

January 30, 2020

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001	The Secretary National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex (BKC) Bandra (east) Mumbai - 400051
<b>Scrip Code No: 539844</b>	<b>Symbol: EQUITAS</b>

Dear Sirs,

**Sub: Unaudited Financial Results for the quarter and nine months ended December 31, 2019**

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

- Unaudited Consolidated and Standalone Financial Results for the quarter and nine months ended December 31, 2019 along with the Limited Review Reports issued by the Statutory Auditors and
- Press Release dated January 30, 2020 on the results

The Meeting of the Board of Directors of the Company commenced at 2.15 p.m. and concluded at 5.00 p.m.

The above information will be made available on the Company's website [www.equitas.in](http://www.equitas.in).

Kindly take the above information on record.

Thanking you,

Yours truly,  
For Equitas Holdings Limited



Deepti R  
Company Secretary



**EQUITAS HOLDINGS LIMITED**

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Equitas Holdings Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Equitas Holdings Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), for the quarter ended December 31, 2019 and nine month period ended December 31, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended and year to date ended December 31, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), *Interim Financial Reporting*, prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the Parent's subsidiaries, Equitas Small Finance Bank Limited and Equitas Technologies Private Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to the matter stated in note no 7 to the Statement regarding management's plans relating to compliance by Equitas Small Finance Bank Limited, the Company's subsidiary, with the relevant licensing guidelines of the Reserve Bank of India and related regulatory processes and requirements. Our conclusion is not qualified with regard to this matter.





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

7. The accompanying Statement includes unaudited financial results of one subsidiary, whose financial results reflect Group's share of total assets of Rs. 256.18 Lakhs as at December 31, 2019, and Group's share of total revenues of Rs. 129.87 Lakhs and Rs. 411.83 lakhs, Group's share of total net profit /(loss) after tax of (Rs. 2.59 lakhs) and Rs. 57.84 lakhs, Group's share of total comprehensive income/ (loss) of (Rs. 2.39 Lakhs) and Rs. 58.44 lakhs, for the quarter ended December 31, 2019 and for the year to date period from April 1, 2019 to December 31, 2019, respectively, which have been reviewed by its respective independent auditor. The independent auditor's report on the interim financial results of that subsidiary has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement in respect of matters stated above is not modified with respect to our reliance on the work done and the report of the other auditor.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



**per Aniruddh Sankaran**

Partner

Membership No.: 211107



UDIN: 20211107AAAAAI6879

Place: Chennai

Date: January 30, 2020



EQUITAS HOLDINGS LIMITED

CIN No.: U65100TN2007PLC064069

Regd. Office: 410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road,  
Anna Salai, Chennai - 600 002, Phone No. + 91 44 4299 5000 Website: www.equitas.in

