



August 10, 2022

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
Scrip Code No: 539844	Symbol: EQUITAS

Dear Sirs,

Sub: Unaudited Consolidated and Standalone Financial Results for the quarter ended June 30, 2022

Pursuant to Regulation 33 and 30 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 ended June 30, 2022
- Limited Review Report issued by the Statutory Auditors

The Meeting of the Board of Directors of the Company commenced at 11.30 A.M. and concluded at 01:10 p.m.

The above information will be made available on the Company's website 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



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Flat No.202 & 301, Satyam Cinema Complex
Ranjit Nagar Community Centre, New Delhi – 110008
Tel.(011) 25702691, 25704639; e-mail: newdelhi@vsa.co.in

Limited Review Report on unaudited consolidated financial results of Equitas Holdings Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

TO THE BOARD OF DIRECTORS OF 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 subsidiaries together referred to as "the Group") for the quarter ended 30 June 2022 ('the statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's management and has been approved by the Holdings Company's Board of Directors in their meeting held on 10 August 2022 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 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 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. A review of interim financial information consists of making inquiries, primarily of Holdings personnel 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 specified under Section 143(10) of the Companies Act, 2013 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.

We also performed procedures in accordance with the circular issued by the SEBI under regulations 33(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes results of the following entities:
 - a. Equitas Small Finance Bank Limited (Subsidiary)
 - b. Equitas Technologies Private Limited (Subsidiary) (disposed off during the quarter refer note no. 6)
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited standalone financial results prepared in accordance with recognition and measurement principle laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required

KARTHIK
SRINIVASAN

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:55:27 +05'30'

to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

7. We draw attention to Note No. 4 of the Statement which describes the extent to which the Covid – 19 pandemic will continue to impact the Group's results will depend on the ongoing and the future developments which are uncertain.

Our conclusion is not modified with regard to this matter.

Other Matter

8. The accompanying statement includes the unaudited financial results and other financial information, in respect of the subsidiary bank, whose unaudited Ind AS special purpose financial results reflect total revenue of ₹ 1,08,667 lakhs, total net profit after tax of ₹ 9,819 lakhs and total comprehensive income of ₹ 9,839 lakhs for the quarter ended 30 June 2022, as considered in the statement which has been reviewed by one of the joint statutory auditor of that subsidiary bank whose review report has been furnished to us by the management, and our conclusion in so far it relates to the amounts and disclosures included in respect of this subsidiary bank is based solely on the review report of such auditor and the procedure performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the report of the other auditor.

9. The Consolidated unaudited financial results of the Group for the quarter ended 30 June 2021 included in the statement were reviewed by the predecessor auditor who had expressed an unmodified conclusion on those financial results.

Our conclusion is not modified in respect of this matter.

Place: New Delhi
Date: 10 August 2022
UDIN: 22514998AOSJVF4987

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. 109208W
KARTHIK
SRINIVASAN
Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:55:47 +05'30'
Karthik Srinivasan
Partner
Membership No. 514998



