4FY22 annualised at 1.26%, trending back to Bank's historical levels

- **Liabilities:**

- **Strong retail momentum:**

- Cost of funds improved to 6.20% from 7.20% in March 2021, improvement of 100bps
 - CASA Deposit grew 76% YoY to Rs. 9,855 Crs. CASA Ratio stood at 52.01% as of March 2022
 - Retail Term Deposits grew 21% YoY to Rs. 7,093 Crs. Retail Deposits forms 78% of the Term Deposits

- **Expanding cross sell opportunity:**

- Liability Fee Income at Rs. 73 Crs vs. Rs. 50 Crs in FY21, growth of 46% YoY
 - 53% growth in Insurance Premium mobilized for the year at Rs. 127 Crs
 - 32,000 3in1 Account sourced in FY22
 - Cross selling of Used Car loans, Prime Home Loans and Working capital loans pick up

- **Deepening retail relationship:**

- NRI SA grew 236%, highest growing segment within the SA book
 - Debit Card spends doubled in FY22 to Rs. 689 Crs
 - Unique Card Transactions in FY22 up by 150% YoY

- **Key Ratios:**

- Cost to Income at 56.85% in Q4FY22 as compared to 64.67% in Q3FY22 and 57.34% in Q4FY21; after adjusting digital expenses to corresponding digital income
 - RoA and RoE for Q4FY22 at 1.83% and 12.21% respectively

- **Capital:**

- As of March 31, 2022 Total CRAR at 25.16% | Tier I at 24.53% and Tier II at 0.63%

- **Treasury & Liquidity:**

- The Bank's Certificate of Deposit (CD) programme for Rs. 1,000 Crore has highest rating from at CRISIL A1+
 - The Bank has adequate eligible advances available to raise funds through refinance or IBPC 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). Average Liquidity Coverage Ratio (LCR) for the quarter at 134%
 - LCR improved sharply as the Bank focused on improving quality of deposits

2. Profit & Loss:

- Net Interest Income for Q4FY22 at Rs. 552 Cr as against Rs. 449 Cr in Q4FY21. NIM at 9.12%
- Pre Provisioning Operating Profit (PPoP) for Q4FY22 at Rs. 284 Cr as against Rs. 250 Cr in Q4FY21
- PAT for Q4FY22 at Rs. 120 cr as against Rs. 113 Cr in Q4FY21

3. Asset Quality, Provisions & Restructuring:

- GNPA at 4.06% in Q4FY22 as compared to 4.39% in Q3FY22 and 3.59% in Q4FY21
- NNPA at 2.37% in Q4FY22 as compared to 2.38% in Q3FY22 and 1.52% in Q4FY21
- Provision coverage ratio at 42.73%
- The Bank has made additional standard assets provision of Rs. 26.08 Crs in Q4FY22

Commenting on the quarterly performance, **Mr. P N Vasudevan, Managing Director and CEO of Equitas Small Finance Bank said:** “The Bank achieved its highest ever disbursement in Q4FY22. The demand for credit has come back to normal levels. With improving asset quality, the Bank is well positioned to get back to its pre-Covid levels growth rate of around 30% p.a. The Bank’s capital position is also strong with capital adequacy of over 25%, enabling the Bank to pursue growth over the coming years.”

About Equitas Small Finance Bank Limited [ESFB]

Equitas Small Finance Bank is one of the largest small finance banks in India. As a new-age bank, we offer a bouquet of products and services tailored to meet the needs of our customers – individuals with limited access to formal financing channels, as well as affluent and mass affluent, Small & Medium Enterprises (SMEs) and corporates. Our firmly entrenched strategy focuses on providing credit to the unbanked and underbanked micro and small entrepreneurs, developing products to address the growing aspirations at the ‘bottom of the pyramid’, fuelled by granular deposits and ‘value for money’ banking relationships.

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

May 04, 2022

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 - 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 Joint Statutory Auditors of the Bank, T R Chadha & Co LLP, Chartered Accountants and Varma & Varma, 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, 2022.

Kindly take the above information on record.

Thanking you,

Yours truly,
for Equitas Small Finance Bank Limited


Sampathkumar K R
Company Secretary



BEYOND BANKING

When you bank with us, you contribute towards a better society.

Equitas Small Finance Bank Limited
(Previously known as Equitas Finance Limited)

2890523

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) **Debt Equity Ratio** (for the year ended on 31st March 2022): **0.29 times** (Debt represents borrowings with residual maturity of more than one year.)
- b) **Capital Redemption Reserve/Debenture Redemption Reserve:** Equitas Small Finance Bank Limited being a banking company as on 31st March 2022, accordingly Debenture Redemption Reserve requirement is not applicable for Privately Placed Debentures.
- c) **Net Worth:** The Net Worth of the Bank as on 31st March 2022 is ₹ 3,97,281.76 Lakhs.
- d) **Net Profit after Tax:** The Net Profit after tax for the half year ended on 31st March 2022 is ₹ 28,073.18 Lakhs.
- e) **Earnings Per Share:**

Earnings per equity share (including exceptional item):

Particulars	EPS
Basic (in Rs.)	2.43
Diluted (in Rs.)	2.40

Earnings per equity share (excluding exceptional item):


Particulars	EPS
Basic (in Rs.)	2.43
Diluted (in Rs.)	2.40

f) **Current Ratio:** Not Applicable

We request you to take the above information on your records

Thanks & Regards,

For Equitas Small Finance Bank Limited


Sampathkumar KR
Company Secretary



BEYOND BANKING

When you bank with us, you contribute towards a better society.

Equitas Small Finance Bank Limited
(Previously known as Equitas Finance Limited)

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