Statement of Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2019

Rs. in lakhs

S. No.	Particulars	Quarter ended			Period ended		Year Ended
		Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
		Unaudited	Unaudited	Ref Note 8	Unaudited	Ref Note 8	Audited
1	<b>Revenue</b>						
	<b>(a) Revenue from Operations</b>						
	(i) Interest income	71,392.66	67,140.59	57,424.48	2,01,510.23	1,61,534.13	2,19,463.78
	(ii) Fee based income and revenue from contract with customers	2,346.72	2,397.72	1,845.98	7,231.84	5,268.89	7,523.61
	(iii) Net gain/(loss) on fair value changes	41.59	80.92	5.66	161.58	319.29	327.31
	(iv) Rental Income	54.30	54.30	54.30	162.31	162.31	215.43
	<b>Total revenue from operations (a)</b>	<b>73,835.27</b>	<b>69,673.53</b>	<b>59,330.42</b>	<b>2,09,065.96</b>	<b>1,67,284.62</b>	<b>2,27,530.13</b>
	Other income (b)	2,253.24	807.66	1,971.57	4,007.94	6,492.62	8,322.98
	<b>Total Revenue (a+b)</b>	<b>76,088.51</b>	<b>70,481.19</b>	<b>61,301.99</b>	<b>2,13,073.90</b>	<b>1,73,777.24</b>	<b>2,35,853.11</b>
2	<b>Expenses</b>						
	(i) Finance costs	30,321.84	29,399.95	23,664.18	86,469.90	71,913.49	96,125.90
	(ii) Impairment of Financial Instruments	4,690.34	3,485.51	2,439.25	9,505.25	5,506.82	10,128.54
	(iii) Employee benefits expenses	18,819.13	17,515.22	13,692.67	53,325.62	41,950.47	56,766.28
	(iv) Depreciation, amortisation and impairment	3,696.75	3,683.17	2,336.84	10,856.23	6,900.77	9,276.37
	(v) Others expenses	8,777.16	7,658.67	10,723.34	23,608.66	26,540.46	36,424.86
	<b>Total expenses</b>	<b>66,305.22</b>	<b>61,742.52</b>	<b>52,856.28</b>	<b>1,83,765.66</b>	<b>1,52,812.01</b>	<b>2,08,721.95</b>
3	<b>Profit before tax (1-2)</b>	<b>9,783.29</b>	<b>8,738.67</b>	<b>8,445.71</b>	<b>29,308.24</b>	<b>20,965.23</b>	<b>27,131.16</b>
4	<b>Tax expense</b>						
	(i) Current Tax	2,809.07	1,769.26	3,833.58	8,724.49	9,436.48	14,051.65
	(ii) Deferred Tax	(953.54)	2,844.22	(741.17)	1,503.22	(1,936.99)	(4,577.89)
	<b>Total tax expense</b>	<b>1,855.53</b>	<b>4,613.48</b>	<b>3,092.41</b>	<b>10,227.71</b>	<b>7,499.49</b>	<b>9,473.76</b>
5	<b>Net profit for the period / year (3-4)</b>	<b>7,927.76</b>	<b>4,125.19</b>	<b>5,353.30</b>	<b>19,080.53</b>	<b>13,465.74</b>	<b>17,657.40</b>
6	<b>Other comprehensive income</b>						
	- Items that will not be reclassified to P&L	1.60	18.08	96.82	56.16	(95.33)	39.94
	- Items that will be reclassified to P&L	-	-	-	-	-	-
	<b>Total other comprehensive income net of tax</b>	<b>1.60</b>	<b>18.08</b>	<b>96.82</b>	<b>56.16</b>	<b>(95.33)</b>	<b>39.94</b>
7	<b>Total comprehensive income (5+6)</b>	<b>7,929.36</b>	<b>4,143.27</b>	<b>5,450.12</b>	<b>19,136.69</b>	<b>13,370.41</b>	<b>17,697.34</b>
	Paid up Equity share Capital (Face value of Rs. 10)	34,178.92	34,174.32	34,130.73	34,178.92	34,130.73	34,146.15
	Other Equity						2,10,223.92
	<b>Net profit for the period / year attributable to</b>						
	Equity holders of the parent	7,849.19	4,125.30	5,354.10	19,001.67	13,467.37	17,659.09
	Non-controlling interest	78.57	(0.11)	(0.80)	78.86	(1.63)	(1.70)
	<b>Total comprehensive income for the period / year attributable to</b>						
	Equity holders of the parent	7,850.79	4,143.38	5,450.92	19,057.83	13,372.04	17,699.03
	Non-controlling interest	78.57	(0.11)	(0.80)	78.86	(1.63)	(1.69)
8	<b>Earnings Per Share (EPS) (Not annualised)</b>						
	Basic in Rs.	2.25	1.21	1.57	5.53	3.95	5.18
	Diluted in Rs.	2.25	1.20	1.56	5.53	3.92	5.18