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

1. Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2022

₹ in lakhs

S. No.	Particulars	Consolidated			
		Quarter Ended		Year Ended	
		Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Mar 31, 2022
		Unaudited	Audited (Refer note No.10)	Restated Unaudited	Audited
1	Revenue				
	(a) Revenue from Operations				
	(i) Interest income	99,298	94,723	85,676	3,63,131
	(ii) Fee based income and revenue from contract with customers	5,445	8,026	7,192	29,994
	(iii) Net gain/(loss) on fair value changes	738	(355)	1,542	4,584
	(iv) Rental Income	-	-	17	75
	Total Revenue from Operations (a)	1,05,481	1,02,394	94,427	3,97,784
	(b) Other income	3,214	2,925	473	6,706
	Total Revenue (a)+(b)	1,08,695	1,05,319	94,900	4,04,490
2	Expenses				
	(i) Finance cost	37,573	35,971	37,281	1,48,101
	(ii) Impairment of Financial Assets	14,144	13,591	15,707	50,091
	(iii) Employee benefits expenses	23,052	21,502	22,695	92,305
	(iv) Depreciation and amortisation	3,277	3,032	3,254	12,719
	(v) Other expenses	17,696	16,903	14,341	66,239
	Total expenses	95,742	90,999	93,278	3,69,455
3	Profit before exceptional item and tax (1)-(2)	12,953	14,320	1,622	35,035
4	Exceptional items (Refer note 7)	(275)	-	-	6,119
5	Profit before tax (3)-(4)	13,228	14,320	1,622	28,916
6	Tax expense				
	(i) Current Tax	2,064	4,715	3,492	15,727
	(ii) Deferred Tax	1,003	(1,449)	(3,221)	(7,142)
	Total tax expense	3,067	3,266	271	8,585
7	Net profit for the period / year (5)-(6)	10,161	11,054	1,351	20,331
8	Other comprehensive income				
	- Items that will not be reclassified to P&L - Net of tax	26	71	13	106
	- Items that will be reclassified to P&L - Net of tax	(5)	45	303	(337)
	Total other comprehensive	21	116	316	(231)
9	Total comprehensive income (7)+(8)	10,182	11,170	1,667	20,100
	Paid up Equity share Capital (Face value of ₹ 10)	34,179	34,179	34,179	34,179
	Other Equity				3,06,479
	Net profit for the period / year attributable to				
	Equity holders of the parent	7,660	7,762	1,100	15,319
	Non-controlling interest	2,501	3,292	251	5,012
	Total comprehensive income for the period / year attributable to				
	Equity holders of the parent	7,676	7,853	1,358	15,128
	Non-controlling interest	2,506	3,317	309	4,972
10	Earnings Per Share (EPS) - (Not annualised for the quarter)				
	Basic in ₹	2.97	3.23	0.40	5.95
	Diluted in ₹	2.97	3.23	0.40	5.95

KARTHIK
SRINIVASAN

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:53:20 +05'30'



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

Notes to Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2022

- 2 This unaudited financials results (along with the notes given below) have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, at their respective meetings held on August 10, 2022, pursuant to regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended and have been subjected to limited review by the statutory auditors of the Company.
- 3 This Statement includes the unaudited financial results of the Company's subsidiaries (i) Equitas Small Finance Bank Limited ("ESFBL", "the Bank") and (ii) Equitas Technologies Private Limited ("ETPL") collectively referred as "Group".
- 4 India is emerging out of the COVID 19 pandemic and the operations have returned to normalcy during the quarter. The Group continues to monitor and assess the impact of the Pandemic on its operations and financials, including the possibility of higher defaults by customer, which however largely depends on external factors including new information on severity of the new and evolving virus variants, if any. All information available upto the date of these results have been considered and adequately dealt with in preparation and presentation of these Financial results.
- 5 The Board of Directors of the Company and the Equitas Small Finance Bank (Bank) at their respective Meetings held on March 21, 2022 approved the revised Scheme of Amalgamation (Scheme) between the Company, the Bank and their respective shareholders, after the Bank complying with the Minimum Public Shareholding (MPS) requirements through Qualified Institutions Placement (QIP) of its equity shares in February 2022. The Scheme was then 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 Company with the Bank, the Bank, without any further application, act or deed, shall issue and allot to each of the equity shareholders of the Company as on the Record Date defined in the Scheme, 231 equity Shares of ₹ 10/- each credited as fully paid up of the Bank, in respect of every 100 Equity Shares of ₹ 10/- each fully paid up held by them in the Company.

RBI vide its letter dated May 6, 2022 has conveyed its 'no-objection' to our proposal for voluntary amalgamation of the Company with the Bank. Observation letters with "No adverse observations" from the stock exchanges were received on June 10, 2022 including the observations of SEBI. Consequently, Joint application by the Company and the Bank for the Scheme has been filed under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) on June 18, 2022 seeking directions on convening Meeting of shareholders and creditors of the Company and the Bank.