**Equitas Holdings Limited ("EHL" or the "Company")**

**All amounts in are Rs. in Lakhs unless otherwise stated**

**Notes to Statement of Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2019**

- 1 This Statement of Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held on January 30, 2020 and subjected to limited review by the statutory auditors. (Also refer Note 8).
- 2 The above statement includes the unaudited financial information of the Company's subsidiaries (i) Equitas Small Finance Bank Limited ("ESFB", "the Bank") and (ii) Equitas Technologies Private Limited ("ETPL")
- 3 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applicable to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 25,095.66 Lakhs, and a lease liability of Rs. 27,941.89 Lakhs. The cumulative effect of applying the standard resulted in Rs. 910.36 Lakhs being debited to retained earnings.
- 4 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (the "Ordinance") issued on September 20, 2019, the Income tax rates have been changed with effect from April 1, 2019. ETPL is in the process of evaluating the options available under the Ordinance. Accordingly, tax expenses and assets relating to ETPL do not consider the tax rates as per the Ordinance. The Company (during the quarter) and the bank (during the earlier quarter) have elected to exercise the option permitted by the Ordinance, and have accordingly recognised provision for income taxes for the nine-month period ended December 31, 2019, and remeasured the balance of net deferred tax assets as at March 31, 2019, at the rates prescribed by the Ordinance. Accordingly, tax expenses for the nine-month period ended December 31, 2019 includes Rs 3,460.01 lakhs, resulting from remeasurement of net deferred tax assets as at March 31, 2019. Further, current tax expense is net of Rs 20.94 lakhs and deferred tax expense is net of credit of Rs 4.58 lakhs in respect of the period from April 1, 2019 to September 30, 2019, as a result of remeasurement of current tax upon the Company availing the option in the current quarter.
- 5 a) During the nine months ended December 31, 2019, the Company has allotted 327,749 equity shares of Rs 10 each, fully paid up (46,041 equity shares during the quarter then ended), on exercise of options by employees of the Company and its subsidiary (Equitas Small Finance Bank Limited), in accordance with the Company's Employee Stock Option Schemes.  
b) During the quarter ended December 31, 2019, 98,86,035 stock options previously issued by EHL under its Employee Stock Option Scheme, 2015 have been cancelled upon surrender of such options by the employees.  
c) During the quarter ended December 31, 2019, 3,46,87,873 stock options have been granted by ESFB, a subsidiary of the Company, under the ESFB Employees Stock Option Scheme 2019.
- 6 Based on internal reporting provided to the chief operating decision maker, the consolidated segment disclosures as per Ind-AS 108 are given in Annexure 1
- 7 As a precondition to small finance bank licensing guidelines issued by the Reserve Bank of India, amongst other conditions, Equitas Small Finance Bank, a wholly owned subsidiary of the Company was required to be listed within 3 years from the date of commencement of operations (i.e from 5th September 2016). In the absence of Securities Exchange Board of India's ("SEBI") approval to a scheme of arrangement, which would have resulted in the listing of the Bank's shares, and the consequent non-compliance of the relevant listing condition, the Reserve Bank of India vide its letter dated September 06, 2019 has imposed regulatory action on the Bank, by way of restriction on opening of new branches and on the remuneration of the MD & CEO of the Bank, till further advice. (However, in December 2019, the Bank has subsequently obtained the specific approval of the RBI for opening 240 banking outlets). The Board of Directors of the Bank on September 10, 2019 has approved an initial public offer and listing of the equity shares on stock exchanges in India, to comply with the licensing guidelines. Subsequently, the Bank has filed a Draft Red Herring Prospectus with SEBI on December 16, 2019 and Stock Exchanges (National Stock Exchange of India Limited and BSE Limited). The Bank has received in principle approval from Stock Exchanges and is awaiting approval from SEBI as on date. Having regard to the forgoing, the management is confident of listing of the shares of the Bank by March 31, 2020. Read with the above, the Bank continues normal course of business and operates as a going concern, and no adjustments have been considered necessary in this regard.
- 8 Amounts for the comparative periods presented have been reclassified / regrouped, wherever necessary. The comparative figures for the corresponding quarter and period ended December 31, 2018, as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the Company, but have not been subjected to limited review/audit by auditors.



Place: Chennai

Date : January 30, 2020

On behalf of the Board of Directors  
**Equitas Holdings Limited**

  
John Alex  
Executive Director and CEO



## Annexure 1

Notes to Statement of Unaudited Consolidated Financial Results for the quarter and nine month period ended December 31, 2019

Segment wise Revenue, Results and Capital Employed for consolidated unaudited financial results under Regulation 33 of the Listing Regulations, 2015.

Rs. in lakhs

Particulars	Quarter Ended Dec 31, 2019	Quarter Ended Sep 30, 2019	Quarter Ended Dec 31, 2018	Period Ended December 31, 2019	Period Ended December 31, 2018	Year Ended March 31, 2019
<b>1 Segment revenue</b>						
a. Banking	75,903.73	70,335.68	61,224.86	2,12,497.79	1,73,580.74	2,35,440.87
b. Others	184.78	145.51	77.12	576.11	196.49	412.24
<b>Total Revenue</b>	<b>76,088.51</b>	<b>70,481.19</b>	<b>61,301.99</b>	<b>2,13,073.90</b>	<b>1,73,777.24</b>	<b>2,35,853.11</b>
<b>2 Segment results - Profit before tax and interest</b>						
a. Banking	9,836.63	8,872.83	8,659.83	29,471.34	21,467.44	27,691.14
b. Others	(53.34)	(134.16)	(214.12)	(163.10)	(502.21)	(559.98)
<b>Profit before tax</b>	<b>9,783.29</b>	<b>8,738.67</b>	<b>8,445.71</b>	<b>29,308.24</b>	<b>20,965.23</b>	<b>27,131.16</b>
<b>3 Segment assets</b>						
a. Banking	19,36,875.11	17,45,357.98	14,66,651.98	19,36,875.11	14,66,651.98	15,64,844.54
b. Others	7,117.11	6,838.04	5,928.46	7,117.11	5,928.46	6,480.54
<b>Total</b>	<b>19,43,992.22</b>	<b>17,52,196.02</b>	<b>14,72,580.44</b>	<b>19,43,992.22</b>	<b>14,72,580.44</b>	<b>15,71,325.08</b>
<b>4 Segment liabilities</b>						
a. Banking	16,54,616.22	14,96,327.06	12,32,163.78	16,54,616.22	12,32,163.78	13,26,415.25
b. Others	442.33	280.97	367.28	442.33	367.28	539.39
<b>Total</b>	<b>16,55,058.55</b>	<b>14,96,608.03</b>	<b>12,32,531.06</b>	<b>16,55,058.55</b>	<b>12,32,531.06</b>	<b>13,26,954.64</b>
<b>5 Capital employed (Segment Assets - Segment Liabilities)</b>						
a. Banking	2,82,258.89	2,49,030.92	2,34,488.20	2,82,258.89	2,34,488.20	2,38,429.29
b. Others	6,674.78	6,557.07	5,561.18	6,674.78	5,561.18	5,941.14
<b>Total</b>	<b>2,88,933.67</b>	<b>2,55,587.99</b>	<b>2,40,049.38</b>	<b>2,88,933.67</b>	<b>2,40,049.38</b>	<b>2,44,370.44</b>





**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Equitas Holdings Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Equitas Holdings Limited (the "Company") for the quarter ended December 31, 2019 and nine month period ended December 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), *Interim Financial Reporting*, prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the matter stated in note no 5 to the Statement regarding management's plans relating to compliance by Equitas Small Finance Bank Limited, the Company's subsidiary, with the relevant licensing guidelines of the Reserve Bank of India and related regulatory processes and requirements. Our conclusion is not qualified with regard to this matter.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm registration number: 101049W/E300004****per Aniruddh Sankaran**

Partner

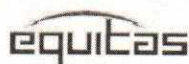
Membership No.: 211107



UDIN: 20211107AAAAAH3362

Place: Chennai

Date: January 30, 2020



**EQUITAS HOLDINGS LIMITED**

CIN No.: L65100TN2007PLC064069

Regd. Office: 410A, 4th Floor, Spencer Plaza, Phase II, No.769, Mount Road, Anna Salai, Chennai - 600 002