Subsequently, NCLT has passed an order dated July 22, 2022 directing the Company and the Bank to convene meetings of their respective Equity shareholders and Unsecured Creditors on September 06, 2022 and Depositors holding deposits above ₹3 lakhs in the Bank on September 07, 2022. Necessary steps are being taken to convene the meetings as directed by NCLT.

- 6 Further, as per the Scheme all the assets held by the Company, including its investments in Equitas Technologies Private Limited ("ETPL") has to be transferred to and vested in the Bank. Since ETPL is not engaged in financial services, the Company is required to fully divest its investment in ETPL as mandated by RBI.

Accordingly, the Board of Directors of the Company in its Meeting held on January 07, 2022, approved sale of its entire shareholding in its Subsidiary, ETPL i.e. 2,50,00,000 equity shares. The Company received an offer from a prospective buyer for purchasing ETPL in total for a consolidated consideration of ₹ 800.00 lakhs, out of which the Company's share of consideration amounts to ₹ 796.94 lakhs. The Board in its Meeting held on May 16, 2022 accepted the offer from the prospective buyer and approved the sale of the entire investment in ETPL to the prospective buyer subject to the completion of due diligence process, finalisation and execution of necessary agreements and documents.

During the quarter, the Company has signed a Share Purchase Agreement (SPA) dated 17th June, 2022. It has since transferred the entire shareholding in the subsidiary (ETPL) on July 5, 2022 thereby complying with the conditions stipulated by RBI as part of its no objection letter dated May 6, 2022. Consequently, ETPL has ceased to be the subsidiary of the Company. Pursuant to the SPA, during the quarter, the difference of Rs. 118 lakhs between the consideration for disposal of investment and the carrying amount of assets and liabilities is recognised in the consolidated statement of profit and loss as loss on disposal under the head "other expenses". Further, subsequent to the end of the quarter, out of total consideration of ₹ 796.94 lakhs, ₹ 646.94 lakhs has been received. Balance amount of ₹ 150 lakhs is to be received within a period of six months from July 5, 2022, as per the terms of SPA.

**KARTHIK
SRINIVASAN** Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:53:35 +05'30'



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

Notes to Statement of Unaudited Consolidated Financial Results for the Quarter ended June 30, 2022

- 7 Considering the Scheme of Arrangement, in the previous year, the Board of Directors had approved the transfer of immovable properties to EDIT without consideration. Further, the cost of transfer viz., stamp duty, registration charges and such other charges as may be applicable may also be borne by the Company for giving effect to the above mentioned transfer. This has been approved by the shareholders of the Company through postal ballot, results of which were declared on December 31, 2021.

Considering the above facts, during the quarter ended 31st December, 2021, it was considered appropriate to measure these immovable properties at "Nil" value, being transfer without consideration. Accordingly, the carrying cost of these immovable properties as at 31st December 2021 of ₹ 5,319.16 lakhs and estimated cost of transfer of ₹ 800 lakhs was charged to statement of profit & loss as an exceptional item.

Pursuant to the approval of the above-mentioned transactions by the shareholders in their meeting held on 31st December 2021, the Company has formally terminated the operating lease agreements entered with EDIT with effect from 31st December 2021. Accordingly, rental income of ₹ 87.49 lakhs to the extent of rent equalisation receivable nine months ended 31st December, 2021 has been reversed in the respective quarters. Accordingly, the rent income have been restated at ₹ 17.38 lakhs for the quarter ended 30th June, 2021 and ₹ 28.72 lakhs for the quarter ended 30th September, 2021 respectively.

Accordingly, the Company has completed the transfer formalities of immovable properties upto the date of approval of these unaudited financials results for the quarter ended 30th June, 2022. Accordingly, the difference of ₹ 275.23 between estimated cost of transfer viz., stamp duty, registration charges and such other charges and actual cost incurred by the Company has been credited as an exceptional item during the quarter in the statement of profit and loss.

- 8 During the quarter ended June 30, 2022, The Bank has realised ₹ 200 lakhs from sale of Priority Sector Lending Certificates ('PSLC'). The same is amortised on a straight-line basis over the tenor of the certificate. The Bank has recognised ₹ 50 lakhs as income during the period ended June 30, 2022 and has deferred ₹ 150 lakhs of PSLC fee income.
- 9 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
- 10 Figures of the quarter ended March 31, 2022 is the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto December 31, 2021.
- 11 Amounts for the comparative periods presented have been reclassified / regrouped, wherever necessary.

**KARTHIK
SRINIVASAN**

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:53:49 +05'30'

On behalf of the Board of Directors of
Equitas Holdings Limited


John Alex
Executive Director and CEO

Place: Chennai

Date: 10 August 2022



Annexure 1

Notes to Statement of unaudited Consolidated Financial Results for the Quarter ended June 30, 2022

Segment wise Revenue, Results and Capital Employed for consolidated unaudited financial results

Particulars	Quarter ended			₹ in lakhs
	Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Year ended Mar 31, 2022
1 Segment revenue				
a. Banking	1,08,665	1,04,827	94,363	4,02,166
b. Others	30	492	537	2,324
Total Revenue	1,08,695	1,05,319	94,900	4,04,490
2 Segment results - Profit before tax and interest				
a. Banking	13,207	14,388	1,598	35,558
b. Others	21	(68)	24	(6,642)
Profit before tax	13,228	14,320	1,622	28,916
3 Segment assets				
a. Banking	28,97,152	27,56,809	25,61,938	27,56,809
b. Others	5,132	4,464	16,024	4,464
Total	29,02,284	27,61,273	25,77,962	27,61,273
4 Segment liabilities				
a. Banking	24,45,128	23,14,256	22,07,511	23,14,256
b. Others	255	1,149	442	1,149
Total	24,45,383	23,15,405	22,07,953	23,15,405
5 Capital employed (Segment Assets - Segment Liabilities)				
a. Banking	4,52,024	4,42,553	3,54,427	4,42,553
b. Others	4,877	3,315	15,582	3,315
Total	4,56,901	4,45,868	3,70,009	4,45,868

KARTHIK
SRINIVASANDigitally signed by
KARTHIK
SRINIVASAN
Date: 2022.08.10
12:54:03 +05'30'



V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Flat No.202 & 301, Satyam Cinema Complex

Ranjit Nagar Community Centre, New Delhi – 110008

Tel.(011) 25702691, 25704639; e-mail: newdelhi@vsa.co.in

Limited Review Report on unaudited financial results of Equitas Holdings Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Equitas Holdings Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Equitas Holdings Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. 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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

KARTHIK
SRINIVASAN

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:54:36 +05'30'

Other Matter

6. The unaudited financial results of the Company for the corresponding quarter ended 30 June 2021 included in the statement were reviewed by the predecessor auditor who had expressed an unmodified opinion on those financial results.

Our conclusion is not modified in respect of this matter.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

KARTHIK
SRINIVASAN

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:54:54 +05'30'