Phone No. + 91 44 4299 5000 Website: www.equitas.in

**Statement of Unaudited Standalone Financial Results for the quarter and nine month period ended December 31, 2019**

		Rs. In lakhs					
Sl. No.	Particulars	Standalone					
		Quarter Ended			Nine month ended		Year Ended
		Dec 31, 2019	Sep 30, 2019	Dec 31, 2018	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Revenue</b>						
	<b>(a) Revenue from Operations</b>						
	(i) Interest Income	374.59	372.33	354.12	1,110.11	1,036.63	1,389.02
	(ii) Rental income	54.30	54.30	54.30	162.31	162.31	215.43
	(iii) Guarantee income	15.35	15.35	111.27	46.05	334.09	461.21
	<b>Total revenue from operations</b>	<b>444.24</b>	<b>441.98</b>	<b>519.69</b>	<b>1,318.47</b>	<b>1,533.03</b>	<b>2,065.66</b>
	<b>(b) Other income</b>	2.50	-	-	124.46	-	186.20
	<b>Total Revenue (a+b)</b>	<b>446.74</b>	<b>441.98</b>	<b>519.69</b>	<b>1,442.93</b>	<b>1,533.03</b>	<b>2,251.86</b>
2	<b>Expenses</b>						
	(i) Employee benefits expense	27.57	30.07	28.04	84.38	92.96	113.34
	(ii) Depreciation and amortization expense	21.94	22.51	22.12	66.54	63.24	84.35
	(iii) Impairment of investment in subsidiary	100.00	-	-	100.00	-	468.00
	(iv) Impairment on Financial Instruments	3.14	3.14	(43.09)	9.39	(52.96)	(49.89)
	(v) Other expenses	44.97	114.50	98.75	223.22	289.93	364.14
	<b>Total expenses</b>	<b>197.62</b>	<b>170.22</b>	<b>105.82</b>	<b>483.53</b>	<b>393.17</b>	<b>979.94</b>
3	<b>Profit before tax (1-2)</b>	<b>249.12</b>	<b>271.76</b>	<b>413.87</b>	<b>959.40</b>	<b>1,139.86</b>	<b>1,271.92</b>
4	<b>Tax expense</b>						
	(i) Current Tax	49.95	113.76	78.08	247.61	229.80	266.00
	(ii) Deferred Tax	8.35	13.57	27.95	42.13	60.87	72.68
	<b>Total tax expense</b>	<b>58.30</b>	<b>127.33</b>	<b>106.03</b>	<b>289.74</b>	<b>290.67</b>	<b>338.68</b>
5	<b>Net profit for the period / year (3-4)</b>	<b>190.82</b>	<b>144.43</b>	<b>307.84</b>	<b>669.66</b>	<b>849.19</b>	<b>933.24</b>
6	<b>Other comprehensive income</b>						
	- Items that will not be reclassified to P&L	0.03	0.02	(0.09)	0.12	(0.30)	0.52
	- Items that will be reclassified to P&L	-	-	-	-	-	-
	<b>Total other comprehensive income net of tax</b>	<b>0.03</b>	<b>0.02</b>	<b>(0.09)</b>	<b>0.12</b>	<b>(0.30)</b>	<b>0.52</b>
7	<b>Total comprehensive income (5+6)</b>	<b>190.85</b>	<b>144.45</b>	<b>307.75</b>	<b>669.78</b>	<b>848.89</b>	<b>933.76</b>
8	<b>Paid up Equity share Capital (Face value of Rs10)</b>	<b>34,178.92</b>	<b>34,174.32</b>	<b>34,130.73</b>	<b>34,178.92</b>	<b>34,130.73</b>	<b>34,146.15</b>
9	<b>Other Equity</b>						<b>1,46,010.01</b>
10	<b>Earnings Per Share (EPS) (Not annualised)</b>						
	Basic Rs.	0.06	0.04	0.09	0.20	0.25	0.27
	Diluted Rs.	0.06	0.04	0.09	0.20	0.25	0.27





**Equitas Holdings Limited ("EHL" or the "Company")**

**All amounts in are Rs. in Lakhs unless otherwise stated**

**Notes to Statement of Unaudited Standalone Financial Results for the quarter and nine month period ended December 31, 2019**

- 1 This Statement of Unaudited Standalone financial Results for the quarter and nine month period ended December 31, 2019 was reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 30, 2020 and subjected to limited review by the statutory auditors.
- 2 Effective April 1, 2019, the Company adopted Ind AS 116, "Leases", applicable to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 and nine months ended December 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 3.00 Lakhs, and a lease liability of Rs.3.25 Lakhs. The cumulative effect of applying the standard resulted in Rs. 0.25 Lakhs being debited to retained earnings.
- 3 a) During the nine months ended December 31, 2019, the Company has allotted 327,749 equity shares of Rs 10 each, fully paid up (46,041 equity shares during the quarter then ended), on exercise of options by employees of the Company and its subsidiary (Equitas Small Finance Bank Limited) ("ESFB", "the Bank"), in accordance with the Company's Employee Stock Option Schemes.  
b) During the quarter ended December 31, 2019, 98,86,035 stock options previously issued by EHL to the employees and employees of ESFB under its Employee Stock Option Scheme, 2015 have been cancelled upon surrender of such options by the employees.  
c) During the quarter ended December 31, 2019, 3,46,87,873 stock options have been granted by ESFB, under the ESFB Employees Stock Option Scheme 2019.
- 4 The Company is primarily engaged in Core Investment operations. All the activities of the Company revolve around the main business in India. As such there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment.
- 5 As a precondition to small finance bank licensing guidelines issued by the Reserve Bank of India, amongst other conditions, Equitas Small Finance Bank, a wholly owned subsidiary of the Company was required to be listed within 3 years from the date of commencement of operations (i.e from 5th September 2016). In the absence of Securities and Exchange Board of India's ("SEBI") approval to a scheme of arrangement, which would have resulted in the listing of the Bank's shares, and the consequent non-compliance of the relevant listing condition, the Reserve Bank of India vide its letter dated September 06, 2019 has imposed regulatory action on the Bank, by way of restriction on opening of new branches and on the remuneration of the MD & CEO of the Bank, till further advice. (However, in December 2019, the Bank has subsequently obtained the specific approval of the RBI for opening 240 banking outlets). The Board of Directors of the Bank on September 10, 2019 has approved an initial public offer and listing of the equity shares on stock exchanges in India, to comply with the licensing guidelines. Subsequently, the Bank has filed a Draft Red Herring Prospectus with SEBI on December 16, 2019 and Stock Exchanges (National Stock Exchange of India Limited and BSE Limited). The Bank has received in principle approval from Stock Exchanges and is awaiting approval from SEBI as on date. Having regard to the forgoing, the management is confident of listing of the shares of the Bank by March 31, 2020. Read with the above, the Bank continues normal course of business and operates as a going concern, and no adjustments have been considered necessary in this regard.
- 6 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (the "Ordinance") issued on September 20, 2019, the Income tax rates have been changed with effect from April 1, 2019. During the quarter, the Company has elected to exercise the option permitted by the Ordinance. As a result of consequent remeasurement, current tax expense is net of Rs 20.94 lakhs and deferred tax expense is net of credits of Rs.4.58 lakhs in respect of the period from April 1, 2019 to September 30, 2019; and deferred tax expense is net of Rs. 5.71 lakhs resulting from remeasurement of the deferred tax liability as at March 31, 2019.
- 7 Based on the resolution passed by the Board of Directors on October 31, 2019, the Company has made investments in equity shares of Equitas Technologies Private Limited (a subsidiary) to the extent of Rs.1 crore. Further, based on the management's assessment, the Company has recognised a provision for impairment of investment of Rs. 1 crore in respect of the foregoing.
- 8 Amounts for the comparative periods presented have been reclassified / regrouped, wherever necessary.