Karthik Srinivasan

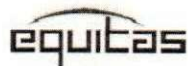
Partner

M. No. 514998

Place: New Delhi

Date: 10 August 2022

UDIN: 22514998AOSINZ9840



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

1. Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2022

Sl. No.	Particulars	₹ In lakhs			
		Standalone			
		Quarter Ended		Year Ended	
		Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Mar 31, 2022
		Unaudited	Audited (Refer note 7)	Restated Unaudited	Audited
1	Revenue				
	(a) Revenue from Operations				
	(i) Interest Income	393.47	426.87	403.60	1,624.45
	(ii) Rental income	-	-	17.38	74.82
	(iii) Net gain on fair value changes	29.63	23.94	63.17	215.55
	Total Revenue from Operations (a)	423.10	450.81	484.15	1,914.82
	(b) Other income	0.63	1.79	1.69	7.50
	Total Revenue (a)+(b)	423.73	452.60	485.84	1,922.32
2	Expenses				
	(i) Employee benefits expense	34.79	26.38	33.55	122.05
	(ii) Finance cost	0.27	0.31	0.37	1.36
	(iii) Depreciation and amortization expense	2.27	2.24	22.67	70.76
	(iv) Impairment of investment in subsidiary	-	835.06	-	835.06
	(v) Impairment on Financial Assets	-	(0.05)	-	-
	(vi) Other expenses	129.42	83.06	71.18	876.18
	Total expenses	166.75	947.00	127.77	1,905.41
3	Profit before exceptional item and tax (1)-(2)	256.98	(494.40)	358.07	16.91
4	Exceptional items (Refer note 5)	(275.23)	-	-	6,119.16
5	Profit before tax (3)-(4)	532.21	(494.40)	358.07	(6,102.25)
6	Tax expense				
	(i) Current Tax	61.45	80.46	97.52	373.29
	(ii) Deferred Tax	7.34	17.60	(0.90)	(127.14)
	(iii) Income tax for earlier years	-	(422.62)	-	(422.62)
	Total tax expense	68.79	(324.56)	96.62	(176.47)
7	Net profit/(Loss) for the period / year (5)-(6)	463.42	(169.84)	261.45	(5,925.78)
8	Other comprehensive income				
	- Items that will not be reclassified to P&L - Net of tax	(0.43)	1.66	0.12	(1.71)
	- Items that will be reclassified to P&L	-	-	-	-
	Total other comprehensive	(0.43)	1.66	0.12	(1.71)
9	Total comprehensive income (7)+(8)	462.99	(168.18)	261.57	(5,927.49)
10	Paid up Equity share Capital (FV of ₹ 10)	34,179.01	34,179.01	34,179.01	34,179.01
11	Other Equity				1,38,271.66
12	Earnings Per Share (EPS) - (Not annualised for quarter)				
	Basic ₹	0.14	(0.05)	0.08	(1.73)
	Diluted ₹	0.14	(0.05)	0.08	(1.73)

KARTHIK
SRINIVASAN

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:52:17 +05'30'



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

Notes to Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2022

- 2 The above unaudited financial results (along with the notes given below) of Equitas Holdings Limited (EHL) have been reviewed by the Audit Committee and approved by the Board of Directors of the Company, at their respective meetings held on August 10, 2022, pursuant to regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended and have been subjected to limited review by the statutory auditors of the Company.
- 3 The Board of Directors of the Company and the Equitas Small Finance Bank (Bank) at their respective Meetings held on March 21, 2022 approved the revised Scheme of Amalgamation (Scheme) between the Company, the Bank and their respective shareholders, after the Bank complying with the Minimum Public Shareholding (MPS) requirements through Qualified Institutions Placement (QIP) of its equity shares in February 2022. The Scheme was then 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 Company with the Bank, the Bank, without any further application, act or deed, shall issue and allot to each of the equity shareholders of the Company as on the Record Date defined in the Scheme, 231 equity Shares of ₹ 10/- each credited as fully paid up of the Bank, in respect of every 100 Equity Shares of ₹ 10/- each fully paid up held by them in the Company.

RBI vide its letter dated May 6, 2022 has conveyed its 'no-objection' to our proposal for voluntary amalgamation of the Company with the Bank. Observation letters with "No adverse observations" from the stock exchanges were received on June 10, 2022 including the observations of SEBI. Consequently, Joint application by the Company and the Bank for the Scheme has been filed under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) on June 18, 2022 seeking directions on convening Meeting of shareholders and creditors of the Company and the Bank.

Subsequently, NCLT has passed an order dated July 22, 2022 directing the Company and the Bank to convene meetings of their respective Equity shareholders and Unsecured Creditors on September 06, 2022 and Depositors holding deposits above ₹3 lakhs in the Bank on September 07, 2022. Necessary steps are being taken to convene the meetings as directed by NCLT.

- 4 Further, as per the Scheme all the assets held by the Company, including its investments in Equitas Technologies Private Limited ("ETPL") has to be transferred to and vested in the Bank. Since ETPL is not engaged in financial services, the Company is required to fully divest its investment in ETPL as mandated by RBI.