Place: Chennai

Date : January 30, 2020



On behalf of the Board of Directors  
**Equitas Holdings Limited**

  
John Alex  
Executive Director and CEO





# Equitas Holdings Limited

## Q3FY20 results

**Equitas Small Finance Bank posts advances growth of 37% YoY**

**Cost to Income improved by 280 bps to 66.24% in Q3FY20**

**PAT for Q3FY20 up 51% YoY at Rs. 94 Cr**

### ESFB Quarterly Highlights (iGAAP):

#### 1. Key Highlights for Q3FY20:

- **Advances:**

- Disbursement for the quarter grew 36% YoY
- Advances grew 37% YoY
- Micro Finance stands at 24% of total advances; 75% of the overall advances is secured loans.

- **Liabilities:**

- Retail TD at Rs. 3,075 Cr in Q3FY20 has grown 153% YoY
- Total Deposits crossed Rs. 10,400 Cr
- Customer Deposits as a % of Total Borrowings stands at a 64%
- CASA stood at Rs. 2,196 Cr, CASA ratio at 23%
- Launched Equitas Elite, a priority banking & wealth management programme. We have enrolled about 1,700 clients into this programme within the first 2 months of launch
- We issued 80,928 FASTags during the quarter. NPCI has approved the Bank on acquiring of toll plazas as an Acquirer. We have completed POC with AIROLI toll Plaza in Mumbai
- Appointed Mr. Murali Vaidyanathan as President & Country Head – Branch Banking, Liabilities, Product & Wealth. Earlier he served as EVP – Business Head (Merchant Acquiring), Product Head – CASA/ Segments & Programs at Kotak Mahindra Bank.

<sup>^</sup> All ESFB numbers in this document are on iGAAP basis unless specified. | NIM = Net interest income as a % of avg. income earning assets | Customer Deposits = Deposits excluding CD | \*Cost to income ratio is calculated as a ratio of Operating expenses divided by Net Operating Income (Net Operating Income is a sum of net interest income and other income) <sup>^</sup>RoA – ratio of the net profit for the period/ to the average assets | <sup>#</sup>Ratio of the net profit for the period/ to the average shareholders' Equity | <sup>§</sup>GNPA including IBPC. All ESFB numbers are based on management report and are not subject to audit



- **Operating Leverage:**
  - Cost to Income\* improved by 280 basis points from 69.06% in Q2FY20 to 66.24% in Q3FY20
  - Improvement in RoA<sup>^</sup> and RoE<sup>#</sup> at 2.11% and 14.86% respectively vs. 1.12% & 8.14% in Q2FY20 and 1.72% & 11.53% in Q3FY19
- **RBI Approval on new banking outlets:**
  - RBI has permitted us to open 12 new branches, 86 business correspondents (URC) and conversion of 142 asset centres to banking outlets
- **Marketing & Branding Activities:**
  - Several activities were conducted in Q3FY20 at branch catchment areas across the country
  - Generated leads and website traffic increased due to Branch BTL Activities and Digital Campaigns
  - #Equitasbankturns3, wins the “Marketing Campaign of the year” award presented by World Marketing Congress

## 2. Quarterly Profit & Loss:

- Net Interest Income grew by 23% YoY to Rs. 384 cr, NIM\* at 9.17%
- Provisions and loan loss charges at Rs. 40.5 cr. PCR stood at 43.44%
- PAT up 51% YoY to Rs. 94 Cr vs. Rs. 62 cr in Q3FY19

## 3. Balance Sheet:

- Advances grew 37% YoY to Rs. 14,615 cr
  - Micro Finance grew 19% YoY to Rs. 3,504 cr
  - Small Business Loans (Incl. HF) grew 45% YoY to Rs. 5,930 cr
  - Vehicle Finance grew 32% YoY to Rs. 3,587 cr
  - MSE Finance grew 448% YoY to Rs. 563 cr
  - Corporate Loans grew 97% YoY to Rs. 760 cr

## 4. Asset Quality:

- GNPA<sup>§</sup> at 2.86% as compared to 2.86% in Q2FY20 and 3.14% in Q3FY19
- NNPA at 1.73% as compared to 1.63% in Q2FY20 and 1.77% in Q3FY19

<sup>^</sup> All ESFBL numbers in this document are on iGAAP basis unless specified. | NIM = Net interest income as a % of avg. income earning assets | Customer Deposits = Deposits excluding CD | \*Cost to income ratio is calculated as a ratio of Operating expenses divided by Net Operating Income (Net Operating Income is a sum of net interest income and other income) <sup>^</sup>RoA – ratio of the net profit for the period/ to the average assets | <sup>#</sup>Ratio of the net profit for the period/ to the average shareholders' Equity | <sup>§</sup>GNPA including IBPC. All ESFBL numbers are based on management report and are not subject to audit

## **Equitas Holdings Limited [EHL],**

Summary of Consolidated IND-AS Financial Performance – 9MFY20:

- Total Income of Rs. 2,131 Cr in 9MFY20 as compared to Rs. 1,738 Cr in 9MFY19
- PAT of Rs. 191 Cr in 9MFY20 as compared to Rs. 134 Cr in 9MFY19

## **Results Conference Call Details**

*We will hold an earnings conference call on 31<sup>st</sup> January 2020, Friday at 08:30 am IST to discuss quarterly performance. Transcript of the call will be available later in the Investor Relations section of our website <https://www.equitas.in/>*

*Please dial the numbers at least 5-10 minutes prior to the conference schedule to ensure that you are connected on time.*

*Conference Call Primary Number: +91 22 6280 1102/ +91 70456 71221*

## **About Equitas Holdings Limited [EHL]**

Equitas Holdings Limited ('the Company') is a Non-Deposit Taking Systemically Important - Core Investment Company – (CIC-ND-SI) registered with The Reserve Bank of India. The main objects of EHL are inter alia (i) to carry on business of investment company/finance Company, and (ii) to carry on business of holding company and to invest in subsidiary companies

The Company has the following Subsidiaries:

- Equitas Small Finance Bank Limited, licensed under Section 22 of the Banking Regulations Act, 1949 to carry on the business of small finance bank;
- Equitas Technologies Private Limited [ETPL], a Company registered under the Companies Act, 2013 engaged in the business of freight aggregation.

## **About Equitas Small Finance Bank Limited [ESFBL]**

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

<sup>^</sup> All ESFBL numbers in this document are on iGAAP basis unless specified. | NIM = Net interest income as a % of avg. income earning assets | Customer Deposits = Deposits excluding CD | \*Cost to income ratio is calculated as a ratio of Operating expenses divided by Net Operating Income (Net Operating Income is a sum of net interest income and other income) ^RoA – ratio of the net profit for the period/ to the average assets | #Ratio of the net profit for the period/ to the average shareholders' Equity | <sup>§</sup>GNPA including IBPC. All ESFBL numbers are based on management report and are not subject to audit



## **Disclaimer:**

*Equitas Small Finance Bank Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 16, 2019 (“DRHP”) with the Securities and Exchange Board of India. The DRHP is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) as well as on the websites of the book running lead managers, JM Financial Limited, Edelweiss Financial Services Limited and IIFL Securities Limited, at [www.jmfl.com](http://www.jmfl.com), [www.edelweissfin.com](http://www.edelweissfin.com) and [www.iiflcap.com](http://www.iiflcap.com) respectively, the website of the National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com), respectively. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP which may be filed with the Registrar of Companies, Tamil Nadu, situated at Chennai, in future including the section titled “Risk Factors”. Potential investors should not rely on the DRHP filed with SEBI in making any investment decision. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act, “Rule 144A”) in transactions exempt from, or not subject to, registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.*

## **For further details, contact:**

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<sup>^</sup> All ESFBL numbers in this document are on iGAAP basis unless specified. | NIM = Net interest income as a % of avg. income earning assets | Customer Deposits = Deposits excluding CD | \*Cost to income ratio is calculated as a ratio of Operating expenses divided by Net Operating Income (Net Operating Income is a sum of net interest income and other income) <sup>^</sup>RoA – ratio of the net profit for the period/ to the average assets | <sup>#</sup>Ratio of the net profit for the period/ to the average shareholders’ Equity | <sup>§</sup>GNPA including IBPC. All ESFBL numbers are based on management report and are not subject to audit