Accordingly, the Board of Directors of the Company in its Meeting held on January 07, 2022, approved sale of its entire shareholding in its Subsidiary, ETPL i.e. 2,50,00,000 equity shares. The Company received an offer from a prospective buyer for a consolidated consideration of ₹ 800.00 lakhs, out of which the Company's share of consideration amounts to ₹ 796.94 lakhs. The Board in its Meeting held on May 16, 2022 accepted the offer from the prospective buyer and approved the sale of the entire investment in ETPL to the prospective buyer subject to the completion of due diligence process, finalisation and execution of necessary agreements and documents

Accordingly, the Company has signed a Share Purchase Agreement (SPA) dated 17th June, 2022. It has since transferred the entire shareholding in the subsidiary (ETPL) on July 5, 2022 thereby complying with the conditions stipulated by RBI as part of its no objection letter dated May 6, 2022. Consequently, ETPL has ceased to be the subsidiary of the Company. Subsequent to the end of the quarter out of total consideration of ₹ 796.94 lakhs, ₹ 646.94 lakhs has been received. Balance amount of ₹ 150 lakhs shall be received within a period of six months from July 5, 2022. In the previous quarter, the said Investment has been classified as held for sale. Pursuant to such classification an amount of ₹ 835.06 lakhs being the difference between the carrying amount and fair value less costs to sell has been accounted as an impairment loss during the previous quarter.

**KARTHIK
SRINIVASAN**

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:52:53 +05'30'



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

Notes to Statement of Unaudited Standalone Financial Results for the Quarter ended June 30, 2022

5 Considering the Scheme of Arrangement, in the previous year, the Board of Directors had approved the transfer of immovable properties to EDIT without consideration. Further, the cost of transfer viz., stamp duty, registration charges and such other charges as may be applicable may also be borne by the Company for giving effect to the above mentioned transfer. This has been approved by the shareholders of the Company through postal ballot, results of which were declared on December 31, 2021.

Considering the above facts, during the quarter ended 31st December, 2021, it was considered appropriate to measure these immovable properties at "Nil" value, being transfer without consideration. Accordingly, the carrying cost of these immovable properties as at 31st December 2021 of ₹ 5,319.16 lakhs and estimated cost of transfer of ₹ 800 lakhs was charged to statement of profit & loss as an exceptional item.

Pursuant to the approval of the above-mentioned transactions by the shareholders in their meeting held on 31st December 2021, the Company has formally terminated the operating lease agreements entered with EDIT with effect from 31st December 2021. Accordingly, rental income of ₹ 87.49 lakhs to the extent of rent equalisation receivable nine months ended 31st December, 2021 has been reversed in the respective quarters. Accordingly, the rent income have been restated at ₹ 17.38 lakhs for the quarter ended 30th June, 2021 and ₹ 28.72 lakhs for the quarter ended 30th September, 2021 respectively.

Accordingly, the Company has completed the transfer formalities of immovable properties upto the date of approval of these unaudited financials results for the quarter ended 30th June, 2022. Accordingly, the difference of ₹ 275.23 lakhs between estimated cost of transfer viz., stamp duty, registration charges and such other charges and actual cost incurred by the Company has been credited as an exceptional item during the quarter in the statement of profit and loss.

6 The Company is primarily engaged in Core Investment operations. All the activities of the Company revolve around the main business in India. The reportable segments as per Ind AS 108 are provided in the consolidated results of the Company.

7 Figures of the quarter ended March 31, 2022 is the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto December 31, 2021.

8 Amounts for the comparative periods presented have been reclassified / regrouped, wherever necessary.

**KARTHIK
SRINIVASAN**

Digitally signed by
KARTHIK SRINIVASAN
Date: 2022.08.10
12:53:06 +05'30'

On behalf of the Board of Directors of
Equitas Holdings Limited


John Alex
Executive Director and CEO

Place : Chennai
Date : 10 August 2022

